ArcelorMittal

Annual report 2014

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Company Overview

ArcelorMittal is the world's leading integrated steel and mining company. It results from the combination in 2006 of Mittal Steel and Arcelor, which were at the time the world's largest and second largest steel companies by production volume respectively.

ArcelorMittal had sales of $79.3 billion, steel shipments of 85.1 million tonnes, crude steel production of 93.1 million tonnes, iron ore production from own mines and strategic contracts of 77.0 million tonnes and coal production from own mines and strategic contracts of 7.7 million tonnes for the year ended December 31, 2014, as compared to sales of $79.4 billion, steel shipments of 82.6 million tonnes, crude steel production of 91.2 million tonnes, iron ore production from own mines and strategic contracts of 70.1 million tonnes and coal production from own mines and strategic contracts of 8.8 million tonnes for the year ended December 31, 2013. As of December 31, 2014, ArcelorMittal had approximately 222,000 employees.

ArcelorMittal is the largest steel producer in the Americas, Africa and Europe and is the sixth largest steel producer in the CIS region. ArcelorMittal has steel-making operations in 19 countries on four continents, including 56 integrated and mini-mill steel-making facilities.

ArcelorMittal's steel-making operations have a high degree of geographic diversification. Approximately 38% of its crude steel is produced in the Americas, approximately 47% is produced in Europe and approximately 15% is produced in other countries, such as Kazakhstan, South Africa and Ukraine. In addition, ArcelorMittal's sales of steel products are spread over both developed and developing markets, which have different consumption characteristics. ArcelorMittal's mining operations, present in North and South America, Africa, Europe and the CIS region, are integrated with its global steel-making facilities and are important producers of iron ore and coal in their own right.

ArcelorMittal produces a broad range of high-quality finished and semi-finished steel products. Specifically, ArcelorMittal produces flat steel products, including sheet and plate, and long steel products, including bars, rods and structural shapes. In addition, ArcelorMittal produces pipes and tubes for various applications. ArcelorMittal sells its steel products primarily in local markets and through its centralized marketing organization to a diverse range of customers in approximately 170 countries including the automotive, appliance, engineering, construction and machinery industries. The Company also produces various types of mining products including iron ore lump, fines, concentrate and sinter feed, as well as coking, PCI and thermal coal.

ArcelorMittal has a significant and growing portfolio of raw material and mining assets, as well as certain strategic long-term contracts with external suppliers. In 2014 (assuming full shipments of iron ore at ArcelorMittal Mines Canada, Serra Azul, Andrade, Liberia and full shipments at Peña Colorada for own use), approximately 65% of ArcelorMittal's iron-ore requirements and approximately 17% of its PCI and coal requirements were supplied from its own mines or pursuant to strategic contracts at many of its operating units. The Company currently has iron ore mining activities in Algeria, Brazil, Bosnia, Canada, Kazakhstan, Liberia, Mexico, Ukraine and the United States and has prospective mining developments in Canada and India. The Company currently has coal mining activities in Kazakhstan and the United States. ArcelorMittal also has made strategic investments in order to secure access to other raw materials including manganese and ferro alloys.

Cautionary Statement Regarding Forward-Looking Statements

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

Corporate and other information

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

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

ArcelorMittal
24-26, Boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg
Telephone: +352 4792-3746

ArcelorMittal's agent for U.S. federal securities law purposes is:
ArcelorMittal USA LLC
1 South Dearborn Street, 19th floor
Chicago, Illinois 60603
United States of America
Telephone: + 1 312 899-3985

Business Overview

The following discussion and analysis should be read in conjunction with ArcelorMittal's consolidated financial statements and related notes for the year ended December 31, 2014 included in this annual report.

Key Factors Affecting Results of Operations

The steel industry, and the iron ore and coal mining industries, which provide its principal raw materials, have historically been highly cyclical. They are significantly affected by general economic conditions, as well as worldwide production capacity and fluctuations in international steel trade and tariffs. In particular, this is due to the cyclical nature of the automotive, construction, machinery and equipment and transportation industries that are the principal customers of steel. After a period of continuous growth between 2004 and 2008, the sharp fall in demand resulting from the global economic crisis

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demonstrated the steel market's vulnerability to volatility and sharp corrections. The last quarter of 2008 and the first half of 2009 were characterized by a deep slump in demand, as consumers used up existing inventories rather than buying new stock. The iron ore and steel market began a gradual recovery in the second half of 2009 that continued in most countries through 2010 and in the first three quarters of 2011, in line with global economic activity. The subsequent onset of the eurozone crisis and significant destocking caused demand to weaken during the fourth quarter of 2011. Similarly, 2012 was again characterized by early optimism and restocking but contraction in Europe and a slowdown in China caused iron ore prices to fall as did then both steel prices and margins. Global demand excluding China (ex-China) was subsequently impacted by more destocking, and, for the first time since 2009, global ex-China steel demand experienced a decline year-on-year during the fourth quarter of 2012 and the first quarter of 2013. In Europe, there was continued weakness in real steel demand, particularly in the first half of 2013 but after a significant decline in apparent steel demand during 2012, deliveries rose slightly in 2013, albeit to levels still more than 30% below the 2007 peak. Steel demand in North America actually declined slightly in 2013, but this was compared to the robust level of demand experienced during 2012.

In 2014, steel demand in the developed markets of North America and Europe, which account for a majority of ArcelorMittal deliveries, rebounded, slightly in Europe and more strongly in the United States, fuelled by the strength of underlying demand but also the inventory cycle. In comparison, demand in China has experienced different dynamics, growing strongly in 2013 when developed markets were weak but with growth in demand slowing rapidly in 2014 as a result of a weaker real estate sector and declines in newly started construction. This slowdown in demand growth has fed a surge in Chinese steel exports, which were up over 30 million tonnes in 2014 compared to 2013. While these exports are sold into many of ArcelorMittal's domestic markets, the majority is directed to Asia and not ArcelorMittal's core markets. Overall global demand ex-China is estimated to have grown almost 4% year-on-year during 2014, while it was up only 1.4% year-on-year in 2013.

ArcelorMittal's sales are predominantly derived from the sale of flat steel products, long steel products, and tubular products as well as of iron ore and coal. Prices of steel products, iron ore and coal, in general, are sensitive to changes in worldwide and regional demand, which, in turn, are affected by worldwide and country-specific economic conditions and available production capacity.

Unlike many commodities, steel is not completely fungible due to wide differences in shape, chemical composition, quality, specifications and application, all of which affect sales prices. Accordingly, there is still limited exchange trading of steel or uniform pricing, whereas there is increasing trading of steel raw materials, particularly iron ore. Commodity spot prices may vary, and therefore sales prices from exports fluctuate as a function of the worldwide balance of supply and demand at the time sales are made. ArcelorMittal's sales are made on the basis of shorter-term purchase orders as well as some longer-term contracts to some industrial customers, particularly in the automotive industry. Steel price surcharges are often implemented on steel sold pursuant to long-term contracts in order to recover increases in input costs. However, spot market steel, iron ore and coal prices and short-term contracts are more driven by market conditions.

The percentage of the Company's sales of iron ore to external customers as a percentage of overall mining sales has increased in recent years, due to the Company's increasing marketing efforts in anticipation of increasing mining production. Sales of iron ore to external parties increased in 2013, rising to 11.6 million tonnes for the year compared to 10.4 million tonnes in 2012. In 2014, sales of iron ore to external parties increased further to 14.4 million tonnes, due to rising output at Mines Canada and Liberia operations.

One of the principal factors affecting the Company's operating profitability is the relationship between raw material prices and steel selling prices. Profitability depends in part on the extent to which steel selling prices exceed raw material prices, and, in particular, the extent to which changes in raw material prices are passed through to steel selling prices. Complicating factors include the extent of the time lag between (a) the raw material price change and the steel selling price change and (b) the date of the raw material purchase and the actual sale of the steel product in which the raw material was used (average cost basis). In recent periods, steel selling prices have tended to react quickly to changes in raw material prices, due in part to the tendency of distributors to increase purchases of steel products early in a rising cycle of raw material prices and to hold back from purchasing as raw material prices decline. With respect to (b), as average cost basis is used to determine the cost of the raw materials incorporated, inventories must first be worked through before a decrease in raw material prices translates into decreased operating costs. In some of ArcelorMittal's segments, in particular Europe and NAFTA, there are several months between raw material purchases and sales of steel products incorporating those materials. Although this lag has been reduced recently by changes to the timing of pricing adjustments in iron ore contracts, it cannot be eliminated and exposes these segments' margins to changes in steel selling prices in the interim (known as a "price-cost squeeze"). In addition, decreases in steel prices may outstrip decreases in raw material costs in absolute terms, as occurred for example in the fourth quarter of 2008, the first half of 2009, the third quarter of 2012 and the second quarter of 2013.

Given this overall dynamic, the Company's operating profitability has been particularly sensitive to fluctuations in raw material prices, which have become more volatile since the iron ore industry moved away from annual benchmark pricing to quarterly pricing in 2010. In the second half of 2009 and the first half of 2010, steel selling prices followed raw material prices higher, resulting in higher operating income as the Company benefitted from higher prices while still working through relatively lower-cost raw materials inventories acquired in 2009. This was followed by a price-cost squeeze in the second half of 2010, as steel prices retreated but the Company continued to work through higher-priced raw material stocks acquired during the first half of the year. Iron ore prices have experienced significant volatility over the past few years, for example falling over 30% in October 2011 and similarly, after averaging over \$140 per tonne ("/t") cost inclusive of freight (CFR) China during the first half of 2012, falling below \$90/t by early September 2012. Iron ore prices were relatively stable in 2013, averaging \$135/t but fell again in 2014, reaching lows of \$66-69/t in December 2014. With respect to iron ore and coal supply, ArcelorMittal's growth strategy in the mining business is an important natural hedge against raw material

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price volatility. Volatility on steel margins aside, the results of the Company's mining segment is also directly impacted by iron ore prices, which were weaker in 2014, averaging \$97/t. As the mining segment's production and external sales grow, the Company's exposure to the impact of iron ore price fluctuations also increases. This means, among other things, that if iron ore prices were to remain around current levels (\$65) due to additional supply or any further significant slowdown of Chinese steel production, this would continue to have a negative impact on ArcelorMittal's revenues and profitability.

Economic Environment[1]

More than five years after the 2008/2009 global recession ended, the global recovery is far from robust. Global GDP growth picked up only marginally in 2014, to 2.6% year-on-year, from 2.5% in 2013 and 2.6% in 2012. In particular, global GDP growth in 2014 was lower than initially expected, continuing a pattern of disappointing outturns over the past several years. While activity in the United States and the United Kingdom has gained momentum as labor markets heal and monetary policy remains extremely accommodative, the recovery in the eurozone slowed due to concerns about long-term prospects, deflation risks and the unresolved sovereign debt crises. In China, the slowdown has been carefully managed. Disappointing GDP growth in other developing countries in 2014 (notably Russia and Brazil) reflected weak external demand, but also the tightening of domestic policies, political uncertainties and supply-side constraints. Oil prices also declined significantly in the second half of 2014, to below \$50 per barrel in January 2015, which is over 50% below their June 2014 peak levels. The sharp decline in oil prices is a net positive to global activity and should offset some of the headwinds to GDP growth in oil-importing economies, but damage prospects for oil-exporting countries like Russia.

In the United States, apart from a temporary contraction at the beginning of 2014, GDP growth has been strong and in the third quarter of 2014 reached its fastest pace since 2003 at 5% annualized. Overall, GDP growth is estimated to have been around 2.4% in 2014, compared to 2.2% in 2013 and 2.3% in 2012. The recovery has been supported by the highly accommodative monetary policy although the Federal Reserve gradually reduced the monthly volume of asset purchases and ceased them completely in October 2014. Improving labor markets have been marked by robust job creation (averaging 246,000 jobs per month in 2014) and gradually increasing, although relatively modest wage growth. In 2014, construction spending increased by 6.1% year-on-year as rising incomes and improving confidence supported a pick-up in non-residential construction in particular (growing by 6.9% year-on-year). Having deleveraged significantly in prior years, households have had relatively good access to credit, which has supported light vehicle sales of 16.4 million units in 2014, the strongest level of sales since 2006 in the United States, even after the weak start to the year.

Driven by a strong recovery in the United Kingdom, EU GDP increased approximately 1.3% in 2014, after stagnating in 2013 (+0.1%) and falling by 0.4% in 2012. Eurozone activity has been weak, especially in France and Italy, but the overall eurozone GDP growth increased only around 0.9% in 2014 from a contraction of -0.4% in 2013. Concerns about long-term prospects, deflation and the legacies of the economic and sovereign debt crises (especially impaired balance sheets and high unemployment) have weighed on a gradual recovery. Nevertheless, EU passenger car registrations increased to 12.5 million units in 2014, up from 11.9 million in 2013. The current account surplus in the euro area remains significant, reflecting ongoing import compression, competitiveness gains in the periphery and persistent surpluses in Germany. Despite the completion of the European Central Bank's ("ECB") Asset Quality Review, bank recapitalization and deleveraging continued to constrain bank lending. A persistent undershooting of the inflation target and the persistent risk of deflation led the ECB to announce additional easing measures beginning in June 2014. These included interest rate cuts, targeted liquidity provisions and outright purchases of covered bonds and asset-backed securities. The ECB committed to expanding its balance sheet back to 2012 levels. Expectations that the ECB would eventually have to purchase government bonds contributed to the euro depreciating versus the dollar and ending 2014 at a level more than 12% below its May peak of \$1.39. The "quantitative easing" programme announced by the ECB in January 2015 has led to a further depreciation of the euro.

In China, the impact of policy measures to contain financial vulnerabilities was mitigated by offsetting policy measures to avoid a sharper slowdown. As a result, GDP growth has slowed to around 7.4% in 2014 from 7.7% in 2013, as actions to rein in credit growth slowed the real estate market and investment. These measures were complemented by efforts to curb activity in sectors with overcapacity or that are environmentally polluting. Partly as a result of these measures, production in these sectors declined sharply. To reach its GDP growth target, the government subsequently implemented a series of targeted stimulus measures, especially in the real estate market with house prices down 2.7% in December 2014 compared to December 2013. Stimulus included support for new public infrastructure and housing projects, tax relief to small and medium-sized enterprises, and targeted cuts in the banks' required reserves. In addition, benchmark deposit and lending rates were cut in November 2014 for the first time since 2012.

GDP growth in many emerging market economies disappointed in 2014, and forecasts were repeatedly downgraded. Activity in Russia slowed further, with GDP growing only around 0.4% in 2014. Tensions with Ukraine, sanctions and falling crude oil prices interacted with a structural slowdown, capital flight and the loss of access to international capital markets, causing the Ruble to depreciate by 40% against the dollar between the end of June and the end of December 2014, despite repeated interest rate hikes and interventions in the currency markets by the central bank. In Brazil, protracted declines in commodity prices, weak growth in major trading partners, severe droughts in agricultural areas, election uncertainty, and contracting investment have contributed to stagnation in 2014, from growth of 2.5% in 2013. The central bank has raised interest rates to fight inflation and credit conditions have tightened. GDP growth slowed markedly in South Africa, constrained by strikes in the mining sector, electricity shortages, and low investor confidence. In Turkey, despite robust exports and government spending, growth slowed somewhat in 2014 as election-related uncertainties and geopolitical tensions dampened confidence and policy tightening slowed credit growth. In India, export growth has been robust, and investor confidence has been bolstered by the election of a reform-minded government. In the Middle East, the capture of large swaths of territory in Iraq and Syria by the Islamic State has raised security risks in an already fragile region. The rapid spread of the Ebola epidemic across West Africa

[1] GDP and industrial production data and estimates sourced from IHS Global Insight January 16, 2015

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has caused a human tragedy for local populations, and some economic losses.

In line with GDP growth, OECD industrial production picked up during 2014, increasing by an estimated 2.3% year-on-year. Growth continued to shift away from emerging markets towards the developed world and the United States in particular. Industrial production growth in non-OECD countries is estimated at 3.8% year-on-year in 2014, having eased back from 4.5% in 2013.

Global apparent steel consumption ("ASC") is estimated to have grown by 1.7% year-on-year. This was mainly due to world ex-China consumption rising 3.9% year-on-year, a significant increase compared to the 1.4% growth in ASC in 2013 and 0.9% in 2012. Chinese ASC growth is estimated to have declined slightly in 2014 due to substantial de-stocking over an otherwise positive (ca. 2%) real demand growth. This compares to ASC growth of 11.3% in 2013 and 2.9% in 2012. However, Chinese demand estimates are subject to change, due to significant revisions to steel production estimates, to account for under-reported output by Chinese mills.

Steel Production[2]

World crude steel production, which had bottomed in 2009 at 1.2 billion tonnes, recovered to just over 1.4 billion tonnes for the year 2010 (+15.7% year-on-year) and rose in excess of 1.5 billion tonnes in 2011 (+7.3% year-on-year). There was a further rise to 1.56 billion tonnes in 2012 and 1.60 billion tonnes in 2013, driven by Chinese growth.

Global production continued to rise in 2014, up 3.2% to 1.65 billion tonnes due to rising output in China. Chinese production is estimated to have increased from 775 million tonnes in 2013 to about 813 million tonnes in 2014 (+5.0% year-on-year), whereas world ex-China growth also increased from 827 million tonnes to 839 million tonnes (+1.5% year-on-year). However, world ex-China remains about 19 million tonnes below the pre-crisis peak of 858 million tonnes in 2007. Indeed, the only regions to have grown in comparison to 2007 are the Middle East (73.3%) and Asia ex-China (15.4%), whereas output was down 8.6% in NAFTA, 19.4% in EU28, 6.3% in South America, 15.2% in CIS and 14.7% in Africa.

Chinese steel production set yet another record of 813 million tonnes in 2014, over 66% higher than the pre-crisis output of 490 million tonnes in 2007. Output was slightly weaker during the second half of 2014 due to weakening demand conditions and falling prices but Chinese exports rose significantly in 2014 as mills global competitiveness was supported by softening iron ore prices, which helped producers avoid output cuts. Chinese output as a share of global production increased from 48.4% in 2013 to 49.2% in 2014.

Global production outside of China improved during 2014 mainly due to a rebound in Europe and NAFTA. EU output rose by 1.7% to 169 million tonnes reflecting strengthening industrial activity. In NAFTA, output increased by 2.1% to 120 million tonnes in 2014 despite reduced utilization in the USA at the start of the year due to severe weather conditions. Production in Asia ex-China also remained strong, particularly in South Korea, where output increased by 7.5% year-on-year to 71 million tonnes in 2014. Over the same period, India recorded a 2.3% increase in crude steel production to 83 million tonnes, whereas output in Japan also increased by 0.4% to 111 million tonnes. Production faltered in South America as demand weakened in Brazil, falling by 1.4% year-on-year to 45 million tonnes. In CIS, output decreased for the third consecutive year, falling by 2.8% year-on-year in 2014 to 105 million tonnes partly owing to the political tensions in Ukraine and Russia.

Steel Prices[3]

Steel prices for Flat products in Northern Europe remained steady during the first quarter of 2014, relative to the fourth quarter of 2013, with spot hot rolled coil ("HRC") prices around €445-455 ($610-620) per tonne ("/t"). In Southern Europe, prices were also stable quarter on quarter, with spot HRC prices around €425-440 ($585-610)/t. Expectations were for prices to increase during the quarter and some deals at €460 ($625)/t in Northern Europe were achieved in late February and early March 2014, but the price trend reversed by the end of the first quarter as lower raw material costs were incorporated into prices by foreign and domestic competitors. Growth in economic activity and overall steel demand continued in Europe during the second quarter of 2014; while prices stabilized despite continued downward pressure of declining iron ore prices. Spot HRC prices stabilized at a lower level of €420-430 ($575-595)/t in Northern Europe and €410-420 ($565-575)/t in Southern Europe, keeping imports relatively unattractive, despite continuously falling raw material costs. Stable economic conditions in Europe sustained demand during the third quarter, while geo-political instability in Ukraine and Euro depreciation eased pressure from imports, which helped domestic prices pick up during August/ September versus a weak July. Third quarter spot HRC in Northern Europe averaged €415-425 ($550-560)/t, while at €410-420 ($545-555)/t in Southern Europe prices were unchanged from the second quarter in Euro terms. Despite good sentiment, buyers stayed cautious during the fourth quarter, as downward raw material price pressure increased. Spot HRC prices in Northern Europe declined to €410-415 ($510-520)/t, while in Southern Europe they declined to €400-410 ($500-515)/t. The weaker Euro helped keep imports unattractive, except in Eastern Europe, with low priced offers from Russia during November and December, supported by the dramatic depreciation of the Ruble.

In the United States, steel prices during the first quarter of 2014 showed a decreasing trend from $740-760/t in January to $700/t in March, following the significant downward correction in Scrap #1 Busheling, from the high of $440 per gross tonne ("/GT") in January to $388/GT in March, despite a steady level of demand. Price increases announced by domestic producers in the United States at the beginning of April were achieved, supported by steady demand, increases in scrap cost and some supply disruptions. HRC spot prices increased by $40/t in April relative to March to $730-750/t and reached a high of $770/t in May. Market fundamentals firmed during the third quarter: apparent steel consumption improved as orders from both end-users and stockholders increased, auto sales spiked to 17.4 million SAAR in August (the highest level since January 2006) and steel capacity utilization approached 80%. However, flat rolled imports increased strongly, reaching a monthly average of 1.4 million tonnes per month versus 1.2 million tonnes per month during the second quarter, with July and September having the highest level

[2]Global production data is for all countries for which production data is collected by World Steel, annual data for many smaller countries is estimated by World Steel. The only exception is China, where the Chinese National Bureau of Statistics data is used, as initially reported. The growth rates for China compare the 2013 monthly data as reported during 2013 (774.6MT) with the monthly data reported during 2014 (813.3MT). 2013 steel production data has been revised up significantly, 2014 will also subsequently be revised, but it is impossible to say by exactly how much. ArcelorMittal's estimates of steel demand in this report include our latest estimate of 2014 steel production in China.

[3]Source: Steel Business Briefing (SBB)

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of prices in the year. Supply pressure and the stronger USD weighed on HRC prices, which declined slightly during the third quarter to $738-750/t, despite stable Scrap #1 Busheling at $397/GT. This price trend continued into the fourth quarter, under the pressure of dropping international prices (following the decline in raw material costs), and still high imports, despite the termination of the suspension agreement with Russia. This situation, coupled with weaker seasonal consumption, as well as Scrap #1 Busheling falling to $350/GT by the year end, drove fourth quarter spot HRC to $690-705/t, reaching a low of $670/t in December.

Expectations for better seasonal demand in China failed to materialize during the first half of 2014 and prices remained under heavy downward pressure due to tight credit and falling raw material costs. Spot HRC prices averaged $479/t, VAT excluded, during the first quarter of 2014 and dropped to $463/t, VAT excluded, in the second quarter of 2014. The Chinese economy decelerated during the third quarter of 2014, especially growth in industrial output. Domestic steel demand remained weak, despite the central government loosening real estate purchase restrictions, while steel production remained strong, supported by surging exports. Prices continued to decline alongside falling raw material costs, with spot HRC prices down to $449/t, VAT excluded, during the third quarter of 2014. During the fourth quarter of 2014, the central government enacted several measures to stabilize growth, but had little impact on the market, and demand stayed weak due to seasonality, resulting in a further decline of spot HRC prices to $417/t, VAT excluded.

Long products for construction saw better demand in Europe in the first half of 2014, compared to the same period of 2013, but downward pressure on pricing continued, due to falling scrap prices. Overall, rebar and medium sections prices declined since the beginning of 2014; from a peak of €480-500 ($660-680)/t in January, rebar prices fell to €450-470 ($625-645)/t by the end of the first quarter, and to €440-460 ($600-620)/t by the end of the second quarter. Similarly, prices of medium sections peaked in January 2014 at €550-570 ($755-775)/t, dropped to €515-535 ($720-740)/t by end of first quarter, and to €505-525 ($690-710)/t by the end of the second quarter. With scrap believed to have bottomed out, and supported by good seasonal demand, steel prices improved slightly in Euro terms during second half of the third quarter, but were negatively impacted in USD terms, due to the stronger US dollar. Rebar averaged €445-455 ($590-605)/t, while medium sections averaged €510-520 ($675-690)/t for the third quarter. Price trends reversed during the fourth quarter, as scrap lost €30 from October to December, with a stronger impact on rebar prices, which declined to a quarterly average of €430-440 ($540-550)/t. Medium sections prices remained stable quarter on quarter at €510-520 ($640-650)/t, but weakened to €505-515 ($625-635)/t by end of December.

Prices for USA origin scrap HMS 1&2 imported into Turkey, dropped substantially during the first months of 2014, from $400/t CFR in January to $350/t CFR by end of February, before stabilizing at around $370-380/t throughout the second quarter. Export prices for Turkish rebar followed the trend in scrap prices: after ending 2013 at $580-590/t FOB, rebar prices decreased during the first quarter to $560-570/t FOB, before remaining stable during the second quarter. The scrap price was sustained at $370-380/t CFR Turkey until mid-September, but then lost $20/t by the end of the third quarter. An accelerated drop in scrap to $300/t CFR was seen by the end of November, followed by a $15/t pick-up during December. Rebar prices reflected scrap trends, with stable export offers of $560-570/t FOB Turkey during the third quarter, but dropping to $495-510/t FOB by end of December.

Prices for industrial long products remained stable throughout the first half of 2014, around the same level as during the fourth quarter of 2013. However, without robust demand and given abundant supply, prices came under renewed pressure by the end of the second quarter of 2014, to stabilize at a slightly lower level during the third quarter. The fall in raw material costs became significantly visible in these products' offers especially starting in November, when BOF based producers passed on cost benefits to gain volumes.

Current and Anticipated Trends in Steel Production and Prices

Global steel production has seen diverging trends across different regions through 2014. Chinese production has been supported by a rapid rise in exports, over 30 million tonnes higher than 2013. However, this has had a negative impact on production in many other regions, notably the Association of Southeast Asian Nations ("ASEAN"), and Latin America where production fell 1.4% year-on-year. Demand grew strongly in developed regions during 2014, particularly the United States up over 10% year-on-year, yet domestic production rose much more slowly (+1.7% year-on-year) due to the growth of finished steel imports and production rolled from semi-finished imports rising more strongly. ArcelorMittal continues to expect growth in underlying real steel demand in the United States in 2015, but due to the strength of restocking last year, apparent steel demand is likely to be relatively stable against the high level seen last year, as is domestic steel production. In Europe, ArcelorMittal expects the gradual recovery in the steel consuming sectors to continue, and steel production is likely to be up slightly year-on-year during the first half of 2015. ArcelorMittal forecasts global steel demand growth to be between 1.5 and 2% in 2015, similar to 2014, but with slower growth in the developed markets, while growth in developing markets is expected to pick up. One exception is Russia, which is likely to enter into recession, where domestic steel demand is expected to contract in 2015 but the weak Ruble should support exports and in turn steel production. In Brazil, ArcelorMittal expects demand to improve in 2015. In China, steel production growth slowed from the strong growth observed during 2013, as domestic demand growth has weakened, but supported by the strength of steel exports. The combination of continued property market weakness and increasing trade protection slowing export growth is likely to keep steel production growth muted in the first half of 2015.

Despite the weakness of steel prices, the growth in world ex-China steel demand growth during 2014 has led to a mild increase in steel margins as steel prices have not declined as much as raw material prices, particularly iron ore. Ultimately steel prices will depend on the strength of underlying raw material prices, which are a function of both the demand and supply of each commodity, and margin over raw material costs which in turn depends upon steel supply and demand dynamics. Any significant slowdown in steel demand due to a deterioration in the debt sustainability of eurozone nations, a realization of the many geo-political risks or a hard landing in China would dampen raw material prices and steel prices globally.

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Raw Materials

The primary raw material inputs for a steelmaker are iron ore, solid fuels, metallics (e.g., scrap), alloys, electricity, natural gas and base metals. ArcelorMittal is exposed to price volatility in each of these raw materials with respect to its purchases in the spot market and under its long-term supply contracts. In the longer term, demand for raw materials is expected to continue to correlate closely with the steel market, with prices fluctuating according to supply and demand dynamics. Since most of the minerals used in the steel-making process are finite resources, they may also rise in response to any perceived scarcity of remaining accessible supplies, combined with the evolution of the pipeline of new exploration projects to replace depleted resources.

As with other commodities, the spot market prices for most raw materials used in the production of steel saw their recent lows during the global financial crisis of 2008/2009, but have since recovered with a greater degree of volatility. The main driver for the rise in input prices has been robust demand from China, the world's largest steel producing country. For example, in 2010/2011, iron ore reached high levels well above $100 per tonne (e.g. $193 on February 15-16, 2011) due to a lag in additional seaborne supply compared to increased demand for iron ore on the seaborne market, with high cost domestic iron ore in China filling the demand gap.

Until the 2008-2009 market downturn, ArcelorMittal had largely been able to reflect raw material price increases in its steel selling prices. However, from 2009 onwards, ArcelorMittal has not been able to fully pass raw materials cost increases onto customers as its steel markets are structurally oversupplied and fragmented. This has resulted in a partial decoupling of raw material costs (mainly driven by Asian market demand) from steel selling prices achieved in the European market, and consequently increased risk of margin squeeze.

Until the 2010 changes in raw materials pricing systems described below, reference prices for iron ore and coal in long-term supply contracts were set annually, and some of these contracts contained volume commitments. In the second quarter of 2010, the traditional annual reference pricing mechanism was abandoned for iron ore, with the big three iron ore suppliers (Vale, Rio Tinto and BHP Billiton) adopting a quarterly index-based pricing model. The model introduced in 2010, which operates on the basis of the average spot price for iron ore supplied to China, quoted in a regularly published iron ore index, has since been adopted by most other suppliers. The price trend as well as pricing mechanism for coking coal has followed a similar trend, with the annual reference pricing system having been replaced by a quarterly pricing system in the second quarter of 2010 and with a monthly pricing system introduced by BHP Billiton for coal from Australia in 2011. Following this transition to shorter-term pricing mechanisms that are either based on or influenced by spot prices for iron ore and coking coal imports to China, price dynamics generally have experienced shorter cycles and greater volatility. Pricing cycles were further shortened in 2012 and 2013 as high volatility of prices continued. Since 2012, quarterly and monthly pricing systems have been the main type of contract pricing mechanism, but spot purchases also appear to have gained a greater share of pricing mechanisms as steelmakers have developed strategies to benefit from increasing spot market liquidity and volatility. In 2013 as well as 2014, the trend toward shorter-term pricing cycles continued, with spot purchases further increasing their share of pricing mechanisms.

Iron Ore

Chinese demand in the seaborne iron ore market supported high spot iron ore prices during the first three quarters of 2011, within the range of $160 to $190 per tonne CFR China, before dropping and stabilizing at $140 per tonne CFR China in the fourth quarter of 2011. At $168 per tonne CFR China, the average price for 2011 was 14.2% higher than in 2010 ($147 per tonne CFR China). However, the spot iron ore price closed 2011 at $138 per tonne, i.e., $30 per tonne lower than at the end of December 2010.

In the first quarter of 2012, spot iron ore prices were stable at $143 per tonne, whereas in the second quarter of 2012, there was higher volatility with prices ranging between $132 to $150 per tonne. In the second half of 2012, spot prices per tonne ranged from $106 per tonne in late September to $144 per tonne in late December, with particularly high volatility in December. This volatility reflected economic uncertainties in Europe and significant destocking and restocking activities in China.

In the first quarter of 2013, iron ore prices increased dramatically reaching $160 per tonne in late February as a result of restocking in China before the New Year holiday and a seasonally weaker supply due to weather-related disruptions in production in Brazil and Australia. The average price for the first quarter of 2013 was at $148 per tonne. In the second quarter of 2013, iron ore prices declined significantly as a result of stock cuts stemming from uncertainties about the Chinese market outlook, reaching a low of $110 per tonne in May and averaging $126 per tonne for the quarter. In the third quarter of 2013, iron ore spot prices recovered, averaging $132 per tonne for the quarter, as a result of strong crude steel production rates in China and significant restocking at Chinese steel mills through the end of August. Despite a strong seaborne supply coming on-stream from the third quarter of 2013 onwards, the spot price remained above $130 per tonne. In the fourth quarter of 2013, the iron ore market stabilized within a range of $130 to $140 per tonne with no clear price direction as the increasing supply availability was matched with a higher demand on the winter season restock.

In the first half of 2014, iron ore spot prices declined by 31% from $134.50 per tonne on January 1, 2014 to $93.25 per tonne on June 30, 2014. This downward price trend was due to increasing supply in the seaborne market and financial weakness in the Chinese steel sector. Credit market tightness combined with stretched cash flows at Chinese mills resulted in a strong destocking trend at Chinese mills from the beginning of the year through the end of the second quarter. Rising iron ore import inventory at Chinese ports was reflective of stronger seaborne supply while real iron ore demand in the Chinese off-shore market remained relatively stable.

The downward trend continued and reached the lowest level at $66-69 per tonne in late December 2014 on continued structural iron ore oversupply and persistent strains in the credit market in China. The average spot price for the fourth quarter was $74 per tonne, or 18% lower than previous quarter at $90 per tonne. As of end of January 2015, iron ore spot prices were trading in the range of $62-69 per tonne (January 15-30, 2015, CFR China, Platts index, 62% Fe).

Coking Coal

Pricing for coking coal has been affected by changes to the seaborne pricing system, with the annual reference pricing system being replaced by a quarterly pricing system as from the second

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quarter of 2010 and with a monthly pricing system introduced by BHP Billiton for coal from Australia in 2011.

2011 was strongly influenced by the impact of the dramatic rain event in Queensland, Australia in the first quarter of 2011, resulting in most major coking coal mines declaring force majeure as a result of significant structural damage to mines and rail infrastructure. The situation progressively improved with the last mines lifting force majeure by the end of June 2011. In addition, several events in the United States, such as tornados in Alabama, reduced the availability of low volatile hard coking coal, further worsening the global shortage in this coal market segment.

In 2011, the scarcity of premium coals was reflected in the high quarterly reference price settlements for Australian hard coking coal, rising from $225 per tonne FOB Australia in the first quarter of 2011 to $330 per tonne FOB Australia in the second quarter. Thereafter, a successive improvement in supply resulted in price settlements of $315 per tonne FOB Australia in the third quarter and $285 per tonne FOB Australia in the fourth quarter. As supply was progressively restored in Australia following the rain event and demand decreased due to ongoing economic uncertainty, prices began to decrease further, with the reference price settlement for the first quarter of 2012 at $235 per tonne. The downward trend continued in the second quarter of 2012, with the reference price settled at $210 per tonne. The degree of price decline in premium coals in the second quarter of 2012 was lessened by strikes at BHP Billiton Mitsubishi Alliance ("BMA") mines.

The Australian wet season in the first half of 2012 was mild, with no significant supply disruptions (other than the strikes at BMA mines). Moreover, Australian miners had upgraded mine infrastructure to be better prepared to deal with adverse weather conditions during the wet season in Queensland. The second half of 2012 experienced sharp spot price and contract reference price reductions, with a relatively high gap between both references (spot indexes and quarterly contract settlements), with quarterly contract reference settled at $220 per tonne (FOB Australia) and $170 per tonne for the third and fourth quarters of 2012, respectively, while spot values for such quarters averaged $174 per tonne and $155 per tonne, respectively. In parallel, the spot market, as reflected by the various index providers, also decreased in 2012 in line with progressively improved supply, with a noticeable price gap between premium coal and non-premium coals. The main reason for the sharp declines in the coking coal spot price was a healthy availability of coking coal supply from traditional exporting regions (Australia, the United States and Canada) as well as from new regions, notably Mongolia and Mozambique, combined with declining import demand of Asian steelmakers as well as lower demand on the Atlantic basin due to the economic difficulties in Europe. In the fourth quarter of 2012, major seaborne suppliers of coking coal from Australia and the United States announced the closure of the least cost efficient mines in order to adjust market supply to weaker seaborne demand and to remain cost competitive in a challenging pricing environment.

The spot price for hard coking coal, FOB Australia, gradually recovered toward end of 2012, from approximately $142 per tonne at the end of September 2012 to $150 per tonne by the end of October 2012 and then back to $160 per tonne by the end of December 2012.

Throughout 2012, China continued to increase coking coal imports from Mongolia, as it had also done in 2011. It also increased imports from US and Canadian sources and remained an active player on the seaborne market.

Due to a continued strong supply and weak demand outlook, the spot coking coal market remained weak in 2013. Better-than-average supply conditions during the Australian wet season in early 2013 contributed to a decrease in hard coking coal prices in the first half of 2013, with premium coking coal prices reaching a low of $130 per tonne (FOB Australia) by the end of the second quarter. Spurred by Chinese demand, hard coking coal prices began to increase at the beginning of the third quarter of 2013, peaking at $152 per tonne in mid-September. However, despite high imports of coking coal to China, the seaborne coking coal market remained weak until the end of 2013, largely as a result of relatively weak ex-China seaborne demand, an improved supply base from Australia and strong domestic production in China. The premium coking coal spot price was $131 per tonne on December 31, 2013.

In 2013, the quarterly contract price for hard coking coal progressed from $165 per tonne in the first quarter to $172 per tonne in the second quarter, $145 per tonne in the third quarter, and $152 per tonne in the fourth quarter.

Due to the combined effects of strong Australian coking coal production performance and weaker seaborne demand in key importing regions, the coking coal spot market has been on a downward trend since the beginning of 2014. The spot price of a premium hard coking coal from Australia declined from $132-133 per tonne FOB Australia in January 2014 to $110-111 per tonne by the end of June 2014 and then stabilized in the range of $108-112 per tonne during the second half of the year. The quarterly reference contract settlement price followed this downward trend and settled at $120 per tonne for the second quarter, down $23 per tonne from the first quarter settlement price of $143 per tonne FOB Australia. The third quarter contract settlement of 2014 was a rollover of the second quarter prices of 2014, at $120 per tonne FOB Australia, and was supported by continued strong seaborne supply, mainly from Australia, and lower seaborne imports from China. The coking coal market fundamentals remained stable in the fourth quarter with stable supply and demand conditions. The reference for the fourth quarter of 2014 was settled at $119 per tonne, a decrease of $1 per tonne compared to the third quarter. The contract reference for the first quarter of 2015 was settled at $117 per tonne FOB Australia. Spot prices are trading in the range of $106.6-108.3 per tonne (January 15-30, 2015, FOB Australia HCC Peak Downs Platts index).

ArcelorMittal leveraged its full supply chain and diversified supply portfolio in terms of suppliers and origin of sources to overcome the significant supply disruptions during 2011 without any significant impact on its operations. In 2012 and 2013, ArcelorMittal further diversified its supply portfolio by adding new supply sources from emerging mines in Mozambique and Russia. In 2014, ArcelorMittal has maintained its diversified supply portfolio.

Scrap

Scrap prices have decreased throughout 2014. In Europe, the average price of scrap in 2014 has been €262 per tonne (Eurofer Index for Demolition Scrap), which was 6.1% lower than in 2013 when the average price was €279.1 per tonne. The published value of the index on February 5, 2015 was €239 per tonne. Similarly, in NAFTA the average price of scrap in 2014 was $338.5 per tonne (HMS 1&2

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FOB East Coast), which was 4.7% lower than in 2013 when the average price was $355.3 per tonne. The published value of this Index on February 5, 2015 was $250.6 per tonne. During the course of 2014, scrap prices decreased by 20.2% (from $393.0 to $313.5 per tonne: MB HMS 1&2 80:20 CFR Turkey, North European origin). The published value of this Index on February 5, 2015 was $242.2 per tonne. In 2014 as compared to 2013, the drop in the Metal Bulletin Index HMS 1&2 80:20 CFR Turkey, North European origin has been 5.5% on average, consistent with the 6.1% in local European Eurofer E3 prices.

Demand for scrap has been healthy and scrap generation has not increased significantly: scrap imports towards Turkey have remained constant with a decrease of 0.28% in 2014 as compared to 2013. This has, to some extent, been a consequence of Turkey's capacity to source iron ore based materials in order to control scrap prices. Imports of billets have been sourced from CIS and China beginning in the second half of 2014. The second and third importers are South Korea (< 1/3 as Turkey) and Italy. China takes 10th place and has decreased its imports of scrap by 41.4% as compared to 2013, mainly due to preference for iron ore in this context, plus the use of internal scrap (no exports recorded in 2013 or 2014). Regarding exports of scrap, the United States has continued to take the lead but with a continuous downtrend to 15.5MT in 2014 as compared to 18.5MT in 2013 as a result of better economic activity, which is to say, strong demand, plus a favorable €/$ exchange rate discouraging traditional exports to Turkey.

In Europe, after some volatility in the first quarter of 2014 (average price of €269 per tonne) the Eurofer E3 index remained very stable in second and third quarters, around €270 per tonne. However, there was a decrease in the fourth quarter of 2014, €25.6 per tonne on average due to alternative sourcing from Turkey. The lowest price was reached in November at €237 per tonne. In NAFTA, HMS 1&2 FOB index reacted consistently with Europe, with prices in 2014 at $345 per tonne in first quarter, $355 per tonne in second quarter, $357 per tonne in the third quarter and a final decrease to $297.8 per tonne in the fourth quarter. Beginning in the third quarter of 2014, the U.S. dollar strengthened significantly against the euro, which improved the attractiveness of scrap exports from the eurozone region relative to NAFTA.

Ferro Alloys and Base Metals

Ferro Alloys[4]
The underlying price driver for manganese alloys is the price of manganese ore which was at the level of $4.44 per dry metric tonne unit ("dmtu") (for 44% lump ore) on Cost, Insurance and Freight ("CIF") China for 2014, representing a decrease of 17% from $5.33 per dmtu in 2013 mainly due to additional supplies of manganese ore in the market in 2014.

The 2014 prices of high carbon ferro manganese decreased compared to the prior year by 0.71% from $1,127 to $1,119 per tonne, while prices of silicon manganese increased compared to the prior year by 4.09% from $1,174 to $1,222 per tonne mainly in North America. Prices for medium carbon Ferro manganese increased compared to the prior year by 2.55% from $1,644 to $1,686 per tonne.

Base Metals - Zinc[5]
Base metals used by ArcelorMittal are zinc and tin for coating, and aluminum for deoxidization of liquid steel. ArcelorMittal partially hedges its exposure to its base metal inputs in accordance with its risk management policies.

The average price of Zinc for 2014 was $2,164 per tonne, representing an increase of 13% as compared to the 2013 average of $1,909 per tonne. The low for 2014 was $1,942 per tonne on March 24, 2014 and high was $2,420 per tonne on July 25, 2014. Global Zinc metal usage was higher by 280,000 tonnes in the first 10 months of 2014 compared to production. Stocks registered at the London Metal Exchange ("LME") warehouses stood at 691,600 tonnes as of December 31, 2014, representing a decrease of 26% compared to December 31, 2013 when stocks registered stood at 933,475 tonnes, reflecting the change in LME warehousing rules in response to a surfeit in stocks and increased demand.

Energy market

Electricity
In most of the countries where ArcelorMittal operates, electricity prices have moved in line with other commodities. In North America, prices in 2014 were impacted by historically cold winter conditions in the first quarter (see "Natural Gas" below) and the potential extension of the Clean Air Act to CO2 ignited a strong debate on the future of coal power plants. In Europe, the market continues to be affected by low demand, increasing renewables capacity and energy efficiency, which resulted in keeping spot prices below or around €40 per MWh for 2014 in most European countries. Overall production capacity in Europe is comfortable in the short term but increasing environmental constraints and low market prices are pushing utilities to close recent gas and oldest coal power plants. This market price driven cut is inconsistent with the need of more flexible power generation required to cope with increasingly intermittent renewables capacity and is therefore fueling "capacity market" debates and other market mechanisms that could be needed to guarantee the required investments ensuring security of supply.

Power plant fuel prices (coal, gas or fuel oil) have decreased sharply over the last months of 2014 resulting in short and longer term pressure on electricity prices which are reaching minimum levels. In absence of increasing demand, the only positive signal in the short term would likely be from policy decisions on capacity markets or in CO2 markets, where the market stability reserve intended to rebalance the existing long term market could be implemented soon.

Natural Gas
Natural gas is priced regionally. European prices were historically linked with petroleum prices but continuous spot market development and increasing liquidity are now prevailing in almost all countries except in poorly integrated markets (e.g., Spain, Portugal) or markets in transition from a tariff based system (e.g., Poland). With increasing LNG flows in Spain, definitive movement towards a more liquid and integrated market could be experienced earlier than expected.

This trend is reducing the correlation and sensibility of the Western European market to oil price volatility. North American natural gas prices trade independently of oil prices and are set by spot and future contracts, traded on the NYMEX exchange or over-the-counter. Elsewhere, prices are set on an oil derivative or bilateral basis, depending on local market conditions. International oil prices are dominated by global supply and demand conditions and are also influenced by geopolitical factors.

In 2014, the LNG market has continued to grow in Asia, although at a slower pace than in 2013, so that excess supply is developing in that market as new liquefaction capacities are coming on stream or ramping up from Australia, Papuasia and Malaysia.

[4] Prices for high grade manganese ore are typically quoted for ore with 44% manganese content.
[5] Prices included in this section are based on the London Metal Exchange (LME) cash price.

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Increasing supply (due to, among other things, North America shale oil and a lack of OPEC discipline) and lower demand than expected (due to, among other things, a China soft landing) pushed oil prices down which in return triggered two effects: i) Asian oil indexed LNG prices were down (from $18 down to $9/MM British thermal unit ("BTU") during 2014), closing the arbitrage window between Europe and Asia during the fourth quarter of 2014, and ii) European LNG stopped being re-routed to Asia, resulting in increased supply in a continuously depressed market and pushing gas prices down year on year from $10.5 in 2013 to $7.5/MMbtu in 2014, with downward pressure continuing into 2015.

Indeed, the premium related to the risk of gas flow disruption disappeared with the agreement between Russia and Ukraine on the gas price and debt repayment in addition to the reverse flow implementation from Western Europe to Ukraine. In addition to demand being low as a result of Europe's mild start of winter, prices are expected to continue decreasing.

In the United States, despite the coldest winter in decades (2013-2014), unconventional gas production proved more than robust, and despite the lowest storage ever seen in April 2014, storage levels were back to the 5 year average level (2,853 bcf) in early 2015. Therefore, steam coal continues to be challenged as a fuel to produce power, and projects to build liquefaction facilities for export to Europe or Asia continue to be developed, with production expected to start in early 2016 and potentially pushing US gas prices up to keep up with the new export demand. In this context, natural gas prices in North American markets have continued to increase from 2012 lows, averaging in 2014 at around $4.2 per MMBtu, up from $3.7 per MMBtu in 2013. With storage recovery and high market confidence in the ability to meet demand, prices began to decrease in the fourth quarter of 2014 to $3 per MMBtu.

Ocean Freight[6]

The shipping market generally exceeded expectations in the first half of the year, in a period which is usually known to endure seasonal restrictions, due to a strength seen in Australian exports. Total iron ore imports by China were up 19% year on year, as iron ore prices dropped. However, coal and other sectors such as grain didn't see as much growth and especially as congestion eased, the result was an improved vessel turnaround and increased efficiency in ports.

Rates were expected to recover in the second half of 2014 as a result of increased Brazilian shipments, however, the recovery never materialized and Chinese demand waned. As a result, rates primarily remained at low levels throughout the second half of the year seeing only small periods of temporary strength. The Baltic Dry Index averaged at 1,105 points, an 8% decrease as compared to 2013.

Chinese demand for both iron ore and coal was weaker than expected and even government measures did not allow sustained recovery. Although Australian exports did well in the first half of 2014, they suffered in the second half of the year as a direct result of the slowdown in Chinese demand. Meanwhile, bunker fuel prices fell this year, especially in the second half of the year and this aided in keeping freight rates low. Capesize rates averaged at $13,800 per day, a 5% decrease as compared to 2013.

The smaller vessels saw less significant growth as the sector faced some resistance as a result of the Indonesian ban on bauxite and nickel ore exports, delayed South American grain exports and a weaker coal trade. Panamax rates averaged at $7,718 per day, a 19% decrease compared to 2013.

Impact of Exchange Rate Movements

During 2014, mainly two different periods and market conditions have been seen. Aside from the Ukrainian Hryvnia and the Kazakhstani tenge devaluations against the U.S. dollar, in the beginning of 2014, there was a low volatility period where the €/$ exchange rate remained within the range of 1.35 - 1.40 and emerging countries started their recovery with evidence of adjustments. However, at the end of the second quarter of 2014, geopolitical conflicts, monetary policy divergence, very low oil prices as well as a strong demand for the U.S. dollar started to have a negative impact on a number of currencies, especially in jurisdictions where ArcelorMittal operates. Russia and Ukraine are two examples where geopolitical tensions and low oil prices weighed heavily on the two economies and their currencies. The Russian ruble and Ukrainian hryvnia depreciated respectively by 150% and 90% over 12 months. The Mexican peso (-15%) and Brazilian real (-25%) were also hurt by the strong demand for the U.S. dollar and decline in energy prices. The South African rand reached a five year low in this global context coupled with poor economic outlook. In June 2014, volatility of the €/$ exchange rate came back and the euro depreciated against the U.S. dollar to its lowest level of the year at 1.21 in December.

Because a substantial portion of ArcelorMittal's assets, liabilities, sales and earnings are denominated in currencies other than the U.S. dollar (its reporting currency), ArcelorMittal has exposure to fluctuations in the values of these currencies relative to the U.S. dollar. These currency fluctuations, especially the fluctuation of the U.S. dollar relative to the euro, as well as fluctuations in the currencies of the other countries in which ArcelorMittal has significant operations and sales, can have a material impact on its results of operations. In order to minimize its currency exposure, ArcelorMittal enters into hedging transactions to lock-in a set exchange rate, as per its risk management policies.

In June 2008, ArcelorMittal entered into a transaction in order to hedge U.S. dollar-denominated raw material purchases until 2012. The hedge involved a combination of forward contracts and options that initially covered between 60% to 75% of the dollar outflow from the Company's European subsidiaries based on then-current raw materials prices, amounting to approximately $20 billion. The transaction was unwound during the fourth quarter of 2008, resulting in a deferred gain of approximately $2.6 billion recorded in equity and of $349 million recorded in operating income. The gain recorded in equity along with the recording of hedged expenses was recycled in the consolidated statements of operations during the period from 2009 through the first quarter of 2013; of this amount, $92 million was recorded as the final installment of the unwinding within cost of sales for the first quarter of 2013, compared to $566 million for the year ended December 31, 2012. See Note 18 to ArcelorMittal's consolidated financial statements.

Trade and Import Competition

Europe[7]

Import competition in the EU28 steel market reached a high of 38.0 million tonnes of finished goods during 2007, equal to 18.6% of steel demand. As demand decreased,

[6] Source: Baltic Daily Index, Clarksons Shipping Intelligence Network, LBH, Fearnleys, RS Platou.
[7] Source: Eurostat trade data to October 2014, estimates for November and December 2014.

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imports also declined, reaching a low of 15.3 million tonnes in 2009, equal to an import penetration ratio (ratio of imports to market supply) of 13.3%. Since 2009, import levels have grown but, depending on the level of demand, import ratios have fluctuated.

In 2012, steel demand in Europe declined, but imports fell more sharply to 16.6 million tonnes, down 28.7% year-on-year, resulting in a penetration ratio of only 12.0% for 2012.

In 2013, despite a slight decline in steel demand, imports rose, particularly from China, Russia and Turkey, to total approximately 18.4 million tonnes in 2013, or 10.5% higher than in 2012. As a result, the penetration ratio increased to 13.1% for the year.

In 2014, finished steel imports are estimated to have increased by 19.0% year-on-year to around 21.9 million tonnes with the growth mainly due to increased shipments originating mainly from the Commonwealth of Independent States (CIS) and China. However, finished steel demand also strengthened, rising by an estimated 3.5%. As a result, the import penetration rate for 2014 is estimated to have risen to approximately 15.1%.

United States[8]
After reaching a record level of 32.6 million tonnes in 2006, or an import penetration ratio of 26.9%, total finished imports bottomed at 12.9 million tonnes in 2009, representing an import penetration ratio of 21.8%. Over the next two years, imports rose to 19.8 million tonnes in 2011 but import penetration remained relatively stable at 21.8%, due to stronger finished steel consumption.

Steel demand rose strongly in 2012 as did steel imports, rising to an import penetration of 23.2%. As demand weakened during 2013, finished steel imports and in particular pipe and tube, fell 3.9% year-on-year to an import penetration of 23.2%.

During 2014, finished steel imports were up 34.2% year-on-year, to 30.2 million tonnes, the highest level since 2006. Penetration increased to 28.1%, again the highest level since 2006, with imports the major reason for the 10.3% increase in apparent steel demand during 2014. Overall steel imports were up 37.3% during 2014, as imports of semis increased by over 58.5% year-on-year.

Consolidation in the Steel and Mining Industries
The global steel and mining industries have experienced a consolidation trend over the past ten years. After pausing during the credit crisis and global economic downturn of 2008-2009, merger and acquisition activity of various steel and mining players, including Chinese and Indian companies, has increased at a rapid pace. However, given the current economic uncertainties in the developed economies, combined with a slowdown in emerging regions such as China and India, consolidation transactions decreased significantly in terms of number and value in the past two years and this trend is expected to continue in 2015, unless and until prices stabilize and supply and demand balance out in the context of worldwide structural overcapacity.

Apart from Mittal Steel's acquisition of Arcelor in 2006 and their merger in 2007, notable mergers and acquisitions in the steel business in recent years include the merger of Tata Steel and Corus (itself the result of a merger between British Steel and Hoogovens); U.S. Steel's acquisitions in Slovakia and Serbia; Evraz and Severstal's acquisitions in North America, Europe and South America; and expansion in North and South America by Brazilian steel company Gerdau. Most recently, on October 1, 2012, Japanese steelmakers Nippon Steel Corp. and Sumitomo Metals Industries Ltd. completed their merger and created the world's second-largest steel company. On December 28, 2012, Outokumpu and Inoxum, ThyssenKrupp's stainless steel division, completed their merger in order to create the worldwide leader in stainless steel.

As developed markets continued to present fewer opportunities for consolidation, steel industry consolidation also began to slow down substantially in China in 2012. Despite being a key initiative of the five-year plan issued in March 2011, the concentration process of the steel industry that is expected to reduce overcapacity, rationalize steel production based on obsolete technology, improve energy efficiency, achieve environmental targets and strengthen the bargaining position of Chinese steel companies in price negotiations for iron ore declined as a result of the slowing economy. This situation could affect the Chinese government's objective for the top ten Chinese steel producers to account for 60% of national production by 2015 and for at least two producers to reach 100 million tonne capacity in the next few years. However, the Chinese government is considering scrapping a ban on overseas control imposed in 2005, enabling non-Chinese companies to make acquisitions in China, which could drive merger and acquisition activity if implemented.

Merger and acquisition activity is expected to remain active in the Indian steel and mining industry though at a slower pace considering the current economic slowdown. The country has become the world's third largest steel consumer after China and the United States and is expected to become soon the world's second largest steel producer worldwide. The integration of Ispat Industries into JSW Steel was a major consolidation step in 2010.

Recent and expected future industry consolidation should foster the ability of the steel industry to maintain more consistent performance through industry cycles by achieving greater efficiencies and economies of scale, and should lead to improved bargaining power relative to customers and, crucially, suppliers, which tend to have a higher level of consolidation. The wave of steel industry consolidation in the previous years has followed the lead of raw materials suppliers, which occurred in an environment of rising prices for iron ore and most other minerals used in the steel-making process. The merger of Cliffs Natural Resources and Consolidated Thompson in 2011 was a significant consolidation move in North America which, at the same time, strengthened vertical relationships into the Chinese steel market. In the context of volatile prices and an overall decline since 2011, which is expected to continue in 2015 given the large additional supply expected to come on line, iron ore producers continue to seek consolidation that would strengthen their options whatever the direction of future price trends. There are still only four primary iron ore suppliers in the world market. Consolidation among other mining companies has continued, as evidenced by the completion of the merger between Xstrata and Glencore on May 2, 2013.

Key Indicators

The key performance indicators that ArcelorMittal's management uses to analyze operations are sales, average steel selling prices, steel shipments, iron ore and coal production and operating income. Management's analysis of liquidity and capital resources is driven by operating cash flows.

[8] Source: U.S. Department of Commerce, customs census data up to November 2014 and December 2014 estimated using import license data.

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Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Sales, Steel Shipments, Average Steel Selling Prices and Mining Production

The following tables provide a summary of ArcelorMittal's sales, steel shipments, changes in average steel selling prices by reportable segment and mining (iron ore and coal) production and shipments for the year ended December 31, 2014 as compared to the year ended December 31, 2013:

	Sales for the Year ended December 31[1]		Steel Shipments for the Year ended December 31[2]		Changes in		
Segment	2013 (in $ millions)	2014 (in $ millions)	2013 (thousands of MT)	2014 (thousands of MT)	Sales (%)	Steel Shipments (%)	Average Steel Selling Price (%)
NAFTA	19,645	21,162	22,500	23,074	8	3	2
Brazil	10,148	10,037	9,797	10,376	(1)	6	(8)
Europe	40,507	39,552	38,269	39,639	(2)	4	(4)
ACIS	8,419	8,268	12,422	12,833	(2)	3	(6)
Mining	5,766	4,970	N/A	N/A	(14)	N/A	N/A
Total	79,440	79,282	82,610	85,125	-	3	(3)

[1] Amounts are prior to inter-company eliminations (except for total) and sales include non-steel sales.
[2] Amounts are prior to inter-segment eliminations (except for total).

Mining shipments (million tonnes)[1]	Year ended December 31, 2013	Year ended December 31, 2014
Iron ore shipped externally	11.60	14.36
Iron ore shipped internally and reported at market price [3]	23.50	25.40
Iron ore shipped externally and internally and reported at market price [3]	35.10	39.76
Iron ore shipped internally and reported at cost-plus [3]	24.40	23.92
Total iron ore shipments [2]	59.60	63.68
Coal shipped externally	3.26	1.84
Coal shipped internally and reported at market price [3]	1.58	2.09
Coal shipped externally and internally and reported at market price [3]	4.84	3.93
Coal shipped internally and reported at cost-plus [3]	2.88	3.29
Total coal shipments [4]	7.72	7.22

[1] There are three categories of sales: (1) "External sales": mined product sold to third parties at market price; (2) "Market-priced tonnes": internal sales of mined product to ArcelorMittal facilities reported at prevailing market prices; (3) "Cost-plus tonnes": internal sales of mined product to ArcelorMittal facilities on a cost-plus basis. The determinant of whether internal sales are reported at market price or reported at cost-plus is whether or not the raw material could practically be sold to third parties (i.e., there is a potential market for the product and logistics exist to access that market).
[2] Total of all finished products of fines, concentrate, pellets and lumps and includes tonnes shipped externally and internally and reported at market price as well as tonnes shipped internally on a cost-plus basis.
[3] Market-priced tonnes represent amounts of iron ore and coal from ArcelorMittal mines that could practically be sold to third parties. Market-priced tonnes that are transferred from the Mining segment to the Company's steel producing segments are reported at the prevailing market price. Shipments of raw materials that do not constitute market-priced tonnes are transferred internally on a cost-plus basis.
[4] Total of all finished products of coal and includes tonnes shipped externally and internally and reported at market price as well as tonnes shipped internally on a cost-plus basis.

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Iron ore production (million metric tonnes)[1]	Type	Product	Year ended December 31, 2013	Year ended December 31, 2014
Own mines				
North America[2]	Open pit	Concentrate, lump, fines and pellets	32.5	37.3
South America	Open pit	Lump and fines	3.9	4.5
Europe	Open pit	Concentrate and lump	2.1	2.1
Africa	Open pit / Underground	Fines	4.8	5.5
Asia, CIS & Other	Open pit / Underground	Concentrate, lump, fines and sinter feed	15.0	14.5
Total own iron ore production			58.4	63.9
Strategic long-term contracts - iron ore				
North America[3]	Open pit	Pellets	7.0	8.2
Africa[4]	Open pit	Lump and fines	4.7	4.9
Total strategic long-term contracts - iron ore			11.7	13.1
Total			70.1	77.0

1 Total of all finished production of fines, concentrate, pellets and lumps.
2 Includes own mines and share of production from Hibbing (United States, 62.30%) and Peña (Mexico, 50%).
3 Consists of a long-term supply contract with Cleveland Cliffs for purchases made at a previously set price, adjusted for changes in certain steel prices and inflation factors.
4 Includes purchases under an interim strategic agreement with Sishen Iron Ore Company (Proprietary) Limited ("SIOC") which was extended on December 13, 2012 and became effective on January 1, 2013, pursuant to which SIOC supplied a maximum annual volume of 4.8 million tonnes of iron ore at a weighted average price of $65 per tonne. On November 5, 2013, ArcelorMittal and SIOC entered into an agreement establishing long-term pricing arrangements for the supply of iron ore by SIOC to ArcelorMittal. Pursuant to the terms of the agreement, which became effective on January 1, 2014, ArcelorMittal may purchase from SIOC up to 6.25 million tonnes iron ore per year, complying with agreed specifications and lump-fine ratios. The price of iron ore sold to ArcelorMittal by SIOC is determined by reference to the cost (including capital costs) associated with the production of iron ore from the DMS Plant at the Sishen mine plus a margin of 20%, subject to a ceiling price equal to the Sishen Export Parity Price at the mine gate. While all prices are referenced to Sishen mine costs (plus 20%) from 2016, the parties agreed to a different price for certain pre-determined quantities of iron ore for the first two years of the 2014 Agreement.

Coal production (million metric tonnes)	Year ended December 31, 2013	Year ended December 31, 2014
Own mines		
North America	2.62	2.04
Asia, CIS & Other	5.43	4.98
Total own coal production	8.05	7.02
North America[1]	0.37	0.37
Africa[2]	0.42	0.31
Total strategic long-term contracts - coal	0.79	0.68
Total	8.84	7.70

1 Includes strategic agreement - prices on a fixed price basis.
2 Includes long term lease - prices on a cost-plus basis.

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ArcelorMittal had sales of $79.3 billion for the year ended December 31, 2014, representing a marginal decrease from sales of $79.4 billion for the year ended December 31, 2013, primarily due to lower average steel selling prices (which were down 3%) and lower seaborne iron ore reference prices (which were down 28.4%) despite higher steel shipments (which were up 3%) and marketable iron ore shipments (which were up 13.2%). In the first half of 2014, sales of $40.5 billion represented a 1.5% increase from sales of $39.9 billion in the first half of 2013, primarily due to an increase in steel shipments, partially offset by a decrease in average steel selling prices. In the second half of 2014, sales of $38.8 billion represented a marginal decrease from sales of $39.5 billion in the second half of 2013 primarily driven by a drop in average steel prices of 4%, partially offset by an increase in steel shipments of 4%.

ArcelorMittal had steel shipments of 85.1 million tonnes for the year ended December 31, 2014, representing an increase of 3% from steel shipments of 82.6 million tonnes for the year ended December 31, 2013. Average steel selling price for the year ended December 31, 2014 decreased 3% compared to the year ended December 31, 2013, following weakness in raw material prices. Average steel selling price in the first half of 2014 decreased by 2% from the same period in 2013, while average steel selling price in the second half of the year was down 4% from the same period in 2013.

ArcelorMittal had own iron ore production of 63.9 million tonnes for the year ended December 31, 2014, an increase of 9.4%, as compared to 58.4 million tonnes for the year ended December 31, 2013. ArcelorMittal had own coking coal production of 7.0 million tonnes for the year ended December 31, 2014, a decrease of 13.6%, as compared to 8.1 million tonnes for the year ended December 31, 2013. The increase in iron ore production was driven primarily by Canada as a result of the ramp up post expansion project. The decrease in coal production was primarily due to very difficult geological conditions that limited underground extraction in the Company's Russian coal operations and lower production in the Company's USA coal operations (Princeton).

NAFTA
Sales in the NAFTA segment were $21.2 billion for the year ended December 31, 2014 representing an increase of 8% as compared to $19.6 billion for the year ended December 31, 2013. Sales increased primarily due to a 2% increase in average steel selling prices and a 3% increase in steel shipments. Sales in the first half of 2014 were $10.4 billion, up 7% from the same period in 2013 primarily driven by a 4% increase in steel shipments and 1% increase in average steel selling prices. In the second half of the year sales were $10.8 billion, up 8% from the same period in 2013, primarily driven by slab sales to Calvert, a 1.5% increase in shipments and a 2% increase in average steel selling prices.

Total steel shipments were 23.1 million tonnes for the year ended December 31, 2014, representing a 3% increase compared to the year ended December 31, 2013. Shipments were 11.4 million tonnes in the first half of 2014, up 4% from the same period in 2013, while shipments in the second half of the year were 11.7 million tonnes, up 1.5% from the same period in 2013. Steel shipments for the first half of 2013 were negatively affected by labor issues at Burns Harbor and operational incidents at Indiana Harbor East and West, for which reductions in inventory and supplies from other NAFTA units partially mitigated the market impact. The increase in the second half of 2014 reflected improved demand.

Average steel selling price increased 2% for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Average steel selling price in the first half of 2014 increased 1% from the same period in 2013, as well as average steel selling price in the second half of the year which was higher by 2%, as compared to the same period in 2013, although average steel selling price in the fourth quarter of 2014 was relatively flat as compared to the fourth quarter of 2013.

Brazil
In the Brazil segment, sales were $10.0 billion for the year ended December 31, 2014 which represented a 1% decrease as compared to the year ended December 31, 2013. Sales in the first half of 2014 were $4.8 billion, down 6% from the same period in 2013, while sales in the second half of the year were $5.2 billion, up 4% from the same period in 2013.

Total steel shipments reached 10.4 million tonnes for the year ended December 31, 2014, which was a 6% increase from steel shipments for the year ended December 31, 2013. Shipments were 4.6 million tonnes in the first half of 2014, which was down 5% compared to the same period in 2013, primarily due to operational issues in the hot strip mill in Tubarão, while shipments in the second half of the year were up by 17% as compared to the second half of 2013, primarily due to higher exports of slab shipments from Brazil after blast furnace No. 3 was restarted at Tubarão.

Average steel selling price decreased 8% for the year ended December 31, 2014 as compared to the year ended December 31, 2013 primarily due to a mix impact (higher slab shipments) following the restart of blast furnace No. 3 at Tubarão. Average steel selling price in the first half of 2014 was down 3% from the same period in 2013, driven by a decrease in global steel prices, currency devaluation in Brazil, Argentina and Venezuela. The average steel selling price in the second half of the year was down 12% from the same period in 2013 due to the mix impact described above.

Europe
Sales in the Europe segment were $39.6 billion for the year ended December 31, 2014, representing a decrease of 2% as compared to $40.5 billion for the year ended December 31, 2013. The decrease was primarily due to a 4% decrease in average steel selling price while steel shipments increased by 4%. Sales in the first half of 2014 were $20.8 billion, remaining relatively flat compared to the same period in 2013, and in the second half of the year sales were $18.8 billion, a decrease of 5% compared to the same period in 2013. The decrease was primarily related lower average steel selling prices.

Total steel shipments were 39.6 million tonnes for the year ended December 31, 2014, an increase of 4% from steel shipments for the year ended December 31, 2013. Shipments were 20.2 million tonnes in the first half of 2014, up 3% from the same period in 2013, while shipments in the second half of the year were 19.4 million tonnes, up 4% from the same period in 2013. The increase in the first and second half of 2014 was primarily driven by improved demand compared to the first half of 2013.

Average steel selling price decreased 4% for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Average steel selling price in the first half of 2014 and in the second half of 2014 were down 1% and 7%, respectively, as compared to the first and second half of 2013, mainly due to the decreasing trend in raw material prices.

ACIS
In the ACIS segment, sales were $8.3 billion for the year ended December 31, 2014, representing a decrease of 2% from sales of $8.4 billion for the year ended December 31, 2013. The decrease was primarily due to a 6% decrease in average selling price (in all three units), partially offset by an increase in shipments of 3%. Sales in the first half of 2014 remained relatively flat at $4.3 billion compared to the same period in 2013, while sales in the second half of the year were $4.0 billion, down 4% from the same period in 2013.

Total steel shipments reached 12.8 million tonnes for the year ended December 31, 2014, an increase of 3% from steel shipments for the year ended December 31, 2013. Steel shipments were 6.5 million tonnes in the first half of 2014, up 5% from the same period in 2013. Steel shipments for the first half of 2014 were positively impacted by improved shipments in Kazakhstan with stable operations, while steel

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shipments for the first half of 2013 were negatively affected by lower volumes in South Africa, caused by fire disruption at the Vanderbijlpark site, and Kazakhstan. In the second half of 2014, steel shipments were 6.3 million tonnes and represented a 2% increase compared to the same period in 2013, primarily as a result of higher shipments from CIS countries.

Average steel selling price decreased 6% for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This decrease was mainly related to lower average steel selling prices in all three units. Average steel selling price in the first half of 2014 was down 7% from the same period in 2013, primarily due to lower international prices driven by lower raw material prices, and partially due to currency devaluation, as well as the second half of the year when average steel selling prices were down 5% compared to the same period in 2013.

Mining

In the Mining segment, sales were $5.0 billion for the year ended December 31, 2014, representing a decrease of 14% from sales of $5.8 billion for the year ended December 31, 2013. The decrease was primarily due to lower seaborne iron ore market prices which were down 28% (average year-on-year), partially offset by higher marketable iron ore shipments due to higher shipments from the Company's Canadian operations following the successful commissioning and ramp-up of the expanded concentrator. Sales in the first half of 2014 were $2.64 billion, up 3.5% from the same period in 2013, while sales in the second half of the year were $2.33 billion, down 28% from the same period in 2013.

Sales to external customers were $1.3 billion for the year ended December 31, 2014, representing a decrease of 20% from $1.7 billion for the year ended December 31, 2013. Iron ore shipments to external customers increased 24% from 11.6 million tonnes in 2013 to 14.4 million tonnes in 2014, while coal shipments to external customers decreased by 44% from 3.26 million tonnes to 1.84 million tonnes. The increase in the volume of external sales for iron ore was primarily due to higher shipments from the Company's Canadian operations. In the second half of 2014, iron ore shipments to external customers were 14% higher than in the first half primarily as a result of higher shipments from the Company's Canadian operations. The increase in volume of sales to external customers for iron ore was more than offset by the substantial decrease in the market price of iron ore and coal. The decrease in coal shipments to external customers was primarily due to very difficult geological conditions that limited underground extraction in the Company's Russian coal operations and lower external sales from Kazakhstan due to a change in mix between internal and external sales. With respect to prices, for example, the average reference iron ore price was $96.7 per tonne in 2014 as compared to $135.2 per tonne in 2013 (CFR China 62% Fe, Platts Index) and the average reference price for hard coking coal decreased to $114.44 per tonne in 2014 as compared to $148.12 per tonne in 2013 (FOB Australia HCC Peak Downs, Platts Index). The decrease in the average reference iron ore price accelerated in the second half of 2014, with prices down 38% compared to the second half of 2013, while prices were only down 19% in the first half of 2014 compared to the first half of 2013. It should be noted, however, that there may not be a direct correlation between reference prices and actual selling prices in various regions at a given time.

Operating Income (Loss)

The following table provides a summary of operating income (loss) and operating margin of ArcelorMittal for the year ended December 31, 2014, as compared with operating income and operating margin for the year ended December 31, 2013:

	Operating Income (Loss)		Operating Margin	
Segment	for the Year ended December 31, 2013 (in $ millions)[1]	for the Year ended December 31, 2014 (in $ millions)	2013 (%)	2014 (%)
NAFTA	630	386	3	2
Brazil	1,204	1,388	12	14
Europe	(985)	737	(2)	2
ACIS	(457)	95	(5)	1
Mining	1,176	565	20	11
Total adjustments to segment operating income and other [2]	(371)	(137)		
Total consolidated operating income	1,197	3,034		

[1] Segment amounts are prior to inter-segment eliminations.
[2] Total adjustments to segment operating income and other reflects certain adjustments made to operating income of the segments to reflect corporate costs, income from non-steel operations (e.g. energy, logistics and shipping services) and the elimination of stock margins between the segments. See table below.

	for the Year ended December 31, 2013 (in $ millions)	for the Year ended December 31, 2014 (in $ millions)
Corporate and shared services [1]	(207)	(132)
Financial activities	(12)	(16)
Shipping and logistics	(29)	(30)
Intragroup stock margin eliminations [2]	(73)	109
Depreciation and impairment	(50)	(68)
Total adjustments to segment operating income and other	(371)	(137)

[1] Includes primarily staff and other holding costs and results from shared service activities.
[2] In 2014, as compared to 2013, margins decreased as a result of low iron ore prices leading to a reduction in intragroup-margin eliminations.

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ArcelorMittal's operating income for the year ended December 31, 2014 was $3.0 billion, as compared with an operating income of $1.2 billion for the year ended December 31, 2013. Operating income in 2014 was negatively impacted by a $90 million charge following the settlement of antitrust litigation in the United States and a $76 million charge for onerous supply contract provisions primarily for tin coated products at Weirton in the United States (NAFTA) offset in part by a $79 million gain on the disposal of the Kuzbass coal mines (Mining). Operating income for the year ended December 31, 2014 was positively affected by a decrease in depreciation (from $4.7 billion for the year ended December 31, 2013 to $3.9 billion for the year ended December 31, 2014) as a result of a change in useful lives of plant and equipment. The Company performed a review of the useful lives of its assets and determined its maintenance and operating practices enabled a change in the useful lives of plant and equipment. As a result, certain of the Company's existing assets have been and will be used longer than previously anticipated and therefore, the estimated useful lives of certain plant and equipment have been lengthened prospectively. In addition, operating income for year ended December 31, 2014 was negatively affected by impairment charges of $264 million, of which $114 million primarily related to the idling of the steel shop and rolling facilities of the Indiana Harbor Long carbon operations in the United States (NAFTA), $63 million relating to the impairment of the Volcan iron ore mine in Mexico (Mining) due to a short residual life of the mine and $57 million related to the idling of mill C in Rodange, Luxembourg (Europe segment).

Operating income was $2.5 billion for the first nine months of 2014, which was a 108% increase from $1.2 billion for the first nine months of 2013, while the operating income in the fourth quarter of 2014 was $569 million and represented a significant improvement over the operating loss recorded in the fourth quarter of 2013 for $36 million. The fourth quarter of 2014 was impacted by all of the gains and charges mentioned above except for the $90 million charge following the settlement of antitrust litigation in the United States which was recognized in the second quarter of 2014. The fourth quarter of 2013 was negatively affected by impairment losses and restructuring charges of $0.7 billion.

Cost of sales consists primarily of purchases of raw materials necessary for steel-making (iron ore, coke and coking coal, scrap and alloys), electricity, repair and maintenance costs, as well as direct labor costs, depreciation and impairment. Cost of sales for the year ended December 31, 2014 was $73.3 billion as compared to $75.2 billion for the year ended December 31, 2013. Cost of sales for the year ended December 31, 2014 was positively affected by a decrease in depreciation following a change in the useful lives of certain property plant and equipment as described earlier and a decline in raw material prices. Cost of sales for the year ended December 31, 2013 was negatively affected by impairment losses of $0.4 billion and restructuring charges for $0.6 billion. Selling, general and administrative expenses ("SG&A") were stable at $3.0 billion for the year ended December 31, 2014 and 2013. SG&A remained relatively stable compared to sales as it represented 3.7% of sales for the year ended December 31, 2014 as compared to 3.8% for the year ended December 31, 2013.

Operating income for the year ended December 31, 2013 included impairment losses of $444 million. These impairment losses included a charge of $181 million related to the Thabazimbi mine in ArcelorMittal South Africa (ACIS) following the transfer of the future operating and financial risks of the asset to Kumba as a result of the iron ore supply agreement signed with Sishen on November 5, 2013. ArcelorMittal also recognized impairment charges of $101 million and $61 million for the costs associated with the discontinued iron ore projects in Senegal and Mauritania (Mining), respectively. The Company recorded an impairment loss of $55 million in connection with the long-term idling of the ArcelorMittal Tallinn galvanizing line in Estonia (Europe segment) and reversed an impairment loss of $52 million at the Liège site of ArcelorMittal Belgium (Europe segment) following the restart of the hot dip galvanizing line HDG5. ArcelorMittal also recognized an impairment charge of $24 million relating to the closure of the organic coating and tin plate lines at the Florange site of ArcelorMittal Atlantique et Lorraine in France (Europe segment). Additionally, in connection with the agreed sale of certain steel cord assets in the United States, Europe and Asia (Europe segment) to the joint venture partner Kiswire Ltd., ArcelorMittal recorded an impairment charge of $41 million with respect to the subsidiaries included in this transaction.

Operating income for the year ended December 31, 2013 was positively affected by a non-cash gain of $92 million corresponding to the final recycling of income relating to unwinding of hedges on raw material purchases (Europe) and a $47 million fair valuation gain relating to DJ Galvanizing in Canada (NAFTA), a joint operation in which the Company acquired the remaining 50% interest held by the other joint operator.

Operating income for the year ended December 31, 2013 was negatively affected by restructuring charges totaling $552 million primarily related to costs incurred for the long-term idling of the Florange liquid phase in ArcelorMittal Atlantique et Lorraine (including voluntary separation scheme costs, site rehabilitation and safeguarding costs and take or pay obligations) and to social and environmental costs as a result of the agreed industrial and social plan for the finishing facilities at the Liège site of ArcelorMittal Belgium.

NAFTA
Operating income for the NAFTA segment amounted to $386 million for the year ended December 31, 2014, compared to operating income of $630 million for the year ended December 31, 2013. Operating income for the segment amounted to $309 million for the second half of the year, compared to $77 million in the first half. Operating income in the first half of 2014 was negatively affected by a $90 million charge following the settlement of antitrust litigation in the United States and higher input costs resulting from the severe winter weather conditions as well as costs related to planned and unplanned maintenance downtime. Operating income in the second half of 2014 benefited from lower input costs and decreased maintenance expenses, particularly in the fourth quarter, but was negatively impacted by a $76 million charge for onerous supply contract provisions, primarily for tin coated products at Weirton, in the United States and impairment charges of $114 million in the United States primarily related to the idling of the steel shop and rolling facilities of Indiana Harbor Long carbon operations.

Operating income for the year ended December 31, 2013 was negatively affected by lower shipments in the first half of the year following labor issues at Burns Harbor and operational incidents at Indiana Harbor East and West during the second quarter. Operating income was positively affected by a $47 million fair valuation gain relating to DJ Galvanizing in Canada, a joint operation in which the Company acquired the remaining 50% interest held by the other joint operator, lower average steel selling prices in the third quarter of 2013 and positively affected by 5% higher volumes in the second half of the year compared to the first half.

Brazil
Operating income for the Brazil segment for the year ended December 31, 2014 was $1.4 billion compared to $1.2 billion for the year ended December 31, 2013. The increase was primarily due to higher steel shipment volumes as described earlier, lower costs and lower depreciation which was $457 million for 2014 as compared to $691 million for 2013, mainly due to the change in asset lives of certain plant and equipment.

Operating income for the segment amounted to $0.8 billion for the second half of 2014, compared to operating income of $0.6 billion in the first half of 2014. Operating income for the first half of 2014 was negatively affected by lower shipments and lower average steel selling prices. Operating income for the second half of 2014 was positively affected by the additional slab volumes as described earlier.

Europe
Operating income for the Europe segment for the year ended December 31, 2014 significantly increased to $0.7 billion compared to operating loss of $1.0 billion for the year ended December 31, 2013. Operating income for the segment

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was $0.3 billion for the second half of the year, compared to operating income of $0.4 billion for the first half of the year. Despite the continuous difficult economic environment in Europe reflected in lower average steel selling prices mainly due to lower raw material prices, shipments increased by 4% in 2014 as a result of improved domestic demand. Operating income for the year ended December 31, 2014 was positively affected by improved market conditions, lower costs and benefits of cost optimization efforts. Operating income for the year ended December 31, 2014 included impairment charges of $57 million related to the idling of mill C in Rodange, Luxembourg. In addition, operating income was positively impacted by a decrease in depreciation which was $1.5 billion and $2.0 billion for the years ended December 31, 2014 and December 31, 2013, respectively, mainly due to the change in useful lives of certain plant and equipment.

Europe's operating loss for the year ended December 31, 2013 included restructuring costs amounting to $517 million, including $137 million of costs incurred for the long-term idling of the Florange liquid phase in ArcelorMittal Atlantique et Lorraine (including voluntary separation scheme costs, site rehabilitation / safeguarding costs and take or pay obligations) and $354 million (including social and environmental costs) as a result of the agreed industrial and social plan for the finishing facilities at the Liège site of ArcelorMittal Belgium. These charges were partially offset by a reversal of provisions of $38 million in France and Spain following the revision of certain assumptions. Europe's operating loss was reduced by a non-cash gain of $92 million corresponding to the final recycling of income relating to unwinding of hedges on raw material purchases.

Europe's operating loss for the year ended December 31, 2013 also included impairment charges of $86 million, of which $55 million was in connection with the long-term idling of the ArcelorMittal Tallinn galvanizing line in Estonia, largely offset by the reversal of an impairment loss of $52 million at the Liège site of ArcelorMittal Belgium following the restart of the hot dip galvanizing line HDG5, $24 million primarily related to the closure of the organic coating and tin plate lines at the Florange site of ArcelorMittal Atlantique et Lorraine in France and included an impairment charge of $41 million with respect to the subsidiaries included in the agreed sale of certain steel cord assets in the US, Europe and Asia to the joint venture partner Kiswire Ltd.

ACIS
Operating income for the ACIS segment for the year ended December 31, 2014 was $95 million, compared to operating loss of $457 million for the year ended December 31, 2013. The improved results reflected improved operations and lower costs primarily in the CIS, offset in part by lower average steel selling prices. Operating income for the segment amounted to $90 million for the second half of the year, compared to operating income of $5 million in the first half. Operating income was positively impacted by improved market conditions resulting in increased shipments and the realized benefits of cost optimization efforts, offset slightly by lower average steel selling prices.

Operating loss for the year ended 2013 included a charge of $181 million related to the Thabazimbi mine in ArcelorMittal South Africa following the transfer of the operating and financial risks of the asset to Kumba as a result of the iron ore supply agreement signed with Sishen on November 5, 2013.

Mining
Operating income for the Mining segment for the year ended December 31, 2014 was $0.6 billion, compared to operating income of $1.2 billion for the year ended December 31, 2013. Operating income for the year ended December 31, 2014 was positively impacted by a $79 million gain on disposal of Kuzbass coal mines in Russia and by higher marketable iron ore shipments, offset by negative impacts for the decrease in seaborne iron ore market prices and an impairment charge of $63 million relating to the Volcan iron ore mine in Mexico due to a short residual life of the mine. As noted above, the average reference price of iron ore decreased to $96.7 per tonne in 2014 from $135.2 per tonne CFR China for 62% Fe in 2013. The average reference coal price decreased to $114.44 per tonne in 2014. Iron ore marketable volume for the year ended December 31, 2014 was 39.8 million tonnes, compared to 35.1 million tonnes for the year ended December 31, 2013. Coal marketable volume for the year ended December 31, 2014 was lower at 3.9 million tonnes, compared to 4.8 million tonnes for the year ended December 31, 2013.

Operating income for the segment amounted to $0.1 billion for the second half of the year, compared to $0.5 billion in the first half. Operating income for the second half of 2014 was negatively affected by the decrease in iron ore reference prices to $82.4 per tonne in the second half, as compared to $111.5 per tonne in the first half of the year and the above-mentioned impairment charges.

Income (Loss) from Associates, Joint Ventures and Other Investments
ArcelorMittal recorded a loss of $172 million from investments in associates, joint ventures and other investments for the year ended December 31, 2014, as compared with a loss of $442 million for the year ended December 31, 2013. The loss for the year ended December 31, 2014 was primarily due to a $621 million impairment charge relating to China Oriental following a revision of business assumptions in the context of continuing growth slowdown in China, an impairment charge of $56 million relating to Erdemir and a loss of $14 million related to the disposal of Hunan Valin shares (comprising a net loss of $76 million related to the exercise of the third put option on February 8, 2014 and the resulting discontinuation of equity method accounting, partly offset by a net gain of $62 million with respect to the fourth and last put option exercised on August 6, 2014). These losses were partially offset by a $193 million gain on the sale of ArcelorMittal's 50% ownership in Gallatin, improved performance of European investees and the share of profits in Calvert's operations.

The loss for the year ended December 31, 2013 included impairment charges for a total amount of $422 million, of which $200 million related to the Company's 47% stake in the associate China Oriental. In addition, the Company recorded an impairment charge of $111 million relating to the Company's 50% interest in the associate Kiswire ArcelorMittal Ltd in the framework of the agreed sale of certain steel cord assets to the joint venture partner Kiswire Ltd. (with another impairment charge recorded in cost of sales in the Europe segment as described above). The loss for the year ended December 31, 2013 also included an impairment charge of $111 million relating to the associate Coal of Africa as a result of lower profitability and decline in market value. The loss for the year ended December 31, 2013 included a charge of $57 million following the disposal of a 6.66% interest in Erdemir shares by way of a single accelerated bookbuilt offering to institutional investors. In addition, the loss for the year ended December 31, 2013 included a $56 million expense for contingent consideration with respect to the Gonvarri Brasil acquisition made in 2008 partly offset by a gain of $45 million, with respect to the sale of a 10% interest in Hunan Valin Steel Tube and Wire Co. Ltd. ("Hunan Valin") following the exercise of the first and second put options.

Financing Costs-Net
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 net financing costs (which mainly include bank fees, accretion of defined benefit obligations and other long-term liabilities). Net financing costs were higher for the year ended December 31, 2014, at $3.4 billion, as compared with $3.1 billion for the year ended December 31, 2013.

Net interest expense (interest expense less interest income) was $1.5 billion for the year ended December 31, 2014 as compared to $1.8 billion for the year ended December 31, 2013. Interest expense was slightly lower for the year ended December 31, 2014 at $1.6 billion, compared to interest expense of $1.9 billion for the year ended December 31, 2013, primarily due to the positive effect of lower debt following the

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repayment of convertible bonds in April and May and bonds in October 2014 and lower cost of debt. Interest income for the year ended December 31, 2014 amounted to $0.1 billion, compared to $0.1 billion for the year ended December 31, 2013.

Foreign exchange losses increased to $620 million for the year ended December 31, 2014, as compared to $248 million for the year ended December 31, 2013, primarily due to an appreciation of the USD against the euro. This foreign exchange loss primarily relates to the impact of the USD appreciation on euro-denominated deferred tax assets. In addition, other net financing costs (including expenses related to True Sale of Receivables, bank fees, interest on pensions and fair value adjustments of convertible bonds and derivative instruments) were $1.3 billion for the year ended December 31, 2014, as compared to $1.1 billion for the year ended December 31, 2013, and included expenses related to the termination of the Senegal greenfield project, gains and losses on convertible bonds and hedging instruments that matured during the period as well as a $161 million charge related to the federal tax amnesty plan in Brazil with respect to the settlement of the Siderbras case.

Income Tax Expense (Benefit)

ArcelorMittal recorded a consolidated income tax expense of $0.5 billion for the year ended December 31, 2014, as compared to $0.2 billion for the year ended December 31, 2013, primarily due to improved results in certain jurisdictions. Income tax expense for the year ended December 31, 2013 included the settlement of two tax amnesty programs in Brazil.

For additional information related to ArcelorMittal's income taxes, see Note 21 to ArcelorMittal's consolidated financial statements.

ArcelorMittal's consolidated income tax expense (benefit) is affected by the income tax laws and regulations in effect in the various countries in which it operates and the pre-tax results of its subsidiaries in each of these countries, which can vary from year to year. ArcelorMittal operates in certain jurisdictions, mainly in Eastern Europe and Asia, which have a structurally lower corporate income tax rate than the statutory tax rate as in effect in Luxembourg (29.22%), as well as in jurisdictions, mainly in Western Europe and the Americas, which have a structurally higher corporate income tax rate.

The statutory income tax expense (benefit) and the statutory income tax rates of the countries that most significantly resulted in the tax expense (benefit) at statutory rate for each of the years ended December 31, 2013 and 2014 are as set forth below:

	2013		2014	
	Statutory income tax	Statutory income tax rate	Statutory income tax	Statutory income tax rate
United States	(120)	35.00%	(352)	35.00%
Argentina	52	35.00%	59	35.00%
France	(224)	34.43%	18	34.43%
Brazil	94	34.00%	141	34.00%
Belgium	(208)	33.99%	(10)	33.99%
Germany	(138)	30.30%	(82)	30.30%
Spain	(218)	30.00%	(78)	25.00%
Luxembourg	203	29.22%	(228)	29.22%
Mexico	(93)	30.00%	9	30.00%
South Africa	(57)	28.00%	(23)	28.00%
Canada	240	26.90%	298	26.90%
Algeria	(26)	25.00%	-	25.00%
Russia	(14)	20.00%	(18)	20.00%
Kazakhstan	(24)	20.00%	(4)	20.00%
Czech Republic	(7)	19.00%	38	19.00%
Poland	(8)	19.00%	25	19.00%
Romania	(29)	16.00%	(12)	16.00%
Ukraine	(32)	16.00%	23	18.00%
Others	18		49	
Total	(591)		(147)	

Note: The statutory tax rates are the (future) rates enacted or substantively enacted by the end of the respective period.

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Non-Controlling Interests
Net income attributable to non-controlling interests was $112 million for the year ended December 31, 2014, as compared with net loss attributable to non-controlling interests of $30 million for the year ended December 31, 2013. Net income attributable to non-controlling interests increased in 2014 primarily as a result of income attributable to non-controlling interests in ArcelorMittal Mines Canada and Belgo Bekaert Arames, partially offset by losses generated in ArcelorMittal South Africa, which were however significantly lower than in 2013.

Net Loss Attributable to Equity Holders of the Parent
ArcelorMittal's net loss attributable to equity holders of the parent for the year ended December 31, 2014 amounted to $1.1 billion compared to net loss attributable to equity holders of $2.5 billion for the year ended December 31, 2013, for the reasons discussed above.

Liquidity and Capital Resources
ArcelorMittal's principal sources of liquidity are cash generated from its operations and its credit facilities at the corporate level.

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. Significant cash or cash equivalent balances may be held from time to time at the Company's international operating subsidiaries, including in particular those in France, where the Company maintains a cash management system under which most of its cash and cash equivalents are centralized, and in Argentina, Brazil, Canada, Morocco, South Africa, Ukraine, USA, and Venezuela. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions on such operating subsidiaries' ability to pay dividends, but such restrictions are not significant in the context of ArcelorMittal's overall liquidity. Repatriation of funds from operating subsidiaries may also be affected by tax and foreign exchange policies in place from time to time in the various countries where the Company operates, though none of these policies is currently significant in the context of ArcelorMittal's overall liquidity.

In management's opinion, ArcelorMittal's credit facilities are adequate for its present requirements.

As of December 31, 2014, ArcelorMittal's cash and cash equivalents, including restricted cash, amounted to $4.0 billion as compared to $6.2 billion as of December 31, 2013. In addition, ArcelorMittal had available borrowing capacity of $6.0 billion under its credit facilities as of December 31, 2014 and 2013.

As of December 31, 2014, ArcelorMittal's total debt, which includes long-term debt and short-term debt but excludes $0.1 billion of debt classified as held for sale, was $19.8 billion, compared to $22.3 billion as of December 31, 2013. Total debt decreased period-on-period due to the repayments of bonds and convertible bonds, partly offset by new bond issuances and bank debt.

Net debt (defined as long-term debt plus short-term debt, less cash and cash equivalents and restricted cash) was $15.8 billion as of December 31, 2014, down from $16.1 billion at December 31, 2013. Net debt decreased as compared to prior period primarily due to cash flows from operating activities and disposal proceeds, partly offset by capital expenditures. 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, 2014 was 35% as compared to 30% at December 31, 2013.

The margin applicable to ArcelorMittal's principal credit facilities and the coupons on certain of its outstanding bonds are subject to adjustment in the event of a change in its long-term credit ratings. Due to, among other things, the weak steel industry outlook and ArcelorMittal's credit metrics and level of debt, Standard & Poor's, Moody's and Fitch downgraded the Company's rating to below "investment grade" in August, November and December 2012, respectively, and Standard & Poor's and Moody's had ArcelorMittal's credit rating on negative outlook. These downgrades triggered the interest rate "step-up" clauses in most of the Company's outstanding bonds, resulting in an increased incremental interest expense of $98 million in 2014 and $87 million in 2013, compared to interest expense expected without downgrades. On February 3, 2015, Standard & Poor's downgraded ArcelorMittal to BB with stable outlook resulting in another triggering of such interest rate "step-up" clauses. Moody's currently has ArcelorMittal's credit rating on negative outlook. In 2015, interest to be paid is expected to increase by $26 million due to such downgrade.

ArcelorMittal's principal credit facilities, which are (i) the syndicated revolving credit facility maturing on March 18, 2016 (the "$3.6 Billion Facility") and (ii) the syndicated revolving credit facility maturing on November 6, 2018 (the "$2.4 Billion Facility"), contain restrictive covenants. Among other things, these covenants limit encumbrances on the assets of ArcelorMittal and its subsidiaries, the ability of ArcelorMittal's subsidiaries to incur debt and the ability of ArcelorMittal and its subsidiaries to dispose of assets in certain circumstances. These agreements also require compliance with a financial covenant, as summarized below.

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, referred to by the Company as the "Leverage ratio". ArcelorMittal's principal credit facilities set this ratio to 4.25 to one, whereas certain facilities have a ratio of 3.5 to one. As of December 31, 2014, the Company was in compliance with both ratios.

Non-compliance with the covenants in the Company's borrowing agreements would entitle the lenders under such facilities to accelerate the Company's repayment obligations. The Company was in compliance with the financial covenants in the agreements related to all of its borrowings as of December 31, 2014 and December 31, 2013.

As of December 31, 2014, ArcelorMittal had guaranteed approximately $1.4 billion of debt of its operating subsidiaries. ArcelorMittal's debt facilities have provisions whereby the acceleration of the debt of another borrower within the ArcelorMittal group could, under certain circumstances, lead to acceleration under such facilities.

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The following table summarizes the repayment schedule of ArcelorMittal's outstanding indebtedness, which includes short-term and long-term debt, as of December 31, 2014.

	Repayment Amounts per Year (in billions of $)						
Type of Indebtedness as of December 31, 2014	2015	2016	2017	2018	2019	>2019	Total
Bonds	1.0	1.7	2.6	2.1	2.4	6.7	16.5
Commercial paper1	0.1	-	-	-	-	-	0.1
Other loans 2	1.4	0.9	0.2	0.1	0.1	0.5	3.2
Total Gross Debt	2.5	2.6	2.8	2.2	2.5	7.2	19.8

[1] Commercial paper is expected to continue to be rolled over in the normal course of business.
[2] Excludes $0.1 billion classified as held for sale.

The following table summarizes the amount of credit available as of December 31, 2014 under ArcelorMittal's principal credit facilities:

Credit lines available	Facility Amount	Drawn	Available
$3.6 Billion Facility	$3.6	-	$ 3.6
$2.4 Billion Facility	$2.4	-	$ 2.4
Total committed lines	$6.0	-	$ 6.0

The average debt maturity of the Company was 6.3 years as of December 31, 2014, as compared to 6.2 years as of December 31, 2013.

Further information regarding ArcelorMittal's outstanding long-term indebtedness as of December 31, 2014, including the breakdown between fixed rate and variable rate debt, is set forth in Note 17 to the Consolidated Financial Statements. Further information regarding ArcelorMittal's use of financial instruments for hedging purposes is set forth in Note 18 to the Consolidated Financial Statements.

Financings

The principal financings of ArcelorMittal and its subsidiaries are summarized below by category. Further information regarding ArcelorMittal's short-term and long-term indebtedness is provided in Note 17 to the Consolidated Financial Statements.

Principal Credit Facilities

On March 18, 2011, ArcelorMittal entered into a $6 billion facility (now defined herein as the $3.6 Billion Facility), a syndicated revolving credit facility which may be utilized for general corporate purposes and which matures in 2016. On November 26, 2013, the facility was amended and reduced to $3.6 billion. As of December 31, 2014, the $3.6 Billion Facility remains fully available.

On May 6, 2010, ArcelorMittal entered into a $4 billion facility (now defined herein as the $2.4 Billion Facility), a syndicated revolving credit facility which may be utilized for general corporate purposes. On November 26, 2013, the facility was amended and reduced to $2.4 billion and the maturity date extended from May 6, 2015 to November 6, 2018. As of December 31, 2014, the $2.4 Billion Facility remains fully available.

On September 30, 2010, ArcelorMittal entered into the $500 million revolving multi-currency letter of credit facility (the "Letter of Credit Facility"). The Letter of Credit Facility is used by the Company and its subsidiaries for the issuance of letters of credit and other instruments and matures on September 30, 2016. The terms of the letters of credit and other instruments contain certain restrictions as to duration. The Letter of Credit Facility was amended on October 26, 2012 to reduce its amount to $450 million. On September 30, 2014, the Company refinanced its Letter of Credit Facility by entering into a $350 million revolving multi-currency letter of credit facility (the "Letter of Credit Facility").

On December 20, 2013, ArcelorMittal entered into a term loan facility in an aggregate amount of $300 million, maturing on December 20, 2016. The facility may be used by the Group for the general corporate purposes. Amounts repaid under this agreement may not be re-borrowed. As of December 31, 2014 the term loan facility was fully drawn.

2014 Financing Transactions

On January 17, 2014, ArcelorMittal extended the conversion date for the $1 billion privately placed mandatory convertible bond ("MCB") issued on December 28, 2009 by one of its wholly-owned Luxembourg subsidiaries. The mandatory conversion date of the bond has been extended to January 29, 2016. The other main features of the MCB remain unchanged. The bond was placed privately with a Luxembourg affiliate of Crédit Agricole Corporate and Investment Bank and is not listed. In connection with the extension of the conversion date of the MCB, ArcelorMittal also extended the maturities of the equity-linked notes in which the proceeds of the MCB issuance are invested.

On February 20, 2014, ArcelorMittal redeemed all of its outstanding $650 million subordinated perpetual capital securities following the occurrence of a "Ratings Agency Event", as defined in the terms of the securities. The notes were redeemed for $657 million at a

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redemption price of 101% of the principal amount thereof, plus interest accrued.

On March 25, 2014, ArcelorMittal completed the offering of €750 million 3.00% Notes due March 25, 2019 issued under the €3 billion wholesale Euro Medium Term Notes Programme. The proceeds of the issuance were used for general corporate purposes.

On April 1, 2014, at maturity, ArcelorMittal repaid its €1.25 billion 7.25% unsecured and unsubordinated Convertible Bonds.

On April 15, 2014, at maturity, ArcelorMittal repaid the remaining outstanding amount of $189 million of its $600 million 6.50% Senior Unsecured Notes. As a consequence of the repayment, the guarantee associated to the $600 million 6.50% Senior Unsecured Notes was terminated.

On May 15, 2014, at maturity, ArcelorMittal repaid its $800 million 5.00% unsecured and unsubordinated Convertible Senior Notes.

On June 10, 2014, ArcelorMittal entered into an agreement for financing with a financial institution for $1.0 billion. The financial institution had the right to request early repayment once per year beginning in February 2015 until the final maturity on April 20, 2017. On February 13, 2015, the Company elected to make an early repayment of such financing.

During the first half of 2014, ArcelorMittal entered into short-term committed bilateral credit facilities totaling approximately $0.9 billion. As of December 31, 2014, the facilities remain fully available.

On July 4, 2014, ArcelorMittal completed the offering of €600 million 2.875% Notes due July 6, 2020 issued under the €3 billion wholesale Euro Medium Term Notes Programme. The proceeds of the issuance were used for general corporate purposes.

On July 15, 2014, ArcelorMittal repaid its €100 million 5.50% unsubordinated bonds at maturity.

On October 30, 2014, the Company redeemed its 9.0% Notes due February 15, 2015 and its 3.750% Notes due February 25, 2015 prior to their scheduled maturity for a total amount of $784 million and $510 million respectively, including premium and accrued interest.

On November 7, 2014, the Company repaid the remaining outstanding amount (€360 million) of its €500 million 4.625% unsecured bonds at maturity..

True Sale of Receivables ("TSR") Programs

The Company has established a number of programs for sales without recourse of trade accounts receivable to various financial institutions (referred to as True Sale of Receivables ("TSR")) for an aggregate amount of $5,430 million as of December 31, 2014. This amount represents the maximum amount of unpaid receivables that may be sold and outstanding at any given time. Of this amount, the Company has utilized $5,368 million and $5,015 million, as of December 31, 2013 and 2014, respectively. Through the TSR programs, certain operating subsidiaries of ArcelorMittal surrender the control, risks and benefits associated with the accounts receivable sold; therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the consolidated statements of financial position at the moment of sale. The total amount of receivables sold under TSR programs and derecognized in accordance with IAS 39 for the years ended 2012, 2013 and 2014 was $33.9 billion, $35.4 billion and $37.8 billion, respectively (with amounts of receivables sold converted to U.S. dollars at the monthly average exchange rate). Expenses incurred under the TSR programs (reflecting the discount granted to the acquirers of the accounts receivable) recognized in the consolidated statements of operations for the years ended December 31, 2012, 2013 and 2014 were $182 million, $172 million and $150 million, respectively.

Earnings Distribution

In light of the downturn in global economic conditions that commenced in September 2008, ArcelorMittal's Board of Directors recommended on February 10, 2009 a reduction of the annual dividend in 2009 to $0.75 per share (with quarterly dividend payments of $0.1875) from $1.50 per share previously. The dividend policy was approved by the annual general meeting of shareholders on May 12, 2009, and was also maintained in 2010, 2011 and 2012.

In view of the continued challenging global economic conditions affecting the Company's business in 2013 and its priority to deleverage, ArcelorMittal's Board of Directors recommended on May 7, 2013 a further reduction of the annual dividend to $0.20 per share from $0.75 per share in 2012. The recommendation was approved by the annual general meeting of shareholders on May 8, 2013, and the dividend was paid in full on July 15, 2013.

On February 7, 2014, ArcelorMittal's Board of Directors announced a gross dividend payment of $0.20 per share. The dividend was approved by the shareholders at the annual general meeting of shareholders held on May 8, 2014, and the dividend was paid in full on July 15, 2014.

On February 13, 2015, ArcelorMittal's Board of Directors announced a gross dividend payment of $0.20 per share, subject to shareholders approval at the next annual shareholders' meeting to be held on May 5, 2015. Subject to such approval, the dividend is expected to be paid on June 15, 2015.

ArcelorMittal held 11,018,413 shares in treasury as of December 31, 2014, as compared to 11,792,674 shares as of December 31, 2013. As of December 31, 2014, the number of shares held by the Company in treasury represented approximately 0.66% of the Company's total issued share capital.

Pension/OPEB liabilities

The net deficit of the obligation for employee benefits increased by $0.9 billion, from $8.7 billion as of December 31, 2013 to $9.6 billion as of December 31, 2014. The main effects for ArcelorMittal are related to the change in financial assumptions such as the decrease of discount rates used to calculate the pension, other post-employment benefits ("OPEB") and early retirement obligations.

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Sources and Uses of Cash

Year ended December 31, 2014 compared to year ended December 31, 2013

The following table presents a summary of cash flow of ArcelorMittal:

	Summary of Cash Flow	
	Year ended December 31, 2013	Year ended December 31, 2014
Net cash provided by operating activities	4,296	3,870
Net cash used in investing activities	(2,877)	(3,077)
Net cash (used in) provided by financing activities	241	(2,750)

Net Cash Provided by Operating Activities

For the year ended December 31, 2014, net cash provided by operating activities decreased to $3.9 billion, as compared with $4.3 billion for the year ended December 31, 2013, mainly because of lower operating working capital release. The net cash provided by operating activities for the year ended December 31, 2014 was positively affected by a $0.4 billion decrease in working capital (consisting of inventories plus trade accounts receivable less trade accounts payable), including a $0.5 billion decrease in accounts receivable which was partially offset by a $0.1 billion increase in inventories. The decrease in accounts receivable was primarily related to a lower average number of rotation days (18 days as compared to 22 days) combined with lower sales and steel selling prices.

Net Cash Used in Investing Activities

Net cash used in investing activities was $3.1 billion for the year ended December 31, 2014 as compared to $2.9 billion for the year ended December 31, 2013. This increase is mainly related to capital expenditure which amounted to $3.7 billion for the year ended December 31, 2014 as compared to $3.5 billion for the year ended December 31, 2013. Capital expenditures in 2014 were mainly related to blast furnace relining in South Africa, Ukraine, Kazakhstan and the US. Net inflows from other investing activities amounted to $0.6 billion, including an inflow of $0.6 billion relating to various disposals ($144 million from the sale of the Company's 78% stake in ATIC, preliminary proceeds of $39 million for the sale of the steel cord business, $49 million relating to the sale of Circuit Foil and $389 million related to proceeds from the sale of the Company's 50% interest in Gallatin) and $133 million of proceeds from the exercise of the second and third put option in Hunan Valin shares (cash proceeds from the fourth put option will be received in 2015). In addition, net inflows from other investing included an outflow of $258 million relating to the acquisition of a 50% interest in Calvert. In 2014, capital expenditure of $3.7 billion included $2.8 billion related to maintenance (including health and safety investments) and $0.9 billion dedicated to growth projects mainly in Mining. In 2013, capital expenditure of $3.5 billion included $2.4 billion related to maintenance (including health and safety investments) and $1.1 billion dedicated to growth projects mainly in mining. In 2015, capital expenditure is expected to be approximately $3.4 billion. The Company continues to focus primarily on core growth capital expenditure in its franchise businesses. While most planned steel investments remain suspended, the Company has selectively restarted some of its capital expenditure projects to support the development of franchise steel businesses, in particular Phase 1 of the expansion project in Monlevade (Brazil) focusing on downstream facilities and was restarted in the second quarter of 2013. The Phase 2 expansion of the Liberian mining operation involving the construction of a concentrator, among other things, is delayed due to the evolving situation of the Ebola virus outbreak in West Africa. The Company will issue a new timing forecast as soon as available.

ArcelorMittal's major capital expenditures in the year ended December 31, 2014 included the following major projects: Liberia greenfield mining project; capacity expansion in finished products, wire rod production expansion in Monlevade; rebar and meltshop expansion in Juiz de Fora; construction of a new rolling mill in Acindar and construction of a heavy gauge galvanizing line to optimize galvanizing operations in ArcelorMittal Dofasco.

Net Cash (Used in) Provided by Financing Activities

Net cash used in financing activities was $2.8 billion for the year ended December 31, 2014, as compared to net cash provided by financing activities of $0.2 billion in 2013. The increase in cash used in financing activities was primarily due to payments of $6.5 billion including a €360 million bond repayment, a $136 million bond repayment, €1.25 billion for the 7.25% convertible bonds due April 1, 2014, $800 million for the 5.00% convertible bonds due May 15, 2014, redeemed subordinated perpetual capital securities for $657 million and $1.25 billion for the early redemption of the 9% Notes due February 15, 2015 and the 3.75% Notes due February 25, 2015. These payments were partly offset by the receipts of $4.3 billion, including $1.0 billion financing, proceeds from the issuance of €750 million 3.00% Notes due March 25, 2019, $805 million from the issuance of €600 million 2.875% Notes due July 6, 2020 under the Company's €3 billion wholesale Euro Medium Term Notes Programme and proceeds from a new 3-year $300 million financing provided by EDC (Export Development Canada).

Dividends paid during the year ended December 31, 2014 were $0.5 billion, including $328 million paid to ArcelorMittal shareholders, $22 million paid to holders of subordinated perpetual capital securities and $108 million paid to non-controlling shareholders in subsidiaries. Dividends paid in the year ended December 31, 2013 were $0.4 billion.

Equity

Equity attributable to the equity holders of the parent decreased to $42.1 billion at December 31, 2014, as compared to $49.8 billion at December 31, 2013, primarily due to a $4.7 billion decrease in the foreign exchange translation reserve as a result of the depreciation of most currencies against the US dollar, $1.4 billion of recognized actuarial losses, the redemption of subordinated perpetual capital securities for $0.7 billion, the net loss attributable to the equity holders of the parent of $1.1 billion and dividend payments of $0.3 billion. See Note 19 to ArcelorMittal's consolidated financial statements for the year ended December 31, 2014.

Disclosures about Market Risks

Research and Development, Patents and Licenses

Costs relating to research and development, patents and licenses were not significant as a percentage of sales. Research and development costs expensed (and included in selling, general and administration expenses) in 2012, 2013 and 2014 amounted to $285 million, $270 million and $259 million, respectively.

Trend Information

All of the statements in this "Trend Information" section are subject to and qualified by the information set forth under the "Cautionary Statement Regarding Forward-Looking Statements".

Outlook

Based on the current economic outlook, ArcelorMittal expects global apparent steel consumption ("ASC") to increase by approximately 1.5% to 2.0% in 2015. ArcelorMittal expects the pick-up in European manufacturing activity to continue and support ASC growth of approximately 1.5% to 2.5% in 2015 (versus growth of 3.4% in 2014). Driven by robust underlying steel demand and significant restocking, ASC in the United States grew by 10% in 2014. Whilst underlying demand continues to expand, due to the absence of a further inventory build in 2015, ASC in the United States is expected to be similar, or up to 1% below 2014 levels. Following a 6% decline in 2014, Brazil ASC is expected to grow by 1% to 2% in 2015. In China, we see signs of stabilization due to the government's targeted stimulus, and expect steel demand growth in the range of 1.5% to 2.5% for 2015. While risks remain in the global demand picture, given ArcelorMittal's specific geographical and end market exposures, the Company expects its steel shipments to increase further in 2015 as compared to 2014.

Overall, steel markets continue to grow, in particular for our high value-added products; a forecast 4-5% increase in shipment volumes (approximately half of which follows the Newcastle reline completion and full year impact of the restart of BF#3 in Tubarao, Brazil) together with improved cost performance are expected to offset the impact of lower transaction prices and the impacts of translation.

In the context of the current market conditions for the mining operations, more than one-third of the impact of lower iron ore prices on mining revenues is expected to be offset by improved cost performance including the benefits of foreign exchange, energy and freight as well as higher volumes.

Additionally, the Company expects net interest expense to decline to approximately $1.4 billion and capital expenditure to decline to approximately $3.4 billion in 2015.

While net debt is expected to follow a normal seasonal pattern, overall progress towards the medium term net debt target of $15 billion is anticipated during the course of 2015.

Disclosures about market risks

ArcelorMittal is exposed to a number of different market risks arising from its normal business activities. Market risk is the possibility that changes in raw materials prices, foreign currency exchange rates, interest rates, base metal prices (zinc, nickel, aluminum and tin) and energy prices (oil, natural gas and power) will adversely affect the value of ArcelorMittal's financial assets, liabilities or expected future cash flows.

The fair value information presented below is based on the information available to management as of the date of the consolidated statements of financial position. Although ArcelorMittal is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of this annual report since that date, and therefore, the current estimates of fair value may differ significantly from the amounts presented below. The estimated fair values of certain financial instruments have been determined using available market information or other valuation methodologies that require considerable judgment in interpreting market data and developing estimates.

Risk Management

ArcelorMittal has implemented strict policies and procedures to manage and monitor financial market risks. Organizationally, supervisory functions are separated from operational functions, with proper segregation of duties. Financial market activities are overseen by the CFO, the Corporate Finance and Tax Committee and the GMB.

All financial market risks are managed in accordance with the Treasury and Financial Risk Management Policy. These risks are managed centrally through Group Treasury by a group specializing in foreign exchange, interest rate, commodity, internal and external funding and cash and liquidity management.

All financial market hedges are governed by ArcelorMittal's Treasury and Financial Risk Management Policy, which includes a delegated authority and approval framework, sets the boundaries for all hedge activities and dictates the required approvals for all Treasury activities. Trading activity and limits are monitored on an ongoing basis. ArcelorMittal enters into transactions with numerous counterparties, mainly banks and financial institutions, as well as brokers, major energy producers and consumers.

As part of its financial risk management activities, ArcelorMittal uses derivative instruments to manage its exposure to changes in interest rates, foreign exchange rates and commodities prices. These instruments are principally interest rate, currency and commodity swaps, spots and forwards. ArcelorMittal may also use futures and options contracts.

Counterparty Risk

ArcelorMittal has established detailed counterparty limits to mitigate the risk of default by its counterparties. The limits restrict the exposure ArcelorMittal may have to any single counterparty. Counterparty limits are calculated taking into account a range of factors that govern the approval of all counterparties. The factors include an assessment of the counterparty's financial soundness and its ratings by the major rating agencies, which must be of a high quality. Counterparty limits are monitored on a periodic basis.

All counterparties and their respective limits require the prior approval of the Corporate Finance and Tax Committee. Standard agreements, such as those published by the International Swaps and Derivatives Association, Inc. (ISDA) are negotiated with all ArcelorMittal trading counterparties.

Derivative Instruments

ArcelorMittal uses derivative instruments to manage its exposure to movements in interest rates, foreign exchange rates and commodity prices. Changes in the fair value of derivative instruments are recognized in the consolidated statements of operations or in equity according to nature and effectiveness of the hedge. For more information, see Note 18 of ArcelorMittal's consolidated financial statements.

Derivatives used are non-exchange-traded derivatives such as over-the-counter swaps, options and forward contracts.

Disclosures about Market Risks

continued

Currency Exposure

ArcelorMittal seeks to manage each of its entities' exposure to its operating currency. For currency exposure generated by activities, the conversion and hedging of revenues and costs in foreign currencies is typically performed using currency transactions on the spot market and forward market. For some of its business segments, ArcelorMittal hedges future cash flows.

Because a substantial portion of ArcelorMittal's assets, liabilities, sales and earnings are denominated in currencies other than the U.S. dollar (its reporting currency), ArcelorMittal has exposure to fluctuations in the values of these currencies relative to the U.S. dollar. These currency fluctuations, especially the fluctuation of the value of the U.S. dollar relative to the euro, the Canadian dollar, Brazilian real, South African rand, Kazakh tenge and Ukrainian hryvnia, as well as fluctuations in the currencies of the other countries in which ArcelorMittal has significant operations and/or sales, could have a material impact on its results of operations.

ArcelorMittal faces transaction risk, where its businesses generate sales in one currency but incur costs relating to that revenue in a different currency. For example, ArcelorMittal's non-U.S. subsidiaries may purchase raw materials, including iron ore and coking coal, in U.S. dollars, but may sell finished steel products in other currencies. Consequently, an appreciation of the U.S. dollar will increase the cost of raw materials, thereby negatively impacting the Company's operating margins, unless the Company is able to pass along the higher cost in the form of higher selling prices.

Based on estimates for 2014, the table below reflects the impact of a 10% depreciation during 2014 of the functional currency on cash flows expressed in the respective functional currencies of the various entities. An appreciation of the U.S dollar of 10% would have the symmetrical opposite effect.

Entity functional currency	Transaction impact of 10% depreciation of the subsidiaries' functional currency on cash flows	
in $ equivalent (in millions)	2013	2014
U.S. dollar	(244)	(412)
Euro	(609)	(497)
Other	15	128

ArcelorMittal faces translation risk, which arises when ArcelorMittal translates the financial statements of its subsidiaries, denominated in currencies other than the U.S. dollar for inclusion in ArcelorMittal's consolidated financial statements.

The table below, in which it is assumed that there is no indexation between sales prices and exchange rates, illustrates the impact of an appreciation of 10% during 2014 of the U.S. dollar. A depreciation of the U.S dollar of 10% would have the symmetrical opposite effect.

Entity functional currency	Translation impact of 10% appreciation of dollar on operating results	
in $ equivalent (in millions)	2013	2014
Euro	106	(84)
Argentine peso	(19)	(19)
Brazilian real	(102)	(103)
Canadian dollar	(33)	(42)
Other	24	(21)

The table below illustrates the impact of a depreciation of the U.S. dollar on the conversion of the net debt of ArcelorMittal into U.S. dollars as of December 31, 2014. A positive sign means an increase in the net debt. An appreciation of the U.S dollar of 10% would have the symmetrical opposite effect.

Currency	Impact of 10% depreciation of the U.S. dollar on net debt translation	
in $ equivalent (in millions)	2013	2014
Brazilian real	17	23
Euro	459	341
Other	16	2

Interest Rate Sensitivity

Short-Term Interest Rate Exposure and Cash

Cash balances, which are primarily composed of euros and U.S. dollars, are managed according to the short term (up to one year) guidelines established by senior management on the basis of a daily interest rate benchmark, primarily through short-term currency swaps, without modifying the currency exposure.

Interest Rate Risk on Debt

ArcelorMittal's policy consists of incurring debt at fixed and floating interest rates, primarily in U.S. dollars and euros according to general corporate needs. Interest rate and currency swaps are utilized to manage the currency and/or interest rate exposure of the debt.

The estimated fair values of ArcelorMittal's short- and long-term debt are as follows:

	2013		2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
(Amounts in $ millions)				
Instruments payable bearing interest at variable rates	1,015	989	1,261	1,237
Instruments payable bearing interest at fixed rates	20,751	22,875	17,288	18,837
Long-term debt, including current portion	21,766	23,864	18,549	20,074
Short term bank loans and other credit facilities including commercial paper	545	552	1,249	1,253

Summary of risks and uncertainties

Commodity Price Sensitivity

ArcelorMittal utilizes a number of exchange-traded commodities in the steel-making process. In certain instances, ArcelorMittal is the leading consumer worldwide of certain commodities. In some businesses and in certain situations, ArcelorMittal is able to pass this exposure on to its customers. The residual exposures are managed as appropriate.

Financial instruments related to commodities (base metals, energy and freight) are utilized to manage ArcelorMittal's exposure to price fluctuations.

Hedges in the form of swaps and options are utilized to manage the exposure to commodity price fluctuations.

The table below illustrates the impact on the operating results of a 10% increase in the commodity prices during 2014. A 10% decrease would have the symmetrical opposite effect.

Commodities	Impact of 10% increase in commodity market prices on operating results
Zinc	(70)
Nickel	(3)
Tin	(6)
Aluminum	(4)
Gas	(88)
Brent	(87)
Freight	(14)

In respect of non-exchange traded commodities, ArcelorMittal is exposed to possible increases in the prices of raw materials such as iron ore (which is generally correlated with steel prices with a time lag) and coking coal. This exposure is almost entirely managed through long-term contracts, however some limited hedging of iron ore exposures is made through derivative contracts.

Summary of risks and uncertainties

The following factors, among others, could cause ArcelorMittal's actual results to differ materially from those discussed in the forward-looking statements included throughout this annual report:

- recessions or prolonged periods of weak economic growth, either globally or in ArcelorMittal's key markets;
- risks relating to continued weakness of the eurozone economy;
- the risk that excessive capacity in the steel industry may weigh on the profitability of steel producers;
- any volatility in the supply or prices of raw materials, energy or transportation, mismatches with steel price trends, or protracted low raw materials or steel prices;
- increased competition in the steel industry;
- the risk that unfair practices in steel trade could negatively affect steel prices and reduce ArcelorMittal's profitability, or that national trade restrictions could hamper ArcelorMittal's access to key export markets;
- the risk that ArcelorMittal may incur in the future operating costs when production capacity is idled or increased costs to resume production at idled facilities;
- increased competition from other materials, which could significantly reduce market prices and demand for steel products;
- risks relating to environmental and health and safety laws and legislation;
- laws and regulations restricting greenhouse gas emissions;
- the risk that ArcelorMittal's high level of indebtedness could make it difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business;
- risks relating to greenfield and brownfield projects;
- risks relating to ArcelorMittal's mining operations;
- the fact that ArcelorMittal's reserve estimates could materially differ from mineral quantities that it may be able to actually recover, that its mine life estimates may prove inaccurate and the fact that market fluctuations may render certain ore reserves uneconomical to mine;
- drilling and production risks in relation to mining;
- rising extraction costs in relation to mining;

Summary of risks and uncertainties

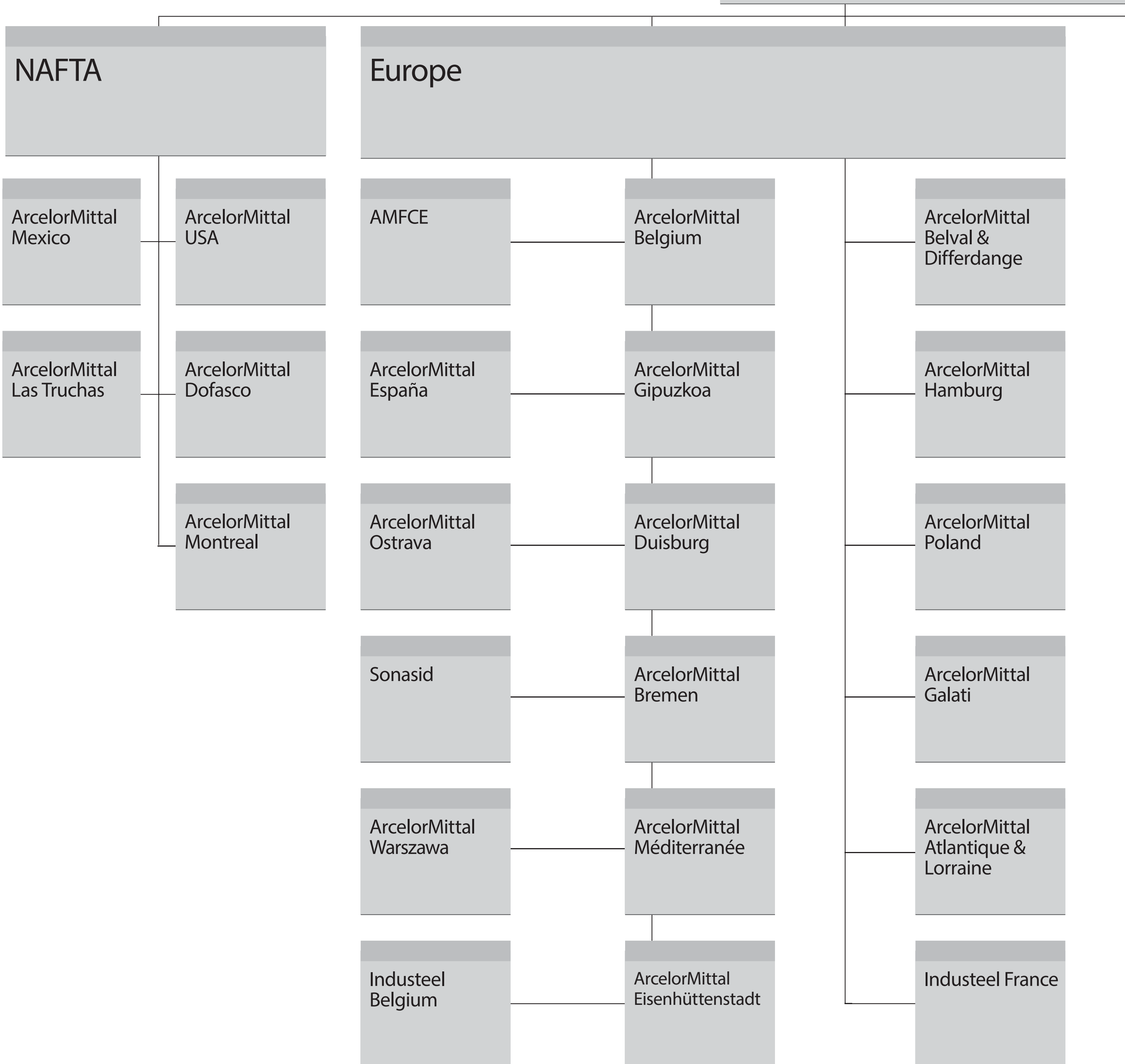
Continued

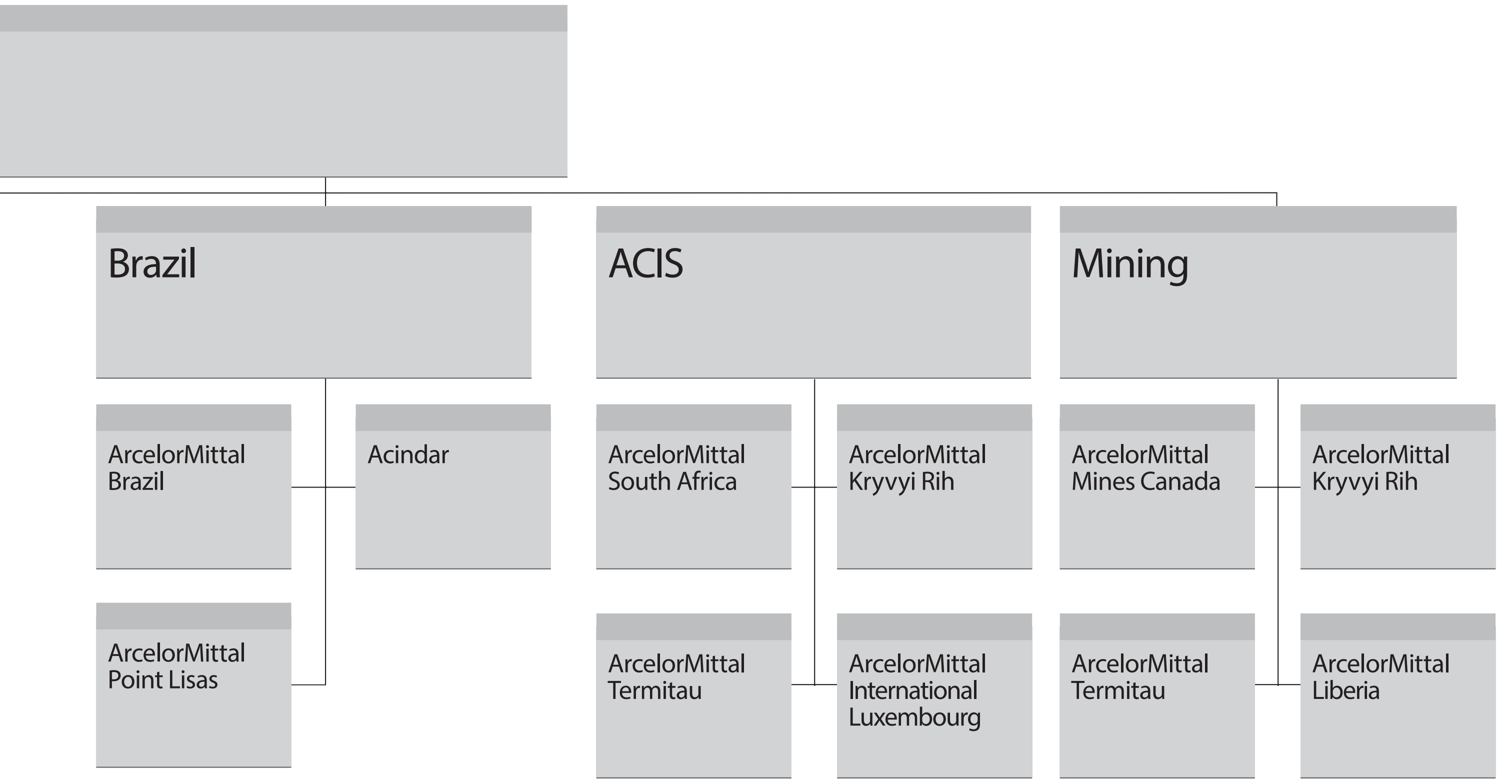
- failure to manage continued growth through acquisitions;
- a Mittal family trust's ability to exercise significant influence over the outcome of shareholder voting;
- any loss or diminution in the services of Mr. Lakshmi N. Mittal, ArcelorMittal's Chairman of the Board of Directors and Chief Executive Officer;
- the risk that the earnings and cash flows of ArcelorMittal's operating subsidiaries may not be sufficient to meet future funding needs at the holding company level;
- the risk that changes in assumptions underlying the carrying value of certain assets, including as a result of adverse market conditions, could result in impairment of tangible and intangible assets, including goodwill;
- the risk that ArcelorMittal's investment projects may add to its financing requirements;
- ArcelorMittal's ability to fund under-funded pension liabilities;
- the risk of labor disputes;
- economic policy, political, social and legal risks and uncertainties in certain countries in which ArcelorMittal operates or proposes to operate;
- fluctuations in currency exchange rates, particularly the euro to U.S. dollar exchange rate, and the risk of impositions of exchange controls in countries where ArcelorMittal operates;
- the risk of disruptions to ArcelorMittal's manufacturing operations;
- the risk of damage to ArcelorMittal's production facilities due to natural disasters or severe weather conditions;
- the risk that ArcelorMittal's insurance policies may provide inadequate coverage;
- the risk of product liability claims;
- the risk of potential liabilities from investigations, litigation and fines regarding antitrust matters;
- risks relating to legal proceedings to which ArcelorMittal is currently, and may in the future be, subject;
- the risk that ArcelorMittal's governance and compliance processes may fail to prevent regulatory penalties or reputational harm, both at operating subsidiaries and joint ventures;
- the fact that ArcelorMittal is subject to an extensive, complex and evolving regulatory framework and the risk of unfavorable changes to, or interpretations of, the tax laws and regulations in the countries in which ArcelorMittal operates;
- the risk that ArcelorMittal may not be able fully to utilize its deferred tax assets; and
- the risk that ArcelorMittal's reputation and business could be materially harmed as a result of data breaches, data theft, unauthorized access or successful hacking.

Operational group structure

ArcelorMittal is a holding company with no business operations of its own. All of ArcelorMittal's significant operating subsidiaries are indirectly owned by ArcelorMittal through intermediate holding companies. The following chart represents the operational structure of the Company, including ArcelorMittal's significant operating subsidiaries and not its legal or ownership structure.

ArcelorMittal




Brazil
ACIS
Mining
ArcelorMittal Brazil
Acindar
ArcelorMittal Point Lisas
ArcelorMittal South Africa
ArcelorMittal Kryvyi Rih
ArcelorMittal Termitau
ArcelorMittal International Luxembourg
ArcelorMittal Mines Canada
ArcelorMittal Kryvyi Rih
ArcelorMittal Termitau
ArcelorMittal Liberia

Group structure
continued

Group structure

The following table identifies each significant operating subsidiary of ArcelorMittal, including its registered office and ArcelorMittal's percentage ownership thereof. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Company and the proportion of ownership interests held equals to the voting rights held by the Company.

NAFTA		
ArcelorMittal Dofasco Inc.	1330 Burlington Street East, P.O. Box 2460, L8N 3J5Hamilton, Ontario, Canada	100.00%
ArcelorMittal Mexico S.A. de C.V.	Francisco J.Mujica 1-G, Col. Centro 60950, Lázaro Cárdenas Michoacán, Mexico	100.00%
ArcelorMittal USA LLC	1, South Dearborn, Chicago, IL 60603, USA	100.00%
ArcelorMittal Las Truchas, S.A. de C.V.	Francisco J. Mujica 1, 60950, Lázaro Cárdenas Michoacán, Mexico	100.00%
ArcelorMittal Montreal Inc	4000, route des Aciéries, J0L 1C0, Contrecoeur, Québec, Canada	100.00%
Brazil		
ArcelorMittal Brasil S.A.	1115, avenida Carandai, 24° Andar, 30130-915 Belo Horizonte MG, Brazil	100.00%
Acindar Industria Argentina de Aceros S.A.	Av. Leandro N. Alem 790 8° floor, C1001AAP Buenos Aires, Argentina	100.00%
ArcelorMittal Point Lisas Ltd.	ISCOTT Complex, Mediterranean Drive, Point Lisas, Couva, Trinidad and Tobago	100.00%
Europe		
ArcelorMittal Atlantique et Lorraine S.A.S.	Immeuble "Le Cézanne", 6, rue André Campra, 93200, St-Denis, France	100.00%
ArcelorMittal Belgium N.V.	Boulevard de l'Impératrice 66, B-1000 Brussels, Belgium	100.00%
ArcelorMittal España S.A.	Residencia La Granda, 33418 Gozón, Asturias, Spain	99.85%
ArcelorMittal Flat Carbon Europe S.A.	24-26, Boulevard d'Avranches, L-1160 Luxembourg, Luxembourg	100.00%
ArcelorMittal Galati S.A.	Strada Smardan nr. 1, 800698 Galati, Romania	99.70%
ArcelorMittal Poland S.A.	Al. J. Pilsudskiego 92, 41-308 Dąbrowa Górnicza, Poland	100.00%
Industeel Belgium S.A.	Rue de Châtelet, 266, B-6030 Charleroi, Belgium	100.00%
Industeel France S.A.	Immeuble "Le Cézanne", 6, rue André Campra, 93200, St-Denis, France	100.00%
ArcelorMittal Eisenhüttenstadt GmbH	Werkstr. 1, D-15890 Eisenhüttenstadt, Brandenburg, Germany	100.00%
ArcelorMittal Bremen GmbH	Carl-Benz Str. 30, D-28237 Bremen, Germany	100.00%
ArcelorMittal Méditerranée S.A.S.	Immeuble "Le Cézanne", 6, rue André Campra, 93200, St-Denis, France	100.00%
ArcelorMittal Belval & Differdange S.A.	66, rue de Luxembourg, L-4221 Esch sur Alzette, Luxembourg	100.00%
ArcelorMittal Hamburg GmbH	Dradenaustrasse 33, D-21129 Hamburg, Germany	100.00%
ArcelorMittal Gipúzkoa S.L.	Carretera Irún-Madrid, km. 418, Barrio de Yurre, 20212 Olaberría, Spain	100.00%
ArcelorMittal Ostrava a.s.	Vratimovska Str, 689, CZ-70702 Ostrava-Kunčice, Czech Republic	100.00%
Société Nationale de Sidérurgie S.A.	Route Nationale no. 2, Km 18, BP 551, Al Aarroui, Morocco	32.43%[1]
ArcelorMittal Duisburg GmbH	Vohwinkelstrasse 107, D-47137 Duisburg, Germany	100.00%
ArcelorMittal Warszawa S.p.z.o.o.	Ul. Kasprowicza 132, 01-949 Warszawa, Poland	100.00%
ACIS		
ArcelorMittal South Africa Ltd.	Main Building, Room N3/5, Delfos Boulevard, 1911, Vanderbijlpark, South Africa	52.02%
JSC ArcelorMittal Temirtau	Republic Ave., 1, 101407, Karaganda Region, Temirtau, Republic of Kazakhstan	100.00%
PJSC ArcelorMittal Kryvyi Rih	1 Ordzhonikidze Street, Kryvyi Rih, 50095 Dnepropetrovsk Oblast, Ukraine	95.13%
ArcelorMittal International Luxembourg S.A.	12c, rue Guillaume Kroll, L-1882 Luxembourg, Luxembourg	100.00%
Mining		
ArcelorMittal Mines Canada Inc.	1801 McGill College, Suite 1400, H3A2N4 Montreal, Québec, Canada	100.00%[2]
Arcelormittal Liberia Ltd	15th Street, Tubman Blvd, Sinkor, Monrovia, Liberia	85.00%
JSC ArcelorMittal Temirtau	Republic Ave., 1, 101407, Karaganda Region, Temirtau, Republic of Kazakhstan	100.00%
PJSC ArcelorMittal Kryvyi Rih	1 Ordzhonikidze Street, Kryvyi Rih, 50095 Dnepropetrovsk Oblast, Ukraine	95.13%

1 Société Nationale de Sidérurgie, S.A. is controlled by Nouvelles Sidérurgies Industrielles, an entity controlled by ArcelorMittal.

2 ArcelorMittal Mines Canada Inc. holds an 85% interest in the partnerships.

Key transactions and events in 2014

Key Transactions and Events in 2014

ArcelorMittal's principal investments, acquisitions and disposals, and other key events that occurred during the year ended December 31, 2014 are summarized below.

- On December 31, 2014, ArcelorMittal signed an agreement to sell its interest in the Kuzbass coal mines in the Kemerovo region of Siberia, Russia, to Russia's National Fuel Company. The existing intra-group debt was assumed by the buyer for RUB 1.5 billion ($25 million) to be settled in monthly installments until June 30, 2017.

- On December 11, 2014, ArcelorMittal and Tauron Polska Energia S.A. ("Tauron Group") contributed four existing energy production facilities located in Poland and in the Czech Republic into a new 50/50 joint venture named Tameh Holding Sp. z o.o., whose objective is to provide blow air, electricity and heat to the Company's facilities in Poland and in the Czech Republic and electricity to the local communities.

- On November 25, 2014, ArcelorMittal and the Algerian state-owned companies Sider and Ferphos Group signed an agreement whereby the Company's interest in the Tebessa mines in Ouenza and Boukhadra will be diluted from 70% to 49%. The transaction was completed on January 10, 2015.

- On November 14, 2014, ArcelorMittal signed a memorandum of understanding with the Banque et Caisse d'Epargne de l'Etat ("BCEE") whereby the Company and BCEE irrevocably agreed to sell and buy, respectively, the Liberté property (the former headquarters of the Company) in Luxembourg city. The disposal was completed on January 23, 2015.

- On October 30, 2014, ArcelorMittal redeemed its 9.00% Notes due February 15, 2015 and its 3.75% Notes due February 25, 2015 prior to their scheduled maturity for a total nominal amount of $750 million and $500 million respectively.

- On October 28, 2014, ArcelorMittal announced that Sudhir Maheshwari, member of the Group Management Board ("GMB"), with responsibility for corporate finance; mergers, acquisitions and divestments; risk management; and India and China is leaving the Company to pursue other opportunities effective March 31, 2015.

- On October 21, 2014, the Company entered into an agreement with Coils Lamiere Nastri S.P.A. ("CLN") to establish the joint venture ArcelorMittal CLN Distribuzione Italia S.r.l. ("AMCDI"). In order to create this joint venture, ArcelorMittal will contribute assets and liabilities of its wholly owned subsidiary ArcelorMittal Distribution Solutions Italia S.R.L ("AMDSI") to AMCDI in which ArcelorMittal expects to hold a 50% interest. The transaction is expected to be completed during the first half of 2015.

- On October 8, 2014, ArcelorMittal and Gerdau completed the sale of their respective 50% interests in Gallatin Steel Company ("Gallatin"), a flat rolled mini-mill located in Gallatin County, Kentucky, USA, to Nucor Corporation for total consideration of $770 million.

- On September 18, 2014, ArcelorMittal entered into an agreement to establish the joint venture in Turkey, ArcelorMittal RZK Celik Servis Merkezi Sanayi ve Ticaret Anonim Sirketi ("AM RZK"). This joint venture will include assets and liabilities of the Company's wholly owned subsidiary, Rozak Demir Profil Ticaret ve Sanayi Anonim Sirketi ("Rozak"). ArcelorMittal will hold 50% in the joint venture AM RZK. The transaction is expected to be completed during the first half of 2015.

- On July 29, 2014, ArcelorMittal and Billiton Guinea B.V. ("BHP Billiton") signed a sale and purchase agreement for the acquisition by ArcelorMittal of a 43.5% stake in Euronimba Limited ("Euronimba"), which holds a 95% indirect interest in the Mount Nimba iron ore project in Guinea (the "Project"). The Project is comprised of a 935 million tonne direct shipping ore resource with an average grade of 63.1% Fe. The Project is located approximately 40 kilometers from ArcelorMittal Liberia's mine and infrastructure operations. ArcelorMittal simultaneously entered into a sale and purchase agreement with Compagnie Française de Mines et Métaux (a member of the Areva group) for the acquisition of its 13% stake in Euronimba. The closing of these two transactions would give ArcelorMittal 56.5% ownership of Euronimba. The remaining 43.5% stake in Euronimba is owned by Newmont LaSource S.A.S. ("Newmont"). As part of the transaction, ArcelorMittal has granted Newmont a limited duration option which, if exercised, would result in Newmont and ArcelorMittal owning equal stakes in Euronimba. The transaction is subject to certain closing conditions, including certain approvals from the Government of Guinea, which were still outstanding as of the date of this annual report.

- On July 31, 2014, ArcelorMittal completed the sale of all of the shares of Circuit Foil Luxembourg, a manufacturer of electrodeposited copper foils for the electronics industry, and certain of its subsidiaries to Doosan Corporation, a South Korean conglomerate for cash consideration of $49 million (net of cash received).

- On July 4, 2014, ArcelorMittal issued €600 million 2.875% Notes due July 6, 2020 under its €3 billion wholesale Euro Medium Term Notes Programme. The proceeds from the issuance were used for general corporate purposes.

- On June 30, 2014, ArcelorMittal completed the sale of its 78% stake in the European port handling and logistics company Atic Services S.A. ("ATIC") for €155 million ($144 million net of the disposal of $68 million cash) to H.E.S. Beheer N.V., who held the remaining 22% non-controlling interest.

- On June 10, 2014, ArcelorMittal entered into an agreement for financing with a financial institution for $1.0 billion. The financial institution had the right to request early repayment once per year beginning in February 2015 until the final maturity on April 20, 2017. On February 13, 2015, the Company elected to make an early repayment of such financing.

- On May 30, 2014, ArcelorMittal completed the sale of its 50% stake in the joint venture Kiswire ArcelorMittal Ltd. in South Korea and certain other entities of its steel cord business in the United States, Europe and Asia to Kiswire Ltd. The Company received preliminary cash consideration of $55 million ($39 million net of the disposal of $16 million cash) which was subsequently adjusted to $57 million upon final determination of the net debt and working capital balances at the closing date. The existing intra-group debt of $102 million and external debt was assumed by Kiswire Ltd. The intra-group debt is expected to be repaid during the first half of 2015.

- On April 30, 2014, ArcelorMittal completed the extension of its partnership in Latin America with the Bekaert Group ("Bekaert"), a worldwide technology and market leader in steel wire transformation and coatings, to include operations in Costa Rica and Ecuador. Through the extension, ArcelorMittal acquired a 27% non-controlling interest in the Ideal Alambrec Ecuador wire plant, which is controlled by Bekaert, and transferred to

Key transactions and events in 2014
continued

Bekaert both a 73% interest in the wire drawing business of ArcelorMittal Costa Rica and its 55% interest in Cimaf Cabos, a cable business in Osasco (São Paulo) Brazil which is a branch of Belgo Bekaert Arames ("BBA"). In addition, as part of the transaction, ArcelorMittal executed wire rod supply agreements with Bekaert and BBA executed a cable wire supply agreement with Bekaert.

- On March 25, 2014, ArcelorMittal issued €750 million 3.00% Notes due March 25, 2019 under its €3 billion wholesale Euro Medium Term Notes Programme. The proceeds from the issuance were used for general corporate purposes.
- On February 26, 2014, ArcelorMittal, together with NSSMC, completed the acquisition of ThyssenKrupp Steel USA ("TK Steel USA"), a steel processing plant in Calvert, Alabama. The transaction is a 50/50 joint venture, Calvert, with NSSMC, and was completed for an agreed price of $1,550 million plus working capital and net debt adjustments. The Calvert plant has a total capacity of 5.3 million tonnes including hot rolling, cold rolling, coating and finishing lines. The transaction was financed through a combination of debt, at the joint venture level, and equity, of which $258 million was contributed by the Company. The transaction includes a six-year agreement to purchase two million tonnes of slab annually from TK CSA, an integrated steel mill complex located in Rio de Janeiro, Brazil, using a market-based price formula. TK CSA has an option to extend the agreement for an additional three years on terms that are more favorable to the joint venture than the terms under the original six year agreement. The remaining slab balance will be sourced from ArcelorMittal plants in the United States, Brazil and Mexico. ArcelorMittal will be principally responsible for marketing the product on behalf of the joint venture. The consideration ArcelorMittal will receive for its slabs will be determined by the volume, price and cost performance of the joint venture.
- On February 20, 2014, ArcelorMittal redeemed all of its outstanding $650 million subordinated perpetual capital securities following the occurrence of a "Ratings Agency Event", as defined in the terms of the securities. The notes were redeemed at a price of 101% of the principal amount thereof, plus any interest accrued to, but excluding the redemption date.
- On January 17, 2014, ArcelorMittal extended the conversion date for its $1 billion privately placed mandatory convertible bond (the "MCB") issued on December 28, 2009 by one of its wholly-owned Luxembourg subsidiaries. The mandatory conversion date of the MCB was extended to January 29, 2016, while the other main features of the MCB remain unchanged. The MCB was placed privately with a Luxembourg affiliate of Crédit Agricole Corporate and Investment Bank and is not listed. The issuing subsidiary simultaneously executed amendments providing for the extension of the outstanding notes, in which the Company invested the proceeds from the MCB issuance. The notes are linked to shares of the listed companies Eregli Demir Va Celik Fab. T. AS of Turkey and China Oriental, both of which are held by ArcelorMittal subsidiaries.

Recent Developments

On January 14, 2015, ArcelorMittal announced the issuance of €750 million 3.125 percent Notes due on January 14, 2022 under its €3 billion wholesale Euro Medium Term Notes Programme. The proceeds of the issuance will be used for general corporate purposes.

Corporate Governance

The "Corporate Governance" section of our Annual Report 2014 contains a full overview of our corporate governance practices

Directors and Senior Management

Board of Directors
ArcelorMittal places a strong emphasis on corporate governance. ArcelorMittal has seven independent directors on its 11-member Board of Directors. The Board's Audit Committee and Appointments, Remuneration and Corporate Governance Committee ("ARCG Committee") are each comprised exclusively of independent directors. In addition, half of the Risk Management Committee is comprised of independent directors.

The annual general meeting of shareholders on May 8, 2014 acknowledged the expiration of the terms of office of Mr. Lakshmi N. Mittal, Mr. Lewis B. Kaden, Mr. Antoine Spillmann, Mr. Bruno Lafont and HRH Prince Guillaume of Luxembourg.

At the same meeting, the shareholders re-elected Mr. Lakshmi N. Mittal, Mr. Lewis B. Kaden, Mr. Antoine Spillmann and Mr. Bruno Lafont and elected Mr. Michel Wurth for a new term of three years each.

The Board of Directors is composed of 11 directors, of which 10 are non-executive directors and seven are independent directors. The Board of Directors comprises only one executive director, Mr. Lakshmi N. Mittal, the Chairman and Chief Executive Officer of ArcelorMittal.

Mr. Lewis B. Kaden is the Lead Independent Director. In the most recent assessment of the Company's leadership structure, the ARCG Committee reviewed the key duties and responsibilities of the Company's Chairman and Chief Executive Officer and its Lead Independent Director as follows:

Chairman	Lead Independent Director
* Chairs the Board of Directors and shareholders' meetings	* Provides independent leadership to the Board of Directors
* Works with the Lead Independent Director to set agenda for the Board of Directors and review schedule of the meetings	* Presides at executive sessions of independent directors
* Serves as a public face of the Board of Directors and of the Company	* Advises the Chairman of any decisions reached and suggestions made at the executive sessions, as appropriate
* Serves as a resource for the Board of Directors	* Coordinates the activities of the other independent directors
* Guides discussions at the Board of Directors meetings and encourages directors to express their positions	* Oversees Board of Directors' governance processes, including succession planning and other governance-related matters
* Communicates significant business developments and time-sensitive matters to the Board of Directors	* Liaison between the Chairman and the other independent directors
* Is responsible for managing day-to-day business and affairs of the Company	* Calls meetings of the independent directors when necessary and appropriate
* Interacts with the Group Management Board (the "GMB") of the Company and frequently meets stakeholders and provide feedback to the Board of Directors	* Leads the Board of Directors' self-evaluation process and such other duties as are assigned from time to time by the Board of Directors

Corporate governance

No member of the Board of Directors, including the executive director, has entered into any service contract with ArcelorMittal or any of its subsidiaries providing for benefits upon the end of his or her service on the Board of Directors. All non-executive Directors of the Company signed an Appointment Letter with the Company, which confirms the conditions of their appointment including compliance with a non-compete provision, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange and the Company's Code of Business Conduct.

The members of the Board of Directors are set out below:

Name	Age[5]	Date of joining the Board[6]	End of Term	Position within ArcelorMittal
Lakshmi N. Mittal	64	May 1997	May 2017	Chairman of the Board of Directors and Chief Executive Officer
Lewis B. Kaden [2 4]	72	April 2005	May 2017	Lead Independent Director
Vanisha Mittal Bhatia	34	December 2004	May 2016	Director
Narayanan Vaghul[1 2 4]	78	July 1997	May 2015	Director
Wilbur L. Ross[1 4]	77	April 2005	May 2015	Director
Jeannot Krecké[3]	64	January 2010	May 2016	Director
Antoine Spillmann[1 3 4]	51	October 2006	May 2017	Director
Suzanne P. Nimocks[2 3 4]	55	January 2011	May 2016	Director
Bruno Lafont[1 4]	58	May 2011	May 2017	Director
Tye Burt[3 4]	57	May 2012	May 2015	Director
Michel Wurth	60	May 2014	May 2017	Director

1 Member of the Audit Committee.
2 Member of the Appointments, Remuneration and Corporate Governance Committee.
3 Member of the Risk Management Committee.
4 Non-executive and independent director.
5 Age as of December 31, 2014.
6 Date of joining the Board of ArcelorMittal or, if prior to 2006, its predecessor Mittal Steel Company NV.

Henk Scheffer is the Company Secretary and, accordingly, acts as secretary of the Board of Directors.

On November 6, 2014, the Board of Directors authorized the transfer of ArcelorMittal's registered office from 19, avenue de la Liberté, L-2930 to 24-26, boulevard d'Avranches, L-1160 Luxembourg, Grand Duchy of Luxembourg.

Lakshmi N Mittal, 64, is the Chairman and Chief Executive Officer of ArcelorMittal. Mr. Mittal started his career in steel in 1976 by founding Ispat Indo, a company that is still held privately by the Mittal family. He founded Mittal Steel Company (formerly the LNM Group) in 1989 and guided its strategic development, culminating in the merger in 2006 with Arcelor, to form the world's largest steelmaker. 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 boards and trusts, including chairman of the board of Aperam and the boards of Goldman Sachs and Airbus N.V (previously EADS NV). He is a member of the Foreign Investment Council in Kazakhstan, the World Economic Forum's International Business Council and the World Steel Association's Executive Committee. He also sits on the Board of Trustees of Cleveland Clinic in the United States. Mr. Mittal began his career working in his family's steelmaking business in India, and has over 35 years of experience working in steel and related industries. In addition to spearheading the steel industry's consolidation, he championed the development of integrated mini-mills and the use of Direct Reduced Iron (DRI) as a scrap substitute for steelmaking. Following the merger of Ispat International and LNM Holdings to form Mittal Steel in December 2004, with the simultaneous acquisition of International Steel Group, he led the formation of the world's steel producer at the time. In 2006, he orchestrated Mittal Steel and Arcelor's merger to form ArcelorMittal. Mr. Mittal then led a successful integration of two large entities to firmly establish ArcelorMittal as one of the foremost industrial companies in the world. The company continues to be the largest and most global steel manufacturer. More recently, Mr. Mittal has been leading ArcelorMittal's expansion of its mining business through significant brown field and greenfield growth. In 1996, Mr. Mittal was awarded 'Steelmaker of the Year' by New Steel in the United States and in 1998 the 'Willy Korf Steel Vision Award' by World Steel Dynamics for outstanding vision, entrepreneurship, leadership and success in global steel development. He was named Fortune magazine's 'European Businessman of the Year 2004'. 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 in 2007 the 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. In October 2010, he was awarded World Steel Association's medal in recognition of his services to the Association as its Chairman and also for his contribution to the sustainable development of the global steel industry. In January 2013, Mr. Mittal was awarded with a Doctor Honoris Causa by the AGH University of Science and Technology in Krakow, Poland. Mr. Mittal was born in Sadulpur in Rajasthan, India on June 15, 1950. He graduated from St. Xavier's College in Kolkata, India where he received a Bachelor of Commerce degree. Mr. Mittal is married to Usha Mittal. They have a son, Aditya Mittal, and a daughter, Vanisha Mittal Bhatia. Mr. Mittal is a citizen of India.

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Lewis B. Kaden, 72, Lead Independent Director of ArcelorMittal and chairman of the Appointments, Remuneration and Corporate Governance Committee. He has approximately 40 years of experience in corporate governance, financial services, dispute resolution and economic policy. He is currently Senior Adviser of TGG Group, the John Harvey Gregory Lecturer on World Organization at Harvard University. Mr. Kaden was Vice Chairman of Citigroup between 2005 and 2013. 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 Trustees of the Markle Foundation and Vice Chairman of the Board of Trustees of Asia Society. He is a member of the Council on Foreign Relations and of the Trilateral Commission being 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. He is also a Senior Fellow of the Moussavar - Rahmani Center on Business and Government at the Harvard Kennedy School of Government and Senior Fellow of the Program on Corporate Governance and the Center on the Legal Profession at Harvard Law School. Mr. Kaden is a citizen of the United States of America.

Vanisha Mittal Bhatia, 34, is a non-independent Director of ArcelorMittal. She was appointed as a member of the LNM Holdings Board of Directors in June 2004. Ms. 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 a Master's in South Asian studies from the School of Oriental and African Studies, University of London. She has worked at Mittal Shipping Ltd, Mittal Steel Hamburg GmbH, an Internet-based venture capital fund, within the procurement department of Mittal Steel, in charge of a cost-cutting project, and is currently Head of Strategy for Aperam, a leading maker of stainless steel. She is also the daughter of Mr. Lakshmi N. Mittal. Ms. Bhatia is a citizen of India.

Narayanan Vaghul, 78, is non-executive and independent Director of ArcelorMittal as well as a member of the Audit and Appointments, Remuneration and Corporate Governance Committees. He has over 50 years of experience in the financial sector and 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 also served for brief periods as 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 and a Board member of Mahindra & Mahindra. Mr. Vaghul is Chairman of the Indian Institute of Finance Management & Research and is also a Board member of Wipro, Piramal Healthcare Limited and Apollo Hospitals. He was chosen as a Businessman of the Year in 1992 by Business India. He also received a Lifetime Achievement Award from the Economic Times. In 2009, he was awarded the Padma Bhushan, India's third highest civilian honor. Mr. Vaghul is a citizen of India.

Wilbur L. Ross, Jr., 77, is a non-executive and independent Director of ArcelorMittal and a member of the Audit Committee. He is the Chairman and Chief Strategy Officer of WL Ross and Co. LLC which through intermediate holding companies is ultimately a wholly owned subsidiary of Invesco Ltd. Mr.Ross has been Chairman of WL Ross and Co. LLC since April 2000. Mr. Ross is also the Chairman of WL Ross Holding Corporation which is listed on NASDAQ and of Diamond S Shipping, which is unlisted. He is Vice Chairman of the Bank of Cyprus which is listed on the Cyprus and Athens Stock Exchanges and is a Director of Sunbancorp, which is listed on NASDAQ and of Exco, which is listed on the New York Stock Exchange. Mr. Ross has a number of non-profit affiliations. He is on the Board of the Yale School of Management and the Harvard Business School Dean's Advisory Board. Mr. Ross is Chairman of the Japan Society and of the Economic Studies Council of the Brookings Institution, of which he is also a Trustee. He is the President of the American Friends of the Magritte Museum and a member of the International Council of the Musée des Arts Décoratifs. He also is a Trustee of the Palm Beach Retirement Funds, the Palm Beach Preservation Foundation and the Palm Beach Civic Association. Mr. Ross is a citizen of the United States of America.

Jeannot Krecké, 64, is a non-independent Director of ArcelorMittal and a member of the Risk Committee. He started his university studies at the Université Libre de Bruxelles (ULB) in Belgium in 1969, from where 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. He enrolled in various courses, in particular in the United States. Following the legislative elections of June 13, 2004, Mr. Krecké was appointed Minister of the Economy and Foreign Trade of Luxembourg on July 13, 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, Mr. Krecké retained the portfolio of Minister of the Economy and Foreign Trade on July 23, 2009. As of July 2004, Mr. Krecké represented the Luxembourg government at the Council of Ministers of the EU in the Internal Market and Industry sections of its Competitiveness configuration as well as in 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. On February 1, 2012, Mr. Krecké retired from government and decided to end his active political career in order to pursue a range of different projects. Mr. Krecké is currently the CEO of Key International Strategy Services and a Strategic adviser to GENII-Capital. He is a member of the boards of JSFC Sistema, of East West United Bank, of China Construction Bank Europe, of Calzedonia Finanziara S.A. and Novenergia Holding Company S.A. Mr. Krecké is a citizen of Luxembourg.

Antoine Spillmann, 51, is a non-executive and independent Director of ArcelorMittal and a member of the Audit and Risk Committees. He is the CEO and executive partner at the firm Bruellan Wealth Management; one of Switzerland's leading independent asset management companies based in Geneva, Switzerland. He spends most of his time defending the rights of shareholders and investors in quoted companies in Switzerland. He served for 5 years as vice-president of the Swiss association of asset managers. Mr. Spillmann is also a non-independent board

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member of Bondpartners SA ("BPL"), Lechanche SA and Sibelco Switzerland AG. BPL is a Swiss financial services company founded in 1972, authorized under the law to trade securities and controlled by the Swiss Financial Market Supervisory Authority (FINMA). BPL is also a member of the Swiss Bankers Association, member of the International Capital Market Association and associated member of the Swiss Stock Exchange and is quoted on the SIX Stock Exchange. Leclanché is a 100 years old Swiss company that develops and produces energy storage systems using large-format lithium-ion-cells. The firm is also quoted on the SIX Stock Exchange. Mr. Spillmann studied in Switzerland and London, receiving diplomas from the London Business School in Investment Management and Corporate Finance. Mr. Spillmann is a citizen of Switzerland.

Suzanne P. Nimocks, 55, is a non-executive and independent Director of ArcelorMittal and a member of the Appointments, Remuneration and Corporate Governance and Risk Committees. She was previously a director (senior partner) with McKinsey & Company, a global management consulting firm, from June 1999 to March 2010, and was with the firm in various other capacities beginning in 1989, including as a leader in the firm's Global Petroleum Practice, Electric Power & Natural Gas Practice, Organization Practice, and Risk Management Practice. Ms. Nimocks chaired the Environmental Committee of the Greater Houston Partnership, the primary advocate of Houston's business community, until December 31, 2010. She holds a Bachelor of Arts in Economics from Tufts University and a Masters in Business Administration from the Harvard Graduate School of Business. Ms. Nimocks is currently a Board Member for Encana Corporation, Rowan Companies Plc, and Owens Corning, all listed companies, and Axip Energy Services (former Valerus), a private company. Encana is a major natural gas exploration and production company, Rowan Companies provides drilling services for the oil and gas industry, Owens Corning is a manufacturer of building products, and Axip Energy Services provides services for oil and gas production. In the non-profit sector, she chairs the board of directors of the Houston Zoo and serves as a Trustee of the Texas Children's Hospital. Mrs. Nimocks is a citizen of the United States of America.

Bruno Lafont, 58, is a non-executive and independent Director of ArcelorMittal and a member of the Audit Committee. He began his career at Lafarge in 1983 and has held numerous positions in finance and international operations with the same company. In 1995, Mr. Lafont was appointed Group Executive Vice President, Finance, and thereafter Executive Vice President of the Gypsum Division in 1998. Mr. Lafont joined Lafarge's General Management as Chief Operating Officer between May 2003 and December 2005. Chief Executive Officer since January 2006, Bruno Lafont was appointed Chairman and Chief Executive Officer in May 2007. Mr. Lafont presently chairs the Energy & Climate Change Working Group of the ERT (European Roundtable of Industrialists) and the Sustainable Development Commission of the MEDEF (Mouvement des Entreprises de France), the French Employers Association. He is also a Special Adviser to the Mayor of Chongqing (China) and a Board Member of EDF. Born in 1956, Mr. Lafont is a graduate from the Hautes Etudes Commerciales business school (HEC 1977, Paris) and the Ecole Nationale d'Administration (ENA 1982, Paris). Mr. Lafont is a citizen of France.

Tye Burt, 57, is a non-executive and independent Director of ArcelorMittal as well as a member of the Risk Committee. He was appointed President and Chief Executive Officer of Kinross Gold Corporation in March 2005. He held this position until August 1, 2012. Kinross is listed on the New York Stock Exchange and the Toronto Stock Exchange. Mr. Burt was also a member of the board of directors of Kinross. Mr. Burt has broad experience in the global mining industry, specializing in corporate finance, business strategy and mergers and acquisitions. Prior to joining Kinross, he held the position of Vice Chairman and Executive Director of Corporate Development at Barrick Gold Corporation. He was President of the Cartesian Capital Group from 2000 to 2002; Chairman of Deutsche Bank Canada and Deutsche Bank Securities Canada; Global Managing Director of Global Metals and Mining for Deutsche Bank AG from 1997 to 2000; and Managing Director and Co-Head of the Global Mining Group at BMO Nesbitt Burns from 1995 to 1997, holding various other positions at BMO Nesbitt Burns from 1986 to 1995. Mr. Burt is the Chairman of Urthecast Corp., a small Canadian TSX-listed company in the aerospace technology business. The Company is focused on the business of streaming colour images of the Earth from the International Space Station. He is also the Chair and Principal at Carbon Arc Capital Investments Corp. and the Life Sciences Research Campaign Chair of the University of Guelph's Better Planet Project. Mr. Burt is a member of the Duke of Edinburgh's Award Charter for Business Board of Governors. He is a graduate of Osgoode Hall Law School, a member of the Law Society of Upper Canada, and he holds a Bachelor of Arts degree from the University of Guelph. Mr. Burt is a citizen of Canada.

Michel Wurth, 60, is a non-independent Director of ArcelorMittal. He joined Arbed in 1979 and held a variety of functions before joining the Arbed Group Management Board and becoming its chief financial officer in 1996. The merger of Aceralia, Arbed and Usinor, leading to the creation of Arcelor in 2002, led to Mr. Wurth's appointment as senior executive vice president and CFO of Arcelor. He became a member of ArcelorMittal's Group Management Board in 2006, responsible for Flat Carbon Europe, Global R&D, Distribution Solutions and Long Carbon Worldwide, respectively. Michel Wurth retired from the GMB in April 2014 and was elected to ArcelorMittal's board of directors in May 2014. He holds a law degree from the University of Grenoble, France, and a degree in political science from the Institut d'Études Politiques de Grenoble as well as a master's in economics from the London School of Economics, UK. Michel Wurth is also doctor of laws honoris causa of the Sacred Heart University, Luxembourg. Michel Wurth has served as Chairman of the Luxembourg Chamber of Commerce since 2004. He is also non-executive Chairman of Paul Wurth S.A. and of BIP Investment Partners and non-executive Director of BGL BNP Paribas S.A., of SMS Group and of Brasserie Nationale. Paul Wurth S.A. is controlled by SMS Group, a leading equipment and engineering supplier for the steel and non-ferrous metal producing industry. BIP Investment Partners is a Luxembourg based company, mainly invested in private equity, BGL BNP Paribas is a Luxembourg bank, majority owned BNP of France and Brasserie Nationale is a privately owned brewery based in Luxembourg. Mr. Wurth is a citizen of Luxembourg.

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Senior Management

ArcelorMittal's senior executive management is comprised of the members of the Group Management Board ("GMB"). As of December 31, 2014, the GMB comprised the following members:

Name [2]	Age[1]	Position
Lakshmi N. Mittal	64	Chairman and Chief Executive Officer of ArcelorMittal with additional responsibility for Mining
Davinder Chugh	58	Chief Executive Officer of ArcelorMittal Africa and CIS, responsible for Algeria, Kazakhstan, South Africa and Ukraine
Sudhir Maheshwari	51	Chief Executive Officer of ArcelorMittal India and China with additional responsibility for Corporate Finance, M&A, Risk Management
Aditya Mittal	38	Chief Financial Officer of ArcelorMittal, Investor Relations, and Chief Executive Officer of ArcelorMittal Europe
Lou Schorsch	65	Chief Executive Officer of ArcelorMittal Americas, with additional responsibility for corporate activities (Strategy, Technology, R&D, Global Automotive and Commercial co-ordination)
Gonzalo Urquijo	53	Responsible for Tubular Products and Head of Health and Safety and Corporate Affairs (Government Affairs, Corporate Responsibility and Communication)

1 Age as of December 31, 2014.
2 Mr. Wurth retired in April 2014.

In October 2014, ArcelorMittal announced that Sudhir Maheshwari will be leaving the Company to pursue other opportunities effective March 31, 2015.

Also, in October 2014, ArcelorMittal announced that Mr. Gonzalo Urquijo would become an advisor to Mr. Laskhmi N. Mittal effective January 1, 2015.

The GMB has responsibility for, and its remuneration is tied to, the day-to-day management of the business of ArcelorMittal on a global basis. In 2012, the ARCG Committee of the Board of Directors decided to further improve the remuneration disclosure published by the Company by focusing on those executive officers whose remuneration is tied to the performance of the entire ArcelorMittal group. Consequently, information regarding the Management Committee, which is an advisory body to the GMB, is no longer included. The GMB is defined, going forward, as ArcelorMittal's senior management.

Lakshmi N. Mittal (See "–Board of Directors").

Davinder Chugh, 58, is CEO of ArcelorMittal Africa and CIS, member of the GMB responsible for Algeria, Kazakhstan, South Africa and Ukraine. He has over three decades of experience in the steel industry in general management, materials purchasing, marketing, logistics, warehousing and shipping. Mr. Chugh was previously a Senior Executive Vice President of ArcelorMittal responsible for Shared Services since 2013. Before becoming a Senior Executive Vice President of ArcelorMittal, he served as the CEO of Mittal Steel South Africa until 2006. Mr. Chugh worked in South Africa from 2002 following 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. Mr. Chugh was Vice President of Purchasing in Mittal Steel Europe until 2002, where he consolidated procurement and logistics across plants in Europe. Between 1995, when he joined Mittal Steel and 1999, he worked as general manager (purchasing) of Hamburg Steel Works and as general manager (purchasing) of Mittal Steel Germany. Prior to joining Mittal Steel, he held senior positions at the Steel Authority India Limited in New Delhi, India. He holds bachelor's degrees of B.Sc. (Physics Honors), an LLB and an MBA. Mr. Chugh is a citizen of India and as of November 2013 Mr. Chugh became a citizen of United Kingdom.

Sudhir Maheshwari, 51, is also Alternate Chairman of the Corporate Finance and Tax Committee and Chairman of the Risk Management Committee. Mr. Maheshwari 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 25 years' 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 activities thereof. He also plays key leading roles in various corporate finance functions and funding and capital market transactions. This includes the award-winning refinancing of the company's debt in 2009 as well as the initial public offering in 1997. Over a 24-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 Directors of various subsidiaries of ArcelorMittal. Mr. Maheshwari is an Honours 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. Mr. Maheshwari is a citizen of India.

Aditya Mittal, 38, Prior to the merger to create ArcelorMittal, Mr. Aditya Mittal held the position of President and Chief Financial Officer of Mittal Steel Company from October 2004 to 2006. He joined Mittal Steel in January 1997 and has held various finance and

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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 M&A responsibilities, Aditya Mittal was involved in post-integration, turnaround and improvement strategies. As Chief Financial Officer of Mittal Steel, he also initiated and led Mittal Steel's offer for Arcelor to create the first 100 million tonnes plus steel company. In 2008, Mr. Aditya Mittal was awarded 'European Business Leader of the Future' by CNBC Europe. In 2011, he was also ranked 4th in the '40 under 40' list of Fortune magazine. He is a member of the World Economic Forum's Young Global Leaders Forum, the Young President's Organization and a Board member at the Wharton School. 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, United States. Mr. Aditya Mittal is the son of Mr. Lakshmi N. Mittal. Mr. Aditya Mittal is a citizen of India.

Lou Schorsch, 65, was elected to the GMB in May 2011. Prior to this appointment he had been President and Chief Executive Officer of Flat Carbon Americas, a position established with the 2006 merger of Arcelor and Mittal Steel, as well as a member of the ArcelorMittal Management Committee. He had previously led the American operations of the Mittal Group, Mittal Steel USA (2005-2006) and Ispat Inland (2003-2005). Prior to joining Ispat Inland, Dr. Schorsch had spent most of his career as a partner in McKinsey & Co and was co-leader of that firm's Metals Practice. He joined McKinsey's Brussels Office in 1985 and also worked in that firm's Pittsburgh and Chicago offices. While at McKinsey his work focused on the steel sector and involved client service with leading steel firms in the Americas, Europe and Asia. He left McKinsey in 2000 to become CEO of GSX, an internet steel exchange founded by Cargill, Samsung, Duferco, and Arbed. He is the author of numerous articles related to the steel sector, was the co-author of the 1983 book "Steel: Upheaval in a Basic Industry", and has appeared as a steel expert on NBC and PBS television channels in the United States. Prior to joining McKinsey Dr. Schorsch was an analyst at the Congressional Budget Office in Washington, D.C. and a millwright at the USS South Chicago Works in the late 1970s, when he developed his initial interest in the steel sector. He holds a doctorate in Economics from American University and a bachelor's degree from Georgetown University, both in Washington, D.C. Mr. Schorsch is a citizen of the United States of America.

Gonzalo Urquijo, 53, previously Senior Executive Vice President and Chief Financial Officer of Arcelor, has held the following responsibilities: Finance, Purchasing, IT, Legal Affairs, Investor Relations, Arcelor Steel Solutions and Services, and other activities. Mr. 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. Mr. Urquijo is a director of Aperam. He is a graduate in Economics and Political Science of Yale University and holds an MBA from the Instituto de Empresa in Madrid. Mr. Urquijo is a citizen of Spain.

Board Practices/ Corporate Governance

This section describes the corporate governance practices of ArcelorMittal.

Board of Directors and Group Management Board

ArcelorMittal is governed by a Board of Directors and managed by a GMB. The GMB 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 merger with Arcelor), amended in April 2008 and which mostly expired on August 1, 2009.

ArcelorMittal fully complies with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. This is explained in more detail in "—Other Corporate Governance practices" below. ArcelorMittal also complies with the New York Stock Exchange Listed Company Manual as applicable to foreign private issuers.

Board of Directors

Composition

The Board of Directors is in charge of the overall governance and direction 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 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.

The Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Other than as set out in the Company's Articles of Association, 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.

In 2014, the Board of Directors proposed Mr. Michel Wurth to serve as a member of the ArcelorMittal Board of Directors, which was approved at the ArcelorMittal annual general shareholders' meeting held on May 8, 2014.

The Board of Directors is comprised of 11 members, of which 10 are non-executive directors and one is an executive director. The Chief Executive Officer of ArcelorMittal is the sole executive director.

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. Mr. Mittal was re-elected to the Board of Directors for a three-year term by the annual general meeting of shareholders on May 8, 2014.

Seven of the 11 members of the Board of Directors are independent. The non-independent directors are Mr. Lakshmi N. Mittal, Ms. Vanisha Mittal Bhatia, Mr. Jeannot Krecké and Mr. Michel Wurth. A director is considered "independent" if:

(a) he or she is independent within the meaning of the New York Stock Exchange Listed Company Manual, as applicable to foreign private issuers,

(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. The 10 Principles of Governance of the Luxembourg Stock Exchange, which constitute ArcelorMittal's domestic corporate governance code, require ArcelorMittal to define the independence criteria that apply to its directors, which are described in article 8.1 of its Articles of Association.

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Specific characteristics of the Director role

The Company's Articles of Association do not require directors to be shareholders of the Company. The Board of Directors nevertheless adopted a share ownership policy on October 30, 2012, considering that it is in the best interests of all shareholders for all non-executive directors to acquire and hold a minimum number of ArcelorMittal ordinary shares in order to better align their long-term interests with those of ArcelorMittal's shareholders. The Board of Directors believes that this share ownership policy will result in a meaningful holding of ArcelorMittal shares by each non-executive director, while at the same time taking into account the fact that the share ownership requirement should not be excessive in order not to unnecessarily limit the pool of available candidates for appointment to the Board of Directors. Directly or indirectly, and as sole or joint beneficiary owner (e.g., with a spouse or minor children), within five years of the earlier of October 30, 2012 or the relevant person's election to the Board of Directors, the Lead Independent Director should own a minimum of 15,000 ordinary shares and each other non-executive director should own a minimum of 10,000 ordinary shares. Each director will hold the shares acquired on the basis of this policy for so long as he or she serves on the Board of Directors. Directors purchasing shares in compliance with this policy must comply with the ArcelorMittal Insider Dealing Regulations and, in particular, and refrain from trading during any restricted period, including any such period that may apply immediately after the Director's departure from the Board of Directors for any reason.

On October 30, 2012, the Board of Directors also adopted a policy that places limitations on the terms of independent directors as well as the number of directorships Directors may hold in order to align the Company's corporate governance practices with best practices in this area. The policy provides that an independent director may not serve on the Board of Directors for more than 12 consecutive years, although the Board of Directors may, by way of exception to this rule, make an affirmative determination, on a case-by-case basis, that he or she may continue to serve beyond the 12 years rule if the Board of Directors considers it to be in the best interest of the Company based on the contribution of the Director involved and the balance between the knowledge, skills, experience and need for renewal of the Board.

As membership of the Board of Directors represents a significant time commitment, the policy requires both executive and non-executive directors to devote sufficient time to the discharge of their duties as a director of ArcelorMittal. Directors are therefore required to consult with the Chairman and the Lead Independent Director before accepting any additional commitment that could conflict with or impact the time they can devote to their role as a Director of ArcelorMittal. Furthermore, a non-executive director may not serve on the boards of directors of more than four publicly listed companies in addition to the ArcelorMittal Board of Directors. However, a non-executive Director's service on the board of directors of any subsidiary or affiliate of ArcelorMittal or of any non-publically listed company is not taken into account for purposes of complying with the foregoing limitation. Directors have a time period of three years from October 30, 2012 before the limit of five directorships of public companies will be applied.

Although non-executive directors of ArcelorMittal who change their principal occupation or business association are not necessarily required to leave the Board of Directors, the policy requires each non-executive director, in such circumstances, promptly to inform the Board of Directors of the action he or she is contemplating. Should the Board of Directors determine that the contemplated action would generate a conflict of interests, such non-executive director would be asked to tender his or her resignation to the chairman of the Board of Directors, who would decide to accept the resignation or not.

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 any form of remuneration or for benefits upon the termination of their term. All non-executive Directors of the Company signed the Company's Appointment Letter, which confirms the conditions of their appointment by the General Meeting of the Shareholders including compliance with certain non-compete provisions, the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange and the Company's Code of Business Conduct.

All members of the Board of Directors are required to sign the Company's Code of Business Conduct upon first joining the Board of Directors and confirm their adherence thereto on an annual basis thereafter.

The remuneration of the members of the Board of Directors is determined on a yearly basis by the annual general meeting of shareholders.

Share Transactions by Management

In compliance with laws prohibiting insider dealing, the Board of Directors of ArcelorMittal has adopted insider dealing regulations, which apply throughout the ArcelorMittal group. These regulations are designed to ensure that insider information is treated appropriately within the Company and avoid insider dealing and market manipulation. Any breach of the rules set out in this procedure may lead to criminal or civil charges against the individuals involved, as well as disciplinary action by the Company.

Shareholding Requirement for Non-Executive Directors

In consideration of corporate governance trends indicating that a reasonable amount of share ownership helps better align the interests of the directors with those of all shareholders, the Board of Directors adopted on October 30, 2012 share ownership guidelines for non-executive Directors. The directors are required to own 10,000 shares and the Lead Independent Director is required to own 15,000 shares, both within five years of October 30, 2012, or if the Director is appointed after October 30, 2012, within five years of his or her appointment.

Operation

General

The Board of Directors and the Board committees may engage the services of external experts or advisers as well as take all actions necessary or useful to implement the Company's corporate purpose. The Board of Directors (including its three committees) has its own budget, which covers functioning costs such as external consultants, continuing education activities for Directors and travel expenses.

Meetings

The Board of Directors meets when convened by the Chairman of the Board or any 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 and can take decisions by written circulation, provided that all members of the Board of Directors agree.

The Board of Directors held five meetings in 2014. The average attendance rate of the directors at the Board of Directors' meetings was 95%.

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 a majority of the independent Directors. In the absence of the Chairman, the Board of Directors will appoint by majority vote a chairman 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.

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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. His or her function is highlighted above.

Mr. Lewis B. Kaden was elected by the Board of Directors as ArcelorMittal's first Lead Independent Director in April 2008 and remains Lead Independent Director, having been re-elected as a director for a three-year term on May 8, 2014.

The agenda of each meeting of the Board of Directors is decided jointly by the Chairman of the Board of Directors and the Lead Independent Director.

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 2014.

Annual Self-Evaluation
The Board of Directors decided in 2008 to start conducting 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 includes structured interviews between the Lead Independent Director and each director and covers the overall performance of the Board of Directors, its relations with senior management, the performance of individual directors, and the performance of the committees. The process is supported by the Company Secretary under the supervision of the Chairman and the Lead Independent Director. The findings of the self-evaluation process are examined by the ARCG Committee and presented with recommendations from the ARCG Committee to the Board of Directors for adoption and implementation. Suggestions for improvement of the Board of Directors' process based on the prior year's performance and functioning are implemented during the following year.

The 2014 Board of Directors' self-evaluation was completed by the Board on February 9, 2015. Directors noted the progress regarding the balance of the time spent by the Board of Directors on strategic and other specific issues as compared to time spent on the review of financial and operational results and performance. The Board of Directors has also set new priorities for discussion and review and identified a number of topics that it wishes to spend additional time on in 2015.

The Board of Directors believes that its members have the appropriate range of skills, knowledge and experience, as well as the degree of diversity, necessary to enable it to effectively govern the business. Board of Directors composition is reviewed on a regular basis and additional skills and experience are actively searched for in line with the expected development of ArcelorMittal's business as and when appropriate.

Required Skills, Experience and Other Personal Characteristics
Diverse skills, backgrounds, knowledge, experience, geographic location, nationalities and gender are required in order to effectively govern a global business the size of the Company's operations. The Board of Directors and its committees are therefore required to ensure that the Board has the right balance of skills, experience, independence and knowledge necessary to perform its role in accordance with the highest standards of governance.

The Company's directors must demonstrate unquestioned honesty and integrity, preparedness to question, challenge and critique constructively, and a willingness to understand and commit to the highest standards of governance. They must be committed to the collective decision-making process of the Board of Directors and must be able to debate issues openly and constructively, and question or challenge the opinions of others. Directors must also commit themselves to remain actively involved in Board decisions and apply strategic thought to matters at issue. They must be clear communicators and good listeners who actively contribute to the Board in a collegial manner. Each director must also ensure that no decision or action is taken that places his or her interests in front of the interests of the business. Each director has an obligation to protect and advance the interests of the Company and must refrain from any conduct that would harm it.

In order to govern effectively, non-executive directors must have a clear understanding of the Company's strategy, and a thorough knowledge of the ArcelorMittal group and the industries in which it operates. Non-executive directors must be sufficiently familiar with the Company's core business to effectively contribute to the development of strategy and monitor performance.

With specific regard to the non-executive directors of the Company, the composition of the group of non-executive directors should be such that the combination of experience, knowledge and independence of its members allows the Board to fulfill its obligations towards the Company and other stakeholders in the best possible manner.

The ARCG Committee ensures that the Board of Directors is comprised of high-caliber individuals whose background, skills, experience and personal characteristics enhance the overall profile of the Board and meets its needs and diversity aspirations by nominating high quality candidates for election to the Board by the general meeting of shareholders.

Board Profile
The key skills and experience of the directors, and the extent to which they are represented on the Board of Directors and its committees, are set out below. In summary, the non-executive directors contribute:

- international and operational experience;
- understanding of the industry sectors in which ArcelorMittal operates;
- knowledge of world capital markets and being a company listed in several jurisdictions; and
- an understanding of the health, safety, environmental, political and community challenges that ArcelorMittal faces.

Each director is required to adhere to the values set out in, and sign, the ArcelorMittal Code of Business Conduct.

Renewal
The Board of Directors plans for its own succession, with the assistance of the ARCG Committee. In doing this, the Board of Directors:

- considers the skills, backgrounds, knowledge, experience and diversity of geographic location, nationality and gender necessary to allow it to meet the corporate purpose;
- assesses the skills, backgrounds, knowledge, experience and diversity currently represented;
- identifies any inadequate representation of those attributes and agrees the process necessary to ensure a candidate is selected who brings them to the Board of Directors; and
- reviews how Board performance might be enhanced, both at an individual Director level and for the Board as a whole.

The Board believes that orderly succession and renewal is achieved through careful planning and by continuously reviewing the composition of the Board.

When considering new appointments to the Board, the ARCG Committee oversees the preparation of a position specification that is provided to an independent recruitment firm retained to conduct a global search, taking into account, among other factors, geographic location, nationality and gender. In addition to the specific skills, knowledge and experience required of the candidate, the specification contains the criteria set out in the ArcelorMittal Board profile.

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Diversity
In line with the worldwide effort to increase gender diversity on the boards of directors of listed and unlisted companies, the Board has set an aspirational goal of increasing the number of women on the Board to at least three by the end of 2015 based upon a Board of Directors size of 11 members. The ArcelorMittal Board's diversity not only relates to gender, but also to the region, background and industry of its members.

Director Induction, Training and Development
The Board considers that the development of the directors' knowledge of the Company, the steel-making and mining industries, and the markets in which the Company operates is an ongoing process. To further bolster the skills and knowledge of Directors, the Company set up a continuous development program in 2009.

Upon his or her election, each new non-executive director undertakes an induction program specifically tailored to his or her needs and includes ArcelorMittal's long-term vision centered on the concept of "Safe Sustainable Steel".

The Board's development activities include the provision of regular updates to directors on each of the Company's products and markets. Non-executive directors may also participate in training programs designed to maximize the effectiveness of the Directors throughout their tenure and link in with their individual performance evaluations. The training and development program may cover not only matters of a business nature, but also matters falling into the environmental, social and governance area.

Structured opportunities are provided to build knowledge through initiatives such as visits to plants and mine sites and business briefings provided at Board meetings. Non-executive directors also build their Company and industry knowledge through the involvement of the GMB and other senior employees in Board meetings. Business briefings, site visits and development sessions underpin and support the Board's work in monitoring and overseeing progress towards the corporate purpose of creating long-term shareholder value through the development of the ArcelorMittal business in steel and mining. The Company therefore continuously builds Directors' knowledge to ensure that the Board remains up-to-date with developments within the Company's segments, as well as developments in the markets in which the Company operates.

During the year, non-executive directors participated in the following activities:

- comprehensive business briefings intended to provide each director with a deeper understanding of the Company's activities, environment, key issues and strategy of the Company's segments. These briefings are provided to the Board of Directors by senior executives, including GMB members. The briefings provided during the course of 2014 covered health and safety processes, internal assurance, legal, marketing, steel-making, strategy, mining and R&D. Certain business briefings were combined with site visits and thus took place on-site and, in other cases, they took place at Board meetings;
- site visits to plants and R&D centers; and
- development sessions on specific topics of relevance, such as climate change, commodity markets, the world economy, changes in corporate governance standards, directors' duties and shareholder feedback.

The ARCG Committee oversees director training and development. This approach allows induction and learning opportunities to be tailored to the directors' committee memberships, as well as the Board of Director's specific areas of focus. In addition, this approach ensures a coordinated process in relation to succession planning, Board renewal, training, development and committee composition, all of which are relevant to the ARCG Committee's role in securing the supply of talent to the Board.

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.

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 of shareholders. All of the Audit Committee members must be independent as defined in the 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;
- review major legal and compliance matters and their follow up;
- approve the appointment and fees of the independent auditors; and
- monitor the independence of the independent auditors.

Since May 10, 2011, the Audit Committee consists of four members: Mr. Narayanan Vaghul, Mr. Wilbur L. Ross, Mr. Antoine Spillmann, and Mr. Bruno Lafont, 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.

According to its charter, the Audit Committee is required to meet at least four times a year. During 2014, the Audit Committee met five times. The average attendance rate of the directors at the Audit Committee meetings was 75%.

The Audit Committee performs its own annual self-evaluation, and completed its 2014 self-evaluation on February 9, 2015.

The charter of the Audit Committee is available from ArcelorMittal upon request.

Appointments, Remuneration and Corporate Governance Committee
The ARCG Committee has been comprised since May 10, 2011 of three directors, each of whom is independent under the New York Stock Exchange 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:

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- determine, on its behalf and on behalf of the shareholders within agreed terms of reference, ArcelorMittal's compensation framework, including short and long term incentives for the Chief Executive Officer, the Chief Financial Officer, the members of the GMB and the members of the Management Committee;
- review and approve succession and contingency plans for key managerial positions at the level of the GMB and the Management Committee;
- consider any candidate for appointment or reappointment to the Board of Directors at the request of the Board of Directors and provide advice and recommendations to it regarding the same;
- evaluate the functioning of the Board of Directors and monitor the Board of Directors' self-evaluation process;
- assess the roles of the Chairman and CEO and deliberate on the merits of the Board's leadership structure to ensure that the most efficient and appropriate structure is in place; and
- develop, monitor and review corporate governance principles and corporate responsibility policies applicable to ArcelorMittal, as well as their application in practice.

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 Mr. Lewis B. Kaden, Mr. Narayanan Vaghul, and Ms. Suzanne P. Nimocks, 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 2014, this committee met five times. The average attendance rate was 95%.

The ARCG Committee performs an annual self-evaluation and completed its 2014 self-evaluation on February 9, 2015.

The charter of the ARCG Committee is available from ArcelorMittal upon request.

Risk Management Committee

In June 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 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 least half of the members of the Risk Management Committee must be independent under the New York Stock Exchange standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. The Risk Management Committee consists of four members: Mr. Jeannot Krecké, Mr. Antoine Spillmann, Ms. Suzanne P. Nimocks and Mr. Tye Burt.

The members of the Risk Management Committee may decide to appoint a Chairman by majority vote. Mr. Spillmann currently acts as Chairman.

Decisions and recommendations of the Risk Management Committee are adopted by a simple majority. 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 conducts an annual self-evaluation of its own performance and completed its 2014 self-evaluation on February 9, 2015.

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 making 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 the 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 Group Risk Management Committee), 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.

To further develop the Company's maturity model with respect to risk management, the Risk Management Committee has taken initiatives to benchmark its current risk oversight activities with best practices implemented in comparable companies. These initiatives should result in the creation of a peer group, bringing together insights of leading practitioners in risk management governance and oversight at the Board of Directors level and will contribute to the further development of the Company's current standards.

The Risk Management Committee held a total of four meetings in 2014. 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 attendance rate in 2014 was 88%.

The charter of the Risk Management Committee is available from ArcelorMittal upon request.

Group Management Board

The GMB is entrusted with the day-to-day management of the Company and the implementation of its strategy. Mr. Lakshmi N. Mittal, the Chief Executive Officer, chairs the GMB. The members of the GMB are appointed and dismissed by the Board of Directors. As the GMB is not a corporate body created by Luxembourg law or ArcelorMittal's Articles of Association, it exercises only the authority granted to it by the Board of Directors.

On December 11, 2013 ArcelorMittal announced its decision to manage the business according to region, while also maintaining the product specialization within those regions. This will enable the businesses to continue to have their own dedicated strategy and focus, while capturing all the synergies within the region. As a result, there was a change in the responsibilities of the members of the GMB, applicable as of January 1, 2014.

In implementing ArcelorMittal's strategic direction and corporate policies, the Chief Executive Officer is supported by the members of the GMB who have substantial experience in the steel and mining industries worldwide.

The GMB is assisted by a Management Committee comprised of approximately 30

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members. The Management Committee discusses and prepares decisions to be made by the GMB on matters of Group-wide importance, integrates the geographical dimension of the ArcelorMittal 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 Management
Succession management at ArcelorMittal is a systematic, structured process for identifying and preparing employees with potential to fill key organizational positions, should the position become vacant. This process applies to all ArcelorMittal key positions up to and including the GMB. 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, potential and an assessment of leadership capabilities and their "years to readiness". Development needs linked to the succession plans are discussed, after which "Personal Development Plans" are put in place, to accelerate development and prepare candidates. Regular reviews of succession plans are conducted at different levels of the organization to ensure that they are accurate and up to date, leading to at least once yearly a formal review by GMB of all key positions. Succession management is a necessary process to reduce risk of vacant positions or skill gap transitions, create a pipeline of future leaders, ensure smooth business continuity and improve employee motivation and engagement. This process has been in place for several years and reinforced, widened and made more systematic in all regions of the organization. The responsibility to review and approve succession plans and contingency plans at the highest level rests with the Board's ARCG Committee.

Other Corporate Governance Practices
ArcelorMittal is committed to adhere to best practices 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., EU and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures when necessary, as evidenced by the new policies adopted by the Board of Directors in 2012.

ArcelorMittal complies with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange in all respects. However, in respect of Recommendation 1.3 under the Principles, which advocates separating the roles of chairman of the board and the head of the executive management body, the Company has made a different choice. This is permitted, however, as, unlike the 10 Principles themselves with which ArcelorMittal must comply, the Recommendations are subject to a more flexible "comply or explain" standard.

The nomination of the same person to both positions was approved by the shareholders (with the Significant Shareholder abstaining). Since that date, the rationale for combining the positions of Chief Executive Officer and Chairman of the Board of Directors has become even more compelling. The Board of Directors is of the opinion that Mr. Mittal's strategic vision for the steel industry in general and for ArcelorMittal in particular in his role as CEO is a key asset to the Company, while the fact that he is fully aligned with the interests of the Company's shareholders means that he is uniquely positioned to lead the Board of Directors in his role as Chairman. The combination of these roles was revisited at the Annual General Meeting of Shareholders of the Company held in May 2014, when Mr. Lakshmi N. Mittal was reelected to the Board of Directors for another three year term by a strong majority.

Ethics and Conflicts 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. Each employee of ArcelorMittal is required to sign and acknowledge the Code of Conduct upon joining the Company. This also applies to the members of the Board of Directors of ArcelorMittal, who signed the Company's Appointment Letter in which they acknowledged their duties and obligations. Any new member of the Board of Directors must sign and acknowledge the Code of Conduct upon appointment.

Employees 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. Employees are prohibited from acquiring 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 of 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 on a regular basis in the form of face-to-face trainings, webinars and online trainings. Employees 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.

In addition to the Code of Business Conduct, ArcelorMittal has developed a Human Rights Policy and a number of other compliance policies in more specific areas, such as anti-trust, anti-corruption, economic sanctions and insider dealing. In all these areas, specifically targeted groups of employees are required to undergo specialized compliance training. Furthermore, ArcelorMittal's compliance program also includes a quarterly compliance certification process covering all business segments and entailing reporting to the Audit Committee.

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 encourage 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. In recent years ArcelorMittal has implemented local whistleblowing facilities, as needed.

During 2014, there were 99 complaints received relating to alleged fraud, which were referred to and duly reviewed by the Company's Internal Assurance Department. Following review by the Audit Committee, 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.

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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.

The IDR apply to the worldwide operations of ArcelorMittal. The Company Secretary of ArcelorMittal is the IDR compliance officer and answers questions that members of senior management, the Board of Directors, or employees may have about the IDR's interpretation. The IDR compliance officer maintains a list of insiders as required by the Luxembourg market manipulation (abus de marché) law of May 9, 2006, as amended. The IDR 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 IDR 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. An online interactive training tool based on the IDR was developed in 2010 and deployed across the group in different languages in 2011 through ArcelorMittal's intranet, with the aim to enhance the staff's awareness of the risks of sanctions applicable to insider dealing. The importance of the IDR was again underscored in the Group Policies and Procedures Manual in 2013.

Luxembourg Takeover Law Disclosure
The following disclosure is provided based on article 11 of the Luxembourg law of 19 May 2006 transposing Directive 2004/25/EC of 21 April 2004 on takeover bids (the "Takeover Law"). The Articles of Association of the Company are available on www.arcelormittal.com, under Investors -- Corporate Governance.

With regard to articles 11 (1)(a) and (c) of the Takeover Law, the Company has issued a single category of shares (ordinary shares), and the Company's shareholding structure showing each shareholder owning 2.5% or more of the Company's share capital is available elsewhere in this report and on www.arcelormittal.com under Investors – Corporate Governance – Shareholding Structure, where the shareholding structure chart is updated monthly.

With regard to article 11(1)(b) of the Takeover Law, the ordinary shares issued by the Company are listed on various stock exchanges including NYSE Euronext and are freely transferable.

With regard to article 11(1)(d), each ordinary share of the Company gives right to one vote, as set out in article 13.6 of the Articles of Association, and there are no special control rights attaching to the shares. Article 8 of the Articles of Association provides that the Mittal Shareholder (as defined in the Articles of Association) may, at its discretion, exercise the right of proportional representation and nominate candidates for appointment to the Board of Directors (defined as "Mittal Shareholder Nominees"). The Mittal Shareholder has not, to date, exercised that right.

Articles 11(1)(e) and (f) of the Takeover Law are not applicable to the Company. However, the sanction of suspension of voting rights automatically applies, subject to limited exceptions set out in the Transparency Law (as defined below), to any shareholder (or group of shareholders) who has (or have) crossed the thresholds set out in article 7 of the Articles of Association and articles 8 to 15 of the Luxembourg law of 11 January 2008 on the transparency requirements regarding issuers of securities (the "Transparency Law") but have not notified the Company accordingly. The sanction of suspension of voting rights will apply until such time as the notification has been properly made by the relevant shareholder(s).

Article 11(1)(g) of the Takeover Law is not applicable to the Company.

With regard to article 11(1)(h) of the Law, the Articles of Association provide that the directors are elected by annual general meeting of shareholders for a term that may not exceed three years, and may be re-elected. The rules governing amendments to the Articles of Association are described elsewhere in this report and are set out in article 19 of the Articles of Association.

With regard to article 11(1)(i) of the Takeover Law, the general meeting of shareholders held on May 11, 2010 granted the Board of Directors a new share buy-back authorization whereby the Board may authorize the acquisition or sale of Company shares including, but not limited to, entering into off-market and over-the-counter transactions and the acquisition of shares through derivative financial instruments. Any acquisitions, disposals, exchanges, contributions or transfers of shares by the Company or other companies in the ArcelorMittal group must be in accordance with Luxembourg laws transposing Directive 2003/6/EC regarding insider dealing and market manipulation and EC Regulation 2273/2003 regarding exemptions for buy-back programmes and stabilisation of financial instruments and may be carried out by all means, on or off-market, including by a public offer to buy-back shares, or by the use of derivatives or option strategies. The fraction of the capital acquired or transferred in the form of a block of shares may amount to the entire program. Such transactions may be carried out at any time, including during a tender offer period, in accordance with applicable laws and regulations. Any share buy-backs on the New York Stock Exchange must be performed in compliance with Section 10(b) and Section 9(a)(2) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated under the Exchange Act. The authorization is valid for a period of five years, i.e., until the annual general meeting of shareholders to be held in May 2015, or until the date of its renewal by a resolution of the general meeting of shareholders if such renewal date is prior to the expiration the five-year period. The maximum number of own shares that the Company may hold at any time directly or indirectly may not have the effect of reducing its net assets ("actif net") below the amount mentioned in paragraphs 1 and 2 of Article 72-1 of the Law. The purchase price per share to be paid shall not represent more than 125% of the trading price of the shares on the New York Stock Exchange and on the Euronext markets where the Company is listed, the Luxembourg Stock Exchange or the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia, depending on the market on which the purchases are made, and no less than one cent. For off-market transactions, the maximum purchase price shall be 125% of the price on the Euronext markets where the Company is listed. The reference price will be deemed to be the average of the final listing prices per share on the relevant stock exchange during 30 consecutive days on which the relevant stock exchange is open for trading preceding the three trading days prior to the date of purchase. In the event of a share capital increase by incorporation of reserves or issue premiums and the free allotment of shares as well as in the event of the division or regrouping of the shares, the purchase price indicated above shall be adjusted by a multiplying coefficient equal to the ratio between the number of shares comprising the issued share capital prior to the transaction and such number following the transaction. The total amount allocated for the Company's share repurchase program may not in any event exceed the amount of the Company's then available equity.

Articles 11(1)(j) and (k) of the Takeover Law are not applicable to the Company.

Corporate governance
continued

Controls and procedures

Disclosure Controls and Procedures
Management maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. ArcelorMittal's controls and procedures are designed to provide reasonable assurance of achieving their objectives.

Management carried out an evaluation, under the supervision and with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2014. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2014 so as to provide reasonable assurance that (1) information required to be disclosed by the Company in the reports that the Company files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and its Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Management's Annual Report on Internal Control Over Financial Reporting
Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ArcelorMittal;
- provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS;
- provide reasonable assurance that receipts and expenditures of ArcelorMittal are made in accordance with authorizations of ArcelorMittal's management and directors; and
- provide reasonable assurance that unauthorized acquisition, use or disposition of ArcelorMittal's assets that could have a material effect on the financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Company's financial statements would be prevented or detected. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of internal control over financial reporting as of December 31, 2014 based upon the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management concluded that ArcelorMittal's internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of management's internal control over financial reporting as of December 31, 2014 has been audited by the Company's independent registered public accounting firm, Deloitte Audit, and their report as of February 24, 2015 below expresses an unqualified opinion on the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting
There have been no changes in the Company's internal control over financial reporting that occurred during the year ending December 31, 2014 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Compensation

Board of Directors
Directors' fees
The ARCG Committee of the Board of Directors prepares proposals on the remuneration to be paid annually to the members of the Board of Directors.

At the May 8, 2014 annual general meeting of shareholders, the shareholders approved the annual remuneration for non-executive Directors for the 2013 financial year, based on the following annual fees:

- Basic director's remuneration: €134,000 ($184,799);
- Lead Independent Director's remuneration: €189,000 ($260,650);
- Additional remuneration for the Chair of the Audit Committee: €26,000 ($35,856);
- Additional remuneration for the other Audit Committee members: €16,000 ($22,065);
- Additional remuneration for the Chairs of the other committees: €15,000 ($20,686); and
- Additional remuneration for the members of the other committees: €10,000 ($13,791).

Corporate governance

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The total annual remuneration of the members of the Board of Directors paid in 2013 and 2014 was as follows:

(Amounts in $ thousands except share information)	Year ended December 31, 2013	Year ended December 31, 2014
Base salary[1]	$1,760	$1,852
Director fees	$2,119	$2,153
Short-term performance-related bonus[1]	$530	$1,916
Long-term incentives[1 2]	150,576	128,758

[1]Chairman and Chief Executive Officer only. Slight differences between the years are possible, due to foreign currency effects.
[2]PSUs were granted in 2013 and 2014.

The annual remuneration paid for 2013 and 2014 to the current and former members of the Board of Directors for services in all capacities was as follows:

(Amounts in $ thousands except share information)	2013[1]	2014[1]	2013 Short-term Performance Related	2014 Short-term Performance Related	2013 Long-term Number of RSUs	2014 Long-term Number of RSUs
Lakshmi N. Mittal	$1,760	$1,852	$530	$1,916	150,576	128,758
Vanisha Mittal Bhatia	184	185	—	—	—	—
Narayanan Vaghul	233	235	—	—	—	—
Suzanne P. Nimocks	206	213	—	—	—	—
Wilbur L. Ross, Jr.	206	207	—	—	—	—
Lewis B. Kaden	280	281	—	—	—	—
Bruno Lafont	206	207	—	—	—	—
Tye Burt	184	199	—	—	—	—
Antoine Spillmann	226	228	—	—	—	—
HRH Prince Guillaume de Luxembourg	197	199	—	—	—	—
Jeannot Krecké	197	199	—	—	—	—
Michel Wurth[2]	—	—	—	—	—	—
Total	$3,879	$4,005	$530	$1,916	150,576	128,758

1 Remuneration for non-executive Directors with respect to 2013 (paid after shareholder approval at the annual general meeting held on May 8, 2014) is included in the 2013 column. Remuneration for non-executive Directors with respect to 2014 (subject to shareholder approval at the annual general meeting to be held on May 5, 2015) will be paid in 2015 and is included in the 2014 column. Slight differences between the years are possible, due to foreign currency effects.
2 Mr. Wurth was elected to ArcelorMittal's Board of Directors on May 8, 2014, prior to which he was a member of the Group Management Board and Chairman of ArcelorMittal Luxembourg. Mr. Wurth was compensated as a member of Senior Management in 2014 until his appointment to the Board and as a Director since then. The table above relates solely to compensation received by Mr. Wurth while a Director. Compensation received by Mr. Wurth in 2014 prior becoming a Director is included in the aggregate amounts disclosed below for Senior Management. Since his appointment to the Board, considering in particular his role as Chairman of ArcelorMittal Luxembourg and as Stellv. Aufsichtsratsvorsitzer of DHS, Mr. Wurth continues to benefit from a company car for a monthly cost of $1,800.

As of December 31, 2014, ArcelorMittal did not have any loans or advances outstanding to members of its Board of Directors and ArcelorMittal had not given any guarantees in favor of any member of its Board of Directors.

None of the members of the Board of Directors, including the Chairman and Chief Executive Officer, benefit from an ArcelorMittal pension plan.

The policy of the Company is not to grant any share-based remuneration to members of the Board of Directors who are not executives of the Company.

The following tables provide a summary of the options and the exercise price of options, Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") granted to the Chairman and Chief Executive Officer, who is the sole executive director on the Board of Directors, as of December 31, 2014.

Corporate governance

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	Options granted in 2005	Options granted in 2006	Options granted in 2007	Options granted in 2008	Options granted in 2009	Options granted in 2010	Options Total	Weighted Average Exercise Price of Options
Lakshmi N. Mittal	100,000	100,000	60,000	60,000	60,000	56,500	436,500	$41.75
Exercise price[1]	$27.31	$32.07	$61.09	$78.44	$36.38	$30.66	—	$41.75
Term (in years)	10	10	10	10	10	10	—	—
Expiration date	Aug. 23, 2015	Sep. 1, 2016	Aug. 2, 2017	Aug. 5, 2018	Aug. 4, 2019	Aug. 3, 2020	—	—

[1] Due to the spin-off of Aperam on January 25, 2011, the strike price of outstanding options was reduced by 5% in line with the spin-off ratio. The table above reflects this adjustment.

	RSUs granted in 2011[1]	PSUs granted in 2012	PSUs granted in 2013	PSUs granted in 2014
Lakshmi N. Mittal	12,500	7,500	150,576	128,758
Term (in years)	3	3	3	3
Vesting date	Sep. 29, 2014	Mar. 30, 2015	June 28, 2016	June 27, 2017

[1] RSU's granted in 2011 have vested in 2014 and shares have been transferred to the CEO's security account..

Remuneration of Senior Management

The total remuneration paid in 2014 to members of ArcelorMittal's senior management (including Mr. Lakshmi N. Mittal in his capacity as Chief Executive Officer) was $9.1 million in base salary and other benefits paid in cash (such as health insurance, lunch allowances, financial services, gasoline and car allowance) and $8.3 million in short-term performance-related variable remuneration consisting of a bonus linked to the Company's 2013 results.

During 2014, approximately $850,000 was accrued by ArcelorMittal to provide pension benefits to senior management (other than Mr. Mittal). No loans or advances to ArcelorMittal's senior management were made during 2014, and no such loans or advances were outstanding as of December 31, 2014.

The following table shows the remuneration received by the Chief Executive Officer and the GMB members as determined by the ARCG Committee in relation to 2014 and 2013, including all remuneration components.

		Chief Executive Officer		Other GMB Members	
(Amounts in $ thousands except for Long-term incentives)		2013	2014	2013	2014[5]
Base salary[1]		1,760	1,852	7,824	7,023
Retirement benefits		-	-	780	837
Other benefits[2]		38	41	165	178
Short-term incentives[3]		530	1,916	5,328	6,402
Long-term incentives	- fair value in $ thousands[4]	2,500	2,169	7,976	12,038
	- number of share units	150,576	128,758	480,501	714,618

[1] No increase in base salary in 2014 for the Chief Executive Office and for the GMB members remaining in the same roles. Base salaries have been reviewed for GMB members appointed in an enlarged role. Slight differences between the years are possible, due to foreign currency effects.

[2] Other benefits comprise benefits paid in cash such as health insurance and other insurances, lunch allowances, financial services, gasoline and car allowances. Benefits in kind such as company car ($76,000 in 2014) and tax returns not included.

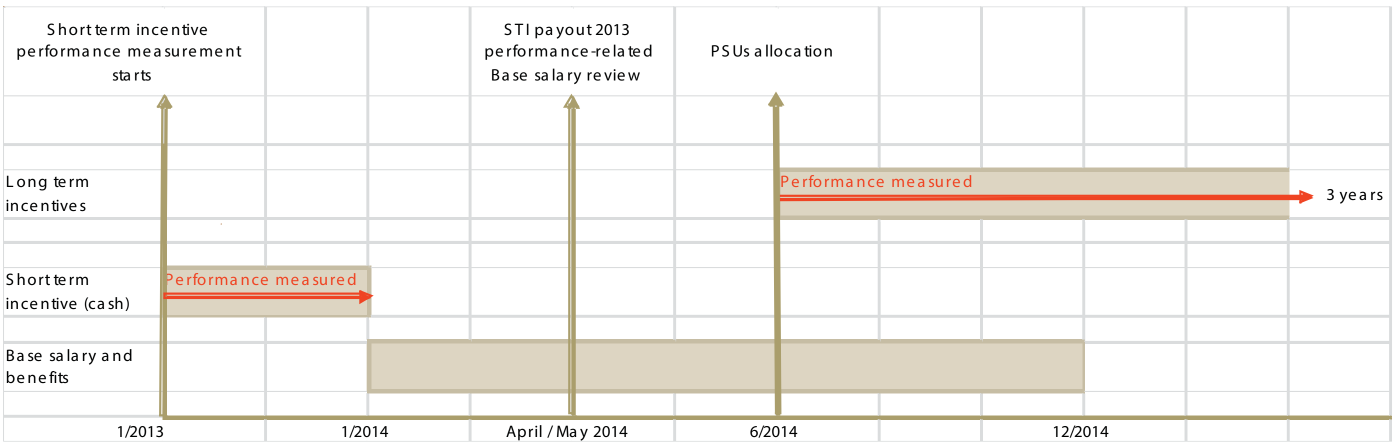
[3] Short-term incentives are entirely performance-based and are fully paid in cash. The short-term incentive for a given year relates to the Company's results in the previous year.

[4] Fair value determined at the grant date is recorded as an expense using the straight line method over the vesting period and adjusted for the effect of non-market based vesting conditions. The remuneration expenses recognized for the RSUs/PSUs granted to the Chief Executive Officer and other GMB members was $2.3 million and $6.9 million for the years ended December 31, 2013 and 2014, respectively.

[5] Mr. Michel Wurth is included until his retirement in April 2014.

[6] Mr. Peter Kukielski is included until his resignation on August 3, 2013.

The Company allocated 2014 remuneration according to the following timeline:



Corporate governance
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SOX 304 and Clawback Policy
Under Section 304 of the Sarbanes-Oxley Act, the SEC may seek to recover remuneration from the Chief Executive Officer and Chief Financial Officer of the Company in the event that it is required to restate accounting information due to any material misstatement thereof or as a result of misconduct in respect of a financial reporting requirement under the U.S. securities laws (the "SOX Clawback").

Under the SOX Clawback, the Chief Executive Officer and the Chief Financial Officer may have to reimburse ArcelorMittal for any bonus or other incentive- or equity-based remuneration received during the 12-month period following the first public issuance or filing with the SEC (whichever occurs first) of the relevant filing, and any profits realized from the sale of ArcelorMittal securities during that 12-month period.

The Board of Directors, through its ARCG Committee, decided in 2012 to adopt its own clawback policy (the "Clawback Policy") that applies to the members of the GMB and to the Executive Vice President of Finance, of ArcelorMittal.

The Clawback Policy comprises cash bonuses and any other incentive-based or equity-based remuneration, as well as profits from the sale of the Company's securities received during the 12-month period following the first public issuance or filing with the SEC (whichever first occurs) of the filing that contained the material misstatement of accounting information.

For purposes of determining whether the Clawback Policy should be applied, the Board of Directors will evaluate the circumstances giving rise to the restatement (in particular, whether there was any fraud or misconduct), determine when any such misconduct occurred and determine the amount of remuneration that should be recovered by the Company. In the event that the Board of Directors determines that remuneration should be recovered, it may take appropriate action on behalf of the Company, including, but not limited to, demanding repayment or cancellation of cash bonuses, incentive-based or equity-based remuneration or any gains realized as the result of options being exercised or awarded or long-term incentives vesting. The Board may also choose to reduce future remuneration as a means of recovery.

Remuneration Policy
Board Oversight
The Board is responsible for ensuring that the Group's remuneration arrangements are equitable and aligned with the long-term interests of the Company and its shareholders. It is therefore critical that the Board of Directors remain independent of management when making decisions affecting remuneration of the Chief Executive Officer and his direct reports.

To this end, the Board of Directors has established the ARCG Committee to assist it in making decisions affecting employee remuneration. All members of the ARCG Committee are required to be independent under the Company's corporate governance guidelines, 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 members have relevant expertise or experience relating to the purposes of the ARCG Committee. The ARCG Committee makes decisions by a simple majority with no member having a casting vote.

The ARCG Committee is chaired by Mr. Lewis Kaden, Lead Independent Director.

Appointments, Remuneration and Corporate Governance Committee
The primary function of the ARCG Committee is to assist the Board of Directors, among others with respect to the following:

- review and approve corporate goals and objectives relevant to the GMB and other members of executive management as deemed appropriate by the committee regarding their remuneration, and assess performance against goals and objectives;
- make recommendations to the Board with respect to incentive remuneration plans and equity-based plans;
- identify candidates qualified to serve as members of the Board and the GMB;
- recommend candidates to the Board for appointment by the general meeting of shareholders or for appointment by the Board to fulfill interim Board vacancies;
- develop, monitor and review corporate governance principles applicable to the Company;
- facilitate the evaluation of the Board;
- review the succession planning and the executive development of GMB members;
- submit proposals to the Board on the remuneration of GMB members, and on the appointment of new directors and GMB members;
- make recommendations to the Board of Directors in respect of the Company's framework of remuneration for the members of the GMB and such other members of the executive management as designated by the committee. In making such recommendations, the committee may take into account factors that it deems necessary. This may include a member's total cost of employment (factoring in equity/stock options), any perquisites and benefits in kind and pension contributions.

The ARCG Committee met five times in 2014. Its members comprise Mr. Lewis Kaden (Chairman), Mr. Narayanan Vaghul and Ms. Suzanne Nimocks. Regular invitees include Mr. Lakshmi N. Mittal (Chief Executive Officer and Chairman) and Mr. Henri Blaffart (Head of Group Human Resources). Mr. Henk Scheffer (Company Secretary) acts as secretary. The relevant persons are not present when their remuneration is discussed by the ARGC Committee. The ARCG Committee Chairman presents its decisions and findings to the Board of Directors after each ARCG Committee meeting.

Remuneration Strategy
Scope
ArcelorMittal's remuneration philosophy and framework apply to the following group of senior management:

- the Chief Executive Officer; and
- the other members of the GMB

The remuneration philosophy and governing principles also apply, with certain limitations, to a wider group of employees including Executive Vice Presidents, Vice Presidents, General Managers and Managers.

Remuneration Philosophy
ArcelorMittal's remuneration philosophy for its senior managers is based on the following principles:

- provide total remuneration competitive with executive remuneration levels of a peer group composed of a selection of industrial companies of a similar size and scope;
- encourage and reward performance that will lead to long-term enhancement of shareholder value;
- promote internal pay equity and provide "market" median (determined by reference to its identified peer group) base pay levels for ArcelorMittal's senior managers with the possibility to move up to the third quartile of the market base pay levels, depending on performance over time; and
- promote internal pay equity and target total direct remuneration (base pay, bonus, and long term incentives) levels for senior managers at the 75th percentile of the market.

Remuneration Framework
The ARCG Committee develops proposals on senior management remuneration annually for consideration by the Board of Directors. Such proposals include the following components:

- fixed annual salary;
- short-term incentives (i.e., performance-based bonuses); and
- long-term incentives (i.e., stock options (prior to May 2011), RSUs (after May 2011) and PSUs (after May 2011).

A grant of PSUs to members of the GMB pursuant to the GMB Performance Share Unit Plan ("GMB PSU Plan") approved in the Annual General Meeting held on May 8, 2014 was made in June, 2014.

The Company does not have any deferred compensation plans for senior management, including the Chairman and CEO.

Corporate governance

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Fixed Annual Salary
Base salary levels are reviewed annually and compared to the market to ensure that ArcelorMittal remains competitive with market median base pay levels.

Short-Term Incentives
Annual Performance Bonus Plan
ArcelorMittal has a short-term incentive plan consisting of a performance-based bonus plan. Bonus calculations for each employee reflect the performance of the ArcelorMittal group as a whole and /or the performance of the relevant business units, the achievement of objectives specific to the department and the individual employee's overall performance.

The calculation of ArcelorMittal's 2014 performance bonus is aligned with its strategic objectives of improving health and safety performance and overall competitiveness and the following principles:

- no performance bonus will be triggered if the achievement level of the performance measures is less than the threshold of 80%;

- achievement of 100% of the performance measure yields 100% of the performance bonus pay-out; and

- achievement of more than 100% and up to 120% of the performance measure generates a higher performance bonus pay-out, except as explained below.

The performance bonus for each individual is expressed as a percentage of his or her annual base salary. Performance bonus pay-outs may range from 50% of the target bonus for achievement of performance measures at the threshold (80%), to up to 150% for an achievement at or in excess of the ceiling of 120%. Between the 80% threshold and the 120% ceiling, the performance bonus is calculated on a proportional, straight-line basis.

For the Chief Executive Officer and the other members of the GMB, the 2014 bonus formula is based on:

- Operating income plus depreciation, impairment expenses and exceptional items ("EBITDA") at the Group level: 60% (this acts as "circuit breaker" with respect to group-level financial performance measures as explained below);

- Free cash flow ("FCF") at the Group level: 20%; and

- Health and safety performance at the Group level: 20%.

EBITDA operating as a "circuit breaker" for financial measures means that the 80% threshold described above must be met for EBITDA in order to trigger any bonus payment with respect to the EBITDA and FCF performance measures.

For the Chief Executive Officer, the performance bonus at 100% achievement of performance targets linked to the business plan is equal to 100% of his base salary. For the members of the GMB, the performance bonus at 100% achievement of performance targets linked to the business plan is equal to 80% of the relevant base salary.

The different performance measures are combined through a cumulative system: each measure is calculated separately and is added up for the performance bonus calculation.

Performance below threshold will result in zero performance bonus payout.

The achievement level of performance for performance bonus is summarized as follow:

Functional level	Target achievement threshold @ 80%	Target achievement @ 100%	Target achievement ≥ ceiling @ 120%
Chief Executive Officer	50% of base pay	100% of base pay	150% of base pay
Other GMB members	40% of base pay	80% of base pay	120% of base pay

Individual performance and assessment ratings define the individual bonus multiplier that will be applied to the performance bonus calculated based on actual performance against the performance measures. Those individuals who consistently perform at expected levels will have an individual multiplier of 1. For outstanding performers, an individual multiplier of up to 1.5 may cause the performance bonus pay-out to be higher than 150% of the target bonus, up to 225% of target bonus being the absolute maximum for the Chief Executive Officer. Similarly, a reduction factor will be applied for those at the lower end.

The principles of the performance bonus plan, with different weights for performance measures and different levels of target bonuses, are applicable to approximately 2,000 employees worldwide.

In exceptional cases, there are some entitlements to a retention bonus or a business specific bonus.

At the end of the financial year, achievement against the measures is assessed by the ARCG Committee and the Board and the short-term incentive award is determined. The achievement of the 2013 Performance Bonus Plan with respect to senior management and paid out in May 2014 was as follows:

2013 Measures	% Weighting for Chief Executive Officer and GMB members	Assessment
EBITDA	60%	Incentive attributable to this metric as the assessment was at target
FCF	20%	Incentive attributable to this metric as the assessment was at the ceiling
Health and Safety	20%	Incentive attributable to this metric as the assessment was below threshold

Other Benefits
In addition to the remuneration described above, other benefits may be provided to members of the GMB and, in certain cases, other employees. These other benefits can include insurance, housing (in cases of international transfers), car allowances and tax assistance.

Corporate governance
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Long-Term Incentives: Equity-Based Incentives (Share Unit Plans)
On May 10, 2011, the annual general meeting of shareholders approved the ArcelorMittal Equity Incentive Plan, a new equity-based incentive plan that replaced the Global Stock Option Plan. The ArcelorMittal Equity Incentive Plan is intended to align the interests of the Company's shareholders and eligible employees by allowing them to participate in the success of the Company. The ArcelorMittal Equity Incentive Plan provides for the grant of RSUs and PSUs to eligible Company employees and is designed to incentivize employees, improve the Company's long-term performance and retain key employees. On May 8, 2013, the annual general meeting of shareholders approved the GMB PSU Plan, which provides for the grant of PSUs to GMB members. Until the introduction of the GMB PSU Plan in 2013, GMB members were eligible to receive RSUs and PSUs under the ArcelorMittal Equity Incentive Plan.

The maximum number of RSUs and PSUs available for grant during any given year is subject to the prior approval of the Company's shareholders at the annual general meeting. The annual shareholders' meeting on May 8, 2014 approved the maximum to be granted until the next annual shareholders' meeting. For the period from the May 2014 annual general shareholders' meeting to the May 2015 annual general shareholders' meeting, a maximum of 5,000,000 RSUs and PSUs may be allocated to eligible employees under the ArcelorMittal Equity Incentive Plan and the GMB PSU Plan combined.

ArcelorMittal Equity Incentive Plan
RSUs. RSUs granted under the ArcelorMittal Equity Incentive Plan are designed to provide a retention incentive to eligible employees. RSUs are subject to "cliff vesting" after three years, with 100% of the grant vesting on the third anniversary of the grant contingent upon the continued active employment of the eligible employee within the Group. RSUs are an integral part of the Company's remuneration framework. Between 500 and 700 of the Group's most senior managers are eligible for RSUs.

In September 2011, the Company made a grant of 1,303,515 RSUs to a total of 772 eligible employees; in March 2013, the Company made a grant of 1,071,190 RSUs to a total of 681 eligible employees; in September 2013, the Company made a grant of 1,065,415 RSUs to a total of 682 eligible employees; and in December 2014 the Company made a grant of 1,173,910 to 620 eligible employees.

PSUs. The grant of PSUs under the ArcelorMittal Equity Incentive Plan aims to serve as an effective performance-enhancing scheme based on the employee's contribution to the eligible achievement of the Company's strategy. Awards in connection with PSUs are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The employees eligible to receive PSUs are a sub-set of the group of employees eligible to receive RSUs. The target group for PSU grants initially included the Chief Executive Officer and the other GMB members. However, from 2013 onwards, the Chief Executive Officer and other GMB members receive PSU grants under the GMB PSU Plan instead of the ArcelorMittal Equity Incentive Plan (see "—GMB PSU Plan").

In March 2012, the Company made a grant of 267,165 PSUs to a total of 118 eligible employees; in March 2013, the Company made a grant of 182,970 PSUs to a total of 94 eligible employees; in September 2013, the Company made a grant of 504,075 PSUs to a total of 384 eligible employees and in December 2014, the Company made a grant of 979,870 to a total of 353 eligible employees.

PSUs vest three years after their date of grant subject to the eligible employee's continued employment with the Company and the fulfillment of targets related to the following performance measures: return on capital employed (ROCE) and a strategic measure which was total cost of employment (in U.S. dollars per tonne) for the steel business (TCOE) and the mining volume plan and ROCE for the Mining segment until the 2013 grant. As from 2014, most of the Steel Business Units have kept only ROCE as a performance measure and the Mining segment continued with ROCE and mining volume plan. Each performance measure has a weighting of 50%. In case the level of achievement of performance is below threshold, there is no vesting, and the rights are automatically forfeited.

GMB PSU Plan
The GMB PSU Plan is designed to enhance the long-term performance of the Company and align the members of the GMB to the Company's objectives. The GMB PSU Plan complements ArcelorMittal's existing program of annual performance-related bonuses which is the Company's reward system for short-term performance and achievements. The main objective of the GMB PSU Plan is to be an effective performance-enhancing scheme for GMB members based on the achievement of ArcelorMittal's strategy aimed at creating a measurable long-term shareholder value.

The members of the GMB including the Chief Executive Officer will be eligible for PSU grants. The GMB PSU Plan provides for cliff vesting on the third year anniversary of the grant date, under the condition that the relevant GMB member continues to be actively employed by the ArcelorMittal group on that date. If the GMB member is retired on that date or in case of an early retirement by mutual consent, the relevant GMB member will not automatically forfeit PSUs and pro rata vesting will be considered at the end of the vesting period at the sole discretion of the Appointments, Remuneration & Corporate Governance Committee of the Board of Directors. Awards under the GMB PSU Plan are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The value of the grant at grant date will equal one year of base salary for the Chief Executive Officer and 80% of base salary for other GMB members. Each PSU may give the right to up to two shares of the Company, and each PSU from the 2014 grant may convey the right to up to one and a half shares.

In June 2013, the Company made a grant of 631,077 PSUs under the GMB PSU Plan to a total of seven eligible GMB members and in June 2014, the Company made a grant of 843,376 PSUs under the GMB PSU to a total of 6 eligible GMB members.

Two sets of performance criteria must be met for vesting of the PSUs. 50% of the criteria is based on the Total Shareholder Return (TSR) defined as the share price at the end of period minus the share price at start of period plus any dividend paid divided by the share price at the start of the period. "Start of period" and "end of period" will be defined by the ARCG Committee of the Board of Directors. This will then be compared with a peer group of companies and the S&P 500 index, each counting for half of the weighting. No vesting will take place for performance below 80% of the median compared to the peer group or below 80% of the S&P 500 index measured over three years.

- For 25% of PSUs, performance is compared to the peer group. The percentage of PSUs vesting will be 50% for achieving 80% of the median TSR, 100% for achieving the median TSR and 150% for achieving 120% of the median TSR.
- For 25% of PSUs, performance is compared to the S&P 500 index. The percentage of PSUs vesting will be 50% for achieving performance equal to 80% of the index, 100% for achieving a performance equal to the index and 150% for achieving a performance equal to index plus an outperformance of 2%.

The other 50% of the criteria to be met to trigger vesting of the PSUs is based on the development of Earnings Per Share (EPS), defined as the amount of earnings per share outstanding compared to a peer group of companies. The percentage of PSUs vesting will be 50% for achievement of 80% of the median EPS, 100% for achieving the median EPS and 150% for achieving 120% of the median EPS.

The allocation of PSUs to eligible GMB members is reviewed by the ARCG Committee of the Board of Directors, which is comprised of

Corporate governance
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three independent directors, and which makes a proposal and recommendation to the full Board of Directors. The vesting criteria of the PSUs are also monitored by the ARCG Committee. The Company will report in its annual reports on the progress of meeting the vesting criteria on each grant anniversary date as well as on the applicable peer group.

The table below lists the applicable peer group of companies for the GMB PSU Plan. The peer group have been selected by the Board of Directors based on industry classification, size (limited to companies not smaller than approximately one quarter of ArcelorMittal's market capitalization – except US Steel, Jindal Steel & Power and Steel Authority of India which have a market capitalization of below 25 % of ArcelorMittal's market capitalization) and on correlation of TSR performance over the prior three years in order to identify whether this peer group of companies is appropriate from a statistical viewpoint.

Company	Market Cap ($m) at January 1, 2014	Category
ARCELORMITTAL	29 765	Steel Producers
ALCOA	11 426	Other Miners/Producers
ANGLO AMERICAN	30 480	Other Miners/Producers
ANTOFAGASTA	13 454	Other Miners/Producers
BHP BILITON	174 537	Iron Ore Miners/Producers
CAMECO	8 203	Other Miners/Producers
CHINA STEEL	14 029	Steel Producers
FORTESCUE METALS GROUP	16 213	Iron Ore Miners/Producers
GMEXICO	25 696	Other Miners/Producers
JFE HOLDINGS	14 627	Steel Manufacturers
JINDAL STEEL & POWER	3 919	Steel Manufacturers
KUMBA IRON ORE	13 637	Iron Ore Miners/Producers
MMC NORILSK NICKEL	26 000	Other Miners/Producers
NIPPON STEEL & SUMITOMO METAL	31 827	Steel Manufacturers
NOVOLIPETSK STEEL	10 064	Steel Producers
NUCOR	16 986	Steel Manufacturers
POSCO	26 973	Steel Producers
RIO TINTO	106 354	Iron Ore Miners/Producers
SEVERSTAL	8 145	Steel Producers
SIDERUGICA NACIONAL ON	8 887	Steel Producers
SOUTHERN COPPER	23 981	Other Miners/Producers
STEEL AUTHORITY OF INDIA	4 878	Steel Producers
TENARIS	25 833	Steel Manufacturers
THYSSENKRUPP	13 827	Steel Manufacturers
UNITED STATES STEEL	4 268	Steel Producers
VALE PNA	78 547	Iron Ore Miners/Producers

Share unit plan activity is summarized below as of and for each of the years ended December 31, 2013 and 2014:

	Restricted share unit (RSU)		Performance share unit (PSU)	
	Number of shares	Fair value per share	Number of shares	Fair value per share
Outstanding, December 31, 2012	1,242,753	14.45	262,665	16.87
Granted	2,136,605	12.77	1,318,122	14.70
Exited	(14,788)	14.35	–	–
Forfeited	(120,904)	13.92	(53,640)	15.85
Outstanding, December 31, 2013	3,243,666	13.36	1,527,147	15.03
Granted	1,173,910	10.28	1,823,246	13.32
Exited	(777,252)	14.43	–	–
Forfeited	(230,718)	13.27	(90,215)	14.27
Outstanding, December 31, 2014	3,409,606	12.06	3,260,178	14.10

The following table summarizes information about total share unit plan of the Company outstanding as of December 31, 2014:

	Share units outstanding		
Fair value per share	Number of shares	Shares exited	Maturity
$16.87	190,275	-	March 30, 2015
16.60	631,077	-	June 28, 2016
14.45	294,416	785,377	September 29, 2014
13.17	463,750	-	September 27, 2016
13.17	993,650	2,256	September 27, 2016
12.37	947,630	5,194	March 29, 2016
12.37	151,830	-	March 29, 2016
10.28	979,870	-	December 17, 2017
10.28	1,173,910	-	December 17, 2017
16.85	843,376	-	June 27, 2017
$16.87 - $10.28	6,669,784	792,827	

Corporate governance
continued

For RSUs and PSUs, the fair value determined at the grant date is recorded as an expense using the straight line method over the vesting period and adjusted for the effect of non-market based vesting conditions.

The remuneration expense recognized for the RSUs granted under the ArcelorMittal Equity Incentive Plan was $10 million and $13 million for the years ended December 31, 2013 and 2014, respectively. The remuneration expense recognized for the PSUs granted under the ArcelorMittal Equity Incentive Plan and GMB PSU Plan was $4 million and $11 million for the years ended December 31, 2013 and 2014, respectively.

Global Stock Option Plan
Prior to the adoption in 2011 of the ArcelorMittal Equity Incentive Plan described above, ArcelorMittal's equity-based incentive plan took the form of a stock option plan known as the Global Stock Option Plan.

Under the terms of the ArcelorMittal Global Stock Option Plan 2009-2018 (which replaced the ArcelorMittalShares plan that expired in 2009), ArcelorMittal could grant options to purchase ordinary shares to senior management of ArcelorMittal and its associates for up to 100,000,000 ordinary shares. The exercise price of each option equals not less than the fair market value of ArcelorMittal shares on the grant date, with a maximum term of ten years. Options are granted at the discretion of ArcelorMittal's ARCG 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.

With respect to the spin-off of Aperam, the ArcelorMittal Global Stock Option Plan 2009-2018 was amended to reduce by 5% the exercise prices of existing stock options. This change is reflected in the information given below.

Year of Grant	Initial Exercise Prices (per option)	New Exercise Prices (per option)
August 2008	$82.57	$78.44
December 2007	74.54	70.81
August 2007	64.30	61.09
August 2009	38.30	36.38
September 2006	33.76	32.07
August 2010	32.27	30.66
August 2005	28.75	27.31
December 2008	23.75	22.56
November 2008	22.25	21.14

No options have been granted since 2010, although RSUs and PSUs were granted.

The fair values for options and other share-based remuneration are recorded as expenses in the consolidated statements 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 grant using the Black-Scholes-Merton option pricing model.

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 remuneration expense recognized for stock option plans was $25 million and $5 million for each of the years ended December 31, 2012 and 2013, respectively. There was no remuneration expense recognized for stock option plans in 2014.

Option activity with respect to ArcelorMittalShares and ArcelorMittal Global Stock Option Plan 2009-2018 is summarized below as of and for each of the years ended December 31, 2012, 2013 and 2014:

	Number of Options	Range of Exercise Prices (per option)	Weighted Average Exercise Price (per option)
Outstanding, December 31, 2011	27,670,222	$2.15 – $78.44	$48.35
Exercised	(154,495)	2.15	2.15
Forfeited	(195,473)	30.66 – 61.09	33.13
Expired	(2,369,935)	2.15 – 78.44	58.23
Outstanding, December 31, 2012	24,950,319	21.14 – 78.44	47.85
Forfeited	(139,993)	30.66 – 78.44	40.54
Expired	(3,246,700)	21.14 – 78.44	45.80
Outstanding, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Expired	(1,486,360)	27.31– 78.44	48.96
Outstanding, December 31, 2014	20,077,266	21.14 – 78.44	48.26
Exercisable, December 31, 2012	23,212,008	21.14 – 78.44	49.14
Exercisable, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Exercisable, December 31, 2014	20,077,266	21.14 – 78.44	48.26

Corporate governance
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The following table summarizes certain information regarding total stock options of the Company outstanding as of December 31, 2014:

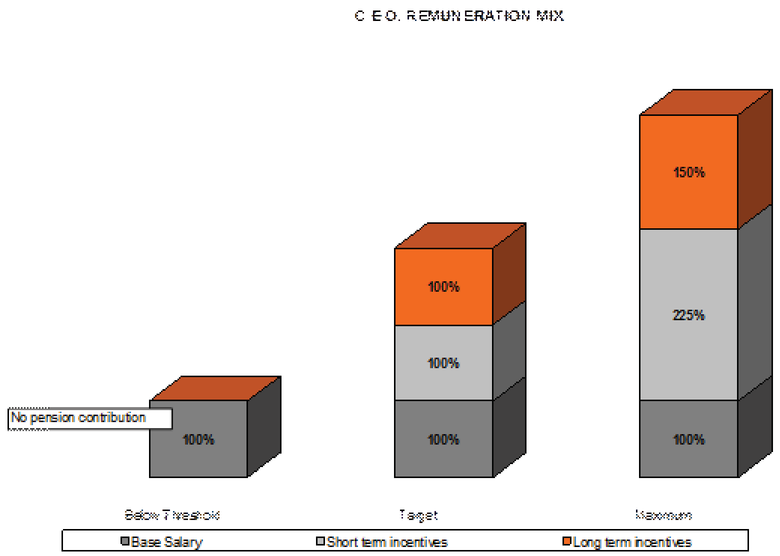
		Options Outstanding		
Exercise Prices (per option)	Number of options	Weighted average contractual life (in years)	Options exercisable (number of options)	Maturity
$78.44	4,682,450	3.60	4,682,450	August 5, 2018
70.81	13,000	2.95	13,000	December 11, 2017
61.09	3,427,335	2.59	3,427,335	August 2, 2017
36.38	4,533,900	4.60	4,533,900	August 4, 2019
32.07	1,702,023	1.67	1,702,023	September 1, 2016
30.66	4,682,650	5.60	4,682,650	August 3, 2020
27.31	1,033,323	0.65	1,033,323	August 23, 2015
21.14	2,585	3.87	2,585	November 10, 2018
$21.14 - $78.44	20,077,266	3.81	20,077,266	

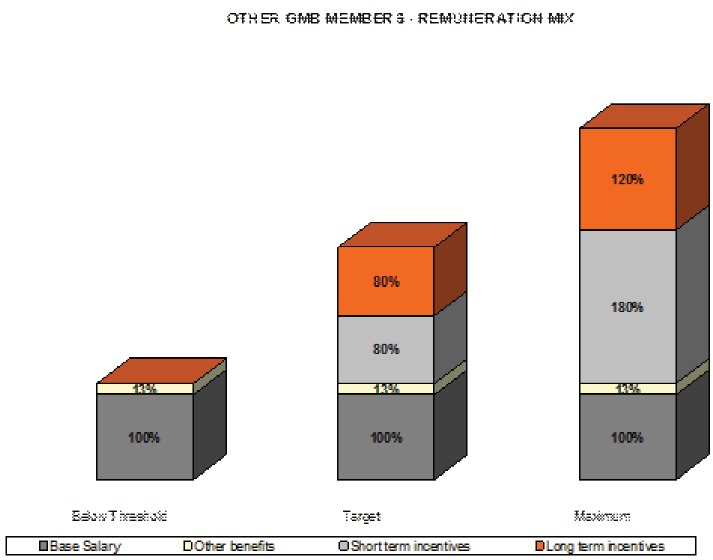
Performance Consideration

Remuneration Mix

The target total remuneration of the Chief Executive Officer and the GMB is structured to attract and retain executives; the amount of the remuneration actually received is dependent on the achievement of superior business and individual performance and on generating sustained shareholder value from relative performance.

The following remuneration charts, which illustrate the various elements of compensation of the Chief Executive Officer and the GMB, are applicable for 2014. For each of the charts below, the columns on the left, middle and on the right, respectively, reflect the breakdown of compensation if targets are not met, met and exceeded.





Corporate governance
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Share Ownership
As of December 31, 2014, the aggregate beneficial share ownership of ArcelorMittal directors and senior management (15 individuals) totaled 1,923,204 ArcelorMittal shares (excluding shares owned by ArcelorMittal's Significant Shareholder and including options to acquire 1,240,506 ArcelorMittal ordinary shares that are exercisable within 60 days of December 31, 2014), representing 0.12% of the total issued share capital of ArcelorMittal. Excluding options to acquire ArcelorMittal ordinary shares, these 15 individuals beneficially own 682,698 ArcelorMittal ordinary shares. Other than the Significant Shareholder, each director and member of senior management beneficially owns less than 1% of ArcelorMittal's shares. Ordinary shares held directly by Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, and options held directly by Mr. Lakshmi Mittal are aggregated with those ordinary shares beneficially owned by the Significant Shareholder.

In 2011, the number of ArcelorMittal RSUs granted to senior management (including the Significant Shareholder) was 82,500; upon vesting of the RSUs, the corresponding treasury shares or new shares were transferred to the beneficiaries on September 29, 2014. In 2012, the number of ArcelorMittal PSUs granted to directors and senior management (including the Significant Shareholder) was 49,500; upon vesting of the PSUs subject to performance conditions, the corresponding treasury shares or new shares will be transferred to the beneficiaries on March 30, 2015. In 2013, the number of PSUs granted to directors and senior management (including the Significant Shareholder) was 631,077; upon vesting of the PSUs, subject to performance conditions, the corresponding treasury shares or new shares will be transferred to the beneficiaries on June 28, 2016. In 2014, the number of PSUs granted to directors and senior management (including the Significant Shareholder) was 843,376; upon vesting of the PSUs, subject to performance conditions, the corresponding treasury shares or new shares will be vested to the beneficiaries on June 27, 2017. Neither RSUs nor PSUs were granted to members of the Board of Directors other than to the Chairman in his capacity as Chief Executive Officer.

In accordance with the Luxembourg Stock Exchange's 10 Principles of Corporate Governance, independent non-executive members of ArcelorMittal's Board of Directors do not receive share options, RSUs or PSUs.

The following table summarizes outstanding share options, as of December 31, 2014, granted to the members of the GMB of ArcelorMittal (or its predecessor company Mittal Steel, depending on the year):

	Options granted in 2005	Options granted in 2006	Options granted in 2007	Options granted in 2008	Options granted in 2009	Options granted in 2010	Options Total	Weighted Average Exercise Price of Options
GMB (Including Chief Executive Officer)	198,504	222,002	296,000	326,000	328,000	306,500	1,677,006	—
Exercise price[1]	$27.31	$32.07	$61.09	$78.44	$36.38	$30.66	—	$46.23
Term (in years)	10	10	10	10	10	10	—	—
Expiration date	Aug. 23, 2015	Sep. 1, 2016	Aug. 2, 2017	Aug. 5, 2018	Aug. 4, 2019	Aug. 3, 2020	—	—

[1]Due to the spin-off of Aperam on January 25, 2011, the strike price of outstanding options was reduced by 5% in line with the spin-off ratio. The table above reflects this adjustment.

The following table summarizes outstanding PSUs granted to the members of the GMB of ArcelorMittal in 2012, 2013 and 2014.

	PSUs granted in 2012	PSUs granted in 2013	PSUs granted in 2014
GMB (Including Chief Executive Officer)	43,500	631,077	843,376
Term (in years)	3	3	3
Vesting date[1]	Mar. 30, 2015	June 28, 2016	June 27, 2017

[1] See vesting conditions below

Corporate governance

continued

Major Shareholders and Related Party Transactions

As a result of the Company's issuance on January 14, 2013 of 104,477,612 ordinary shares at a price of $16.75 per share, the Company's issued share capital was increased to €6,883,209,119.84 represented by 1,665,392,222 ordinary shares and was unchanged at December 31, 2014.

The Company's authorized share capital, including the issued share capital, was €7,725,260,599.18, represented by 1,773,091,461 shares, at December 31, 2012 and was increased by the extraordinary general meeting of shareholders held on May 8, 2013 to €8,249,049,316.38, represented by 1,995,857,213 shares and was unchanged at December 31, 2014.

The May 8, 2013 extraordinary general meeting of shareholders approved an increase of the Company's authorized share capital by 19.84% of its then issued share capital, i.e., by €6,883,209,119.84, represented by 1,665,392,222 shares without nominal value, resulting in an authorized share capital of €8,249,049,316.38 represented by 1,995,857,213 shares without nominal value. The increase was sought by the Company in the wake the Company's issuance on January 16, 2013 of $2.25 billion 6% Mandatorily Convertible Subordinated Notes due 2016 (the "MCNs") in order to cover conversions of the 2013 MCNs and other outstanding convertible bonds of the Company. The increase also permitted the Company to return to the historical level of flexibility of 10% of share capital following the issue of new shares on January 14, 2013.

Following the issue of new shares on January 14, 2013 and subsequent increase in the Company's authorized share capital on May 8, 2013, 330,464,991 ordinary shares were available for issuance under the Company's authorized share capital as at December 31, 2014.

Major Shareholders

The following table sets out information as of December 31, 2014 with respect to the beneficial ownership of ArcelorMittal ordinary 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 Ordinary Shares[1]	
	Number	%
Significant Shareholder[2]	656,052,011	39.39
Treasury Shares[3]	9,333,907	0.56
Other Public Shareholders	1,000,006,304	60.05
Total	1,665,392,222	100.00
Of which: Directors and Senior Management[4]	1,923,204	0.12

[1] For purposes of this table, a person or group of persons is deemed to have beneficial ownership of any ArcelorMittal ordinary 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, 2014 upon exercise of vested portions of stock options. All stock options that have been granted to date by ArcelorMittal have vested.

[2] For purposes of this table, ordinary shares owned directly by Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, and options held directly by Mr. Lakshmi Mittal, are aggregated with those ordinary shares beneficially owned by the Significant Shareholder. At December 31, 2014. Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, had direct ownership of ArcelorMittal ordinary shares and indirect ownership, through the Significant Shareholder, of two holding companies that own ArcelorMittal ordinary shares—Nuavam Investments S.à r.l. ("Nuavam") and Lumen Investments S.à r.l. ("Lumen"). Nuavam, a limited liability company organized under the laws of Luxembourg, was the owner of 112,338,263 ArcelorMittal ordinary shares. Lumen, a limited liability company organized under the laws of Luxembourg, was the owner of 542,910,448 ArcelorMittal ordinary shares. Mr. Mittal was the direct owner of 314,300 ArcelorMittal ordinary shares and held options to acquire an additional 444,000 ArcelorMittal ordinary shares, all of which are, for the purposes of this table, deemed to be beneficially owned by Mr. Mittal due to the fact that these options are exercisable within 60 days. Mrs. Mittal was the direct owner of 45,000 ArcelorMittal ordinary shares. Mr. Mittal, Mrs. Mittal and the Significant Shareholder shared indirect beneficial ownership of 100% of each of Nuavam and Lumen (within the meaning set forth in Rule 13d-3 of the Exchange Act). Accordingly, Mr. Mittal was the beneficial owner of 656,007,011 ArcelorMittal ordinary shares, Mrs. Mittal was the beneficial owner of 655,293,711 ordinary shares and the Significant Shareholder was the beneficial owner of 656,052,011 ordinary shares. Excluding options, Mr. Lakshmi Mittal and Mrs. Usha Mittal together beneficially owned 655,608,011 ArcelorMittal ordinary shares at such date.

[3] Represents ArcelorMittal ordinary shares repurchased pursuant to share repurchase programs in prior years, fractional shares returned in various transactions, and the use of treasury shares in various transactions in prior years; excludes (1) 1,240,506 stock options that can be exercised by senior management (other than Mr. Mittal) and (2) 444,000 stock options that can be exercised by Mr. Mittal, in each case within 60 days of December 31, 2014. Holders of these stock options are deemed to beneficially own ArcelorMittal ordinary shares for the purposes of this table due to the fact that such options are exercisable within 60 days.

[4] Includes shares beneficially owned by directors and members of senior management; excludes shares beneficially owned by Mr. Mittal. Note that (i) stock options included in this item that are exercisable within 60 days are excluded from "Treasury Shares" above (see also note 3 above) and (ii) ordinary shares included in this item are included in "Other Public Shareholders" above.

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On January 16, 2013, ArcelorMittal issued $2.25 billion aggregate principal amount of its 6% Mandatorily Convertible Notes due 2016, of which Lumen subscribed for $300 million in principal amount. Based on the methodology used above, as of December 31, 2014, assuming conversion of all mandatorily convertible notes, the percentage of ordinary shares owned by the Significant Shareholder would be 37.77% (assuming conversion of all notes at the maximum conversion price) or 37.40% (assuming conversion of all notes at the minimum conversion price).

The ArcelorMittal ordinary shares may be held in registered form only. Registered shares may consist of;

a. shares traded on the NYSE, or New York Registry Shares, which are registered in a register kept by or on behalf of ArcelorMittal by its New York transfer agent,

b. shares traded on Euronext Amsterdam 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

c. ArcelorMittal European Registry 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, 2014, 2,465 shareholders other than the Significant Shareholder, holding an aggregate of 51,649,813 ArcelorMittal ordinary shares were registered in ArcelorMittal's shareholder register, representing approximately 3.10% of the ordinary shares issued (including treasury shares).

At December 31, 2014, there were 224 shareholders holding an aggregate of 76,960,022 New York Shares, representing approximately 4.62% of the ordinary 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 ordinary shares.

At December 31, 2014, 881,533,676 ArcelorMittal ordinary shares were held through the Euroclear/Iberclear clearing system in The Netherlands, France, Luxembourg and Spain.

Related Party Transactions

ArcelorMittal engages in certain commercial and financial transactions with related parties, including associates and joint ventures of ArcelorMittal. Please refer to Note 16 of ArcelorMittal's consolidated financial statements.

Shareholder's Agreement
The Significant Shareholder, a holding company owned by the Significant Shareholder and ArcelorMittal are parties to a shareholder and registration rights agreement (the "Shareholder's Agreement") dated August 13, 1997. Pursuant to the Shareholder's Agreement and subject to the terms and conditions thereof, ArcelorMittal shall, upon the request of certain holders of restricted ArcelorMittal shares, use its reasonable efforts to register under the Securities Act of 1933, as amended, the sale of ArcelorMittal shares intended to be sold by those holders. By its terms, the Shareholder's Agreement may not be amended, other than for manifest error, except by approval of a majority of ArcelorMittal's shareholders (other than the Significant Shareholder and certain permitted transferees) at a general shareholders' meeting.

Memorandum of Understanding
The Memorandum of Understanding entered into in connection with the Mittal Steel acquisition of Arcelor, certain provisions of which expired in August 2009 and August 2011 (see Material Contracts below)

Acquisition of ordinary shares and mandatorily convertible notes in the January 2013 offering of such securities by ArcelorMittal, and entry into the Lock-Up Letter and Share Lending Agreement in connection therewith
ArcelorMittal issued 104,477,612 ordinary shares in an offering that closed on January 14, 2013 (the "Share Offering") and issued $2,250,000,000 aggregate principal amount of 6.00% Mandatorily Convertible Subordinated Notes due 2016 (the "MCNs") in an offering that closed on January 16, 2013. Lumen subscribed for 17,910,448 ordinary shares in the Share Offering and acquired $300 million in principal amount of MCNs. The underwriting agreement entered into in connection with such offerings provided as a closing condition that Lumen and Nuavam each execute a lock-up letter whereby they would each agree not to offer, sell, contract to sell, pledge, grant any option to

Corporate governance
continued

purchase, make any short sale or otherwise dispose of, directly or indirectly, any ordinary shares, the acquired MCNs or other securities exchangeable for or convertible into ordinary shares owned by them for a period of at least 180 days from January 9, 2013, subject to certain limited exceptions or the prior written consent of the representatives. In connection with the Share Offering and the offering of the MCNs, ArcelorMittal entered into a share lending agreement with Lumen on January 9, 2013, pursuant to which Lumen agreed to make available for borrowing by ArcelorMittal up to a maximum amount of 48.9 million ordinary shares in exchange for a loan fee of $0.00046 per lent ordinary share, accruing daily from and including the date on which the loaned ordinary shares were delivered to the borrower to, but excluding, the date of return of the borrowed ordinary shares. Under the share lending agreement, deliveries of the loaned shares by Lumen was to occur on the dates an equal number of ordinary shares were required to be delivered by ArcelorMittal pursuant to the terms of the MCNs. The share lending agreement provided that ArcelorMittal could terminate all or any portion of any loan made there under at any time and that all outstanding loans would terminate on the date which was three business days after the date on which a general meeting of shareholders of ArcelorMittal had approved a resolution approving sufficient authorized share capital and authorizing the Board of Directors of the Company to cancel the preferential subscription right of existing shareholders to allow return to Lumen of all borrowed ordinary shares. Under the share lending agreement, Lumen had no rights (including voting or disposition rights) with respect to any ordinary shares that had been loaned to ArcelorMittal and not yet returned to Lumen. Subject to this condition being met, it was expected that any ordinary shares to be delivered by ArcelorMittal to Lumen upon termination of the loan(s) would be newly issued ordinary shares issued in favor of Lumen (with a cancellation of the shareholders' preferential subscription right). The extraordinary general meeting of shareholders of ArcelorMittal that took place on May 8, 2013 (the "May 2013 EGM") approved sufficient authorized share capital and authorized the Board of Directors of the Company to cancel the preferential subscription right of existing shareholders to allow return to Lumen of all borrowed ordinary shares. Accordingly, the share lending agreement with Lumen was terminated three business days after the date of the May 2013 EGM.

Agreements with Aperam post-Stainless Steel Spin-Off
In connection with the spin-off of its stainless steel division into a separately focused company, Aperam, which was completed on January 25, 2011, ArcelorMittal entered into several agreements with Aperam. These agreements include a Master Transitional Services Agreement dated January 25, 2011 (the "Transitional Services Agreement") for support for/from corporate activities, a purchasing services agreement for negotiation services from ArcelorMittal Purchasing and a sourcing services agreement for negotiation services from ArcelorMittal Sourcing, certain commitments regarding cost-sharing in Brazil and certain other ancillary arrangements governing the relationship between Aperam and ArcelorMittal following the spin-off, as well as certain agreements relating to financing.

The Transitional Services Agreement between ArcelorMittal and Aperam expired at year-end 2012. The parties agreed to renew a very limited number of services where expertise and bargain powers create values for both parties. ArcelorMittal will continue to provide certain services during 2015 relating to certain areas, including environmental and technical support and administration of the shareholders register.

In the area of research and development, Aperam entered into a frame arrangement with ArcelorMittal to establish a framework for future cooperation between the two groups in relation to certain ongoing or new research and development programs. Currently, only limited research and development support for existing projects are implemented through such agreement.

The purchasing and sourcing of raw materials generally were not covered by the Transitional Services Agreement. Aperam is responsible for the sourcing of its key raw materials, including nickel, chromium, molybdenum and stainless steel scrap. However, under the terms of the purchasing services agreement, Aperam still relies on ArcelorMittal for services in relation to the negotiation of certain contracts with global or large regional suppliers, including those relating to the following key categories: energy (electricity, natural gas, industrial gas), operating materials (rolls, electrodes, refractory materials) and industrial products and services. The purchasing services agreement also permits Aperam to avail itself of the services and expertise of ArcelorMittal for certain capital expenditure items. The purchasing services agreement and the sourcing services agreement were each entered into for an initial term of two years, which was to expire on January 24, 2013. However, since that date, the purchasing services agreement has been extended for an additional year on similar terms, while the sourcing services agreement was limited to IT services as of October 2013. It is expected that the term of the purchasing services agreement will be further extended until the end of January 2016. The sourcing service agreement ended in January 2015 and shall not be extended further since Aperam has switched to its own IT system. Beginning in 2015, Aperam purchases, in Europe, most of its natural gas through a new supply contract that has been put in place with ArcelorMittal Energy.

In connection with the spin-off, management also renegotiated an existing Brazilian cost-sharing agreement between, inter alia, ArcelorMittal Brasil and Aperam Inox América do Sul S.A. (formerly known as ArcelorMittal Inox Brasil), pursuant to which starting as of April 1, 2011, ArcelorMittal Brasil continued to perform only purchasing, insurance and real estate activities for the benefit of certain of Aperam's Brazilian subsidiaries, with costs being shared on the basis of cost allocation parameters agreed between the parties. From the demerger of ArcelorMittal BioEnergia Ltda in July 2011 up until June 27, 2014, its payroll functions were handled by ArcelorMittal Brasil. The real estate and insurance activities of Aperam's Brazilian subsidiaries have not been handled by ArcelorMittal Brasil since January 1, 2013 and June 30, 2013, respectively.

Purchasing activities will continue to be provided to Aperam pursuant to existing contracts with ArcelorMittal entities that it has specifically elected to assume.

Material Contracts
Share Lending Agreement
Please refer to related party transactions above.

ArcelorMittal Equity Incentive Plan and GMB PSU Plan
On May 10, 2011, the annual general shareholders' meeting approved the ArcelorMittal Equity Incentive Plan, a new equity-based incentive plan that replaced the Global Stock Option Plan. The ArcelorMittal Equity Incentive Plan provides for the grant of RSUs and PSUs to eligible Company employees. On May 8, 2013, the annual general meeting of shareholders approved the GMB PSU Plan, which provides for the grant of PSUs to GMB members. Until the introduction of the GMB PSU Plan in 2013, GMB members were eligible to receive RSUs and PSUs under the ArcelorMittal Equity Incentive Plan. On May 8, 2014, the annual general meeting of shareholders approved, in particular, the number of shares that may be allocated for the grant of PSUs to the GMB members and for the grant of RSUs and PSUs to eligible employees under the ArcelorMittal Equity Incentive Plan set at a maximum of 5,000,000 shares (the "2014 Cap"). Such authorization is valid from the date of that annual general meeting of shareholders until the annual general meeting of shareholders to be held in 2015. Since 2011, the Company has made the following grants to employees under the ArcelorMittal Equity Incentive Plan: a grant of RSUs in September 2011, a grant of PSUs in March 2012, a grant of both RSUs and PSUs in March 2013, and a grant of both RSUs and PSUs in September 2013 (the GMB members were excluded from the afore-mentioned 2013 grants in light of the creation of the GMB PSU Plan), additionally the Company has made a new grant of both RSUs and PSUs in December of 2014. Under the GMB PSU Plan, the Company has made grants of PSUs to the GMB members in June 2013 and in June 2014. Copies of the Supplemental Terms for 2014-2015 ArcelorMittal Equity Incentive Plan and the GMB PSU Plan are filed as an exhibit to this annual report on Form 20-F.

Additional information about ArcelorMittal

Memorandum of Understanding
On June 25, 2006, Mittal Steel, the Significant Shareholder and Arcelor signed a binding Memorandum of Understanding ("MoU") to combine Mittal Steel and Arcelor in order to create the world's leading steel company. In April 2008, the Board of Directors approved resolutions amending certain provisions of the MoU in order to adapt it to the Company's needs in the post-merger and post-integration phase.

On the basis of the MoU, Arcelor's Board of Directors recommended Mittal Steel's offer for Arcelor and the parties to the MoU agreed to certain corporate governance and other matters relating to the combined ArcelorMittal group. Certain provisions of the MoU relating to corporate governance were incorporated into the Articles of Association of ArcelorMittal at the extraordinary general meeting of the shareholders on November 5, 2007.

Certain additional provisions of the MoU expired effective August 1, 2009 and on August 1, 2011. ArcelorMittal's corporate governance rules will continue to reflect, subject to those provisions of the MoU that have been incorporated into the Articles of Association, the best standards of corporate governance for comparable companies and to conform with the corporate governance aspects of the NYSE listing standards applicable to non-U.S. companies and Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

The following summarizes the main provisions of the MoU that remain in effect or were in effect in 2014.

Standstill
The Significant Shareholder agreed not to acquire, directly or indirectly, ownership or control of an amount of shares in the capital stock of the Company exceeding the percentage of shares in the Company that it will own or control following completion of the Offer (as defined in the MoU) for Arcelor and any subsequent offer or compulsory buy-out, except with the prior written consent of a majority of the independent directors on the Company's Board of Directors. Any shares acquired in violation of this restriction will be deprived of voting rights and shall be promptly sold by the Significant Shareholder. Notwithstanding the above, if (and whenever) the Significant Shareholder holds, directly and indirectly, less than 45% of the then-issued Company shares, the Significant Shareholder may purchase (in the open market or otherwise) Company shares up to such 45% limit. In addition, the Significant Shareholder is also permitted to own and vote shares in excess of the threshold mentioned in the immediately preceding paragraph or the 45% limit mentioned above, if such ownership results from (1) subscription for shares or rights in proportion to its existing shareholding in the Company where other shareholders have not exercised the entirety of their rights or (2) any passive crossing of this threshold resulting from a reduction of the number of Company shares (e.g., through self-tender offers or share buy-backs) if, in respect of (2) only, the decisions to implement such measures were taken at a shareholders' meeting in which the Significant Shareholder did not vote or by the Company's Board of Directors with a majority of independent directors voting in favor.

Once the Significant Shareholder exceeds the threshold mentioned in the first paragraph of this "Standstill" subsection or the 45% limit, as the case may be, as a consequence of any corporate event set forth in (1) or (2) above, it shall not be permitted to increase the percentage of shares it owns or controls in any way except as a result of subsequent occurrences of the corporate events described in (1) or (2) above, or with the prior written consent of a majority of the independent directors on the Company's Board of Directors.

If subsequently the Significant Shareholder sells down below the threshold mentioned in the first paragraph of this "Standstill" subsection or the 45% limit, as the case may be, it shall not be permitted to exceed the threshold mentioned in the first paragraph of this "Standstill" subsection or the 45% limit, as the case may be, other than as a result of any corporate event set out in (1) or (2) above or with the prior written consent of a majority of the independent directors.

Finally, the Significant Shareholder is permitted to own and vote shares in excess of the threshold mentioned in the first paragraph of this "Standstill" subsection or the 45% limit mentioned above if it acquires the excess shares in the context of a takeover bid by a third party and (1) a majority of the independent directors of the Company's Board of Directors consents in writing to such acquisition by the Significant Shareholder or (2) the Significant Shareholder acquires such shares in an offer for all of the shares of the Company.

Non-compete
For so long as the Significant Shareholder holds and controls at least 15% of the outstanding shares of the Company or has representatives on the Company's Board of Directors or GMB, the Significant Shareholder and its affiliates will not be permitted to invest in, or carry on, any business competing with the Company, except for PT ISPAT Indo.

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 plaintiffs alleged in particular that, based on Mittal Steel's and Arcelor's disclosure and public statements, investors had a legitimate expectation that the exchange ratio in the second-step merger would be the same as that of the secondary exchange offer component of Mittal Steel's June 2006 tender offer for Arcelor (i.e., 11 Mittal Steel shares for seven Arcelor shares), and that the second-step merger did not comply with certain provisions of Luxembourg company law. They claimed, inter alia, the cancellation of certain resolutions (of the Board of Directors and of the Shareholders meeting) in connection with the merger, the grant of additional shares, or damages in an amount of approximately €180 million. By judgment dated November 30, 2011, the Luxembourg civil court declared all of the plaintiffs' claims inadmissible and dismissed them. The judgment was appealed in May 2012 and the appeal proceedings are ongoing.

On May 15, 2012, ArcelorMittal received a writ of summons on behalf of Association Actionnaires d'Arcelor ("AAA"), a French association of former minority shareholders of Arcelor, to appear before the civil court of Paris. In such writ of summons, AAA claimed (on grounds similar to those in the Luxembourg proceedings summarized above) inter alia damages in a nominal amount and reserved the right to seek additional remedies including the cancellation of the merger. The proceedings before the civil court of Paris have been stayed, pursuant to a ruling of such court on July 4, 2013, pending a preparatory investigation (instruction préparatoire) by a criminal judge magistrate (juge d'instruction) triggered by the complaints (plainte avec constitution de partie civile) of AAA and several hedge funds (who quantified their total alleged damages at €246.5 million), including those who filed the claims before the Luxembourg courts described (and quantified) above.

Additional information about ArcelorMittal

ArcelorMittal produces a range of publications to inform its shareholders. These documents are available in various formats: they can be viewed online, downloaded or obtained on request in paper format. Please refer to www.arcelormittal.com, to the Investors menu, under Financial Reports.

Corporate responsibility
ArcelorMittal's corporate responsibility is detailed in a report published that will be published separately during the second quarter of 2015 and will be available on www.arcelormittal.com in the Corporate Responsibility menu.

ArcelorMittal as parent company of the ArcelorMittal group
ArcelorMittal, incorporated under the laws of Luxembourg, is the parent company of the ArcelorMittal group and is expected to continue this role during the coming years. The company has no branch offices and generated a net income of $488 million in 2014.

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

Additional information about ArcelorMittal
continued

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 one other ArcelorMittal group company are listed on the Luxembourg Stock Exchange. ArcelorMittal Finance S.C.A. is a société en commandite par actions with registered office address at 24-26, boulevard d'Avranches, L-1160 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 ArcelorMittal 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.

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

Indexes
ArcelorMittal is a 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, IBEX 35 index and NYSE Composite Index. Recognized for its commitment to sustainable development, ArcelorMittal is also a member of the FTSE4Good Index and Dow Jones Sustainability Index.

Share price performance
Share price performance During 2013 the price of ArcelorMittal shares increased by 2% in US dollar terms, outperforming the Global Metals, Mining & Steel sector which decreased by 9% over the period. The Company's share price declined from January through April as global markets reacted to a falling iron ore price and its impact on steel prices. As the European economy moved out of recession, the share price recovered in the second half, outperforming the Global Metals, Mining & Steel sector.

Dividend
Considering the challenging global economic conditions, and the Company's priority to deleverage, ArcelorMittal's board of directors proposes to maintain the annual dividend payment at $0.20/share for 2015. Subject to shareholder approval at the next annual general meeting on May 5, 2015, this dividend will be paid on June 15, 2015.

Once the deleveraging plan is complete and market conditions improve, the board intends to progressively increase the dividend.

The dividend payments will be paid as a single payment in 2015 (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, and Luxembourg).

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 implements an active and broad investor communications policy: conference calls, road shows with the financial community, regular participation at investor conferences, plant visits and meetings with individual investors.

Individual investors
ArcelorMittal's senior management plans to meet individual investors and shareholder associations in road shows throughout 2015. A dedicated toll free number for individual investors is available at +352 4792 3198. Requests for information or meetings on the virtual meeting and conference center may also be sent to: PrivateInvestors@arcelormittal.com

Analysts and institutional 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

investor.relations@arcelormittal.com

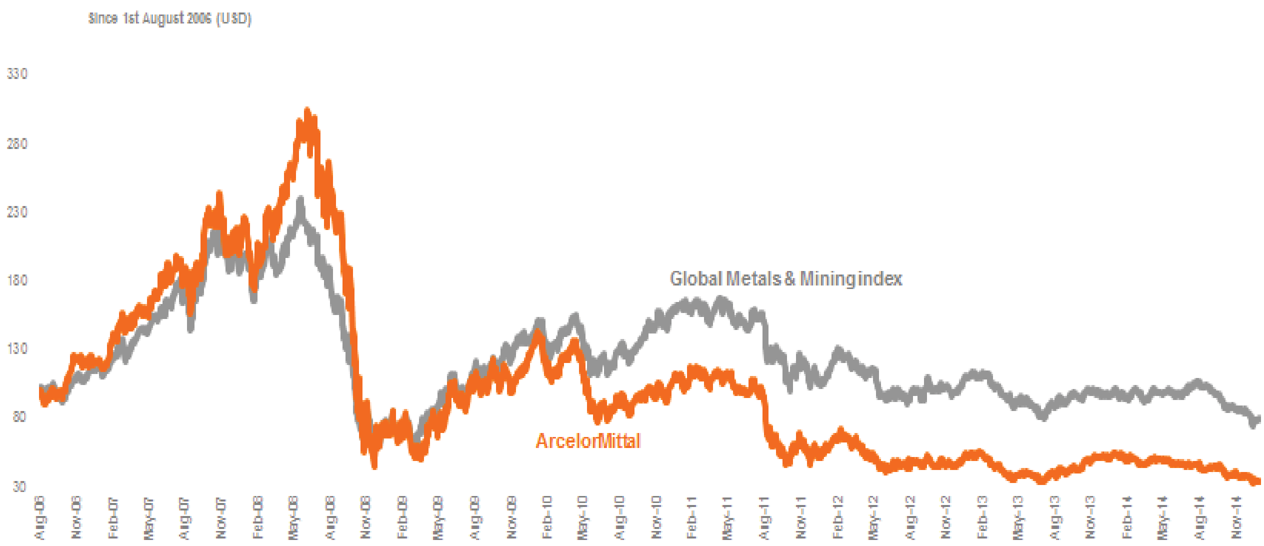
Socially responsible investors
The Investor Relations team is also a source of information the growing socially responsible investment community. The team organises special events on ArcelorMittal's corporate responsibility strategy and answers all requests for information sent to the group SRI@arcelormittal.com

Credit and fixed income investors
Credit, fixed income Investors and rating agency are followed by a dedicated team from investor relations.

creditfixedincome@arcelormittal.com

Additional information about ArcelorMittal

continued



Financial calendar

The schedule is available on ArcelorMittal's website www.arcelormittal.com under Investors>Equity investors>Dividends

Financial results*

February 13, 2015 Results for 4th quarter 2014 and 12 months 2014

May 7, 2015
Results for 1st quarter 2015

July 31, 2015
Results for 2nd quarter 2015 and 6 months 2015

November 6, 2015
Results for 3rd quarter 2015 and 9 months 2015

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

General meeting of shareholders

May 5, 2015
ArcelorMittal Annual General Meeting

Institutional investor events

February 23-24, 2015
Investor day with Group Management Board members

Dividend payment (subject to shareholder approval)

June 15, 2015
Annual payment of gross dividend

Contact the investor relations team on the information detailed above or please visit www.arcelormittal.com/corp/investors/contact

Chief executive officer and chief financial officer's responsibility statement

We confirm, to the best of our knowledge, that:

1. the consolidated financial statements and the separate financial statements of ArcelorMittal presented in this Annual Report and prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss of ArcelorMittal and the undertakings included within the consolidation taken as a whole; and

2. the management report includes a fair review of the development and performance of the business and position of ArcelorMittal and undertakings included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

By order of the Board of Directors

Chief executive officer

Lakshmi N. Mittal

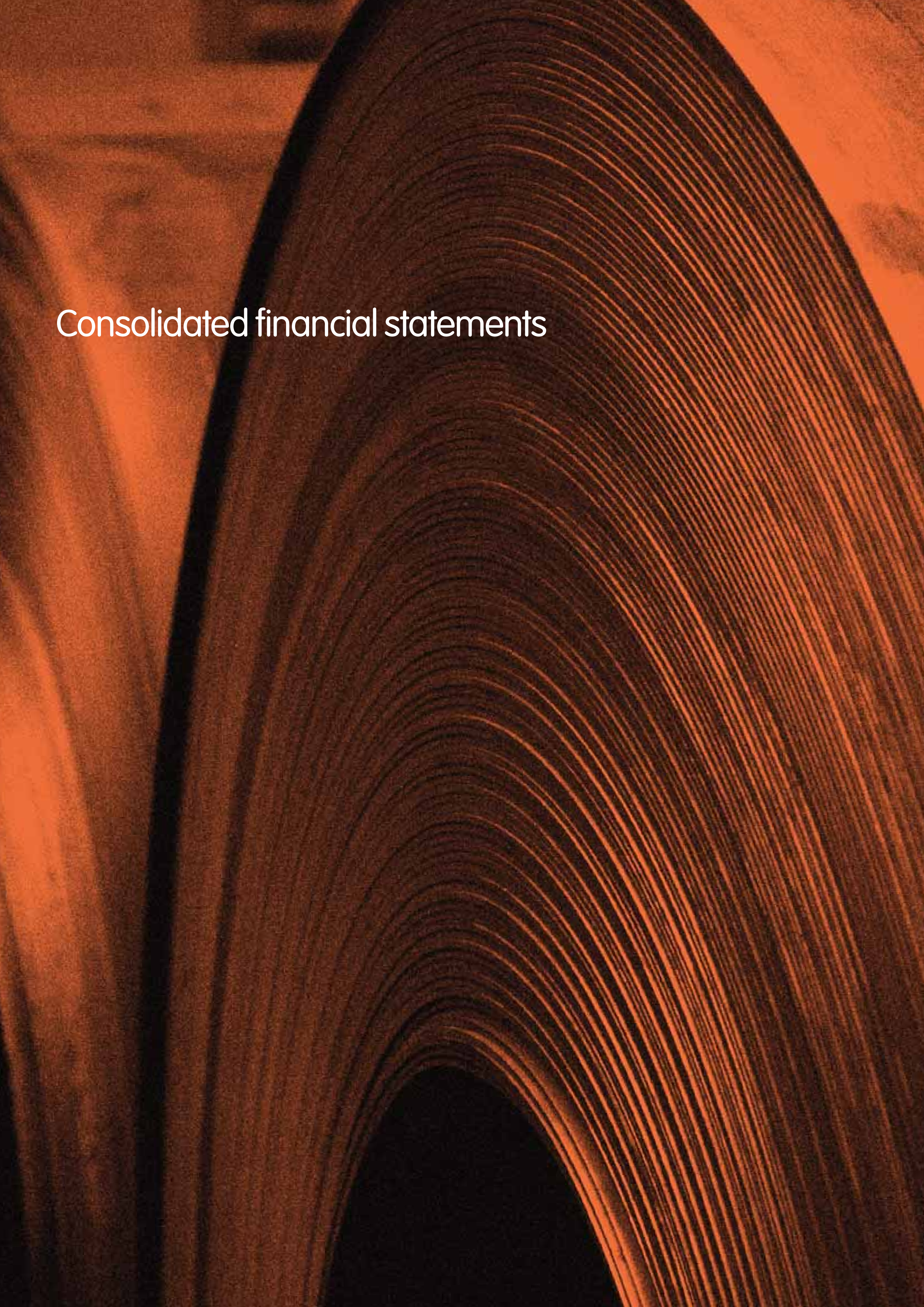
March 13, 2015

Chief financial officer

Aditya Mittal

March 13, 2015

Consolidated financial statements



Consolidated statements of financial position

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Assets	December 31, 2013	December 31, 2014
Current assets:		
Cash and cash equivalents (note 6)	6,072	3,893
Restricted cash (note 6)	160	123
Trade accounts receivable and other, including 424 and 469 from related parties at December 31, 2013 and 2014, respectively (notes 7 and 16)	4,886	3,696
Inventories (note 8)	19,240	17,304
Prepaid expenses and other current assets (note 9)	3,375	2,627
Assets held for sale (note 5)	292	414
Total current assets	34,025	28,057
Non-current assets:		
Goodwill and intangible assets (note 10)	8,734	8,104
Biological assets (note 11)	132	128
Property, plant and equipment (note 12)	51,232	46,465
Investments in associates and joint ventures (note 13)	7,195	5,833
Other investments (note 14)	738	1,202
Deferred tax assets (note 21)	8,938	7,962
Other assets (note 15)	1,314	1,428
Total non-current assets	78,283	71,122
Total assets	112,308	99,179

Liabilities and equity	December 31, 2013	December 31, 2014
Current liabilities:		
Short-term debt and current portion of long-term debt (note 17)	4,092	2,522
Trade accounts payable and other, including 143 and 290 to related parties at December 31, 2013 and 2014, respectively (note 16)	12,604	11,450
Short-term provisions (note 22)	1,206	1,024
Accrued expenses and other liabilities (note 23)	7,071	5,740
Income tax liabilities	179	230
Liabilities held for sale (note 5)	83	157
Total current liabilities	25,235	21,123
Non-current liabilities:		
Long-term debt, net of current portion (note 17)	18,219	17,275
Deferred tax liabilities (note 21)	3,115	3,004
Deferred employee benefits (note 25)	9,494	10,074
Long-term provisions (note 22)	1,883	1,587
Other long-term obligations	1,189	956
Total non-current liabilities	33,900	32,896
Total liabilities	59,135	54,019
Commitments and contingencies (notes 24 and 26)		
Equity (note 19):		
Common shares (no par value, 1,995,857,213 and 1,995,857,213 shares authorized, 1,665,392,222 and 1,665,392,222 shares issued, and 1,653,599,548 and 1,654,373,809 shares outstanding at December 31, 2013 and 2014, respectively)	10,011	10,011
Treasury shares (11,792,674 and 11,018,413 common shares at December 31, 2013 and 2014, respectively, at cost)	(414)	(399)
Additional paid-in capital	20,248	20,258
Subordinated perpetual capital securities	650	-
Mandatorily convertible notes	1,838	1,838
Retained earnings	24,037	22,182
Reserves	(6,577)	(11,804)
Equity attributable to the equity holders of the parent	49,793	42,086
Non-controlling interests	3,380	3,074
Total equity	53,173	45,160
Total liabilities and equity	112,308	99,179

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of operations

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

	Year ended December 31, 2013	Year ended December 31, 2014
Sales (including 4,770 and 6,606 of sales to related parties for 2013 and 2014, respectively)	79,440	79,282
Cost of sales	75,247	73,288
(including depreciation and impairment of 5,139 and 4,203 and 1,310 and 1,355 of purchases from related parties for 2013 and 2014, respectively)		
Gross margin	4,193	5,994
Selling, general and administrative expenses	2,996	2,960
Operating income (loss)	1,197	3,034
Income (loss) from investments in associates, joint ventures and other investments	(442)	(172)
Financing costs - net (note 20)	(3,115)	(3,382)
Income (loss) before taxes	(2,360)	(520)
Income tax expense (benefit) (note 21)	215	454
Net income (loss) (including non-controlling interests)	(2,575)	(974)
Net income attributable to equity holders of the parent:		
Net income (loss) attributable to equity holders of the parent	(2,545)	(1,086)
Net income (loss) attributable to non-controlling interests	(30)	112
Net income (loss) (including non-controlling interests)	(2,575)	(974)

	Year ended December 31, 2013	Year ended December 31, 2014
Earnings (loss) per common share (in U.S. dollars)		
Basic and diluted	(1.46)	(0.61)
Weighted average common shares outstanding (in millions) (note 19)		
Basic and diluted	1,780	1,791

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of other comprehensive income

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

		Year ended December 31, 2013		Year ended December 31, 2014
Net income (loss) (including non-controlling interests)		(2,575)		(974)
Items that can be recycled to the consolidated statements of operations				
Available-for-sale investments:				
Gain (loss) arising during the period	(34)		449	
Reclassification adjustments for loss (gain) included in the consolidated statements of operations	100		44	
	66		493	
Derivative financial instruments:				
Gain (loss) arising during the period	(25)		181	
Reclassification adjustments for loss (gain) included in the consolidated statements of operations	(120)		(2)	
	(145)		179	
Exchange differences arising on translation of foreign operations:				
Gain (loss) arising during the period	(965)		(4,198)	
Reclassification adjustments for loss (gain) included in the consolidated statements of operations	(25)		(55)	
	(990)		(4,253)	
Share of other comprehensive income (loss) related to associates and joint ventures Gain (loss) arising during the period	2		(601)	
Reclassification adjustments for (gain) loss included in the consolidated statements of operations	-		(61)	
	2		(662)	
Income tax benefit (expense) related to components of other comprehensive income (loss) that can be recycled to the consolidated statements of operations	114		(11)	
Items that cannot be recycled to the consolidated statements of operations				
Employee benefits				
Recognized actuarial gains (losses)	2,206		(1,531)	
Share of other comprehensive income (loss) related to associates and joint ventures	(13)		4	
Income tax benefit (expense) related to components of other comprehensive income that cannot be recycled to the consolidated statements of operations	(155)		94	
Total other comprehensive income (loss)	1,085		(5,687)	
Total other comprehensive income (loss) attributable to:				
Equity holders of the parent	1,314		(5,536)	
Non-controlling interests	(229)		(151)	
		1,085		(5,687)
Total comprehensive income (loss)		(1,490)		(6,661)
Total comprehensive income (loss) attributable to:				
Equity holders of the parent		(1,231)		(6,622)
Non-controlling interests		(259)		(39)
Total comprehensive income (loss)		(1,490)		(6,661)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

								Reserves						
								Items that can be recycled to the Consolidated Statements of Operations			Items that cannot be recycled to the Consolidated Statements of Operations			
	Shares [1,2]	Share capital	Treasury shares	Subordinated perpetual capital securities	Mandatorily convertible notes	Additional paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains (losses) on derivative financial instruments	Unrealized gains (losses) on available for sale securities	Recognized actuarial (losses) gains	Equity attributable to the equity holders of the parent	Non-controlling interests	Total equity
Balance at December 31, 2012	1,549	9,403	(414)	650	-	19,082	26,186	(2,244)	(214)	(173)	(5,260)	47,016	3,450	50,466
Net loss	-	-	-	-	-	-	(2,545)	-	-	-	-	(2,545)	(30)	(2,575)
Other comprehensive income (loss)	-	-	-	-	-	-	-	(666)	(110)	68	2,022	1,314	(229)	1,085
Total comprehensive income (loss)	-	-	-	-	-	-	(2,545)	(666)	(110)	68	2,022	(1,231)	(259)	(1,490)
Offering of common shares	105	608	-	-	-	1,148	-	-	-	-	-	1,756	-	1,756
Mandatorily convertible notes	-	-	-	-	1,838	-	-	-	-	-	-	1,838	-	1,838
Baffinland dilution	-	-	-	-	-	-	-	-	-	-	-	-	(208)	(208)
Other changes in non-controlling interests (note 4)	-	-	-	-	-	-	722	-	-	-	-	722	402	1,124
Recognition of share based payments	-	-	-	-	-	18	-	-	-	-	-	18	-	18
Dividend	-	-	-	-	-	-	(332)	-	-	-	-	(332)	(23)	(355)
Coupon on subordinated perpetual capital securities	-	-	-	-	-	-	(57)	-	-	-	-	(57)	-	(57)
Other movements	-	-	-	-	-	-	63	-	-	-	-	63	18	81
Balance at December 31, 2013	1,654	10,011	(414)	650	1,838	20,248	24,037	(2,910)	(324)	(105)	(3,238)	49,793	3,380	53,173
Net loss	-	-	-	-	-	-	(1,086)	-	-	-	-	(1,086)	112	(974)
Other comprehensive income (loss)	-	-	-	-	-	-	-	(4,717)	104	510	(1,433)	(5,536)	(151)	(5,687)
Total comprehensive income (loss)	-	-	-	-	-	-	(1,086)	(4,717)	104	510	(1,433)	(6,622)	(39)	(6,661)
Redemption of subordinated perpetual capital securities	-	-	-	(650)	-	-	(7)	-	-	-	-	(657)	-	(657)
Option premiums on treasury shares (note 19)	-	-	-	-	-	-	(309)	-	309	-	-	-	-	-
Mandatory convertible bonds extension (note 4)	-	-	-	-	-	-	-	-	-	-	-	-	(47)	(47)
Other changes in non-controlling interests	-	-	-	-	-	-	(34)	-	-	-	-	(34)	(75)	(109)
Recognition of share based payments	-	-	15	-	-	10	-	-	-	-	-	25	-	25
Dividend	-	-	-	-	-	-	(333)	-	-	-	-	(333)	(118)	(451)
Coupon on subordinated perpetual capital securities	-	-	-	-	-	-	(22)	-	-	-	-	(22)	-	(22)
Other movements	-	-	-	-	-	-	(64)	-	-	-	-	(64)	(27)	(91)
Balance at December 31, 2014	1,654	10,011	(399)	-	1,838	20,258	22,182	(7,627)	89	405	(4,671)	42,086	3,074	45,160

[1] Excludes treasury shares
[2] In millions of shares

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statements of cash flows

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

	Year ended December 31, 2013	Year ended December 31, 2014
Operating activities:		
Net income (loss) (including non-controlling interests)	(2,575)	(974)
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation (notes 10, 11 and 12)	4,695	3,939
Impairment (notes 10 and 12)	444	264
Interest expense (note 20)	1,890	1,565
Interest income (note 20)	(113)	(96)
Income tax (benefit) expense (note 21)	215	454
Write-downs of inventories to net realizable value and expense related to onerous supply contracts	15	17
Provisions for labor agreements and separation plans	361	90
Litigation provisions (reversals)	18	(52)
Recycling of deferred gain on raw material hedges	(92)	-
Net gain on disposal of subsidiaries and net assets	(28)	(192)
Loss from investments in associates, joint ventures and other investments (note 13)	442	172
Provision on pensions and OPEB (note 25)	670	591
Change in fair value adjustment on conversion options on the euro convertible bond, call options on ArcelorMittal shares and Mandatory Convertible Bonds (note 20)	12	(112)
Income tax amnesty expenses (note 20)	80	161
Unrealized foreign exchange effects	341	413
Other provisions and non-cash operating expenses net	(167)	433
Changes in assets and liabilities that provided (required) cash, net of acquisitions:		
Trade accounts receivable	115	537
Inventories	(609)	(122)
Trade accounts payable	1,258	(47)
Interest paid	(1,967)	(1,713)
Interest received	106	97
Income taxes paid	(102)	(337)
Dividends received from associates, joint ventures and other investments	219	209
Cash contributions to plan assets and benefits paid for pensions and OPEB (note 25)	(709)	(674)
VAT and other amount paid to public authorities	(14)	(112)
Other working capital and provisions movements	(209)	(641)
Net cash provided by operating activities	4,296	3,870
Investing activities:		
Purchase of property, plant and equipment and intangibles including cash outflows in connection with exploration/evaluation activities of 2 and nil in 2013 and 2014, respectively.	(3,452)	(3,665)
Disposal of net assets of subsidiaries, net of cash disposed of (48) and (85) in 2013 and 2014, respectively (note 3)	34	232
Acquisition of associates and joint ventures (note 13)	(173)	(258)
Disposals of financial assets	511	532
Other investing activities net	203	82
Net cash used in investing activities	(2,877)	(3,077)
Financing activities:		
Payments of subordinated perpetual capital securities (note 19)	-	(657)
(Acquisition) disposal of non-controlling interests (note 4)	1,100	(17)
Proceeds from short-term debt	1,172	1,855
Proceeds from long-term debt	76	2,419
Payments of short-term debt	(4,696)	(4,545)
Payments of long-term debt	(846)	(1,282)
Proceeds from mandatorily convertible notes (note 19)	2,222	-
Common stock offering	1,756	-
Dividends paid (includes 26 and 108 of dividends paid to non-controlling shareholders in 2013 and 2014 respectively)	(415)	(458)
Other financing activities net	(128)	(65)
Net cash (used in) provided by financing activities	241	(2,750)
Effect of exchange rate changes on cash	19	(230)
Net increase (decrease) in cash and cash equivalents	1,679	(2,187)
Cash and cash equivalents:		
At the beginning of the year	4,402	6,072
Reclassification of the period-end cash and cash equivalent (to) from held for sale	(9)	8
At the end of the year	6,072	3,893

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Note 1: Nature of business, basis of presentation and consolidation

Nature of business

ArcelorMittal ("ArcelorMittal" or the "Company"), together with its subsidiaries, owns and operates steel manufacturing and mining facilities in Europe, North and South America, Asia and Africa. Collectively, these subsidiaries and facilities are referred to in the consolidated financial statements as the "Operating Subsidiaries". These consolidated financial statements were authorized for issuance on March 13, 2015 by the Company's Board of Directors.

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial assets, derivative financial instruments, biological assets and certain assets and liabilities held for sale, which are measured at fair value less cost to sell and inventories, which are measured at the lower of net realizable value or cost. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union and are presented in U.S. dollars with all amounts rounded to the nearest million, except for share and per share data.

As from January 1, 2014, ArcelorMittal implemented changes to its organizational structure which provide a greater geographical focus. Accordingly, the Company modified the structure of its segment information in order to reflect changes in its approach to managing its operations and prior period segment disclosures have been recast to reflect this new segmentation in conformity with IFRS. ArcelorMittal's reportable segments changed to NAFTA, Brazil and neighboring countries ("Brazil"), Europe, Africa & Commonwealth of Independent States ("ACIS") and Mining. The NAFTA segment includes the Flat, Long and Tubular operations of USA, Canada and Mexico. The Brazil segment includes the Flat operations of Brazil, and the Long and Tubular operations of Brazil and its neighboring countries including Argentina, Costa Rica, Trinidad and Tobago and Venezuela. The Europe segment comprises the Flat, Long and Tubular operations of the European business, as well as Distribution Solutions (AMDS). The ACIS segment is largely unchanged with the addition of some Tubular operations and distribution activities (ArcelorMittal International). The Mining segment remains unchanged.

Adoption of new IFRS standards, amendments and interpretations applicable in 2014

On January 1, 2014, the Company adopted amendments to IAS 32 "Financial Instruments: Presentation" as issued by the IASB on December 16, 2011, amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" as issued by the IASB on October 31, 2012 and International Financial Reporting Interpretations Committee ("IFRIC") 21 "Levies" as issued by the IASB on May 20, 2013. In addition the Company adopted amendments to IAS 39 "Financial Instruments: Recognition and Measurement" as issued by the IASB on June 27, 2013. All amendments and interpretations are effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 32 clarify the application of the offsetting of financial assets and financial liabilities requirement.
- Amendments to IFRS 10, IFRS 12 and IAS 27 apply to a particular class of businesses that qualifies as investment entities which must also evaluate the performance of their investments on a fair value basis.
- Amendments to IAS 39 clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.
- IFRIC 21 clarifies that an entity should recognize a liability for a levy only when the activity that triggers a payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached.

On May 29, 2013, the IASB published amendments to IAS 36 "Impairment of Assets" which are effective for annual periods beginning on or after January 1, 2014 and were early adopted by the Company on January 1, 2013.

The adoption of the new interpretation and amendments did not have a material impact on the Company's consolidated financial statements.

New IFRS standards and interpretations applicable from 2015 onward

On November 21, 2013, the IASB published amendments to IAS 19 "Employee Benefits", which clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, they permit a practical expedient if the amount of the contributions is independent of the numbers of years of service. These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the consolidated financial statements of the Company.

On December 12, 2013, the IASB published Annual Improvements 2010-2012 as part of its annual improvements process to make amendments to the following standards:

- IFRS 2 "Share-based Payment", amends the definition of vesting condition and market condition and adds definitions for performance condition and service condition
- IFRS 3 "Business Combinations", provides additional guidance for accounting for contingent consideration in a business combination
- IFRS 8 "Operating Segments", provides clarification of the requirements for the aggregation of operating segments and the reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 "Fair Value Measurement", provides additional guidance for the measurement of short-term receivables and payables
- IAS 16 "Property, Plant and Equipment", provides additional guidance for the proportionate restatement of accumulated depreciation when the revaluation method is applied
- IAS 24 "Related Party Disclosure", provides additional guidance for the definition of key management personnel
- IAS 38 "Intangible Assets", provides additional guidance for the proportionate restatement of accumulated depreciation when the revaluation method is applied

These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the consolidated financial statements of the Company.

Also, on December 12, 2013, the IASB published Annual Improvements 2011-2013 as part of its annual improvements process to make amendments to the following standards:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards", provides additional guidance for the effectiveness of IFRSs
- IFRS 3 "Business Combinations", clarifies the scope of exception for joint arrangements
- IFRS 13 "Fair Value Measurement", clarifies the scope of portfolio exception
- IAS 40 "Investment Property", provides clarification of the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the consolidated financial statements of the Company.

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The Company does not plan to early adopt these new accounting standards, amendments and interpretations.

New IFRS standards and interpretations published by IASB but not yet endorsed by European Union

On January 30, 2014, the IASB issued IFRS 14 "Regulatory Deferral Accounts". The aim of this standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. This standard is effective for annual periods beginning on or after January 1, 2016, with early application permitted. The adoption of this new standard will not have an impact on the consolidated financial statements of the Company as it applies to IFRS first-time adopters.

On May 6, 2014, the IASB published amendments to IFRS 11 "Joint Arrangements". The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Company does not expect that the adoption of these new amendments will have a material impact to its consolidated financial statements.

On May 12, 2014, the IASB published amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets". The IASB clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Company does not expect that the adoption of these new amendments will have a material impact to its consolidated financial statements.

On May 28, 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" which specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative and relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. This standard is effective for annual periods beginning on or after January 1, 2017. The Company is still in the process of assessing whether there will be a material change to its consolidated financial statements upon adoption of this new standard.

On June 30, 2014, the IASB issued amendments to IAS 16 and IAS 41 "Agriculture" which changes the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. The IASB decided that bearer plants should be accounted for and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Company is still in the process of assessing whether there will be a material change to its consolidated financial statements upon adoption of these new amendments.

On July 24, 2014, the IASB issued the final version of IFRS 9 "Financial Instruments (2014)" which replaces IAS 39, bringing together the classification and measurement, impairment and hedge accounting. The final version of the standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The final version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements regarding the measurement of an entity's own credit risk.

- Impairment. The final version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

- Hedge accounting. The standard introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. The Company is still in the process of assessing whether there will be a material change to its consolidated financial statements upon adoption of this new standard.

On August 12, 2014, the IASB published amendments to IAS 27 which will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The adoption of these new amendments will not have an impact on the consolidated financial statements of the Company as they apply to separate financial statements.

On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 "Investments in Associates and Joint Ventures" which address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments set out that a full gain or loss is recognized when the assets constitute a business or a partial gain or loss is recognized when the assets do not constitute a business. The amendments will be effective from annual periods commencing on or after 1 January 2016. The Company does not expect that the adoption of these new amendments will have a material impact to its consolidated financial statements.

On September 25, 2014, the IASB issued Annual Improvements 2012-2014 to make amendments to the following standards:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" introduces guidance relating to changes in methods of disposal,

- IFRS 7 "Financial Instruments: Disclosures" provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset and clarifies the applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements,

- IAS 19, clarifies determination of the discount rate in a regional market sharing the same currency,

- IAS 34 "Interim Financial Reporting" clarifies the meaning of 'elsewhere in the interim report' and the requirements relating to cross-reference disclosure in the interim financial report.

The amendments will be effective from annual periods commencing on or after July 1, 2016. The Company is still in the process of assessing whether there will be a material change to its consolidated financial statements upon the adoption of these new amendments.

On December 18, 2014, the IASB issued amendments to IFRS 10, IFRS 12 and IAS 28 which clarify the scope and measurement method regarding consolidation and disclosure of investment entities. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The adoption of these new amendments will not have an impact on the consolidated

Notes to consolidated financial statements

continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

financial statements of the Company as they apply to investment entities.

On December 18, 2014, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" which clarify various presentation and disclosure requirements related to materiality, subtotals, disaggregation and accounting policies. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The adoption of these new amendments will not have a material impact on the consolidated financial statements of the Company.

Basis of consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries and its interests in associated companies and joint arrangements. Subsidiaries are consolidated from the date the Company obtains control (ordinarily the date of acquisition) until the date control ceases. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Associated companies are those companies over which the Company has the ability to exercise significant influence on the financial and operating policy decisions, which it does not control. Generally, significant influence is presumed to exist when the Company holds more than 20% of the voting rights. Joint arrangements, which include joint ventures and joint operations, are those over whose activities the Company has joint control, typically under a contractual arrangement. In joint ventures, ArcelorMittal exercises joint control and has rights to the net assets of the arrangement. The consolidated financial statements include the Company's share of the profit or loss of associates and joint ventures using the equity method of accounting from the date that significant influence or joint control commences until the date significant influence or joint control ceases, adjusted for any impairment losses. Adjustments to the carrying amount may also be necessary for changes in the Company's proportionate interest in the investee arising from changes in the investee's equity that have not been recognized in the investee's profit or loss. The Company's share of those changes is recognized directly in equity. For investments in joint operations, in which ArcelorMittal exercises joint control and has rights to the assets and obligations for the liabilities relating to the arrangement, the Company recognizes its assets, liabilities and transactions, including its share of those incurred jointly.

Other investments are classified as available-for-sale and are stated at fair value when their fair value can be reliably measured. When fair value cannot be measured reliably, the investments are carried at cost less impairment.

While there are certain limitations on the Company's operating and financial flexibility arising from the restrictive and financial covenants of the Company's principal credit facilities described in note 17, there are no significant restrictions resulting from borrowing agreements or regulatory requirements on the ability of consolidated subsidiaries, associates and jointly controlled entities to transfer funds to the parent in the form of cash dividends to pay commitments as they come due.

Inter-company balances and transactions, including income, expenses and dividends, are eliminated in the consolidated financial statements. Gains and losses resulting from inter-company transactions are also eliminated.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated statements of operations, in the consolidated statements of other comprehensive income and within equity in the consolidated statements of financial position.

Note 2: Summary of significant accounting policies

Significant accounting policies

Business combinations

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date on which control is transferred to ArcelorMittal. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company measures goodwill at the acquisition date as the total of the fair value of consideration transferred, plus the proportionate amount of any non-controlling interest, plus the fair value of any previously held equity interest in the acquiree, if any, less the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed.

In a business combination in which the fair value of the identifiable net assets acquired exceeds the cost of the acquired business, the Company reassesses the fair value of the assets acquired and liabilities assumed. If, after reassessment, ArcelorMittal's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess (bargain purchase) is recognized immediately as a reduction of cost of sales in the consolidated statements of operations.

Any contingent consideration payable is recognized at fair value at the acquisition date and any costs directly attributable to the business combination are expensed as incurred.

Accounting for acquisitions requires ArcelorMittal to allocate the cost of the enterprise to the specific assets acquired and liabilities assumed based on their estimated fair values at the date of the acquisition. In connection with each of its acquisitions, the Company undertakes a process to identify all assets and liabilities acquired, including acquired intangible assets. The judgments made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact results of operations. Estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management.

There are several methods that can be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, the Company typically uses the "income method". This method is based on the forecast of the expected future cash flows adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams. Some of the more significant estimates and assumptions inherent in the income method or other methods include: the amount and timing of projected future cash flows; the discount rate selected to measure the risks inherent in the future cash flows (weighted average cost of capital); the assessment of the asset's life cycle and the competitive trends impacting the asset, including consideration of any technical, legal, regulatory, or economic barriers to entry.

The most common purchase accounting adjustments relate to the following assets and liabilities:

- The fair value of identifiable intangible assets (generally, patents, customer relationships and favorable and unfavorable contracts) is estimated as described above.
- Property, plant and equipment is recorded at fair value, or, if fair value is not available, depreciated replacement cost.

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

- The fair value of pension and other post-employment benefits is determined separately for each plan using actuarial assumptions valid as of the acquisition date relating to the population of employees involved and the fair value of plan assets.
- Inventories are estimated based on expected selling prices at the date of acquisition reduced by an estimate of selling expenses and a normal profit margin.
- Adjustments to deferred tax assets and liabilities of the acquiree are recorded to reflect purchase price adjustments, other than goodwill.

Determining the estimated useful lives of tangible and intangible assets acquired requires judgment, as different types of assets will have different useful lives and certain intangible assets may be considered to have indefinite useful lives.

Accounting for acquisitions of non-controlling interests

Acquisitions of non-controlling interests, which do not result in a change of control, are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.

Translation of financial statements denominated in foreign currency

The functional currency of ArcelorMittal S.A. is the U.S. dollar. The functional currency of each of the principal Operating Subsidiaries is the local currency, except for ArcelorMittal Kryvyi Rih, ArcelorMittal Mexico, ArcelorMittal Mines Canada, ArcelorMittal Point Lisas, ArcelorMittal Temirtau and ArcelorMittal International Luxembourg, whose functional currency is the U.S. dollar and ArcelorMittal Ostrava, ArcelorMittal Poland and ArcelorMittal Galati, whose functional currency is the euro.

Transactions in currencies other than the functional currency of a subsidiary are recorded at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the functional currency are remeasured at the rates of exchange prevailing on the date of the consolidated statements of financial position and the related transaction gains and losses are reported within financing costs in the consolidated statements of operations. Non-monetary items that are carried at cost are translated using the rate of exchange prevailing at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate prevailing when the fair value was determined and the related transaction gains and losses are reported in the consolidated statements of comprehensive income.

Upon consolidation, the results of operations of ArcelorMittal's subsidiaries and associates whose functional currency is other than the U.S. dollar are translated into U.S. dollars at the monthly average exchange rates and assets and liabilities are translated at the year-end exchange rates. Translation adjustments are recognized directly in other comprehensive income and are included in net income (including non-controlling interests) only upon sale or liquidation of the underlying foreign subsidiary or associate.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost plus accrued interest, which approximates fair value.

Restricted cash

Restricted cash represents cash and cash equivalents not readily available to the Company, mainly related to insurance deposits, escrow accounts created as a result of acquisitions, and various other deposits or required balance obligations related to letters of credit and credit arrangements. Changes in restricted cash are included within other investing activities (net) in the consolidated statements of cash flows.

Trade accounts receivable

Trade accounts receivable are initially recorded at their fair value and do not carry any interest. ArcelorMittal maintains an allowance for doubtful accounts at an amount that it considers to be a reasonable estimate of losses resulting from the inability of its customers to make required payments. In judging the adequacy of the allowance for doubtful accounts, ArcelorMittal considers multiple factors including historical bad debt experience, the current economic environment and the aging of the receivables. Recoveries of trade receivables previously reserved in the allowance for doubtful accounts are recognized as gains in selling, general and administrative expenses.

ArcelorMittal's policy is to record an allowance and a charge in selling, general and administrative expense when a specific account is deemed uncollectible and to provide for each receivable overdue by more than 180 days because historical experience is such that such receivables are generally not recoverable, unless it can be clearly demonstrated that the receivable is still collectible. Estimated unrecoverable amounts of trade receivables between 60 days and 180 days overdue are provided for based on past default experience.

Trade accounts payable and other

Trade accounts payable are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade accounts payable have maturities from 15 to 180 days depending on the type of material, the geographic area in which the purchase transaction occurs and the various contractual agreements. The carrying value of trade accounts payable approximates fair value.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the average cost method. Costs of production in process and finished goods include the purchase costs of raw materials and conversion costs such as direct labor and an allocation of fixed and variable production overheads. Raw materials and spare parts are valued at cost, inclusive of freight and shipping and handling costs. Interest charges, if any, on purchases have been recorded as financing costs. Net realizable value represents the estimated selling price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling, and distribution. Costs incurred when production levels are abnormally low are capitalized as inventories based on normal capacity with the remaining costs incurred recorded as a component of cost of sales in the consolidated statements of operations.

Goodwill

Goodwill arising on an acquisition is recognized as previously described within the business combinations section.

Goodwill is allocated to those groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and in all cases is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes. As of January 1, 2014, the Company implemented changes to its organizational structure and its internal reporting which has a greater geographical focus. The operating segments have been changed to NAFTA, Brazil, Europe, ACIS and Mining to reflect the new structure. See note 27 for further discussion of the Company's operating segments.

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Intangible assets
Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired separately by ArcelorMittal are initially recorded at cost and those acquired in a business combination are recorded at fair value. These primarily include the cost of technology and licenses purchased from third parties and operating authorizations granted by governments or other public bodies (concessions). Intangible assets are amortized on a straight-line basis over their estimated economic useful lives, which typically do not exceed five years. Amortization is included in the consolidated statements of operations as part of depreciation.

Biological assets
Biological assets are part of the Brazil operating segment and consist of eucalyptus forests exclusively from renewable plantations and intended for the production of charcoal to be utilized as fuel and a source of carbon in the direct reduction process of pig iron production. As a result of improvements in forest management techniques, including the genetic improvement of trees, the cycle of harvesting through replanting occurs over approximately six to seven years.

Biological assets are measured at their fair value, net of estimated costs to sell at the time of harvest.

The fair value is determined based on the discounted cash flow method, taking into consideration the cubic volume of wood, segregated by plantation year, and the equivalent sales value of standing trees. The average sales price was estimated based on domestic market prices.

Property, plant and equipment
Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset. Except for land and assets used in mining activities, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets as presented in the table below.

Asset category	Useful life range
Land	Not depreciated
Buildings	10 to 50 years
Property plant & equipment	15 to 50 years
Auxiliary facilities	15 to 45 years
Other facilities	5 to 20 years

Major improvements, which add to productive capacity or extend the life of an asset, are capitalized, while repairs and maintenance are expensed as incurred. Where a tangible fixed asset comprises major components having different useful lives, these components are accounted for as separate items.

Mining assets comprise:

- Mineral rights acquired;
- Capitalized developmental stripping (as described below in “Stripping and overburden removal costs”).

Property, plant and equipment used in mining activities is depreciated over its useful life or over the remaining life of the mine, if shorter, and if there is no alternative use possible. For the majority of assets used in mining activities, the economic benefits from the asset are consumed in a pattern which is linked to the production level and accordingly, assets used in mining activities are primarily depreciated on a units-of-production basis. A unit-of-production is based on the available estimate of proven and probable reserves.

Capitalization of pre-production expenditures ceases when the mining property is capable of commercial production as it is intended by management. General administration costs that are not directly attributable to a specific exploration area are charged to the consolidated statements of operations.

Property, plant and equipment under construction is recorded as construction in progress until it is ready for its intended use; thereafter it is transferred to the related class of property, plant and equipment and depreciated over estimated useful lives. Interest incurred during construction is capitalized if the borrowing cost is directly attributable to the construction. Gains and losses on retirement or disposal of assets are recognized in cost of sales.

Property, plant and equipment acquired by way of finance leases is stated at an amount equal to the lower of the fair value and the present value of the minimum lease payments at the inception of the lease. Each lease payment is allocated between the finance charges and a reduction of the lease liability. The interest element of the finance cost is charged to the consolidated statements of operations over the lease period so as to achieve a constant rate of interest on the remaining balance of the liability.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset. During 2014, the Company performed a review of the useful lives of its assets and determined its maintenance and operating practices have enabled a change in the useful lives of plant and equipment (see note 12).

Mining Reserves and Resources

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company’s properties. In order to estimate reserves, estimates are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange

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rates. The reserve calculations are prepared in compliance with the requirements of USA Securities and Exchange Commission's ("SEC") Industry Guide 7. The mineral resource estimates constitute the part of a mineral deposit that have the potential to be economically and legally extracted or produced at the time of the resource determination. The potential for economic viability is established through high level and conceptual engineering studies. The mineral resource estimates are prepared in accordance with the requirements of Canadian National Instrument NI43-101.

Estimating the quantity and/or grade of reserves and resources requires the size, shape and depth of ore bodies to be determined by analyzing geological data such as drilling samples. This process may require complex and difficult geological judgments to interpret the data.

Because the economic assumptions used to estimate reserves and resources change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves and resources may change from period to period. Changes in reported reserves and resources may affect the Company's financial results and financial position in a number of ways, including the following:

- Asset carrying amounts may be affected due to changes in estimated future cash flows.
- Depreciation, depletion and amortization charged in the consolidated statements of operations may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.
- Overburden removal costs recognized in the consolidated statements of financial position or charged to the consolidated statements of operations may change due to changes in stripping ratios or the units of production basis of depreciation.
- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities.

Stripping and overburden removal costs

In open pit and underground mining operations, it is necessary to remove overburden and other waste materials to access the deposit from which minerals can be extracted. This process is referred to as stripping. Stripping costs can be incurred before the mining production commences ("developmental stripping") or during the production stage ("production stripping").

A mine can operate several open pits that are regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances. The following factors would point towards the stripping costs for the individual pits being accounted for separately:

- If mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently.
- If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset.
- If the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit.
- If expenditures for additional infrastructure to support the second and subsequent pits are relatively large.
- If the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

The relative importance of each factor is considered by local management to determine whether, on balance, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Developmental stripping costs contribute to the future economic benefits of mining operations when the production begins and so are capitalized as tangible assets (construction in progress), whereas production stripping is a part of on-going activities and commences when the production stage of mining operations begins and continues throughout the life of a mine.

Capitalization of developmental stripping costs ends when the commercial production of the minerals commences.

Production stripping costs are incurred to extract the ore in the form of inventories and / or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories. Production stripping costs are recognized as a non-current asset ("stripping activity assets") to the extent it is probable that future economic benefit in terms of improved access to ore will flow to the Company, the components of the ore body for which access has been improved can be identified and the costs relating to the stripping activity associated with that component can be measured reliably.

All stripping costs assets (either stripping activity assets or capitalized developmental stripping costs) are presented within a specific "mining assets" class of property, plant and equipment and then depreciated on a units-of-production basis.

Exploration and evaluation expenditure

Exploration and evaluation activities involve the search for iron ore and coal resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activities include:

- researching and analyzing historical exploration data;
- conducting topographical, geological, geochemical and geophysical studies;
- carrying out exploratory drilling, trenching and sampling activities;
- drilling, trenching and sampling activities to determine the quantity and grade of the deposit;
- examining and testing extraction methods and metallurgical or treatment processes; and,
- detailed economic feasibility evaluations to determine whether development of the reserves is commercially justified and to plan methods for mine development.

Exploration and evaluation expenditure is charged to the consolidated statements of operations as incurred except in the following circumstances, in which case the expenditure is capitalized: (i) the exploration and evaluation activity is within an area of interest which was previously acquired in a business combination and measured at fair value on acquisition; or (ii) when management has a high degree of confidence in the project's economic viability and it is probable that future economic benefits will flow to the Company.

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Capitalized exploration and evaluation expenditures are generally recorded as a component of property, plant and equipment at cost less impairment charges, unless their nature requires them to be recorded as an intangible asset. As the asset is not available for use, it is not depreciated and all capitalized exploration and evaluation expenditure is monitored for indications of impairment. To the extent that capitalized expenditure is not expected to be recovered it is recognized as an expense in the consolidated statements of operations.

Cash flows associated with exploration and evaluation expenditure are classified as operating activities when they are related to expenses or as an investing activity when they are related to a capitalized asset in the consolidated statements of cash flows.

Development expenditure
Development is the establishment of access to the mineral reserve and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development);
- making permanent excavations;
- developing passageways and rooms or galleries;
- building roads and tunnels; and
- advance removal of overburden and waste rock.

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

When proven reserves are determined and development is approved, expenditures capitalized as exploration and evaluation are reclassified as construction in progress and are reported as a component of property, plant and equipment. All subsequent development expenditures are capitalized and classified as construction in progress. On completion of development, all assets included in construction in progress are individually reclassified to the appropriate category of property, plant and equipment and depreciated accordingly.

Asset retirement obligations
ArcelorMittal records asset retirement obligations (“ARO”) initially at the fair value of the legal or constructive obligation in the period in which it is incurred and capitalizes the ARO by increasing the carrying amount of the related non-current asset. The fair value of the obligation is determined as the discounted value of the expected future cash flows. The liability is accreted to its present value through net financing cost and the capitalized cost is depreciated in accordance with the Company’s depreciation policies for property, plant and equipment. Subsequently, when reliably measurable, ARO is recorded on the consolidated statements of financial position increasing the cost of the asset and the fair value of the related obligation. Foreign exchange gains or losses on AROs denominated in foreign currencies are recorded in the consolidated statement of operations.

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

In estimating its value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets corresponding to operating units that generate cash inflows. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized as an expense immediately as part of operating income in the consolidated statements of operations.

In the case of permanently idled assets, the impairment is measured at the individual asset level. Otherwise, the Company’s assets are measured for impairment at the cash-generating unit level. In certain instances, the cash-generating unit is an integrated manufacturing facility which may also be an Operating Subsidiary. Further, a manufacturing facility may be operated in concert with another facility with neither facility generating cash flows that are largely independent from the cash flows of the other. In this instance, the two facilities are combined for purposes of testing for impairment. As of December 31, 2014, the Company determined it has 70 cash-generating units.

An impairment loss, related to tangible and intangible assets other than goodwill, recognized in prior years is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. However, the increased carrying amount of an asset due to a reversal of an impairment loss will not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately as part of operating income in the consolidated statements of operations.

Goodwill is tested for impairment annually at the level of the groups of cash-generating units which correspond to the operating segments as of October 31, or whenever changes in circumstances indicate that the carrying amount may not be recoverable. The goodwill impairment test as of October 31, 2014 reflects the historical structure of the Company (five operating segments) as of the testing date. Whenever the cash-generating units comprising the operating segments are tested for impairment at the same time as goodwill, the cash-generating units are tested first and any impairment of the assets is recorded prior to the testing of goodwill.

The recoverable amounts of the groups of cash-generating units are determined as the higher of (1) fair value less cost to sell or (2) value in use. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the forecast period. Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on historical experience and expectations of future changes in the market.

Cash flow forecasts are derived from the most recent financial budgets for the next five years. Beyond the specifically forecasted period, the Company extrapolates cash flows for the remaining years based on an estimated growth rate. This rate does not exceed the average

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long-term growth rate for the relevant markets. Once recognized, impairment losses for goodwill are not reversed.

Lease arrangements
The Company may enter into arrangements that do not take the legal form of a lease, but may contain a lease. This will be the case if the following two criteria are met:

- The fulfillment of the arrangement is dependent on the use of a specific asset and
- The arrangement conveys a right to use the asset.

Assets under lease arrangements which transfer substantially all of the risks and rewards of ownership to the Company are classified as finance leases. On initial recognition, the leased asset and its related liability are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset while the minimum lease payments are apportioned between financing costs and reduction of the lease liability.

Assets held under lease arrangements that are not finance leases are classified as operating leases and are not recognized in the consolidated statements of financial position. Payments made under operating leases are recognized in cost of sales in the consolidated statements of operations on a straight-line basis over the lease terms.

Investment in associates, joint arrangements and other entities
Investments in associates, in which ArcelorMittal has the ability to exercise significant influence, and investments in joint ventures, in which ArcelorMittal exercises joint control and has rights to the net assets of the arrangement, are accounted for under the equity method. The investment is carried at the cost at the date of acquisition, adjusted for ArcelorMittal's equity in undistributed earnings or losses since acquisition, less dividends received and any impairment incurred.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities, and contingent liabilities of the associate or joint venture recognized at the date of acquisition is considered as goodwill. The goodwill is included in the carrying amount of the investment and is evaluated for impairment as part of the investment.

ArcelorMittal reviews all of its investments in associates and joint ventures at each reporting date to determine whether there is an indicator that the investment may be impaired. If objective evidence indicates that the investment is impaired, ArcelorMittal calculates the amount of the impairment of the investments as being the difference between the higher of the fair value less costs to sell or its value in use and its carrying value. The amount of any impairment is included in income (loss) from associates, joint ventures and other investments in the consolidated statements of operations.

For investments in joint operations, in which ArcelorMittal exercises joint control and has rights to the assets and obligations for the liabilities relating to the arrangement, the Company recognizes its assets, liabilities and transactions, including its share of those incurred jointly.

Investments in other entities, over which the Company and/or its Operating Subsidiaries do not have the ability to exercise significant influence and have a readily determinable fair value, are accounted for at fair value with any resulting gain or loss recognized in the consolidated statements of other comprehensive income. To the extent that these investments do not have a readily determinable fair value, they are accounted for under the cost method.

Assets held for sale
Non-current assets and disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. Assets held for sale are presented separately in the consolidated statements of financial position and are not depreciated.

Deferred employee benefits
Defined contribution plans are those plans where ArcelorMittal pays fixed or determinable contributions to external life insurance or other funds for certain categories of employees. Contributions are paid in return for services rendered by the employees during the period. Contributions are expensed as incurred consistent with the recognition of wages and salaries. No provisions are established with respect to defined contribution plans as they do not generate future commitments for ArcelorMittal.

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement. For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each fiscal year end.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the consolidated statements of operations. The net interest cost, which is the change during the period in the net defined benefit liability or asset that arises from the passage of time, is recognized as part of net financing costs in the consolidated statements of operations.

The Company recognizes gains and losses on the curtailment of a defined benefit plan when the curtailment occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses

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and past service cost that had not been previously recognized. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or a curtailment. Past service cost is recognized immediately in the consolidated statements of operations in the period in which it arises.

Voluntary retirement plans primarily correspond to the practical implementation of social plans or are linked to collective agreements signed with certain categories of employees. Early retirement plans are those plans that primarily correspond to terminating an employee's contract before the normal retirement date. Liabilities for early retirement plans are recognized when the affected employees have formally been informed and when amounts owed have been determined using an appropriate actuarial calculation. Liabilities relating to the early retirement plans are calculated annually on the basis of the number of employees likely to take early retirement and are discounted using an interest rate which corresponds to that of highly-rated bonds that have maturity dates similar to the terms of the Company's early retirement obligations. Termination benefits are provided in connection with voluntary separation plans. The Company recognizes a liability and expense when it can no longer withdraw the offer or, if earlier, when it has a detailed formal plan which has been communicated to employees or their representatives.

Other long-term employee benefits include various plans that depend on the length of service, such as long service and sabbatical awards, disability benefits and long term compensated absences such as sick leave. The amount recognized as a liability is the present value of benefit obligations at the consolidated statements of financial position date, and all changes in the provision (including actuarial gains and losses or past service costs) are recognized in the consolidated statements of operations in the period in which they arise.

The expense associated with the above pension plans and post-employment benefits, as well as the carrying amount of the related liability/asset on the consolidated statements of financial position is based on a number of assumptions and factors such as discount rates, expected rate of compensation increase, healthcare cost trend rates, mortality rates, and retirement rates.

- Discount rates – The discount rate is based on several high quality corporate bond indexes and yield curves in the appropriate jurisdictions (rated AA or higher by a recognized rating agency). Nominal interest rates vary worldwide due to exchange rates and local inflation rates.

- Rate of compensation increase – The rate of compensation increase reflects actual experience and the Company's long-term outlook, including contractually agreed upon wage rate increases for represented hourly employees.

- Healthcare cost trend rate – The healthcare cost trend rate is based on historical retiree cost data, near-term healthcare outlook, including appropriate cost control measures implemented by the Company, and industry benchmarks and surveys.

- Mortality and retirement rates – Mortality and retirement rates are based on actual and projected plan experience.

Note 25 details the net liabilities of pension plans and other post-employment benefits including a sensitivity analysis illustrating the effects of changes in assumptions.

Provisions and accruals

ArcelorMittal recognizes provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events, it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost. Provisions for onerous contracts are recorded in the consolidated statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

Environmental and other contingencies

ArcelorMittal is subject to changing and increasingly stringent environmental laws and regulations concerning air emissions, water discharges and waste disposal, as well as certain remediation activities that involve the clean-up of soil and groundwater. ArcelorMittal is currently engaged in the investigation and remediation of environmental contamination at a number of its facilities. Most of these are legacy obligations arising from acquisitions. ArcelorMittal recognizes a liability for environmental remediation when it is more likely than not that such remediation will be required and the amount can be estimated.

The estimates of loss contingencies for environmental matters and other contingencies are based on various judgments and assumptions including the likelihood, nature, magnitude and timing of assessment, remediation and/or monitoring activities and the probable cost of these activities. In some cases, judgments and assumptions are made relating to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of cost of these activities, including third parties who sold assets to ArcelorMittal or purchased assets from it subject to environmental liabilities. ArcelorMittal also considers, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors and its historical experience with other circumstances judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. As estimated costs to remediate change, the Company will reduce or increase the recorded liabilities through credits or charges in the consolidated statements of operations. ArcelorMittal does not expect these environmental issues to affect the utilization of its plants, now or in the future.

Environmental costs that relate to current operations or to an existing condition caused by past operations, and which do not contribute to future revenue generation or cost reduction, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the cost can be reasonably estimated based on ongoing engineering studies, discussions with the environmental authorities and other assumptions relevant to the nature and extent of the remediation that may be required. The ultimate cost to

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ArcelorMittal is dependent upon factors beyond its control such as the scope and methodology of the remedial action requirements to be established by environmental and public health authorities, new laws or government regulations, rapidly changing technology and the outcome of any potential related litigation. Environmental liabilities are discounted if the aggregate amount of the obligation and the amount and timing of the cash payments are fixed or reliably determinable.

Income taxes

The tax currently payable is based on taxable profit (loss) for the year. Taxable profit differs from profit as reported in the consolidated statements of operations because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current income tax expense (benefit) is calculated using tax rates that have been enacted or substantively enacted as of the consolidated statements of financial position date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities, in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the statements of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences and net operating loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill or if the differences arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the profit reported in the consolidated statement of operations.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the consolidated statements of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each consolidated statements of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered. The Company reviews the deferred tax assets in the different jurisdictions in which it operates to assess the possibility of realizing such assets based on projected taxable profit, the expected timing of the reversals of existing temporary differences, the carry forward period of temporary differences and tax losses carried forward and the implementation of tax-planning strategies. Due to the numerous variables associated with these judgments and assumptions, both the precision and reliability of the resulting estimates of the deferred tax assets are subject to substantial uncertainties.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

Note 21 describes the total deferred tax assets recognized in the consolidated statements of financial position and the estimated future taxable income required to utilize the recognized deferred tax assets.

Fair value

The Company classifies the bases used to measure certain assets and liabilities at their fair value. Assets and liabilities carried or measured at fair value have been classified into three levels based upon a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Significant inputs other than within Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data and require management assumptions or inputs from unobservable markets.

Financial instruments

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments principally to manage its exposure to fluctuation in interest rates, exchange rates, prices of raw materials, energy and emission rights allowances. Derivative financial instruments are classified as current assets or liabilities based on their maturity dates and are accounted for at the trade date. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Gains or losses arising from changes in fair value of derivatives are recognized in the consolidated statements of operations, except for derivatives that are highly effective and qualify for cash flow or net investment hedge accounting.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair value hedge, along with the gain or loss on the hedged asset, liability, or unrecognized firm commitment of the hedged item that is attributable to the hedged risk, are recorded in the consolidated statements of operations.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge are recorded in other comprehensive income. Amounts deferred in equity are recorded in the consolidated statements of operations in the periods when the hedged item is recognized in the consolidated statements of operations and within the same line item.

The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. When a hedging instrument is sold, terminated, expires or is exercised, the accumulated unrealized gain or loss on the hedging instrument is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss, which

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had been recognized in equity, is reported immediately in the consolidated statements of operations.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized directly as a separate component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognized in the consolidated statements of operations.

Non-derivative financial instruments

Non-derivative financial instruments include cash and cash equivalents, trade and other receivables, investments in equity securities, trade and other payables and debt and other liabilities. These instruments are recognized initially at fair value when the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial assets are derecognized if the Company's contractual rights to the cash flows from the financial instruments expire or if the Company transfers the financial instruments to another party without retaining control of substantially all risks and rewards of the instruments. Non-derivative financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The Company classifies its investments in equity securities that have readily determinable fair values as available-for-sale, which are recorded at fair value. Unrealized gains and losses, net of the related tax effect, on available-for-sale equity securities are reported in the consolidated statements of other comprehensive income, until realized. Realized gains and losses from the sale of available-for-sale securities are determined on an average cost method.

Investments in privately held companies that are not considered equity method investments and for which fair value is not readily determinable are carried at cost less impairment.

Debt and liabilities, other than provisions, are stated at amortized cost. However, loans that are hedged under a fair value hedge are remeasured for the changes in the fair value that are attributable to the risk that is being hedged.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Estimated future cash flows are determined using various assumptions and techniques, including comparisons to published prices in an active market and discounted cash flow projections using projected growth rates, weighted average cost of capital, and inflation rates. In the case of available-for-sale securities, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognized in the consolidated statements of operations is removed from equity and recognized in the consolidated statements of operations.

Financial assets are tested for impairment annually or whenever changes in circumstances indicate that the carrying amount may not be recoverable. If objective evidence indicates that cost-method investments need to be tested for impairment, calculations are based on information derived from business plans and other information available for estimating their value in use. Any impairment loss is recognized in the consolidated statements of operations. An impairment loss related to financial assets is reversed if and to the extent there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized. Reversals of impairment are recognized in net income except for reversals of impairment of available-for-sale equity securities, which are recognized in equity.

Subordinated perpetual capital securities

Subordinated perpetual capital securities issued by the Company are classified as equity as the Company has no contractual obligation to redeem the securities and coupon payment may be deferred under certain circumstances. Coupons become payable whenever the Company makes dividend payments. Coupon accruals are considered in the determination of earnings for the purpose of calculating earnings per share.

Mandatorily convertible notes

Mandatorily convertible notes issued by the Company are accounted for as compound financial instruments. The net present value of the coupon payments at issuance date is recognized as long-term obligation and carried at amortized cost. The value of the equity component is determined based upon the difference of the cash proceeds received from the issuance of the notes and the net present value of the financial liability component on the date of issuance and is included in equity.

Emission rights

ArcelorMittal's industrial sites which are regulated by the European Directive 2003/87/EC of October 13, 2003 on carbon dioxide ("CO2") emission rights, effective as of January 1, 2005, are located primarily in Belgium, Czech Republic, France, Germany, Luxembourg, Poland, Romania and Spain. The emission rights allocated to the Company on a no-charge basis pursuant to the annual national allocation plan are recorded at nil value and purchased emission rights are recorded at cost. Gains and losses from the sale of excess rights are recognized in cost of sales in the consolidated statements of operations.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

Revenue from the sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of iron ore is recognized when the risk and rewards of ownership are transferred to the buyer. The selling price is contractually determined on a provisional basis, based on a reliable estimate of the selling price and adjustments in the price may subsequently occur depending on movements in the reference price or contractual iron ore prices to the date of the final pricing and final product specifications.

Shipping and handling costs

ArcelorMittal records amounts billed to a customer in a sale transaction for shipping and handling costs as sales and the related shipping and handling costs incurred as cost of sales.

Financing costs

Financing costs include interest income and expense, amortization of discounts or premiums on borrowings, foreign exchange gains and losses, accretion of long-term liabilities and defined benefit obligations.

Earnings per common share

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during the year. Net

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income attributable to ordinary shareholders takes into consideration dividend rights of preferred shareholders such as holders of subordinated perpetual capital securities. Diluted earnings per share is computed by dividing income available to equity holders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options as well as potential common shares from the conversion of certain convertible bonds whenever the conversion results in a dilutive effect.

Equity settled share-based payments

ArcelorMittal issues equity-settled share-based payments to certain employees, including stock options and restricted share units. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. For stock options and restricted share units, fair value is measured using the Black-Scholes-Merton pricing model and the market value of the shares at the date of the grant after deduction of dividend payments during the vesting period, respectively. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. For the restricted share units, the fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line method over the vesting period and adjusted for the effect of non market-based vesting conditions.

Segment reporting

ArcelorMittal reports its operations in five reportable segments: NAFTA, Brazil and neighboring countries ("Brazil"), Europe, ACIS, and Mining.

The Company is organized in five operating segments, which are components engaged in business activities from which they may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company), for which discrete financial information is available and whose operating results are evaluated regularly by the chief operating decision maker "CODM" to make decisions about resources to be allocated to the segment and assess its performance. ArcelorMittal's CODM is the group management board "GMB".

These operating segments include the attributable goodwill, intangible assets, property, plant and equipment, and equity method investments. They do not include cash and short-term deposits, short-term investments, tax assets, and other current financial assets. Attributable liabilities are also those resulting from the normal activities of the segment, excluding tax liabilities and indebtedness but including post retirement obligations where directly attributable to the segment. The treasury function is managed centrally for the Company as a whole and so is not directly attributable to individual operating segments or geographical areas.

Geographical information, by country or region, is separately disclosed and represents ArcelorMittal's most significant regional markets. Attributed assets are operational assets employed in each region and include items such as pension balances that are specific to a country. Unless otherwise stated in the table heading as a segment disclosure, these disclosure are specific to the country or region stated. They do not include goodwill, deferred tax assets, other investments or receivables and other non-current financial assets. Attributed liabilities are those arising within each region, excluding indebtedness.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS recognition and measurement principles and, in particular, making the aforementioned critical accounting judgments require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances or obtaining new information or more experience may result in revised estimates, and actual results could differ from those estimates.

Note 3: Acquisitions and divestments

Acquisitions have been accounted for using the acquisition method of accounting and, accordingly, the assets acquired and liabilities assumed have been recorded at their estimated fair values as of the date of acquisition.

There were no significant acquisitions in 2014. The significant acquisition made and finalized during the year ended December 31, 2013 consists of:

DJ Galvanizing

On January 11, 2013, ArcelorMittal acquired control of the joint operation DJ Galvanizing, a hot dip galvanizing line located in Canada, through the acquisition of the 50% interest held by the other joint operator. The total consideration paid was 57. The Company recognized in cost of sales a gain of 47 relating to the fair valuation of the previously held 50% interest. DJ Galvanizing is part of the NAFTA reportable segment. The revenue and the net result consolidated in 2013 and 2014 amounted to 21 and 27 and (3) and (2) respectively.

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Summary of significant acquisitions

The table below summarizes the estimated fair value of the assets acquired and liabilities assumed and the total purchase price allocation for significant acquisitions made in 2013:

	2013
	DJ Galvanizing
Current assets	2
Property, plant & equipment	112
Total assets acquired	114
Total net assets acquired	114
Previously held equity interests	10
Purchase price, net	57
Bargain purchase	(47)[1]

[1] The amount is related to the fair valuation of the previously held 50% interest.

Divestments

On February 20, 2013, ArcelorMittal decreased its shareholding in Baffinland Iron Mines LP ("Baffinland") from 70% to 50% following a joint operation agreement signed with Nunavut Iron Ore. In consideration, Nunavut Iron Ore correspondingly increased its share of funding for development of Baffinland's Mary River iron ore project. Baffinland was and remains part of the Mining reportable segment. ArcelorMittal retained a 50% interest in the project as well as operator and marketing rights. As a result of the joint operating agreement, ArcelorMittal has derecognized the assets (including a portion of the goodwill allocated to the Mining segment for 91), liabilities and non-controlling interests for 508. The Company recognized an aggregate amount of 531 including 139 for the cash consideration received (50% of total consideration of 278) and 392 for its 50% interest in the fair value of Baffinland's assets and liabilities. The resulting difference was a gain of 23 recorded in cost of sales. On October 1, 2013, ArcelorMittal and Nunavut Iron Ore structured the joint arrangement as a joint venture. As a result, the Company derecognized its 50% interest in the assets and liabilities of Baffinland and accounted for its investment under the equity method (see note 13).

In the framework of a strategic agreement signed on October 5, 2013 between ArcelorMittal and Sider, an Algerian state-owned entity, the Company completed the sale of a 21% controlling stake in ArcelorMittal Algérie Spa (previously ArcelorMittal Annaba) to Sider for a nil cash consideration on December 17, 2013. ArcelorMittal Algérie Spa is an integrated steel plant in Algeria producing both flat and long steel products in El Hadjar, Annaba. As a result of the sale, ArcelorMittal's stake decreased from 70% to 49% and the Company accounted for its remaining interest under the equity method (see note 13). The Company derecognized net liabilities of 24 (including 38 of cash disposed of). The gain on disposal of 5 was recognized in cost of sales. The strategic agreement foresaw also the sale of a controlling stake in ArcelorMittal Tebessa, which holds two iron ore mines in Ouenza and Boukadra, Tebessa. At December 31, 2013, the related assets and liabilities were classified as held for sale and they remained held for sale as of December 31, 2014 (see note 5).

On April 30, 2014, the Company completed the extension of its partnership with Bekaert Group ("Bekaert") in Latin America to Costa Rica and Ecuador. It transferred 73% of the wire drawing business of ArcelorMittal Costa Rica and its 55% interest in Cimaf Cabos, a cable business in Osasco (São Paulo) Brazil, previously a branch of Belgo Bekaert Arames ("BBA"), to Bekaert. ArcelorMittal acquired a 27% non-controlling interest in the Ideal Alambrec Ecuador plant controlled by Bekaert. The two transferred businesses were part of the Brazil reportable segment.

On May 30, 2014, the Company completed the disposal of its 50% stake in the joint venture Kiswire ArcelorMittal Ltd. ("Kiswire") in South Korea and certain other entities of its steel cord business in the US, Europe and Asia to Kiswire Ltd. These various entities were part of the Europe reportable segment. On the closing date, the Company received a preliminary cash consideration of 55 (39 net of cash of 16 disposed) subsequently revised to 57 after final determination of net debt and working capital situation on closing date. The existing intra group debt of the sold subsidiaries of 102 was assumed by Kiswire and is expected to be repaid at the latest during the first half of 2015.

On June 30, 2014, ArcelorMittal completed the sale of its 78% stake in the European port handling and logistics company ATIC Services S.A. ("ATIC") for €155 million (144 net of cash of 68 disposed of) to H.E.S. Beheer. ATIC was part of the Europe reportable segment. As a result of the disposal, non-controlling interests decreased by 81.

On July 31, 2014, ArcelorMittal completed the sale of all of the shares of Circuit Foil Luxembourg, which manufactures electrodeposited copper foils for the electronics industry, and certain of its subsidiaries ("Circuit Foil") to Doosan Corporation, a South Korean conglomerate. The cash consideration amounted to 50 (49 net of cash of 1 disposed of). Circuit Foil was included in the Europe reportable segment.

The result on disposal for the above mentioned 2014 disposals was immaterial. The aggregate net assets disposed of amounted to 250.

On December 11, 2014, the Company contributed the shares of an energy production facility in the Czech Republic and a second energy production facility in Poland (Europe segment) with a total carrying amount of 43 into

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the new joint venture Tameh Holding Sp.Z.o.o ("Tameh") created with Tauron Group (see note 13). Upon contribution, the interest in the new joint venture was measured at fair value for 120.

On December 31, 2014, ArcelorMittal completed the disposal of the Kuzbass coal mines ("Kuzbass") located in the Kemerovo region in Russia to the Russian National Fuel Company. The existing intra group debt of 138 was assumed by the buyer who will repay a net amount of RUB 1.5 billion (25) in monthly installments until June 2017. Kuzbass was part of the Mining reportable segment. The net assets sold include a portion of the goodwill allocated to Mining for 3. The Company also reclassified from other comprehensive income to the consolidated statements of operations a positive foreign exchange translation difference amounting to 45. The net gain on disposal of 79 was recognized in cost of sales.

The table below summarizes the significant divestments made in 2013 and 2014:

	2013	2014
	ArcelorMittal Algérie	Kuzbass
Current assets	301	6
Property, plant and equipment	122	62
Intangible assets	-	2
Other assets	24	1
Total assets	447	71
Current liabilities	263	151
Other long-term liabilities	208	70
Non-controlling interests	-	-
Total liabilities	471	221
Total net assets (liabilities)	(24)	(150)
Non-controlling interests	(7)	-
Allocated goodwill	-	3
% of net assets sold	21%	99%
Total net assets (liabilities) disposed of	(5)	(147)
Cash consideration received	-	-
Write off of the intra group debt not assumed by the buyer	-	(113)
Reclassification of foreign exchange translation difference	-	45
Gain on disposal	5	79

	2013
	Baffinland
Current assets	14
Property, plant and equipment	628
Intangible assets	82
Other assets	30
Total assets	754
Current liabilities	15
Other long-term liabilities	114
Total liabilities	129
Total net assets	625
Non-controlling interests	208
Allocated goodwill	91
Total net assets derecognized	508
Cash consideration received	139
Fair value of assets derecognized	392
Gain on disposal	23

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Note 4: Transactions with non-controlling interests

As described below, there were changes in the Company's non-controlling interests during 2013 and 2014.

ArcelorMittal Mines Canada
On December 31, 2012, ArcelorMittal signed an agreement pursuant to which ArcelorMittal Mines Canada Inc. ("AMMC"), a wholly owned subsidiary of ArcelorMittal (Mining segment), and a consortium led by POSCO and China Steel Corporation ("CSC") created joint venture partnerships to hold ArcelorMittal's Labrador Trough iron ore mining and infrastructure assets.

On March 15, 2013 and May 30, 2013, the consortium, which also includes certain financial investors, completed the acquisition of a 15% interest in the joint ventures for total consideration of 1,100 in cash settled in two installments of 810 and 290 for an 11.05% interest and a 3.95% interest, respectively. As part of the transaction, POSCO and CSC entered into long-term iron ore off-take agreements proportionate to their joint venture interests. Upon completion of the sale, the Company recognized non-controlling interests for 374 and an increase of 726 directly in equity.

ArcelorMittal Liberia
On September 10, 2013, non-controlling interests in ArcelorMittal Liberia (Mining segment) decreased from 30% to 15% following a capital increase in which the government of Liberia was diluted. As a result of the dilution, the Company recorded a decrease of 4 directly in equity.

ArcelorMittal Luxembourg
On November 20, 2014, the Company acquired the remaining 0.14% of non-controlling interests in ArcelorMittal Luxembourg following a mandatory squeeze out procedure. The total consideration paid was 17. The Company recorded an increase of 6 directly in equity.

2013	AMMC	ArcelorMittal Liberia	Total
Non-controlling interests	(374)	(28)	(402)
Purchase price (selling price), net	(1,100)*	(24)	(1,124)
Adjustment to equity attributable to the equity holders of the parents	726	(4)	722

* Selling price was settled in cash

2014	ArcelorMittal Luxembourg
Non-controlling interests	23
Purchase price, net	17*
Adjustment to equity attributable to the equity holders of the parents	6

* Purchase price was settled in cash

Other transactions with non-controlling interests
On December 28, 2009, the Company issued through Hera Ermac, a wholly-owned subsidiary, 750 unsecured and unsubordinated bonds mandatorily convertible into preferred shares of such subsidiary. The bonds were placed privately with a Luxembourg affiliate of Crédit Agricole (formerly Calyon) and are not listed. The Company has the option to call the mandatory convertible bonds until ten business days before the maturity date. Hera Ermac invested the proceeds of the bonds issuance and an equity contribution by the Company in notes issued by subsidiaries of the Company linked to the values of shares of Erdemir and China Oriental Group Company Ltd ("China Oriental"). On April 20, 2011, the Company signed an agreement for an extension of the conversion date of the mandatory convertible bonds to January 31, 2013. On September 27, 2011, the Company increased the mandatory convertible bonds from 750 to 1,000.

On December 18, 2012, the Company signed an agreement for an extension of the conversion date of the mandatory convertible bonds to January 31, 2014. The other main features of the mandatory convertible bonds remained unchanged. The Company determined that this transaction led to the extinguishment of the existing compound instrument and the recognition of a new compound instrument including non-controlling interests for 949 (net of tax and fees) and debt for 49. The difference between the carrying amount of the previous instrument and the fair value of the new instrument amounted to 65 and was recognized as financing costs in the consolidated statements of operations.

On January 17, 2014, the conversion date of the 1,000 mandatory convertible bonds was extended from January 31, 2014 to January 29, 2016. The other main features of the mandatory convertible bonds remained unchanged. The Company determined that this transaction led to the extinguishment of the existing compound instrument and the recognition of a new compound instrument including non-controlling interests for 902 (net of tax and fees) and debt for 91. The difference between the carrying amount of the previous instrument and the fair value of the new instrument amounted to 49 and was recognized as financing costs in the consolidated statements of operations.

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Note 5: Assets and liabilities held for sale

On December 9, 2013, ArcelorMittal signed an agreement with Kiswire Ltd. for the sale of its 50% stake in the joint venture Kiswire ArcelorMittal Ltd. in South Korea and certain other entities of its steel cord business in the US, Europe and Asia for a total consideration of 169 (including 21 of external debt), of which 55 for equity and 114 for the net debt outstanding in the subsidiaries being purchased on the closing date. These various entities were part of the Europe reportable segment. At December 31, 2013, the Company wrote the carrying amount down to the net proceeds from the sale by 152 and classified the assets and liabilities subject to the transaction as held for sale. The impairment charge of 152 was included in income from associates, joint ventures and other investments for 111 with respect to the 50% interest in Kiswire ArcelorMittal Ltd. and in cost of sales for 41 with respect to subsidiaries included in the transaction. The fair value measurement of the steel cord business was determined using the contract price, a Level 3 unobservable input. The sale was completed on May 30, 2014 (see note 3).

Also, on December 9, 2013, ArcelorMittal signed an agreement with Bekaert Group ("Bekaert") to extend its partnership with Bekaert in Latin America to Costa Rica and Ecuador. ArcelorMittal agreed to sell to Bekaert 73% of its wire business in ArcelorMittal Costa Rica and Cimaf Cabos, a cable business in Osasco (Sao Paulo) Brazil, previously a branch of Belgo Bekaert Arames ("BBA"). BBA is a consolidated entity in which ArcelorMittal holds a 55% controlling interest. These two businesses were part of the Brazil reportable segment. ArcelorMittal also acquired a non-controlling stake in the Ideal Alambrec Ecuador wire plant owned by Bekaert. The transaction was completed on April 30, 2014 (see note 3).

On September 18, 2014, ArcelorMittal entered into an agreement to establish a joint venture ArcelorMittal RZK Celik Servis Merkezi Sanayi ve Ticaret Anonim Sirketi ("AM RZK") in Turkey. This joint venture will include assets and liabilities of the Company's wholly owned subsidiary, Rozak Demir Profil Ticaret ve Sanayi Anonim Sirketi ("Rozak"). ArcelorMittal will hold 50% in the joint venture AM RZK. Accordingly, assets and liabilities of Rozak subject to the transaction are classified as held for sale at December 31, 2014. Rozak is part of the Europe reportable segment.

On October 21, 2014, the Company entered into an agreement with Coils Lamiere Nastri S.P.A. ("CLN") to establish a joint venture ArcelorMittal CLN Distribuzione Italia S.r.l. ("AMCDI"). In order to create this joint venture, ArcelorMittal will contribute assets and liabilities of its wholly owned subsidiary ArcelorMittal Distribution Solutions Italia S.R.L ("AMDSI") to AMCDI in which ArcelorMittal expects to hold a 50% interest. Accordingly, assets and liabilities of AMDSI subject to the transaction are classified as held for sale at December 31, 2014. AMDSI is part of the Europe reportable segment.

On November 14, 2014, ArcelorMittal signed a memorandum of understanding with the Banque et Caisse d'Epargne de l'Etat ("BCEE") whereby the Company and BCEE irrevocably agreed to sell and buy, respectively, the building in Avenue de la Liberté in Luxembourg city (the "Liberté Building"), formerly the headquarters of the Company. Accordingly, the property was classified as held for sale at December 31, 2014. The disposal was completed on January 23, 2015.

On November 25, 2014 and subsequently to the strategic agreement signed on October 5, 2013, ArcelorMittal signed an agreement with Sider and Ferphos Group, two Algerian state-owned entities, for the sale of a 21% controlling stake in ArcelorMittal Tebessa, which holds two iron ore mines in Ouenza and Boukadra, Tebessa. ArcelorMittal Tebessa was part of the Mining reportable segment. The sale of ArcelorMittal Tebessa was completed on January 10, 2015.

The table below provides details of the assets and liabilities held for sale after elimination of intra-group balances in the consolidated statements of financial position:

2013	ArcelorMittal Tebessa	Bekaert	Steel cord business	Total
ASSETS				
Current assets:				
Cash and cash equivalents	-	-	9	9
Trade accounts receivable and other	2	8	52	62
Inventories	25	18	26	69
Prepaid expenses and other current assets	1	-	4	5
Total current assets	28	26	91	145
Non-current assets:				
Intangible assets	-	-	9	9
Property, plant and equipment	17	14	49	80
Investments in associates and joint ventures	-	-	54	54
Deferred tax assets	3	-	-	3
Other assets	-	-	1	1
Total non-current assets	20	14	113	147
Total assets	48	40	204	292
LIABILITIES				
Current liabilities:				
Short-term debt and current portion of long-term debt	-	-	20	20
Trade accounts payable and other	8	7	28	43
Accrued expenses and other liabilities	2	2	2	6
Income tax liabilities	1	-	-	1
Total current liabilities	11	9	50	70
Non-current liabilities:				
Long-term debt, net of current portion	-	-	5	5
Long-term provisions	7	-	1	8
Total non-current liabilities	7	-	6	13
Total liabilities	18	9	56	83

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2014	Rozak	AMDSI	Liberté Building	ArcelorMittal Tebessa	Total
ASSETS					
Current assets:					
Cash and cash equivalents	1	-	-	-	1
Trade accounts receivable and other	92	10	-	-	102
Inventories	76	53	-	28	157
Prepaid expenses and other current assets	10	1	-	2	13
Total current assets	179	64	-	30	273
Non-current assets:					
Intangibles assets	13	-	-	-	13
Property, plant and equipment	12	12	79	17	120
Deferred tax assets	-	4	-	3	7
Other assets	-	1	-	-	1
Total non-current assets	25	17	79	20	141
Total assets	204	81	79	50	414
LIABILITIES					
Current liabilities:					
Short-term debt and current portion of long-term debt	34	-	-	-	34
Trade accounts payable and other	54	6	-	9	69
Accrued expenses and other liabilities	3	5	-	3	11
Total current liabilities	91	11	-	12	114
Non-current liabilities:					
Long-term debt, net of current portion	24	-	-	-	24
Long-term provisions	1	3	-	3	7
Deferred employee benefits	-	2	-	5	7
Deferred tax liabilities	3	2	-	-	5
Total non-current liabilities	28	7	-	8	43
Total liabilities	119	18	-	20	157

Note 6: Cash and cash equivalents and restricted cash

Cash and cash equivalents consisted of the following:

	December 31, 2013	December 31, 2014
Cash at bank	4,241	2,127
Term deposits	597	506
Money market funds[1]	1,234	1,260
Total	6,072	3,893

[1] Money market funds are highly liquid investments with a maturity of 3 months or less from the date of acquisition.

Restricted cash of 160 and 123 included a cash deposit of 75 and 75 in connection with the mandatory convertible bonds (see note 19) and a guarantee deposit of 53 and 23 related to a bank debt of an associate at December 31, 2013 and December 31, 2014, respectively.

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Note 7: Trade accounts receivable and other

Trade accounts receivable and allowance for doubtful accounts as of December 31, are as follows:

	2013	2014
Gross amount	5,104	3,871
Allowance for doubtful accounts	(218)	(175)
Total	4,886	3,696

The carrying amount of the trade accounts receivable and other approximates fair value. Before granting credit to any new customer, ArcelorMittal uses an internally developed credit scoring system to assess the potential customer's credit quality and to define credit limits by customer. For all significant customers the credit terms must be approved by the credit committees of each individual segment. Limits and scoring attributed to customers are reviewed periodically. There are no customers who represent more than 5% of the total balance of trade accounts receivable.

Exposure to credit risk by reportable segment

The maximum exposure to credit risk for trade accounts receivable by reportable segment at December 31 is as follows:

	2013	2014
NAFTA	318	307
Brazil	850	815
Europe	3,195	2,021
ACIS	310	450
Mining	208	100
Other activities	5	3
Total	4,886	3,696

Aging of trade accounts receivable

The aging of trade accounts receivable as of December 31 is as follows:

	2013			2014		
	Gross	Allowance	Total	Gross	Allowance	Total
Not past due	4,000	(40)	3,960	2,942	(1)	2,941
Overdue 1-30 days	477	(1)	476	477	(2)	475
Overdue 31-60 days	159	(3)	156	111	(1)	110
Overdue 61-90 days	99	(4)	95	50	(1)	49
Overdue 91-180 days	78	(4)	74	57	(5)	52
More than 180 days	291	(166)	125	234	(165)	69
Total	5,104	(218)	4,886	3,871	(175)	3,696

The movement in the allowance for doubtful accounts in respect of trade accounts receivable during the periods presented is as follows:

Balance as of December 31, 2012	Additions	Deductions/Releases	Foreign exchange and others	Balance as of December 31, 2013
202	69	(45)	(8)	218

Balance as of December 31, 2013	Additions	Deductions/ Releases	Foreign exchange and others	Balance as of December 31, 2014
218	43	(44)	(42)	175

The Company has established a number of programs for sales without recourse of trade accounts receivable to various financial institutions (referred to as True Sale of Receivables ("TSR")). Through the TSR programs, certain operating subsidiaries of ArcelorMittal surrender the control, risks and benefits associated with the accounts receivable sold; therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the consolidated statements of financial position at the moment of sale. The total amount of receivables sold under TSR programs and derecognized in accordance with IAS 39 for the years ended 2013 and 2014 was 35.4 billion and 37.8 billion, respectively (with amounts of receivables sold converted to U.S. dollars at the monthly average exchange rate).
Expenses incurred under the TSR programs (reflecting the discount granted to the acquirers of the accounts receivable) recognized within net financing costs in the consolidated statements of operations for the years ended December 31, 2013 and 2014 were 172 and 150, respectively.

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Note 8: Inventories

Inventories, net of allowance for slow-moving inventory, excess of cost over net realizable value and obsolescence of 1,495 and 1,293 as of December 31, 2013 and 2014, respectively, are comprised of the following:

	December 31,	
	2013	2014
Finished products	6,523	6,264
Production in process	4,350	3,701
Raw materials	6,590	5,691
Manufacturing supplies, spare parts and other	1,777	1,648
Total	19,240	17,304

The amount of inventory pledged as collateral was nil as of December 31, 2013 and 2014.

The movement in the allowance for obsolescence is as follows:

Balance as of December 31, 2012	Additions	Deductions/Releases	Foreign exchange and others	Balance as of December 31, 2013
1,427	821	(745)	(8)	1,495

Balance as of December 31, 2013	Additions	Deductions/ Releases	Foreign exchange and others	Balance as of December 31, 2014
1,495	459	(491)	(170)	1,293

The amount of write-down of inventories to net realizable value recognized as an expense was 821 and 459 in 2013 and 2014, respectively, and was reduced by 745 and 491 in 2013 and 2014, respectively, due to normal inventory consumption.

Note 9: Prepaid expenses and other current assets

Prepaid expenses and other current assets consists of advance payments to public authorities (including value-added tax ("VAT")), income tax receivable, derivative financial instruments, prepaid expenses and other receivables, which is made up of advances to employees, accrued interest, dividends receivable and other miscellaneous receivables.

	December 31,	
	2013	2014
VAT receivables	1,412	1,102
Income tax receivable	310	106
Derivative financial instruments	64	192
Prepaid expenses and non-trade receivables	539	544
Collateral related to the put agreement on China Oriental [1]	381	112
Other	669	571
Total	3,375	2,627

[1] On April 30, 2008, in order to restore the public float of China Oriental on the Hong Kong Stock Exchange ("HKSE"), the Company entered into a sale and purchase agreement with ING and Deutsche Bank for the sale of 509,780,740 shares representing approximately 17.40% of the issued share capital of China Oriental. The transaction also included put option agreements entered into with both banks. The consideration for the disposal of the shares was paid to Deutsche Bank and ING as collateral to secure the obligations of the Company under the put agreements. On April 30, 2014, the put option agreement with ING was extended to April 30, 2015. On the same date, following the exercise of the put option by Deutsche Bank with respect to 219,789,940 shares (representing 7.5% of the issued share capital of China Oriental), the Company entered into a sale and purchase agreement with Macquarie Bank Ltd for the sale of the 219,789,940 shares acquired from Deutsche Bank and a put option agreement maturing on April 30, 2015 (see note 13).

Note 10: Goodwill and intangible assets

The carrying amounts of goodwill and intangible assets are summarized as follows:

	December 31,	
	2013	2014
Goodwill on acquisitions	7,735	7,322
Concessions, patents and licenses	570	488
Customer relationships and trade marks	411	278
Other	18	16
Total	8,734	8,104

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Goodwill
As described in note 2, effective January 1, 2014, the Company has revised its operating segments due to an organizational change. As a result of this change, there are 5 operating segments: NAFTA, Brazil, Europe, ACIS and Mining. The discussion within this footnote reflects the impairment test results as of October 31 for the years ended December 31, 2013 and 2014. For the former operating segments of FCE, LCE, and AMDS, goodwill has been combined at the level of the new Europe reportable segment. For the other operating segments, goodwill was reallocated on the relative enterprise values of the underlying businesses, except Mining which remained unchanged. Goodwill acquired in business combinations for each of the Company's operating segments retrospectively adjusted for the change in segmentation is as follows:

	December 31, 2012	Impairment and reduction of goodwill	Foreign exchange differences and other movements	Divestments	December 31, 2013
NAFTA	2,555	-	(157)	-	2,398
Brazil	2,513	-	(181)	-	2,332
Europe	655	(4)	12	-	663
ACIS	1,456	-	-	-	1,456
Mining	985	-	(8)	(91)	886
Total	8,164	(4)	(334)	(91)	7,735

	December 31, 2013	Impairment and reduction of goodwill	Foreign exchange differences and other movements	Divestments	December 31, 2014
NAFTA	2,398	-	(62)	-	2,336
Brazil	2,332	-	(275)	-	2,057
Europe	663	-	(48)	(11)	604
ACIS	1,456	-	1	-	1,457
Mining	886	-	(15)	(3)	868
Total	7,735	-	(399)	(14)	7,322

Prior to January 1, 2014, the Company's goodwill impairment testing was performed on the basis of eight reportable segments. These segments, as well as the weighted average pre-tax discount rates used in connection with the historical goodwill impairment testing, are set forth below. Goodwill acquired in business combinations for each of the Company's former operating segments as of December 31, 2013 is as follows:

	December 31, 2012	Impairment and reduction of goodwill	Foreign exchange differences and other movements	Divestments	December 31, 2013
Flat Carbon Europe	409	-	14	-	423
Flat Carbon Americas	3,333	-	(158)	-	3,175
Long Carbon Europe	154	-	7	-	161
Long Carbon Americas	1,670	-	(155)	-	1,515
Tubular Products	79	-	(25)	-	54
AACIS	1,453	-	-	-	1,453
Distribution Solutions	81	(4)	(9)	-	68
Mining	985	-	(8)	(91)	886
Total	8,164	(4)	(334)	(91)	7,735

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Goodwill is tested at the group of cash-generating units ("GCGU") level for impairment annually, as of October 31, or whenever changes in circumstances indicate that the carrying amount may not be recoverable. In all cases, the GCGU is at the operating segment level, which represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amounts of the GCGUs are mainly determined based on their value in use. The value in use of each GCGU was determined by estimating future cash flows. Such cash flow forecasts are derived from the most recent financial plans approved by management.

With respect to steel operations, the key assumptions for the value in use calculations are primarily the discount rates, growth rates, expected changes to average selling prices, shipments and direct costs during the period.

Assumptions for average selling prices and shipments are based on historical experience and expectations of future changes in the market. The value in use of each GCGU was determined by estimating cash flows for a period of five years. Beyond the specifically forecasted period of five years, the Company extrapolates cash flows for the remaining years based on an estimated constant growth rate of 2%. This rate does not exceed the average long-term growth rate for the relevant markets.

Regarding mining operations, the key assumptions for the value in use calculations are primarily the discount rates, capital expenditure, expected changes to average selling prices, shipments and direct costs during the period. The value in use of each CGU was determined by estimating cash flows over the current life-of-the-mine plan or long term production plan. Cash flow forecasts include material from proven and probable ore reserves. The cash flow forecasts may also include net cash flows expected to be realized from extraction, processing and sale of material that does not currently qualify for inclusion in proved or probable ore reserves. Such non-reserve material is only included where there is a high degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralization that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring evaluation costs earlier than is required for the efficient planning and operation of the mine.

Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The rate for each GCGU was estimated from the weighted average cost of capital of producers, which operate a portfolio of assets similar to those of the Company's assets.

	Flat Carbon Europe	Flat Carbon Americas	Long Carbon Europe	Long Carbon Americas	Tubular Products	AACIS	Mining	Distribution Solutions
GCGU weighted average pre-tax discount rate used in 2013 (in %)	10.4	10.5	10.7	12.9	16.1	14.1	16.4	10.5

	NAFTA	Brazil	Europe	ACIS	Mining
GCGU weighted average pre-tax discount rate used in 2014 (in %)	10.7	13.8	10.7	14.1	14.3

The results of the Company's goodwill impairment tests as of October 31, 2014 did not result in an impairment of goodwill as the value in use, exceeded, in each case, the carrying amount of GCGU. The total value in use calculated for all GCGUs decreased slightly in 2014 as compared to 2013.

In validating the value in use determined for the GCGUs, the Company performed a sensitivity analysis of key assumptions used in the discounted cash-flow model (such as discount rates, average selling prices, shipments and terminal growth rate). The Company believes that reasonably possible changes in key assumptions could cause an impairment loss to be recognized in respect of the Mining, in particular a recovery in iron ore prices slower than expected by management, and ACIS segments.

Mining has a global portfolio of 15 operating units (of which 7 units producing marketable ore form the Mining GCGU and the remaining captive mines are included in the steel CGUs to which they supply ore) with mines in operation and development and is among the largest iron ore producers in the world. It has production facilities in North and South America, Africa, Europe and CIS. The Company believes that prices, sales volumes and discount rates are the key assumptions most sensitive to change. Mining is affected by the industrial structural factors, demand trends in the steel industry and macroeconomic trends such as economic growth and foreign exchange rates. Discount rates may be affected by changes in countries' specific risks. Mining is exposed to global export and regional markets and volatile international raw material prices through its market priced shipments to ArcelorMittal's steel operations as well as direct sales to third parties. Iron ore prices were particularly volatile during the second half of 2014 when they dropped to a historic low level. The value in use model prepared for the Mining segment includes average consensus forecast iron ore price assumptions from the fourth quarter of 2014 as defined by an analyst panel. Such forecasts anticipate a slight recovery over a 5-year period. Operating margins are expected to recover partially in the near term through a reduction in production costs and higher volumes.

ACIS produces a combination of flat and long products. Its facilities are located in Asia, Africa and Commonwealth of Independent States. ACIS is significantly self-sufficient in major raw materials. The Company believes that sales volumes, prices, discount rates and foreign exchange rates are the key assumptions most sensitive to change. It is also exposed to export markets and international steel prices which are volatile, reflecting the cyclical nature of the global steel industry, developments in particular steel consuming industries and macroeconomic trends of emerging markets, such as economic growth and foreign exchange rates. Discount rates may be affected by changes in countries' specific risks, in particular in Ukraine due to the current political and economic situation. The ACIS value in use model anticipates a limited recovery of sales volumes in 2015 compared to 2014 (12.8 million tonnes for the year ended December 31, 2014) with completion of reline and continuous improvements thereafter, but below the sales volume achieved in 2007 (16.4 million tonnes for the year ended December 31, 2007). Average selling prices in the model are expected to decrease in 2015 due to lower raw material prices and increase subsequently following slight recovery in raw materials while the margins in the model are expected to recover partially over the five year period due to improvement in product and geographical mix and expected reduction in production costs associated with variable and fixed cost reduction plans identified by the Company, optimized operational footprint and maximization of steel production.

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The following changes in key assumptions in projected earnings in every year of initial five-year period, at the GCGU level, assuming unchanged values for the other assumptions, would cause the recoverable amount to equal respective carrying value.

	Mining	ACIS
Excess of recoverable amount over carrying amount	721	1,660
Increase in pre-tax discount rate (change in basis points)	106	172
Decrease in average selling price (change in %)	1.99	2.13
Decrease in shipments (change in %)	5.69	7.01
Decrease in terminal growth rate used in for the years beyond the five year plan (change in basis points)	n/a	144

Other intangible assets

Other intangible assets are summarized as follows:

	Concessions, patents and licenses	Customer relationships and trade marks	Other	Total
Cost				
At December 31, 2012	1,146	1,676	1,017	3,839
Acquisitions	17	-	6	23
Disposals	(90)	(3)	(79)	(172)
Foreign exchange differences	(2)	(10)	19	7
Divestments (note 3)	(5)	-	(82)	(87)
Transfers and other movements	52	4	(14)	42
At December 31, 2013	1,118	1,667	867	3,652
Acquisitions	18	-	4	22
Disposals	(10)	(10)	-	(20)
Foreign exchange differences	(129)	(164)	(5)	(298)
Divestments (note 3)	(14)	(3)	(2)	(19)
Transfers to assets held for sale (note 5)	-	(47)	-	(47)
Transfers and other movements	(10)	(18)	(3)	(31)
Fully amortized intangible assets *	(4)	(77)	(801)	(882)
At December 31, 2014	969	1,348	60	2,377
Accumulated amortization and impairment losses				
At December 31, 2012	499	1,095	828	2,422
Disposals	(89)	(3)	(79)	(171)
Amortization charge	72	162	4	238
Impairment charge	83	-	79	162
Foreign exchange differences	-	2	17	19
Divestments (note 3)	(5)	-	-	(5)
Transfers and other movements	(12)	-	-	(12)
At December 31, 2013	548	1,256	849	2,653
Disposals	(10)	(10)	-	(20)
Amortization charge	55	88	3	146
Impairment charge	-	-	-	-
Foreign exchange differences	(87)	(130)	(5)	(222)
Divestments (note 3)	(10)	(3)	(2)	(15)
Transfers to assets held for sale (note 5)	-	(34)	-	(34)
Transfers and other movements	(11)	(20)	-	(31)
Fully amortized intangible assets *	(4)	(77)	(801)	(882)
At December 31, 2014	481	1,070	44	1,595
Carrying amount				
At December 31, 2013	570	411	18	999
At December 31, 2014	488	278	16	782

* Fully amortized assets correspond mainly to favorable contracts that are no longer used by the Company and exploration and evaluation assets.

In 2013, ArcelorMittal recognized impairment charges of 101 and 61 for the costs associated with the discontinued iron ore projects in Senegal and Mauritania (Mining), respectively.

The Company recognized net gains on sales of CO_2 emission rights amounting to 32 and 14 during the years ended December 31, 2013 and 2014, respectively.

Research and development costs not meeting the criteria for capitalization are expensed as incurred. These costs amounted to 270 and 259 in the years ended December 31, 2013, and 2014, respectively.

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Note 11: Biological assets

The Company's biological assets comprise growing forests (i.e. eucalyptus trees) located in the Brazilian the state of Minas Gerais, which supply charcoal to be utilized as fuel and a source of carbon in the direct reduction process of pig iron production in some of the Company's blast furnaces in Brazil. Charcoal is, in such instances, a substitute for coke.

The reconciliation of changes in the carrying value of biological assets between the beginning and end of the year is as follows:

		Year ended
	December 31, 2013	December 31, 2014
At the beginning of the year	174	132
Additions	12	13
Disposals/Write-off	(8)	(1)
Harvests	(9)	(11)
Change in fair value*	(17)	11
Effects of foreign currency translation	(20)	(16)
At the end of the year	132	128

* Recognized in cost of sales in the consolidated statements of operations.

In determining the fair value of biological assets, a discounted cash flow model was used, with a harvest cycle of six to seven years. Due to the level of unobservable inputs used in the valuation model, the Company classified such inputs as Level 3.

The actual planted area was 57,639 hectares ("ha") and 60,806 ha at the end of 2013 and 2014 respectively and none of the Company's biological assets are pledged as collateral as of December 31, 2014.

The projected cash flows are consistent with area's growing cycle. The volume of eucalyptus production to be harvested was estimated considering the average productivity in cubic meters of wood per hectare from each plantation at the time of harvest. The average productivity varies according to the genetic material, climate and soil conditions and the forestry management programs. This projected volume is based on the average annual growth, which at the end of 2013 and 2014 was equivalent to 27.01 m3/ha/year and 27.40 m3/ha/year, respectively.

The average net sales price of 42.77 Brazilian real ("BRL") per m3 (BRL 39.10/m3 as of December 31, 2013) was projected based on the estimated price for eucalyptus in the local market, through a market study and research of actual transactions, adjusted to reflect the price of standing trees by region. The average estimated cost considers expenses for chemical control of growing, pest control, composting, road maintenance, land rental, inputs and labor services. Tax effects are based on current applicable rates (34% in 2013 and 2014) and the contribution of other assets, such as property, plant and equipment and land was considered in the estimation based on average rates of return for those assets.

The valuation model considers the net cash flows after income tax and the discount rate used (11.44% in 2013 and 13.71% in 2014) is post-tax.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following table illustrates the sensitivity to a 10% variation in each of the significant unobservable inputs used to measure the fair value of the biological assets on December 31, 2014:

	Impacts in fair value resulting from	
Significant unobservable inputs	10% increase	10% decrease
Average annual growth	31	(31)
Average net sales price	31	(31)
Discount rate	(7)	7

Note 12: Property, plant and equipment

During 2014, the Company performed a review of the useful lives of its assets and determined its maintenance and operating practices have enabled a change in the useful lives of plant and equipment. Maintenance practices employed have served to preserve and extend the operating life of certain of these assets, while operating practices in the current economic environment have also contributed to the extension of asset useful life beyond previous estimates. The Company thus revised the useful lives due to its determination that certain of its existing assets have been used longer than previously anticipated and therefore, the estimated useful lives of certain plant and equipment have been lengthened.

The Company's most recent review of useful lives leveraged the experience and specialized knowledge of ArcelorMittal's network of chief technical officers. The chief technical officer network includes engineers with facility-specific expertise relating to plant and equipment used in the principal production units of the Company's operations. In performing this review, the Company gathered and evaluated data, including commissioning dates, designed capacities, maintenance records and programs, and asset performance history, among other attributes. In accordance with IAS 16, Property, Plant and Equipment, the Company considered this information at the level of components significant in relation to the total cost of the item of plant and equipment. Other factors the Company considered in its determination of useful lives include the expected use of the assets, technical or commercial obsolescence, and operational factors that have led to improvements in monitoring and process control that contribute to longer asset lives. In addition, the Company considered the accumulated technical experience and knowledge sharing programs that have allowed for the exchange of best practices within the chief technical officer network and the deployment of these practices across the Company's principal production units.

The previously applied range of useful lives and the revised ones are presented in the table below. Certain plant and equipment have different useful lives than the applied range below based on the maintenance practices and the useful life of the specific asset. The reduction of depreciation charge as a result of changes in estimated useful lives for the year ended December 31, 2014 was 702 as compared to the amounts that would have been charged if no change in estimate occurred.

Asset Category	Former Useful Life Range	Applied Useful Life Range*
Land	Not depreciated	Not depreciated
Buildings	10 to 50 years	10 to 50 years
Property plant & equipment	15 to 30 years	15 to 50 years
Auxiliary facilities	15 to 30 years	15 to 45 years
Other facilities	5 to 20 years	5 to 20 years

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Property, plant and equipment are summarized as follows:

	Land, buildings and improvements	Machinery and equipment	Construction in progress	Mining assets	Total
Cost					
At December 31, 2012	15,540	60,417	5,577	4,434	85,968
Additions	29	649	2,840	23	3,541
Foreign exchange differences	236	(443)	(139)	(46)	(392)
Disposals	(142)	(1,212)	(138)	(23)	(1,515)
Divestments (note 3)	(45)	(380)	(26)	(624)	(1,075)
Transfers to assets held for sale (note 5)	(52)	(252)	(1)	-	(305)
Other movements *	778	2,786	(3,950)	395	9
At December 31, 2013	16,344	61,565	4,163	4,159	86,231
Additions	21	632	2,958	59	3,670
Foreign exchange differences	(2,227)	(7,919)	(354)	(114)	(10,614)
Disposals	(186)	(1,504)	(41)	(32)	(1,763)
Divestments (note 3)	(209)	(767)	(67)	(53)	(1,096)
Transfers to assets held for sale (note 5)	(167)	(76)	(1)	-	(244)
Other movements *	254	1,927	(2,112)	68	137
At December 31, 2014	13,830	53,858	4,546	4,087	76,321
Accumulated depreciation and impairment					
At December 31, 2012	4,377	26,455	148	1,173	32,153
Depreciation charge for the year	512	3,730	-	206	4,448
Impairment	43	220	15	-	278
Disposals	(98)	(1,159)	(6)	(21)	(1,284)
Foreign exchange differences	148	30	5	(9)	174
Divestments (note 3)	(20)	(305)	-	-	(325)
Transfers to assets held for sale (note 5)	(15)	(210)	-	-	(225)
Other movements	8	(276)	13	35	(220)
At December 31, 2013	4,955	28,485	175	1,384	34,999
Depreciation charge for the year	428	3,127	-	227	3,782
Impairment	44	202	7	11	264
Disposals	(129)	(1,395)	(6)	(27)	(1,557)
Foreign exchange differences	(1,171)	(5,428)	(22)	(61)	(6,682)
Divestments (note 3)	(128)	(625)	(1)	(50)	(804)
Transfers to assets held for sale (note 5)	(81)	(60)	-	-	(141)
Other movements	39	(85)	(11)	52	(5)
At December 31, 2014	3,957	24,221	142	1,536	29,856
Carrying amount					
At December 31, 2013	11,389	33,080	3,988	2,775	51,232
At December 31, 2014	9,873	29,637	4,404	2,551	46,465

*Other movements predominantly represent transfers from construction in progress to other categories. In addition for 2013, they include an amount of 262 corresponding to the decrease in property, plant and equipment as result of Baffinland being accounted for under the equity method as of October 1, 2013.

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Impairment of property, plant and equipment in 2013
In connection with management's annual test for impairment of goodwill as of October 31, 2013, property, plant and equipment was also tested for impairment at that date. As of December 31, 2013, management concluded that the carrying amount of property, plant and equipment did not exceed the value in use and therefore, no impairment loss was recognized on that basis.

The impairment charge of property, plant and equipment of 278 recognized in 2013 related to discontinued projects, intended sales, long term idling or closure of facilities. This charge included 181 related to the finance leasing of Thabazimbi mine in ArcelorMittal South Africa (ACIS) following the transfer of the future operating and financial risks of the asset to Kumba as a result of the iron ore supply agreement signed with Sishen on November 5, 2013. The Company recorded an impairment loss of 55 in connection with the long term idling of the ArcelorMittal Tallinn galvanizing line in Estonia (Europe segment) and reversed an impairment loss of 52 at the Liège site of ArcelorMittal Belgium (Europe segment) following the restart of the hot dip galvanizing line HDG5. ArcelorMittal also recognized an impairment charge of 24 relating to the closure of the organic coating and tin plate lines at the Florange site of ArcelorMittal Atlantique et Lorraine in France (Europe segment). Additionally, in connection with the agreed sale of certain steel cord assets in the US, Europe and Asia (Europe segment) to the joint venture partner Kiswire Ltd., ArcelorMittal recorded an impairment charge of 41 with respect to the subsidiaries included in this transaction (see note 5).

Impairment of property, plant and equipment in 2014
In 2014, the Company recognized an impairment charge of property, plant and equipment amounting to 264.

This charge included 114 primarily relating to the idling of the steel shop and rolling facilities of Indiana Harbor Long carbon operations in the United States (NAFTA). The Company recorded also an impairment charge of 57 with respect to the closure of mill C in Rodange, Luxembourg (Europe segment).

In connection with management's annual test for impairment of goodwill as of October 31, 2014, property, plant and equipment was also tested for impairment at that date. Management concluded that the value in use of the Volcan iron ore mine in Mexico (Mining segment) was lower than its carrying amount due to the end of life of the mine. Accordingly, an impairment charge of 63 was recognized:

Cash-Generating Unit	Operating Segment	Impairment Recorded	2013 Pre-Tax Discount Rate	2014 Pre-Tax Discount Rate	Carrying Value as of December 31, 2014
Volcan mine	Mining	63	23.77%	9.42%	19

The carrying amount of temporarily idle property, plant and equipment at December 31, 2014 was 230 (including 96 in NAFTA and 134 in the Europe segment). The carrying amount of property, plant and equipment retired from active use and not classified as held for sale was 87 at December 31, 2014. Such assets are carried at their recoverable amount.

The carrying amount of capitalized leases was 871 and 688 as of December 31, 2013 and 2014, respectively. The 688 includes 607 related to machinery and equipment and 81 to buildings.

The total future minimum lease payments related to finance leases are as follows:

2015	162
2016 – 2019	563
2020 and beyond	445
Total	1,170

The present value of the future minimum lease payments was 755 and 705 for the year ended December 31, 2013 and 2014, respectively. The 2014 calculation is based on an average discounting rate of 12.9% considering maturities from 1 to 16 years including the renewal option when intended to be exercised.

The Company has pledged 326 and 273 of property, plant and equipment, inventories and other security interests and collateral as of December 31, 2013 and 2014, respectively, to secure banking facilities granted to the Company.

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Note 13: Investments in subsidiaries, associates and joint arrangements

Subsidiaries

The table below provides a list of the Company's principal subsidiaries at December 31, 2014. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly or indirectly by the Company and the proportion of ownership interests held equals to the voting rights held by the Company. The country of incorporation corresponds to their principal place of operations.

Name of Subsidiary	Country	% of Ownership
NAFTA		
ArcelorMittal Dofasco Inc.	Canada	100.00%
ArcerlorMittal México S.A. de C.V.	Mexico	100.00%
ArcelorMittal USA LLC	USA	100.00%
ArcelorMittal Las Truchas, S.A. de C.V.	Mexico	100.00%
ArcelorMittal Montreal Inc.	Canada	100.00%
Brazil		
ArcelorMittal Brasil S.A.	Brazil	100.00%
Acindar Industria Argentina de Aceros S.A.	Argentina	100.00%
ArcelorMittal Point Lisas Ltd.	Trinidad and Tobago	100.00%
Europe		
ArcelorMittal Atlantique et Lorraine S.A.S.	France	100.00%
ArcelorMittal Belgium N.V.	Belgium	100.00%
ArcelorMittal España S.A.	Spain	99.85%
ArcelorMittal Flat Carbon Europe S.A.	Luxembourg	100.00%
ArcelorMittal Galati S.A.	Romania	99.70%
ArcelorMittal Poland S.A.	Poland	100.00%
Industeel Belgium S.A.	Belgium	100.00%
Industeel France S.A.	France	100.00%
ArcelorMittal Eisenhüttenstadt GmbH	Germany	100.00%
ArcelorMittal Bremen GmbH	Germany	100.00%
ArcelorMittal Méditerranée S.A.S.	France	100.00%
ArcelorMittal Belval & Differdange S.A.	Luxembourg	100.00%
ArcelorMittal Hamburg GmbH	Germany	100.00%
ArcelorMittal Gipuzkoa S.L.	Spain	100.00%
ArcelorMittal Ostrava a.s.	Czech Republic	100.00%
Société Nationale de Sidérurgie S.A. ("Sonasid")	Morocco	32.43%[1]
ArcelorMittal Duisburg GmbH	Germany	100.00%
ArcelorMittal Warszawa S.p.z.o.o.	Poland	100.00%
ACIS		
ArcelorMittal South Africa Ltd. ("AM South Africa")	South Africa	52.02%
JSC ArcelorMittal Temirtau	Kazakhstan	100.00%
OJSC ArcelorMittal Kryvyi Rih ("AM Kryvyi Rih")	Ukraine	95.13%
ArcelorMittal International Luxembourg S.A.	Luxembourg	100.00%
Mining		
ArcelorMittal Mines Canada Inc. ("AMMC")	Canada	100.00%[2]
ArcelorMittal Liberia Ltd	Liberia	85.00%
JSC ArcelorMittal Temirtau	Kazakhstan	100.00%
OJSC ArcelorMittal Kryvyi Rih ("AM Kryvyi Rih")	Ukraine	95.13%

[1]Société Nationale de Sidérurgie S.A. is controlled by Nouvelles Sidérurgies Industrielles, an investment controlled by ArcelorMittal.
[2]ArcelorMittal Mines Canada Inc. holds an 85% interest in joint venture partnerships (see below).

Significant cash or cash equivalent balances may be held from time to time at the Company's international operating subsidiaries, including in particular those in France and the United States, where the Company maintains cash management systems under which most of its cash and cash equivalents are centralized. Other subsidiaries, associates and joint ventures, which may hold significant cash balances, include those in Argentina, Brazil, Canada, Morocco, South Africa, Ukraine and Venezuela. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions on such operating subsidiaries' ability to pay dividends, but such restrictions are not significant in the context of ArcelorMittal's overall liquidity. Repatriation of funds from operating subsidiaries may also be affected by tax and foreign exchange policies in place from time to time in the various countries where the Company operates, though none of these policies are currently significant in the context of ArcelorMittal's overall liquidity.

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Non-wholly owned subsidiaries that have material non-controlling interests

The tables below provide a list of the principal subsidiaries which include non-controlling interests at December 31, 2013 and 2014 and for the year ended December 31, 2013 and 2014.

Name of Subsidiary	Country of incorporation and operation	% of non-controlling interests and non-controlling voting rights at December 31, 2013	% of non-controlling interests and non-controlling voting rights at December 31, 2014	Net income (loss) attributable to non-controlling interests for the year ended December 31, 2013	Non-controlling interests at December 31, 2013	Net income (loss) attributable to non-controlling interests for the year ended December 31, 2014	Non-controlling interests at December 31, 2014
ArcelorMittal South Africa	South Africa	47.98%	47.98%	(100)	953	(8)	859
Sonasid[1]	Morocco	67.57%	67.57%	12	157	10	143
ArcelorMittal Kryvyi Rih	Ukraine	4.87%	4.87%	(10)	258	(6)	256
Belgo Bekaert Arames ("BBA")	Brazil	45.00%	45.00%	40	195	41	175
Hera Ermac[2]	Luxembourg	-	-	-	947	-	899
AMMC[3]	Canada	15.00%	15.00%	87	475	88	514
Other				(59)	395	(13)	228
Total				(30)	3,380	112	3,074

[1] Sonasid
ArcelorMittal holds a controlling stake of 50% in Nouvelles Sidérurgies Industrielles. ArcelorMittal controls Nouvelles Sidérurgies Industrielles on the basis of a shareholders' agreement which includes deadlock arrangements in favor of the Company. Nouvelles Sidérurgies Industrielles holds a 64.86% stake in Sonasid. The total non-controlling interests in Sonasid of 67.57% are the result of ArcelorMittal's indirect ownership percentage in Sonasid of 32.43% through its controlling stake in Nouvelles Sidérurgies Industrielles.

[2] Hera Ermac
The non-controlling interests correspond to the equity component of the mandatory convertible bonds maturing on January 29, 2016 (see note 4).

[3] AMMC
On March 15, 2013 and May 30, 2013, a consortium led by POSCO and China Steel Corporation acquired a 15% non-controlling interest in joint venture partnerships holding ArcelorMittal's Labrador Trough iron ore mining and infrastructure assets (see note 4).

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The table below provides summarized financial information for the principal subsidiaries subject to non-controlling interests at December 31, 2013 and 2014 and for the years ended December 31, 2013 and 2014.

Summarized statements of financial position

	December 31, 2013					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Current assets	1,353	221	1,127	293	1,558	2,900
Non-current assets	1,784	185	5,242	316	-	5,418
Total assets	3,137	406	6,369	609	1,558	8,318
Current liabilities	760	130	557	135	15	481
Non-current liabilities	393	47	619	50	37	4,451
Net assets	1,984	229	5,193	424	1,506	3,386

Summarized statements of operations

	December 31, 2013					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Revenue	3,367	543	3,467	1,073	-	2,238
Net income (loss)	(208)	17	(192)	88	(31)	(417)
Total comprehensive income (loss)	(137)	19	(253)	99	(31)	(92)

Summarized statements of cash flows

	December 31, 2013					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Net cash provided by / (used in) operating activities	87	33	239	77	(52)	(2,179)
Net cash provided by / (used in) investing activities	(147)	(10)	(177)	(21)	52	(648)
Net cash provided by / (used in) financing activities	78	(49)	-	(40)	-	3,011
Impact of currency movements on cash	2	1	(1)	(2)	-	-
Cash and cash equivalents:						
At the beginning of the year	104	27	17	3	-	1
At the end of the year	124	2	78	17	-	185
Dividend to non-controlling interests	-	-	-	*(8)*	-	-

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Summarized statements of financial position

	December 31, 2014					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Current assets	1,105	217	1,149	265	168	2,742
Non-current assets	1,746	147	5,099	272	1,692	5,436
Total assets	2,851	364	6,248	537	1,860	8,178
Current liabilities	765	134	652	131	14	381
Non-current liabilities	297	33	535	38	164	4,230
Net assets	1,789	197	5,061	368	1,682	3,567

Summarized statements of operations

	December 31, 2014					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Revenue	3,216	485	3,087	981	-	2,049
Net income (loss)	(17)	12	(130)	84	217	510
Total comprehensive income (loss)	(15)	16	(133)	135	217	472

Summarized statements of cash flows

	December 31, 2014					
	AM South Africa	Sonasid	AM Kryvyi Rih	BBA	Hera Ermac	AMMC
Net cash provided by / (used in) operating activities	155	77	241	97	24	764
Net cash provided by / (used in) investing activities	(247)	(10)	(192)	(30)	(26)	(346)
Net cash provided by / (used in) financing activities	12	(30)	-	(64)	2	(285)
Impact of currency movements on cash	(5)	(2)	-	(2)	-	-
Cash and cash equivalents:						
At the beginning of the year	124	2	78	17	-	185
At the end of the year	39	37	127	18	-	318
Dividend to non-controlling interests	-	(10)	-	(25)	-	(67)

Investments accounted for under the equity method

The Company had the following investments accounted for under the equity method, at December 31, 2013 and 2014:

Category	Carrying value December 31, 2013	Carrying value December 31, 2014
Joint Ventures	1,753	1,809
Associates	4,161	2,996
Individually immaterial joint ventures and associates[1]	1,281	1,028
Total	7,195	5,833

[1] Individually immaterial joint ventures and associates represent in aggregate less than 20% of the total carrying amount of investments in joint ventures and associates at December 31, 2013 and 2014, and none of them has a carrying amount exceeding 160 at December 31, 2013 and 2014.

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Joint ventures
The following tables summarize the financial information and reconcile it to the carrying amount of each of the Company's material joint ventures at December 31, 2013 and 2014:

	December 31, 2013						
Joint Ventures	ArcelorMittal Gonvarri Brasil Produtos Siderúrgicos	Gallatin Steel Company**	Macsteel International Holdings B.V.	Kalagadi Manganese (Propriety) Ltd	Baffinland	Valin ArcelorMittal Automotive Steel	Total
Place of incorporation and operation	Brazil	United States	Netherlands	South Africa	Canada	China	
Principal Activity	Production and distribution of metal products	Steel manufacturing	Steel trading and distribution	Mining	Development of iron ore mine	Manufacture and distribution of metal products for automotive industry	
Ownership and voting rights % at December 31, 2013 *	50.00%	50.00%	50.00%	50.00%	50.00%	49.00%	
Current assets	127	206	795	28	82	340	1,578
of which Cash and cash equivalents	63	7	166	-	-	260	496
Non-current assets	48	253	270	534	1,384	362	2,851
Current liabilities	33	70	458	413	112	99	1,185
of which trade and other payables and provisions	21	67	220	26	-	99	433
Non-current liabilities	3	2	15	4	102	174	300
Net assets	139	387	592	145	1,252	429	2,944
Company's share of net assets	70	193	296	72	626	210	1,467
Goodwill	57	-	-	232	-	-	289
Adjustments for differences in accounting policies and other	-	-	(3)	-	-	-	(3)
Carrying amount in the statements of financial position	127	193	293	304	626	210	1,753
Revenue	398	999	2,580	-	-	-	3,977
Depreciation and amortization	(6)	(20)	(1)	-	-	-	(27)
Interest income	6	-	7	-	-	-	13
Interest expense	(1)	(1)	(4)	-	-	-	(6)
Income tax expense	(6)	-	(5)	(2)	-	-	(13)
Net income (loss)	19	35	35	(8)	(8)	-	73
Other comprehensive income (loss)	-	-	-	-	(29)	-	(29)
Total comprehensive income (loss)	19	35	35	(8)	(37)	-	44
Cash dividends received by the Company	8	1	-	-	-	-	9

* The ownership stake is equal to the voting rights percentage.

** The investment in Gallatin Steel Company was sold during 2014 (see below).

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

	December 31, 2014							
Joint Ventures	ArcelorMittal Gonvarri Brasil Produtos Siderúrgicos	AM/NS Calvert	Macsteel International Holdings B.V.	Kalagadi Manganese (Propriety) Ltd	Baffinland	Valin ArcelorMittal Automotive Steel	Tameh Holding	Total
Place of incorporation and operation *	Brazil	United States	Netherlands	South Africa	Canada	China	Poland	
Principal Activity	Production and distribution of metal products	Steel finishing	Steel trading and distribution	Mining	Development of iron ore mine	Manufacture and distribution of metal products for automotive industry	Energy production and supply	
Ownership and voting rights % at December 31, 2014 **	50.00%	50.00%	50.00%	50.00%	50.00%	49.00%	50.00%	
Current assets	63	998	918	20	123	198	-	2,320
of which Cash and cash equivalents	12	14	136	1	8	90	-	261
Non-current assets	63	1,242	360	663	1,505	661	240	4,734
Current liabilities	22	586	612	193	101	194	-	1,708
of which trade and other payables and provisions	19	161	271	42	81	124	-	698
Non-current liabilities	3	1,076	55	363	411	252	-	2,160
Net assets	101	578	611	127	1,116	413	240	3,186
Company's share of net assets	51	289	306	64	558	202	120	1,590
Goodwill	50	-	-	208	-	-	-	258
Adjustments for differences in accounting policies and other	-	20	-	-	(59)	-	-	(39)
Carrying amount in the statements of financial position	101	309	306	272	499	202	120	1,809
Revenue	235	2,150	3,434	-	-	-	-	5,819
Depreciation and amortization	(5)	(40)	(1)	-	-	-	-	(46)
Interest income	6	-	11	-	-	3	-	20
Interest expense	-	(19)	(8)	-	-	-	-	(27)
Income tax (expense)	(4)	-	(6)	(2)	3	-	-	(9)
Net income (loss)	15	89	44	(6)	(21)	(6)	-	115
Other comprehensive income (loss)	-	-	18	-	-	-	-	18
Total comprehensive income (loss)	15	89	62	(6)	(21)	(6)	-	133
Cash dividends received by the Company	20	-	5	-	-	-	-	25

* The country of incorporation corresponds to the country of operation except for Tameh whose country of operation is also the Czech Republic.

** The ownership stake is equal to the voting rights percentage.

ArcelorMittal Gonvarri Brasil Produtos Siderúrgicos
ArcelorMittal Gonvarri Brasil Produtos Siderúrgicos S.A. is engaged in the manufacture, including auto parts, and sale of flat rolled steel, to serve, among others, the automotive and metal and mechanics industries in general. The entity processes and distributes steel primarily in Brazil, and is the result of the acquisition in 2008 of Gonvarri Brasil Produtos Siderúrgicos S.A. by AM Spain Holding and Gonvarri Steel Industries.

Gallatin Steel
Gallatin Steel Company ("Gallatin Steel") was a joint venture between ArcelorMittal and Gerdau Ameristeel. Their manufacturing facility, located in Kentucky, USA, produces hot band coils. On October 8, 2014, ArcelorMittal and Gerdau Ameristeel completed the sale of their respective 50% interests in Gallatin Steel to Nucor Corporation for a total consideration of 770. The gain on disposal for the Company's stake was 193 and is included in income (loss) from investments in associates, joint ventures and other investments.

Macsteel International Holdings B.V.
Macsteel International Holdings B.V. is a joint venture between Macsteel Holdings Luxembourg S.á r.l. and ArcelorMittal South Africa which provides the Company with an international network of traders and trading channels including the shipping and distribution of steel.

Kalagadi Manganese
Kalagadi Manganese (Propriety) Ltd ("Kalagadi Manganese") is a joint venture between ArcelorMittal and Kalahari Resource (Proprietary) Ltd that is engaged in exploring, mining, ore processing, and smelting manganese in the Kalahari Basin. In addition to the carrying amount of the investment of 272 at December 31, 2014, the Company has granted loans for the funding of the mining project amounting to 66 including accrued interest. On April 10, 2014, the share purchase agreement signed with Mrs. Mashile-Nkosi

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providing for acquisition by her or her nominee of ArcelorMittal's 50% interest in Kalagadi Manganese expired.

Valin ArcelorMittal Automotive Steel
Valin ArcelorMittal Automotive Steel ("VAMA") is a joint venture between ArcelorMittal and Hunan Valin which produces steel for high-end applications in the automobile industry and supplies international automakers and first-tier suppliers as well as Chinese car manufacturers and their supplier networks. The plant was inaugurated on June 15, 2014.

Baffinland
Baffinland is a 50/50 joint venture since October 1, 2013 between ArcelorMittal and Nunavut Iron Ore. Baffinland owns the Mary River project, which has direct shipped, high grade iron ore assets on Baffin Island in Nunavut (Canada) (see note 3).

Calvert
On February 26, 2014, the Company together with Nippon Steel & Sumitomo Metal Corporation ("NSSMC") completed the acquisition of ThyssenKrupp Steel USA ("TK Steel USA"), a steel processing plant in Calvert, Alabama, USA, for a total consideration of 1,550 financed through a combination of debt at the joint venture level and equity, of which 258 was paid by ArcelorMittal. The Company concluded that it has joint control of the arrangement, AM/NS Calvert ("Calvert"), together with NSSMC, and accounts for its 50% interest in the joint venture under the equity method. The transaction includes a six-year agreement to purchase two million tonnes of slab annually from TK CSA, an integrated steel mill complex located in Rio de Janeiro, Brazil, using a market-based price formula. TK CSA has an option to extend the agreement for an additional three years on terms that are more favorable to the joint venture, as compared with the initial time period. The remaining slab balance is sourced from ArcelorMittal plants in the US, Brazil and Mexico. ArcelorMittal is principally responsible for marketing the product on behalf of the joint venture. AM/NS Calvert serves the automotive, construction, pipe and tube, service center, and appliance/HVAC industries.

Tameh
On December 11, 2014, ArcerlorMittal and Tauron Group contributed four energy production facilities located in Poland and the Czech Republic into the new arrangement Tameh. The Company concluded that it has joint control over Tameh and accounted for its 50% interest in the joint venture under the equity method. Tameh's objective is to ensure energy supply to the Company's steel plants in these countries as well as the utilization of steel plant gases for energy production processes (see note 3).

Associates

The following table summarizes the financial information and reconciles it to the carrying amount of each of the Company's material associates at December 31, 2013 and 2014:

	December 31, 2013						
Associates	China Oriental	DHS GROUP	Hunan Valin Steel Tube and Wire Co., Ltd.	Gestamp[c]	Gonvarri Steel Industries	Stalprodukt SA[c]	Total
Financial statements reporting date ***	Jun 30, 2013	Sep 30, 2013	Sep 30, 2013	Sep 30, 2013	Sep 30, 2013	Sep 30, 2013	
Place of incorporation and operation *	Bermuda	Germany	China	Spain	Spain	Poland	
Principal Activity	Iron and steel manufacturing	Steel manufacturing	Steel manufacturing	Manufacturing of metal components	Steel manufacturing	Production and distribution of steel products	
Ownership and voting rights % at December 31, 2013 **	47.01%	33.43%	20.03%	35.00%	35.00%	33.77%	
Current assets	2,263	2,181	3,473	2,942	1,739	349	12,947
Non-current assets	1,741	3,422	7,849	4,172	1,082	633	18,899
Current liabilities	1,670	670	8,094	2,103	707	174	13,418
Non-current liabilities	766	1,103	1,367	2,799	652	127	6,814
Non controlling interests	81	178	275	503	26	42	1,105
Net assets attributable to equity holders of the parent	1,487	3,652	1,586	1,709	1,436	639	10,509
Company's share of net assets	699	1,221	318	598	503	216	3,555
Goodwill	624	-	52	-	-	-	676
Adjustments for differences in accounting policies and other	-	86 [a]	-	-	(108)[b]	(27)	(49)
Other adjustments ***	13	(91)	12	-	45	-	(21)
Carrying amount in the statements of financial position	1,336	1,216	382	598	440	189	4,161
Revenue	2,639	1,941	7,070	5,631	2,495	666	20,442
Profit or loss from continuing operations	24	(169)	(39)	138	38	19	11
Net income (loss)	8	(173)	(45)	102	37	14	(57)
Other comprehensive income (loss)	1	-	(2)	(71)	(30)	-	(102)
Total comprehensive income (loss)	9	(173)	(47)	31	7	14	(159)
Cash dividends received by the Company	-	15	-	23	39	1	78

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	December 31, 2014					
Associates	China Oriental	DHS GROUP	Gestamp[c]	Gonvarri Steel Industries	Stalprodukt SA[c]	Total
Financial statements reporting date ***	Jun 30, 2014	Sep 30, 2014	Sep 30, 2014	Sep 30, 2014	Sep 30, 2014	
Place of incorporation and operation *	Bermuda	Germany	Spain	Spain	Poland	
Principal Activity	Iron and steel manufacturing	Steel manufacturing	Manufacturing of metal components	Steel manufacturing	Production and distribution of steel products	
Ownership and voting rights % at December 31, 2014 **	47.01%	33.43%	35.00%	35.00%	33.77%	
Current assets	2,473	1,844	2,767	1,635	338	9,057
Non-current assets	1,568	3,245	4,085	1,131	577	10,606
Current liabilities	1,681	591	1,986	689	169	5,116
Non-current liabilities	789	1,095	2,694	463	212	5,253
Non controlling interests	83	157	550	104	37	931
Net assets attributable to equity holders of the parent	1,488	3,246	1,622	1,510	497	8,363
Company's share of net assets	700	1,085	568	529	168	3,050
Adjustments for differences in accounting policies and other	-	68[a]	-	(65)[b]	9	12
Other adjustments ***	(3)	(28)	(20)	(6)	(9)	(66)
Carrying amount in the statements of financial position	697	1,125	548	458	168	2,996
Revenue	2,545	2,000	6,196	2,550	684	13,975
Profit or loss from continuing operations	22	(68)	153	102	33	242
Post-tax profit or loss from discontinued operations	-	-	(2)	-	-	(2)
Net income (loss)	6	(75)	98	99	24	152
Other comprehensive income	-	-	40	14	-	54
Total comprehensive income (loss)	6	(75)	138	113	24	206
Cash dividends received by the Company	-	-	16	10	-	26

* The country of incorporation corresponds to the country of operation except for China Oriental whose country of operation is China.
** The ownership stake is equal to the voting rights percentage.
*** Other adjustments correspond to the difference between the carrying amount at December 31, 2013 and 2014 and the net assets situation corresponding to the latest financial statements ArcelorMittal is permitted to disclose.

[a] The amount for DHS GROUP includes an adjustment to align with the Company's accounting policies mainly linked to property, plant and equipment, inventory and pension.
[b] Adjustments in Gonvarri Steel Industries relate primarily to differences in accounting policies regarding revaluation of fixed assets.
[c] Date of the latest available financial statements is September 30, 2013 and 2014.
[d] Following the exercise of the third put option, the accounting treatment for Hunan Valin changed from equity method to available-for-sale (see below).

China Oriental
China Oriental Group Company Limited ("China Oriental") is a Chinese integrated iron and steel conglomerate listed on the HKSE. However, China Oriental's shares were suspended from trading as of April 29, 2014. On November 8, 2007, ArcelorMittal purchased approximately 820,000,000 China Oriental shares for a total consideration of 644, or a 28.02% equity interest. On December 13, 2007, the Company entered into a shareholder's agreement which enabled it to become the majority shareholder of China Oriental and to finally raise its equity stake in China Oriental to 73.13%. At the time of the close of its tender offer on February 4, 2008 ArcelorMittal had reached a 47% shareholding in China Oriental. The measures to restore the minimum free float of 25% as per the Hong Kong Stock Exchange ("HKSE") listing requirement were achieved by means of sale of 17.4% stake to ING Bank N.V. ("ING") and Deutsche Bank Aktiengesellschaft ("Deutsche Bank") together with put option agreements. On March 25, 2011, these agreements were extended until April 30, 2014. On April 30, 2014, following simultaneously with the exercise by Deutsche Bank of its put option with respect to a 7.5% stake in China Oriental, the Company sold this investment to Macquarie Bank and entered into a put option arrangement with the latter maturing on April 30, 2015. The Company extended the existing put option agreement with ING in relation to a further 9.9% stake in China Oriental until April 30, 2015 (see note 9). In accordance with applicable accounting requirements, the Company has not derecognized the 17.4% stake as it retained the significant risks and rewards of the investment.

As at December 31, 2013, the investment had a value of 222 based on the quoted stock price of China Oriental at the Hong Stock Exchange. The Company believed that the quoted share price was not a reliable representation of market value as the shares were thinly traded. The Company could not conclude that the security was dealt with on an active market where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

In 2014, following a revision of business assumptions in the context of continuing growth slowdown in China, the Company tested the investment for impairment on a fair value basis and concluded that such fair value was lower than the carrying amount. The results of the fair value analysis principally based on

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market multiples indicated that the carrying value recognized was in excess of the estimated fair value of the investment, which approximated the Company's share in China Oriental's net equity. The recoverable amount of the Company's investment in China Oriental amounted to 697. Based on this analysis, the Company recognized an impairment charge of 621 in income (loss) from investments in associates, joint ventures and other investments. The Company classified the measurement at fair value into Level 3.

In 2013, the Company tested the investment for impairment and determined that the value in use was lower than the carrying amount. In determining the value in use, the Company estimated its share in the present value (using a pre-tax discount rate of 11.9% for 2013) of the projected future cash flows expected to be generated by operations. The value in use was based on cash flows for a period of five years, which were extrapolated for the remaining years based on an estimated growth rate not exceeding the average long-term growth rate for the relevant markets. Based on the analysis of value in use, the Company recognized an impairment charge of 200 in income (loss) from investments in associates, joint ventures and other investments as a result of expectations regarding future performance.

DHS GROUP
DHS - Dillinger Hütte Saarstahl AG ("DHS GROUP"), incorporated and located in Germany, is a leading heavy plate producer in Europe. The group's parent company is DHS Holding, which owns 95.28% of the shares in the operating company, AG der Dillinger Hüttenwerke. Dillinger Hütte produces heavy steel plate, cast slag pots and semi-finished products, such as pressings, and pressure vessel heads and shell sections. The Dillinger Hütte also includes a further rolling mill operated by Dillinger France in Dunkirk (France).

Hunan Valin
Hunan Valin Steel Tube and Wire Co. Ltd. ("Hunan Valin") is a leading steel producer in China engaged in the production and sale of billet, seamless tube, wire rod, reinforced bar, hot rolled coil, cold rolled coil, galvanized coil, sections and Hot Rolled ("HR") plates. The products sold to domestic and overseas markets cover a wide range of market segments.

As of December 31, 2013, the investment had a market value of 194. On June 6, 2012, ArcelorMittal and Valin Group finalized a share swap arrangement based upon a put option mechanism, which enabled ArcelorMittal to exercise over the following two years put options granted by the Valin Group with respect to Hunan Valin shares. Under this arrangement, ArcelorMittal could sell up to 20% of the total equity (600 million shares) in Hunan Valin to the Valin Group. The exercise period of the put options was equally spaced with gaps of six months and linked to the key development milestones of VAMA. Following the exercise of the put options, ArcelorMittal would retain a 10% shareholding in Hunan Valin as part of a long-term strategic cooperation agreement. ArcelorMittal's acquisition of the additional 16% shareholding in VAMA, which would be financed by the sale of shares in Hunan Valin using the put options, was approved by the Chinese authorities in December 2012. The put option exercise dates were February 6, 2013, August 6, 2013, February 6, 2014 and August 6, 2014. The exercise price per share was CNY 4 for the first two dates and CNY 4.4 for the last two dates. On February 6, 2013 and August 6, 2013, the Company exercised the first and second put options on Hunan Valin. Its interest in the associate decreased accordingly from 30% to 20%. The aggregate resulting gain on disposal was recorded as income (loss) from investments in associates, joint ventures and other investments and amounted to 45 including the proportional reclassification of the accumulated positive foreign exchange translation difference from other comprehensive income to the statements of operations of 33. The total consideration was 194, of which 169 was reinvested into a capital increase and into the acquisition of an additional 16% interest in VAMA, in which the Company increased accordingly its stake from 33% to 49%. As a result of the exercise of the third put option on February 8, 2014, the Company's interest in Hunan Valin decreased from 20% to 15%. Accordingly, the Company discontinued the accounting for its investment under the equity method and reclassified its interest as available-for-sale within other investments in the statement of financial position (see note 14). The resulting loss on disposal was recorded in income (loss) from investments in associates, joint ventures and other investments and amounted to 76. This amount consisted of a gain of 13 on disposal of the 5% stake and the reclassification of the accumulated positive foreign exchange translation difference from other comprehensive income to the statements of operations of 61, offset by a loss of 150 with respect to the remeasurement at fair value of the remaining interest of 15%.

Gestamp
Gestamp Automoción ("Gestamp") is a Spanish multi-national company, which is a leader in the European automotive industry. The activities of Gestamp and its subsidiaries are focused on the design, development, and manufacturing of metal components for the automotive industry via stamping, tooling, assembly, welding, tailor welded blanks, and die cutting. The entity also includes other companies dedicated to services such as research and development of new technologies.

Gonvarri Steel Industries
Holding Gonvarri SL ("Gonvarri Steel Industries") is dedicated to the processing of steel. The entity is a European leader in steel service centers and renewable energy components, with strong presence in Europe and Latin America.

Stalprodukt SA
Stalprodukt SA is a leading manufacturer and exporter of highly processed steel products based in Poland. As of December 31, 2013 and 2014, the investment had a market value of 138 and 261, respectively.

Other associates and joint ventures that are not individually material

The Group has interests in a number of other joint ventures and associates, none of which are regarded as individually material. The following table summarizes, in aggregate, the financial information of all individually immaterial joint ventures and associates that are accounted for using the equity method:

	December 31, 2013		December 31, 2014	
	Associates	Joint Ventures	Associates	Joint Ventures
Carrying amount of interests in associates and joint ventures	673	608	442	586
Share of:				
Income (loss) from continuing operations	(22)	20	(3)	13
Other comprehensive income (loss)	(19)	(13)	-	-
Total comprehensive income (loss)	(41)	7	(3)	13

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On April 12, 2013, the Company reduced its stake in Coils Lamiere Nastri ("CLN") S.p.a. from 35.00% to 24.55% through the exercise of put options. The cash consideration received was 57 and the gain on disposal recognized in income (loss) from investments in associates, joint ventures and others was 8, including a loss of 4 corresponding to the proportional reclassification of the accumulated negative foreign exchange translation reserve from other comprehensive income to the statements of operations.

The Company's unrecognized share of accumulated losses in ArcelorMittal Algérie Spa amounted to 4 and 49 for the years ended December 31, 2013 and December 31, 2014, respectively.

The Company assessed the recoverability of its investments accounted for using the equity method whenever there was an indication of impairment. In determining the value in use of its investments, the Company estimated its share in the present value of the projected future cash flows expected to be generated by operations of associates and joint ventures. Based on the analysis of the higher of fair value and value in use as of December 31, 2014 the Company concluded that no impairment was required, except for China Oriental (see above). For the year ended December 31, 2013 the Company recorded an impairment loss of 111 in respect of its investment in Coal of Africa as a result of lower profitability and decline in market value. The Company applied a Level 1 fair value measurement and adjusted the carrying amount to the market value of 11 at December 31, 2013.

The Company is not aware of any material contingent liabilities related to associates and joint ventures for which it is severally liable for all or part of the liabilities of the associates nor are there any contingent liabilities incurred jointly with other investors. See note 24 for disclosure of commitments related to associates and joint ventures.

Investments in joint operations

In addition to subsidiaries, joint ventures and associates as described above, the Company also had investments in the following joint operations as of December 31, 2014:

Peña Colorada

Peña Colorada is an iron ore mine located in Mexico in which ArcelorMittal holds a 50% interest. Peña Colorada operates an open pit mine as well as concentrating facility and two-line pelletizing facility.

Hibbing Taconite Mines

The Hibbing Taconite Mines in which the Company holds a 62.3% interest are iron ore mines located in the USA and operations consist of open pit mining, crushing, concentrating and pelletizing.

I/N Tek

I/N Tek in which the Company holds a 60% interest operates a cold-rolling mill in the USA.

Double G Coatings

ArcelorMittal holds a 50% interest in Double G Coating, a hot dip galvanizing and Galvalume facility in the USA.

Hibbing Taconite Mines and Peña Colorada are part of the Mining segment; other joint operations are part of NAFTA.

Unconsolidated structured entities

ArcelorMittal has operating lease arrangements for six vessels (Panamax Bulk Carriers) involving structured entities whose main purpose is to hold legal title of the six vessels and to lease them to the Company. The operating lease arrangements for five vessels were entered in 2013 and for a sixth vessel in 2014. These entities are wholly-owned and controlled by a financial institution. They are funded through equity instruments by the financial institution.

The aforesaid operating leases have been agreed for a 12 year period, during which the Company is obliged to pay to the structured entities minimum fees equivalent to approximately 4 per year and per vessel. In addition, ArcelorMittal holds call options to buy each of the six vessels from the structured entities at pre-determined dates and prices as presented in the table below. The structured entities hold put options enabling them to sell each of the vessels at the end of the lease terms at 6 each to the Company.

	Call options' strike prices							
Exercise dates	at the 60th month	at the 72nd month	at the 84th month	at the 96th month	at the 108th month	at the 120th month	at the 132nd month	at the 144th month
Amounts per vessel*								
First four vessels	28	26	25	23	21	19	17	14
Fifth vessel	29	27	26	24	22	20	17	14
Sixth vessel	31	30	28	27	26	24	20	14

* If actual fair values of each vessel are higher than strike prices at each of the exercise dates, ArcelorMittal is then obliged to share (50%/50%) the gain with the structured entities.

In addition, pursuant to these arrangements, the Company had a receivable of 37 and 37 at December 31, 2013 and December 31, 2014, respectively (classified as "Other assets"), which does not bear interest, is forgiven upon default and will be repaid by the structured entities quarterly in arrears throughout the lease term. The outstanding balance will be used to offset payment of any interim call options, if exercised.

Income (loss) from investments in associates, joint ventures and other investments

Loss from investments in associates, joint ventures and other investments amounted to 172 for the year ended December 31, 2014 and included a net loss of 14 related to the disposal of the Hunan Valin shares. This includes a net loss of 76 related to the exercise of the third put option on February 8, 2014 as mentioned above, partly offset by a net gain of 62 with respect to the fourth and last put option exercised on August 6, 2014 (see note 14). Income for the year ended December 31, 2014 also included impairment charges of 56 relating to Erdemir (see note 14) and 621 relating to China Oriental partly offset by a 193 gain on disposal of the Company's 50% interest in Gallatin Steel.

Loss from associates, joint ventures and other investments amounted to 442 for the year ended December 31, 2013 and included impairment charges for a total amount of 422, of which 200 (see above) related to the Company's 47% stake in the associate China Oriental as a result of current expectations regarding future performance. In addition, the Company recorded an impairment charge of 111 relating to the Company's 50% interest in the associate Kiswire ArcelorMittal Ltd in the framework of the agreed sale of certain steel cord assets to the joint venture partner Kiswire Ltd. Loss for the year ended December 31, 2013 also included an impairment charge of 111 relating to the associate Coal of Africa as a result of lower profitability and decline in market value. Loss for the year ended December 31, 2013 included a charge of 57 following the disposal of a 6.66% interest in Erdemir shares by way of a single accelerated bookbuilt offering to institutional investors. In addition, loss for the year ended December 31, 2013 included a 56 expense for contingent consideration with respect to the Gonvarri Brasil acquisition made in 2008 partly offset by a gain of 45 with respect to the sale of a 10% interest in Hunan Valin following the exercise of the first and second put options (see above).

Income (loss) from investments in associates, joint ventures and other investments included dividend income from other investments was 55 and 59 for the years ended December 31, 2013 and 2014, respectively.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Note 14: Other investments

The Company holds the following other investments:

	December 31,	
	2013	2014
Available-for-sale securities (at fair value)	522	1,022
Investments accounted for at cost	216	180
Total	738	1,202

Eregli Demir ve Çelik Fabrikalari T.A.S. ("Erdemir")
On October 10, 2013, following the completion of the sale of 233,169,183 shares in Erdemir by way of a single accelerated bookbuilt offering to institutional investors, the Company's interest in Erdemir decreased from 18.74% to 12.08%. The sale proceeds amounted to 267. The loss on disposal amounting to 57 was recorded in income (loss) from investments in associates, joint ventures and other investments. The loss corresponds to the proportional reclassification from other comprehensive income to the consolidated statements of operations of unrealized losses on available-for-sale securities.

As of December 31, 2013 and 2014, the fair value of ArcelorMittal's remaining stake in Erdemir amounted to 508 and 809, respectively. Unrealized gains (losses) recognized in reserves amounted to (88) and 299 for the year ended December 31, 2013 and 2014, respectively. The Company reviewed the investment in Erdemir for impairment during the first quarter of 2014 and concluded that there was a prolonged decline in fair value that remained continuously below cost for more than two years. Accordingly, it recorded an impairment charge of 56 in income (loss) from investments in associates, joint ventures and other investments. Following the impairment the fair value of Erdemir increased and the Company recorded a revaluation gain of 267 in other comprehensive income as of December 31, 2014.

Hunan Valin
Following the exercise of the third put option granted by the Valin Group on February 8, 2014, the Company classified its investment in Hunan Valin as available-for-sale (see note 13).

On August 6, 2014, the Company exercised the fourth and last put option, which subsequently led to the decrease in its stake in Hunan Valin from 15% to 10%. The Company recognized a net gain of 62 including a gain of 64 in relation to the option, which was a Level 2 financial instrument, a loss on disposal of 14 and a proportional reclassification of the accumulated positive reserve for available-for-sale investments from other comprehensive income to the statements of operations of 12.

As of December 31, 2014, the fair value of ArcelorMittal's remaining stake in Hunan Valin amounted to 192. Unrealized gains recognized in reserves amounted to 101 for the year ended December 31, 2014.

The Company reviewed the investments in Hunan Valin and Erdemir for impairment and concluded that there was no impairment trigger.

Note 15: Other assets

Other assets consisted of the following:

	December 31, 2013	December 31, 2014
Financial amounts receivable	252	454
Long-term VAT receivables	388	279
Cash guarantees and deposits	263	231
Accrued interest	116	151
Assets in pension funds[1]	55	32
Income tax receivable	13	11
Derivative financial instruments	7	4
Other	220	266
Total	1,314	1,428

[1]The pension funds are mainly related to units in Canada.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Note 16: Balances and transactions with related parties

Transactions with related parties, including associates and joint ventures of the Company, were as follows:

Sales and trade receivables

		Sales		Trade receivables	
		Year ended December 31,		December 31,	
Transactions	Category	2013	2014	2013	2014
Gonvarri Group	Associate	1,364	1,456	97	91
Calvert[1]	Joint Venture	-	1,136	-	28
Macsteel Group	Joint Venture	497	579	50	25
CLN Group	Associate	359	563	47	63
Borcelik Celik Sanayii Ticaret A.S.	Associate	435	516	6	2
Bamesa Group	Associate	397	416	43	60
I/N Kote L.P.	Joint Venture	432	412	1	-
Gestamp Group	Associate	281	297	31	35
WDI Group	Associate	207	238	13	-
Aperam	Other	155	190	18	25
Stalprodukt SA	Associate	191	180	37	38
ArcelorMittal Algérie Spa [2]	Associate	-	93	-	1
Stalprofil S.A.	Associate	74	82	9	12
ArcelorMittal BE Group SSC AB	Joint Venture	52	59	4	3
Consolidated Wire Industries Limited	Associate	40	50	1	-
DHS Group	Associate	57	33	5	7
Uttam Galva Steels Limited	Associate	9	27	8	11
Other		220	279	54	68
Total		4,770	6,606	424	469

Purchases and trade payables

		Purchases		Trade payables	
		Year ended December 31,		December 31,	
Transactions	Category	2013	2014	2013	2014
Empire Iron Mining Partnership	Associate	203	257	-	-
Gonvarri Group	Associate	168	193	14	14
Borcelik Celik Sanayii Ticaret A.S.	Associate	165	175	30	37
Aperam	Other	113	168	17	34
Exeltium	Joint Venture	89	87	10	-
CFL Cargo S.A.	Associate	66	74	11	8
Uttam Galva Steels Limited	Associate	67	65	3	10
Vulkan Energiewirtschaft Oderbrucke GmbH	Other	45	44	8	7
Baycoat L.P.	Joint Venture	48	43	6	6
Alkat sp. z.o.o.	Associate	34	36	4	3
Eko SchrottRecycling GmbH	Other	34	35	3	3
Borusan Demir Delik Sanayi ve Ticaret A.S.	Associate	43	34	2	2
Steeltrack	Associate	1	22	-	1
Macsteel Group	Joint Venture	-	17	-	-
Kiswire ArcelorMittal Ltd.[3]	Other	39	13	10	-
DHS Group	Associate	45	12	5	1
Tameh[4]	Joint Venture	-	12	-	19
Calvert[1]	Joint Venture	-	-	-	109
Other		150	68	20	36
Total		1,310	1,355	143	290

[1] The joint venture Calvert was acquired on February 26, 2014 (see note 13).
[2] ArcelorMittal Algérie Spa became an associate on December 17, 2013 (see note 3).
[3] The joint venture Kiswire ArcelorMittal Ltd. was sold in May 2014 (see note 3). Purchases include purchase transactions until May 2014.
[4] The joint venture Tameh was formed on December 11, 2014 (see note 13).

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

At December 31, 2014, loans granted to Kalagadi Manganese for funding of the mining project amounted to 66 including accrued interest. The loans are unsecured, bear 10.5% interest per annum and are payable upon demand.

Also, at December 31, 2014, unsecured loans granted by the Company to ArcelorMittal Tubular Products Al Jubail for the construction of a seamless tube mill in Saudi Arabia amounted to 124 including accrued interests, of which 50 bear interest up to 24% per annum and have various maturity dates ranging from 3 to 4 years.

Other current liabilities include 28 relating to the final call of share capital in ArcelorMittal Algérie Spa (previously ArcelorMittal Annaba) following the strategic agreement signed in October 2013 and 57 with respect to payables to Paul Wurth.

Other non-current liabilities include 21 with respect to payables to ArcelorMittal Algérie Spa (previously ArcelorMittal Annaba) and 42 with respect to loan payable to Baffinland Iron Mines Corporation in relation to the capital increase in Baffinland.

In May 2014 ArcelorMittal entered into a 5-year off take agreement with its joint venture Baffinland, whereby it will buy the lesser of 50% of the annual quantity of iron ore produced by Baffinland and 2 million tonnes of iron ore per year. The purchase price is referenced to the Platts IODEX 62% Fe CFR China index and ArcelorMittal will pay advances to Baffinland for the iron ore stockpiled by Baffinland outside the sailable season during which the iron ore can be shipped.

In May 2014, ArcelorMittal also entered into a sales contract with Baffinland whereby it agreed to act as a sales agent for all of Baffinland's iron ore (excluding the shipments subject to the off take agreement mentioned above). In addition, until December 31, 2015, the Company agreed to advance to Baffinland the equivalent of 80% of the purchase price of the iron ore stockpiled by Baffinland outside the sailable season up to a maximum of 1.5 million tonnes.

Transactions with related parties are mainly related to sales and purchases of raw materials and steel products.

The above mentioned transactions between ArcelorMittal and the respective entities were conducted on an arms' length basis.

Note 17: Short-term and long-term debt

Short-term debt
Short-term debt, including the current portion of long-term debt, consisted of the following:

	December 31, 2013	December 31, 2014
Short-term bank loans and other credit facilities including commercial paper *	545	1,249
Current portion of long-term debt	3,491	1,200
Lease obligations	56	73
Total	4,092	2,522

*The weighted average interest rate on short term borrowings outstanding were 4.1% and 2.7% as of December 31, 2013 and 2014, respectively.

During the first half of 2014, ArcelorMittal entered into various short-term committed bilateral credit facilities for a total amount of 0.9 billion. As of December 31, 2014, the facilities remain fully available.

On June 10, 2014, ArcelorMittal entered into an agreement for financing with a financial institution for 1 billion. The financial institution had the right to request early repayment once per year beginning in February 2015 until the final maturity on April 20, 2017. On February 13, 2015, the Company elected to make an early repayment of such financing.

Commercial paper
The Company has a commercial paper program enabling borrowings of up to €1.0 billion. As of December 31, 2014, the outstanding amount was 50.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Long-term debt
Long-term debt is comprised of the following as of December 31, 2014:

	Year of maturity	Type of Interest	Interest rate[1]	2013	2014
Corporate					
3.6 billion Revolving Credit Facility	2016	Floating		-	-
2.4 billion Revolving Credit Facility	2018	Floating		-	-
€1.25 billion Convertible Bonds	2014	Fixed	7.25%	1,692	-
800 Convertible Senior Notes	2014	Fixed	5.00%	780	-
€100 million Unsecured Bonds	2014	Fixed	5.50%	138	-
€360 million Unsecured Bonds	2014	Fixed	4.63%	497	-
750 Unsecured Notes[3]	2015	Fixed	9.50%	747	-
1.0 billion Unsecured Bonds	2015	Fixed	4.25%	996	998
500 Unsecured Notes[3]	2015	Fixed	4.25%	499	-
500 Unsecured Notes	2016	Fixed	4.25%	498	499
€1.0 billion Unsecured Bonds	2016	Fixed	10.63%	1,373	1,210
€1.0 billion Unsecured Bonds	2017	Fixed	5.88%	1,371	1,208
1.4 billion Unsecured Notes	2017	Fixed	5.00%	1,394	1,396
1.5 billion Unsecured Notes	2018	Fixed	6.13%	1,500	1,500
€500 million Unsecured Notes	2018	Fixed	5.75%	686	604
1.5 billion Unsecured Notes	2019	Fixed	10.35%	1,471	1,475
€750 million Unsecured Notes	2019	Fixed	3.00%	-	903
€600 million Unsecured Notes	2020	Fixed	2.88%	-	719
1.0 billion Unsecured Bonds	2020	Fixed	5.75%	986	988
1.5 billion Unsecured Notes	2021	Fixed	6.00%	1,487	1,489
1.1 billion Unsecured Notes	2022	Fixed	6.75%	1,089	1,090
1.5 billion Unsecured Bonds	2039	Fixed	7.50%	1,465	1,465
1.0 billion Unsecured Notes	2041	Fixed	7.25%	983	983
Other loans	2021	Fixed	3.46%	77	70
EBRD loans	2015	Floating	1.23%	25	8
300 Term Loan Facility	2016	Floating	2.08%	-	300
EIB loan	2016	Floating	1.58%	345	304
ICO loan	2017	Floating	2.58%	68	42
Other loans	2017-2035	Floating	0.00%-2.47%	177	144
Total Corporate				20,344	17,395
Americas					
600 Senior Unsecured Notes	2014	Fixed	6.50%	188	-
Other loans	2016-2026	Fixed/Floating	0.00% - 15.08%	448	420
Total Americas				636	420
Europe, Asia & Africa					
Other loans	2015-2016	Fixed/Floating	0.00%-6.00%	31	28
Total Europe, Asia & Africa				31	28
Total				21,011	17,843
Less current portion of long-term debt				(3,491)	(1,200)
Total long-term debt (excluding lease obligations)				17,520	16,643
Long-term lease obligations[2]				699	632
Total long-term debt, net of current portion				18,219	17,275

[1]Rates applicable to balances outstanding at December 31, 2014.
[2]Net of current portion of 56 and 73 in 2013 and 2014, respectively.
[3]Early redeemed on October 30, 2014.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Corporate

3.6 billion Revolving Credit Facility

On March 18, 2011, ArcelorMittal entered into a 6 billion facility, a syndicated revolving credit facility which may be utilized for general corporate purposes and which matures in 2016. On November 26, 2013, the facility was amended and reduced to 3.6 billion. As of December 31, 2014, the 3.6 billion Revolving Credit Facility remains fully available.

2.4 billion Revolving Credit Facility

On May 6, 2010, ArcelorMittal entered into a 4 billion facility, a syndicated revolving credit facility which may be utilized for general corporate purposes. On November 26, 2013, the facility was amended and reduced to 2.4 billion and the maturity date extended to November 6, 2018. As of December 31, 2014, the 2.4 billion Revolving Credit Facility remains fully available.

Convertible Bonds

On April 1, 2014, at maturity, ArcelorMittal repaid its €1.25 billion 7.25% unsecured and unsubordinated Convertible Bonds (see note 18).

On May 15, 2014, at maturity, ArcelorMittal repaid its 800 5.00% unsecured and unsubordinated Convertible Senior Notes (see note 19).

The €1.25 billion Convertible Bonds and the 800 Convertible Senior Notes were issued on April 1, 2009 and May 6, 2009, respectively (collectively referred to herein as the Convertible Bonds). At inception, the Company had the option to settle the Convertible Bonds for common shares or the cash value of the common shares at the date of settlement as defined in the Convertible Bonds' documentation. The Company determined that the agreements related to the Convertible Bonds were hybrid instruments as the conversion option gave the holders the right to put the Convertible Bonds back to the Company in exchange for common shares or the cash equivalent of the common shares of the Company based upon the Company's share price at the date of settlement. In addition, the Company identified certain components of the agreements to be embedded derivatives. On October 28, 2009, the Company announced that it had decided to irrevocably waive the option to settle the 800 convertible senior notes in cash for the cash value of the common shares at the date of settlement.

At the inception of the Convertible Bonds, the Company determined the fair value of the embedded derivatives using the binomial option valuation methodology and recorded the amounts as financial liabilities in other long-term obligations of 408 and 189 for the €1.25 billion Convertible Bonds and the 800 Convertible Senior Notes, respectively. As a result of the waiver of the option to settle the 800 Convertible Senior Notes in cash for the cash value of the common shares at the date of settlement, the Company determined that the conversion option was an equity instrument. As a consequence, its fair value of 279 (198 net of tax) at the date of the waiver was transferred to equity.

On December 14, 2010 and December 18, 2010, ArcelorMittal acquired euro-denominated call options on 61,728,395 of its own shares and US dollar-denominated call options on 26,533,997 of its own shares, with strike prices of €20.25 and $30.15 per share, respectively. These call options allowed the Company to hedge its obligations arising out of the potential conversion of the Convertible Bonds. The related call options expired at the dates of the repayment of the Convertible Bonds.

Bonds

On March 25, 2014, ArcelorMittal completed the offering of €750 Unsecured Notes due March 25, 2019 issued under the €3 billion wholesale Euro Medium Term Notes Programme. These notes bear interest at 3% per annum and the proceeds of the issuance were used for general corporate purposes.

On July 4, 2014, ArcelorMittal completed the offering of €600 Unsecured Notes due July 6, 2020 issued under the €3 billion wholesale Euro Medium Term Notes Programme. These notes bear interest at 2.875% per annum and the proceeds of the issuance were used for general corporate purposes.

On July 15, 2014, at maturity, ArcelorMittal repaid its €100 million 5.50% Unsubordinated Bonds.

On October 30, 2014, the Company redeemed its 750 9.0% Unsecured Notes due February 15, 2015 and its 500 3.750% Unsecured Notes due February 25, 2015 prior to their scheduled maturity for a total amount of 784 and 510 respectively, including premium and accrued interest.

On November 7, 2014, at maturity, ArcelorMittal repaid the remaining outstanding amount of €360 million of its €500 million 4.625% Unsecured Bonds. On June 26, 2013, in connection with a zero premium cash tender offer to purchase any and all of its 4.625% Euro-denominated notes, ArcelorMittal purchased €140 million principal amount of notes for a total aggregate purchase price (including accrued interest) of €150 million.

On January 14, 2015, ArcelorMittal announced the issuance of €750 million 3.125% Notes due on January 14, 2022 under its €3 billion wholesale Euro Medium Term Notes Programme. The proceeds of the issuance will be used for general corporate purposes.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following table describes the maturity and interest rates of various Notes and Bonds. The margin under certain of ArcelorMittal's outstanding bonds is subject to adjustment in the event of a change in its long-term credit ratings. Due, among other things, to the weak steel industry outlook and ArcelorMittal's credit metrics and level of debt, Standard & Poor's, Moody's and Fitch downgraded the Company's rating to below "investment grade" in August (first downgrade), November and December 2012 (second downgrade), respectively. These downgrades triggered the interest rate "step-up" clauses in most of the Company's outstanding bonds, as described in the table below:

Nominal value	Date of issuance	Repayment date	Interest rate	Issued at
1.0 billion Unsecured Bonds	August 5, 2010	August 5, 2015	4.25%[5]	99.12%
500 Unsecured Notes	March 7, 2011	March 1, 2016	4.25%[5]	99.57%
€1.0 billion Unsecured Bonds	June 3, 2009	June 3, 2016	10.63%[2]	99.38%
€1.0 billion Unsecured Bonds[1]	November 18, 2010	November 17, 2017	5.88%[5]	99.32%
1.4 billion Unsecured Notes	February 28, 2012	February 25, 2017	5.00%[5]	99.69%
1.5 billion Unsecured Notes	May 27, 2008	June 1, 2018	6.13%[4]	99.57%
€500 million Unsecured Notes[1]	March 29, 2012	March 29, 2018	5.75%[3]	99.71%
1.5 billion Unsecured Notes	May 20,2009	June 1, 2019	10.35%[5]	97.52%
€750 million Unsecured Notes [1]	March 25, 2014	March 25, 2019	3.00%[4]	99.65%
€600 million Unsecured Notes [1]	July 4, 2014	July 6, 2020	2.88%[4]	99.18%
1.0 billion Unsecured Bonds	August 5, 2010	August 5, 2020	5.75%[5]	98.46%
1.5 billion Unsecured Notes	March 7, 2011	March 1, 2021	6.00%[5]	99.36%
1.1 billion Unsecured Notes	February 28, 2012	February 25, 2022	6.75%[5]	98.28%
1.0 billion Unsecured Bonds	October 1, 2009	October 15, 2039	7.50%[5]	95.20%
500 Unsecured Bonds	August 5, 2010	October 15, 2039	7.50%[5]	104.84%
1.0 billion Unsecured Notes	March 7, 2011	March 1, 2041	7.25%[5]	99.18%

[1] Issued under the €3 billion Euro Medium Term Notes Programme.
[2] Change in interest rate following downgrades, effective on June 3, 2013.
[3] Change in Interest rate following downgrades, effective on March 29, 2013.
[4] No impact on interest rate following downgrades in 2012.
[5] Change in interest rate following downgrades, effective in 2012.

European Bank for Reconstruction and Development ("EBRD") Loans
The Company has entered into five separate agreements with the European Bank for Reconstruction and Development ("EBRD") for on-lending out of which one agreement for the following subsidiary was outstanding as of December 31, 2014: ArcelorMittal Temirtau on June 15, 2007. The agreement related to ArcelorMittal Kryvyi Rih was fully repaid on April 3, 2013. The last repayment installment under ArcelorMittal Temirtau is in January 2015. The amount outstanding under the EBRD agreements as of December 31, 2014 was 8 as compared to 25 as of December 31, 2013.

300 Term Loan Facility
On December 20, 2013, ArcelorMittal entered into a term loan facility in an aggregate amount of 300, maturing on December 20, 2016. The facility may be used by the Group for general corporate purposes. Amounts repaid under this agreement may not be re-borrowed. As of December 31, 2014, the term loan facility was fully drawn.

European Investment Bank ("EIB") Loan
The Company entered into an agreement with the EIB for the financing of activities for research, engineering and technological innovation related to process improvements and new steel product developments on July 15, 2010. The full amount of €250 million was drawn on September 27, 2011. The final repayment date under this agreement is September 27, 2016. The outstanding amount in total as of December 31, 2013 and 2014 was 345 and 304, respectively.

Instituto de Crédito Oficial ("ICO") Loan
The Company entered into an agreement with the ICO on April 9, 2010 for the financing of the Company investment plan in Spain for the period 2008-2011. The last installment under this agreement is due on April 7, 2017. The outstanding amount in total as of December 31, 2013 and 2014 was 68 and 42, respectively.

Other loans
The other loans relate to various debt with banks and public institutions.

Americas
Senior Unsecured Notes
On April 15, 2014, at maturity, ArcelorMittal repaid the remaining outstanding amount of 189 of its 600 6.50% Senior Unsecured Notes. As a consequence of the repayment, the guarantee associated with the 600 6.50% Senior Unsecured Notes was terminated.

On June 28, 2013, in connection with the early tender portion of a zero premium cash tender offer to purchase any and all of its senior unsecured notes, ArcelorMittal purchased 311 principal amount of notes for a total aggregate purchase price (including accrued interest) of 327. An additional 1 principal amount of notes for a total aggregate purchase price (including accrued interest) of 1 were purchased on the final settlement date of July 16, 2013. Accordingly, a total of 312 principal amount of notes were purchased, for a total aggregate purchase price (including accrued interest) of 328.

Other loans
The other loans relate mainly to loans contracted by ArcelorMittal Brasil with different counterparties.

Other
Certain debt agreements of the Company or its subsidiaries contain certain restrictive covenants. Among other things, these covenants limit encumbrances on the assets of ArcelorMittal and its subsidiaries, the ability of ArcelorMittal's subsidiaries to incur debt and ArcelorMittal's ability to dispose of assets in certain circumstances. Certain of these agreements also require compliance with a financial covenant.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The Company's principal credit facilities (2.4 billion Revolving Credit Facility, 3.6 billion Revolving Credit Facility and certain borrowing agreements) include 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 Company for a Measurement Period, subject to certain adjustments as defined 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, currently 4.25 to 1, and 3.5 to 1 for certain agreements. Failure to comply with any covenant would enable the lenders to accelerate the Company's repayment obligations. Moreover, the Company's debt facilities have provisions whereby certain events relating to other borrowers within the Company's subsidiaries could, under certain circumstances, lead to acceleration of debt repayment under such credit facilities. Any invocation of these cross-acceleration clauses could cause some or all of the other debt to accelerate.

The Company was in compliance with the financial covenants contained in the agreements related to all of its borrowings as of December 31, 2014.

As of December 31, 2014 the scheduled maturities of short-term debt, long-term debt and long-term lease obligations, including their current portion are as follows:

2015	2,522
2016	2,599
2017	2,829
2018	2,238
2019	2,474
Subsequent years	7,135
Total	19,797

The Company monitors its net debt in order to manage its capital. The following table presents the structure of the Company's net debt in original currencies:

		Presented in USD by original currency as at December 31, 2014			
	Total USD	EUR	USD	BRL	Other
Short-term debt including the current portion of long-term debt	2,522	91	2,178	144	109
Long-term debt	17,275	5,124	11,883	222	46
Cash including restricted cash	(4,016)	(1,835)	(1,447)	(136)	(598)
Net debt	15,781	3,380	12,614	230	(443)

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

As a part of the Company's overall risk and cash management strategies, several loan agreements have been swapped from their original currencies to other foreign currencies.

The carrying value of short-term bank loans and commercial paper approximate their fair value. The carrying amount and fair value of the Company's long-term debt (including current portion) and lease obligations (including current portion) is:

	December 31, 2013		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Instruments payable bearing interest at fixed rates	20,751	22,875	17,288	18,837
Instruments payable bearing interest at variable rates	1,015	989	1,261	1,237

The following tables summarize the Company's bases used to measure its debt at fair value. Fair value measurement has been classified into three levels based upon a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

As of December 31, 2013

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Instruments payable bearing interest at fixed rates	20,751	21,604	1,271	-	22,875
Instruments payable bearing interest at variable rates	1,015	-	989	-	989
Total long-term debt, including current portion at fair value	21,766	21,604	2,260	-	23,864

As of December 31, 2014

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Instruments payable bearing interest at fixed rates	17,288	17,726	1,111	-	18,837
Instruments payable bearing interest at variable rates	1,261	-	1,237	-	1,237
Total long-term debt, including current portion at fair value	18,549	17,726	2,348	-	20,074

Instruments payable classified as Level 1 refer to the Company's listed bonds quoted in active markets. The total fair value is the official closing price as defined by the exchange on which the instrument is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs.

Instruments payable classified as Level 2 refer to all debt instruments not classified as Level 1. Fixed rate debt is based on estimated future cash flows which are discounted using current zero coupon rates for the relevant maturities and currencies as well as ArcelorMittal's credit spread quotations for the relevant maturities.

There were no instruments payable classified as Level 3.

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Note 18: Financial instruments

The Company enters into derivative financial instruments to manage its exposure to fluctuations in interest rates, exchange rates and the price of raw materials, energy and emission rights allowances arising from operating, financing and investing activities.

Fair values versus carrying amounts

The estimated fair values of certain financial instruments have been determined using available market information or other valuation methodologies that require judgment in interpreting market data and developing estimates. The following table summarizes assets and liabilities based on their categories at December 31, 2013

	Carrying amount in the consolidated statements of financial position	Non-financial assets and liabilities	Loan and receivables	Liabilities at amortized cost	Fair value recognized in profit or loss	Available-for-sale assets	Derivatives
ASSETS							
Current assets:							
Cash and cash equivalents	6,072	-	6,072	-	-	-	-
Restricted cash	160	-	160	-	-	-	-
Trade accounts receivable and other	4,886	-	4,886	-	-	-	-
Inventories	19,240	19,240	-	-	-	-	-
Prepaid expenses and other current assets	3,375	2,038	1,273	-	-	-	64
Assets held for sale	292	292	-	-	-	-	-
Total current assets	34,025	21,570	12,391	-	-	-	64
Non-current assets:							
Goodwill and intangible assets	8,734	8,734	-	-	-	-	-
Biological assets	132	-	-	-	132	-	-
Property, plant and equipment	51,232	51,232	-	-	-	-	-
Investments in associates and joint ventures	7,195	7,195	-	-	-	-	-
Other investments	738	-	-	-	-	738	-
Deferred tax assets	8,938	8,938	-	-	-	-	-
Other assets	1,314	500	807	-	-	-	7
Total non-current assets	78,283	76,599	807	-	132	738	7
Total assets	112,308	98,169	13,198	-	132	738	71
LIABILITIES AND EQUITY							
Current liabilities:							
Short-term debt and current portion of long-term debt	4,092	-	-	4,092	-	-	-
Trade accounts payable and other	12,604	-	-	12,604	-	-	-
Short-term provisions	1,206	1,206	-	-	-	-	-
Accrued expenses and other liabilities	7,071	1,113	-	5,752	-	-	206
Income tax liabilities	179	179	-	-	-	-	-
Liabilities held for sale	83	83	-	-	-	-	-
Total current liabilities	25,235	2,581	-	22,448	-	-	206
Non-current liabilities:							
Long-term debt, net of current portion	18,219	-	-	18,219	-	-	-
Deferred tax liabilities	3,115	3,115	-	-	-	-	-
Deferred employee benefits	9,494	9,494	-	-	-	-	-
Long-term provisions	1,883	1,883	-	-	-	-	-
Other long-term obligations	1,189	450	-	738	-	-	1
Total non-current liabilities	33,900	14,942	-	18,957	-	-	1
Equity:							
Equity attributable to the equity holders of the parent	49,793	49,793	-	-	-	-	-
Non-controlling interests	3,380	3,380	-	-	-	-	-
Total equity	53,173	53,173	-	-	-	-	-
Total liabilities and equity	112,308	70,696	-	41,405	-	-	207

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following table summarizes assets and liabilities based on their categories at December 31, 2014

	Carrying amount in the consolidated statements of financial position	Non-financial assets and liabilities	Loan and receivables	Liabilities at amortized cost	Fair value recognized in profit or loss	Available-for-sale assets	Derivatives
ASSETS							
Current assets:							
Cash and cash equivalents	3,893	-	3,893	-	-	-	-
Restricted cash	123	-	123	-	-	-	-
Trade accounts receivable and other	3,696	-	3,696	-	-	-	-
Inventories	17,304	17,304	-	-	-	-	-
Prepaid expenses and other current assets	2,627	1,560	875	-	-	-	192
Assets held for sale	414	414	-	-	-	-	-
Total current assets	28,057	19,278	8,587	-	-	-	192
Non-current assets:							
Goodwill and intangible assets	8,104	8,104	-	-	-	-	-
Biological assets	128	-	-	-	128	-	-
Property, plant and equipment	46,465	46,465	-	-	-	-	-
Investments in associates and joint ventures	5,833	5,833	-	-	-	-	-
Other investments	1,202	-	-	-	-	1,202	-
Deferred tax assets	7,962	7,962	-	-	-	-	-
Other assets	1,428	424	888	-	-	-	116
Total non-current assets	71,122	68,788	888	-	128	1,202	116
Total assets	99,179	88,066	9,475	-	128	1,202	308
LIABILITIES AND EQUITY							
Current liabilities:							
Short-term debt and current portion of long-term debt	2,522	-	-	2,522	-	-	-
Trade accounts payable and other	11,450	-	-	11,450	-	-	-
Short-term provisions	1,024	944	-	80	-	-	-
Accrued expenses and other liabilities	5,740	1,056	-	4,550	-	-	134
Income tax liabilities	230	230	-	-	-	-	-
Liabilities held for sale	157	157	-	-	-	-	-
Total current liabilities	21,123	2,387	-	18,602	-	-	134
Non-current liabilities:							
Long-term debt, net of current portion	17,275	-	-	17,275	-	-	-
Deferred tax liabilities	3,004	3,004	-	-	-	-	-
Deferred employee benefits	10,074	10,074	-	-	-	-	-
Long-term provisions	1,587	1,567	-	20	-	-	-
Other long-term obligations	956	281	-	566	-	-	109
Total non-current liabilities	32,896	14,926	-	17,861	-	-	109
Equity:							
Equity attributable to the equity holders of the parent	42,086	42,086	-	-	-	-	-
Non-controlling interests	3,074	3,074	-	-	-	-	-
Total equity	45,160	45,160	-	-	-	-	-
Total liabilities and equity	99,179	62,473	-	36,463	-	-	243

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following tables summarize the bases used to measure certain assets and liabilities at their fair value.

As of December 31, 2013

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Available-for-sale financial assets	522	-	-	522
Derivative financial current assets	-	64	-	64
Derivative financial non-current assets	-	7	-	7
Total assets at fair value	522	71	-	593
Liabilities at fair value:				
Derivative financial current liabilities	-	206	-	206
Derivative financial non-current liabilities	-	1	-	1
Total liabilities at fair value	-	207	-	207

As of December 31, 2014

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Available-for-sale financial assets	1,022	-	-	1,022
Derivative financial current assets	-	192	-	192
Derivative financial non-current assets	-	4	112	116
Total assets at fair value	1,022	196	112	1,330
Liabilities at fair value:				
Derivative financial current liabilities	-	134	-	134
Derivative financial non-current liabilities	-	109	-	109
Total liabilities at fair value	-	243	-	243

Available-for-sale financial assets classified as Level 1 refer to listed securities quoted in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. The total fair value is either the price of the most recent trade at the time of the market close or the official close price as defined by the exchange on which the asset is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs. The increase in available-for-sale financial assets is related to the reclassification of the investment in Hunan Valin as available-for-sale following the exercise on February 8, 2014 of the third put option granted by the Valin Group (see notes 13 and 14) and increase in the fair value of the Available-for-sale investments (note 14).

Derivative financial assets and liabilities classified as Level 2 refer to instruments to hedge fluctuations in interest rates, foreign exchange rates, raw materials (base metal), freight, energy and emission rights. The total fair value is based on the price a dealer would pay or receive for the security or similar securities, adjusted for any terms specific to that asset or liability. Market inputs are obtained from well-established and recognized vendors of market data and the fair value is calculated using standard industry models based on significant observable market inputs such as foreign exchange rates, commodity prices, swap rates and interest rates.

Derivative financial current assets classified as Level 3 refer to the call option on the 1,000 mandatory convertible bonds (see note 19). As a result of the repayment at maturity of the €1.25 billion Convertible Bonds on April 1, 2014 (see note 17), the conversion option in the €1.25 billion Convertible Bonds and the euro-denominated call options on treasury shares are extinguished. The fair valuation of Level 3 derivative instruments is established at each reporting date in relation to which an analysis is performed in respect of changes in the fair value measurement since the last period. ArcelorMittal's valuation policies for Level 3 derivatives are an integral part of its internal control procedures and have been reviewed and approved according to the Company's principles for establishing such procedures. In particular, such procedures address the accuracy and reliability of input data, the accuracy of the valuation model and the knowledge of the staff performing the valuations.

ArcelorMittal establishes the fair valuation of the call option on the 1,000 mandatory convertible bonds through the use of binomial valuation models. Binomial valuation models use an iterative procedure to price options, allowing for the specification of nodes, or points in time, during the time span between the valuation date and the option's expiration date. In contrast to the Black-Scholes model, which provides a numerical result based on inputs, the binomial model allows for the calculation of the asset and the option for multiple periods along with the range of possible results for each period.

Observable input data used in the valuations include zero coupon yield curves, stock market prices, European Central Bank foreign exchange fixing rates and Libor interest rates. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available. Specifically the Company computes unobservable volatility data based mainly on the movement of stock market prices observable in the active market over 90 working days.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following table summarizes the reconciliation of the fair value of the conversion option classified as Level 3 with respect to the €1.25 billion convertible bonds, the euro-denominated call option on the Company's own shares, the call option on the 1,000 mandatory convertible bonds for the years ended December 31, 2013 and 2014, respectively:

	€1.25 billion conversion option	Euro-denominated call option on Treasury shares	Call option on 1,000 mandatory convertible bonds 1	Total
Balance as of December 31, 2012	(25)	25	12	12
Change in fair value	25	(25)	(12)	(12)
Balance as of December 31, 2013	-	-	-	-
Change in fair value	-	-	112	112
Balance as of December 31, 2014	-	-	112	112

[1]Please refer to note 19 for details on the mandatory convertible bonds

On December 28, 2009, the Company issued through a wholly-owned subsidiary unsecured and unsubordinated 750 bonds mandatorily convertible into preferred shares of such subsidiary. The bonds were placed privately with a Luxembourg affiliate of Crédit Agricole (formerly Calyon S.A.) and are not listed. The Company originally had the option to call the mandatory convertible bonds from May 3, 2010 until ten business days before the maturity date. On April 20, 2011, the conversion date of the mandatory convertible bonds was extended to January 31, 2013. On September 27, 2011, the Company increased the mandatory convertible bonds and the call option on the mandatory convertible bonds from 750 to 1,000. On December 18, 2012, the conversion date of the mandatory convertible bonds was extended to January 31, 2014, and on January 17, 2014, it was further extended to January 29, 2016. The fair value of these call options was 112 as of December 31, 2014 and the change in fair value recorded in the statements of operations as financing costs was 112. These call options are classified into Level 3. The fair value of the call options was determined through a binomial model based on the estimated values of the underlying equity spot price of $161 and volatility of 8.46%.

On December 14, 2010, ArcelorMittal acquired euro-denominated call options on 61,728,395 of its own shares with a strike price of €20.25 per share and a total amount of €700 including transaction costs. The 61.7 million of call options acquired allowed ArcelorMittal to hedge its obligations arising primarily out of the potential conversion of the 7.25% bonds convertible into and/or exchangeable for new or existing ArcelorMittal shares due April 1, 2014. These call options were accounted for as derivative financial instruments carried at fair value with changes recognized in the consolidated statements of operations as financing costs as they could be settled either through physical delivery of the treasury shares or through cash. These call options were classified into Level 3. Following the repayment of the €1.25 billion Convertible Bonds on April 1, 2014, the call options and the euro-denominated conversion option on treasury shares expired.

Portfolio of Derivatives

The Company manages the counter-party risk associated with its instruments by centralizing its commitments and by applying procedures which specify, for each type of transaction and underlying, risk limits and/or the characteristics of the counter-party. The Company does not generally grant to or require from its counter-parties guarantees of the risks incurred. Allowing for exceptions, the Company's counter-parties are part of its financial partners and the related market transactions are governed by framework agreements (mainly International Swaps and Derivatives Association agreements which allow netting only in case of counter-party default). Accordingly, derivative assets and derivative liabilities are not offset.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The portfolio associated with derivative financial instruments classified as Level 2 as of December 31, 2013 is as follows:

	Assets			Liabilities		
	Notional Amount	Fair Value	Average Rate*	Notional Amount	Fair Value	Average Rate*
Interest rate swaps - fixed rate borrowings/loans	188	3	4.55%	339	(11)	1.17%
Other interest rate instruments	-	-		20	-	
Total interest rate instruments		3			(11)	
Foreign exchange rate instruments						
Forward purchase of contracts	49	2		5,323	(85)	
Forward sale of contracts	396	13		83	(2)	
Currency swaps purchases	641	5		641	(72)	
Exchange option purchases	184	12		-	-	
Exchange options sales				167	(11)	
Total foreign exchange rate instruments		32			(170)	
Raw materials (base metal), freight, energy, emission rights						
Term contracts sales	44	4		153	(16)	
Term contracts purchases	458	32		196	(10)	
Total raw materials (base metal), freight, energy, emission rights		36			(26)	
Total		71			(207)	

* The average rate is determined for fixed rate instruments on the basis of the U.S. dollar and foreign currency rates and for the variable rate instruments generally on the basis of Euribor or Libor.

The portfolio associated with derivative financial instruments classified as Level 2 as of December 31, 2014 is as follows:

	Assets			Liabilities		
	Notional Amount	Fair Value	Average Rate*	Notional Amount	Fair Value	Average Rate*
Interest rate swaps - fixed rate borrowings/loans	50	-	0.74%	1,118	(54)	2.13%
Total interest rate instruments		-			(54)	
Foreign exchange rate instruments						
Forward purchase of contracts	2,137	132		217	(3)	
Forward sale of contracts	475	5		287	(5)	
Currency swaps purchases	479	2		479	(95)	
Currency swaps sales	125	-		250	(3)	
Exchange option purchases	136	1		712	(8)	
Exchange options sales	218	1		715	(7)	
Total foreign exchange rate instruments		140			(121)	
Raw materials (base metal), freight, energy, emission rights						
Term contracts sales	146	20		82	(13)	
Term contracts purchases	501	35		468	(55)	
Options sales/purchases	7	-		7	-	
Total raw materials (base metal), freight, energy, emission rights		55			(68)	
Total		195			(243)	

* The average rate is determined for fixed rate instruments on the basis of the U.S. dollar and foreign currency rates and for the variable rate instruments generally on the basis of Euribor or Libor.

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Interest rate risk
The Company utilizes certain instruments to manage interest rate risks. Interest rate instruments allow the Company to borrow long-term at fixed or variable rates, and to swap the rate of this debt either at inception or during the lifetime of the loan. The Company and its counter-parties exchange, at predefined intervals, the difference between the agreed fixed rate and the variable rate, calculated on the basis of the notional amount of the swap. Similarly, swaps may be used for the exchange of variable rates against other variable rates.

Interest rate derivatives used by the Company to manage changes in the value of fixed rate loans qualify as fair value hedges.

Foreign exchange rate risk
The Company is exposed to changes in values arising from foreign exchange rate fluctuations generated by its operating activities. Because a substantial portion of ArcelorMittal's assets, liabilities, sales and earnings are denominated in currencies other than the U.S. dollar (its reporting currency), ArcelorMittal has an exposure to fluctuations and depreciation in the values of these currencies relative to the U.S. dollar. These currency fluctuations, especially the fluctuation of the value of the U.S. dollar relative to the euro, the Canadian dollar, Brazilian real, South African rand, Kazakh tenge, Venezuelan bolivar and Ukrainian hryvnia, as well as fluctuations in the other countries' currencies in which ArcelorMittal has significant operations and/or sales, could have a material impact on its results of operations.

ArcelorMittal faces transaction risk, where its businesses generate sales in one currency but incur costs relating to that revenue in a different currency. For example, ArcelorMittal's non-U.S. subsidiaries may purchase raw materials, including iron ore and coking coal, in U.S. dollars, but may sell finished steel products in other currencies. Consequently, an appreciation of the U.S. dollar will increase the cost of raw materials; thereby impacting negatively on the Company's operating margins, unless the Company is able to pass along the higher cost in the form of higher selling prices.

Following its Treasury and Financial Risk Management Policy, the Company hedges a portion of its net exposure to foreign exchange rates through foreign currency forwards, options and swaps.

ArcelorMittal faces translation risk, which arises when ArcelorMittal translates the statements of operations of its subsidiaries, its corporate net debt (see note 17) and other items denominated in currencies other than the U.S. dollar, for inclusion in the consolidated financial statements.

The Company also uses the derivative instruments, described above, at the corporate level to hedge debt recorded in foreign currency other than the functional currency or the balance sheet risk incurred on certain monetary assets denominated in a foreign currency other than the functional currency.

Liquidity Risk
ArcelorMittal's principal sources of liquidity are cash generated from its operations, its credit lines at the corporate level and various working capital credit lines at the level of its operating subsidiaries. The Company actively manages its liquidity. Following the Treasury and Financial Risk Management Policy, the levels of cash, credit lines and debt are closely monitored and appropriate actions are taken in order to comply with the covenant ratios, leverage, fixed/floating ratios, maturity profile and currency mix.

The following are the non-discounted contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	December 31, 2013					
	Carrying amount	Contractual Cash Flow	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years
Non-derivative financial liabilities						
Convertible Bonds	(2,473)	(2,607)	(2,607)	-	-	-
Other bonds	(17,485)	(27,041)	(2,018)	(3,351)	(9,309)	(12,363)
Loans over 100	(965)	(1,488)	(145)	(154)	(757)	(432)
Trade and other payables	(12,604)	(12,619)	(12,619)	-	-	-
Other non-derivative financial liabilities	(1,388)	(1,512)	(776)	(192)	(324)	(220)
Total	(34,915)	(45,267)	(18,165)	(3,697)	(10,390)	(13,015)
Derivative financial liabilities						
Interest rate instruments	(11)	(11)	(10)	-	(1)	-
Foreign exchange contracts	(170)	(170)	(170)	-	-	-
Other commodities contracts	(26)	(26)	(26)	-	-	-
Total	(207)	(207)	(206)	-	(1)	-

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

December 31, 2014						
	Carrying amount	Contractual Cash Flow	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years
Non-derivative financial liabilities						
Other bonds	(16,639)	(25,143)	(2,080)	(2,735)	(9,199)	(11,129)
Loans over 100	(2,071)	(2,505)	(1,132)	(724)	(320)	(329)
Trade and other payables	(11,450)	(11,463)	(11,463)	-	-	-
Other non-derivative financial liabilities	(1,087)	(1,256)	(518)	(278)	(309)	(151)
Total	(31,247)	(40,367)	(15,193)	(3,737)	(9,828)	(11,609)
Derivative financial liabilities						
Interest rate instruments	(54)	(54)	-	(1)	(53)	-
Foreign exchange contracts	(121)	(121)	(66)	(46)	(6)	(3)
Other commodities contracts	(68)	(68)	(68)	-	-	-
Total	(243)	(243)	(134)	(47)	(59)	(3)

Cash flow hedges

The following table presents the periods in which cash flows hedges are expected to mature:

December 31, 2013						
	assets/ (liabilities)	(outflows)/inflows				
	Fair value	3 months and less	3-6 months	6-12 months	1-2 years	More than 2 years
Foreign exchange contracts	(65)	(44)	(19)	(2)	-	-
Commodities	3	-	1	1	1	-
Emission rights	1	-	-	1	-	-
Total	(61)	(44)	(18)	-	1	-

December 31, 2014						
	assets/ (liabilities)	(outflows) /inflows				
	Fair value	3 months and less	3-6 months	6-12 months	1-2 years	More than 2 years
Foreign exchange contracts	105	82	18	5	-	-
Commodities	(4)	(10)	3	2	1	-
Emission rights	22	-	-	22	-	-
Total	123	72	21	29	1	-

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Associated gains or losses that were recognized in other comprehensive income are reclassified from equity to the consolidated statements of operations in the same period during which the hedged forecasted cash flow affects the consolidated statements of operations. The following table presents the periods in which cash flows hedges are expected to impact the consolidated statements of operations:

	December 31, 2013					
	assets/ (liabilities)	(expense)/income				
	Carrying amount	3 months and less	3-6 months	6-12 months	1-2 years	More than 2 years
Foreign exchange contracts	(34)	(7)	(17)	(10)	-	-
Emission rights	14	-	-	-	-	14
Total	(20)	(7)	(17)	(10)	-	14

	December 31, 2014					
	assets/ (liabilities)	(expense)/income				
	Carrying amount	3 months and less	3-6 months	6-12 months	1-2 years	More than 2 years
Foreign exchange contracts	52	25	15	12	-	-
Commodity contracts	(5)	(5)	(7)	6	1	-
Emission rights	61	-	-	-	-	61
Total	108	20	8	18	1	61

Several forward exchange and options contracts related to the purchase of raw materials denominated in U.S. dollars were unwound during 2008. The effective portion is recorded in equity and represents a deferred gain that has been recycled to the consolidated statements of operations when the converted raw materials are sold. In 2008, prior to unwinding the contracts, the ineffective portion of 349 was recorded as operating income. During 2012, €439 million (566) was recycled to cost of sales related to the sale of inventory in 2012. Including the effects of foreign currency fluctuations, the deferred gain was €68 million (90), excluding deferred tax expense of €26 million (35), as of December 31, 2012, which was fully recycled to the consolidated statements of operations during the year ended December 31, 2013.

During the year ended December 31, 2011 the Company entered into several forward exchange and options contracts related to the purchase of raw materials denominated in U.S. dollars. The program was unwound during the year ended December 31, 2011. As of December 31, 2011 the effective portion deferred in equity was €48 million, including deferred tax expense of €13 million. The effective portion represents a deferred gain that has been recycled to the consolidated statements of operations when the converted raw materials will be sold. The deferred gain has been recycled to the statements of operations between 2012 and 2014. During 2013, €26 million (35) was recycled to cost of sales related to the sale of inventory in 2013. Including the effects of foreign currency fluctuations, the deferred gain was €7 million (9), excluding deferred tax expense of €2 million (3), as of December 31, 2013, which was fully recycled to the consolidated statements of operations during the year ended December 31, 2014.

Net investment hedge
In December, 2014, the Company entered into a EUR/USD cross currency swap to hedge euro denominated net investment in foreign operations amounting to €303 million, which is designated as a net investment hedge. The EUR/USD cross currency swap has a notional of 375 and a fair value loss of 3 has been recorded in the consolidated statements of other comprehensive income at December 31, 2014. The fair value of the net investment hedge is included in other long term obligations in the consolidated statements of financial position. At December 31, 2014 the hedge was 100% effective. The cross currency swap is classified into Level 2.

The Company is committed to a bilateral cash collateral arrangement for a maximum of €150 million.

Raw materials, freight, energy risks and emission rights
The Company uses financial instruments such as forward purchases or sales, options and swaps for certain commodities in order to manage the volatility of prices of certain raw materials, freight and energy. The Company is exposed to risks in fluctuations in prices of raw materials (including base metals such as zinc, nickel, aluminum, tin, copper and iron ore), freight and energy, both through the purchase of raw materials and through sales contracts.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Fair values of raw material, freight, energy and emission rights instruments are as follows:

	At December 31,	
	2013	2014
Base metals	5	(30)
Freight	4	6
Energy (oil, gas, electricity)	-	(11)
Emission rights	1	22
Total	10	(13)
Derivative assets associated with raw material, energy, freight and emission rights	36	55
Derivative liabilities associated with raw material, energy, freight and emission rights	(26)	(68)
Total	10	(13)

ArcelorMittal, consumes large amounts of raw materials (the prices of which are related to the London Metals Exchange price index, the Steel Index and Platts Index), ocean freight (the price of which is related to a Baltic Exchange Index), and energy (the prices of which are related to the New York Mercantile Exchange index, the Intercontinental Exchange index and the Powernext index). As a general matter, ArcelorMittal is exposed to price volatility with respect to its purchases in the spot market and under its long-term supply contracts. In accordance with its risk management policy, ArcelorMittal hedges a part of its risk exposure to its raw materials procurements.

Emission rights
Pursuant to the application of the European Directive 2003/87/EC of October 13, 2003, establishing a scheme for emission allowance trading, the Company enters into certain types of derivatives (cash purchase and sale, forward transactions and options) in order to implement its management policy for associated risks. As of December 31, 2013 and 2014, the Company had a net notional position of 178 with a net fair value of 1 and a net notional position of 201 with a net fair value of 22, respectively.

Credit risk
The Company's treasury department monitors various market data regarding the credit standings and overall reliability of the financial institutions for all countries where the Company's subsidiaries operate. The choice of the financial institution for the financial transactions must be approved by the treasury department. Credit risk related to customers, customer credit terms and receivables is discussed in note 7.

Sensitivity analysis
Foreign currency sensitivity
The following table details the Company's sensitivity as it relates to derivative financial instruments to a 10% strengthening and a 10% weakening in the U.S. dollar against the other currencies, mainly euro, for which the Company estimates to be a reasonably possible exposure. The sensitivity analysis includes only foreign currency derivatives on USD against another currency. A positive number indicates an increase in profit or loss and other equity where a negative number indicates a decrease in profit or loss and other equity.

	December 31, 2014	
	Income	Other Equity
10% strengthening in U.S. dollar	(24)	213
10% weakening in U.S. dollar	30	(213)

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Cash flow sensitivity analysis for variable rate instruments
The following table details the Company's sensitivity as it relates to variable interest rate instruments. A change of 100 basis points ("bp") in interest rates during the period would have increased (decreased) profit or loss by the amounts presented below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	December 31, 2014	
	Floating porting of net debt[1]	Interest Rate Swaps/Forward Rate Agreements
100 bp increase	25	(21)
100 bp decrease	(25)	22

[1] Please refer to note 17 for a description of total net debt (including fixed and floating portion)

Base metals, energy, freight, emissions rights
The following table details the Company's sensitivity to a 10% increase and decrease in the price of the relevant base metals, energy, freight and emissions rights. The sensitivity analysis includes only outstanding, un-matured base metal derivative instruments both held for trading at fair value through the consolidated statements of operations and those designated in hedge accounting relationships.

	December 31, 2014	
	Income	Other Equity Cash Flow Hedging Reserves
+10% in prices		
Base Metals	24	37
Freights	(1)	-
Emission rights	-	22
Energy	-	4
-10% in prices		
Base Metals	(24)	(37)
Freights	1	-
Emission rights	-	(22)
Energy	-	(4)

Note 19: Equity

Authorized shares
At the Extraordinary General Meeting held on May 8, 2013, the shareholders approved an increase of the authorized share capital of ArcelorMittal by €524 million represented by 223 million shares, or approximately 8% of ArcelorMittal's outstanding capital. Following this approval, which is valid for five years, the total authorized share capital was €8.2 billion represented by 1,996 million shares without nominal value.

Share capital
Following the completion of an offering of ordinary shares on January 14, 2013, ArcelorMittal increased share capital by €455 (608) from €6,428 (9,403) to €6,883 (10,011) through the issuance of 104,477,612 new shares fully paid up. The aggregate number of shares issued and fully paid up increased to 1,665,392,222.

Treasury shares
ArcelorMittal held, indirectly and directly, approximately 11.8 million and 11 million treasury shares as of December 31, 2013 and 2014, respectively.

Option premium on treasury shares
Following the repayment of the 800 Convertible Senior Notes on May 15, 2014, the Company reclassified from reserves to retained earnings premiums paid for an amount of 435 (309 net of tax) with respect to expired USD denominated call options on treasury shares acquired on December 18, 2010 in order to hedge its obligations arising from the potential conversion of the 800 Convertible Senior Notes into ArcelorMittal shares.

Subordinated perpetual capital securities
On September 28, 2012, the Company issued subordinated perpetual capital securities for a nominal amount of 650 and a coupon of 8.75%, which reset periodically over the life of the securities, with the first reset after five years and subsequently every five years thereafter. A step up in interest of 0.25% would have occurred on the second reset date and a subsequent step up of 0.75% (cumulative with the initial 0.25%) fifteen years later. The Company was entitled to call the securities in five years, ten years and on subsequent coupon payment dates. As the Company had no obligation to redeem the securities and the coupon payment may have been deferred by the Company under certain circumstances, it classified the net proceeds from the issuance of subordinated perpetual capital securities (642 net of transaction costs) as equity. Coupon payments to holders of subordinated perpetual capital securities in 2013 and 2014 were 57 and 22, respectively.

On February 20, 2014, ArcelorMittal redeemed all of its outstanding 650 subordinated perpetual capital securities following the occurrence of a "Ratings Agency Event", as defined in the terms of the securities. The notes were redeemed for 657, at a redemption price of 101% of the principal amount, plus accrued coupon of 22.

Mandatorily convertible notes
On January 16, 2013, ArcelorMittal issued mandatorily convertible subordinated notes ("MCNs") with net proceeds of 2,222. The notes have a maturity of 3 years, were issued at 100% of the principal amount and are mandatorily converted into ordinary shares of ArcelorMittal at maturity unless converted earlier at the option of the holders or ArcelorMittal or upon specified events in

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accordance with the terms of the MCNs. The MCNs pay a coupon of 6.00% per annum, payable quarterly in arrears. The minimum conversion price of the MCNs was set at $16.75, corresponding to the placement price of shares in the concurrent ordinary shares offering as described above, and the maximum conversion price was set at approximately 125% of the minimum conversion price (corresponding to $20.94). The minimum and maximum conversion prices are subject to adjustment upon the occurrence of certain events, and were, as of December 31, 2014, $16.28 and $20.36, respectively. The Company determined the notes met the definition of a compound financial instrument and as such determined the fair value of the financial liability component of the bond was 384 on the date of issuance and recognized it as long-term obligation. The value of the equity component of 1,838 was determined based upon 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 and is included in equity.

Mandatory convertible bonds

On December 28, 2009, the Company issued through a wholly-owned subsidiary 750 unsecured and unsubordinated bonds mandatorily convertible into preferred shares of such subsidiary. The bonds were placed privately with a Luxembourg affiliate of Crédit Agricole (formerly Calyon) and are not listed. The Company has the option to call the mandatory convertible bonds until ten business days before the maturity date. The subsidiary invested the proceeds of the bonds issuance and an equity contribution by the Company in notes issued by subsidiaries of the Company linked to the values of shares of Erdemir and China Oriental Group Company Ltd ("China Oriental").

On September 27, 2011, the Company increased the mandatory convertible bonds from 750 to 1,000.

The conversion date of the mandatory convertible bonds was also extended several times. On January 17, 2014, the conversion date was extended to January 29, 2016. The other main features of the mandatory convertible bonds remained unchanged at each extension. As for the previous extensions, the Company determined that this transaction led to the extinguishment of the existing compound instrument and the recognition of a new compound instrument including non-controlling interests for 902 (net of tax and fees) and debt for 91. The difference between the carrying amount of the previous instrument and the fair value of the new instrument amounted to 49 and was recognized as financing costs in the consolidated statements of operations.

Earnings per common share

The following table provides the numerators and a reconciliation of the denominators used in calculating basic and diluted earnings per common share for the years ended December 31, 2013 and 2014:

	Year Ended December 31,	
	2013	2014
Net income (loss) attributable to equity holders of the parent	(2,545)	(1,086)
Interest assumed on the coupon and the premium for early redemption for subordinated perpetual capital securities	(57)	(14)
Net income (loss) considered for the purposes of basic and diluted earnings per share	(2,602)	(1,100)
Weighted average common shares outstanding (in millions) for the purposes of basic and diluted earnings per share*	1,780	1,791

*adjusted for anti-dilutive instruments for the year ended December 31, 2013.

For the purpose of calculating earnings per common share, diluted weighted average common shares outstanding excludes 22 million and 20 million potential common shares from stock options outstanding for the years ended December 31, 2013 and 2014, respectively, because such stock options are anti-dilutive.

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Dividends
Calculations to determine the amounts available for dividends are based on ArcelorMittal's financial statements ("ArcelorMittal SA") which are prepared in accordance with IFRS, as endorsed by the EU. ArcelorMittal SA has no significant manufacturing operations of its own. Accordingly, it can only pay dividends or distributions to the extent it is entitled to receive cash dividend distributions from its subsidiaries' recognized gains, from the sale of its assets or records share premium from the issuance of common shares. Dividends are declared in U.S. dollars and are payable in either U.S. dollars or in euros.

On May 8, 2013 at the Annual General Shareholders' meeting, the shareholders approved the Board of Directors' recommendation to reduce the Company's dividend to $0.20 per share for the full year of 2013. The dividend for the full year of 2013 was paid on July 15, 2013.

On May 8, 2014 at the Annual General Shareholders' meeting, the shareholders approved the Board of Directors' recommendation to maintain the Company's dividend to $0.20 per share for the full year of 2014. The dividend for the full year of 2014 was paid on July 15, 2014.

On February 12, 2015, ArcelorMittal's Board of Directors announced a gross dividend payment of $0.20 per share, subject to shareholders' approval at the next annual shareholders' meeting to be held on May 5, 2015. Subject to such approval, the dividend is expected to be paid on June 15, 2015.

Stock Option Plans
Prior to the May 2011 annual general shareholders' meeting adoption of the ArcelorMittal Equity Incentive Plan described below, ArcelorMittal's equity-based incentive plan took the form of a stock option plan known as the Global Stock Option Plan.

Under the terms of the ArcelorMittal Global Stock Option Plan 2009-2018 (which replaced the ArcelorMittalShares plan that expired in 2009), ArcelorMittal may grant options to purchase common shares to senior management of ArcelorMittal and its associates for up to 100,000,000 shares of common shares. The exercise price of each option equals not less than the fair market value of ArcelorMittal shares 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.

Dates of grant and exercise prices are as follows:

Date of grant	Exercise prices (per option)
August 2008	78.44
December 2007	70.81
August 2007	61.09
August 2009	36.38
September 2006	32.07
August 2010	30.66
August 2005	27.31
December 2008	22.56
November 2008	21.14

No options were granted during the years ended December 31, 2013 and 2014.

The fair values for options and other share-based compensation is recorded as an expense in the consolidated statements 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 using the Black-Scholes-Merton option pricing model (based on year of grant).

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 5 and nil for each of the years ended December 31, 2013, and 2014, respectively.

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Option activity with respect to ArcelorMittalShares and ArcelorMittal Global Stock Option Plan 2009-2018 is summarized below as of and for each of the years ended December 31, 2013, and 2014:

	Number of Options	Range of Exercise Prices (per option)	Weighted Average Exercise Price (per option)
Outstanding, December 31, 2012	24,950,319	21.14 – 78.44	47.85
Forfeited	(139,993)	30.66 – 78.44	40.54
Expired	(3,246,700)	21.14 – 78.44	45.80
Outstanding, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Expired	(1,486,360)	27.31– 78.44	48.96
Outstanding, December 31, 2014	20,077,266	21.14 – 78.44	48.26
Exercisable, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Exercisable, December 31, 2014	20,077,266	21.14 – 78.44	48.26

The following table summarizes information about total stock options of the Company outstanding as of December 31, 2014:

	Options Outstanding			
Exercise Prices (per option)	Number of options	Weighted average contractual life (in years)	Options exercisable (number of options)	Maturity
$78.44	4,682,450	3.60	4,682,450	August 5, 2018
70.81	13,000	2.95	13,000	December 11, 2017
61.09	3,427,335	2.59	3,427,335	August 2, 2017
36.38	4,533,900	4.60	4,533,900	August 4, 2019
32.07	1,702,023	1.67	1,702,023	September 1, 2016
30.66	4,682,650	5.60	4,682,650	August 3, 2020
27.31	1,033,323	0.65	1,033,323	August 23, 2015
21.14	2,585	3.87	2,585	November 10, 2018
$21.14 – 78.44	20,077,266	3.81	20,077,266	

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Long-Term Incentives: Equity-Based Incentives (Share Unit Plans)

On May 10, 2011, the annual general meeting of shareholders approved the ArcelorMittal Equity Incentive Plan, a new equity-based incentive plan that replaced the Global Stock Option Plan. The ArcelorMittal Equity Incentive Plan is intended to align the interests of the Company's shareholders and eligible employees by allowing them to participate in the success of the Company. The ArcelorMittal Equity Incentive Plan provides for the grant of Restricted Share Units (each, an "RSU") and Performance Share Units (each, a "PSU") to eligible Company employees and is designed to incentivize employees, improve the Company's long-term performance and retain key employees. On May 8, 2013, the annual general meeting of shareholders approved the GMB PSU Plan, which provides for the grant of PSUs to GMB members. Until the introduction of the GMB PSU Plan in 2013, GMB members were eligible to receive RSUs and PSUs under the ArcelorMittal Equity Incentive Plan.

The maximum number of RSUs and PSUs available for grant during any given year is subject to the prior approval of the Company's shareholders at the annual general meeting. The annual shareholders' meeting on May 8, 2014 approved the maximum to be granted until the next annual shareholders' meeting. For the period from the May 2014 annual general shareholders' meeting to the May 2015 annual general shareholders' meeting, a maximum of 5,000,000 RSUs and PSUs may be allocated to eligible employees under the ArcelorMittal Equity Incentive Plan and the GMB PSU Plan combined.

ArcelorMittal Equity Incentive Plan

RSUs granted under the ArcelorMittal Equity Incentive Plan are designed to provide a retention incentive to eligible employees. RSUs are subject to "cliff vesting" after three years, with 100% of the grant vesting on the third anniversary of the grant contingent upon the continued active employment of the eligible employee within the Group. Between 500 and 700 of the Group's most senior managers are eligible for RSUs.

The grant of PSUs under the ArcelorMittal Equity Incentive Plan aims to serve as an effective performance-enhancing scheme based on the employee's contribution to the eligible achievement of the Company's strategy. Awards in connection with PSUs are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The employees eligible to receive PSUs are a sub-set of the group of employees eligible to receive RSUs. The target group for PSU grants initially included the Chief Executive Officer and the other GMB members. However, from 2013 onwards, the Chief Executive Officer and other GMB members receive PSU grants under the GMB PSU Plan instead of the ArcelorMittal Equity Incentive Plan.

PSUs vest three years after their date of grant subject to the eligible employee's continued employment with the Company and the fulfillment of targets related to the following performance measures: return on capital employed (ROCE) and a strategic measure which was total cost of employment (in U.S. dollars per tonne) for the steel business (TCOE) and the mining volume plan and ROCE for the Mining segment until 2013 grant. As from 2014, most of the Steel Business Units have kept only ROCE as performance measure and mining continued with ROCE and mining volume plan. Each performance measure has a weighting of 50%. In case the level of achievement of both performance targets together is below 80%, there is no vesting, and the rights are automatically forfeited.

GMB PSU Plan

The GMB PSU Plan is designed to enhance the long-term performance of the Company and align the members of the GMB to the Company's objectives. The members of the GMB including the Chief Executive Officer are eligible for PSU grants. The GMB PSU Plan provides for cliff vesting on the third year anniversary of the grant date, under the condition that the relevant GMB member continues to be actively employed by the Group on that date. If the GMB member is retired on that date or in case of an early retirement by mutual consent, the relevant GMB member will not automatically forfeit PSUs and pro rata vesting will be considered at the end of the vesting period at the sole discretion of the Company, represented by the Appointment, Remuneration and Corporate Governance Committee of the Board of Directors. Awards under the GMB PSU Plan are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The value of the grant at grant date will equal one year of base salary for the Chief Executive Officer and 80% of base salary for the other GMB members. Each PSU may give right to up to two shares of the Company. The two performance criteria required to be met for PSUs to vest are total shareholder return and earnings per share.

In March 2013, a total of 1,071,190 RSUs and 182,970 PSUs were granted to a total of 681 employees and 94 employees, respectively.

In June 2013, a total of 631,077 PSUs under the GMB PSU Plan were granted to a total of 7 members of the GMB.

In September 2013, a total of 1,065,415 RSUs and 504,075 PSUs were granted to a total of 682 employees and 384 employees, respectively.

In June 2014, a total of 843,376 PSUs under the GMB PSU Plan were granted to a total of 6 members of the GMB.

In December 2014, a total of 1,173,910 RSUs and 979,870 PSUs were granted to a total of 620 employees and 353 employees, respectively.

These equity incentive plans are accounted for as equity-settled share-based transactions. The fair value for the RSUs and PSUs allocated to the beneficiaries is recorded as an expense in the consolidated statements of operations over the relevant vesting or service periods. The compensation expense recognized for RSUs and PSUs were immaterial for the years ended December 31, 2013 and 2014.

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Share unit plan activity is summarized below as of and for each year ended December 31, 2013 and 2014:

	Restricted share unit (RSU)		Performance share unit (PSU)	
	Number of shares	Fair value per share	Number of shares	Fair value per share
Outstanding, December 31, 2012	1,242,753	14.45	262,665	16.87
Granted	2,136,605	12.77	1,318,122	14.70
Exited	(14,788)	14.35	–	–
Forfeited	(120,904)	13.92	(53,640)	15.85
Outstanding, December 31, 2013	3,243,666	13.36	1,527,147	15.03
Granted	1,173,910	10.28	1,823,246	13.32
Exited	(777,252)	14.43	–	–
Forfeited	(230,718)	13.27	(90,215)	14.27
Outstanding, December 31, 2014	3,409,606	12.06	3,260,178	14.10

The following table summarizes information about total share unit plan of the Company outstanding as of December 31, 2014:

	Share units outstanding		
Fair value per share	Number of shares	Shares exited	Maturity
$16.87	190,275	-	March 30, 2015
16.85	843,376	-	June 27, 2017
16.60	631,077	-	June 28, 2016
14.45	294,416	785,377	September 29, 2014
13.17	463,750	-	September 27, 2016
13.17	993,650	2,256	September 27, 2016
12.37	947,630	5,194	March 29, 2016
12.37	151,830	-	March 29, 2016
10.28	979,870		December 17, 2017
10.28	1,173,910		December 17, 2017
$16.87 – 10.28	6,669,784	792,827	

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Note 20: Financing costs

Financing costs recognized in the years ended December 31, 2013 and 2014 are as follows:

	2013	2014
Recognized in the statements of operations		
Interest expense	(1,890)	(1,565)
Interest income	113	96
Fair value adjustment on conversion options on the euro convertible bond, call options on ArcelorMittal shares and mandatory convertible bonds	(12)	112
Net gain (loss) on other derivative instruments	11	7
Accretion of defined benefit obligations and other long term liabilities	(574)	(593)
Net foreign exchange result	(248)	(620)
Other *	(515)	(819)
Total	(3,115)	(3,382)
Recognized in equity (Company share)		
Net change in fair value of available-for-sale financial assets	68	510
Effective portion of changes in fair value of cash flow hedge	(110)	104
Foreign currency translation differences for foreign operations	(666)	(4,717)
Total	(708)	(4,103)

* Other mainly includes expenses related to True Sale of Receivables ("TSR") programs and bank fees. In 2014, it also includes the settlement in relation to the termination of the Senegal greenfield project and an expense of 161 related to a federal tax amnesty plan in Brazil with respect to the Siderbras case (see note 26).

Note 21: Income tax

Income tax expense (benefit)

The components of income tax expense (benefit) for each of the years ended December 31, 2013 and 2014, respectively, are summarized as follows:

	Year ended December 31,	
	2013	2014
Total current tax expense	305	544
Total deferred tax expense (benefit)	(90)	(90)
Total income tax expense (benefit)	215	454

The following table reconciles the income tax expense (benefit) to the statutory tax expense (benefit) as calculated:

	Year ended December 31,	
	2013	2014
Net income (loss) (including non-controlling interests)	(2,575)	(974)
Income tax expense (benefit)	215	454
Income (loss) before tax :	(2,360)	(520)
Tax expense (benefit) at the statutory rates applicable to profits (losses) in the countries	(591)	(147)
Permanent items	(1,544)	(273)
Rate changes	25	36
Net change in measurement of deferred tax assets	2,067	306
Tax effects of foreign currency translation	(81)	446
Tax credits	(57)	(63)
Other taxes	57	79
Others	339	70
Income tax expense (benefit)	215	454

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ArcelorMittal's consolidated income tax expense (benefit) is affected by the income tax laws and regulations in effect in the various countries in which it operates and the pre-tax results of its subsidiaries in each of these countries, which can vary from year to year. ArcelorMittal operates in jurisdictions, mainly in Eastern Europe and Asia, which have a structurally lower corporate income tax rate than the statutory tax rate as in effect in Luxembourg (29.22%), as well as in jurisdictions, mainly in Western Europe and the Americas, which have a structurally higher corporate income tax rate.

Permanent items

The permanent items consist of:

	Year ended December 31,	
	2013	2014
Notional Interest Deduction	(10)	(7)
Interest recapture	8	-
Non tax deductible goodwill impairment	-	-
Tax deductible write-down on shares	(1,217)	(338)
Taxable (tax deductible) capital gains/losses	(371)	-
Taxable capital gains on associates and joint ventures	-	67
Other permanent items	46	5
Total permanent items	(1,544)	(273)

Notional Interest Deduction ("NID"): Corporate taxpayers in Belgium can benefit from a tax deduction corresponding to an amount of interest calculated based on their (adjusted) equity as determined in conformity with general accepted accounting principles in Belgium, which differ from IFRS. The applicable interest rate used in calculating this tax deduction is 2.630% for 2014. Excess NID build up as from 2012 cannot be carried forward anymore whereas excess NID related to the period before 2012 can be carried forward within certain limits.

Interest recapture: Based on a specific provision in the Luxembourg tax law, interest expenses on loans contracted to acquire a participation ('tainted debt') are not tax deductible when (tax exempt) dividend payments are received and/or capital gains are realized that can be linked to the tainted debt. The interest expense is only deductible to the extent it exceeds the tax exempt income arising from the participation. In case of tax exempt capital gains, expenses related to the participations and any prior deductible write-downs in the value of the participation which have previously reduced the Luxembourg taxable base, become taxable (claw-back).

Tax deductible write-down on shares: In connection with the group impairment test for goodwill and property, plant and equipment ("PP&E"), the recoverability of carrying amounts of investments in shares is also reviewed annually, resulting in write-downs of the value of shares of consolidated subsidiaries in Luxembourg which are principally tax deductible.

Tax deductible capital losses: The loss on sales of consolidated subsidiaries in Canada and Luxembourg which are principally tax deductible.

Taxable capital gains on associates and joint ventures relate to the disposal of the Company's 50% interest in Gallatin Steel.

Rate changes
The 2013 tax expense from rate changes of 25 results from the increase or from the postponement of the reduction of the substantively enacted corporate income tax rate in Mexico and Ukraine respectively.

The 2014 tax expense from rate changes of 36 is mainly due to the increase of future income tax rate in Ukraine, partially offset by a decrease in Spain.

Net change in measurement of deferred tax assets
The 2013 net change in measurement of deferred tax assets of 2,067 primarily consists of tax expense of 1,031 due to the unrecognized part of deferred tax assets on write-downs of the value of shares of consolidated subsidiaries in Luxembourg, tax expense of 1,150 due to unrecognition and derecognition of other deferred tax assets, partially offset by additional recognition of deferred tax assets for losses and other deductible temporary differences of previous years of (114).

The 2014 net change in measurement of deferred tax assets of 306 primarily consists of tax expense of 338 due to the unrecognized part of deferred tax assets on write-downs of the value of shares of consolidated subsidiaries in Luxembourg, tax expense of 492 due to unrecognition and derecognition of other deferred tax assets, partially offset by additional recognition of deferred tax assets for losses and other deductible temporary differences of previous years of (524).

Tax effects of foreign currency translation
The tax effects of foreign currency translation of (81) and 446 at December 31, 2013 and 2014 respectively, pertain mainly to deferred tax assets and liabilities of certain entities with a different functional currency than the currency applied for tax filing purposes. In 2014 the effects are mainly due to depreciation of the Euro and the Ukrainian hryvnia in relation to the U.S. dollar.

Tax credits
The tax credits of (57) and (63) in 2013 and 2014 respectively are mainly attributable to the Group's operating subsidiaries in Brazil, Mexico and Spain. They relate to credits claimed on research and development, credits on foreign investment and tax sparing credits.

Other taxes
Other taxes mainly include withholding taxes on dividends, services, royalties and interests of (45) and 26, as well as mining duties in Canada, Mexico and Ukraine of 106 and 30, flat tax in Mexico of 5 and nil and state tax in the United States of (28) and 9 in 2013 and 2014 respectively.

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Others

Others consist of:

	Year ended December 31,	
	2013	2014
Tax contingencies/settlements	295	83
Prior period taxes	13	3
Others	31	(16)
Total	339	70

The 2013 others of 339 primarily consists of the settlement of two tax amnesty programs in Brazil of 222 and settlement agreements as a result of tax audits in Germany of 73.

The 2014 others of 70 primarily consist of uncertain tax provisions for 83 which mainly relate to North America.

Income tax recorded directly in equity

Income tax recognized in equity for the years ended December 31, 2013 and 2014 is as follows:

	2013	2014
Recognized in other comprehensive income on:		
Current tax expense (benefit)		
Foreign currency translation adjustments	-	-
Total	-	-
Deferred tax expense (benefit)		
Unrealized gain (loss) on derivative financial instruments	(48)	64
Recognized actuarial gain (loss)	155	(94)
Foreign currency translation adjustments	(66)	(53)
Total	41	(83)
Recognized in retained earnings:		
Deferred tax expense		
Gain on sale of non-controlling interests	9	-
Recognized in non-controlling interests on:		
Deferred tax expense (benefit)		
Issuance of bonds mandatorily convertible in shares of subsidiaries	-	-
Total	50	(83)

Uncertain tax positions

The Company operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, ArcelorMittal has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions are based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws.

Considering all available information and the history of resolving income tax uncertainties, the Company believes that the ultimate resolution of such matters will not have a material effect on the Company's financial position, statements of operations or cash flows.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Deferred tax assets and liabilities

The origin of deferred tax assets and liabilities is as follows:

	Assets		Liabilities		Net	
	2013	2014	2013	2014	2013	2014
Intangible assets	9	16	(1,157)	(1,012)	(1,148)	(996)
Property, plant and equipment	402	441	(7,697)	(7,647)	(7,295)	(7,206)
Inventories	561	459	(534)	(495)	27	(36)
Financial instruments	49	46	(66)	(183)	(17)	(137)
Other assets	634	499	(674)	(438)	(40)	61
Provisions	2,291	2,448	(585)	(156)	1,706	2,292
Other liabilities	711	720	(370)	(649)	341	71
Tax losses carried forward	11,830	10,527	-	-	11,830	10,527
Tax credits and other tax benefits carried forward	546	502	-	-	546	502
Untaxed reserves	-	-	(127)	(120)	(127)	(120)
Deferred tax assets / (liabilities)	17,033	15,658	(11,210)	(10,700)	5,823	4,958
Deferred tax assets					8,938	7,962
Deferred tax liabilities					(3,115)	(3,004)

Deferred tax assets recognized by the Company as of December 31, 2013 are analyzed as follows:

	Gross amount	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax losses carried forward	85,743	25,237	11,830	13,407
Tax credits and other tax benefits carried forward	2,161	1,575	546	1,029
Other temporary differences	18,372	5,679	4,657	1,022
Total		32,491	17,033	15,458

Deferred tax assets recognized by the Company as of December 31, 2014 are analyzed as follows:

	Gross amount	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax losses carried forward	75,628	22,247	10,527	11,720
Tax credits and other tax benefits carried forward	2,194	1,439	502	937
Other temporary differences	19,650	5,693	4,629	1,064
Total		29,379	15,658	13,721

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

As of December 31, 2014, the majority of the deferred tax assets not recognized relate to tax losses carried forward attributable to various subsidiaries located in different jurisdictions (primarily Canada, France, Luxembourg, Spain and the United States) with different statutory tax rates. The amount of the total deferred tax assets is the aggregate amount of the various deferred tax assets recognized and unrecognized at the various subsidiaries and not the result of a computation with a given blended rate. The utilization of tax losses carried forward is restricted to the taxable income of the subsidiary or tax consolidated group to which it belongs. The utilization of tax losses carried forward also may be restricted by the character of the income, expiration dates and limitation on the yearly use of tax losses against taxable income.

The total amount of accumulated tax losses in Luxembourg with respect to the main tax consolidation amounts to approximately 53 billion as of December 31, 2014. Of this amount 28 billion is considered realizable, resulting in the recognition of 8 billion of deferred tax assets at the applicable income tax rate in Luxembourg. The tax losses carried forward relate primarily to tax deductible write-down charges taken on investments in shares of consolidated subsidiaries recorded by certain of the ArcelorMittal group's holding companies in Luxembourg. Tax losses can be carried forward indefinitely and specific loss settlement restrictions are not included in the Luxembourg tax legislation. The Company believes that it is probable that sufficient future taxable profits will be generated to support the recognized deferred tax asset for the tax losses carried forward in Luxembourg. As part of its assessment the Company has taken into account (i) its most recent forecast approved by management, (ii) the reorganization effected during 2012 under which the amount of deductible interest charges in Luxembourg on intra group loans has been significantly reduced, (iii) the fact that during 2012 ArcelorMittal in Luxembourg became the main provider of funding to the Group's consolidated subsidiaries, leading to recognition of significant amounts of taxable interest income and (iv) other significant and reliable sources of income derived from distribution and procurement centers located in Luxembourg for many of ArcelorMittal's European and worldwide operating subsidiaries.

At December 31, 2014, based upon the level of historical taxable income and projections for future taxable income over the periods in which the deductible temporary differences are anticipated to reverse, management believes it is probable that ArcelorMittal will realize the benefits of the deferred tax assets of 7,962 recognized. The amount of future taxable income required to be generated by ArcelorMittal's subsidiaries to utilize the deferred tax assets of 7,962 is at least 31,897. Historically, the Company has been able to generate taxable income in sufficient amounts and believes that it will generate sufficient levels of taxable income in upcoming years to permit the Company to utilize tax benefits associated with tax losses carried forward and other deferred tax assets that have been recognized in its consolidated financial statements. In the event that a history of recent losses is present, the Company relied on convincing other evidence such as the character of (historical) losses and tax planning to support the deferred tax assets recognized.

For the period ended December 31, 2013 ArcelorMittal recorded approximately 16 of deferred income tax liabilities on the undistributed earnings of its foreign subsidiaries for income taxes due if these earnings would be distributed. These liabilities have been re-estimated at approximately 11 for the period ended December 31, 2014. For investments in subsidiaries, branches and associates and investments, that are not expected to reverse in the foreseeable future, the aggregate amount of deferred tax liabilities that is not recognized is approximately 1,612.

Tax losses, tax credits and other tax benefits carried forward

At December 31, 2014, the Company had total estimated tax losses carried forward of 75,628.

Such amount includes net operating losses of 5,914 primarily related to subsidiaries in Canada, Kazakhstan, the Netherlands, Romania and the United States, which expire as follows:

Year expiring	Recognized	Unrecognized	Total
2015	90	20	110
2016	254	17	271
2017	128	30	158
2018	121	11	132
2019	18	33	51
2020 - 2034	1,529	3,663	5,192
Total	2,140	3,774	5,914

The remaining tax losses carried forward for an amount of 69,714 (of which 33,639 are recognized and 36,075 are unrecognized) are indefinite and primarily attributable to the Company's operations in Brazil, France, Germany, Luxembourg and Spain.

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At December 31, 2014, the Company also had total estimated tax credits and other tax benefits carried forward of 2,194.

Such amount includes tax credits and other tax benefits of 843 primarily related to subsidiaries in Belgium and Spain of which 260 recognized and 583 unrecognized, which expire as follows:

Year expiring	Recognized	Unrecognized	Total
2015	17	25	42
2016	-	4	4
2017	-	18	18
2018	-	7	7
2019	-	116	116
2020 - 2034	243	413	656
Total	260	583	843

The remaining tax credits and other tax benefits for an amount of 1,351 (of which 427 are recognized and 924 are unrecognized) are indefinite and primarily attributable to the Company's operations in Belgium, France and Spain.

Tax losses, tax credits and other tax benefits carried forward are denominated in the currency of the countries in which the respective subsidiaries are located and operate. Fluctuations in currency exchange rates could reduce the U.S. dollar equivalent value of these tax losses carried forward in future years.

Note 22: Provisions

The movements of provisions were as follows:

	Balance at December 31, 2012	Additions	Deductions/ Payments and other releases	Effects of Foreign Exchange and other movements	Balance at December 31, 2013
Environmental (see note 26)	863	149	(93)	(4)	915
Asset retirement obligations (see note 26)	549	45	(5)	(73)	516
Site restoration	93	27	(44)	(1)	75
Staff related obligations	166	67	(48)	(16)	169
Voluntary separation plans	161	72	(149)	54	138
Litigation and other (see note 26)	926	178	(116)	(34)	954
Tax claims	334	101	(27)	(53)	355
Other legal claims	292	77	(89)	19	299
Other unasserted claims	300	-	-	-	300
Commercial agreements and onerous contracts	92	74	(66)	(7)	93
Other	208	114	(129)	36	229
	3,058	726	(650)	(45)	3,089
Short-term provisions	1,194				1,206
Long-term provisions	1,864				1,883
	3,058				3,089

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	Balance at December 31, 2013	Additions	Deductions/ Payments and other releases	Effects of Foreign Exchange and other movements	Balance at December 31, 2014
Environmental (see note 26)	915	90	(107)	(43)	855
Asset retirement obligations (see note 26)	516	41	(8)	(244) [1]	305
Site restoration	75	2	(21)	(10)	46
Staff related obligations	169	84	(45)	(18)	190
Voluntary separation plans	138	32	(212)	195 [2]	153
Litigation and other (see note 26)	954	146	(283)	(59)	758
Tax claims	355	47	(86)	(45)	271
Other legal claims	299	99	(95)	(14)	289
Other unasserted claims	300	-	(102) [3]	-	198
Commercial agreements and onerous contracts	93	96	(47)	(20)	122
Other	229	62	(96)	(13)	182
	3,089	553	(819)	(212)	2,611
Short-term provisions	1,206				1,024
Long-term provisions	1,883				1,587
	3,089				2,611

[1] Effects of foreign exchange and other movements in 2014 are mainly related to depreciation of local currencies for 144 primarily in Russia (42) and Ukraine (79) and disposal of Kuzbass (54).

[2] Effects of foreign exchange and other movements in 2014 include mainly a change in estimate of the maturity of termination benefits in ArcelorMittal Belgium.

[3] The provision presented as "other unasserted claims" relates to a commercial dispute in respect of which no legal action has commenced. The Company recognized a release of 102 in 2014 following the expiration of the statute of limitations.

There are uncertainties regarding the timing and amount of the provisions above. Changes in underlying facts and circumstances for each provision could result in differences in the amounts provided for and the actual outflows. In general, provisions are presented on a non-discounted basis due to the uncertainties regarding the timing or the short period of their expected consumption.

Environmental provisions have been estimated based on internal and third-party estimates of contaminations, available remediation technology, and environmental regulations. Estimates are subject to revision as further information develops or circumstances change.

Provisions for site restoration are related to costs incurred for dismantling of site facilities, mainly in France and in the United States.

Provisions for staff related obligations concern primarily the United States and Brazil and are related to various employees' compensation.

Provisions for voluntary separation plans concern primarily plans in Spain, France, Belgium and South Africa, which are expected to be settled within one year. In 2014 no new voluntary separation plans were announced.

Provisions for litigation are related to probable losses that will be incurred due to a present legal obligation and are expected to be settled in a period of one to four years. Discussion regarding legal matters is provided in note 26.

Provisions for onerous contracts are related to unavoidable costs of meeting obligations exceeding expected economic benefits under certain contracts. The provision is recognized for the amount of the expected net loss or the cost of fulfilling the contract. The increase in 2014 mainly includes onerous tin plate contracts at the Weirton site in the United States for 76.

Other mainly includes provisions for technical warranties and guarantees.

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Note 23: Accrued expenses and other liabilities

Accrued expenses and other liabilities are comprised of the following as of December 31:

	2013	2014
Accrued payroll and employee related expenses	2,012	1,869
Collection under TSR programs	1,638	1,256
Accrued interests and other payables	1,552	979
Payable from acquisition of intangible, tangible & financial assets	1,068	915
Other amounts due to public authorities	542	528
Derivative instruments	207	134
Unearned revenue and accrued payables	52	59
Total	7,071	5,740

Note 24: Commitments

The Company's commitments consist of the following:

	December 31, 2013	December 31, 2014
Purchase commitments	18,930	22,250
Guarantees, pledges and other collateral	3,290	4,356
Non-cancellable operating leases	1,862	1,662
Capital expenditure commitments	1,060	933
Other commitments	3,354	3,118
Total	28,496	32,319

Purchase commitments

Purchase commitments consist primarily of major agreements for procuring iron ore, coking coal, coke and hot metal. The Company also has a number of agreements for electricity, industrial and natural gas, scrap and freight contracts. The increase in purchase commitments is mainly related to AM Calvert LLC slab purchases from TK Steel USA of 4,629 (see note 13).

Purchase commitments include commitments given to associates for 641 and 317 as of December 31, 2013 and 2014, respectively.

Purchase commitments include commitments given to joint ventures for nil and 731 as of December 31, 2013 and 2014, respectively. Commitments given to joint ventures include 650 related to purchase of the output from Tameh.

Guarantees, pledges and other collateral

Guarantees related to financial debt and credit line given on behalf of third parties were 89 and 101 as of December 31, 2013 and 2014, respectively. Additionally, 32 and 22 were related to guarantees given on behalf of associates.

Guarantees of 320 and 1,087 were given on behalf of joint ventures as of December 31, 2013 and 2014, respectively. The increase in guarantees given on behalf of joint ventures includes 573 for the guarantee issued on behalf of Calvert.

Pledges and other collateral mainly relate to mortgages entered into by the Company's operating subsidiaries. Other sureties, first demand guarantees, letters of credit, pledges and other collateral included 3 and nil of commitments given on behalf of associates as of December 31, 2013 and 2014, respectively.

Non-cancellable operating leases

The Company leases various facilities, land and equipment under non-cancellable lease arrangements. Future minimum lease payments required under operating leases that have initial or remaining non-cancellable terms as of December 31, 2013 and 2014 according to maturity periods are as follows:

	2013	2014
Less than 1 year	534	334
1-3 years	536	516
4-5 years	325	378
More than 5 years	467	434
Total	1,862	1,662

Non-cancellable operating leases include time charter arrangements for shipping activities. The service component of 318 included in certain of these agreements is classified as purchase commitments at December 31, 2014. The prior year service component of 373 has been reclassified to conform with the current year presentation.

The operating leases expense was 672 and 686 in 2013 and 2014, respectively. The non-cancellable operating leases commitments for the year ended December 31, 2014 are related to plant, machinery and equipment (1,302), buildings (204), land (111) and other (45).

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Capital expenditure commitments
Capital expenditure commitments mainly relate to greenfield projects (mainly Liberia) and investment commitments given to public authorities as follows:

ArcelorMittal Temirtau committed to expand the production capacity from 4 million tons to 6 million tons (103) and committed, since 2008, to improve the safety and security in the mining area (82).

ArcelorMittal Belgium committed to an investment program (168) as a result of the closure of ArcelorMittal Liège.

ArcelorMittal Atlantique et Lorraine committed to an investment program (116 remains as of December 31, 2014) in connection with the Florange site.

Other commitments given
Other commitments given comprise mainly commitments incurred for undrawn credit lines confirmed to customers and gas supply to electricity suppliers.

Commitments to sell
In addition to the commitments presented above, the Company has firm commitments to sell natural gas and electricity for nil and 435 as of December 31, 2013 and 2014, respectively.

Note 25: Deferred employee benefits

ArcelorMittal's operating subsidiaries sponsor different types of pension plans for their employees. Also, some of the operating subsidiaries offer other post-employment benefits, principally healthcare. The expense associated with these pension plans and employee benefits, as well as the carrying amount of the related liability/asset on the statements of financial position are based on a number of assumptions and factors such as the discount rate, expected compensation increases, life expectancy, future healthcare cost trends and market value of the underlying assets.

Statements of Financial Position
Total deferred employee benefits including pension or other post-employment benefits, are as follows:

		December 31,
	2013	2014
Pension plan benefits	3,283	3,748
Other post-employment benefits	5,234	5,659
Early retirement benefits	487	461
Defined benefit liabilities	9,004	9,868
Termination benefits	490	206
Total	9,494	10,074

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The early retirement benefits and termination benefits are related mainly to European countries (Belgium, Spain, Luxembourg, Germany and France).

Pension Plans
A summary of the significant defined benefit pension plans is as follows:

U.S.

ArcelorMittal USA's Pension Plan and Pension Trust is a non-contributory defined benefit plan covering approximately 18% of its employees. Certain non-represented salaried employees hired before 2003 also receive pension benefits. Benefits for most non-represented employees who receive pension benefits are determined under a "Cash Balance" formula as an account balance which grows as a result of interest credits and of allocations based on a percentage of pay. Benefits for wage and salaried employees represented by a union are determined as a monthly benefit at retirement based on fixed rate and service. This plan is closed to new participants.

Represented employees hired after November 2005 and for employees at locations which were acquired from International Steel Group Inc. receive defined pension benefits through a multiemployer pension plan that is accounted for as a defined contribution plan, due to the limited information made available to each of the 506 different participating employers. ArcelorMittal USA makes contributions to this multi-employer plan in the amount of $2.65 per contributory hour.

Canada

The primary pension plans are those of ArcelorMittal Dofasco, ArcelorMittal Mines Canada and ArcelorMittal Montreal.

The ArcelorMittal Dofasco pension plan is a hybrid plan providing the benefits of both a defined benefit and defined contribution pension plan. The defined contribution component is financed by both employer and employee contributions. The employer's defined contribution is based on a percentage of company profits. The defined benefit pension plan was closed for new hires on December 31, 2011 and replaced by a new defined contribution pension plan with contributions related to age and service.

The ArcelorMittal Mines Canada defined benefit plan provides salary related benefit for non-union employees and a flat dollar pension depending on an employee's length of service for union employees. This plan was closed for new non-union hires on December 31, 2009 and replaced by a defined contribution pension plan with contributions related to age and services. During the last months of 2014, ArcelorMittal communicated to its non-union employees who were still benefiting under the defined benefit plan that they would be transitioning to a defined contribution pension plan. This transition has no impact on the financial statements of the Company for the financial year 2014.

ArcelorMittal Montreal sponsors several defined benefit and defined contribution pension plans for its various groups of employees, with most defined benefit plans closed to new entrants several years ago. The primary defined benefit pension plan sponsored by ArcelorMittal Montreal provides certain unionized employees with a flat dollar pension depending on an employee's length of service.

ArcelorMittal Montreal entered into a six-year collective labor agreement during the third quarter of 2014 with its Contrecoeur-West union group. The defined benefit plan was closed to new hires. A new defined contribution type arrangement was established for new hires.

Brazil

The primary defined benefit plans, financed through trust funds, have been closed to new entrants. Brazilian entities have all established defined contribution plans that are financed by employer and employee contributions.

Europe

Certain European operating subsidiaries maintain primarily unfunded defined benefit pension plans for a certain number of employees. Benefits are based on such employees' length of service and applicable pension table under the terms of individual agreements. Some of these unfunded plans have been closed to new entrants and replaced by defined contributions pension plans for active members financed by employer and employee contributions.

In the Netherlands, most accrued pension rights were externalized with an insurance company in April 2014. The transaction removed 111 and 113 of defined benefit obligations and plan assets, respectively.

South Africa

There are two defined benefit pension plans. These plans are closed to new entrants. The assets are held in pension funds under the control of the trustees and both funds are wholly funded for qualifying employees. South African entities have also implemented defined contributions pension plans that are financed by employer and employee contributions.

Others

A very limited number of defined benefit pension plans are in place in other countries (mainly in Trinidad & Tobago).

The majority of the funded defined benefit payments described earlier provide benefit payments from trustee-administered funds. ArcelorMittal also sponsors a number of unfunded plans where the Company meets the benefit payment obligation as it falls due. Plan assets held in trusts are legally separated from the Company and are governed by local regulations and practice in each country, as is the nature of the relationship between the Company and the governing bodies and their composition. In general terms, governing bodies are required by law to act in the best interest of the plan members and are responsible for certain tasks related to the plan (e.g. setting the plan's investment policy).

In case of the funded pension plans, the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations of the pension plans.

A long-term investment strategy has been set for ArcelorMittal's major funded pension plans, with its asset allocation comprising of a mixture of equities securities, fixed income securities, real estate and other appropriate assets. This recognizes that different asset classes are likely to produce different long-term returns and some asset classes may be more volatile than others. The long-term investment strategy ensures, in particular, that investments are adequately diversified.

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The following tables detail the reconciliation of defined benefit obligation ("DBO"), plan assets and statements of financial position.

	Year Ended December 31, 2013						
	TOTAL	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Change in benefit obligation							
Benefit obligation at beginning of the period	13,006	3,976	4,032	991	2,817	882	308
Current service cost	165	49	45	11	46	1	13
Interest cost on DBO	565	150	167	84	85	57	22
Past service cost - Plan amendments	1	-	-	-	1	-	-
Plan participants' contribution	5	-	1	2	-	-	2
Curtailments and settlements	(17)	-	-	-	-	(17)	-
Actuarial (gain) loss	(850)	(324)	(198)	(248)	(88)	(4)	12
Demographic assumptions	37	3	33	12	(11)	-	-
Financial assumptions	(933)	(312)	(251)	(238)	(88)	(20)	(24)
Experience adjustment	46	(15)	20	(22)	11	16	36
Benefits paid	(796)	(255)	(219)	(51)	(158)	(81)	(32)
Foreign currency exchange rate differences and other movements	(459)	-	(268)	(100)	80	(162)	(9)
Benefit obligation at end of the period	11,620	3,596	3,560	689	2,783	676	316
Change in plan assets							
Fair value of plan assets at beginning of the period	8,308	2,516	3,210	735	809	914	124
Interest income on plan assets	375	87	132	66	23	60	7
Return on plan assets greater/(less) than discount rate	792	363	285	46	19	76	3
Employer contribution	276	203	46	15	11	-	1
Plan participants' contribution	5	-	1	2	-	-	2
Settlements	(13)	-	-	-	-	(13)	-
Benefits paid	(654)	(251)	(218)	(51)	(48)	(81)	(5)
Foreign currency exchange rate differences and other movements	(503)	(10)	(212)	(80)	(29)	(170)	(2)
Fair value of plan assets at end of the period	8,586	2,908	3,244	733	785	786	130
Present value of the wholly or partly funded obligation	(9,985)	(3,562)	(3,545)	(689)	(1,389)	(676)	(124)
Fair value of plan assets	8,586	2,908	3,244	733	785	786	130
Net present value of the wholly or partly funded obligation	(1,399)	(654)	(301)	44	(604)	110	6
Present value of the unfunded obligation	(1,635)	(34)	(15)	-	(1,394)	-	(192)
Prepaid due to unrecoverable surpluses	(194)	-	-	(81)	(3)	(110)	-
Net amount recognized	(3,228)	(688)	(316)	(37)	(2,001)	-	(186)
Net assets related to funded obligations	55	-	50	-	-	-	5
Recognized liabilities	(3,283)	(688)	(366)	(37)	(2,001)	-	(191)
Change in unrecoverable surplus							
Unrecoverable surplus at beginning of the period	(62)	-	-	(27)	(3)	(32)	-
Interest cost on unrecoverable surplus	(5)	-	-	(2)	-	(3)	-
Change in unrecoverable surplus in excess of interest	(138)	-	-	(55)	-	(83)	-
Exchange rates changes	11	-	-	3	-	8	-
Unrecoverable surplus at end of the period	(194)	-	-	(81)	(3)	(110)	-

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	Year Ended December 31, 2014						
	TOTAL	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Change in benefit obligation							
Benefit obligation at beginning of the period	11,620	3,596	3,560	689	2,783	676	316
Current service cost	128	41	35	4	38	-	10
Interest cost on DBO	561	163	158	86	83	51	20
Past service cost - Plan amendments	3	-	3	-	-	-	-
Plan participants' contribution	3	-	1	1	-	-	1
Curtailments and settlements	(115)	-	-	-	(115)	-	-
Actuarial (gain) loss	1,311	387	368	118	436	(1)	3
Demographic assumptions	163	99	30	45	(11)	-	-
Financial assumptions	1,138	295	415	23	408	3	(6)
Experience adjustment	10	(7)	(77)	50	39	(4)	9
Benefits paid	(751)	(252)	(211)	(48)	(145)	(73)	(22)
Foreign currency exchange rate differences and other movements [1]	(901)	-	(291)	(117)	(357)	(66)	(70)
Benefit obligation at end of the period	11,859	3,935	3,623	733	2,723	587	258
Change in plan assets							
Fair value of plan assets at beginning of the period	8,586	2,908	3,244	733	785	786	130
Interest income on plan assets	445	124	148	86	20	60	7
Return on plan assets greater/(less) than discount rate	365	88	183	17	60	19	(2)
Employer contribution	253	165	48	14	25	-	1
Plan participants' contribution	3	-	1	1	-	-	1
Settlements	(113)	-	-	-	(113)	-	-
Benefits paid	(617)	(248)	(210)	(48)	(33)	(73)	(5)
Foreign currency exchange rate differences and other movements[1]	(574)	(11)	(270)	(115)	(99)	(78)	(1)
Fair value of plan assets at end of the period	8,348	3,026	3,144	688	645	714	131
Present value of the wholly or partly funded obligation	(10,256)	(3,904)	(3,607)	(731)	(1,297)	(587)	(130)
Fair value of plan assets	8,348	3,026	3,144	688	645	714	131
Net present value of the wholly or partly funded obligation	(1,908)	(878)	(463)	(43)	(652)	127	1
Present value of the unfunded obligation	(1,603)	(31)	(16)	(2)	(1,426)	-	(128)
Prepaid due to unrecoverable surpluses	(205)	-	-	(75)	(3)	(127)	-
Net amount recognized	(3,716)	(909)	(479)	(120)	(2,081)	-	(127)
Net assets related to funded obligations	32	-	31	-	-	-	1
Recognized liabilities	(3,748)	(909)	(510)	(120)	(2,081)	-	(128)
Change in unrecoverable surplus							
Unrecoverable surplus at beginning of the period	(194)	-	-	(81)	(3)	(110)	-
Interest cost on unrecoverable surplus	(19)	-	-	(10)	-	(9)	-
Change in unrecoverable surplus in excess of interest	(15)	-	-	5	-	(20)	-
Exchange rates changes	23	-	-	11	-	12	-
Unrecoverable surplus at end of the period	(205)	-	-	(75)	(3)	(127)	-

[1] Other movements include the divestiture of ATIC for (29) in benefit obligations and (21) in plan assets

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following tables detail the components of net periodic pension cost:

	Year Ended December 31, 2013						
Net periodic pension cost (benefit)	TOTAL	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Current service cost	165	49	45	11	46	1	13
Past service cost - Plan amendments	1	-	-	-	1	-	-
Past service cost - Curtailments and settlements	(4)	-	-	-	-	(4)	-
Net interest cost/(income) on net DB liability/(asset)	195	63	35	20	62	-	15
Total	357	112	80	31	109	(3)	28

	Year Ended December 31, 2014						
Net periodic pension cost (benefit)	TOTAL	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Current service cost	128	41	35	4	38	-	10
Past service cost - Plan amendments	3	-	3	-	-	-	-
Past service cost - Curtailments and settlements	(2)	-	-	-	(2)	-	-
Net interest cost/(income) on net DB liability/(asset)	135	39	10	10	63	-	13
Total	264	80	48	14	99	-	23

Other post-employment benefits

ArcelorMittal's principal operating subsidiaries in the U.S., Canada, Europe and certain other countries, provide other post-employment benefits ("OPEB"), including medical benefits and life insurance benefits, to retirees. Substantially all union-represented ArcelorMittal USA employees are covered under post-employment life insurance and medical benefit plans that require a level of cost share from retirees. The post-employment life insurance benefit formula used in the determination of post-employment benefit cost is primarily based on a specific amount for hourly employees. ArcelorMittal USA does not pre-fund most of these post-employment benefits.

The current labor agreement between ArcelorMittal USA and the United Steelworkers requires payments into an existing Voluntary Employee Beneficiary Association ("VEBA") trust at a fixed amount of 25 per quarter. The VEBA primarily provides limited healthcare benefits to the retirees of certain companies whose assets were acquired (referred to as Legacy Retirees). Additionally, ArcelorMittal USA's retiree health care costs are capped at the 2008 per capita level for years 2010 and after. The VEBA can be utilized to the extent funds are available for costs in excess of the cap for these retirees. The labor contract with the United Steelworkers (the "USW") for 14 of the Company's facilities in the United States expires on September 1, 2015.

The Company has significant assets mostly in the aforementioned VEBA post-employment benefit plan. These assets consist of 67% in fixed income and 33% in equities and alternatives. The total fair value of the assets in the VEBA trust was 671 as of December 31, 2014.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Summary of changes in the other post-employment benefit obligation and changes in plan assets are as follows:

	Year Ended December 31, 2013				
	TOTAL	U.S.	CANADA	EUROPE	OTHERS
Change in benefit obligation					
Benefit obligation at beginning of the period	6,734	4,935	870	689	240
Current service cost	96	41	13	26	16
Interest cost on DBO	275	201	37	21	16
Past service cost - Plan amendments	3	-	-	(2)	5
Plan participants' contribution	21	21	-	-	-
Curtailments and settlements	(24)	-	-	(24)	-
Actuarial (gain) loss	(698)	(572)	(61)	(82)	17
Demographic assumptions	14	47	(28)	(10)	5
Financial assumptions	(600)	(517)	(44)	(30)	(9)
Experience adjustment	(112)	(102)	11	(42)	21
Benefits paid	(336)	(236)	(40)	(51)	(9)
Foreign currency exchange rate differences and other movements [1]	(97)	-	(57)	37	(77)
Benefit obligation at end of the period	5,974	4,390	762	614	208
Change in plan assets					
Fair value of plan assets at beginning of the period	704	689	-	15	-
Interest income on plan assets	27	27	-	-	-
Return on plan assets greater/(less) than discount rate	32	33	-	(1)	-
Employer contribution	189	189	-	-	-
Plan participants' contribution	21	21	-	-	-
Benefits paid	(234)	(234)	-	-	-
Foreign currency exchange rate differences and other movements	1	-	-	1	-
Fair value of plan assets at end of the period	740	725	-	15	-
Present value of the wholly or partly funded obligation	(1,403)	(1,322)	-	(81)	-
Fair value of plan assets	740	725	-	15	-
Net present value of the wholly or partly funded obligation	(663)	(597)	-	(66)	-
Present value of the unfunded obligation	(4,571)	(3,068)	(762)	(533)	(208)
Net amount recognized	(5,234)	(3,665)	(762)	(599)	(208)

[1]Other movements include the divestiture of ArcelorMittal Annaba for 64

	Year Ended December 31, 2014				
	TOTAL	U.S.	CANADA	EUROPE	OTHERS
Change in benefit obligation					
Benefit obligation at beginning of the period	5,974	4,390	762	614	208
Current service cost	82	39	10	23	10
Interest cost on DBO	279	210	34	20	15
Past service cost - Plan amendments	(17)	-	(17)	-	-
Plan participants' contribution	18	18	-	-	-
Curtailments and settlements	(6)	-	-	(6)	-
Actuarial (gain) loss	576	465	56	57	(2)
Demographic assumptions	382	402	(28)	7	1
Financial assumptions	519	363	84	75	(3)
Experience adjustment	(325)	(300)	-	(25)	-
Benefits paid	(347)	(248)	(39)	(53)	(7)
Foreign currency exchange rate differences and other movements	(170)	-	(62)	(78)	(30)
Benefit obligation at end of the period	6,389	4,874	744	577	194
Change in plan assets					
Fair value of plan assets at beginning of the period	740	725	-	15	-
Interest income on plan assets	33	33	-	-	-
Return on plan assets greater/(less) than discount rate	1	1	-	-	-
Employer contribution	188	188	-	-	-
Plan participants' contribution	18	18	-	-	-
Benefits paid	(248)	(246)	-	(2)	-
Foreign currency exchange rate differences and other movements	(2)	-	-	(2)	-
Fair value of plan assets at end of the period	730	719	-	11	-
Present value of the wholly or partly funded obligation	(1,607)	(1,530)	-	(77)	-
Fair value of plan assets	730	719	-	11	-
Net present value of the wholly or partly funded obligation	(877)	(811)	-	(66)	-
Present value of the unfunded obligation	(4,782)	(3,344)	(744)	(500)	(194)
Net amount recognized	(5,659)	(4,155)	(744)	(566)	(194)

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following tables detail the components of net periodic other post-employment cost:

	Year Ended December 31, 2013				
Components of net periodic OPEB cost (benefit)	TOTAL	U.S.	CANADA	EUROPE	OTHERS
Current service cost	96	41	13	26	16
Past service cost - Plan amendments	3	-	-	(2)	5
Past service cost - Curtailments	(24)	-	-	(24)	-
Net interest cost/(income) on net DB liability/ (asset)	248	174	37	21	16
Actuarial (gains)/losses recognized during the year	(10)	-	-	(10)	-
Total	313	215	50	11	37

	Year Ended December 31, 2014				
Components of net periodic OPEB cost (benefit)	TOTAL	U.S.	CANADA	EUROPE	OTHERS
Current service cost	82	39	10	23	10
Past service cost - Plan amendments	(17)	-	(17)	-	-
Past service cost - Curtailments	(6)	-	-	(6)	-
Net interest cost/(income) on net DB liability/ (asset)	246	177	34	20	15
Actuarial (gains)/losses recognized during the year	22	-	-	22	-
Total	327	216	27	59	25

The following tables detail where the expense is recognized in the consolidated statements of operations:

	Year Ended December 31,	
	2013	2014
Net periodic pension cost	357	264
Net periodic OPEB cost	313	327
Total	670	591
Cost of sales	193	158
Selling, general and administrative expenses	34	30
Financing costs - net	443	403
Total	670	591

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Plan Assets
The weighted-average asset allocations for the funded defined benefit pension plans by asset category were as follows:

	December 31, 2013					
	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Equity Securities	51%	58%	1%	8%	42%	44%
- Asset classes that have a quoted market price in an active market	37%	51%	1%	8%	40%	10%
- Asset classes that do not have a quoted market price in an active market	14%	7%	-	-	2%	34%
Fixed Income Securities (including cash)	33%	40%	98%	79%	58%	55%
- Asset classes that have a quoted market price in an active market	4%	35%	98%	78%	57%	5%
- Asset classes that do not have a quoted market price in an active market	29%	5%	-	1%	1%	50%
Real Estate	4%	-	-	-	-	-
- Asset classes that have a quoted market price in an active market	-	-	-	-	-	-
- Asset classes that do not have a quoted market price in an active market	4%	-	-	-	-	-
Other	12%	2%	1%	13%	-	1%
- Asset classes that have a quoted market price in an active market	-	2%	1%	6%	-	-
- Asset classes that do not have a quoted market price in an active market	12%	-	-	7%	-	1%
Total	100%	100%	100%	100%	100%	100%

	December 31, 2014					
	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Equity Securities	50%	56%	4%	3%	41%	43%
- Asset classes that have a quoted market price in an active market	28%	49%	4%	3%	38%	10%
- Asset classes that do not have a quoted market price in an active market	22%	7%	-	-	3%	33%
Fixed Income Securities (including cash)	34%	42%	94%	88%	58%	56%
- Asset classes that have a quoted market price in an active market	3%	37%	94%	87%	57%	5%
- Asset classes that do not have a quoted market price in an active market	31%	5%	-	1%	1%	51%
Real Estate	4%	-	1%	-	1%	-
- Asset classes that have a quoted market price in an active market	-	-	-	-	1%	-
- Asset classes that do not have a quoted market price in an active market	4%	-	1%	-	-	-
Other	12%	2%	1%	9%	-	1%
- Asset classes that have a quoted market price in an active market	-	2%	1%	6%	-	-
- Asset classes that do not have a quoted market price in an active market	12%	-	-	3%	-	1%
Total	100%	100%	100%	100%	100%	100%

These assets include investments in ArcelorMittal stock of approximately 20, but not in property or other assets occupied or used by ArcelorMittal. These assets may also include ArcelorMittal shares held by mutual fund investments. The invested assets produced an actual return of 1,226 and 844 in 2013 and 2014, respectively.

The Finance and Retirement Committees of the Boards of Directors for the respective operating subsidiaries have general supervisory authority over the respective trust funds. These committees have established asset allocation targets for the period as described below. Asset managers are permitted some flexibility to vary the asset allocation from the long-term investment strategy within control ranges agreed upon.

	December 31, 2014					
	U.S.	CANADA	BRAZIL	EUROPE	SOUTH AFRICA	OTHERS
Equity Securities	52%	56%	5%	3%	42%	36%
Fixed Income Securities (including cash)	34%	43%	93%	87%	58%	62%
Real Estate	5%	-	1%	-	-	1%
Other	9%	1%	1%	10%	-	1%
Total	100%	100%	100%	100%	100%	100%

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Assumptions used to determine benefit obligations at December 31,

	Pension Plans		Other Post-employment Benefits	
	2013	2014	2013	2014
Discount rate				
Range	3.25% - 14%	1.90% - 17%	3% - 22%	1.80% - 25%
Weighted average	5.17%	4.29%	4.86%	4.05%
Rate of compensation increase				
Range	2% - 10%	2% - 11%	1.80% - 20%	2% - 21%
Weighted average	3.66%	3.40%	3.40%	3.64%

Healthcare Cost Trend Rate

	Other Post-employment Benefits	
	2013	2014
Healthcare cost trend rate assumed		
Range	2.00% - 6.09%	2.00% - 5.30%
Weighted average	4.83%	4.80%

Cash Contributions and maturity profile of the plans

In 2015, the Company is expecting its cash contributions to amount to 330 for pension plans, 297 for other post employment benefits plans, 123 for defined contribution plans and 69 for U.S. multi-employer plans. Cash contributions to defined contribution plans and to U.S. multi-employer plans sponsored by the Company, were respectively 131 and 68 in 2014.

At December 31, 2014, the weighted average duration of the liabilities related to the pension and other post employment benefits plans were 11 years (2013: 11 years) and 12 years (2013: 13 years), respectively.

Risks associated with defined benefit plans

Through its defined benefit pension plans and OPEB plans, ArcelorMittal is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Asset Volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. In most countries with funded plans, plan assets hold a significant portion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. As the plans mature, ArcelorMittal intends to reduce the level of investment risk by investing more in assets that better match the liabilities. However, ArcelorMittal believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of a long-term strategy to manage the plans efficiently.

Life expectancy
The majority of the plans provide benefits for the life of the covered members, so increases in life expectancy will result in an increase in the plans' benefit obligations. Assumption regarding future mortality rates has been set considering published statistics and where possible, ArcelorMittal's own population's experience. The current longevities at retirement underlying the values of the defined benefit obligation were approximately 21 years.

Late in 2014, the Society of Actuaries published new mortality base tables and new mortality improvement scales in the U.S. Use of these new mortality assumptions resulted in increasing the pension and OPEB defined benefit obligations by 85 and 271, respectively.

Healthcare cost trend rate
The majority of the OPEB plans' benefit obligations are linked to the change in the cost of various health care components. Future healthcare cost will vary based on several factors including price inflation, utilization rate, technology advances, cost shifting and cost containing mechanisms. A higher healthcare cost trend will lead to higher OPEB plan benefit obligations.

Multi-employer plans

ArcelorMittal participates in a multi-employer pension plan in the U.S. Under multi-employer plans, several participating employers make contributions into a pension plan. The assets of the plan are not limited to the participants of a particular employer. If an employer is unable to make required contributions to the plan, any unfunded obligations may be borne by the remaining employers. Additionally, if an employer withdraws from the plan, it may be required to pay an amount based on the underfunded status of the plan. As of December 31, 2013, which is the latest period for which information is available, the multi-employer pension plan showed a deficit of 771 and a funded ratio of 81%. ArcelorMittal represented roughly 27% of total contributions made to the plan in the past three years.

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Sensitivity analysis
The following information illustrates the sensitivity to a change of the significant actuarial assumptions related to ArcelorMittal's pension plans (as of December 31, 2014, the defined benefit obligation for pension plans was 11,859):

	Effect on 2015 Pre-Tax Pension Expense (sum of service cost and interest cost)	Effect of December 31, 2014 DBO
Change in assumption		
100 basis points decrease in discount rate	(44)	1,466
100 basis points increase in discount rate	33	(1,207)
100 basis points decrease in rate of compensation	(18)	(216)
100 basis points increase in rate of compensation	20	235
1 year increase of the expected life of the beneficiaries	13	287

The following table illustrates the sensitivity to a change of the significant actuarial assumptions related to ArcelorMittal's OPEB plans (as of December 31, 2014 the defined benefit obligation for post-employment benefit plans was 6,389):

	Effect on 2015 Pre-Tax OPEB Expense (sum of service cost and interest cost)	Effect of December 31, 2014 DBO
Change in assumption		
100 basis points decrease in discount rate	(10)	908
100 basis points increase in discount rate	8	(729)
100 basis points decrease in healthcare cost trend rate	(43)	(658)
100 basis points increase in healthcare cost trend rate	50	800
1 year increase of the expected life of the beneficiaries	10	205

The above sensitivities reflect the effect of changing one assumption at the time. Actual economic factors and conditions often affect multiple assumptions simultaneously, and the effects of changes in key assumptions are not necessarily linear.

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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Note 26: Contingencies

ArcelorMittal is currently and may in the future be involved in litigation, arbitration or other legal proceedings. Provisions related to legal and arbitration proceedings are recorded in accordance with the principles described in Note 2 to ArcelorMittal's consolidated financial statements.

Most of these claims involve highly complex issues. Often these issues are subject to substantial uncertainties and, therefore, the probability of loss and an estimation of damages are difficult to ascertain. Consequently, for a large number of these claims, ArcelorMittal is unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceeding. In those cases, ArcelorMittal has disclosed information with respect to the nature of the contingency. ArcelorMittal has not accrued a reserve for the potential outcome of these cases.

In a limited number of ongoing cases, the Company was able to make a reasonable estimate of the expected loss or range of probable loss and has accrued a provision for such loss, but believes that publication of this information on a case-by-case basis would seriously prejudice the Company's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, the Company has disclosed information with respect to the nature of the contingency, but has not disclosed its estimate of the range of potential loss.

In the cases in which quantifiable fines and penalties have been assessed, the Company has indicated the amount of such fine or penalty or the amount of provision accrued that is the estimate of the probable loss.

These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. The assessments are based on estimates and assumptions that have been deemed reasonable by management. The Company believes that the aggregate provisions recorded for the above matters are adequate based upon currently available information. However, given the inherent uncertainties related to these cases and in estimating contingent liabilities, the Company could, in the future, incur judgments that have a material adverse effect on its results of operations in any particular period. The Company considers it highly unlikely, however, that any such judgments could have a material adverse effect on its liquidity or financial condition.

Environmental Liabilities

ArcelorMittal's operations are subject to a broad range of laws and regulations relating to the protection of human health and the environment at its multiple locations and operating subsidiaries. As of December 31, 2014, excluding asset retirement obligations, ArcelorMittal had established provisions of 855 for environmental remedial activities and liabilities. The provisions for all operations by geographic area were 508 in Europe, 170 in the United States, 140 in South Africa and 37 in Canada. In addition, ArcelorMittal and the previous owners of its facilities have expended substantial amounts to achieve or maintain ongoing compliance with applicable environmental laws and regulations. ArcelorMittal expects to continue to expend resources in this respect in the future.

United States

ArcelorMittal's operations in the United States have environmental provisions of 170 (exclusive of asset retirement obligations) to address existing environmental liabilities, of which 21 is expected to be spent in 2015. The environmental provisions principally relate to the investigation, monitoring and remediation of soil and groundwater at ArcelorMittal's current and former facilities. ArcelorMittal USA continues to have significant environmental provisions relating to investigation and remediation at Indiana Harbor East, Lackawanna, and its closed mining operations in southwestern Pennsylvania. ArcelorMittal USA's environmental provisions also include 34, with anticipated spending of 3 during 2015, to specifically address the removal and disposal of asbestos-containing materials and polychlorinated biphenyls ("PCBs"). All of ArcelorMittal's major operating and former operating sites in the United States are or may be subject to a corrective action program or other laws and regulations relating to environmental remediation, including projects relating to the reclamation of industrial properties. In some cases, soil or groundwater contamination requiring remediation is present at both currently operating and former ArcelorMittal facilities. In other cases, the Company is required to conduct studies to determine the extent of contamination, if any, that exists at these sites.

In 1990, ArcelorMittal USA's Indiana Harbor East facility was party to a lawsuit filed by the U.S. Environmental Protection Agency (the "EPA") under the U.S. Resource Conservation and Recovery Act ("RCRA"). In 1993, Inland Steel Company (predecessor to ArcelorMittal USA) entered into a Consent Decree, which, among other things, requires facility-wide RCRA Corrective Action and sediment assessment and remediation in the adjacent Indiana Harbor Ship Canal. In 2012, ArcelorMittal USA entered into a Consent Decree Amendment to the 1993 Consent Decree defining the objectives for limited sediment assessment and remediation of a small portion of the Indiana Harbor Ship Canal. The provisions for environmental liabilities include approximately 12 for such sediment assessment and remediation, and 7 for RCRA Corrective Action at the Indiana Harbor East facility itself. Remediation ultimately may be necessary for other contamination that may be present at Indiana Harbor East, but the potential costs of any such remediation cannot yet be reasonably estimated.

ArcelorMittal USA's properties in Lackawanna, New York are subject to an Administrative Order on Consent with the EPA requiring facility-wide RCRA Corrective Action. The Administrative Order, entered into in 1990 by the former owner, Bethlehem Steel, requires the Company to perform a Remedial Facilities Investigation ("RFI") and a Corrective Measures Study, to implement appropriate interim and final remedial measures, and to perform required post-remedial closure activities. In 2006, the New York State Department of Environmental Conservation and the EPA conditionally approved the RFI. ArcelorMittal USA has executed Orders on Consent to perform certain interim corrective measures while advancing the Corrective Measures Study. These include installation and operation of a ground water treatment system and dredging of a local waterway known as Smokes Creek. A Corrective Measure Order on Consent was executed in 2009 for other site remediation activities. ArcelorMittal USA's provisions for environmental liabilities include approximately 40 for anticipated remediation and post-remediation activities at this site. The provisioned amount is based on the extent of soil and groundwater contamination identified by the RFI and the remedial measures likely to be required, including excavation and consolidation of containment structures in an on-site landfill and continuation of groundwater pump and treatment systems.

ArcelorMittal USA is required to prevent acid mine drainage from discharging to surface waters at its closed mining operations in southwestern Pennsylvania. In 2003, ArcelorMittal USA entered into a Consent Order and Agreement with the Pennsylvania Department of Environmental Protection (the "PaDEP") requiring submission of a plan to improve treatment facility operations and lower long-term wastewater treatment costs. In 2004, ArcelorMittal USA entered into a revised Consent Order and Agreement outlining a schedule for implementation of capital improvements and requiring the establishment of a treatment trust, estimated by the PaDEP to be the net present value of all future treatment cost. ArcelorMittal USA has been funding the treatment trust and has until 2017 to reach the current target value of approximately 48. This target value is based on average spending over the last three years. We expect this rate of spending and the target value to decrease once the operational improvement plans are in place. The trust had a market value of 34 as of December 31, 2014. Once fully funded, ArcelorMittal can be reimbursed from the fund for the continuing cost of treatment of acid mine drainage. ArcelorMittal USA's provisions for environmental

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liabilities include approximately 28 for this matter.

On August 8, 2006, the U.S. EPA Region V issued ArcelorMittal USA's Burns Harbor, Indiana facility a Notice of Violation ("NOV") alleging multiple violations of the Clean Air Act's Prevention of Significant Deterioration ("PSD") air permit requirements based on alleged failures by Bethlehem Steel that dating back to early 1994. Based on recent court decisions and ongoing negotiations with US EPA, it is very likely that US EPA will not enforce the alleged PSD permit violations by Bethlehem Steel against ArcelorMittal USA. U.S. EPA Region V also conducted a series of inspections and issued information requests under the Federal Clean Air Act relating to the Burns Harbor, Indiana Harbor and Cleveland facilities. Some of the EPA's information requests and subsequent allegations relate to recent operations while others relate to historical actions under former facility owners that occurred 13 to 27 years ago. In October 2011, EPA issued NOVs to Indiana Harbor West, Indiana Harbor East, Indiana Harbor Long Carbon, Burns Harbor and Cleveland alleging operational noncompliance based primarily on self-reported Title V permit concerns. Compliance data relating to the self reported items indicate that ArcelorMittal's operations consistently achieve substantial rates of compliance with applicable permits and regulations. Comprehensive settlement discussions with U.S. EPA and affected state agencies involving all of the NOVs are ongoing and a comprehensive settlement with U.S. EPA may be negotiated in 2015.

Europe

Environmental provisions for ArcelorMittal's operations in Europe total 508 and are mainly related to investigation and remediation of environmental contamination at current and former operating sites in France (113), Belgium (257), Luxembourg (58), Poland (31), Germany (33), Czech Republic (10) and Spain (6). This investigation and remediation work relates to various matters such as decontamination of water discharges, waste disposal, cleaning water ponds and remediation activities that involve the clean-up of soil and groundwater. These provisions also relate to human health protection measures such as fire prevention and additional contamination prevention measures to comply with local health and safety regulations.

France
In France, there is an environmental provision of 113, principally relating to the remediation of former sites, including several coke plants, and the capping and monitoring of landfills or basins previously used for residues and secondary materials. The remediation of the coke plants concerns mainly the Thionville, Moyeuvre Grande, Homecourt, Hagondange and Micheville sites, and is related to treatment of soil and groundwater. At Moyeuvre Petite, the recovery of the slag is almost complete and ArcelorMittal is responsible for closure and final rehabilitation of the site. At other sites, ArcelorMittal is responsible for monitoring the concentration of heavy metals in soil and groundwater. Provisions in France also cover the legal site obligations linked to the closure of the steel plant and rolling mill at Gandrange as well as of the wire mill in Lens.

ArcelorMittal Atlantique et Lorraine has an environmental provision that principally relates to the remediation and improvement of storage of secondary materials, the disposal of waste at different ponds and landfills and an action plan for removing asbestos from the installations and mandatory financial guarantees to cover risks of major accident hazard or for gasholders and waste storage. Most of the provision relates to the stocking areas at the Dunkirk site that will need to be restored to comply with local law and to the mothballing of the liquid phase in Florange, including study and surveillance of soil and water to prevent environmental damage, treatment and elimination of waste and financial guarantees demanded by Public Authorities. The environmental provisions also include treatment of slag dumps at Florange and Dunkirk sites as well as removal and disposal of asbestos-containing material at the Dunkirk and Mardyck sites. The environmental provisions set up at ArcelorMittal Méditerranée mainly correspond to mandatory financial guarantees to operate waste storage installations and a coke oven gas holder. It also covers potential further adjustments of tax paid on polluting activities in recent years.

Industeel France has an environmental provision that principally relates to ground remediation at the Le Creusot site and to the rehabilitation of waste disposal areas at the Châteauneuf site.

Belgium
In Belgium, there is an environmental provision of 257, of which the most significant elements are legal site remediation obligations linked to the closure of the primary installations at ArcelorMittal Belgium (Liège). The provisions also concern the external recovery and disposal of waste, residues or by-products that cannot be recovered internally on the ArcelorMittal Gent and Liège sites and the removal and disposal of asbestos-containing material.

Luxembourg
In Luxembourg, there is an environmental provision of approximately 58, which relates to the post-closure monitoring and remediation of former production sites, waste disposal areas, slag deposits and mining sites.

In 2007, ArcelorMittal Luxembourg sold the former Ehlerange slag deposit (93 hectares) to the State of Luxembourg. ArcelorMittal Luxembourg is contractually obligated to clean the site and move approximately 530,000 cubic meters of material to other sites. ArcelorMittal Luxembourg also has an environmental provision to secure, stabilize and conduct waterproofing treatment on mining galleries and entrances and various dumping areas in Monderçange, Dudelange, Differdange and Dommeldange. The environmental provision also relates to elimination of blast furnace dust and remediation of the soil to accommodate the expansion of the city of Esch-sur-Alzette. Other environmental provisions concern the cleaning of the Belval Blast Furnace water pond and former production sites. A provision of approximately 53 covers these obligations.

ArcelorMittal Belval and Differdange has an environmental provision of approximately 4 to clean historical landfills in order to meet the requirements of the Luxembourg Environment Administration.

Poland
ArcelorMittal Poland S.A.'s environmental provision of 31 mainly relates to the obligation to reclaim a landfill site and to dispose of the residues which cannot be internally recycled or externally recovered. The provision also concerns the storage and disposal of iron-bearing sludge which cannot be reused in the manufacturing process.

Germany
In Germany, the environmental provision of 33 essentially relates to ArcelorMittal Bremen's post-closure obligations mainly established for soil remediation, groundwater treatment and monitoring at the Prosper coke plant in Bottrop.

Czech Republic
In the Czech Republic, there is an environmental provision of 10, which essentially relates to the post-closure dismantling of buildings and soil remediation at the corresponding areas of the Ostrava site.

Spain
In Spain, ArcelorMittal España has environmental provisions of 6 due to obligations of sealing landfills located in the Asturias site and post-closure obligations in accordance with national legislation. These obligations include the collection and treatment of leachates that can be generated during the operational phase and a period of 30 years after the closure.

South Africa

ArcelorMittal South Africa has environmental provisions of approximately 140 to be used over 14 years, mainly relating to environmental remediation obligations attributable to historical or legacy settling/ evaporation dams and waste disposal activities. An important determinant in the final timing of the remediation work relates to the obtaining of the necessary environmental authorizations.

Approximately 35 of the provision relates to the decommissioned

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Pretoria Works site. This site is in a state of partial decommissioning and rehabilitation with one coke battery and a small-sections rolling facility still in operation. ArcelorMittal South Africa is in the process of transforming this old plant into an industrial hub for light industry, a process that commenced in the late 1990s. Particular effort is directed to landfill sites, with sales of slag from legacy disposal sites to vendors in the construction industry continuing unabated and encouraging progress being made at the Mooiplaats site. However, remediation actions for these sites are long-term in nature due to a complex legal process that needs to be followed.

The Vanderbijlpark Works site, which is the main flat carbon steel operation of the South Africa unit and has been in operation for more than 71 years, contains a number of legacy facilities and areas requiring remediation. The remediation entails the implementation of rehabilitation and decontamination measures of waste disposal sites, waste water dams, ground water and historically contaminated open areas. Approximately 30 of the provision is allocated to this site.

The Newcastle Works site is the main long carbon steel operation of the South Africa unit that has been in operation for more than 35 years. Approximately 26 of the provision is allocated to this site. As with all operating sites of ArcelorMittal South Africa, the above retirement and remediation actions dovetail with numerous large capital expenditure projects dedicated to environmental management. In the case of the Newcastle site, the major current environmental capital project is for water treatment.

A provision of 40 relates to the environmental rehabilitation of the Thabazimbi Mine.

The remainder of the obligation of approximately 9 relates to Vereeniging site for the historical pollution that needs to be remediated at waste disposal sites, waste water dams and groundwater tables.

Canada

In Canada, ArcelorMittal Dofasco has an environmental provision of approximately 24 for the expected cost of remediating toxic sediment located in the Company's East Boatslip site, and a provision of approximately 5 for the expected cost of remediating environmental issues at the former Sherman iron ore mine in Ontario once operated and managed by Dofasco (closed in 1990). ArcelorMittal Montreal has an environmental provision of approximately 8 for future disposal of sludge left in ponds after flat mills closure at Contrecoeur.

Asset Retirement Obligations ("AROs")

AROs arise from legal requirements and represent management's best estimate of the present value of the costs that will be required to retire plant and equipment or to restore a site at the end of its useful life. As of December 31, 2014, ArcelorMittal had established provisions for asset retirement obligations of 305, including 30 for Ukraine, 76 for Canada, 46 for the United States, 48 for Mexico, 22 for Belgium, 26 for Germany, 16 for South Africa, 8 for Brazil, 19 for Kazakhstan, and 14 for Liberia.

The AROs in Ukraine are legal obligations for site rehabilitation at the iron ore mining site in Kryvyi Rih, upon closure of the mine pursuant to its restoration plan.

The AROs in Canada are legal obligations for site restoration and dismantling of the facilities near the mining sites in Mont-Wright and Fire Lake, and at the facility of Port-Cartier in Quebec, upon closure of the mine pursuant to the restoring plan of the mines.

The AROs in the United States principally relate to mine closure costs of the Hibbing and Minorca iron ore mines and Princeton coal mines.

The AROs in Mexico relate to the restoration costs at the closure of the Las Truchas and El Volcan and the joint operation of Pena Colorada iron ore mines.

In Belgium, the AROs are to cover the demolition costs for primary facilities at the Liège sites.

In Germany, AROs principally relate to the Hamburg site, which is operating on leased land with the contractual obligation to remove all buildings and other facilities upon the termination of the lease, and to the Prosper coke plant in Bottrop for filling the basin, restoring the layer and stabilizing the shoreline at the harbor.

The AROs in South Africa are for the Pretoria, Vanderbijlpark, Coke and Chemical sites, and relate to the closure and clean-up of the plant associated with decommissioned tank farms, tar plants, chemical stores, railway lines, pipelines and defunct infrastructure.

In Brazil, the AROs relate to legal obligations to clean and restore the mining areas of Serra Azul and Andrade, both located in the State of Minas Gerais. The related provisions are expected to be settled in 2037 and 2031, respectively.

In Kazakhstan, the AROs relate to the restoration obligations of the iron ore and coal mines.

In Liberia, the AROs relate to iron ore mine and associated infrastructure and, specifically, the closure and rehabilitation plan under the current operating phase.

Tax Claims

ArcelorMittal is a party to various tax claims. As of December 31, 2014, ArcelorMittal had recorded provisions in the aggregate of approximately 271 for tax claims in respect of which it considers the risk of loss to be probable. Set out below is a summary description of the tax claims (i) in respect of which ArcelorMittal had recorded a provision as of December 31, 2014 or (ii) that constitute a contingent liability, in each case involving amounts deemed material by ArcelorMittal. The Company is vigorously defending against each of the pending claims discussed below.

Brazil

In 2003, the Brazilian Federal Revenue Service granted ArcelorMittal Brasil (through its predecessor company, then known as CST) a tax benefit for certain investments. ArcelorMittal Brasil had received certificates from SUDENE, the former Agency for the Development of the Northeast Region of Brazil, confirming ArcelorMittal Brasil's entitlement to this benefit. In September 2004, ArcelorMittal Brasil was notified of the annulment of these certificates. ArcelorMittal Brasil has pursued its right to this tax benefit through the courts against both ADENE, the successor to SUDENE, and against the Brazilian Federal Revenue Service. The Brazilian Federal Revenue Service issued a tax assessment in this regard for 451 in December 2007. In December 2008, the administrative tribunal of first instance upheld the amount of the assessment. ArcelorMittal Brasil appealed to the administrative tribunal of second instance, and, on August 8, 2012, the administrative tribunal of the second instance found in favor of ArcelorMittal invalidating the tax assessment, thereby ending this case. On April 16, 2011, ArcelorMittal Brasil received a further tax assessment for the periods of March, June and September 2007, which, taking into account interest and currency fluctuations, amounted to 205 as of December 31,2014. ArcelorMittal Brasil filed its defense in April 2011. In October 2011, the administrative tribunal of first instance upheld the tax assessment received by ArcelorMittal Brazil on April 16, 2011, but decided that no penalty (amounting to 77) was due. Both parties have filed an appeal with the second administrative instance.

In 2011, SOL Coqueria Tubarão S.A. received 27 tax assessments from the Revenue Service of the State of Espirito Santo for ICMS (a value added tax) in the total amount of 51 relating to a tax incentive (INVEST) used by the Company. The dispute concerns the definition of fixed assets and ArcelorMittal Tubarão has filed its defense in the administrative instance.

In 2011, ArcelorMittal Brasil received a tax assessment for corporate income tax (known as IRPJ) and social contributions on net profits (known as CSL) in relation to (i) the amortization of goodwill on the acquisition of Mendes Júnior Siderurgia (for the 2006 and 2007 fiscal years), (ii) the amortization of goodwill arising from the mandatory tender offer (MTO) made by ArcelorMittal to minority shareholders of Arcelor Brasil following the two-step merger of Arcelor and Mittal Steel N.V. (for the 2007 tax year), (iii) expenses related to pre-export financing used to finance the MTO, which were deemed by the tax authorities to be unnecessary for ArcelorMittal Brasil since the

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expenses were incurred to buy shares of its own company and (iv) CSL over profits of controlled companies in Argentina and Costa Rica. The amount claimed totals 527. On January 31, 2014, the administrative tribunal of first instance found in partial favor of ArcelorMittal Brasil, reducing the penalty component of the assessment from, according to ArcelorMittal Brasil's calculations, 266 to 141 (as calculated at the time of the assessment), while upholding the remainder of the assessment. The Brazilian Federal Revenue Service has appealed the administrative tribunal's decision to reduce the amount of the original penalty. ArcelorMittal Brasil has also appealed the administrative tribunal's decision to uphold the tax authority's assessment (including the revised penalty component).

In 2013, ArcelorMittal Brasil received a tax assessment in relation to the 2008-2010 tax years for corporate income IRPJ and CSL in relation to (i) the amortization of goodwill on the acquisition of Mendes Júnior Siderurgia, Dedini Siderurgia and CST, (ii) the amortization of goodwill arising from the mandatory tender offer made by ArcelorMittal to minority shareholders of Arcelor Brasil following the two-step merger of Arcelor and Mittal Steel N.V. and (iii) CSL and IRPJ over profits of controlled companies in Argentina, Costa Rica, Venezuela and the Netherlands. The amount claimed totals 489. ArcelorMittal Brasil has filed its defense, and the case is in the first administrative instance. In October 2014, the administrative tribunal of first instance found in favour of the Federal Revenue and ArcelorMittal Brasil filed its appeal on November 6, 2014.

For over 15 years, ArcelorMittal Brasil has been challenging the basis of calculation of the Brazilian Cofins and Pis social security taxes (specifically, whether Brazilian VAT may be deducted from the base amount on which the Cofins and Pis taxes are calculated), in an amount of approximately 32. ArcelorMittal Brasil deposited the disputed amount in escrow with the relevant Brazilian judicial branch when it became due. Since the principal amount bears interest at a rate applicable to judicial deposits, the amount stood at 60 as of December 31, 2014.

In April 2014, Comércio Exterior S.A. ("Comex"), a Brazilian subsidiary of ArcelorMittal, received a tax assessment in the amount of 68 concerning certain deductions made by Comex in relation to the Fundap financial tax incentive; the Brazilian Federal Revenue Service considers that Comex owes corporate income tax (known as IRPJ) and social contributions on net profits (known as CSL) on the amounts deducted. Comex filed its defense in June 2014.

In May 2014, ArcelorMittal Comercializadora de Energia received a tax assessment from the state of Minas Gerais alleging that the Company did not correctly calculate tax credits on interstate sales of electricity from the February 2012 to December 2013 period. The amount claimed totals 54. ArcelorMittal Comercializadora de Energia filed its defense in June 2014. Following an unfavorable administrative decision in November 2014, ArcelorMittal filed an appeal in December 2014.

France
Following audits for 2006, 2007 and 2008 of ArcelorMittal France and other French ArcelorMittal entities, URSSAF, the French body responsible for collecting social contributions, commenced formal proceedings for these years alleging that the French ArcelorMittal entities owe €65 million in social contributions on various payments, the most significant of which relate to profit sharing schemes, professional fees and stock options. Proceedings were commenced in relation to the 2006 claims in December 2009. Proceedings were commenced in relation to the 2007 and 2008 claims in February and March 2010, respectively. In three decisions dated December 10, 2012, the arbitration committee hearing the matter found that social contributions in an amount of €15.3 million, €9.9 million and €4.7 million are due in respect of the profit-sharing schemes, stock options and professional fees, respectively. These amounts cover the audits for 2006, 2007 and 2008. In March 2013, the Company filed appeals against the decisions relating to the profit-sharing schemes and stock options.

Following audits for 2009, 2010 and 2011 of ArcelorMittal France and other French ArcelorMittal entities, URSSAF commenced formal proceedings in December 2012 for these years alleging that these entities owe €142 million in social contributions (including interest and late fees relating thereto) on various payments, the most significant of which relate to voluntary separation schemes, profit sharing schemes, professional fees and stock options. In its decision dated April 24, 2013, the arbitration committee reduced the amount claimed by €27 million. The dispute is now proceeding to the judicial phase before the Tribunal des Affaires de Sécurité Sociale.

Ukraine
In December 2010, the Ukrainian tax authorities issued a tax assessment in a total amount of 29 to ArcelorMittal Kryvyi Rih, alleging that it had breached tax law provisions relating to VAT for the December 2009 to October 2010 period. ArcelorMittal Kryvyi Rih appealed the assessment to a higher division of the tax authorities. The appeal was rejected, and ArcelorMittal Kryvyi Rih appealed this decision to the local District Administrative Court in February 2011. In March 2011, the local District Administrative Court decided in favor of ArcelorMittal Kryvyi Rih and the tax authorities filed an appeal. On June 26, 2012, the Court of Appeal ruled in favor of ArcelorMittal Kryvyi Rih, rejecting the appeal of the tax authorities, who on July 13, 2012 filed an appeal in cassation. On December 24, 2014, the Supreme Administrative Court of Ukraine left unchanged the decisions of the lower courts in favour of ArcelorMittal Kryvyi Rih. The tax authorities can appeal to the Supreme Court of Ukraine before December 24, 2015.

In September 2012, the Ukrainian tax authorities conducted an audit of ArcelorMittal Kryvyi Rih, resulting in a tax claim of approximately 92. The claim relates to cancellation of VAT refunds, cancellation of deductible expenses and queries on transfer pricing calculations. On January 2, 2013, ArcelorMittal Kryvyi Rih filed a lawsuit with the District Administrative Court to challenge the findings of this tax audit. On April 9, 2013, the District Administrative Court rejected the claim by the tax authorities in an amount of 92 and retained only a tax liability of approximately 0.2 against ArcelorMittal Kryvyi Rih. Both parties filed appeals, and, on November 7, 2013, the Court of Appeal rejected the appeal by the tax authorities and retained only a tax liability of approximately 0.1 against ArcelorMittal Kryvyi Rih. On November 12, 2013, the tax authorities filed an appeal in cassation. On July 7, 2014, the tax authorities filed an application to withdraw the case. At a hearing held on September 10, 2014, the court requested that the tax authorities provide evidence confirming that the submission of this application was properly internally authorized by the State Tax Administration.

Competition/Antitrust Claims

ArcelorMittal is a party to various competition/antitrust claims. As of December 31, 2014, ArcelorMittal had not recorded any provisions in respect of such claims. Set out below is a summary description of competition/antitrust claims (i) that constitute a contingent liability, or (ii) that were resolved in 2014 in each case involving amounts deemed material by ArcelorMittal. The Company is vigorously defending against each of the pending claims discussed below.

United States
On September 12, 2008, Standard Iron Works filed a purported class action complaint in the U.S. District Court in the Northern District of Illinois against ArcelorMittal, ArcelorMittal USA LLC, and other steel manufacturers, alleging that the defendants had conspired to restrict the output of steel products in order to fix, raise, stabilize and maintain prices at artificially high levels in violation of U.S. antitrust law. Other similar direct purchaser lawsuits were also filed in the same court and were consolidated with the Standard Iron Works lawsuit. A hearing on class certification of the direct purchaser claims took place in March/April 2014 and a decision remains pending . On May 29, 2014, ArcelorMittal entered into an agreement to settle the direct purchaser claims for an amount of 90 recognized in cost of sales. On October 17, 2014, the court gave its final approval of the settlement. Two putative class actions on behalf of indirect purchasers have been filed and are not covered by the settlement of the direct purchaser claims.

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Brazil
In September 2000, two construction trade organizations filed a complaint with Brazil's Administrative Council for Economic Defence ("CADE") against three long steel producers, including ArcelorMittal Brasil. The complaint alleged that these producers colluded to raise prices in the Brazilian rebar market, thereby violating applicable antitrust laws. In September 2005, CADE issued its final decision against ArcelorMittal Brasil, imposing a fine of 52 (at December 31, 2014 values). ArcelorMittal Brasil appealed the decision to the Brazilian Federal Court. In September 2006, ArcelorMittal Brasil offered a letter guarantee and obtained an injunction to suspend enforcement of this decision pending the court's judgment.

There is also a related class action commenced by the Federal Public Prosecutor of the state of Minas Gerais against ArcelorMittal Brasil for damages based on the alleged violations investigated by CADE.

A further related lawsuit was commenced by four units of Sinduscons, a civil construction trade organization, in federal court in Brasilia against, inter alia, ArcelorMittal Brasil, in February 2011, claiming damages based on an alleged cartel in the rebar market as investigated by CADE and as noted above.

Germany
In February 2013, Germany's Federal Cartel Office (Bundeskartellamt) conducted unannounced inspections of ArcelorMittal FCE Germany GmbH, ThyssenKrupp and Voestalpine in relation to suspected anti-competitive practices regarding steel for automotive customers. On December 10, 2014, the Bundeskartellamt closed its investigation.

Romania
In 2010 and 2011, ArcelorMittal Galati entered into high volume electricity purchasing contracts with Hidroelectrica, a partially state-owned electricity producer. Following allegations by Hidroelectrica's minority shareholders that ArcelorMittal Galati (and other industrial electricity consumers) benefitted from artificially low tariffs, the European Commission opened a formal investigation into alleged state aid in April 2012.

South Africa
In February 2007, the complaint previously filed with the South African Competition Commission by Barnes Fencing, a South African producer of galvanized wire, alleging that ArcelorMittal South Africa, as a "dominant firm", discriminated in pricing its low carbon wire rod, was referred to the Competition Tribunal. The claimant seeks an order declaring that ArcelorMittal South Africa's pricing in 2006 in respect of low carbon wire rod amounted to price discrimination and an order that ArcelorMittal South Africa cease its pricing discrimination. In March 2008, the Competition Tribunal accepted the claimants' application for leave to intervene, prohibiting, however, the claimant from seeking as relief the imposition of an administrative penalty. In November 2012, a second complaint alleging price discrimination regarding the same product over the 2004 to 2006 period was referred by the Competition Commission to the Competition Tribunal. ArcelorMittal is unable to assess the outcome of these proceedings or the amount of ArcelorMittal South Africa's potential liability, if any.

On September 1, 2009, the South African Competition Commission referred a complaint against four producers of long carbon steel in South Africa, including ArcelorMittal South Africa, and the South African Iron and Steel Institute to the Competition Tribunal. The complaint referral followed an investigation into alleged collusion among the producers initiated in April 2008, on-site inspections conducted at the premises of some of the producers and a leniency application by Scaw South Africa, one of the producers under investigation. The Competition Commission recommended that the Competition Tribunal impose an administrative penalty against ArcelorMittal South Africa, Cape Gate and Cape Town Iron Steel Works in the amount of 10% of their annual revenues in South Africa and exports from South Africa for 2008. ArcelorMittal filed an application to access the file of the Competition Commission that was rejected. ArcelorMittal appealed the decision to reject the application, and applied for a review of that decision and a suspension of the obligation to respond to the referral on the substance pending final outcome on the application for access to the documents. The appeal was upheld by the Competition Appeals Court (CAC) and the matter was referred back to the Competition Tribunal for a determination of confidentiality and scope of access to the documents. The Competition Commission appealed the decision of the CAC, and, on May 31, 2013, the Supreme Court of Appeal dismissed the appeal of the Competition Commission and confirmed the decision of the CAC. In 2014, ArcelorMittal South Africa requested the documents from the Competition Commission, which provided an index thereof. On July 7, 2011, ArcelorMittal filed an application before the Competition Tribunal to set aside the complaint referral based on procedural irregularities but this application was withdrawn by notice dated August 7, 2014. It is too early for ArcelorMittal to assess the potential outcome of the procedure, including the financial impact.

In March 2012, the South African Competition Commission referred to the Competition Tribunal an allegation that ArcelorMittal South Africa and steel producer Highveld acted by agreement or concerted practice to fix prices and allocate markets in respect of certain flat carbon steel products over a period of 10 years (1999-2009) in contravention of the South African Competition Act. The case was notified to ArcelorMittal South Africa in April 2012. If imposed, fines could amount to up to 10% of ArcelorMittal South Africa's turnover in the year preceding any final decision by the South African Competition Tribunal.

In August 2013, the South African Competition Commission referred a complaint against four scrap metal purchasers in South Africa, including ArcelorMittal South Africa, to the South African Competition Tribunal for prosecution. The complaint alleges collusion among the purchasers to fix the price and other trading conditions for the purchase of scrap over a period from 1998 to at least 2008. If imposed, fines could amount to 10% of ArcelorMittal South Africa's turnover for the year preceding any final decision by the Competition Tribunal.

Other Legal Claims

ArcelorMittal is a party to various other legal claims. As of December 31, 2014, ArcelorMittal had recorded provisions of approximately 289 for other legal claims in respect of which it considers the risk of loss to be probable. Set out below is a summary description of the other legal claims (i) in respect of which ArcelorMittal had recorded a provision as of December 31, 2014, (ii) that constitute a contingent liability, or (iii) that were resolved in 2014, in each case involving amounts deemed material by ArcelorMittal. The Company is vigorously defending against each of the pending claims discussed below.

Argentina
Over the course of 2007 to 2014, the Argentinian Customs Office Authority (Aduana) notified the Company of certain inquiries that it is conducting with respect to prices declared by the Company's Argentinian subsidiary, Acindar related to iron ore imports. The Customs Office Authority is seeking to determine whether Acindar incorrectly declared prices for iron ore imports from several different Brazilian suppliers and from ArcelorMittal Sourcing on 36 different claims concerning several shipments made between 2002 and 2013. The aggregate amount claimed by the Customs Office Authority in respect of all of the shipments is approximately 187. The investigations are subject to the administrative procedures of the Customs Office Authority and are at different procedural stages depending on the filing date of the investigation. By February 2014, in 17 of the total 36 cases, the administrative branch of the Customs Office Authority ruled against Acindar (representing total claims of 30). These decisions have been appealed to the Argentinian National Fiscal Court.

Brazil
ArcelorMittal Brasil (as a successor of Companhia Siderurgica Tubarão) was party to a legal dispute against Siderbras (an extinguished holding company held by the Government of Brazil) related to financial debt issued in 1992. In July 2014, the judge in charge requested that the

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guarantee securing the litigation be replaced with cash so that an appeal of the case could proceed. ArcelorMittal Brasil entered into a federal amnesty program with the Brazilian tax authorities to settle the debt with Siderbras (application made in August 2014) and paid 161 (original debt 260 including interest and penalties) in connection therewith, which was recorded as a financial expense. Of this amount, 115 was paid by way of set-off of tax losses and the remaining balance was paid in cash (46).

Canada
In 2008, two complaints filed by Canadian Natural Resources Limited ("CNRL") in Calgary, Alberta against ArcelorMittal, ArcelorMittal USA LLC, Mittal Steel North America Inc. and ArcelorMittal Tubular Products Roman S.A were filed. CNRL alleges negligence in both complaints, seeking damages of 56 and 25, respectively. The plaintiff alleges that it purchased a defective pipe manufactured by ArcelorMittal Tubular Products Roman and sold by ArcelorMittal Tubular Products Roman and Mittal Steel North America Inc. In May 2009, in agreement with CNRL, ArcelorMittal and ArcelorMittal USA were dismissed from the cases without prejudice to CNRL's right to reinstate the parties later if justified. In April 2014, the parties participated in a mediation procedure and reached a settlement subject to certain conditions, which have now been satisfied. The proceedings before the Calgary court were formally discontinued in June 2014 and the case is therefore now closed.

In April 2011, a proceeding was commenced before the Ontario (Canada) Superior Court of Justice under the Ontario Class Proceedings Act, 1992, against ArcelorMittal, Baffinland, and certain other parties relating to the January 2011 take-over of Baffinland by ArcelorMittal, Nunavut, Iron Ore Holdings and 1843208 Ontario Inc. The action seeks the certification of a class comprised of all Baffinland securities holders who tendered their Baffinland securities, and whose securities were taken up, in connection with the take-over between September 22, 2010 and February 17, 2011, or otherwise disposed of their Baffinland securities on or after January 14, 2011. The action alleges that the tender offer documentation contained certain misrepresentations and seeks damages in an aggregate amount of CAD$1 billion or rescission of the transfer of the Baffinland securities by members of the class.

Italy
In January 2010, ArcelorMittal received notice of a claim filed by Finmasi S.p.A. relating to a memorandum of agreement ("MoA") entered into between ArcelorMittal Distribution Services France ("AMDSF") and Finmasi in 2008. The MoA provided that AMDSF would acquire certain of Finmasi's businesses for an amount not to exceed €93 million, subject to the satisfaction of certain conditions precedent, which, in AMDSF's view, were not fulfilled. Finmasi sued for (i) enforcement of the MoA, (ii) damages of €14 million to €23.7 million or (iii) recovery costs plus quantum damages for Finmasi's alleged lost opportunity to sell to another buyer. In September 2011, the court rejected Finmasi's claims other than its second claim. The court appointed an expert to determine the quantum of damages. In May 2013, the expert's report was issued and valued the quantum of damages in the range of €37.5 million to €59.5 million. ArcelorMittal appealed the decision on the merits. In May 2014, the Court of Appeals issued a decision rejecting ArcelorMittal's appeal. In June 20, 2014, ArcelorMittal filed an appeal of the Court of Appeal's judgment with the Italian Court of Cassation. On December 17, 2014, the Court of Milan issued a decision on the quantum of the damages and valued the quantum of damages in the sum of €23.7 million plus interest. ArcelorMittal has 30 days following the notification of the Court's decision to file an appeal and to ask for the suspension of the enforceability before the Court of Appeal.

Luxembourg
In June 2012, the Company received writs of summons in respect of claims made by 59 former employees of ArcelorMittal Luxembourg. The claimants allege that they are owed compensation based on the complementary pension scheme that went into effect in Luxembourg in January 2000. The aggregate amount claimed by such former employees (bearing in mind that other former employees may bring similar claims) is approximately €59 million. Given the similarities in the claims, the parties agreed to limit the pending proceedings to four test claims. In April 2013, the Esch-sur-Alzette labor court rejected two of these test claims. The relevant plaintiffs are appealing these decisions. In November 2013, the Luxembourg city labor court rejected the two other test claims, which are also being appealed.

Senegal
In 2007, ArcelorMittal Holdings AG entered into an agreement with the State of Senegal relating to an integrated iron ore mining and related infrastructure project. The Company announced at the time that implementation of the project would entail an aggregate investment of $2.2 billion. Project implementation did not follow the originally anticipated schedule after initial phase studies and related investments.

The Company engaged in discussions with the State of Senegal about the project over a long period. In early 2011, the parties engaged in a conciliation procedure, as provided for under their agreement, in an attempt to reach a mutually acceptable outcome. Following the unsuccessful completion of this procedure, in May 2011 the State of Senegal commenced an arbitration before the Court of Arbitration of the International Chamber of Commerce, claiming breach of contract and provisionally estimating damages of 750. In September 2013, the arbitral tribunal issued its first award ruling that Senegal is entitled to terminate the 2007 agreements. The arbitral tribunal also ruled that a new arbitration phase would be held relating to the potential liability of ArcelorMittal as well as the amount of any damages which could be awarded to Senegal. The parties have since agreed to settle the dispute with the amount of the settlement being included within financing cost. On December 12, 2014, the arbitral tribunal issued a procedural order formally closing the arbitration.

South Africa
On February 5, 2010, ArcelorMittal South Africa ("AMSA") received notice from Sishen Iron Ore Company (Proprietary) Limited ("SIOC") asserting that, with effect from March 1, 2010, it would no longer supply iron ore to AMSA on a cost plus 3% basis as provided for in the supply agreement entered into between the parties in 2001, on the grounds that AMSA had lost its 21.4% share in the mineral rights at the Sishen mine and that this was a prerequisite for the supply agreement terms. AMSA rejected this assertion and stated its firm opinion that SIOC is obligated to continue to supply iron ore to AMSA at cost plus 3%. The parties commenced an arbitration process (the "SIOC Arbitration") in April 2010 to resolve this dispute. The SIOC Arbitration was later suspended in light of the Sishen Mining Rights Proceedings (as defined below). Following AMSA's and SIOC's entry into the 2014 Agreement (defined below) in November 2013, pursuant to which the parties agreed to settle the SIOC Arbitration, subject to certain conditions (as explained below), the parties notified the arbitrators of the settlement and that the arbitration process would not continue.

Pending resolution of the SIOC Arbitration, AMSA and SIOC entered into a series of agreements between 2010 and 2013 that established interim pricing arrangements for the supply of iron ore to AMSA's production facilities in South Africa. On November 5, 2013, AMSA and SIOC entered into an agreement (the "2014 Agreement") establishing long-term pricing arrangements for the supply of iron ore by SIOC to AMSA. Pursuant to the terms of the 2014 Agreement, which became effective on January 1, 2014, AMSA may purchase from SIOC up to 6.25 million tonnes iron ore per year, complying with agreed specifications and lump-fine ratios. The price of iron ore sold to AMSA by SIOC is determined by reference to the cost (including capital costs) associated with the production of iron ore from the DMS Plant at the Sishen mine plus a margin of 20%, subject to a ceiling price equal to the Sishen Export Parity Price at the mine gate. While all prices are referenced to Sishen mine costs (plus 20%) from 2016, the parties agreed to a different price for certain pre-determined quantities of iron ore for the first two years of the 2014 Agreement. The volume of 6.25 million tonnes a year of iron ore includes any volumes delivered

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

by SIOC to AMSA from the Thabazimbi mine, the operational and financial risks of which will pass from AMSA to Kumba under the terms of the 2014 Agreement. The 2014 Agreement also settles various disputes between the parties, including the SIOC Arbitration. The 2014 Agreement is subject to a number of conditions, including that SIOC retains the entire Sishen mining right and is not required to account to any third party (excluding AMSA) in respect thereof. In addition, it is assumed that amendments to existing legislation or new legislation will not have a material effect on the terms of supply. Should SIOC become entitled to terminate the 2014 Agreement following occurrence of one of these conditions, the SIOC Arbitration would be re-initiated to determine AMSA's entitlement to receive iron ore from SIOC on the terms of the 2014 Agreement. It is AMSA's view that the 2014 Agreement is not affected by the South African Constitutional Court's December 12, 2013 decision in respect of the Sishen Mining Rights Proceedings (discussed in the following paragraph).

On August 10, 2010, AMSA announced that it had entered into an agreement, subject to certain conditions, to acquire ICT, a company that in May 2010 had acquired the right to prospect for iron ore in a 21.4% share in the Sishen mine. The acquisition agreement lapsed in 2011. SIOC brought legal action (the "Sishen Mining Rights Proceedings") against the South African government and ICT to challenge the grant of the prospecting right to ICT, and, on February 4, 2011, SIOC served on AMSA an application to join AMSA as a respondent in the review proceedings. ICT also made an application to the government for a mining right in respect of the 21.4% share in the Sishen mine, which SIOC challenged. AMSA applied to be joined as applicant in these proceedings, and, on June 6, 2011, the Court ordered AMSA's joinder. AMSA argued in the proceedings that SIOC holds 100% of the rights in the Sishen mine. On December 15, 2011, the Court ruled that SIOC holds 100% of the rights in the Sishen mine and set aside the grant of the prospecting right to ICT. Both ICT and the South African government appealed this judgment to the Supreme Court of Appeal, which rejected their appeal on March 28, 2013. ICT and the South African government then appealed this judgment to the South African Constitutional Court, which delivered its judgment on December 12, 2013. The Constitutional Court's principal decisions were as follows: (i) AMSA's old order mining right in respect of 21.4% of the Sishen mine expired upon AMSA's failure to convert that share on April 30, 2009; (ii) SIOC applied for and was granted conversion of its own old order mining right which equated to 78.6% of the Sishen mine; (iii) SIOC is the only party competent to apply for and be granted the remaining 21.4% share of the mining right by the Department of Mineral Resources, and was afforded three months to make such application to the Department of Mineral Resources; and (iv) ICT's application was dismissed.

France
Retired and current employees of certain French subsidiaries of the former Arcelor have initiated lawsuits to obtain compensation for asbestos exposure in excess of the amounts paid by French social security ("Social Security"). Asbestos claims in France initially are made by way of a declaration of a work-related illness by the claimant to the Social Security authorities resulting in an investigation and a level of compensation paid by Social Security. Once the Social Security authorities recognize the work-related illness, the claimant, depending on the circumstances, can also file an action for inexcusable negligence (faute inexcusable) to obtain additional compensation from the company before a special tribunal. Where procedural errors are made by Social Security, it is required to assume full payment of damages awarded to the claimants. Due to fewer procedural errors made by Social Security, changes in the regulations and, consequently, fewer rejected cases, ArcelorMittal has been required to pay some amounts in damages since 2011.

The number of claims outstanding for asbestos exposure at December 31, 2014 was 351 as compared to 385 at December 31, 2013. The range of amounts claimed for the year ended December 31, 2014 was €30,000 to €600,000 (approximately $40,777 to $815,546). The aggregate costs and settlements for the year ended December 31, 2014 were approximately 4, of which approximately 0.3 represents legal fees and approximately 3 represents damages paid to the claimant. The aggregate costs and settlements for the year ended December 31, 2013 were approximately 3, of which approximately 0.31 represents legal fees and approximately 2 represents damages paid to the claimant.

in number of cases

	2013	2014
Claims unresolved at the beginning of the period	383	385
Claims filed	74	76
Claims settled, dismissed or otherwise resolved	(72)	(110)
Claims unresolved at the end of the period	385	351

Notes to consolidated financial statements
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ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Minority Shareholder Claims Regarding the Exchange Ratio in the Second-Step Merger of ArcelorMittal into Arcelor

ArcelorMittal is the company that results from the acquisition of Arcelor by Mittal Steel N.V. in 2006 and a subsequent two-step merger between Mittal Steel and ArcelorMittal and then ArcelorMittal and Arcelor. Following completion of this merger process, several former minority shareholders of Arcelor or their representatives brought legal proceedings regarding the exchange ratio applied in the second-step merger between ArcelorMittal and Arcelor and the merger process as a whole.

ArcelorMittal believes that the allegations made and claims brought by such minority shareholders are without merit and that the exchange ratio and merger process complied with the requirements of applicable law, were consistent with previous guidance on the principles that would be used to determine the exchange ratio in the second-step merger and that the merger exchange ratio was relevant and reasonable to shareholders of both merged entities.

Set out below is a summary of ongoing matters in this regard. Several other claims brought before other courts and regulators were dismissed and are definitively closed.

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 plaintiffs alleged in particular that, based on Mittal Steel's and Arcelor's disclosure and public statements, investors had a legitimate expectation that the exchange ratio in the second-step merger would be the same as that of the secondary exchange offer component of Mittal Steel's June 2006 tender offer for Arcelor (i.e., 11 Mittal Steel shares for seven Arcelor shares), and that the second-step merger did not comply with certain provisions of Luxembourg company law. They claimed, inter alia, the cancellation of certain resolutions (of the Board of Directors and of the Shareholders meeting) in connection with the merger, the grant of additional shares, or damages in an amount of approximately €180 million. By judgment dated November 30, 2011, the Luxembourg civil court declared all of the plaintiffs' claims inadmissible and dismissed them. The judgment was appealed in May 2012 and the appeal proceedings are ongoing.

On May 15, 2012, ArcelorMittal received a writ of summons on behalf of Association Actionnaires d'Arcelor ("AAA"), a French association of former minority shareholders of Arcelor, to appear before the civil court of Paris. In such writ of summons, AAA claimed (on grounds similar to those in the Luxembourg proceedings summarized above) inter alia damages in a nominal amount and reserved the right to seek additional remedies including the cancellation of the merger. The proceedings before the civil court of Paris have been stayed, pursuant to a ruling of such court on July 4, 2013, pending a preparatory investigation (instruction préparatoire) by a criminal judge magistrate (juge d'instruction) triggered by the complaints (plainte avec constitution de partie civile) of AAA and several hedge funds (who quantified their total alleged damages at €246.5 million), including those who filed the claims before the Luxembourg courts described (and quantified) above.

Note 27: Segment and geographic information

As from January 1, 2014, ArcelorMittal implemented changes to its organizational structure which provide a greater geographical focus. Accordingly, the Company modified the structure of its segment information in order to reflect changes in its approach to managing its operations and prior period segment disclosures have been recast to reflect this new segmentation in conformity with IFRS. ArcelorMittal's reportable segments changed to NAFTA, Brazil and neighboring countries ("Brazil"), Europe, Africa & Commonwealth of Independent States ("ACIS") and Mining. The NAFTA segment includes the Flat, Long and Tubular operations of USA, Canada and Mexico. The Brazil segment includes the Flat operations of Brazil, and the Long and Tubular operations of Brazil and its neighboring countries including Argentina, Costa Rica, Trinidad and Tobago and Venezuela. The Europe segment comprises the Flat, Long and Tubular operations of the European business, as well as Distribution Solutions (AMDS). The ACIS segment is largely unchanged with the addition of some Tubular operations and distribution activities (ArcelorMittal International). The Mining segment remains unchanged.

ArcelorMittal has a high degree of geographic diversification relative to other steel companies. During 2014, ArcelorMittal shipped its products to customers in over 170 countries, with its largest markets in Flat and Long products in Americas and Europe. ArcelorMittal conducts its business through its Operating Subsidiaries. Many of these operations are strategically located with access to on-site deep water port facilities, which allow for cost-efficient import of raw materials and export of steel products.

Reportable segments

ArcelorMittal reports its operations in five segments: NAFTA, Brazil, Europe, ACIS and Mining.

- NAFTA represents the flat, long and tubular facilities of the Company located in North America (Canada, United States and Mexico). NAFTA produces flat products such as slabs, hot-rolled coil, cold-rolled coil, coated steel and plate. These products are sold primarily to customers in the following industries: distribution and processing, automotive, pipe and tubes, construction, packaging, and appliances. NAFTA also produces long products such as wire rod, sections, rebar, billets, blooms and wire drawing, and tubular products;

- Brazil includes the flat operations of Brazil and the long and tubular operations of Brazil and neighboring countries including Argentina, Costa Rica, Trinidad and Tobago and Venezuela. Flat products include slabs, hot-rolled coil, cold-rolled coil and coated steel. Long products consist of wire rod, sections, bar and rebar, billets, blooms and wire drawing;

- Europe is the largest flat steel producer in Europe, with operations that range from Spain in the west to Romania in the east, and covering the flat carbon steel product portfolio in all major countries and markets. Europe produces hot-rolled coil, cold-rolled coil, coated products, tinplate, plate and slab. These products are sold primarily to customers in the automotive, general industry and packaging industries. Europe produces also long products consisting of sections, wire rod, rebar, billets, blooms and wire drawing, and tubular products. In addition, it includes Distribution Solutions, primarily an in-house trading and distribution arm of ArcelorMittal. Distribution Solutions also provides value-added and customized steel solutions through further steel processing to meet specific customer requirements;

- ACIS produces a combination of flat, long products and tubular products. Its facilities are located in Asia, Africa and Commonwealth of Independent States; and

- Mining comprises all mines owned by ArcelorMittal in the Americas (Canada, USA, Mexico and Brazil), Asia (Kazakhstan and Russia), Europe (Ukraine and Bosnia & Herzegovina) and Africa (Algeria and Liberia). It supplies the Company and third parties customers with iron ore and coal.

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

The following table summarizes certain financial data relating to ArcelorMittal's operations in its different reportable segments.

	NAFTA	Brazil	Europe	ACIS	Mining	Others*	Elimination	Total
Year ended December 31, 2013								
Sales to external customers	19,416	9,877	40,086	8,254	1,659	148	-	79,440
Intersegment sales**	229	271	421	164	4,107	606	(5,798)	-
Operating income (loss)	630	1,204	(985)	(457)	1,176	(298)	(73)	1,197
Depreciation	767	691	2,003	542	642	50	-	4,695
Impairment	-	-	86	196	162	-	-	444
Capital expenditures	422	276	990	398	1,342	24	-	3,452
Year ended December 31, 2014								
Sales to external customers	21,030	9,558	39,224	8,032	1,320	118	-	79,282
Intersegment sales**	132	479	328	236	3,650	419	(5,244)	-
Operating income (loss)	386	1,388	737	95	565	(264)	127	3,034
Depreciation	706	457	1,510	525	703	38	-	3,939
Impairment	114	-	57	-	63	30	-	264
Capital expenditures	505	497	1,052	573	993	45	-	3,665

* Others include all other operational and non-operational items which are not segmented, such as corporate and shared services, financial activities, and shipping and logistics.
** Transactions between segments are reported on the same basis of accounting as transactions with third parties except for certain mining products shipped internally and reported on a cost plus basis.

The Company does not regularly provide assets for each reportable segment to the CODM. The table which follows presents the reconciliation of segment assets to total assets as required by IFRS 8 – "Operating Segments".

	Year Ended December 31,	
	2013	2014
Assets allocated to segments	93,993	84,058
Cash and cash equivalents, including restricted cash	6,232	4,016
Deferred tax assets	8,938	7,962
Assets held for sale	292	414
Other unallocated assets and eliminations	2,853	2,729
Total assets	112,308	99,179

The reconciliation from operating income (loss) to net income is as follows:

	Year Ended December 31,	
	2013	2014
Operating income (loss)	1,197	3,034
Income from investments in associates and joint ventures	(442)	(172)
Financing costs - net	(3,115)	(3,382)
Income (loss) before taxes	(2,360)	(520)
Income tax expense (benefit)	215	454
Net income (including non-controlling interests)	(2,575)	(974)

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Geographical information

Sales (by destination)

	Year Ended December 31,	
	2013	2014
Americas		
United States	15,625	17,312
Canada	3,299	3,462
Brazil	6,576	6,299
Argentina	1,279	1,161
Mexico	2,081	2,216
Others	2,181	1,847
Total Americas	31,041	32,297
Europe		
France	4,764	4,499
Spain	3,900	3,907
Germany	6,834	6,649
Romania	755	728
Poland	3,523	3,815
Belgium	1,264	1,268
Italy	2,771	2,701
United Kingdom	1,442	1,480
Turkey	2,469	2,576
Czech Republic	1,608	1,579
Netherlands	904	917
Russia	1,618	1,216
Others	5,071	4,948
Total Europe	36,923	36,283
Asia & Africa		
South Africa	2,908	2,629
China	1,395	941
Kazakhstan	791	668
Morocco	744	696
South Korea	277	593
India	406	225
Others	4,955	4,950
Total Asia & Africa	11,476	10,702
Total	79,440	79,282

Notes to consolidated financial statements
continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Revenues from external customers attributed to the country of domicile (Luxembourg) were 118 and 53 as of December 31, 2013 and 2014, respectively.

Non-current assets* per significant country:

	Non-current assets As of December 31,	
	2013	2014
Americas		
Brazil	6,524	5,815
United States	6,027	5,799
Canada	5,985	5,723
Mexico	1,491	1,324
Trinidad and Tobago	221	199
Venezuela	195	157
Argentina	192	210
Others	31	26
Total Americas	20,666	19,253
Europe		
France	5,806	4,988
Ukraine	3,959	3,727
Germany	3,355	2,900
Spain	3,170	2,667
Belgium	3,047	2,666
Poland	2,712	2,373
Luxembourg	1,886	1,409
Czech Republic	854	695
Romania	799	681
Bosnia and Herzegovina	259	230
Italy	253	201
Others	554	304
Total Europe	26,654	22,841
Asia & Africa		
Kazakhstan	2,126	2,173
South Africa	1,424	1,393
Liberia	1,144	1,436
Morocco	178	143
Others	171	136
Total Africa & Asia	5,043	5,281
Unallocated assets	25,920	23,747
Total	78,283	71,122

* Non-current assets do not include goodwill (as it is not allocated to the geographic regions), deferred tax assets, investment in associate and joint ventures, other investments and other non-current financial assets. Such assets are presented under the caption “Unallocated assets”.

Notes to consolidated financial statements

continued

ArcelorMittal and subsidiaries (millions of U.S. dollars, except share and per share data)

Sales by type of products

	Year Ended December 31,	
	2013	2014
Flat products	43,737	44,863
Long products	19,331	18,671
Tubular products	2,401	2,518
Mining products	1,659	1,319
Others	12,312	11,911
Total	79,440	79,282

The table above presents sales to external customer by product type. In addition to steel produced by the Company, amounts include material purchased for additional transformation and sold through distribution services. Others include mainly non-steel sales and services.

Note 28: Employees and key management personnel

As of December 31, 2014, ArcelorMittal had approximately 222,000 employees and the total annual compensation of ArcelorMittal's employees in 2013 and 2014 was as follows:

	Year Ended December 31,	
	2013	2014
Employee Information		
Wages and salaries	9,891	9,839
Pension cost	248	216
Other staff expenses	1,740	1,989
Total	11,879	12,044

The total annual compensation of ArcelorMittal's key management personnel, including its Board of Directors, expensed in 2013 and 2014 was as follows:

	2013	2014
Base salary and directors fees	12	11
Short-term performance-related bonus	6	8
Post-employment benefits	1	1
Share based compensation	3	7

The fair value of the stock options granted and shares allocated based on RSU and PSU plans to the ArcelorMittal's key management personnel is recorded as an expense in the consolidated statements of operations over the relevant vesting periods.

As of December 31, 2013 and 2014, ArcelorMittal did not have outstanding any loans or advances to members of its Board of Directors or key management personnel, and, as of December 31, 2013 and 2014, ArcelorMittal had not given any guarantees for the benefit of any member of its Board of Directors or key management personnel.

Note 29: Principal account fees and services

Deloitte Audit S.à.r.l. acted as the principal independent registered public accounting firm for ArcelorMittal for the fiscal years ended December 31, 2013 and 2014. Set forth below is a breakdown of fees for services rendered in 2013 and 2014.

Audit Fees. Audit fees in 2013 and 2014 included 27 and 30.5, respectively, for the audits of financial statements, and 0.6 and 0.7 in 2013 and 2014, respectively, for regulatory filings.

Audit-Related Fees. Audit-related fees in 2013 and 2014 were 1.5 and 1.9, respectively. Audit-related fees primarily include fees for employee benefit plan audits.

Tax Fees. Fees relating to tax planning, advice and compliance in 2013 and 2014 were 0.8 and 1.5, respectively.

All Other Fees. Fees in 2013 and 2014 for all other services were 0.4 and 0.3, respectively. All other fees relate to services not included in the first three categories.

Report of the Réviseur d'entreprises agréé

To the Shareholders of
ArcelorMittal Société Anonyme
24-26, Boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg

Report on the consolidated financial statements

Following our appointment by the General Meeting of the shareholders held on May 8, 2014, we have audited the accompanying consolidated financial statements of ArcelorMittal and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the réviseur d'entreprises agréé's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of ArcelorMittal and its subsidiaries as of December 31, 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

We draw attention to Notes 1 and 27 to the consolidated financial statements which describe that the accompanying 2013 financial statements have been retrospectively adjusted for a change in the composition of reportable segments. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

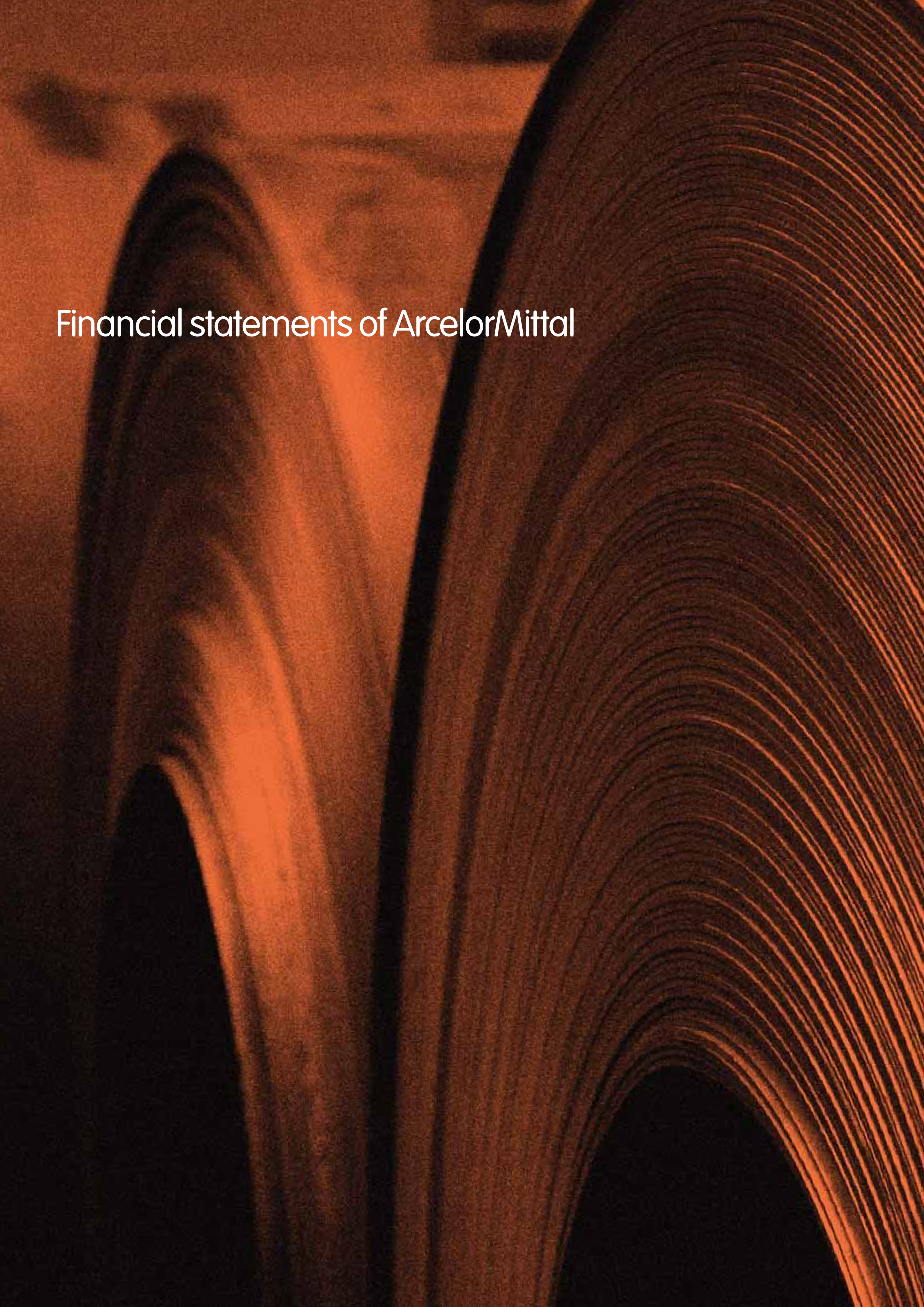
The consolidated management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

For Deloitte Audit
société à responsabilité limitée
Cabinet de révision agréé

Vafa Moayed, *Réviseur d'entreprises agréé*
Partner

March 13, 2015
560, rue de Neudorf
L-2220 Luxembourg

Financial statements of ArcelorMittal



Statements of financial position

ArcelorMittal (millions of U.S. dollars, except share and per share data)

Assets	December 31, 2013	December 31, 2014
Current assets:		
Cash and cash equivalents (note 4)	-	2,266
Restricted cash (note 4)	53	23
Current loans to related parties (note 11)	3,388	1,286
Prepaid expenses and other current assets, including 882 and 567 from related parties at December 31, 2013 and 2014, respectively (notes 5 and 11)	1,118	756
Total current assets	4,559	4,331
Non-current assets:		
Intangible assets (note 6)	8	38
Property, plant and equipment (note 7)	18	8
Investments in subsidiaries (note 8)	74,877	75,052
Investments in associates, joint ventures and other investments (note 9)	1,327	1,119
Non-current loans to related parties (note 11)	11,053	11,614
Deferred tax assets (note 18)	8,843	7,898
Other assets (note 10)	26	115
Total non-current assets	96,152	95,844
Total assets	100,711	100,175

Liabilities and equity	December 31, 2013	December 31, 2014
Current liabilities:		
Short-term debt and current portion of long-term debt (note 12)	2,639	1,097
Current loans from related parties (note 11)	2,821	4,768
Accrued expenses and other liabilities, including 108 and 635 with related parties at December 31, 2013 and 2014, respectively (notes 11 and 19)	993	1,208
Total current liabilities	6,453	7,073
Non-current liabilities:		
Long-term debt, net of current portion (note 12)	17,165	16,349
Non current loans from related parties (note 11)	7,220	7,334
Deferred employee benefits (note 22)	25	20
Other long-term obligations (note 20)	271	238
Total non-current liabilities	24,681	23,941
Total liabilities	31,134	31,014
Commitments and contingencies (notes 21 and 23)		
Equity : (note 14)		
Common shares (no par value, 1,995,857,213 and 1,995,857,213 shares authorized, 1,665,392,222 and 1,665,392,222 shares issued, and 1,653,599,548 and 1,654,373,809 shares outstanding at December 31, 2013 and 2014 respectively)	10,011	10,011
Treasury shares (614,417 and 995,156 common shares at December 31, 2013 and 2014 respectively, at cost)	(21)	(20)
Additional paid-in capital	19,271	19,255
Mandatorily convertible notes	1,838	1,838
Subordinated perpetual capital securities	650	-
Retained earnings	37,218	37,055
Other comprehensive income (loss)	(310)	102
Legal reserve	920	920
Total equity	69,577	69,161
Total liabilities and equity	100,711	100,175

The accompanying notes are an integral part of these financial statements

Statements of operations and statements of other comprehensive income

ArcelorMittal (millions of U.S. dollars, except share and per share data)

Statements of operations

	Year ended December 31, 2013	Year ended December 31, 2014
General and administrative expenses including 106 and 630 with related parties in 2013 and 2014, respectively (notes 11 and 15)	(37)	(614)
Operating loss	(37)	(614)
Income from subsidiaries and associates (note 17)	2,792	2,031
Impairment of investments (notes 8 and 9)	(6,647)	(99)
Financing costs - net, including 850 and 588 from related parties in 2013 and 2014, respectively (notes 11 and 16)	(1,375)	(1,436)
Loss before taxes	(5,267)	(118)
Income tax benefit (note 18)	654	606
Net income (loss)	(4,613)	488

	Year ended December 31, 2013	Year ended December 31, 2014
Earnings (loss) per common share (in U.S. dollars)		
Basic and diluted	(1.46)	(0.61)
Weighted average common shares outstanding (in millions)		
Basic and diluted	1,780	1,791

Statements of other comprehensive income

	Year ended December 31, 2013	Year ended December 31, 2014
Net income (loss)	(4,613)	488
Items that can be recycled to the statements of operations		
Available-for-sale investments:		
Gain arising during the period	-	113
Reclassification adjustments for loss (gain) included in the statements of operations	-	(12)
	-	101
Items that cannot be recycled to the statements of operations		
Employee benefits		
Recognized actuarial (losses) gains	5	2
Other comprehensive income (loss)	5	103
Total comprehensive income (loss)	(4,608)	591

The accompanying notes are an integral part of these financial statements

Statements of changes in equity

ArcelorMittal (millions of U.S. dollars, except share and per share data)

									Other comprehensive income (loss)			
									Items that can be recycled to the statements of operations		Items that cannot be recycled to the statements of operations	
	Shares [1,2]	Share capital	Treasury shares	Subordinated perpetual capital securities	Mandatorily convertible notes	Additional paid-in capital	Retained earnings	Legal reserve	Unrealized gains (losses) on available-for-sale financial assets	Unrealized gains (losses) on derivative financial instruments	Recognized actuarial (losses) gains [3]	Total Equity
Balance at December 31, 2012	1,560	9,404	(22)	650	-	18,124	42,208	920	-	(309)	(6)	70,969
Net income (loss)	-	-	-	-	-	-	(4,613)	-	-	-	-	(4,613)
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	5	5
Total comprehensive income (loss)	-	-	-	-	-	-	(4,613)	-	-	-	5	(4,608)
Offering of common shares (note 14)	105	607	-	-	-	1,148	-	-	-	-	-	1,755
Mandatorily convertible notes (note 14)	-	-	-	-	1,838	-	-	-	-	-	-	1,838
Recognition of share-based payments (note 14)	-	-	-	-	-	-	18	-	-	-	-	18
Sale of treasury shares	-	-	1	-	-	(1)	-	-	-	-	-	-
Dividend (0.2 per share)	-	-	-	-	-	-	(333)	-	-	-	-	(333)
Coupon on subordinated perpetual capital securities	-	-	-	-	-	-	(57)	-	-	-	-	(57)
Directors' fees	-	-	-	-	-	-	(2)	-	-	-	-	(2)
Other	-	-	-	-	-	-	(3)	-	-	-	-	(3)
Balance at December 31, 2013	1,665	10,011	(21)	650	1,838	19,271	37,218	920	-	(309)	(1)	69,577
Net income (loss)	-	-	-	-	-	-	488	-	-	-	-	488
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	101	-	2	103
Total comprehensive income (loss)	-	-	-	-	-	-	488	-	101	-	2	591
Transactions related to share-based payments (note 14)	-	-	16	-	-	(16)	24	-	-	-	-	24
Redemption of subordinated perpetual capital securities (note 14)	-	-	-	(650)	-	-	(7)	-	-	-	-	(657)
Option premiums on treasury shares (note 14)	-	-	-	-	-	-	(309)	-	-	309	-	-
Acquisition of treasury shares	-	-	(15)	-	-	-	-	-	-	-	-	(15)
Dividend (0.2 per share)	-	-	-	-	-	-	(333)	-	-	-	-	(333)
Coupon on subordinated perpetual capital securities	-	-	-	-	-	-	(22)	-	-	-	-	(22)
Directors' fees	-	-	-	-	-	-	(2)	-	-	-	-	(2)
Other	-	-	-	-	-	-	(2)	-				(2)
Balance at December 31, 2014	1,665	10,011	(20)	-	1,838	19,255	37,055	920	101	-	1	69,161

[1] Excludes treasury shares held by the Company
[2] In millions of shares
[3] see note 22

The accompanying notes are an integral part of these financial statements

Statements of cash flows

ArcelorMittal (millions of U.S. dollars, except share and per share data)

	Year ended December 31, 2013	Year ended December 31, 2014
Operating activities:		
Net income (loss)	(4,613)	488
Adjustments to reconcile net income to net cash provided by operations and payments:		
Depreciation (note 6 and note 7)	12	8
Impairment of investments (note 8 and note 9)	6,647	99
Net interest (note 16)	802	692
Income tax benefit (note 18)	(654)	(606)
Change in fair value adjustments on conversion options on the euro convertible bond, call options on ArcelorMittal shares and mandatorily convertible bonds (note 13)	12	(112)
(Gain) loss on disposal of financial assets (note 16)	(127)	62
Income from subsidiaries and associates (note 17)	(2,792)	(2,031)
Unrealized foreign exchange effects, other provisions and non-cash operating expenses, net	611	535
Changes in assets and liabilities that provided (required) cash, net of acquisitions:		
Interest paid	(1,719)	(1,775)
Interest received	723	933
Taxes received	367	841
Dividends received	2,792	2,031
Other working capital and provisions movements	(42)	229
Net cash provided by operating activities	2,019	1,393
Investing activities:		
Purchase of property, plant and equipment and intangibles (note 6 and note 7)	(7)	(4)
Investments in subsidiaries, associates, joint ventures and other investments (note 8 and note 9)	(3,898)	(469)
Disposals of financial assets	715	450
Proceeds from loans granted to subsidiaries	2,695	3,216
Loans granted to subsidiaries	(6,617)	(2,705)
Other investing activities net	1	30
Net cash provided by/(used in) investing activities	(7,111)	518
Financing activities:		
Payments of subordinated perpetual capital securities (note 14)	-	(657)
Proceeds from mandatorily convertible notes (note 14)	2,222	-
Offering of common shares (note 14)	1,755	-
Proceeds from short-term debt	2	3,802
Proceeds from long-term debt	7,145	2,133
Payments of short-term debt	(5,467)	(3,315)
Payments of long-term debt	(201)	(1,250)
Dividends paid and coupons	(392)	(358)
Other financing activities net	(5)	-
Net cash provided by financing activities	5,059	355
Net increase (decrease) in cash and cash equivalents	(33)	2,266
Cash and cash equivalents:		
At the beginning of the year	33	-
At the end of the year	-	2,266

The accompanying notes are an integral part of these financial statements

Notes to financial statements

ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 1: General

ArcelorMittal (the "Company") was incorporated as a "Société Anonyme" under Luxembourg law on June 8, 2001 for an unlimited period.

On November 6, 2014, the registered office of the Company was transferred to 24-26 boulevard d'Avranches, Luxembourg City and is registered at the Register of Trade and Commerce of Luxembourg under the number B82.454.

The financial year of the Company starts on January 1 and ends on December 31 each year.

The Company's corporate goal is the manufacturing, processing and marketing of steel products, all other metallurgical products, mining products and any other activity directly or indirectly related thereto. The Company realizes its corporate goal either directly or through the creation of companies or the acquisition and holding of interests in companies, partnerships, associations, consortia and joint-ventures.

These financial statements correspond to the stand alone financial statements of the parent company, ArcelorMittal, and were authorized for issuance on March 13, 2015 by the Company's Board of Directors. In conformity with the requirements of Luxembourg laws and regulations, the Company publishes consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as adopted by the European Union.

Note 2: Basis of presentation

Statement of compliance

The financial statements have been prepared in accordance with IFRS as adopted by the European Union and in particular with IAS 27 Separate Financial Statements as well as in accordance with chapter IIbis and art 72bis of the Luxembourg law of December 19, 2002 as modified by the law of December 10, 2010.

Adoption of new IFRS standards, amendments and interpretations applicable in 2014

On January 1, 2014, the Company adopted amendments to IAS 32 "Financial Instruments: Presentation" as issued by the IASB on December 16, 2011, amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" as issued by the IASB on October 31, 2012 and International Financial Reporting Interpretations Committee ("IFRIC") 21 "Levies" as issued by the IASB on May 20, 2013. In addition the Company adopted amendments to IAS 39 "Financial Instruments: Recognition and Measurement" as issued by the IASB on June 27, 2013. All amendments and interpretations are effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 32 clarify the application of the offsetting of financial assets and financial liabilities requirement.
- Amendments to IFRS 10, IFRS 12 and IAS 27 apply to a particular class of businesses that qualifies as investment entities which must also evaluate the performance of their investments on a fair value basis.
- Amendments to IAS 39 clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.
- IFRIC 21 clarifies that an entity should recognize a liability for a levy only when the activity that triggers a payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognized before the specified minimum threshold is reached.

On May 29, 2013, the IASB published amendments to IAS 36 "Impairment of Assets" which are effective for annual periods beginning on or after January 1, 2014 and were early adopted by the Company on January 1, 2013.

The adoption of the new interpretation and amendments did not have a material impact on the Company's financial statements.

New IFRS standards and interpretations applicable from 2015 onward

On November 21, 2013, the IASB published amendments to IAS 19 "Employee Benefits", which clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, they permit a practical expedient if the amount of the contributions is independent of the numbers of years of service. These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the financial statements of the Company.

On December 12, 2013, the IASB published Annual Improvements 2010-2012 as part of its annual improvements process to make amendments to the following standards:

- IFRS 2 "Share-based Payment", amends the definition of vesting condition and market condition and adds definitions for performance condition and service condition
- IFRS 3 "Business Combinations", provides additional guidance for accounting for contingent consideration in a business combination
- IFRS 8 "Operating Segments", provides clarification of the requirements for the aggregation of operating segments and the reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 "Fair Value Measurement", provides additional guidance for the measurement of short-term receivables and payables
- IAS 16 "Property, Plant and Equipment", provides additional guidance for the proportionate restatement of accumulated depreciation when the revaluation method is applied
- IAS 24 "Related Party Disclosure", provides additional guidance for the definition of key management personnel
- IAS 38 "Intangible Assets", provides additional guidance for the proportionate restatement of accumulated depreciation when the revaluation method is applied

These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the financial statements of the Company.

Also, on December 12, 2013, the IASB published Annual Improvements 2011-2013 as part of its annual improvements process to make amendments to the following standards:

- IFRS 1 "First-time Adoption of International Financial Reporting Standards", provides additional guidance for the effectiveness of IFRSs
- IFRS 3 "Business Combinations", clarifies the scope of exception for joint arrangements
- IFRS 13 "Fair Value Measurement", clarifies the scope of portfolio exception
- IAS 40 "Investment Property", provides clarification of the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

These amendments are effective for annual periods beginning on or after July 1, 2014. The adoption of these amendments will not have a material impact on the financial statements of the Company.

The Company does not plan to early adopt the new accounting standards, amendments and interpretations.

New IFRS standards and interpretations published by the IASB but not yet endorsed by the European Union

On January 30, 2014, the IASB issued IFRS 14 "Regulatory Deferral Accounts". The aim of this standard is to enhance the comparability of financial reporting by entities that

Notes to financial statements
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ArcelorMittal (millions of U.S. dollars, except share and per share data)

are engaged in rate-regulated activities. This standard is effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On May 6, 2014, the IASB published amendments to IFRS 11 "Joint Arrangements". The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On May 12, 2014, the IASB published amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets". The IASB clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On May 28, 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" which specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative and relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. This standard is effective for annual periods beginning on or after January 1, 2017.

On June 30, 2014, the IASB issued amendments to IAS 16 and IAS 41 "Agriculture" which changes the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. The IASB decided that bearer plants should be accounted for and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On July 24, 2014, the IASB issued the final version of IFRS 9 "Financial Instruments (2014)" which replaces IAS 39, bringing together the classification and measurement, impairment and hedge accounting. The final version of the standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The final version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements regarding the measurement of an entity's own credit risk.

- Impairment. The final version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

- Hedge accounting. The standard introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

On August 12, 2014, the IASB published amendments to IAS 27 which will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On September 11, 2014, the IASB issued amendments to IFRS 10 and IAS 28 "Investments in Associates and Joint Ventures" which address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments set out that a full gain or loss is recognized when the assets constitute a business or a partial gain or loss is recognized when the assets do not constitute a business. The amendments will be effective from annual periods commencing on or after January 1, 2016.

On September 25, 2014, the IASB issued Annual Improvements 2012-2014 to make amendments to the following standards:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" introduces guidance relating to changes in methods of disposal,

- IFRS 7 "Financial Instruments: Disclosures" provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset and clarifies the applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements,

- IAS 19, clarifies determination of the discount rate in a regional market sharing the same currency,

- IAS 34 "Interim Financial Reporting" clarifies the meaning of 'elsewhere in the interim report' and the requirements relating to cross-reference disclosure in the interim financial report.

The amendments will be effective from annual periods commencing on or after July 1, 2016.

On December 18, 2014, the IASB issued amendments to IFRS 10, IFRS 12 and IAS 28 which clarify the scope and measurement method regarding consolidation and disclosure of investment entities. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

On December 18, 2014, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" which clarify various presentation and disclosure requirements related to materiality, subtotals, disaggregation and accounting policies. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

Basis of measurement
The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets which are measured at fair value.

Functional and presentation currency
These financial statements are presented in US dollars which is the Company's functional currency. Unless otherwise stated, all amounts are rounded to the nearest million, except share and earnings per share data.

Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following note.

Notes to financial statements
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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 3: Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

(a) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and the related foreign currency gain or loss are reported within financing costs in the statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined and the related gains and losses are reported in the statements of other comprehensive income. Non-monetary items in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising from translation of non-monetary assets and liabilities are recognized in the statements of operations.

(b) Fair value

The Company classifies the bases used to measure certain assets and liabilities at their fair value. Assets and liabilities carried or measured at fair value have been classified into three levels based upon a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Significant inputs other than within Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data and require management assumptions or inputs from unobservable markets.

(c) Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes non-derivative financial assets on the date that they are originated, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets:

Loans and other financial assets

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Loans and other financial assets comprise receivables from other ArcelorMittal group entities, advances to suppliers and other receivables.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost plus accrued interest, which approximates fair value.

Restricted cash

Restricted cash represents cash and cash equivalents not readily available to the Company, mainly related to escrow accounts created as a result of acquisitions and other deposits. Changes in restricted cash are included in the investing activities in the statements of cash flows.

(ii) Non-derivative financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities is accounted for as an equity instrument. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs. A contract that is settled by the Company receiving or delivering a fixed number of its own shares for no future consideration, or exchanging a fixed number of its own shares for a fixed amount of cash or another financial asset, is also recognized as an equity instrument.

Subordinated perpetual capital securities issued by the Company are classified as equity as the Company has no contractual obligation to redeem the securities and coupon payment may be deferred under certain circumstances. Coupons become payable whenever the Company makes dividend payments. Coupon accruals are considered in the determination of earnings for the purpose of calculating earnings per share.

Mandatorily convertible notes

Mandatorily convertible notes issued by the Company are accounted for as compound financial instruments. The net present value of the coupon payments at issuance date is recognized as long-term obligation and carried at amortized cost. The value of the equity component is determined based upon the difference of the cash proceeds received from the issuance of the notes and the net present value of the financial liability component on the date of issuance and is included in equity.

Financial liabilities

Financial liabilities such as loans and borrowings and other payables are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Loans and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the financial position date.

(iii) Derivative financial instruments

The Company enters into derivative financial instruments principally to manage its exposure to fluctuations in exchange rates. Derivative financial instruments are classified as current assets or liabilities based on their maturity dates and are accounted for at trade date. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Gains or losses arising from changes in fair value of derivatives are recognized in the statements of operations.

(d) Impairment

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired or whenever changes in circumstances indicate that the

Notes to financial statements
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carrying amount many not be recoverable. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The recoverable amount of investments is the greater of value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment.

In the case of available-for-sale investments, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognized in the statements of operations is removed from other comprehensive income and recognized in the statements of operations.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in the statements of operations and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized.

When a subsequent event causes the amount of impairment loss to decrease or if there has been a change in the estimates used to determine the recoverable amount, the decrease in impairment loss is reversed through the statements of operations except for reversals of impairment of available-for-sale investments, which are recognized in other comprehensive income.

(e) Intangible assets

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired separately by the Company are initially recorded at cost; they include primarily the cost of technology and licenses purchased from third parties. Intangible assets are amortized on a straight-line basis over their estimated economic useful lives, which typically do not exceed five years. Amortization is included in the statements of operations as part of general and administrative expenses.

Amortization methods applied to intangible assets are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the assets.

(f) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment. Cost includes all related costs directly attributable to the acquisition or construction of the asset. Except for land, property, plant and equipment is depreciated using the straight-line method over the useful lives of the related assets.

The residual values and useful lives of property, plant and equipment are reviewed at each reporting date and adjusted if expectations differ from previous estimates. Depreciation methods applied to property, plant and equipment are reviewed at each reporting date and changed if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

(g) Investments in subsidiaries, associates, joint ventures and other investments

Subsidiaries are those companies over which the Company exercises control. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are accounted for under the cost method.

Associated companies are those companies over which the Company has the ability to exercise significant influence on the financial and operating policy decisions and which are not subsidiaries. Generally, significant influence is presumed to exist when the Company holds more than 20% of the voting rights. Joint ventures are those companies over which the Company exercises joint control and has rights to the net assets of the arrangement. Investments in associates in which ArcelorMittal has the ability to exercise significant influence and joint ventures are accounted for at cost.

Investments in other entities, over which the Company does not have the ability to exercise significant influence and have a readily determinable fair value are accounted for at fair value with any resulting gain or loss recognized in other comprehensive income. To the extent that these investments do not have a readily determinable fair value, they are accounted for under the cost method.

The Company reviews all its investments at each reporting date to determine whether there is an indicator that the investment may be impaired. If objective evidence indicates that the investment is impaired, ArcelorMittal calculates the amount of the impairment of the investment as being the difference between the higher of the fair value less costs to sell or its value in use and its carrying value.

(h) Deferred employee benefits

Defined contribution plans are those plans where ArcelorMittal pays fixed or determinable contributions to an external life insurance or other funds for certain categories of employees. Contributions are paid in return for services rendered by the employees during the period. Contributions are expensed as incurred consistent with the recognition of wages and salaries. No provisions are established with respect to defined contribution plans as they do not generate future commitments for ArcelorMittal.

Defined benefit plans are those plans that provide guaranteed benefits to certain categories of employees, either by way of contractual obligations or through a collective agreement. For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each fiscal year end. The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Current service cost, which is the increase of the present value of the defined benefit obligation resulting from the employee service in the current period, is recorded as an expense as part of cost of sales and selling, general and administrative expenses in the statements of operations. The net interest cost, which is the change during the period in the net defined benefit liability or asset that arises from the passage of time, is recognized as part of net financing costs in the statements of operations.

The Company recognizes gains and losses on the curtailment of a defined benefit plan when the curtailment occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the

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present value of the defined benefit obligation, any related actuarial gains and losses and past service cost that had not been previously recognized. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or a curtailment. Past service cost is recognized immediately in the statements of operations in the period in which it arises.

Voluntary retirement plans primarily correspond to the practical implementation of social plans or are linked to collective agreements signed with certain categories of employees. Early retirement plans are those plans that primarily correspond to terminating an employee's contract before the normal retirement date. Liabilities for early retirement plans are recognized when the affected employees have formally been informed and when amounts owed have been determined using an appropriate actuarial calculation. Liabilities relating to the early retirement plans are calculated annually on the basis of the number of employees likely to take early retirement and are discounted using an interest rate which corresponds to that of highly-rated bonds that have maturity dates similar to the terms of the Company's early retirement obligations. Termination benefits are provided in connection with voluntary separation plans. The Company recognizes a liability and expense when it can no longer withdraw the offer or, if earlier, when it has a detailed formal plan which has been communicated to employees or their representatives.

(i) Provisions and accruals

The Company recognizes provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost. Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

(j) Income taxes

The Company is the head of a tax integration and is fully liable for the overall tax liability of the tax integration. Each of the entities included in the tax integration is charged with the amount of tax that relates to its individual taxable profit and this tax is paid to ArcelorMittal. Tax losses at entity level are transferred to the Company where they are offset with taxable profits for the determination of the net taxable income of the tax integration. Entities do not pay any tax expense to ArcelorMittal on their individual taxable profits prior to full utilization of their individual cumulative tax losses.

The tax currently payable is based on taxable profit (loss) for the year. Taxable profit differs from profit as reported in the statements of operations because it excludes items of income or expense that are never taxable or deductible. The Company's current income tax expense (benefit) is calculated using tax rates that have been enacted or substantively enacted as of the statements of financial position date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities, in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the statements of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences. Deferred tax assets are recognized for net operating loss carry forwards of all entities within the tax integration to the extent that it is probable that taxable profits will be available against which those carry forwards can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statements of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each statements of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered.

(k) Financing costs

Financing costs include interest income and expense, amortization of discounts or premiums on borrowings, foreign exchange gain, and losses, accretion of long-term liabilities and defined benefit obligations.

(l) Revenue recognition

Dividend income is recognized when the shareholders' rights to receive payment have been established. Interest income is accrued as earned, by reference to the principal outstanding and at the prevailing effective interest rate. Income from contractually arranged corporate services is deducted from general and administrative expenses.

(m) Earnings per common share

Basic earnings per common share is computed by dividing net income as per the consolidated financial statements by the weighted average number of common shares outstanding during the year. Net income attributable to common shareholders takes into consideration dividend rights of preferred shareholders and holders of subordinated perpetual capital securities. Diluted earnings per share is computed by dividing income available to equity holders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options as well as potential common shares from the conversion of certain convertible bonds whenever the conversion results in a dilutive effect.

(n) Equity settled share-based payments

The Company issues equity-settled share-based payments to certain of its employees and employees of its subsidiaries, including stock options and restricted share units. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is recognized on a graded vesting basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Such fair value is expensed with respect to share-based payments issued to the Company's employees and recognized as a capital contribution for share-based payments issued to employees of subsidiaries. For stock options and restricted share units, fair value is measured using the Black-Scholes-Merton pricing model and the market value of the shares at the date of the grant after deduction of dividend payments during the vesting period, respectively. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. For the restricted share units, the fair value determined at the grant date of the equity-settled share-based payments is expensed and recognized as a capital contribution on a straight line method over the vesting period and adjusted for the effect of non market-based vesting conditions for the Company's employees and employees of subsidiaries, respectively.

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Note 4: Cash, cash equivalents and restricted cash

Cash and cash equivalents consisted of the following:

	December 31,	
	2013	2014
Cash at bank interest bearing	-	991
Term deposits	-	61
Money market funds[1]	-	1,214
Total	-	2,266

[1]Money market funds are highly liquid investments with a maturity of 3 months or less from the date of acquisition.

In April 2014, the cash balances previously held by ArcelorMittal Treasury S.N.C. (France) were transferred to the Company in the framework of a group reorganization.

Restricted cash of 53 and 23 at December 31, 2013 and 2014, respectively, corresponded to a guarantee deposit related to a bank debt of an associate.

Note 5: Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
	2013	2014
Receivables from related parties - tax integration	571	245
Receivables from related parties - corporate services	305	318
Derivative financial instruments (note 13)	6	-
Receivables from sale of financial assets	25	106
Premium related to financial instruments	162	-
Other	49	87
Total	1,118	756

Receivables on tax integration correspond to income tax receivables from entities included in the tax integration headed by the Company. Receivables for corporate services are related to various corporate services rendered by the Company to its subsidiaries.

Premium related to financial instruments corresponded to the euro-denominated call options on treasury shares which expired following the repayment of the €1.25 billion Convertible Bonds on April 1, 2014 (see note 12). Balances with related parties are detailed in note 11.

Note 6: Intangible assets

Intangible assets are summarized as follows:

	Patents and licenses
Cost	
At December 31, 2013	81
Additions	33
At December 31, 2014	114
Accumulated amortization and impairment	
At December 31, 2013	(73)
Amortization charge for the year	(3)
At December 31, 2014	(76)
Carrying amount	
At December 31, 2013	8
At December 31, 2014	38

In December 2014, the Company acquired patented intellectual property rights from ArcelorMittal France for 29 in connection with the transfer of the global coordination relating to current and future research and development activities within ArcelorMittal group on January 1, 2015. Such rights are amortized over five years using the straight-line method (see also note 15).

Balances with related parties are detailed in note 11.

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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 7: Property, plant and equipment

Property, plant and equipment are summarized as follows:

	Land, buildings and improvements	Other fixtures and fittings, tools and equipment	Total
Cost			
At December 31, 2013	50	13	63
Disposals	(13)	-	(13)
At December 31, 2014	37	13	50
Accumulated depreciation and impairment			
At December 31, 2013	(35)	(10)	(45)
Depreciation charge for the year	(5)	-	(5)
Disposals	8	-	8
At December 31, 2014	(32)	(10)	(42)
Carrying amount			
At December 31, 2013	15	3	18
At December 31, 2014	5	3	8

Note 8: Investments in subsidiaries

Investments in subsidiaries are summarized as follows:

Cost	
At December 31, 2013	137,024
Acquisitions in cash[4,7,8]	469
Acquisitions in kind[4]	318
Contributions in kind[4]	(318)
Return of capital[3]	(316)
Other[1]	90
At December 31, 2014	137,267
Accumulated impairment	
At December 31, 2013	(62,147)
Impairment charge for the year	(68)
At December 31, 2014	(62,215)
Carrying amount	
At December 31, 2013	74,877
At December 31, 2014	75,052

Subsidiary	Registered office	Ownership (%) as of December 31, 2014	Carrying amount December 31, 2013	Carrying amount December 31, 2014	Capital and reserves (including result for 2014)* and based on % of ownership	Result for 2014* and based on % of ownership
AM Global Holding S.à.r.l.	Luxembourg (Luxembourg)	100.00%	68,596	68,619	69,606	2,654
Arcelor Investment S.A.[1]	Luxembourg (Luxembourg)	3.46%	496	469	467	21
Mittal Steel Holding AB [2]	Lund (Sweden)	100.00%	2,962	2,962	4,818	-
ArcelorMittal Cyprus Holding Limited [3]	Nicosia (Cyprus)	100.00%	371	121	120	95
AMO Holding Switzerland A.G.[4]	Zug (Switzerland)	100.00%	1,000	1,318	3,846	-
ArcelorMittal Canada Holdings Inc. [5]	Contrecoeur (Canada)	1.17%	78	66	72	9
Ispat Inland S.àr.l.[6]	Luxembourg (Luxembourg)	20.47%	762	762	926	(162)
Hera Ermac S.A.	Luxembourg (Luxembourg)	100.00%	576	576	773	217
ArcelorMittal Italy Holding S.r.l.[7]	Piombino (Italy)	62.03%	-	106	146	(30)
Other subsidiaries[8]			36	53	-	-
TOTAL			74,877	75,052		

*In accordance with unaudited IFRS reporting packages.

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1. Arcelor Investment S.A.
On June 12, 2014, the Company issued a financial guarantee in connection with the assignment by Arcelor Investment S.A. of a loan with ArcelorMittal Las Truchas to a bank (see note 21). The Company recognized this guarantee at its fair value (see note 20) and accounted for a capital contribution in Arcelor Investment S.A. for 66 at December 31, 2014.

On December 13, 2013, the Company sold a 0.8% interest in Arcelor Investment S.A. with a net carrying amount of 80 represented by 16,956,283 shares to AM Mining, ArcelorMittal Insurance consultants, AMO Holding 17 S.à.r.l. and ArcelorMittal Commercial Bars and Rods. The total consideration received amounted to 99 and the resulting gain on disposal was 19.

2. Mittal Steel Holding AB
In the framework of a legal reorganization of the U.S. operations on July 31, 2013, the Company acquired 100% of ArcelorMittal Partnership LP for an amount of 90, 100% of ArcelorMittal USA Holdings Inc. for an amount of 236 and contributed immediately these investments together with a 100% interest in Mittal Steel North America Inc. for 13 into Mittal Steel Holding AB for a total amount of 349. At the same date, the Company acquired from ArcelorMittal Montreal Inc. a 100% stake in Mittal Steel Holding AB for an amount of 2,613.

3. ArcelorMittal Cyprus Holding Limited
On October 29, 2014, ArcelorMittal Cyprus Holding Limited decreased its share premium by return of capital to the sole shareholder. The Company received an amount of €248 (316).

On June 25, 2013, ArcelorMittal Cyprus Holding Limited decreased its share premium by return of capital to the sole shareholder. The Company received an amount of €215 (280).

4. AMO Holding Switzerland A.G.
On October 29, 2014, the Company acquired 26.83% of AMO Group Finance Dubai from ArcelorMittal Cyprus Holding Limited for an amount of 318 and contributed immediately this investment into AMO Holding Switzerland A.G. at the same value.

5. ArcelorMittal Canada Holdings Inc.
On December 30, 2013, the Company received from ArcelorMittal Canada Holdings Inc. a return of capital for an amount of 160.

6. Ispat Inland S.à.r.l.
On December 24, 2013, the Company subscribed a capital increase in Ispat Inland S.à.r.l. for an amount of 762.

7. ArcelorMittal Italy Holding S.r.l.
On July 30, 2014, the Company subscribed a capital increase in ArcelorMittal Italy Holding S.r.l. for an amount of 134.

8. Other subsidiaries
On November 20, 2014, the Company acquired the remaining 0.14% of non-controlling interests in ArcelorMittal Luxembourg following a mandatory squeeze out procedure. The total consideration paid was 17.

On August 8, 2013, in the framework of a legal reorganization of the U.S. operations, the Company subscribed a capital increase in ArcelorMittal Treasury Financial Services S.à.r.l. for an amount of €20(27) and sold on September 27, 2013 its 100% stake to ArcelorMittal Treasury America for a total consideration of 7. The carrying amount was 31.

Impairment

The Company assesses at the end of each reporting period whether there is any indication that its investments in subsidiaries may be impaired in accordance with IAS 36, "Impairment of Assets". In making this assessment, the Company considered indicators of impairment such as significant declines in operational results or changes in the outlook of future profitability, among other potential indicators. As of December 31, 2014, the Company determined that there was an indication that its investments in subsidiaries may be impaired.

When an indication of impairment exists, the Company estimates the recoverable amount of the investments in subsidiaries measured based on their value in use. The value in use of investments in subsidiaries was determined by estimating cash flows for a period of five years for subsidiaries holding businesses engaged in steel operations and over the life of the mines for those holding businesses engaged in mining operations. With respect to steel operations, the key assumptions for the value in use calculations are primarily the discount rates, growth rates, expected changes to average selling prices, shipments and direct costs during the period. Assumptions for average selling prices and shipments are based on historical experience and expectations of future changes in the market. Cash flow forecasts are derived from the most recent financial plans approved by management. Beyond the specifically forecasted period of five years, the Company extrapolates cash flows for the remaining years based on an estimated constant growth rate of 2%. This rate does not exceed the average long-term growth rate for the relevant markets. Regarding mining operations, the key assumptions for the value in use calculations are primarily the discount rates, capital expenditure, expected changes to average selling prices, shipments and direct costs during the period.

Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The rate for each investment was estimated from the weighted average cost of capital of producers, which operate a portfolio of assets similar to those of the Company's assets. The weighted average pre-tax discount rates used for the Company's steel businesses range from 10.7% to 14.1% and vary by geographic location. The weighted average pre-tax discount rate used for the Company's mining businesses was 14.3%.

In 2014, the Company recognized a total impairment charge of 134 with respect to investments in subsidiaries, of which 93 related to its investment in Arcelor Investment S.A., 13 related to its investment in ArcelorMittal Canada Holdings Inc. and 28 with respect to its interest and ArcelorMittal Italy Holding S.r.l. The impairment charge is the amount by which the carrying amount of the Company's investments in these subsidiaries exceeded their respective estimated recoverable amounts as of December 31, 2014. The Company also recognized a reversal of impairment charge for 66 with respect to its investment in ArcelorMittal Cyprus Holding Limited.

In 2013, the Company recognized a total impairment charge of 6,671 with respect to investments in subsidiaries, of which 6,549 related to its investment in AM Global Holding S.à.r.l. and 122 related to its investment in ArcelorMittal Cyprus Holding Ltd. The impairment charge is the amount by which the carrying amount of the Company's investments in these subsidiaries exceeded their respective estimated recoverable amounts as of December 31, 2013. The Company also recognized a reversal of impairment charge for 103 with respect to its investment in Arcelor Investment S.A.

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Note 9: Investments in associates, joint ventures and other investments

Investments in associates, joint ventures and other investments are summarized as follows:

	December 31,	
	2013	2014
Investments accounted for at cost	1,326	926
Available-for-sale investments	1	193
Total	1,327	1,119

Investments accounted for at cost	
Cost	
At December 31, 2013	1,416
Disposal	(92)
Transfer to available-for-sale investments [1]	(277)
At December 31, 2014	1,047
Accumulated impairment	
At December 31, 2013	(90)
Impairment charge for the year [3,4]	(31)
At December 31, 2014	(121)
Carrying amount	
At December 31, 2013	1,326
At December 31, 2014	926
Available-for-sale investments	
Carrying amount at December 31, 2013	1
Transfer from investments accounted for at cost	277
Disposals	(45)
Remeasurement at fair value	(40)
Carrying amount at December 31, 2014	193

			Ownership (%) at December 31,	Carrying value December 31,	
Investee	Category	Registered office	2014	2013	2014
Hunan Valin [1]	Available-for-sale investment	Changsha- Hunan (China)	10.08%	369	192
VAMA[2]	Joint venture	Loudi (China)	49.00%	206	206
Kalagadi Manganese [3]	Joint venture	Rivonia (South Africa)	50.00%	343	433
China Oriental[4]	Associate	Wanchan (Hong Kong)	17.40%	379	258
Other				30	30
TOTAL				1,327	1,119

1. Hunan Valin

Hunan Valin Steel Tube and Wire Co., Ltd. ("Hunan Valin") is a leading steel producer in China engaged in the production and sale of billet, seamless tube, wire rod, reinforced bar, hot rolled coil, cold rolled coil, galvanized coil, sections and HR plates. The products sold to domestic and overseas markets cover a wide range of market segments.

As of December 31, 2013, the investment had a market value of 194. On June 6, 2012, ArcelorMittal and Valin Group finalized a share swap arrangement based upon a put option mechanism, which enabled ArcelorMittal to exercise over the following two years put options granted by the Valin Group with respect to Hunan Valin shares. Under this arrangement, ArcelorMittal could sell up to 20% of the total equity (600 million shares) in Hunan Valin to the Valin Group. The exercise period of the put options was equally spaced with a gap of six months and linked to the key development milestones of Valin ArcelorMittal Automotive Steel Co., Ltd. ("VAMA"). Following the exercise of the put options, ArcelorMittal would retain a 10 % shareholding in Hunan Valin as part of a long-term strategic cooperation agreement. ArcelorMittal's acquisition of the additional 16% shareholding in VAMA, which would be financed by the sale of shares in Hunan Valin using the put options, was approved by the Chinese authorities in December 2012. The put option exercise dates were February 6, 2013, August 6, 2013, February 6, 2014 and August 6, 2014. The exercise price per share was CNY 4 for the first two dates and CNY 4.4 for the last two dates. On February 6, 2013 and August 6, 2013, the Company exercised the first and second put options on Hunan Valin. Its interest in the associate decreased accordingly from 30% to 20 %. The aggregate resulting gain on disposal amounted to 11. The total consideration was 194, of which 169 were reinvested into a capital increase and into the acquisition of an additional 16% interest in VAMA, in which the Company increased accordingly its stake from 33% to 49%. As a result of the exercise of the third put option on February 8, 2014, the Company's interest in Hunan Valin decreased from 20 % to 15%. Accordingly, the Company discontinued the accounting for its investment at cost and reclassified its interest as available-for-sale. The resulting net loss on the transaction amounted to 124. This amount consisted of a

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gain of 17 on disposal of the 5% stake offset by a loss of 141 with respect to the remeasurement at fair value of the remaining interest of 15% (see note 16).

On August 6, 2014, the Company exercised the fourth and last put option, which subsequently led to the decrease in its stake in Hunan Valin from 15 % to 10%. The Company recognized a total gain on disposal of 62 (see note 16). As of December 31, 2014, the fair value of ArcelorMittal's remaining stake in Hunan Valin amounted to 192. Unrealized gains recognized in other comprehensive income amounted to 101 for the year ended December 31, 2014.

2. VAMA
VAMA is a joint venture between the Company and Hunan Valin which will produce steel for high-end applications in the automobile industry and will supply international automakers and first-tier suppliers as well as Chinese car manufacturers and their supplier networks. The plant was inaugurated on June 15, 2014.

On March 13, 2013, the Company subscribed a capital increase for 77 and contributed cash for 20. On September 3, 2013, the Company subscribed a capital increase for 73. In 2013, the Company increased its stake from 33% to 49%, as mentioned above.

3. Kalagadi Manganese
Kalagadi Manganese (Propriety) Ltd. ("Kalagadi Manganese") is a joint venture between the Company and Kalahari Resource (Proprietary) Ltd that is engaged in exploring, mining, ore processing, and smelting manganese in Kalahari Basin. In addition to the carrying amount of the investment of 343 at December 31, 2014, the Company has granted loans for the funding of the mining project amounting to 66 including accrued interest. On April 10, 2014, the share purchase agreement signed with Mrs. Mashile-Nkosi providing for acquisition by her or her nominee of ArcelorMittal's 50% interest in Kalagadi Manganese expired.

On the basis of a value in use calculation applying a 14.13% pre-tax discount rate, the Company recognized a reversal of impairment charge for 90 with respect to its investments in Kalagadi Manganese for the year ended December 31, 2014. The Company recorded an impairment charge of 79 for the year ended December 31, 2013, to adjust the carrying amount to the expected net proceeds from the intended sale. The fair value measurement of the investment was determined using the contract price, a Level 3 unobservable input.

4. China Oriental
China Oriental Group Company Limited ("China Oriental") is a Chinese integrated iron and steel conglomerate listed on the Hong Kong Stock Exchange ("HKSE"). Following the acquisition of a 47% stake in China Oriental by a subsidiary of ArcelorMittal on February 4, 2008 and in order to restore the minimum HKSE free float of 25%, the Company established put option agreements with ING Bank N.V. ("ING") and Deutsche Bank Aktiengesellschaft ("Deutsche Bank") with respect to a 17.4% stake sold to these banks. On March 25, 2011, these agreements were extended until April 30, 2014. The Company recognized the 17.4% stake as it retained the significant risk and rewards of the investment. On April 30, 2014, following simultaneously with the exercise by Deutsche Bank of its put option with respect to a 7.5% stake in China Oriental, the Company sold this investment to Macquarie Bank and entered into a put option arrangement with the latter maturing on April 30, 2015. The Company extended the existing put option agreement with ING in relation to a further 9.9% stake in China Oriental until April 30, 2015. In accordance with applicable accounting requirements, the Company has not derecognized the 7.5% stake as it retained the significant risks and rewards of the investment.

At December 31, 2013, the investment had a value of 82 based on the HKSE quoted stock price of China Oriental. The Company believed that the quoted share price was not a reliable representation of market value as the shares were thinly traded. The Company could not conclude that the security was dealt with on an active market where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

In 2014, following a revision of business assumptions in the context of continuing growth slowdown in China, the Company tested the investment for impairment on a fair value basis and concluded that such fair value was lower than the carrying amount. The results of the fair value analysis principally based on market multiples indicated that the carrying value recognized was in excess of the estimated fair value of the investment, which approximated the Company's share in China Oriental's net equity. The recoverable amount of the Company's investment in China Oriental amounted to 258. Based on this analysis, the Company recognized an impairment charge of 121. The Company classified the measurement at fair value into Level 3.

In 2013, the Company tested the investment for impairment and determined that the value in use was higher than the carrying amount. In determining the value in use, the Company estimated its share in the present value (using a pre-tax discount rate of 11.9% for 2013) of the projected future cash flows expected to be generated by operations. The value in use was based on cash flows for a period of five years, which were extrapolated for the remaining years based on an estimated growth rate not exceeding the average long-term growth rate for the relevant markets.

Note 10: Other assets

	December 31,	
	2013	2014
Call option on mandatory convertible bonds[1]	-	112
Other	26	3
Total	26	115

[1] The Company holds the option to call the mandatory convertible bonds (see note 13). The value of the option was nil and 112 at December 31, 2013 and December 31, 2014, respectively.

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Note 11: Balances and transactions with related parties

The Company entered into transactions with related parties that include companies and entities under common control and/or common management, companies under control (directly or indirectly) including their associates and joint ventures, their shareholders and key management personnel. Transactions with related parties were as follows:

Current loans to related parties

		December 31,	
Related party	Category	2013	2014
ArcelorMittal Brasil S.A.	Subsidiary	705	535
JSC ArcelorMittal Temirtau	Subsidiary	18	367
ArcelorMittal Liberia Holdings Limited	Subsidiary	-	234
ArcelorMittal South Africa Limited	Subsidiary	-	86
Quadra International Services B.V.	Subsidiary	29	25
Ocean Pride Inc	Associate	-	21
ArcelorMittal Treasury Americas LLC	Subsidiary	13	13
ArcelorMittal USA Holdings Inc.	Subsidiary	2,541	4
ArcelorMittal Netherlands B.V.	Subsidiary	67	-
Umang Shipping Services Limited	Subsidiary	10	-
Other		5	1
Total		3,388	1,286

Other current assets

		December 31,	
Related party	Category	2013	2014
Arcelor Investment S.A.	Subsidiary	199	152
PJSC ArcelorMittal Kryvyi Rih	Subsidiary	133	140
ArcelorMittal Sourcing	Subsidiary	184	47
JSC ArcelorMittal Temirtau	Subsidiary	30	35
ArcelorMittal International Luxembourg	Subsidiary	18	33
ArcelorMittal Brasil S.A.	Subsidiary	25	24
ArcelorMittal USA LLC	Subsidiary	26	21
ArcelorMittal Luxembourg S.A.	Subsidiary	8	13
ArcelorMittal Belval & Differdange	Subsidiary	11	11
ArcelorMittal South Africa Limited	Subsidiary	6	11
ArcelorMittal Montreal Inc	Subsidiary	-	10
ArcelorMittal Belgium	Subsidiary	-	10
ArcelorMittal Mexico S.A. de C.V.	Subsidiary	10	7
ArcelorMittal Flat Carbon Europe S.A.	Subsidiary	3	7
ArcelorMittal Poland S.A.	Subsidiary	-	6
ArcelorMittal España, S.A.	Subsidiary	-	6
ArcelorMittal Insurance Consultants	Subsidiary	-	4
ArcelorMittal Energy S.C.A.	Subsidiary	-	4
AM Mining	Subsidiary	45	4
Luxembourg Steel (Si Chuan) Co., Ltd	Subsidiary	-	3
ArcelorMittal Ostrava AS	Subsidiary	-	3
ArcelorMittal Finance SCA	Subsidiary	81	-
ArcelorMittal Commercial Sections S.A.	Subsidiary	18	-
ArcelorMittal Tubular Products Luxembourg S.A.	Subsidiary	12	-
ArcelorMittal Treasury S.N.C.[1]	Subsidiary	6	-
Other		67	16
Total		882	567

[1] Including financial instruments with ArcelorMittal Treasury S.N.C (6 and nil at December 31, 2013 and 2014 respectively).

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Non-current loans to related parties

Related party	Category	2013	December 31, 2014
ArcelorMittal Treasury Americas LLC[1]	Subsidiary	6,445	5,919
ArcelorMittal Brasil S.A.	Subsidiary	2,043	1,778
ArcelorMittal USA Holdings Inc.[2]	Subsidiary	-	1,700
Quadra International Services B.V.	Subsidiary	1,429	1,258
ArcelorMittal Liberia Holdings Limited	Subsidiary	777	632
ArcelorMittal Point Lisas Limited	Subsidiary	102	103
Oakey Holding B.V.	Subsidiary	68	68
Rozak Demir Profil Ticaret	Subsidiary	67	67
Kalagadi Manganese	Joint Venture	66	66
Ocean Prosper Inc	Associate	24	22
Ocean Pride Inc	Associate	23	-
JSC ArcelorMittal Temirtau	Subsidiary	8	-
Other		1	1
Total		11,053	11,614

[1] In the framework of a legal reorganization of the U.S. operations, the Company established a treasury center in U.S.A in 2013. The loan to ArcelorMittal Canada Holdings Inc. as of December 31, 2012 (2,109), along with loans from several of the Company's indirectly held subsidiaries were transferred to this treasury center.

[2] The loan of 1,700 granted on June 18, 2014 refinanced partially the credit facility of 2,541 at December 31, 2013 classified within current loans to related parties.

Current loans from related parties

Related party	Category	2013	December 31, 2014
ArcelorMittal Treasury S.N.C. [1]	Subsidiary	1,130	4,118
Ferrosure (Isle of Man) Insurance Co. Ltd	Subsidiary	733	350
ArcelorMittal International FZE	Subsidiary	-	300
ArcelorMittal Holdings AG [2]	Subsidiary	940	-
ArcelorMittal Luxembourg S.A.	Subsidiary	17	-
Other		1	-
Total		2,821	4,768

[1] Current loans from ArcelorMittal Treasury S.N.C. correspond to cash pooling balances.
[2] The loan was classified as non-current in 2014.

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Accrued expenses and other liabilities

Accrued expenses and other liabilities include balances with related parties amounting to 108 and 635 as of December 31, 2013 and 2014, respectively. The increase at December 31, 2014 was mainly related to amounts payable with respect to the acquisition of intellectual property rights (see note 15).

			December 31,
Related party	Category	2013	2014
ArcelorMittal Investigación y Desarrollo, S.L.	Subsidiary	-	113
ArcelorMittal Atlantique et Lorraine	Subsidiary	-	109
ArcelorMittal Dofasco Inc.	Subsidiary	1	79
ArcelorMittal Flat Carbon Europe S.A.	Subsidiary	11	58
ArcelorMittal Méditerranée	Subsidiary	-	36
ArcelorMittal España, S.A.	Subsidiary	-	32
ArcelorMittal France	Subsidiary	3	31
ArcelorMittal Poland S.A.	Subsidiary	-	27
ArcelorMittal Luxembourg S.A.	Subsidiary	11	27
ArcelorMittal Sagunto S.L.	Subsidiary	-	24
ArcelorMittal Belval & Differdange	Subsidiary	-	23
ArcelorMittal Finance SCA	Subsidiary	17	12
ArcelorMittal International Luxembourg SA	Subsidiary	-	8
ArcelorMittal Piombino S.p.A.	Subsidiary	-	6
ArcelorMittal Limited	Subsidiary	19	-
ArcelorMittal Mining UK Limited	Subsidiary	33	-
Other		13	50
Total		108	635

Non-current loans from related parties

			December 31,
Related party	Category	2013	2014
ArcelorMittal Finance S.C.A.	Subsidiary	6,896	6,070
ArcelorMittal Holdings AG	Subsidiary	-	940
ArcelorMittal Treasury Financial Services S.à r.l.	Subsidiary	324	324
Total		7,220	7,334

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General and administrative expenses

General and administrative expenses, net of income from contractually arranged corporate services, amounted to 106 and 630 in 2013 and 2014, respectively, for related parties. The increase in 2014 was mainly due to expenses in relation with the acquisition of intellectual property rights (see note 15).

Related party	Category	Year ended December 31, 2013	2014
ArcelorMittal Dofasco Inc.	Subsidiary	39	121
ArcelorMittal Investigación y Desarrollo, S.L.	Subsidiary	2	116
ArcelorMittal Atlantique et Lorraine	Subsidiary	7	114
ArcelorMittal Flat Carbon Europe S.A.	Subsidiary	4	48
ArcelorMittal Méditerranée	Subsidiary	4	40
ArcelorMittal España, S.A.	Subsidiary	6	38
ArcelorMittal Poland S.A.	Subsidiary	5	32
ArcelorMittal Research & Development	Subsidiary	-	26
ArcelorMittal Sagunto S.L.	Subsidiary	1	25
ArcelorMittal Belval & Differdange	Subsidiary	7	24
ArcelorMittal Montreal Inc	Subsidiary	2	16
ArcelorMittal USA LLC	Subsidiary	21	16
PJSC ArcelorMittal Kryvyi Rih	Subsidiary	16	15
ArcelorMittal Mexico S.A. de C.V.	Subsidiary	10	13
ArcelorMittal International Luxembourg SA	Subsidiary	6	12
ArcelorMittal Brasil S.A.	Subsidiary	12	9
ArcelorMittal Belgium	Subsidiary	10	9
ArcelorMittal Purchasing	Subsidiary	12	8
ArcelorMittal Mines Canada Inc.	Subsidiary	4	6
ArcelorMittal France	Subsidiary	(7)	(6)
ArcelorMittal Luxembourg S.A.	Subsidiary	(6)	(18)
ArcelorMittal Mining UK Limited	Subsidiary	(16)	(21)
ArcelorMittal Limited	Subsidiary	(52)	(51)
Other		19	38
Total		106	630

Financing costs – net

Financing costs-net included the following income from related parties for the year ended December 31, 2013 and 2014:

Related party	Category	Year ended December 31, 2013	2014
ArcelorMittal Finance SCA	Subsidiary	79	318
ArcelorMittal France	Subsidiary	-	28
ArcelorMittal Holdings AG	Subsidiary	-	20
ArcelorMittal Treasury S.N.C.	Subsidiary	12	11
ArcelorMittal Canada Holdings Inc.	Subsidiary	(133)	-
Arcelor Investment SA	Subsidiary	(12)	-
Mittal Steel International Holdings B.V.	Subsidiary	(22)	-
Kalagadi Manganese Limited	Subsidiary	-	(7)
ArcelorMittal South Africa Limited	Subsidiary	-	(12)
JSC ArcelorMittal Temirtau	Subsidiary	-	(14)
Quadra International Services B.V.	Subsidiary	(84)	(79)
ArcelorMittal Liberia Holdings Limited	Subsidiary	(110)	(91)
ArcelorMittal USA Holdings Inc.	Subsidiary	(220)	(126)
ArcelorMittal Brasil S.A.	Subsidiary	(267)	(292)
ArcelorMittal Treasury Americas LLC	Subsidiary	(95)	(341)
Other		2	(3)
Total		(850)	(588)

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Note 12: Short-term and long-term debt

Short-term debt, including the current portion of long-term debt, consisted of the following:

	December 31, 2013	2014
Short-term bank loans and other credit facilities including commercial paper	101	51
Current portion of long-term debt	2,538	1,046
Total	2,639	1,097

Commercial paper

The Company has a commercial paper program enabling borrowings of up to €1,000 (1,214). As of December 31, 2014, the outstanding amount was 51.

Long-term debt is comprised of the following as of December 31, 2013 and 2014, respectively:

	Year of maturity	Type of Interest	Interest rate[1]	2013	2014
Corporate					
3.6 billion Revolving Credit Facility	2016	Floating		-	-
2.4 billion Revolving Credit Facility	2018	Floating		-	-
€1.25 billion Convertible Bonds	2014	Fixed	7.25%	1,692	-
800 Convertible Senior Notes	2014	Fixed	5.00%	780	-
750 Unsecured Notes [2]	2015	Fixed	9.50%	747	-
500 Unsecured Notes [2]	2015	Fixed	4.25%	499	-
1.0 billion Unsecured Bonds	2015	Fixed	4.25%	996	998
500 Unsecured Notes	2016	Fixed	4.25%	498	499
€1.0 billion Unsecured Bonds	2016	Fixed	10.63%	1,373	1,210
€1.0 billion Unsecured Bonds	2017	Fixed	5.88%	1,371	1,208
1.4 billion Unsecured Notes	2017	Fixed	5.00%	1,394	1,396
1.5 billion Unsecured Notes	2018	Fixed	6.13%	1,500	1,500
€500 million Unsecured Notes	2018	Fixed	5.75%	686	604
1.5 billion Unsecured Notes	2019	Fixed	10.35%	1,471	1,475
€750 million Unsecured Notes	2019	Fixed	3.00%		903
€600 million Unsecured Notes	2020	Fixed	2.88%		719
1.0 billion Unsecured Bonds	2020	Fixed	5.75%	986	988
1.5 billion Unsecured Notes	2021	Fixed	6.00%	1,487	1,489
1.1 billion Unsecured Notes	2022	Fixed	6.75%	1,089	1,090
1.5 billion Unsecured Bonds	2039	Fixed	7.50%	1,465	1,465
1.0 billion Unsecured Notes	2041	Fixed	7.25%	983	983
Other loans	2021	Fixed	3.46%	75	71
EBRD loans	2015	Floating	1.23%	25	8
300 Term Loan Facility	2016	Floating	2.08%		300
EIB loan	2016	Floating	1.58%	345	304
ICO loan	2017	Floating	2.58%	68	42
Other loans	2017-2035	Floating	0.00%-2.47%	173	143
Total				19,703	17,395
Less current portion of long-term debt				(2,538)	(1,046)
Total long-term debt, net of current portion				17,165	16,349

[1] Rates applicable to balances outstanding at December 31, 2014.
[2] Early redeemed on October 30, 2014

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3.6 billion Revolving Credit Facility
On March 18, 2011, ArcelorMittal entered into a 6 billion Revolving Credit Facility, a syndicated revolving credit facility which may be utilized for general corporate purposes and which matures in 2016. On November 26, 2013, the facility was amended and reduced to 3.6 billion. As of December 31, 2014, the 3.6 billion Revolving Credit Facility remains fully available.

2.4 billion Revolving Credit Facility
On May 6, 2010, ArcelorMittal entered into a 4 billion Revolving Credit Facility, a syndicated revolving credit facility which may be utilized for general corporate purposes. On November 26, 2013, the facility was amended and reduced to 2.4 billion and the maturity date extended to November 6, 2018. As of December 31, 2014, the 2.4 billion Revolving Credit Facility remains fully available.

Convertible Bonds
The €1.25 billion Convertible Bonds and the 800 Convertible Senior Notes were issued on April 1, 2009 and May 6, 2009, respectively (collectively referred to herein as the Convertible Bonds). At inception, the Company had the option to settle the Convertible Bonds for common shares or the cash value of the common shares at the date of settlement as defined in the Convertible Bonds' documentation. The Company determined that the agreements related to the Convertible Bonds were hybrid instruments as the conversion option gave the holders the right to put the Convertible Bonds back to the Company in exchange for common shares or the cash equivalent of the common shares of the Company based upon the Company's share price at the date of settlement. In addition, the Company identified certain components of the agreements to be embedded derivatives. On October 28, 2009, the Company announced that it had decided to irrevocably waive the option to settle the 800 Convertible Senior Notes in cash for the cash value of the common shares at the date of settlement.

At inception of the Convertible Bonds, the Company determined the fair value of the embedded derivatives using the binomial option valuation methodology and recorded the amounts as financial liabilities in other long-term obligations of 408 and 189 for the €1.25 billion Convertible Bonds and the 800 Convertible Senior Notes, respectively. As a result of the waiver of the option to settle the 800 Convertible Senior Notes in cash for the cash value of the common shares at the date of settlement, the Company determined that the conversion option was an equity instrument. As a consequence, its fair value of 279 (198 net of tax) at the date of the waiver was transferred to equity.

On December 14, 2010 and December 18, 2010, ArcelorMittal acquired euro-denominated call options on 61,728,395 of its own shares and US dollar-denominated call options on 26,533,997 of its own shares, with strike prices of €20.25 and $30.15 per share, respectively. These call options allowed the Company to hedge its obligations arising out of the potential conversion of the Convertible Bonds. The related call options expired at the dates of the repayment of the Convertible Bonds.

On April 1, 2014, at maturity, ArcelorMittal repaid its €1.25 billion 7.25% unsecured and unsubordinated Convertible Bonds.

On May 15, 2014, at maturity, ArcelorMittal repaid its 800 5.00% unsecured and unsubordinated Convertible Senior Notes.

Bonds
On March 25, 2014, ArcelorMittal completed the offering of €750 Unsecured Notes due March 25, 2019 issued under the €3 billion wholesale Euro Medium Term Notes Programme. These notes bear interest at 3% per annum and the proceeds of the issuance were used for general corporate purposes.

On July 4, 2014, ArcelorMittal completed the offering of €600 Unsecured Notes due July 6, 2020 issued under the €3 billion wholesale Euro Medium Term Notes Programme. These notes bear interest at 2.875% per annum and the proceeds of the issuance were used for general corporate purposes.

On October 30, 2014, the Company redeemed its 750 9.0% Unsecured Notes due February 15, 2015 and its 500 3.750% Unsecured Notes due February 25, 2015 prior to their scheduled maturity for a total amount of 784 and 510 respectively, including premium and accrued interest.

On January 14, 2015, ArcelorMittal announced the issuance of €750 million 3.125% Notes due on January 14, 2022 under its €3 billion wholesale Euro Medium Term Notes Programme. The proceeds of the issuance will be used for general corporate purposes.

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The following table describes the maturity and interest rates of various Notes and Bonds. The margin under certain of ArcelorMittal's outstanding bonds is subject to adjustment in the event of a change in its long-term credit ratings. Due, among other things, to the weak steel industry outlook and ArcelorMittal's credit metrics and level of debt, Standard & Poor's, Moody's and Fitch downgraded the Company's rating to below "investment grade" in August (first downgrade), November and December 2012 (second downgrade), respectively. These downgrades triggered the interest rate "step-up" clauses in most of the Company's outstanding bonds, as described in the table below:

Nominal value	Date of issuance	Repayment date	Interest rate	Issued at
1.0 billion Unsecured Bonds	August 5, 2010	August 5, 2015	4.25% (5)	99.12%
500 Unsecured Notes	March 7, 2011	March 1, 2016	4.25% (5)	99.57%
€1.0 billion Unsecured Bonds	June 3, 2009	June 3, 2016	10.63% (2)	99.38%
€1.0 billion Unsecured Bonds (1)	November 18, 2010	November 17, 2017	5.88% (5)	99.32%
1.4 billion Unsecured Notes	February 28, 2012	February 25, 2017	5.00% (5)	99.69%
1.5 billion Unsecured Notes	May 27, 2008	June 1, 2018	6.13% (4)	99.57%
€0.5 billion Unsecured Notes (1)	March 29, 2012	March 29, 2018	5.75% (3)	99.71%
1.5 billion Unsecured Notes	May 20, 2009	June 1, 2019	10.35% (5)	97.52%
€750 million Unsecured Notes (1)	March 25, 2014	March 25, 2019	3.00% (4)	99.65%
€600 million Unsecured Notes (1)	July 4, 2014	July 6, 2020	2.88% (4)	99.18%
1.0 billion Unsecured Bonds	August 5, 2010	August 5, 2020	5.75% (5)	98.46%
1.5 billion Unsecured Notes	March 7, 2011	March 1, 2021	6.00% (5)	99.36%
1.1 billion Unsecured Notes	February 28, 2012	February 25, 2022	6.75% (5)	98.28%
1.0 billion Unsecured Bonds	October 1, 2009	October 15, 2039	7.50% (5)	95.20%
500 Unsecured Bonds	August 5, 2010	October 15, 2039	7.50% (5)	104.84%
1.0 billion Unsecured Notes	March 7, 2011	March 1, 2041	7.25% (5)	99.18%

(1) Issued under the €3 billion Euro Medium Term Notes Programme
(2) Change in interest rate following downgrades, effective on June 3, 2013.
(3) Change in interest rate following downgrades, effective on March 29, 2013.
(4) No impact on interest rate following downgrades in 2012.
(5) Change in interest rate following downgrades, effective in 2012.

European Bank for Reconstruction and Development ("EBRD") Loans
The Company has entered into five separate agreements with the European Bank for Reconstruction and Development ("EBRD") for on-lending out of which one agreement with ArcelorMittal Temirtau on June 15, 2007 was outstanding as of December 31, 2014. The agreement related to ArcelorMittal Kryvyi Rih was fully repaid on April 3, 2013. The last repayment installment under ArcelorMittal Temirtau was in January 2015. The amount outstanding under the EBRD agreements as of December 31, 2014 was 8 as compared to 25 as of December 31, 2013.

300 Term Loan Facility
On December 20, 2013, ArcelorMittal entered into a term loan facility in an aggregate amount of 300, maturing on December 20, 2016. The facility may be used by the Group for general corporate purposes. Amounts repaid under this agreement may not be re-borrowed.

European Investment Bank ("EIB") Loan
The Company entered into an agreement with the EIB for the financing of activities for research, engineering and technological innovation related to process improvements and new steel product developments on July 15, 2010. The full amount of €250 million was drawn on September 27, 2011. The final repayment date under this agreement is September 27, 2016. The outstanding amount in total as of December 31, 2013 and 2014 was 345 (€250 million) and 304 (€250 million), respectively.

Instituto de Crédito Oficial ("ICO") Loan
The Company entered into an agreement with the ICO on April 9, 2010 for the financing of the Company investment plan in Spain for the period 2008-2011. The last installment under this agreement is due on April 7, 2017. The outstanding amount in total as of December 31, 2013 and 2014 was 68 (€49 million) and 42 (€35 million), respectively.

Other
Certain debt agreements of the Company or its subsidiaries contain certain restrictive covenants. Among other things, these covenants limit encumbrances on the assets of ArcelorMittal and its subsidiaries, the ability of ArcelorMittal's subsidiaries to incur debt and ArcelorMittal's ability to dispose of assets in certain circumstances. Certain of these agreements also require compliance with a financial covenant.

The Company's principal credit facilities (2.4 billion Revolving Credit Facility, 3.6 billion Revolving Credit Facility and certain borrowing agreements) include 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 Company for a Measurement Period, subject to certain adjustments as defined 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, currently 4.25 to 1 and 3.5 to 1 depending on the borrowing agreement.

Failure to comply with any covenant would enable the lenders to accelerate the Company's repayment obligations. Moreover, the Company's debt facilities have provisions whereby certain events relating to other borrowers within the Company's subsidiaries could, under certain circumstances, lead to acceleration of debt repayment under such credit facilities. Any invocation of these cross-acceleration clauses could cause some or all of the other debt to accelerate.

The Company was in compliance with the financial covenants contained in the agreements related to all of its borrowings as of December 31, 2014.

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As of December 31, 2014 the scheduled maturities of short-term debt and long-term debt including its current portion are as follows:

2015	1,097
2016	2,352
2017	2,634
2018	2,138
2019	2,384
Subsequent	6,841
Total	17,446

The Company monitors its net debt in order to manage its capital. The following table presents the structure of the Company's net debt in original currencies:

		Presented in USD by original currency as at December 31, 2014	
	Total USD	EUR	USD
Short-term debt including the current portion of long-term debt	1,097	30	1,067
Long-term debt	16,349	4,973	11,376
Cash including restricted cash	(2,289)	(1,616)	(673)
Net debt	15,157	3,387	11,770

As a part of the Company's overall risk and cash management strategies, several loan agreements have been swapped from their original currencies to other foreign currencies.

The carrying value of short-term bank loans and commercial paper approximate their fair value. The carrying amount and fair value of the Company's long-term debt (including current portion) is:

	December 31, 2013		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Instruments payable bearing interest at fixed rates	19,092	20,808	16,598	17,784
Instruments payable bearing interest at variable rates	611	554	797	746
	19,703	21,362	17,395	18,530

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Note 13: Financial instruments

The Company enters into derivative financial instruments to manage its exposure to fluctuations in exchange rates and hedge its obligations arising out of the potential conversion of the convertible bonds in connection with financing and investment activities.

Fair values versus carrying amounts
The estimated fair values of certain financial instruments have been determined using available market information or other valuation methodologies that require judgment in interpreting market data and developing estimates. The following tables summarize assets and liabilities based on their categories at December 31, 2013.

ASSETS	Carrying amount in statements of financial position	Non-financial assets and liabilities	Loan and receivables	Liabilities at amortized cost	Available-for-sale assets	Derivatives
Current assets:						
Cash and cash equivalents	-	-	-	-	-	-
Restricted cash	53	-	53	-	-	-
Current loans to related parties	3,388	-	3,388	-	-	-
Prepaid expenses and other current assets	1,118	615	497	-	-	6
Total current assets	4,559	615	3,938	-	-	6
Non-current assets:						
Intangibles assets	8	8				
Property, plant and equipment	18	18	-	-	-	-
Investments in subsidiaries	74,877	74,877	-	-	-	-
Investments in associates, joint ventures and other investments	1,327	1,326	-	-	1	-
Non-current loans to related parties	11,053	-	11,053	-	-	-
Deferred tax assets	8,843	8,843	-	-	-	-
Other assets	26	-	26	-	-	
Total non-current assets	96,152	85,072	11,079	-	1	-
Total assets	100,711	85,687	15,017	-	1	6
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt and current portion of long-term debt	2,639	-	-	2,639	-	-
Current loans from related parties	2,821	-	-	2,821	-	-
Short-term provisions	-	-	-	-	-	-
Accrued expenses and other liabilities	993	4	-	987	-	2
Total current liabilities	6,453	4	-	6,447	-	2
Non-current liabilities:						
Long-term debt, net of current portion	17,165	-	-	17,165	-	-
Non-current loans from related parties	7,220			7,220	-	-
Deferred employee benefits	25	25	-	-	-	-
Long-term provisions	-	-	-	-	-	-
Other long-term obligations	271	-	-	271	-	-
Total non-current liabilities	24,681	25	-	24,656	-	-
Total equity	69,577	69,577	-	-	-	-
Total liabilities and equity	100,711	69,606	-	31,103	-	2

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The following tables summarize assets and liabilities based on their categories at December 31, 2014.

ASSETS	Carrying amount in statements of financial position	Non-financial assets and liabilities	Loan and receivables	Liabilities at amortized cost	Available-for-sale assets	Derivatives
Current assets:						
Cash and cash equivalents	2,266	-	2,266	-	-	-
Restricted cash	23	-	23	-	-	-
Current loans to related parties	1,286	-	1,286	-	-	-
Prepaid expenses and other current assets	756	275	481	-	-	-
Total current assets	4,331	275	4,056	-	-	-
Non-current assets:						
Intangibles assets	38	38				
Property, plant and equipment	8	8	-	-	-	-
Investments in subsidiaries	75,052	75,052	-	-	-	-
Investments in associates, joint ventures and other investments	1,119	926	-	-	193	-
Non-current loans to related parties	11,614		11,614	-	-	-
Deferred tax assets	7,898	7,898	-	-	-	-
Other assets	115	-	3	-	-	112
Total non-current assets	95,844	83,922	11,617	-	193	112
Total assets	100,175	84,197	15,673	-	193	112
LIABILITIES AND EQUITY						
Current liabilities:						
Short-term debt and current portion of long-term debt	1,097	-	-	1,097	-	-
Current loans from related parties	4,768	-	-	4,768	-	-
Accrued expenses and other liabilities	1,208	600	-	605	-	3
Total current liabilities	7,073	600	-	6,470	-	3
Non-current liabilities:						
Long-term debt, net of current portion	16,349	-	-	16,349	-	-
Non-current loans from related parties	7,334	-	-	7,334	-	-
Deferred employee benefits	20	20	-	-	-	-
Other long-term obligations	238	44	-	138	-	56
Total non-current liabilities	23,941	64	-	23,821	-	56
Total equity	69,161	69,161	-	-	-	-
Total liabilities and equity	100,175	69,825	-	30,291	-	59

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The following tables summarize the bases used to measure certain assets and liabilities at their fair value.

As of December 31, 2013	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Available-for-sale financial assets	1	-	-	1
Derivative financial current assets	-	6	-	6
Total assets at fair value	1	6	-	7
Liabilities at fair value				
Derivative financial current liabilities	-	2	-	2
Total liabilities at fair value	-	2	-	2

As of December 31, 2014	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Available-for-sale financial assets	193	-	-	193
Derivative financial non-current assets	-	-	112	112
Total assets at fair value	193	-	-	305
Liabilities at fair value				
Derivative financial current liabilities		3	-	3
Derivative financial non-current liabilities		56	-	56
Total liabilities at fair value	-	59		59

Available-for-sale financial assets classified as Level 1 refer to listed securities quoted in active markets. The total fair value is either the price of the most recent trade at the time of the market close or the official close price as defined by the exchange on which the asset is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs. The increase in available-for-sale financial assets is related to the reclassification of the investment in Hunan Valin as available-for-sale following the exercise on February 8, 2014 of the third put option granted by the Valin Group (see note 9) and subsequent increase in fair value.

Derivative financial assets and liabilities classified as Level 2 refer to instruments to hedge fluctuations in foreign exchange rates. The total fair value is based on the price a dealer would pay or receive for the security or similar securities, adjusted for any terms specific to that asset or liability. Market inputs are obtained from well-established and recognized vendors of market data and the fair value is calculated using standard industry models based on significant observable market inputs such as foreign exchange rates, commodity prices, swap rates and interest rates.

Derivative financial non-current assets classified as Level 3 refer to the call option on the 1,000 mandatory convertible bonds (see below). As a result of the repayment at maturity of the €1.25 billion Convertible Bonds on April 1, 2014 (see note 12), the conversion option in the €1.25 billion Convertible Bonds and the euro-denominated call options on treasury shares are extinguished. The fair valuation of Level 3 derivative instruments is established at each reporting date in relation to which an analysis is performed in respect of changes in the fair value measurement since the last period. ArcelorMittal's valuation policies for Level 3 derivatives are an integral part of its internal control procedures and have been reviewed and approved according to the Company's principles for establishing such procedures. In particular, such procedures address the accuracy and reliability of input data, the accuracy of the valuation model and the knowledge of the staff performing the valuations.

ArcelorMittal establishes the fair valuation of the call option on the 1,000 mandatory convertible bonds through the use of binomial valuation models. Binomial valuation models use an iterative procedure to price options, allowing for the specification of nodes, or points in time, during the time span between the valuation date and the option's expiration date. In contrast to the Black-Scholes model, which provides a numerical result based on inputs, the binomial model allows for the calculation of the asset and the option for multiple periods along with the range of possible results for each period.

Observable input data used in the valuations include zero coupon yield curves, stock market prices, European Central Bank foreign exchange fixing rates and Libor interest rates. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available. Specifically the Company computes unobservable volatility data based mainly on the movement of stock market prices observable in the active market over 90 working days.

The following table summarizes the reconciliation of the fair value of the conversion option classified as Level 3 with respect to the €1.25 billion convertible bonds, the euro-denominated call option on treasury shares and the call option on the 1,000 mandatory convertible bonds for the year ended December 31, 2013 and 2014, respectively:

	€1.25 billion convertible bond	Euro-denominated call option on treasury shares	Call option on 1,000 mandatory convertible bonds	Total
Balance as of December 31, 2012	(25)	25	12	12
Change in fair value	25	(25)	(12)	(12)
Balance as of December 31, 2013	-	-	-	-
Change in fair value	-	-	112	112
Balance as of December 31, 2014	-	-	112	112

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On December 28, 2009, the Company issued through a wholly-owned subsidiary unsecured and unsubordinated 750 bonds mandatorily convertible into preferred shares of such subsidiary. The bonds were placed privately with a Luxembourg affiliate of Crédit Agricole (formerly Calyon S.A.) and are not listed. The Company originally had the option to call the mandatory convertible bonds from May 3, 2010 until ten business days before the maturity date. On April 20, 2011, the conversion date of the mandatory convertible bonds was extended to January 31, 2013. On September 27, 2011, the Company increased the mandatory convertible bonds and the call option on the mandatory convertible bonds from 750 to 1,000. On December 18, 2012, the conversion date of the mandatory convertible bonds was extended to January 31, 2014. The fair value of these call options was 112 as of December 31, 2014 and the change in fair value recorded in the statements of operations as financing costs was 112. These call options are classified into Level 3. The fair value of the call options was determined through a binomial model based on the estimated values of the underlying equity spot price of 161 and volatility of 8.46%.

On December 14, 2010, ArcelorMittal acquired euro-denominated call options on 61,728,395 of its own shares with a strike price of €20.25 per share and a total amount of €700 (928) including transaction costs. The 61.7 million of call options acquired allow ArcelorMittal to hedge its obligations arising primarily out of the potential conversion of the 7.25% bonds convertible into and/or exchangeable for new or existing ArcelorMittal shares due April 1, 2014. These call options were accounted for as derivative financial instruments carried at fair value with changes recognized in the statements of operations as financing costs as they can be settled either through physical delivery of the treasury shares or through cash. These call options were classified into Level 3. Following the repayment of 1.25 billion convertible bonds on April 1, 2014, the call options and the euro-denominated conversion option on treasury shares expired.

Portfolio of Derivatives

Except for the call options on the mandatory convertible bond and some other limited exceptions, the Company's portfolio of derivatives consists of transactions with ArcelorMittal Treasury S.N.C., which in turn enters into offsetting position with counterparties external to ArcelorMittal.

The portfolio associated with derivative financial instruments as of December 31, 2013 is as follows:

	Assets		Liabilities	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Foreign exchange rate instruments				
Forward purchase of contracts	-	-	(621)	(2)
Forward sale of contracts	901	6	-	-
Total		6		(2)

The portfolio associated with derivative financial instruments as of December 31, 2014 is as follows:

	Assets		Liabilities		
	Notional Amount	Fair Value	Notional Amount	Fair Value	Average Rate*
Interest rate swaps - fixed rate borrowings/loans	-	-	1,063	(53)	2.13%
Foreign exchange rate instruments					
Forward sale of contracts	125	-	250	(3)	-
Currency swaps purchases	89	-	-	-	-
Currency swaps sales	-	-	336	(3)	-
Total		-		(59)	

* The average rate is determined for fixed rate instruments on the basis of the U.S. dollar and foreign currency rates and for the variable rate instruments generally on the basis of Euribor or Libor.

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Interest rate risk

The Company utilizes certain instruments to manage interest rate risks. Interest rate instruments allow the Company to borrow long-term at fixed or variable rates, and to swap the rate of this debt either at inception or during the lifetime of the loan. The Company and its counter-party exchange, at predefined intervals, the difference between the agreed fixed rate and the variable rate, calculated on the basis of the notional amount of the swap. Similarly, swaps may be used for the exchange of variable rates against other variable rates.

Interest rate derivatives used by the Company to manage changes in the value of fixed rate loans qualify as fair value hedges.

Foreign exchange rate risk

The Company is exposed to changes in values arising from foreign exchange rate fluctuations generated by its investment and financing activities. Because of a substantial portion of ArcelorMittal's assets, liabilities, income and expenses are denominated in currencies other than the U.S. dollar (its reporting currency), ArcelorMittal has an exposure to fluctuations in the values of these currencies relative to the U.S. dollar. These currency fluctuations, especially the fluctuation of the value of the U.S. dollar relative to the euro and the Canadian dollar, could have a material impact on its results of operations.

ArcelorMittal faces transaction risk, which arises when ArcelorMittal translates its net debt (see note 12) and other items denominated in currencies other than the U.S. dollars. The Company also uses the derivative instruments, described above to hedge debt recorded in foreign currency other than the functional currency or the balance sheet risk incurred on certain monetary assets denominated in a foreign currency other than the functional currency.

Liquidity Risk

ArcelorMittal's principal sources of liquidity are cash generated from its operations and its credit lines. The Company actively manages its liquidity. Following the Treasury and Financial Risk Management Policy, the levels of cash, credit lines and debt are closely monitored and appropriate actions are taken in order to comply with the covenant ratios, leverage, fixed/floating ratios, maturity profile and currency mix.

The following are the non-discounted contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	December 31, 2013					
	Carrying amount	Contractual cash flow	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Convertible Bonds	(2,473)	(2,607)	(2,607)	-	-	-
Other bonds	(16,662)	(26,182)	(1,157)	(3,351)	(9,309)	(12,363)
Loans over 100	(345)	(363)	(6)	(6)	(351)	-
Other non-derivative financial liabilities	(325)	(341)	(173)	(54)	(90)	(25)
Loans from related parties	(8,893)	(11,414)	(2,054)	(372)	(1,421)	(7,567)
Cash pooling	(1,760)	(1,776)	(1,776)	-	-	-
Total	(30,458)	(42,683)	(7,773)	(3,783)	(11,171)	(19,955)
Derivative financial liabilities						
Foreign exchange contracts	(621)	(2)	(2)	-	-	-
Total	(621)	(2)	(2)	-	-	-

	December 31, 2014					
	Carrying amount	Contractual Cash Flow	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years
Non-derivative financial liabilities						
Convertible Bonds						
Other bonds	(16,639)	(25,143)	(2,080)	(2,735)	(9,199)	(11,129)
Loans over 100	(604)	(626)	(11)	(615)	-	-
Other non-derivative financial liabilities	(203)	(215)	(102)	(42)	(51)	(20)
Loans from related parties	(7,984)	(9,799)	(976)	(1,244)	(1,214)	(6,364)
Cash pooling	(4,120)	(4,168)	(4,168)			
Total	(29,550)	(39,951)	(7,337)	(4,636)	(10,464)	(17,513)
Derivative financial liabilities						
Interest rate instruments	(53)	(53)	-	-	(53)	-
Foreign exchange contracts	(6)	(6)	(3)	-	-	(3)
Total	(59)	(59)	(3)	-	(53)	(3)

Net investment hedge

In December, 2014, the Company entered into a EUR/USD cross currency swap to hedge euro denominated net investment in foreign operations amounting to €303 million, which is designated as a net investment hedge. The EUR/USD cross currency swap has a notional of 375 and a fair value loss of 3 has been recorded in the statements of other comprehensive income at December 31, 2014. The fair value of the net investment hedge is included in other long-term obligations in the statements of financial position. At December 31, 2014 the hedge was 100% effective. The cross currency swap is classified into Level 2.

The Company is committed to a bilateral cash collateral arrangement for a maximum of €150 million.

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Sensitivity analysis

Foreign currency sensitivity
The following table details the Company's sensitivity as it relates to derivative financial instruments to a 10% strengthening and a 10% weakening in the U.S. dollar against the other currencies for which the Company estimates to be a reasonably possible exposure. The sensitivity analysis includes only foreign currency derivatives on USD against another currency. A positive number indicates an increase in profit or loss and other equity where a negative number indicates a decrease in profit or loss and other equity.

	December 31, 2014	
	Income	Other Equity
10% strengthening in U.S. dollar	(25)	68
10% weakening in U.S. dollar	25	(68)

Cash flow sensitivity analysis for variable rate instruments
The following table details the Company's sensitivity as it relates to variable interest rate instruments. A change of 100 basis points ("bp") in interest rates during the period would have increased (decreased) profit or loss by the amounts presented below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	December 31, 2014	
	Floating porting of net debt [1]	Interest Rate Swaps/Forward Rate Agreements
100 bp increase	14	(22)
100 bp decrease	(14)	23

[1] Please refer to note 12 for a description of total net debt (including fixed and floating portion)

Note 14: Equity

Authorized shares
At the extraordinary general meeting held on May 8, 2013, the shareholders approved an increase of the authorized share capital of the Company by €524 million represented by 223 million shares, or approximately 8% of ArcelorMittal's outstanding capital. Following this approval, which is valid for five years, the total authorized share capital was €8.2 billion represented by 1,996 million shares without nominal value.

Share capital
Following the completion of an offering of common shares on January 14, 2013, the Company increased share capital by €455 (607) from €6,428 (9,404) to €6,883 (10,011) through the issuance of 104,477,612 new shares fully paid up. The aggregate number of shares issued and fully paid up increased to 1,665,392,222. The common shares do not have a nominal value.

In accordance with Luxembourg Company law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholder.

Treasury shares
As of December 31, 2013 and 2014, the Company held 614,417 and 995,156 treasury shares respectively. 11,178,257 and 10,023,257 where held by subsidiaries as of December 31, 2013 and 2014, respectively.

Option premiums on treasury shares
Following the repayment of the 800 Convertible Senior Notes on May 15, 2014, the Company reclassified from reserves to retained earnings premiums paid for an amount of 435 (309 net of tax) with respect to expired USD denominated call options on treasury shares acquired on December 18, 2010 in order to hedge its obligations arising from the potential conversion of the 800 Convertible Senior Notes into ArcelorMittal shares.

Mandatorily convertible notes
On January 16, 2013, ArcelorMittal issued mandatorily convertible subordinated notes ("MCNs") with net proceeds of 2,222. The notes have a maturity of 3 years, were issued at 100% of the principal amount and are mandatorily converted into common shares of ArcelorMittal at maturity unless converted earlier at the option of the holders or ArcelorMittal or upon specified events in accordance with the terms of the MCNs. The MCNs pay a coupon of 6.00% per annum, payable quarterly in arrears. The minimum conversion price of the MCNs was set at $16.75, corresponding to the placement price of shares in the concurrent common shares offering as described above, and the maximum conversion price was set at approximately 125% of the minimum conversion price (corresponding to $20.94). The minimum and maximum conversion prices are subject to adjustment upon the occurrence of certain events, and were, as of December 31, 2014, $16.28 and $20.36, respectively. The Company determined the notes met the definition of a compound financial instrument and as such determined the fair value of the financial liability component of the bond was 384 on the date of issuance and recognized it as long-term obligation. The value of the equity component of 1,838 was determined based upon 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 and is included in equity.

Subordinated perpetual capital securities
On September 28, 2012, the Company issued subordinated perpetual capital securities for a nominal amount of 650 and a coupon of 8.75%, which reset periodically over the life of the securities, with the first reset after five years and subsequently every five years thereafter. A step up in interest of 0.25% would have occurred on the second reset date and a subsequent step up of 0.75% (cumulative with the initial 0.25%) fifteen years later. The Company was entitled to call the securities in five years, ten years and on subsequent coupon payment dates. As the Company had no obligation to redeem the securities and the coupon payment may have been deferred by the Company under certain circumstances, it classified the net proceeds from the issuance of subordinated perpetual capital securities (642 net of transaction costs) as equity. Coupon payments to holders of subordinated perpetual capital securities in 2013 and 2014 were 57 and 22, respectively.

On February 20, 2014, ArcelorMittal redeemed all of its outstanding 650 subordinated perpetual capital securities following the occurrence of a "Ratings Agency Event", as defined in the terms of the securities. The notes were redeemed for 657, at a redemption price of 101% of the principal amount, plus accrued coupons of 22.

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Earnings per common share

The following table provides the numerators and a reconciliation of the denominators used in calculating basic and diluted earnings per common share for the years ended December 31, 2013 and 2014:

	Year ended December 31,	
	2013	2014
Net income (loss) attributable to equity holders of the parent as per consolidated financial statements for the year ended December 31, 2014	(2,545)	(1,086)
Interest assumed on the coupon and the premium for early redemption for subordinated perpetual capital securities	(57)	(14)
Net income (loss) considered for the purposes of basic and diluted earnings per share	(2,602)	(1,100)
Weighted average common shares outstanding (in millions) for the purposes of basic and diluted earnings per share*	1,780	1,791

*adjusted for anti-dilutive instruments for the year ended December 31, 2013.

For the purpose of calculating earnings per common share, diluted weighted average common shares outstanding excludes 22 million and 20 million potential common shares from stock options outstanding for the years ended December 31, 2013 and 2014, respectively, because such stock options are anti-dilutive.

Dividends

The Company has no significant manufacturing operations of its own. Accordingly, it can only pay dividends or distributions to the extent it is entitled to receive cash dividend distributions from its subsidiaries' recognized gains, from the sale of its assets or from the share premium received from the issuance of common shares. Dividends are declared in U.S. dollars and are payable in either U.S. dollars or in euros.

On May 8, 2013 at the annual general shareholders' meeting, the shareholders approved the Board of Directors' recommendation to reduce the Company's dividend to $0.20 per share for the full year of 2013. The dividend for the full year of 2013 was paid on July 15, 2013.

On May 8, 2014 at the annual general shareholders' meeting, the shareholders approved the Board of Directors' recommendation to maintain the Company's dividend to $0.20 per share for the full year of 2014. The dividend for the full year of 2014 was paid on July 15, 2014.

On February 12, 2015, ArcelorMittal's Board of Directors announced a gross dividend payment of $0.20 per share, subject to shareholders' approval at the next annual shareholders' meeting to be held on May 5, 2015. Subject to such approval, the dividend is expected to be paid on June 15, 2015.

Stock Option Plans

Prior to the May 2011 annual general shareholders' meeting adoption of the ArcerlorMittal Equity Incentive Plan described below, ArcelorMittal's equity-based incentive plan took the form of a stock option plan known as the Global Stock Option Plan.

Under the terms of the ArcelorMittal Global Stock Option Plan 2009-2018 (which replaced the ArcelorMittalShares plan that expired in 2009), ArcelorMittal may grant options to purchase common shares to senior management of ArcelorMittal and its associates for up to 100,000,000 shares of common shares. The exercise price of each option equals not less than the fair market value of ArcelorMittal shares 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.

Dates of grant and exercise prices are as follows:

Date of grant	Exercise prices (per option)
August 2008	78.44
December 2007	70.81
August 2007	61.09
August 2009	36.38
September 2006	32.07
August 2010	30.66
August 2005	27.31
December 2008	22.56
November 2008	21.14

No options were granted during the years ended December 31, 2013 and 2014.

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The fair values for options and other share-based compensation are recorded as an expense in the statements of operations for the Company's employees and as a capital contribution for employees of subsidiaries 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 using the Black-Scholes-Merton option pricing model (based on year of grant).

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 5 and nil for each of the years ended December 31, 2013 and 2014, respectively.

Option activity with respect to ArcelorMittalShares and ArcelorMittal Global Stock Option Plan 2009-2018 is summarized below as of and for each of the years ended December 31, 2013 and 2014:

	Number of Options	Range of Exercise Prices (per option)	Weighted Average Exercise Price (per option)
Outstanding, December 31, 2012	24,950,319	21.14 – 78.44	47.85
Forfeited	(139,993)	30.66 – 78.44	40.54
Expired	(3,246,700)	21.14 – 78.44	45.80
Outstanding, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Expired	(1,486,360)	27.31-78.44	48.96
Outstanding, December 31, 2014	20,077,266	21.14-78.44	48.26
Exercisable, December 31, 2013	21,563,626	21.14 – 78.44	48.31
Exercisable, December 31, 2014	20,077,266	21.14-78.44	48.26

The following table summarizes information about total stock options of the Company outstanding as of December 31, 2014:

	Options Outstanding			
Exercise Prices (per option)	Number of options	Weighted average contractual life (in years)	Options exercisable (number of options)	Maturity
$78.44	4,682,450	3.60	4,682,450	August 5, 2018
70.81	13,000	2.95	13,000	December 11, 2017
61.09	3,427,335	2.59	3,427,335	August 2, 2017
36.38	4,533,900	4.60	4,533,900	August 4, 2019
32.07	1,702,023	1.67	1,702,023	September 1, 2016
30.66	4,682,650	5.60	4,682,650	August 3, 2020
27.31	1,033,323	0.65	1,033,323	August 23, 2015
21.14	2,585	3.87	2,585	November 10, 2018
$21.14 – 78.44	20,077,266	3.81	20,077,266	

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Long-Term Incentives: Equity-Based Incentives (Share Unit Plans)

On May 10, 2011, the Annual General Meeting of Shareholders approved the ArcelorMittal Equity Incentive Plan, a new equity-based incentive plan that replaced the Global Stock Option Plan. The ArcelorMittal Equity Incentive Plan is intended to align the interests of the Company's shareholders and eligible employees by allowing them to participate in the success of the Company. The ArcelorMittal Equity Incentive Plan provides for the grant of Restricted Share Unites (each, an "RSU") and Performance Share Unites (each, a "PSU") to eligible Company employees and is designed to incentivize employees, improve the Company's long-term performance and retain key employees. On May 8, 2013, the Annual General Meeting of Shareholders approved the GMB PSU Plan, which provides for the grant of PSUs to GMB members. Until the introduction of the GMB PSU Plan in 2013, GMB members were eligible to receive RSUs and PSUs under the ArcelorMittal Equity Incentive Plan.

The maximum number of RSUs and PSUs available for grant during any given year is subject to the prior approval of the Company's shareholders at the Annual General Meeting. The Annual Shareholders' Meeting on May 8, 2014 approved the maximum to be granted until the next annual shareholders' meeting. For the period from the May 2014 Annual General Shareholders' Meeting to the May 2015 annual general shareholders' meeting, a maximum of 5,000,000 RSUs and PSUs may be allocated to eligible employees under the ArcelorMittal Equity Incentive Plan and the GMB PSU Plan combined.

ArcelorMittal Equity Incentive Plan

RSUs granted under the ArcelorMittal Equity Incentive Plan are designed to provide a retention incentive to eligible employees. RSUs are subject to "cliff vesting" after three years, with 100% of the grant vesting on the third anniversary of the grant contingent upon the continued active employment of the eligible employee within the Group. Between 500 and 700 of the Group's most senior managers are eligible for RSUs.

The grant of PSUs under the ArcelorMittal Equity Incentive Plan aims to serve as an effective performance-enhancing scheme based on the employee's contribution to the eligible achievement of the Company's strategy. Awards in connection with PSUs are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The employees eligible to receive PSUs are a sub-set of the group of employees eligible to receive RSUs. The target group for PSU grants initially included the Chief Executive Officer and the other GMB members. However, from 2013 onwards, the Chief Executive Officer and other GMB members receive PSU grants under the GMB PSU Plan instead of the ArcelorMittal Equity Incentive Plan.

PSUs vest three years after their date of grant subject to the eligible employee's continued employment with the Company and the fulfillment of targets related to the following performance measures: return on capital employed (ROCE) and total cost of employment (in U.S. dollars per tonne) for the steel business (TCOE) and the mining volume plan and ROCE for the Mining segment. Each performance measure has a weighting of 50%. In case the level of achievement of both performance targets together is below 80%, there is no vesting, and the rights are automatically forfeited.

GMB PSU Plan

The GMB PSU Plan is designed to enhance the long-term performance of the Company and align the members of the GMB to the Company's objectives. The members of the GMB including the Chief Executive Officer are eligible for PSU grants. The GMB PSU Plan provides for cliff vesting on the third year anniversary of the grant date, under the condition that the relevant GMB member continues to be actively employed by the Group on that date. If the GMB member is retired on that date or in case of an early retirement by mutual consent, the relevant GMB member will not automatically forfeit PSUs and pro rata vesting will be considered at the end of the vesting period at the sole discretion of the Company, represented by the Appointment, Remuneration and Corporate Governance Committee of the Board of Directors. Awards under the GMB PSU Plan are subject to the fulfillment of cumulative performance criteria over a three-year period from the date of the PSU grant. The value of the grant at grant date will equal one year of base salary for the Chief Executive Officer and 80% of base salary for the other GMB members. Each PSU may give right to up to two shares of the Company. The two performance criteria required to be met for PSUs to vest are total shareholder return and earnings per share

In March 2012, a total of 267,165 PSUs were granted to a total of 118 employees.

In March 2013, a total of 1,071,190 RSUs and 182,970 PSUs were granted to a total of 681 employees and 94 employees, respectively.

In June 2013, a total of 631,077 PSUs under the GMB PSU Plan were granted to a total of 7 employees.

In September 2013, a total of 1,065,415 RSUs and 504,075 PSUs were granted to a total of 682 employees and 384 employees, respectively.

In June 2014, a total of 843,376 PSUs under the GMB PSU Plan were granted to a total of 6 members of the GMB.

In December 2014, a total of 1,173,910 RSUs and 979,870 PSUs were granted to a total of 620 employees and 353 employees, respectively.

These equity incentive plans are accounted for as equity-settled share-based transactions. The fair value for the RSUs and PSUs allocated to the beneficiaries is recorded as an expense in the statements of operations for the Company's employees and as a capital contribution for employees of subsidiaries over the relevant vesting or service periods. The total compensation charge recognized for RSUs and PSUs were 10 and 4 and 13 and 11 for the years ended December 31, 2013 and 2014, respectively.

Share unit plan activity is summarized below as of and for each year ended December 31, 2013 and 2014:

	Restricted share unit (RSU)		Performance share unit (PSU)	
	Number of shares	Fair value per share	Number of shares	Fair value per share
Outstanding, December 31, 2012	1,242,753	14.45	262,665	16.87
Granted	2,136,605	12.77	1,318,122	14.70
Exited	(14,788)	14.35	–	–
Forfeited	(120,904)	13.92	(53,640)	15.85
Outstanding, December 31, 2013	3,243,666	13.36	1,527,147	15.03
Granted	1,173,910	10.28	1,823,246	13.32
Exited	(777,252)	14.43	–	–
Forfeited	(230,718)	13.27	(90,215)	14.27
Outstanding, December 31, 2014	3,409,606	12.06	3,260,178	14.10

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The following table summarizes information about total share unit plan of the Company outstanding as of December 31, 2014:

	Shares units outstanding		
Fair value per share	Number of shares	Shares exited	Maturity
$16.87	190,275	-	March 30, 2015
16.85	843,376	-	June 27, 2017
16.60	631,077	-	June 28, 2016
14.45	294,416	785,377	September 29, 2014
13.17	463,750	-	September 27, 2016
13.17	993,650	2,256	September 27, 2016
12.37	947,630	5,194	March 29, 2016
12.37	151,830	-	March 29, 2016
10.28	979,870	-	December 17, 2017
10.28	1,173,910	-	December 17, 2017
$16.87 – 10.28	6,669,784	792,827	

Note 15: General and administrative expenses

In December 2014, the Company recorded an expense of 537 in connection with the transfer of the global coordination relating to current and future research and development activities within ArcelorMittal group on January 1, 2015. This amount included 424 with respect to the acquisition from various group subsidiaries of the rights to use intellectual property developed within the research and development cost sharing agreement led previously by ArcelorMittal Investigación y Desarollo, S.L. (“AMID”) and 113 relating to the acquisition from AMID of the legal ownership and exploitation rights of this intellectual property. This acquisition enabled the Company to implement effective January 1, 2015 an industrial franchise agreement with group subsidiaries replacing previous arrangements and whereby the Company licenses its business model for manufacturing, processing and distributing steel to group subsidiaries.

The Company concluded that the acquisition of intellectual property rights did not meet the criteria to recognize an intangible asset and therefore the total amount was recognized in the statements of operations as general and administrative expenses.

Transactions with related parties are detailed in note 11

Note 16: Financing costs - net

Financing costs recognized in the years ended December 31, 2013 and 2014 were as follows:

	Year ended December 31,	
	2013	2014
Recognized in the statements of operations		
Interest expense	(1,747)	(1,691)
Interest income	945	999
Gain (loss) on disposal of investments	127	(62)
Fair value adjustment on conversion options on the euro convertible bond, call options on ArcelorMittal shares and mandatory convertible bonds (note 10)	(12)	112
Net gain on other derivative instruments	14	7
Net foreign exchange result	(632)	(605)
Others	(70)	(196)
Total	(1,375)	(1,436)
Recognized in other comprehensive income		
Net change in fair value of available-for-sale financial assets	-	101
Total	-	101

In 2014, loss on disposal of investments of 62 related to Hunan Valin and comprised gains on disposal of 17 and 62 following the exercise of the third put option on February 6, 2014 and fourth put option on August 6, 2014, respectively, and a loss of 141 with respect to the remeasurement at fair value of the Company’s 15% interest following its reclassification as available-for-sale investment.
Transactions with related parties are detailed in note 11.

Notes to financial statements
continued

ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 17: Income from subsidiaries and associates

In 2014, income from subsidiaries and associates comprised mainly the dividend of € 1,610 (2,018) received from AM Global Holding S.à.r.l..

In 2013, the Company received a dividend of 1,952 from AM Global Holding S.à.r.l., from AMO Holding Switzerland A.G. for € 585 (762) and from ArcelorMittal Shipping Limited for 30. On December 16, 2013, the Company received from Mittal Steel International Holdings B.V. an amount of 48 settled in cash as a return of capital.

Note 18: Income Tax

Income tax expense (benefit)
The components of the income tax expense (benefit) for each of the years ended December 31, 2013 and 2014 are summarized below:

	2013	2014
Total current tax benefit	(577)	(491)
Total deferred tax benefit	(77)	(115)
Total income tax benefit	(654)	(606)

The following table reconciles the income tax expense (benefit) to the statutory tax expense (benefit) as calculated:

	Year ended December 31,	
	2013	2014
Net income (loss)	(4,613)	488
Income tax benefit	(654)	(606)
Loss before tax :	(5,267)	(118)
Tax benefit at the statutory rate	(1,539)	(34)
Permanent items	1,003	(539)
Tax losses and benefits transferred from subsidiaries	5	(226)
Net change in measurement of deferred tax assets	13	(129)
Effects of foreign currency translation	(107)	311
Other taxes	(29)	11
Income tax benefit	(654)	(606)

Permanent items
The permanent items consist of:

	Year ended December 31,	
	2013	2014
Non-tax deductible impairment losses	1,883	68
Exempt dividend income	(816)	(582)
Exempt capital gains	(12)	(23)
Other permanent items	(52)	(2)
Total permanent items	1,003	(539)

Non tax-deductible impairment charge: Write-down charges taken on investments in shares of subsidiaries are tax-deductible under the Luxembourg tax legislation. The non tax-deductible impairment charges for 2013 amounted to 6,446 and are related to ArcelorMittal Global Holding and Arcelor Investment S.A. These write-down charges were not tax-deductibe as the charges were neutralized within the tax consolidation. The non-tax deductible impairment charges for 2014 of 235 are related to the Company's investments in Hunan Valin and Arcelor Investment S.A. These write-down charges are not tax-deductible as they are neutralized with exempted capital gains and mark-to-market valuation, or arise within the tax consolidation.

Exempted dividend income: Under Article 166 of the Luxembourg tax law, dividend income, liquidation proceeds, and capital gains may be treated as tax-exempt so long as certain requirements are met relating to the parent's participation in the subsidiary. The participation exemption applies if the Luxembourg parent maintains (or commits to hold) a minimum holding in a qualified subsidiary company (generally a 10% shareholding) for an uninterrupted period of at least 12 months.

Effects of foreign currency translation: The effects of foreign currency translation of (107) and 311 for 2013 and 2014, respectively, are related to the different functional currency of the Company than the currency applied for tax filing purposes.

Uncertain tax positions
ArcelorMittal takes income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax positions. Changes to the financial statement recognition, measurement, and disclosure of tax positions is based on management's best judgment given any changes in the facts, circumstances, information available and applicable tax laws. Considering all available information and the history of resolving income tax uncertainties, the Company believes that the ultimate resolution of such matters will not have a material effect on the Company's financial position, statements of operations or cash flows.

Notes to financial statements
continued

ArcelorMittal (millions of U.S. dollars, except share and per share data)

Deferred tax assets and liabilities
The origin of deferred tax assets and liabilities is as follows:

	Assets December 31,		Liabilities December 31,		Net December 31,	
	2013	2014	2013	2014	2013	2014
Treasury shares	-	-	(3)	(3)	(3)	(3)
Financial instruments	128	-	-	-	128	-
Provisions	4	4	-	-	4	4
Tax losses carried forward	8,714	7,897	-	-	8,714	7,897
Deferred tax assets / (liabilities)	8,846	7,901	(3)	(3)	8,843	7,898

Deferred tax assets not recognized by the Company as of December 31, 2013 were as follows:

	Gross amount	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax losses carried forward	59,478	17,379	8,714	8,665
Other temporary differences	451	132	132	-
Total		17,511	8,846	8,665

Deferred tax assets not recognized by the Company as of December 31, 2014 were as follows:

	Gross amount	Total deferred tax assets	Recognized deferred tax assets	Unrecognized deferred tax assets
Tax losses carried forward	52,843	15,082	7,897	7,185
Other temporary differences	12	4	4	-
Total		15,086	7,901	7,185

Notes to financial statements

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ArcelorMittal (millions of U.S. dollars, except share and per share data)

As of December 31, 2014, deferred tax assets not recognized relate only to tax losses carried forward. The utilization of tax losses carried forward is restricted to the taxable income of the Luxembourg tax consolidated group. The utilization of tax losses carried forward also may be restricted by the character of the income.

The total amount of accumulated tax losses in the ArcelorMittal tax integration amounts to 52,843 as of December 31, 2014. Of this amount 28,255 is considered realizable, resulting in the recognition of 7,897 of deferred tax asset at the applicable income tax rate in Luxembourg. The tax losses carried forward relate primarily to tax deductible write-down charges taken on investments in shares of subsidiaries recorded by certain of the Luxembourg tax consolidated group companies. The tax losses can be carried forward indefinitely and specific loss settlement restrictions are not included in the Luxembourg tax legislation. The Company believes that it is probable that sufficient future taxable profits will be generated to support the recognized deferred tax asset for the tax losses carried forward in Luxembourg. As part of its assessment the Company has taken into account (i) its most recent forecast approved by management, (ii) the reorganization effected during 2012 under which the amount of deductible interest charges in Luxembourg on intra group loans has been significantly reduced, (iii) the fact that during 2012 ArcelorMittal in Luxembourg became the main provider of funding to the Group's consolidated subsidiaries, leading to recognition of significant amounts of taxable interest income and (iv) other significant and reliable sources of income derived from distribution and procurement centers located in Luxembourg for many of ArcelorMittal's European and worldwide operating subsidiaries.

At December 31, 2014, based upon the level of historical taxable income and projections for future taxable income over the periods in which the deductible temporary differences are anticipated to reverse, management believes it is probable that ArcelorMittal will realize the benefits of the deferred tax assets of 7,901 recognized. The amount of future taxable income required to be generated by ArcelorMittal's subsidiaries to utilize the deferred tax assets of 7,901 is at least 29,390. Historically, the Company has been able to generate taxable income in sufficient amounts and believes that it will generate sufficient levels of taxable income in upcoming years to permit the Company to utilize tax benefits associated with tax losses carried forward and other deferred tax assets that have been recognized in its financial statements. In the event that a history of recent losses is present, the Company relied on convincing other positive evidence such as the character of (historical) losses and tax planning to support the deferred tax assets recognized.

For taxable temporary differences associated with investments in subsidiaries, branches and associates and investments, that are not expected to reverse in the foreseeable future and where the Company is able to control the timing of the reversal, the aggregate amount of deferred tax liabilities that is not recognized is approximately 1,238.

Note 19: Accrued expenses and other liabilities

Accrued expenses and other liabilities are summarized as follows:

	December 31,	
	2013	2014
Accrued interest	492	389
Accrued payroll and employee related expenses	16	17
Derivative instruments (note 13)	2	3
Put option in relation with China Oriental shares [1]	353	96
Payable on acquisition of intellectual property rights (notes 6 and 15)	-	540
Financial guarantee (note 20)	-	22
Suppliers and other	130	141
Total	993	1,208

[1] On April 30, 2008, the Company entered into two put option agreements with ING and Deutsche Bank in connection with the sale of 509,780,740 shares representing 17.40% of the issued share capital of China Oriental. By virtue of these agreements, ING and Deutsche Bank had the right to sell these shares to the Company at the expiring date of the agreement, April 30, 2014. On that date, following simultaneously with the exercise by Deutsche Bank of its put option with respect to a 7.5% stake in China Oriental, the Company sold this investment to Macquarie Bank and entered into a put option arrangement with the latter maturing on April 30, 2015. The Company extended the existing put option agreement with ING in relation to a further 9.9% stake in China Oriental until April 30, 2015 (see note 9).

Balances with related parties are detailed in note 11.

Note 20: Other long term obligations

Other long term obligations are summarized as follows:

	December 31,	
	2013	2014
Liability component of the mandatorily convertible notes[1]	266	138
Financial guarantee[2]	-	44
Derivative instruments (note 13)	-	56
Other	5	-
Total	271	238

1 The liability component of the mandatorily convertible notes is measured at amortized cost using the effective interest rate method (note 14).

2 On June 12, 2014, the Company issued a financial guarantee in connection with the assignment to a bank by Arcelor Investment S.A. of its loan granted to ArcelorMittal Las Truchas (see note 21). The Company recognized this guarantee at its fair value of 66 (of which 22 classified as accrued expenses and other liabilities see note 19) at December 31, 2014. The fair value was determined on the basis of the amount paid by the Company to Arcelor Investment S.A. upon exercise of the guarantee on February 18, 2015. The Company classified the instruments as Level 3.

Notes to financial statements
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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 21: Commitments

Commitments given are summarized as follows:

	December 31,	
	2013	2014
Guarantees on debt[1]	188	-
Other commitments[2]	6,347	5,850
Foreign exchange derivative instrument[3]	1,516	428
Total	8,051	6,278

1 At December 31, 2013, guarantees on debt corresponded to the guarantee related to senior unsecured notes issued by ArcelorMittal USA and fully and unconditionally guaranteed by the Company. On June 28, 2013, in connection with the early tender portion of a zero premium cash tender offer to purchase any and all of its senior unsecured notes, ArcelorMittal USA purchased 311 principal amounts of notes. An additional 1 principal amount of notes were purchased on the final settlement date of July 16, 2013. Accordingly a total of 312 principal amounts of notes were purchased. Upon settlement for all of the notes purchased pursuant to the offer, 188 principal amounts remained outstanding as of December 31, 2013. On April 15, 2014, the remaining notes were redeemed.
At December 31, 2013, guarantees on debt excluded 637 of debt of ArcelorMittal Finance S.C.A. for which the Company was jointly and severally liable. On November 8, 2014, this debt was repaid.

2 Other commitments comprise amounts committed with regard to credit lines and guarantees given on behalf of subsidiaries, associates and joint ventures. Other commitments comprise commitments incurred under credit lines granted to subsidiaries (1,075 and 1,003 as of December 31, 2013 and 2014, respectively), guarantees given to third parties on behalf of subsidiaries (3,580 and 4,509 as of December 31, 2013 and 2014, respectively) and guarantees given to third parties by Company (85 and 63 as of December 31, 2013 and 2014, respectively). Commitments of 1,344 at December 31, 2013 incurred under bilateral cash pooling agreements to guarantee the deposits made with ArcelorMittal Treasury S.N.C. by ArcelorMittal Ostrava and ArcelorMittal Tubular Products Ostrava were cancelled on June 30, 2014 and on November 30, 2014, respectively. The credit facility amounting to 450 was utilized on December 2014 for a total amount of 275 (263 utilized as of December 31, 2013). The Company is jointly and severally liable for the following entities: ArcelorMittal Finance S.C.A., ArcelorMittal Treasury S.N.C., ArcelorMittal Sourcing and ArcelorMittal Energy S.C.A.

3 Foreign exchange derivative instruments mainly consist of USD/ZAR/CAD currency swaps whose maturity was January 2015.

On June 10 2014, Arcelor Investment S.A. assigned its loan to ArcelorMittal Las Truchas for a total amount of 1,062 to a bank with a maturity date of April 20, 2017. The Company agreed to guarantee the repayment of the loan with a final maturity of May 20, 2017. Following the early repayment of the loan on February 13, 2015, the guarantee expired.

On November 29, 2013, the Company issued a guarantee in connection with the Joint Venture Formation agreement between ArcelorMittal USA and Nippon Steel & Sumitomo Metal Corporation to acquire ThyssenKrupp Steel USA. This guarantee covered the payment obligations of ArcelorMittal USA pursuant to the Joint Venture Formation agreement. This guarantee expired on June 26, 2014. On February 24, 2014, Calvert Acquisition LLC (which, after the acquisition described below, merged into the target company and changed its name to AM/NS Calvert LLC), a 50/50 joint venture between ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation, entered into two bridge loans of 660 each in order to finance in part the acquisition of ThyssenKrupp Steel USA, LLC. The Company issued two unconditional payment guarantees for 50% of the principal amount plus interest of each of the two above-mentioned bridge loans. The guarantees expired on May 27, 2014 and June 25, 2014. On May 22, 2014 AM/NS Calvert LLC entered into three new loan agreements for a total amount of 1,200. In this context, the Company issued three unconditional payment guarantees for 50 % of the principal of the three above mentioned loans. The two first guarantees and the third one will expire on May 30, 2025 and September, 26 , 2014, respectively.

On December 28, 2009, a wholly-owned subsidiary of the Company used the proceeds from the issuance of an unsecured and unsubordinated bond mandatorily convertible into preferred shares of such subsidiary to acquire notes linked to shares of the listed related party Eregli Demir ve Celik Fab. T.A.S. (Turkey) and issued by the Company's affiliates Arcelor Investment Services S.A. and Expert Placement Services Ltd.The Company warrants to own directly or indirectly the entire legal and beneficial interest in the share capital of such companies for so long as any notes remain outstanding. ArcelorMittal also undertakes to provide any funding which would be necessary to these affiliates to meet their obligations with respect to the notes.

Corporate guarantee letter
On May 28, 2009, in the framework of a legal reorganization in Canada, the Company entered into a support agreement with ArcelorMittal Canada Holdings Inc. whereby it undertakes to take all such actions as necessary to enable ArcelorMittal Canada Holdings Inc. to reacquire the preferred shares held by its shareholder Mittal Steel International Holdings B.V. upon exercise of such right by the latter.

Notes to financial statements
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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 22: Deferred employee benefits

Certain employees of ArcelorMittal are included in the unfunded defined benefit pension plan managed by the Company's affiliate ArcelorMittal Luxembourg S.A. The Company has a defined benefit obligation with respect to this plan by virtue of a contractual arrangement with ArcelorMittal Luxembourg S.A. Benefits are based on such employees' length of service and applicable pension table under the terms of the agreement. This defined benefit pension plan was closed to new entrants on December 31, 2007 and replaced by a defined contribution pension plan for active members financed by employer and employee contributions.

As of December 31, 2013 and 2014, the pension plan benefits were 25 and 20 respectively.

The following table details the reconciliation of the defined benefit pension obligation:

	Year ended December 31,	
	2013	2014
Change in benefit obligation		
Benefit obligation at beginning of period	31	25
Service cost	1	1
Interest cost	1	1
Actuarial (gain) loss	(5)	(2)
Experience adjustment	*(1)*	*(3)*
Demographic assumptions	*(3)*	*(1)*
Financial assumptions	*(1)*	*2*
Foreign currency exchange rate differences and other movements	-	(2)
Benefits paid	(3)	(3)
Benefit obligation at end of period	25	20

The following table details the components of the pension cost recognized in statements of operations:

	Year ended December 31,	
	2013	2014
Net periodic pension cost		
Service cost	1	1
Interest cost	1	1
Total	2	2

Service cost is included in general administrative expense. Interest cost is included in financing costs – net.

Assumptions used to determine benefit obligations

	December 31,	
	2013	2014
Discount rate	3.25%	1.90%
Rate of compensation increase	3.10%	2.71%

Cash contributions and maturity profile of the plans
In 2015, the Company is expecting its cash contributions to amount to 2 for pension plans.

At December 31, 2014, the duration of the liabilities related to the pension plan was 7 years (2013: 8 years).

Risks associated with defined benefit plans
Through its defined benefit pension plans, ArcelorMittal is exposed to a number of risks, the most significant of which is the change in bond yields. A decrease in corporate bond yields will increase plan liabilities.

Notes to financial statements

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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Sensitivity analysis

The following information illustrates the sensitivity to a change in certain assumptions related to ArcelorMittal's pension plan (as of December 31, 2014, the defined benefit obligation ("DBO") for pension was 20):

	Effect on 2015 Pre-Tax Pension Expense (sum of service cost and interest cost)[1]	Effect of December 31, 2014 DBO
Change in assumption		
100 basis point decrease in discount rate	-	2
100 basis point increase in discount rate	-	(1)
100 basis point decrease in rate of compensation	-	(3)
100 basis point increase in rate of compensation	-	3

The above sensitivities reflect the effect of changing one assumption at a time. Actual economic factors and conditions often affect multiple assumptions simultaneously, and the effects of changes in key assumptions are not necessarily linear.

[1]Amounts are not disclosed as they are below 1 and rounded to nearest million.

Note 23: Contingencies

The Company is currently and may in the future be involved in litigation, arbitration or other legal proceedings. Provisions related to legal and arbitration proceedings are recorded in accordance with the principles described in note 3.

On January 8, 2008, the Company 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 plaintiffs alleged in particular that, based on Mittal Steel's and Arcelor's disclosure and public statements, investors had a legitimate expectation that the exchange ratio in the second-step merger would be the same as that of the secondary exchange offer component of Mittal Steel's June 2006 tender offer for Arcelor (i.e., 11 Mittal Steel shares for seven Arcelor shares), and that the second-step merger did not comply with certain provisions of Luxembourg company law. They claimed, inter alia, the cancellation of certain resolutions (of the Board of Directors and of the Shareholders meeting) in connection with the merger, the grant of additional shares or damages in an amount of €180 million. By judgment dated November 30, 2011, the Luxembourg civil court declared all of the plaintiffs' claims inadmissible and dismissed them. This judgment was appealed in mid-May 2012. The appeal proceedings are pending. On May 15, 2012, the Company received a writ of summons on behalf of Association Actionnaires d'Arcelor ("AAA"), a French association of former minority shareholders of Arcelor, to appear before the civil court of Paris. In such writ of summons, AAA claimed (on grounds similar to those in the Luxembourg proceedings summarized above) inter alia damages in a nominal amount and reserved the right to seek additional remedies including the cancellation of the merger. The proceedings before the civil court of Paris have been stayed, pursuant to a ruling of such court on July 4, 2013, pending a preparatory investigation (instruction préparatoire) by a criminal judge magistrate (juge d'instruction) triggered by the complaints (plainte avec constitution de partie civile) of AAA and several hedge funds (who quantified their total alleged damages at €246.5 million), including those who filed the claims before the Luxembourg courts described (and quantified) above.

In April 2011, a proceeding was commenced before the Ontario (Canada) Superior Court of Justice under the Ontario Class Proceedings Act, 1992, against the Company, Baffinland, and certain other parties relating to the January 2011 take-over of Baffinland by ArcelorMittal, Nunavut, Iron Ore Holdings and 1843208 Ontario Inc. The action seeks the certification of a class comprised of all Baffinland securities holders who tendered their Baffinland securities, and whose securities were taken up, in connection with the take-over between September 22, 2010 and February 17, 2011, or otherwise disposed of their Baffinland securities on or after January 14, 2011. The action alleges that the tender offer documentation contained certain misrepresentations and seeks damages in an aggregate amount of CAD$1 billion or rescission of the transfer of the Baffinland securities by members of the class.

On September 12, 2008, Standard Iron Works filed a purported class action complaint in the U.S. District Court in the Northern District of Illinois against the Company, ArcelorMittal USA LLC, and other steel manufacturers, alleging that the defendants had conspired to restrict the output of steel products in order to fix, raise, stabilize and maintain prices at artificially high levels in violation of U.S. antitrust law. Other similar direct purchaser lawsuits were also filed in the same court and were consolidated with the Standard Iron Works lawsuit. A hearing on class certification of the direct purchaser claims took place in March/April 2014 and a decision remains pending . On May 29, 2014, ArcelorMittal USA LLC entered into an agreement to settle the direct purchaser claims for an amount of 90. On October 17, 2014, the court gave its final approval of the settlement. Two putative class actions on behalf of indirect purchasers have been filed and are not covered by the settlement of the direct purchaser claims.

In 2007, ArcelorMittal Holdings AG entered into an agreement with the State of Senegal relating to an integrated iron ore mining and related infrastructure project. The Company announced at the time that implementation of the project would entail an aggregate investment of $2.2 billion. Project implementation did not follow the originally anticipated schedule after initial phase studies and related investments.

The Company engaged in discussions with the State of Senegal about the project over a long period. In early 2011, the parties engaged in a conciliation procedure, as provided for under their agreement, in an attempt to reach a mutually acceptable outcome. Following the unsuccessful completion of this procedure, in May 2011 the State of Senegal commenced an arbitration before the Court of Arbitration of the International Chamber of Commerce, claiming breach of contract and provisionally estimating damages of 750. In September 2013, the arbitral tribunal issued its first award ruling that Senegal is entitled to terminate the 2007 agreements. The arbitral tribunal also ruled that a new arbitration phase would be held relating to the potential liability of the Company as well as the amount of any damages which could be awarded to Senegal. The parties have since agreed to settle the dispute with the amount of the settlement being included within financing cost. On December 12, 2014, the arbitral tribunal issued a procedural order formally closing the arbitration.

Notes to financial statements

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ArcelorMittal (millions of U.S. dollars, except share and per share data)

Note 24: Employees and key management personnel

As of December 31, 2014, the Company employed 341 people and the total annual compensation of the Company's employees paid in 2013 and 2014 was as follows:

	Year ended December 31,	
	2013	2014
Employee Information		
Wages and salaries	50	53
Social security costs	6	6
Other staff expenses	11	9
Total	67	68

The total annual compensation of ArcelorMittal's key management personnel, including its Board of Directors, paid in 2013 and 2014 was as follows:

	Year ended December 31,	
	2013	2014
Base salary and/or directors fees	3	3
Short-term performance-related bonus	-	1
Share based compensation	2	2

The fair value of the stock options granted and shares allocated based on RSU and PSU plans to the ArcelorMittal's key management personnel is recorded as an expense in the statements of operations over the relevant vesting periods (see note 14).

The Company contributes to a post-employment defined contribution plan on behalf of certain members of key management personnel. The contributions paid amounted to 2 and 2 for the years ended December 31, 2013 and 2014, respectively.

As of December 31, 2013 and 2014, ArcelorMittal did not have outstanding any loans or advances to members of its Board of Directors or key management personnel, and had not given any guarantees for the benefit of any member of its Board of Directors or key management personnel.

Note 25: Expenses related to the reviseur d'entreprises agréé

In 2013 and 2014, expenses related to the réviseur d'entreprises agréé amounted to 10 and 8, respectively.

To the Shareholders of
ArcelorMittal, Société Anonyme
24-26, boulevard d'Avranches
L-1160 Luxembourg

Grand Duchy of Luxembourg

Report on the financial statements of ArcelorMittal Société Anonyme

Following our appointment by the General Meeting of the Shareholders held on May 8, 2014, we have audited the accompanying financial statements of ArcelorMittal, Société Anonyme, which comprise the statement of financial position as at December 31, 2014, and the statement of operations, comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and including information required to be disclosed under Luxembourg Laws and Regulations, and for such internal control as the Board of Directors' determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the réviseur d'entreprises agréé's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ArcelorMittal, Société Anonyme, as at December 31, 2014, and of its financial performance and its cash flows for the year then ended December 31, 2014 in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the financial statements and includes the information required by the law of December 19, 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended with respect to the corporate governance statement.

For Deloitte Audit

Société à responsabilité limitée

Cabinet de révision agréé

Vafa Moayed, *Réviseur d'entreprises agré*é
Partner

March 13, 2015
560, rue de Neudorf
L-2220 Luxembourg

The following pages do not form part of the Company's financial statements. These pages contain further information on the risks that ArcelorMittal is exposed to and further details on the Company's Mining business.

Risks related to the global economy and the steel industry

Risks Related to the Global Economy and the Mining and Steel Industry

ArcelorMittal's business, financial condition, results of operations or prospects could be materially adversely affected by any of the risks and uncertainties described below.

ArcelorMittal's business and results are substantially affected by regional and global macroeconomic conditions. Recessions or prolonged periods of weak growth in the global economy or the economies of ArcelorMittal's key selling markets have in the past had and in the future would be likely to have a material adverse effect on the mining and steel industries and on ArcelorMittal's business, results of operations and financial condition.

The mining and steel industries have historically been highly volatile. This is due largely to the cyclical nature of the business sectors that are the principal consumers of steel and the industrial raw materials produced from mining, namely the automotive, construction, appliance, machinery, equipment, infrastructure and transportation industries. Demand for minerals and metals and steel products thus generally correlates to macroeconomic fluctuations in the global economy. This correlation and the adverse effect of macroeconomic downturns on metal mining companies and steel producers were evidenced in the 2008/2009 financial and subsequent economic crisis. The results of both mining companies and steel producers were substantially affected, with many steel producers (including ArcelorMittal), in particular, recording sharply reduced revenues and operating losses. Recovery from the severe economic downturn of 2008/2009 has been sluggish and uneven across various industries and sectors and geographic regions. In 2013 and 2014, macroeconomic conditions improved in certain developed regions, such as North America, but remained weak in Europe and uneven in emerging markets. Growth of the Chinese economy, which in recent years has been one of the main demand drivers in the mining and steel industries, has continued to slow down, as has growth in other emerging economies that are substantial consumers of steel (such as Brazil, Russia, India, and many markets in the Asian, Middle Eastern and CIS regions). A faltering of the recovery in North America, continued stagnation in Europe or a continued slowdown in emerging economies would likely result in continued and prolonged subdued demand for (and hence the price of) steel. In addition, the importance of emerging markets to the mining and steel industry increases cyclical exposure, as these markets are mostly net exporters of steel. Moreover, adverse economic developments in China, in particular in the Chinese real estate sector, which has been the largest consumer of carbon steel in China, could have a negative impact on steel and iron ore demand. Chinese demand represented 64.3% and 67% of global demand for seaborne iron ore in 2013 and 2014, respectively. Should such events occur, they would likely have a material adverse effect on the mining and steel industries in general and on ArcelorMittal's results of operations and financial condition in particular.

Continued weakness of the eurozone economy may continue to adversely affect the steel industry and ArcelorMittal's business, results of operations and financial condition.

Steel producers with substantial sales in Europe, such as ArcelorMittal, were deeply affected by macroeconomic conditions in Europe over the 2011-2014 period, when the eurozone sovereign debt crisis and resulting austerity measures and other factors led to recession or stagnation in many of the national economies in the eurozone. In 2013, demand for steel in the eurozone declined to over 30% below 2007 levels. In 2014, demand for steel in the eurozone improved but only slightly. While macroeconomic conditions in the eurozone began to stabilize in 2013, growth has remained anemic and current expectations are for a continued sluggish recovery in the eurozone in the near to mid-term, with forecasts of 1.2% and 1.4% of growth in 2015 and 2016 from the IMF (forecast made in January 2015). In addition, the economic growth prospects differ among member states of the European Union and a risk of deflation exists. Moreover, the resurgence of a sovereign debt crisis in certain countries remains possible, especially in Greece, in light of the elections in January 2015 leading to the formation of an "anti-austerity" government.

Continued weakness in or a renewed deterioration of the eurozone economy would most likely result in continued and prolonged reduced demand for (and hence price of) steel in Europe and have a material adverse effect on the European steel industry in general and on ArcelorMittal's results of operations and financial condition in particular.

Excess capacity and oversupply in the steel industry may weigh on the profitability of steel producers, including ArcelorMittal.

In addition to economic conditions, the steel industry is affected by global and regional production capacity and fluctuations in steel imports/exports and tariffs. The steel industry globally has historically suffered from structural overcapacity, which is amplified during periods of global or regional economic weakness due to weaker global or regional demand. In Europe, structural overcapacity is considerable, with studies indicating that European production capacity may exceed European demand by as much as 30%. In 2013, demand levels in Europe were more than 30% below those of 2007, widely considered to have been a peak in the industry cycle, and demand levels improved only slightly in 2014. Reaching equilibrium would therefore require supply-side reductions and/or demand recovery. These are difficult and costly to implement in the European context. Moreover, the supply excess could be exacerbated by an increase in imports from emerging market producers. Outside of Europe, steel production capacity in China and certain other developing economies including Russia, Ukraine and Turkey, has increased substantially in recent years in response to a rapid increase in steel consumption in those markets. In particular, a recession in Russia (which seems likely in 2015) could result in increased steel exports to various regions, including the Company's core eurozone and CIS markets, thereby exacerbating oversupply concerns. In addition, increased domestic steel production in Brazil may put further downward pressure on prices.

China is the largest global steel producer by a large margin, and the balance between its domestic production and consumption has been an important factor influencing global steel prices in recent years. Steel production capability in China now appears to be well in excess of China's home market demand. This imbalance has been exacerbated by the recent slowdown in China's economic growth rate, which has led to decreased demand for steel products in China. As a result, China has become an increasingly larger net exporter of steel (principally to Asia). Excess capacity from developing countries, such as China, may continue to result in exports of significant amounts of steel and steel products at prices that are at or below their costs of production, putting downward pressure on steel prices in other markets, including the United States and Europe.

Given these structural capacity issues, ArcelorMittal remains exposed to the risk of steel production increases in China and other markets outstripping any increases in real demand. This "overhang" will likely weigh on steel prices and, in case of a rise in raw material costs, would exacerbate a "margin squeeze" in the steel industry, in particular in markets subject to overcapacity such as Europe.

Volatility in the supply and prices of raw materials, energy and transportation, and volatility or mismatches in steel prices, as well as protracted low prices for raw materials or steel, could adversely affect ArcelorMittal's results of operations.

The prices of steel, iron ore, coking coal, coke and scrap are highly volatile. For example, iron ore spot prices fluctuated between a peak of $160 per tonne in mid-February and $110 per tonne at the end of May in 2013. During the second half of 2014, iron ore spot prices dropped significantly reaching a historical low of $66-69 per tonne in late December. Such volatility may be affected by, among other things: industry structural factors (including the oligopolistic nature of the (sea-borne) iron ore industry and the fragmented nature of the steel industry); trends in demand

Risks related to the global economy and the steel industry
continued

for iron ore in the steel industry itself, and particularly from Chinese steel producers (as the largest group of producers); massive stocking and destocking activities (sudden drops in iron ore prices can lead end-users to delay orders pushing prices further down); new laws or regulations; changes in the supply of iron ore, in particular due to new mines coming into operation; business continuity of suppliers; changes in pricing models or contract arrangements; expansion projects of suppliers; worldwide production, including interruptions thereof by suppliers; capacity-utilization rates; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters, political disruption and other similar events; fluctuations in exchange rates; the bargaining power of raw material suppliers and the availability and cost of transportation. In addition, recent steel price volatility has been driven by the risk of price corrections, in particular to spreads between higher prices in the United States than those in China. Furthermore, energy prices have historically varied significantly, and this trend is expected to continue due in part to market conditions.

As a producer and seller of steel, the Company is directly exposed to fluctuations in the market price for iron ore and steel and other raw materials, energy and transportation. In particular, steel production consumes substantial amounts of raw materials including iron ore, coking coal and coke, and the production of direct reduced iron, the production of steel in electric arc furnaces ("EAFs") and the re-heating of steel involve the use of significant amounts of energy, making steel companies dependent on the price of and their reliable access to supplies of raw materials and energy. Although ArcelorMittal has substantial sources of iron ore and coal from its own mines and strategic long-term contracts (the Company's self-sufficiency rates were 65% for iron ore and 17% for pulverized coal injection ("PCI") and coal in 2014) and is both expanding output at such mines and has new mines under development, it nevertheless remains exposed to volatility in the supply and price of iron ore, coking coal and coke given that it obtains a significant portion of such raw materials under supply contracts from third parties.

The Company is also exposed directly to price volatility in iron ore and coal as it sells such minerals to third parties to an increasing extent. This volatility was reflected directly in the results of the Company's mining segment in 2013 and 2014, the profitability of which decreased substantially as the market price of iron ore decreased. Indeed, the sharp decrease in iron ore prices in the second half of 2014 resulted in a downward revision in the Company's profitability outlook for the year.

Prices for raw materials and steel have historically been highly correlated. A drop in raw material prices therefore typically triggers a decrease in steel prices. For example, following an extended period of rising prices, global steel and raw materials prices fell sharply during the financial and economic crisis of 2008/2009 as a result of the sharp drop in demand, exacerbated, in the case of steel prices, by massive industry destocking. Lower iron ore prices have contributed to low steel prices in recent periods; a sustained steel price recovery would likely require raw material price support as well as a broad economic recovery in order to underpin an increase in real demand for steel products by end users.

The production cycle of transforming raw materials into steel poses another risk: rapidly falling steel prices can trigger write-downs of raw material inventory purchased when steel prices were higher, as well as of unsold finished steel products. ArcelorMittal recorded substantial write-downs in 2008/2009 as a result of this. Furthermore, a lack of correlation or an abnormal lag in the corollary relationship between raw material and steel prices may also occur and result in a "price-cost squeeze" in the steel industry. ArcelorMittal experienced such a squeeze in late 2011, for example, when iron ore prices fell over 30% in three weeks in October 2011 and quickly resulted in a significant fall in steel prices, but where such lower raw material prices were yet to be fed into the Company's operating costs, resulting in the Company continuing to sell steel products using inventory manufactured with iron ore recorded at the previous higher prices. ArcelorMittal has experienced similar price-cost squeezes at certain points in 2012, 2013 and 2014. Because ArcelorMittal sources a substantial portion of its raw materials through long-term contracts with quarterly (or more frequent) formula-based or negotiated price adjustments and as a steel producer sells a substantial part of its steel products at spot prices, it faces the risk of adverse differentials between its own production costs, which are affected by global raw materials and scrap prices, on the one hand, and trends for steel prices in regional markets, on the other hand.

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

The markets in which steel companies operate are highly competitive. Competition—in the form of established producers expanding in new markets, smaller producers increasing production in anticipation of demand increases or amid recoveries, or exporters selling excess capacity from markets such as China—could cause ArcelorMittal to lose market share, increase expenditures or reduce pricing. Any of these developments could have a material adverse effect on its business, financial condition, results of operations or prospects.

Unfair trade practices in ArcelorMittal's home markets could negatively affect steel prices and reduce ArcelorMittal's profitability, while trade restrictions could limit ArcelorMittal's access to key export markets.

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

In addition, ArcelorMittal has significant exposure to the effects of trade sanctions and barriers due to the global nature of its operations. Various countries have in the past instituted trade sanctions and barriers, the recurrence of which could materially and adversely affect ArcelorMittal's business by limiting the Company's access to steel markets.

ArcelorMittal has incurred and may incur in the future operating costs when production capacity is idled or increased costs to resume production at idled facilities.

ArcelorMittal's decisions about which facilities to operate and at which levels are made based upon customers' orders for products as well as the capabilities and cost performance of the Company's facilities. Considering temporary or structural overcapacity in the current market situation, production operations are concentrated at several plant locations and certain facilities are idled in response to customer demand, although operating costs are still incurred at such idled facilities. When idled facilities are restarted, ArcelorMittal incurs costs to replenish raw material inventories, prepare the previously idled facilities for operation, perform the required repair and maintenance activities and prepare employees to return to work safely and resume production responsibilities. Such costs could have an adverse effect on its results of operations or financial condition.

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

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. In particular, as a result of increasingly stringent regulatory requirements, as well as developments in alternative materials, designers, engineers and industrial manufacturers, especially those in the automotive industry, are increasing their use of lighter weight and alternative materials,

Risks related to the global economy and the steel industry
continued

such as aluminum, composites, plastics and carbon fiber in their products. Loss of market share to substitute materials, increased government regulatory initiatives favoring the use of alternative materials, as well as the development of additional new substitutes for steel products could significantly reduce market prices and demand for steel products and thereby reduce ArcelorMittal's cash flow and profitability.

ArcelorMittal is subject to strict environmental laws and regulations that could give rise to a significant increase in costs and liabilities.

ArcelorMittal is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates. These laws and regulations impose increasingly stringent environmental protection standards regarding, among others, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices and the remediation of environmental contamination. The costs of complying with, and the imposition of liabilities pursuant to, environmental laws and regulations can be significant, and compliance with new and more stringent obligations may require additional capital expenditures or modifications in operating practices. Failure to comply can result in civil and or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations and lawsuits by third parties. Despite ArcelorMittal's efforts to comply with environmental laws and regulations, environmental incidents or accidents may occur that negatively affect the Company's reputation or the operations of key facilities.

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

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

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

Laws and regulations restricting emissions of greenhouse gases could force ArcelorMittal to incur increased capital and operating costs and could have a material adverse effect on ArcelorMittal's results of operations and financial condition.

Compliance with new and more stringent environmental obligations relating to greenhouse gas emissions may require additional capital expenditures or modifications in operating practices, as well as additional reporting obligations. The integrated steel process involves carbon and creates carbon dioxide ("CO2"), which distinguishes integrated steel producers from mini-mills and many other industries where CO2 generation is primarily linked to energy use.

The EU has established greenhouse gas regulations and is revising its emission trading system for the period 2013 to 2020 in a manner that may require ArcelorMittal to incur additional costs to acquire emissions allowances. In Kazakhstan the government has installed a domestic trading system which currently is in a pilot phase but would be similar to the EU system. The United States required reporting of greenhouse gas emissions from certain large sources beginning in 2011 and has begun adopting and implementing regulations to restrict emissions of greenhouse gases under existing provisions of the Clean Air Act. Further measures, in the EU, the United States, and many other countries, may be enacted in the future. In particular, an international agreement, the Durban Platform for Enhanced Action, calls for a second phase of the Kyoto Protocol's greenhouse gas emissions restrictions to be effective through 2020 and for a new international treaty to come into effect and be implemented from 2020. Such obligations, whether in the form of a national or international cap-and-trade emissions permit system, a carbon tax, emissions controls, reporting requirements, or other regulatory initiatives, could have a negative effect on ArcelorMittal's production levels, income and cash flows. Such regulations could also have a negative effect on the Company's suppliers and customers, which could result in higher costs and lower sales. Moreover, the EU Commission's decision to further reduce the allocation of CO2 emission rights to companies which is currently at the edge of covering technically achievable operating conditions, could negatively impact the global industry.

Furthermore, many developing nations have not yet instituted significant greenhouse gas regulations. It is possible that a future international agreement to regulate emissions may provide exemptions and lower standards for developing nations. In such case, ArcelorMittal may be at a competitive disadvantage relative to steelmakers having more or all of their production in such countries.

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

ArcelorMittal is subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and criminal penalties, the suspension of permits or operations, and lawsuits by third parties.

Despite ArcelorMittal's efforts to monitor and reduce accidents at its facilities, health and safety incidents do occur, some of which may result in costs and liabilities and negatively impact ArcelorMittal's reputation or the operations of the affected facility. Such accidents could include explosions or gas leaks, fires or collapses in underground mining operations, vehicular accidents, and other accidents involving mobile equipment, or exposure to radioactive or other potentially hazardous materials. Some of ArcelorMittal's industrial activities involve the use, storage and transport of dangerous chemicals and toxic substances, and ArcelorMittal is therefore subject to the risk of industrial accidents which could have significant adverse consequences for the Company's workers and facilities, as well as the environment. Such accidents could lead to production stoppages, loss of key personnel, the loss of key assets, or put at risk employees (and those of sub-contractors and suppliers) or persons living near affected sites.

Under certain circumstances, authorities could require ArcelorMittal facilities to curtail or suspend operations based on health and safety concerns. For example, in August 2012 a local court in Italy ordered the partial closure of another company's large steel manufacturing facility based on concerns that its long lasting air emissions were harming the health of workers and nearby residents. The industry is concerned that this court decision could lead to more stringent permit and other requirements, particularly at the local level, or to other similar local or national court decisions in the EU.

Risks related to the global economy and the steel industry
continued

Risks Related to ArcelorMittal

ArcelorMittal has a substantial amount of indebtedness, which could make it more difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business.

As of December 31, 2014, ArcelorMittal had total debt outstanding of $19.9 billion, including $2.5 billion of short-term indebtedness (including payables to banks and the current portion of long-term debt) and $17.3 billion of long-term indebtedness and $0.1 billion related to debt classified as held for sale. As of December 31, 2014, ArcelorMittal had $4.0 billion of cash and cash equivalents, including restricted cash, and $6.0 billion available to be drawn under existing credit facilities. As of December 31, 2014, substantial amounts of indebtedness mature in 2015 ($2.6 billion, including $0.1 billion related to debt classified as held for sale), 2016 ($2.6 billion), 2017 ($2.8 billion), 2018 ($2.2 billion) and 2019 ($2.5 billion).

If the mining market were to deteriorate further than occurred in 2014 and steel markets were to deteriorate sharply again as has occurred in the past, consequently reducing operating cash flows, ArcelorMittal's gearing (long-term debt, plus short-term debt, less cash and cash equivalents and restricted cash, divided by total equity) would likely increase, absent sufficient asset disposals or capital raises. In such a scenario, ArcelorMittal may have difficulty accessing financial markets to refinance maturing debt on acceptable terms or, in extreme scenarios, come under liquidity pressure.

ArcelorMittal's access to financial markets for refinancing also depends on the conditions in the global capital and credit markets, which are volatile. For example, during the 2008/2009 financial and economic crisis and again at the height of the eurozone sovereign debt crisis, access to the financial markets was restricted for many companies. Various macroeconomic and market factors could cause similar credit contractions at any time. Under such circumstances, the Company could experience difficulties in accessing the financial markets on acceptable terms or at all.

ArcelorMittal's high level of debt outstanding could have adverse consequences more generally, including impairing its ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes, and limiting its flexibility to adjust to changing market conditions or withstand competitive pressures, resulting in greater vulnerability to a downturn in general economic conditions. While ArcelorMittal is targeting a further reduction in "net debt" (i.e., long-term debt net of current portion plus payables to banks and current portion of long-term debt, less cash and cash equivalents, restricted cash and short-term investments), there is no assurance that it will succeed.

Moreover, ArcelorMittal could, in order to increase its financial flexibility and strengthen its balance sheet, implement capital raising measures such as equity offerings (as was done in May 2009 and January 2013), which could (depending on how they are structured) dilute the interests of existing shareholders. In addition, ArcelorMittal has undertaken and may undertake further asset disposals in order to reduce debt. These asset disposals are subject to execution risk and may fail to materialize, and the proceeds received from such disposals may not reflect values that management believes are achievable and/or cause substantial accounting losses (particularly if the disposals are done in difficult market conditions). In addition, to the extent that the asset disposals include the sale of all or part of core assets (including through an increase in the share of minority interests, such as the ArcelorMittal Mines Canada transaction completed in 2013), this could reduce ArcelorMittal's consolidated cash flows and or the economic interest of ArcelorMittal shareholders in such assets, which may be cash-generative and profitable ones.

In addition, credit rating agencies could downgrade ArcelorMittal's ratings either due to factors specific to ArcelorMittal, a prolonged cyclical downturn in the steel industry, macroeconomic trends (such as global or regional recessions) or trends in credit and capital markets more generally. In this respect, Standard & Poor's, Moody's and Fitch downgraded the Company's rating to below "investment grade" in August, November and December 2012. On February 3, 2015, Standard & Poor's further downgraded ArcelorMittal's credit rating. In addition, Moody's currently has ArcelorMittal's credit rating on negative outlook. The margin under ArcelorMittal's principal credit facilities and certain of its outstanding bonds is subject to adjustment in the event of a change in its long-term credit ratings, and the August, November and December 2012 downgrades resulted in increased interest expense. The February 2015 downgrade will similarly result in an increased interest expense. Any further downgrades in ArcelorMittal's credit ratings would result in a further increase in its cost of borrowing and could significantly harm its financial condition and results of operations as well as hinder its ability to refinance its existing indebtedness on acceptable terms.

ArcelorMittal's principal credit facilities contain restrictive covenants. These covenants limit, inter alia, 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. ArcelorMittal's principal credit facilities also include the following financial covenant: ArcelorMittal must ensure that the "Leverage Ratio", being 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 defined in the facilities), 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 ArcelorMittal), is not greater than a ratio of 4.25 to one or 3.5 to one, depending on the facility. As of December 31, 2014, the Company was in compliance with the Leverage Ratios.

These restrictive and financial covenants could limit ArcelorMittal's operating and financial flexibility. Failure to comply with any covenant would enable the lenders to accelerate ArcelorMittal's repayment obligations. Moreover, ArcelorMittal's debt facilities have provisions whereby certain events relating to other borrowers within the ArcelorMittal group could, under certain circumstances, lead to acceleration of debt repayment under such credit facilities. Any invocation of these cross-acceleration clauses could cause some or all of the other debt to accelerate, creating liquidity pressures. In addition, the mere market perception of a potential breach of any financial covenant could have a negative impact on ArcelorMittal's ability to refinance its indebtedness on acceptable conditions.

Furthermore, some of ArcelorMittal's debt is subject to floating rates of interest and thereby exposes ArcelorMittal to interest rate risk (i.e., if interest rates rise, ArcelorMittal's debt service obligations on its floating rate indebtedness would increase). Depending on market conditions, ArcelorMittal from time to time uses interest-rate swaps or other financial instruments to hedge a portion of its interest rate exposure either from fixed to floating or from floating to fixed. After taking into account interest-rate derivative financial instruments, ArcelorMittal had exposure to 87.5% of its debt at fixed interest rates and 12.5% at floating rates as of December 31, 2014.

Finally, ArcelorMittal has foreign exchange exposure in relation to its debt, approximately 26.3% of which is denominated in euros as of December 31, 2014, while its financial statements are denominated in U.S. dollars. This creates balance sheet exposure, with a depreciation of the U.S. dollar against the euro leading to an increase in debt (including for covenant compliance measurement purposes).

ArcelorMittal's growth strategy includes greenfield and brownfield projects that are inherently subject to completion and financing risks.

As a part of its growth strategy, the Company plans to expand its steel-making capacity and raw materials production through a combination of brownfield growth, new greenfield projects and

Risks related to the global economy and the steel industry
continued

acquisitions, mainly focused in emerging markets. To the extent that these plans proceed, these projects would require substantial capital expenditures, including in 2015 and 2016, and their timely completion and successful operation may be affected by factors beyond the control of ArcelorMittal. These factors include receiving financing on reasonable terms, obtaining or renewing required regulatory approvals and licenses, securing and maintaining adequate property rights to land and mineral resources (especially in connection with mining projects in certain developing countries in which security of title with respect to mining concessions and property rights remains weak), local opposition to land acquisition or project development (as experienced, for example, in connection with the Company's Keonjhar steel project in India, which resulted in the abandonment of the project), managing relationships with or obtaining consents from other shareholders, revision of economic viability, demand for the Company's products and general economic conditions. Completion of projects may also be affected by epidemics such as the current case in Liberia, as discussed below. Any of these factors may cause the Company to delay, modify or forego some or all aspects of its expansion plans. The Company cannot guarantee that it will be able to execute its greenfield or brownfield development projects, and to the extent that they proceed, that it will be able to complete them on schedule, within budget, or achieve an adequate return on its investment.

Greenfield projects can also, in addition to general factors, have project-specific factors that increase the level of risk. For example, the Company, via Baffinland Iron Mines LP ("Baffinland"), a 50/50 joint arrangement, is developing the Mary River iron ore deposit in the northern end of Baffin Island in the Canadian Arctic. The scale of this project, which has been split into several developmental phases, the first of which was commenced in 2013, and the location of the deposit raise unique challenges, including extremely harsh weather conditions, lack of transportation and other infrastructure and environmental concerns. Similar to other greenfield development projects, it is subject to construction and permitting risks, including the risk of significant cost overruns and delays in construction, infrastructure development, start-up, availability of skilled people and commissioning. The region is known for its harsh and unpredictable weather conditions that result in periods of limited access and a general lack of infrastructure. Other specific risks to which the project is subject include, but are not limited to, (i) delays in obtaining, or conditions imposed by, regulatory approvals; (ii) risks associated with obtaining amendments to existing regulatory approvals or permits and acquiring additional regulatory approvals or permits which will be required; (iii) existing litigation risks; (iv) fluctuations in prices for iron ore affecting the future profitability of the project; and (v) risks associated with the Company and its partner being in a position to finance their respective share of project costs and/or obtaining financing on commercially reasonable terms. As a result, there can be no assurance that the Mary River Project will proceed in accordance with current expectations.

ArcelorMittal's mining operations are subject to risks associated with mining activities.

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

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

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

- underground fires and explosions, including those caused by flammable gas;
- gas and coal outbursts;
- cave-ins or falls of ground;
- discharges of gases and toxic chemicals;
- flooding;
- sinkhole formation and ground subsidence;
- other accidents and conditions resulting from drilling;
- difficulties associated with mining in extreme weather conditions, such as the Arctic; and
- blasting, removing, and processing material from an underground mine.

ArcelorMittal is exposed to all of these hazards. The occurrence of any of the events listed above could delay production, increase production costs and result in death or injury to persons, damage to property and liability for ArcelorMittal, some or all of which may not be covered by insurance, as well as substantially harm ArcelorMittal's reputation as a company focused on ensuring the health and safety of its employees.

ArcelorMittal's reserve estimates may materially differ from mineral quantities that it may be able to actually recover; ArcelorMittal's estimates of mine life may prove inaccurate; and market price fluctuations and changes in operating and capital costs may render certain ore reserves uneconomical to mine.

ArcelorMittal's reported reserves are estimated quantities of the ore and metallurgical coal that it has determined can be economically mined and processed under present and anticipated conditions to extract their mineral content. There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including factors beyond ArcelorMittal's control. The process of estimating reserves involves estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. As a result, no assurance can be given that the indicated amount of ore or coal will be recovered or that it will be recovered at the anticipated rates. Estimates may vary, and results of mining and production subsequent to the date of an estimate may lead to revisions of estimates. Reserve estimates and estimates of mine life may require revisions based on actual production experience and other factors. For example, fluctuations in the market prices of minerals and metals, reduced recovery rates or increased operating and capital costs due to inflation, exchange rates, mining duties or other factors may render proven and probable reserves uneconomic to exploit and may ultimately result in a revision of reserves.

Drilling and production risks could adversely affect the mining process.

Substantial time and expenditures are required to:

- establish mineral reserves through drilling;
- determine appropriate mining and metallurgical processes for optimizing the recovery of metal contained in ore and coal;
- obtain environmental and other licenses;
- construct mining and processing facilities and the infrastructure required for greenfield properties; and
- obtain the ore or coal or extract the minerals from the ore.

If a project proves not to be economically feasible by the time ArcelorMittal is able to exploit it, ArcelorMittal may incur substantial losses and be obliged to recognize impairments. In addition, potential changes or complications involving metallurgical and other technological processes that arise during the life of a project may

Risks related to the global economy and the steel industry
continued

result in delays and cost overruns that may render the project not economically feasible.

ArcelorMittal faces rising extraction costs over time as reserves deplete.

Reserves are gradually depleted in the ordinary course of a given mining operation. As mining progresses, distances to the primary crusher and to waste deposits become longer, pits become steeper and underground operations become deeper. As a result, ArcelorMittal usually experiences rising unit extraction costs over time with respect to each of its mines.

ArcelorMittal has grown through acquisitions and may continue to do so. Failure to manage external growth and difficulties associated with integrating acquired companies and subsequently implementing steel and mining development projects could harm ArcelorMittal's future results of operations, financial condition and prospects.

ArcelorMittal results from the combination of several steel companies, and made numerous acquisitions in 2007 and 2008. While the Company's large-scale M&A activity has been less extensive since the 2008 financial crisis, it could make substantial acquisitions at any time. For example, in February 2014, the Company and Nippon Steel & Sumitomo Metal Corporation ("NSSMC"), through a 50/50 joint venture partnership, acquired 100% of ThyssenKrupp Steel USA ("TK Steel USA"), a steel processing plant situated in Calvert, Alabama, from ThyssenKrupp, for $1.55 billion.

The Company's past growth through acquisitions has entailed significant investment and increased operating costs, as well as required greater allocation of management resources away from daily operations. Managing growth has required the continued development of ArcelorMittal's financial and management information control systems, the integration of acquired assets with existing operations, the adoption of manufacturing best practices, the attracting and retaining of qualified management and personnel (particularly to work at more remote sites where there is a shortage of skilled personnel) as well as the continued training and supervision of such personnel, and the ability to manage the risks and liabilities associated with acquired businesses. Failure to continue to manage such growth could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects. In particular, if the integration of acquired businesses is not successful, ArcelorMittal could lose key personnel and key customers, and may not be able to retain or expand its market position.

A Mittal family trust has the ability to exercise significant influence over the outcome of shareholder votes.

As of December 31, 2014, a trust (HSBC Trust (C.I.) Limited, as trustee), of which Mr. Lakshmi N. Mittal, Mrs. Usha Mittal and their children are the beneficiaries, beneficially owned (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) shares amounting (when aggregated with ordinary shares of ArcelorMittal and options to acquire ordinary shares held directly by Mr. and Mrs. Mittal) to 656,052,011 shares, representing 39.39% of ArcelorMittal's outstanding shares. As a result, the trust has the ability to significantly influence the decisions adopted at the ArcelorMittal general meetings of shareholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, issuances of equity and the incurrence of indebtedness. The trust also has the ability to significantly influence a change of control of ArcelorMittal.

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

The Chairman of the Board of Directors and Chief Executive Officer of ArcelorMittal, Mr. Lakshmi N. Mittal, has for over 30 years contributed significantly to shaping and implementing the business strategy of Mittal Steel and subsequently ArcelorMittal. His strategic vision was instrumental in the creation of the world's largest and most global steel group. The loss or any diminution of the services of the Chairman of the Board of Directors and Chief Executive Officer could have an adverse effect on ArcelorMittal's business and prospects. ArcelorMittal does not maintain key person life insurance on its Chairman of the Board of Directors and Chief Executive Officer.

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

As a holding company, ArcelorMittal is dependent on the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses, meet its debt service obligations, pay any cash dividends or distributions on its ordinary shares or conduct share buy-backs. Significant cash or cash equivalent balances may be held from time to time at the Company's international operating subsidiaries, including in particular those in France and the United States, where the Company maintains cash management systems under which most of its cash and cash equivalents are centralized, and in Argentina, Brazil, Canada, Morocco, South Africa, Ukraine and Venezuela. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions on such operating subsidiaries' ability to pay dividends, but such restrictions are not significant in the context of ArcelorMittal's overall liquidity. Repatriation of funds from operating subsidiaries may also be affected by tax and foreign exchange policies in place from time to time in the various countries where the Company operates, though none of these policies are currently significant in the context of ArcelorMittal's overall liquidity. Under the laws of Luxembourg, ArcelorMittal will be able to pay dividends or distributions only to the extent that it is entitled to receive cash dividend distributions from its subsidiaries, recognize gains from the sale of its assets or record share premium from the issuance of shares.

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

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

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

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

Goodwill represents the excess of the amounts ArcelorMittal paid to acquire subsidiaries and other businesses over the fair value of their identifiable net assets at the date of acquisition. Goodwill has been allocated at the level of the Company's five operating segments; the lowest level at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment annually at the levels of the groups of cash generating units which correspond to the operating segments during the fourth quarter, or when

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changes in the circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the groups of cash generating units are determined on the basis of value in use calculations, which depend on certain key assumptions. These include assumptions regarding the shipments, discount rates, growth rates and expected changes to selling prices and direct costs in future periods. Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The growth rates are based on the Company's growth forecasts, which are in line with industry trends. Changes in selling prices and direct costs are based on historical experience and expectations of future changes in the market. See Notes 2 and 10 to ArcelorMittal's consolidated financial statements.

If management's estimates change, the estimate of the recoverable amount of goodwill or the asset could fall significantly and result in impairment. While impairment does not affect reported cash flows, the decrease of the estimated recoverable amount and the related non-cash charge in the consolidated statements of operations could have a material adverse effect on ArcelorMittal's results of operations. For example, in 2012, the Company recorded an impairment charge of $4.3 billion with respect to goodwill in its European business. Following these impairment charges, substantial amounts of goodwill and other intangible assets remain recorded on its balance sheet (there was $7.3 billion of goodwill and $0.8 billion of other intangibles on the balance sheet at December 31, 2014). No assurance can be given as to the absence of significant further impairment losses in future periods, particularly if market conditions deteriorate further than expected. In particular, management believes that reasonably possible changes in the key assumptions utilized in the October 31, 2014 impairment test would cause an additional impairment loss to be recognized in respect of Mining and ACIS, which account for $868 million and $1.5 billion, respectively of goodwill at December 31, 2014. See Note 10 to ArcelorMittal's consolidated financial statements.

The Company's investment projects may add to its financing requirements and adversely affect its cash flows and results of operations.

The steelmaking and mining businesses are capital intensive requiring substantial ongoing maintenance capital expenditure. In addition, ArcelorMittal has plans to continue certain investment projects and has certain capital expenditure obligations from transactions entered into in the past. See Note 24 to ArcelorMittal's consolidated financial statements. ArcelorMittal expects to fund these capital expenditures primarily through internal sources. Such sources may not suffice, however, depending on the amount of internally generated cash flow and other uses of cash. If such sources prove insufficient, ArcelorMittal may need to choose between incurring external financing, further increasing the Company's level of indebtedness, or foregoing investments in projects targeted for profitable growth.

Underfunding of pension and other post-retirement benefit plans at some of ArcelorMittal's operating subsidiaries could require the Company to make substantial cash contributions to pension plans or to pay for employee healthcare, which may reduce the cash available for ArcelorMittal's business.

ArcelorMittal's principal operating subsidiaries in Brazil, Canada, Europe, South Africa and the United States provide defined benefit pension plans to their employees. Some of these plans are currently underfunded. At December 31, 2014, the value of ArcelorMittal USA's pension plan assets was $3 billion, while the projected benefit obligation was $3.9 billion, resulting in a deficit of $0.9 billion. At December 31, 2014, the value of the pension plan assets of ArcelorMittal's Canadian subsidiaries was $3.1 billion, while the projected benefit obligation was $3.6 billion, resulting in a deficit of $0.5 billion. At December 31, 2014, the value of the pension plan assets of ArcelorMittal's European subsidiaries was $0.6 billion, while the projected benefit obligation was $2.7 billion, resulting in a deficit of $2.1 billion. ArcelorMittal USA, ArcelorMittal's Canadian subsidiaries, and ArcelorMittal's European subsidiaries also had partially underfunded post-employment benefit obligations relating to life insurance and medical benefits as of December 31, 2014. The consolidated obligations totaled $6.4 billion as of December 31, 2014, while underlying plan assets were only $0.7 billion, resulting in a deficit of $5.7 billion. See Note 25 to ArcelorMittal's consolidated financial statements.

ArcelorMittal's funding obligations depend upon future asset performance, which is tied to equity and debt markets to a substantial extent, the level of interest rates used to discount future liabilities, actuarial assumptions and experience, benefit plan changes and government regulation. Because of the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for ArcelorMittal's pension plans and other post-employment benefit plans could be significantly higher than current estimates. The general life expectancy assumption has been increasing over the past years and has been driving consistent increases in the defined benefit obligation. During 2014, the interest rates used to discount future liabilities reached a historic low, causing a strong increase in the defined benefit obligation and other post-employment benefits of $1.7 billion. ArcelorMittal also makes contributions to a multi-employer pension plan in the US for which it is one of the largest employers. If the other contributors were to default on their obligations, ArcelorMittal would become liable for the plan. In these circumstances, funding requirements could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects.

ArcelorMittal could experience labor disputes that may disrupt its operations and its relationships with its customers and its ability to rationalize operations and reduce labor costs in certain markets may be limited in practice or encounter implementation difficulties.

A majority of the employees of ArcelorMittal and of its contractors are represented by labor unions and are covered by collective bargaining or similar agreements, which are subject to periodic renegotiation. Strikes or work stoppages could occur prior to, or during, negotiations preceding new collective bargaining agreements, during wage and benefits negotiations or during other periods for other reasons, in particular in connection with any announced intentions to close certain sites. ArcelorMittal periodically experiences strikes and work stoppages at various facilities. Prolonged strikes or work stoppages, which may increase in their severity and frequency, may have an adverse effect on the operations and financial results of ArcelorMittal.

Faced with temporary or structural overcapacity in various markets, particularly developed ones, ArcelorMittal has in the past sought and may in the future seek to rationalize operations through temporary shutdowns and closures of plants. These initiatives have in the past and may in the future lead to protracted labor disputes and political controversy. For example, in 2012, the announced closure of the liquid phase of ArcelorMittal's plant in Florange, France attracted substantial media and political attention – even at one stage involving the threat of nationalization – and the resolution was negotiated with the government. Such situations carry the risk of delaying or increasing the cost of production rationalization measures, harming ArcelorMittal's reputation and business standing in given markets and even the risk of nationalization.

ArcelorMittal is subject to economic policy, political, social and legal risks and uncertainties in the emerging markets in which it operates or proposes to operate, and these uncertainties may have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects.

ArcelorMittal operates, or proposes to operate, in a large number of emerging markets. In recent years, many of these countries have implemented measures aimed at improving the business environment and providing a stable platform for economic development. ArcelorMittal's business strategy has been developed partly on the assumption that this modernization, restructuring and

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upgrading of the business climate and physical infrastructure will continue, but this cannot be guaranteed. Any slowdown in the development of these economies could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects, as could insufficient investment by government agencies or the private sector in physical infrastructure. For example, the failure of a country to develop reliable electricity and natural gas supplies and networks, and any resulting shortages or rationing, could lead to disruptions in ArcelorMittal's production.

Moreover, some of the countries in which ArcelorMittal operates have been undergoing substantial political transformations from centrally-controlled command economies to market-oriented systems or from authoritarian regimes to democratically-elected governments and vice-versa. Political, economic and legal reforms necessary to complete such transformation may not progress sufficiently. On occasion, ethnic, religious, historical and other divisions have given rise to tensions and, in certain cases, wide-scale civil disturbances and military conflict. The political systems in these countries are vulnerable to their populations' dissatisfaction with their government, reforms or the lack thereof, social and ethnic unrest and changes in governmental policies, any of which could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects and its ability to continue to do business in these countries. For example, in the Ukraine, a period of widespread civil unrest resulted in the removal of the President from office in February 2014 and the establishment of an interim government, which has been followed by ongoing conflict in Crimea and the Donbass region, with Russia purportedly annexing Crimea in March 2014, a disputed referendum approving independence of Crimea from Ukraine in May 2014 and intermittent combats between the Ukrainian army and pro-Russian rebels in the Donbass region. In addition, certain of ArcelorMittal's operations are also located in areas where acute drug-related violence (including executions and kidnappings of non-gang civilians) occurs and the largest drug cartels operate, such as the states of Michoacan, Sinaloa and Sonora in Mexico.

In addition, epidemics may limit ArcelorMittal's operations in certain regions. For example, ArcelorMittal operates in Liberia, where an epidemic of the Ebola virus disease is ongoing. It is currently mining and shipping 5 million tonnes of iron ore (phase 1) and working on an expansion project to mine and ship 15 million tonnes of iron ore (phase 2). Due to the current Ebola virus outbreak in West Africa and the subsequent reduction of availability of commercial flights as well as emergency measures declared in Liberia, in August 2014 contractors working on the phase 2 expansion project declared a force majeure and repatriated their workforces. Prior to the force majeure event, the first sinter feed production was expected at the end of 2015, but the project is currently delayed; the Company will issue a new timing forecast as soon as available. Should the Ebola virus continue to spread or not be satisfactorily contained, ArcelorMittal's ongoing operations, production targets and expansion plans in Liberia could continue to be adversely affected.

In addition, the legal systems in some of the countries in which ArcelorMittal operates remain less than fully developed, particularly with respect to the independence of the judiciary, property rights, the protection of foreign investment and bankruptcy proceedings, generally resulting in a lower level of legal certainty or security for foreign investment than in more developed countries. ArcelorMittal may encounter difficulties in enforcing court judgments or arbitral awards in some countries in which it operates because, among other reasons, those countries may not be parties to treaties that recognize the mutual enforcement of court judgments. Assets in certain countries where ArcelorMittal operates could also be at risk of expropriation or nationalization, and compensation for such assets may be below fair value. For example, the Venezuelan government has implemented a number of selective nationalizations of companies operating in the country to date. Although ArcelorMittal believes that the long-term growth potential in emerging markets is strong, and intends them to be the focus of the majority of its near-term growth capital expenditures, legal obstacles could have a material adverse effect on the implementation of ArcelorMittal's growth plans and its operations in such countries.

ArcelorMittal's results of operations could be affected by fluctuations in foreign exchange rates, particularly the euro to U.S. dollar exchange rate, as well as by exchange controls imposed by governmental authorities in the countries where it operates.

ArcelorMittal operates and sells products globally, and, as a result, its business, financial condition, results of operations or prospects could be adversely affected by fluctuations in exchange rates. A substantial portion of ArcelorMittal's assets, liabilities, operating costs, sales and earnings are denominated in currencies other than the U.S. dollar (ArcelorMittal's reporting currency). Accordingly, its results of operations are subject to translation risk (i.e., the USD value of the revenues and profits generated in other currencies) and transaction risk (i.e., a mismatch between the currency of costs and revenues). A current example of translation risk is the sharp decrease in the value of the euro versus the USD in late 2014 and to date in 2015, which will substantially reduce the USD value of euro-denominated revenues recorded by ArcelorMittal.

Moreover, ArcelorMittal operates in several countries whose currencies are, or have in the past been, subject to limitations imposed by those countries' central banks, or which have experienced sudden and significant devaluations. In emerging countries where ArcelorMittal has operations and/or generates substantial revenue, such as Argentina, Brazil, Venezuela, Kazakhstan and Ukraine, the risk of significant currency devaluation is high. On February 5, 2015, the National Bank of Ukraine decided to suspend its intervention in the UAH, which had kept a cap on the USD/UAH exchange rate and leaves its currency floating freely against the U.S. dollar. Consequently, the UAH has been significantly devalued against the USD. Currency devaluations, the imposition of new exchange controls or other similar restrictions on currency convertibility, or the tightening of existing controls in the countries in which ArcelorMittal operates could adversely affect its business, financial condition, results of operations or prospects.

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

Steel manufacturing processes are dependent on critical steel-making equipment, such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers), and such equipment may incur downtime as a result of unanticipated failures or other events, such as fires, explosions or furnace breakdowns. ArcelorMittal's manufacturing plants have experienced, and may in the future experience, plant shutdowns or periods of reduced production as a result of such equipment failures or other events, one example being the flooding of the ArcelorMittal Tubarão site in October 2014 due to heavy rain and the stacker failure in Burns Harbor in March 2014. To the extent that lost production as a result of such a disruption cannot be compensated for by unaffected facilities, such disruptions could have an adverse effect on ArcelorMittal's operations, customer service levels and results of operations.

Natural disasters or severe weather conditions could damage ArcelorMittal's production facilities or adversely affect its operations.

Natural disasters could significantly damage ArcelorMittal's production facilities and general infrastructure. For example, ArcelorMittal Mexico S.A. de C.V's production facilities located in Lázaro Cárdenas, Michoacán, Mexico and ArcelorMittal Galati's production facilities in Romania are located in or close to regions prone to earthquakes. The Lázaro Cárdenas area has, in addition, been subject to a number of tsunamis in the past. ArcelorMittal Point Lisas is located in Trinidad & Tobago, an area vulnerable to both hurricanes

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and earthquakes. The site of the newly acquired interest in the joint venture AM/NS Calvert ("Calvert") in the United States is located in an area subject to tornados. ArcelorMittal also has assets in locations subject to Arctic freeze such as the mining facilities through its joint venture in Baffinland and to bush fires, specifically in Kazakhstan and South Africa. More generally, changing weather patterns and climatic conditions in recent years, possibly due to the phenomenon of global warming, have added to the unpredictability and frequency of natural disasters. Damage to ArcelorMittal production facilities due to natural disasters could, to the extent that lost production cannot be compensated for by unaffected facilities, adversely affect its business, results of operations or financial condition.

In addition to natural disasters, ArcelorMittal's operations can be affected by severe weather conditions. This is due in particular to the long supply chain for certain of its operations and the location of certain operations in areas subject to harsh winter conditions (i.e., the Great Lakes Region, Canada and Kazakhstan). For example, supply chain issues caused by a particularly harsh winter (causing in particular the closure of the Great Lakes shipping lanes) negatively affected operations in Canada and the Northeastern United States during the first quarter of 2014.

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

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

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

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

Product liability claims could have a significant adverse financial impact on ArcelorMittal.

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

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

ArcelorMittal is the largest steel producer in the world. As a result, ArcelorMittal may be subject to exacting scrutiny from regulatory authorities and private parties, particularly regarding its trade practices and dealings with customers and counterparties. As a result of its position in steel markets and its historically acquisitive growth strategy, ArcelorMittal could be subject to governmental investigations and lawsuits based on antitrust laws in particular. These could require significant expenditures and result in liabilities or governmental orders that could have a material adverse effect on ArcelorMittal's business, operating results, financial condition and prospects. ArcelorMittal and certain of its subsidiaries are currently under investigation by governmental entities in several countries, and are named as defendants in a number of lawsuits relating to various antitrust matters. For example, in 2014, ArcelorMittal paid $90 million in connection with the settlement of a U.S. antitrust proceeding. Antitrust proceedings, investigations and follow-on claims involving ArcelorMittal subsidiaries are also currently pending in various countries including Brazil, Romania and South Africa.

Because of the fact-intensive nature of the issues involved and the inherent uncertainty of such litigation and investigations, the nature of the resolutions of such proceedings are difficult to forecast but negative outcomes are possible. An adverse ruling in the proceedings described above or in other similar proceedings in the future could subject ArcelorMittal to substantial administrative penalties and/or civil damages. In cases relating to other companies, civil damages have ranged as high as hundreds of millions of U.S. dollars in major civil antitrust proceedings during the last decade. Unfavorable outcomes in current and potential future litigation and investigations could reduce ArcelorMittal's liquidity and negatively affect its results of operations and financial condition.

ArcelorMittal is currently and in the future may be subject to legal proceedings, the resolution of which could negatively affect the Company's profitability and cash flow in a particular period.

ArcelorMittal's profitability or cash flow in a particular period could be affected by adverse rulings in legal proceeding currently pending or by legal proceedings that may be filed against the Company in the future.

ArcelorMittal's business is subject to an extensive, complex and evolving regulatory framework and its governance and compliance processes may fail to prevent regulatory penalties and reputational harm, whether at operating subsidiaries, joint ventures or associates.

ArcelorMittal operates in a global environment, and, at a time of increased enforcement activity and enforcement initiatives worldwide, its business straddles multiple jurisdictions and complex regulatory frameworks. Such regulatory frameworks, including but not limited to the area of economic sanctions, are constantly evolving, and ArcelorMittal may as a result become subject to increasing limitations on its business activities and to the risk of fines or other sanctions for non-compliance. Moreover, ArcelorMittal's governance and compliance processes, which include the review of internal controls over financial reporting, may not prevent breaches of law or

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accounting or governance standards at the Company or its subsidiaries. The risk of violation is also present at the Company's joint ventures and associates where ArcelorMittal has only a non-controlling stake and does not control governance practices or accounting and reporting procedures.

In addition, ArcelorMittal may be subject to breaches of its Code of Business Conduct, other rules and protocols for the conduct of business, as well as to instances of fraudulent behavior and dishonesty by its employees, contractors or other agents. The Company's failure to comply with applicable laws and other standards could subject it to fines, litigation, loss of operating licenses and reputational harm.

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

Taxes payable by companies in many of the countries in which ArcelorMittal operates are substantial and include value-added tax, excise duties, profit taxes, payroll-related taxes, property taxes, mining taxes and other taxes. Tax laws and regulations in some of these countries may be subject to frequent change, varying interpretation and inconsistent enforcement. Ineffective tax collection systems and national or local government budget requirements may increase the likelihood of the imposition of arbitrary or onerous taxes and penalties, which could have a material adverse effect on ArcelorMittal's financial condition and results of operations. In addition to the usual tax burden imposed on taxpayers, these conditions create uncertainty as to the tax implications of various business decisions. This uncertainty could expose ArcelorMittal to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater than expected tax burden. See Note 21 to ArcelorMittal's consolidated financial statements.

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

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

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

ArcelorMittal's ability to fully utilize its recognized deferred tax assets depends on its profitability and future cash flows.

At December 31, 2014, ArcelorMittal had $8.0 billion recorded as deferred tax assets on its consolidated statements of financial position. These assets can be utilized only if, and only to the extent that, ArcelorMittal's operating subsidiaries generate adequate levels of taxable income in future periods to offset the tax loss carry forwards and reverse the temporary differences prior to expiration.

At December 31, 2014, the amount of future income required to recover ArcelorMittal's deferred tax assets of $8.0 billion was at least $31.9 billion at certain operating subsidiaries.

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

ArcelorMittal's reputation and business could be materially harmed as a result of data breaches, data theft, unauthorized access or successful hacking.

ArcelorMittal's operations depend on the secure and reliable performance of its information technology systems. An increasing number of companies, including ArcelorMittal, have recently experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. ArcelorMittal's corporate website was the target of a hacking attack in January 2012, which brought the website down for several days. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, the Company may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures.

If unauthorized parties attempt or manage to bring down the Company's website or force access into its information technology systems, they may be able to misappropriate confidential information, cause interruptions in the Company's operations, damage its computers or otherwise damage its reputation and business. In such circumstances, the Company could be held liable or be subject to regulatory or other actions for breaching confidentiality and personal data protection rules. Any compromise of the security of the Company's information technology systems could result in a loss of confidence in the Company's security measures and subject it to litigation, civil or criminal penalties, and adverse publicity that could adversely affect its reputation, financial condition and results of operations.

Mining

Mining

ArcelorMittal's mining segment has production facilities in North and South America, Africa, Europe and CIS. The following table provides an overview by type of facility of ArcelorMittal's principal mining operations:

Unit	Country	Locations	ArcelorMittal Interest (%)	Type of Mine	Product
Iron Ore					
ArcelorMittal Mines Canada	Canada	Mt Wright, Qc	85	Iron Ore Mine (open pit)	Concentrate and pellets
Minorca Mines	USA	Virginia, MN	100	Iron Ore Mine (open pit)	Pellets
Hibbing Taconite Mines	USA	Hibbing, MN	62.31	Iron Ore Mine (open pit)	Pellets
ArcelorMittal Mexico Volcan Mines	Mexico	Sonora	100	Iron Ore Mine (open pit)	Concentrate
ArcelorMittal Mexico Peña Colorada	Mexico	Minatitlán	50	Iron Ore Mine (open pit)	Concentrate and pellets
ArcelorMittal Las Truchas	Mexico	Lázaro Cárdenas	100	Iron Ore Mine (open pit)	Concentrate, lump and fines
ArcelorMittal Brasil Andrade Mine	Brazil	State of Minas Gerais	100	Iron Ore Mine (open pit)	Fines
ArcelorMittal Mineração Serra Azul	Brazil	State of Minas Gerais	100	Iron Ore Mine (open pit)	Lump and fines
ArcelorMittal Tebessa	Algeria	Annaba	70	Iron Ore Mine (open pit and underground)	Fines
ArcelorMittal Prijedor	Bosnia	Prijedor	51	Iron Ore Mine (open pit)	Concentrate and lump
	Herzegovina				
ArcelorMittal Kryvyi Rih	Ukraine	Kryvyi Rih	95.13	Iron Ore Mine (open pit and underground)	Concentrate, lump and sinter feed
ArcelorMittal Temirtau	Kazakhstan	Lisakovsk, Kentobe, Atasu, Atansore	100	Iron Ore Mine (open pit and underground)	Concentrate, lump and fines
ArcelorMittal Liberia	Liberia	Yekapa	85	Iron Ore Mine (open pit)	Fines
Coal					
ArcelorMittal Princeton	USA	McDowell, WV, Tazewell, VA	100	Coal Mine (surface and underground)	Coking and PCI coal
ArcelorMittal Temirtau	Kazakhstan	Karaganda	100	Coal Mine (underground)	Coking coal and thermal coal
ArcelorMittal Kuzbass [1]	Russia	Kemerovo	98.64	Coal Mine (underground)	Coking coal

[1] On December 31, 2014, ArcelorMittal sold its interest in the Kuzbass coal mines to the Russian National Fuel Company.

Iron Ore

ArcelorMittal Mines Canada

ArcelorMittal Mines Canada is a major North American producer of iron ore concentrate and several types of pellets. It holds mineral rights over 75,069 hectares of land in the province of Québec, Canada. ArcelorMittal Mines Canada operates the Mont-Wright Mine and concentrator at Fermont in northeastern Québec. Mont-Wright is located 416 kilometers north of the port of Port-Cartier, the site of the pelletizing plant and shipping terminal on the north shore of the Gulf of St. Lawrence, and approximately 1,000 kilometers northeast of Montreal. A private railway connects the mine and concentrator with Port-Cartier. The railway and the port are owned and operated by ArcelorMittal Mines Canada. The Mont-Wright mine and the town of Fermont are connected by Highway 389 to Baie Comeau on the North Shore of the Gulf of St. Lawrence, a distance of 570 kilometers. The property was first explored in 1947 and the project was constructed by Quebec Cartier Mining ("QCM") between 1970 and 1975 and began operating in 1976. In 2006, QCM was purchased by ArcelorMittal when it acquired control of Dofasco. On December 31, 2012, ArcelorMittal and a consortium led by POSCO and China Steel Corporation ("CSC") and also including certain financial investors, created joint venture partnerships to hold ArcelorMittal's Labrador Trough iron ore mining and infrastructure assets. In the first half of 2013, the consortium completed the acquisition, through two installments, of an aggregate 15% interest in the joint ventures. On March 15, 2013, the consortium acquired an 11.05% interest in the joint ventures, and on May 30, 2013, the consortium purchased a further 3.95% interest in the joint ventures. As part of the transaction, POSCO and CSC entered into long-term iron ore off-take agreements proportionate to their joint venture interests.

ArcelorMittal Mines Canada owns mineral rights to iron ore deposits in Fire Lake and Mont Reed. Fire Lake, located approximately 53 kilometers south of Mont-Wright from which approximately 6.26 million tonnes of crude ore were transported by rail to the Mont-Wright concentrator. Fire Lake was previously a seasonal operation and is now operating year-round from 2014. The Mont Reed deposit is currently not mined. In addition, ArcelorMittal Mines Canada holds surface rights over the land on which the Mont-Wright and Port Cartier installations are located, with the exception of a small area which remains the property of the Quebec Government but in no way compromises the mineral rights.

The expiration dates of the mining leases range from 2015 to 2033. These leases are renewable for three periods of ten years provided the lessee has performed mining operations for at least two years in the previous ten years of the lease.

The Mont-Wright and Fire Lake mines are part of the highly-folded and metamorphosed southwestern branch of the Labrador Trough. The most important rock type in the area is the specular hematite iron formation forming wide massive deposits that often form the crest of high ridges extending for many kilometers in the Quebec-Labrador area.

The Mont-Wright operation consists of open pit mines and a concentrator. The ore is crushed in two gyratory crushers and the concentrator operates with seven lines of three stage spiral classifiers and horizontal filters. The concentrator has a production capacity of 24 million tonnes of concentrate per annum. The Port-Cartier pellet plant produces acid and flux pellets that operate six ball mills, ten balling discs and two induration machines. The pelletizing plant has a capacity of 9.8 million tonnes of pellets. The mine produced 10 million tonnes of pellets and 13.3 million tonnes of concentrate in 2014.

Electric power for Mont-Wright and the town of Fermont is supplied by Hydro-Quebec via a 157 kilometer line. In the event of an emergency, the Hart Jaune Power plant, also connected to the Hydro-Quebec grid, can supply sufficient power to maintain the operations of the essential processing facilities.

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ArcelorMittal USA Iron Ore Mines

ArcelorMittal USA operates an iron ore mine through its wholly-owned subsidiary ArcelorMittal Minorca and owns a majority stake in Hibbing Taconite Company, which is managed by Cliffs Natural Resources.

ArcelorMittal Minorca holds mineral rights over 13,210 acres and leases an additional 3,350 acres of land to support its operations located approximately three kilometers north of the town of Virginia in the northeast of Minnesota accessible by road and rail. The Minorca operations control all the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. ArcelorMittal Minorca operates a concentrating and pelletizing facility, along with two open pit iron ore mines – Laurentian and East Pits located 12 kilometers from the processing facilities. The processing operations consist of a crushing facility, a three-line concentration facility and a single-line straight grate pelletizing plant. The Minorca pelletizing facility produced 2.7 million metric tonnes of fluxed pellets in 2014. Pellets are transported by rail to ports on Lake Superior. Lake vessels are used to transport the pellets to Indiana Harbor. The Minorca taconite plant was constructed and operated by Inland Steel between 1977 and 1998 when it was purchased by then ISPAT International, a predecessor company of ArcelorMittal.

The Hibbing Taconite Company holds mineral rights over 7,380 acres in 43 contiguous mineral leases, is located six kilometers north of Hibbing in the northeast of Minnesota accessible by road and rail. The Hibbing operations are jointly owned by ArcelorMittal USA (62.3%), Cliffs Natural Resources (23.0%) and U.S. Steel (14.7%), and Cliffs Natural Resources is the operator of the joint venture mine and processing facilities. The Hibbing Taconite Company controls all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. The operations consist of open pit mining, crushing, concentrating and pelletizing. The finished pellets are then transported by rail to the port of Allouez at Superior, Wisconsin, a distance of 130 kilometers and then over the Great Lakes by lake vessels to ArcelorMittal's integrated steelmaking plants, principally Burns Harbor. The Hibbing Taconite Company began operating in the third quarter of 1976. The mine produced 7.7 million metric tonnes of taconite pellets in 2014 (of which 62.3% is ArcelorMittal's share).

Both the Minorca and Hibbing mines are located in the Mesabi iron range where iron ore has been extracted for over 100 years. The ore bodies are within the Biwabik Iron Formation, a series of shallow dipping Precambrian sedimentary rocks known as taconite with a total thickness in excess of 200 meters and running for approximately 200 kilometers. Although the first deposits mined in the Mesabi iron range consisted of oxidized hematite ores, production was shortened in the mid 1950s to low grade magnetic taconite ores. The processing of this ore involves a series of grinding and magnetic separation stages to remove the magnetite from the silica. Electric power constitutes the main source of energy for both Minorca and Hibbing and is provided from the Minnesota state power grid.

ArcelorMittal Mexico Mining Assets

AM Mexico operates three iron ore mines in Mexico, the El Volcan and Las Truchas mines and, through a joint operation with Ternium S.A, the Peña Colorada mine.

Peña Colorada

Peña Colorada holds mineral rights over 99,188 acres located at about 60 kilometers by highway to the northeast of the port city of Manzanillo, in the province of Minatitlán in the northwestern part of the State of Colima, Mexico. ArcelorMittal owns 50% of Peña Colorada Ltd., and Ternium S.A. owns the other 50% of the company.

Peña Colorada operates an open pit mine as well as a concentrating facility and a two-line pelletizing facility. The beneficiation plant is located at the mine, whereas the pelletizing plant is located in Manzanillo. Major processing facilities include a primary crusher, a dry cobbing plant, one autogenous mill, horizontal and vertical ball mills and several stages of magnetic separation. The concentrate is sent as a pulp through a pipeline from the mineral processing plant. Peña Colorada has operated since 1974. The Peña Colorada mine receives electrical power from the Comisión Federal de Electricidad (CFE), which is a federal government company that serves the entire country.

Government concessions are granted by the Mexican federal government for a period of 50 years and are renewable. The expiration dates of the current mining concessions range from 2021 to 2062.

The Peña Colorada pelletizing facility produced 3.5 million tonnes of pellets (of which 50% is ArcelorMittal's share) in 2014. Both magnetite concentrate and iron ore pellets are shipped from Manzanillo to ArcelorMittal Mexico for export, as well as to Ternium's steel plants, by ship and by rail.

Peña Colorada is a complex polyphase iron ore deposit. The iron mineralization at Peña Colorada consists of banded to massive concentrations of magnetite within breccia zones and results from several magmatic, metamorphic and hydrothermal mineralization stages with associated skarns, dykes and late faults sectioning the entire deposit.

El Volcan

ArcelorMittal holds mineral rights over 1,053 hectares to support its El Volcan operations located approximately 68 kilometers northwest of the city of Obregon and 250 kilometers from the Guaymas port facility in the state of Sonora, Mexico. The El Volcan operations control all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. ArcelorMittal operates a concentrating facility along with an open pit mine and a pre-concentration facility at the mine site. The mine site is accessible by a 90-kilometer road from the city of Obregon, where the concentrator is located.

Government concessions are granted by the Mexican federal government for a period of 50 years and are renewable. The expiration dates of the current mining concessions range from 2055 to 2061.

The pre-concentration facilities at the mine include one primary crusher, one secondary crusher, a dry cobbing high intensity magnetic pulley and three tertiary crushers. The concentration plant includes two ball mills on line, a magnetic separation circuit, flotation systems, a belt conveyor filter and a disposal area for tails. The major port installations include a tippler for railroad cars, a conveyor, transfer towers and two ship loading systems. The mine exploitation and crushing operations and all transport activities are performed by contractors. The concentrate and port operations are operated with ArcelorMittal's own resources. The concentrate is transported by rail to the Pacific port of Guaymas and then shipped to the steel plant in Lázaro Cárdenas or exported. The mining operation uses two Caterpillar 3516B electric generators in continuous operation, with one generator operating 24 hours per day at an average consumption of 540 kilowatt hours while the second generator is on standby. The concentration facility uses electric power from the national grid.

The El Volcan mine concession was bought from the Sonora provincial government in 2004, followed by exploration of the property in 2005. The development of the mine started in 2007. Mining operations were halted during the 2008-2009 crisis and on several occasions due to structural problems in the crushing facilities. Operations have resumed without interruption since 2010. The El Volcan operations produced 2.3 million tonnes of concentrate in 2014.

The iron mineralization at the El Volcan deposit presents many similarities with Peña Colorada, with magnetite rich skarn associated to the intrusion and extrusion of magmas rich in iron and formed in a volcanic environment. An active exploration program aims to extend the estimated remaining two-year mine life of the current open pit mine both through defining the down-dip extension of the mineralization zone being currently mined and by exploring other regional targets.

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Las Truchas

ArcelorMittal holds mineral rights over 52,473 hectares. The Las Truchas mine is located approximately 27 kilometers southeast of the town of Lázaro Cárdenas in the State of Michoacán, Mexico. The Las Truchas operations are accessible by public highway and control all the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves.

Government concessions are granted by the Mexican federal government for a period of 50 years and are renewable. The expiration dates of the current mining concessions range from 2044 to 2059.

The Las Truchas mine is an integrated iron ore operation. It began operating in 1976 as a government enterprise (Sicartsa), and its mining activities consist of an open pit mine exploitation, crushing, dry cobbing preconcentrate and concentration plant. The aggregated 2014 production concentrate, lumps and fines totaled 2.5 million tonnes. The concentrator includes one primary crusher, two secondary crushers and three tertiary crushers, one ball mill and one bar mill and two wet magnetic separation circuits. The electrical energy supplier for the Las Truchas mine is a state-owned company, Comisión Federal de Electricidad (CFE). The concentrated ore is pumped from the mine site through a 26-kilometer slurry pipeline to the steel plant facility in Lázaro Cárdenas.

The Las Truchas deposits consist of massive concentrations of magnetite of irregular morphology. The main Las Truchas deposits occur along a trend of about seven kilometers long and about two kilometers wide. The Las Truchas mineral deposits have been classified as hydrothermal deposits, which may have originated from injections of late stage-plutonic-activity through older sedimentary rocks. The mineralization of the Las Truchas iron deposits occurs in disseminated and irregular massive concentrations of magnetite within metamorphic rocks and skarns. The mineralization also occurs as fillings of faults, breccia zones, and fractures.

ArcelorMittal Brasil—Andrade Mine

ArcelorMittal Brasil holds mineral rights over the central claims of the Andrade deposit over 27,333,100 square meters located approximately 80 kilometers east of Belo Horizonte in the Minas Gerais state of Brazil. ArcelorMittal's operations control all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. ArcelorMittal operates an open pit mine and a crushing facility. The mine site is accessible by 110 kilometers of public highway from Belo Horizonte. Power is mostly generated from hydroelectric power plants and supplied by CEMIG, an open capital company controlled by the Government of the State of Minas Gerais.

The Andrade mine supplies sinter feed to the João Monlevade integrated plant through an internal railway of 11 kilometers. Companhia Siderurgica Belgo-Mineira ("CSBM") initiated mining operations at the property in 1944 in order to facilitate the supply of ore to its steel plant in Joao Monlevade. The mine was managed by CSBM until 2000. In 2000, Vale acquired the property, although the mine continued to be operated by CSBM until Vale entered into a 40-year lease for the Andrade mineral rights in 2004 (subject to the condition that the supply to CSBM would be assured). In November 2009, Vale returned the Andrade mine to CSBM, which then transferred it to ArcelorMittal. In 2014, the Andrade mine produced 2.6 million tonnes of sinter feed. An increase of the mine's production capacity to 3.5 million tonnes per year of sinter feed was completed in 2012. In 2013 a cross road was built in order to improve shipments to the local Brazilian market.

ArcelorMittal Mineração Serra Azul

ArcelorMittal Mineração Serra Azul holds mineral rights over the central and east claims of the Serra Azul deposit over 3,358,300 square meters, located approximately 50 kilometers southwest of the town of Belo Horizonte in the Minas Gerais state of Brazil. ArcelorMittal's operations control all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. ArcelorMittal operates an open pit mine and a concentrating facility. The mine site is accessible by 80 kilometers of public highway from Belo Horizonte.

In addition to the open pit mine, processing operations consist of a crushing facility and a three-line concentration facility including screening, magnetic separation, spirals separators and jigging. Production is transported either by truck for local clients of lump, or by truck to two railway terminals located 35 and 50 kilometers, respectively, from the mine site for selling to local clients of sinter feed or for export through third-party port facilities located in the Rio de Janeiro State. Sinter feed production is shipped to ArcelorMittal's plants in Europe as well as to the local Brazilian market including the ArcelorMittal Brasil integrated plants. The Compania Energética de Minas Gerais (CEMIG) supplies power through a 13,800 volt line from Mateus Leme, located 20 kilometers from the mine. The electricity is locally transformed into 380 volts by six transformers spread around the operation. Minas Itatiaucu (MIL) initiated mining operations at the property in 1946. In 2007, London Mining Brazil Mineracao Ltda (London Mining) purchased the mineral rights from MIL. Following the acquisition of the property from London Mining, ArcelorMittal has operated the mine since 2008. In 2014, ArcelorMittal Mineração Serra Azul produced 1.8 million tonnes of lumps and sinter fines.

Both the Andrade and Serra Azul mines are located in the Iron Quadrangle (Quadrilatero Ferrifero), a widely-explored and mined region. The mineralization occurs as Itabirites, banded hematite-silica rocks, with varying weathering degrees. While the Serra Azul ore reserve estimates are constituted of rich friable Itabirites requiring some beneficiation, the Andrade ore reserve estimates are dominated by directly shippable hematite ore.

ArcelorMittal Tebessa

ArcelorMittal Tebessa holds mineral rights over 14 square kilometers over two main areas to support its iron ore mining operations: the Ouenza open pit mine and the Boukhadra underground mine located 150 and 180 kilometers, respectively, from the ArcelorMittal Algérie Spa steel plant in southeast Algeria near the Tunisian border. Both mines can be accessed by road and by electrified railways that run between the mines and the ArcelorMittal Algérie Spa steel plant.

Processing at the mines is limited to primary crushing. The two mines produced 0.5 million metric tonnes of lumps and sinter fines in 2014. Electric power constitutes the sole source of energy for both mines and the crushing facilities and is provided from the state power grid. In 1913, the Societe de L'Ouenza was created and mining of the ore began in 1921. The mines were nationalized in 1966 following Algeria's independence from France. In 1983, the Ferphos Company was created and, in 1990, it became autonomous from the government. Since October 2001, both the Ouenza mine and the Boukhadra mine have been owned by ArcelorMittal (70%) and Ferphos (30%), an Algerian public sector company.

Although both the Ouenza and Boukhadra mines have been producing iron ore for several decades, no iron ore reserves are reported for these mines in 2014 due to lack of sufficient drilling data. ArcelorMittal intends to conduct drilling campaigns at the two mines in accordance with industry best practices. The Ouenza and Boukhadra deposits principally consist of hematite that results from the oxidization of siderites and pyrites.

Following the strategic agreement signed on October 5, 2013 between ArcelorMittal and Sider, the Company sold to Sider a 21% controlling stake in ArcelorMittal Tebessa on January 10, 2015.

ArcelorMittal Prijedor

ArcelorMittal Prijedor, located near Prijedor in the Republic of Srpska in Bosnia and Herzegovina, is an iron ore mining operation that is 51%-owned by ArcelorMittal. ArcelorMittal Prijedor holds mineral rights over 2,000 hectares to support ArcelorMittal's steel-making operations located approximately 243 kilometers south of Prijedor in northern Bosnia (Zenica). ArcelorMittal Prijedor has no reason to believe that it will not maintain the operating licenses required to continue operations and process

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its estimated 2014 iron ore reserves. The operation is in close proximity to long-established public roads. The production process includes crushing, with hydro-cyclones and magnetic separation at the concentration plant. The plant is close to the mine site, and materials are transported through a conveyor. Power is supplied from the national grid through a local power distribution company. In 2014, ArcelorMittal Prijedor produced 2.1 million tonnes of aggregated lumps and fines.

In 1916, Austrian mining companies established the first industrial production of iron ore in the Prijedor area. The mines were nationalized in the 1950s, and were then owned by Iron Mines Luubija Company until Mittal Steel acquired 51% of the company in 2004.

The Omarska deposit is composed of two ore bodies: Jezero and Buvac. The Jezero open pit began operating in 1983 and, following an interruption in production during the Bosnian civil war in the 1990s, production resumed in 2004.

However, since 2011, ore has only been produced at the Buvac pit. The Buvac pit was opened in 2008 and is located within a carboniferous clastic and carbonates sediments containing iron mineralization in the form of beds concordant with host rocks or in the form of massive irregular blocks. The genesis of this deposit is attributed to hydrothermal replacement and syn-sedimentary processes. The Buvac ore body is mainly composed of limonite-goethite mineralization, which was formed during weathering oxidization of the primary siderite bodies.

ArcelorMittal Kryvyi Rih

ArcelorMittal Kryvyi Rih ("AMKR") holds mineral rights to support its operations located roughly within the limits of the city of Kryvyi Rih, 150 kilometers southwest of Dnepropetrovsk, Ukraine over 1,301 hectares. AMKR's operations control all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves. AMKR operates a concentrating facility, along with two open pit and one underground iron ore mines. The iron ore deposits are located within the southern part of the Krivorozhsky iron-ore basin. Access to the mines is via public roads, which are connected by a paved highway to Dnepropetrovsk. The area is well served by rail. Power is supplied by the Ukraine government and is generated from a mix of nuclear, gas and coal-fired power stations. AMKR has two iron ore mines: an open pit mine feeding a concentration plant that produced 9.9 million tonnes of concentrate in 2014, known as the Kryvyi Rih open cast, and an underground mine with production of 1 million tonnes of lump and sinter feed in 2014, known as the Kryvyi Rih underground mine.

The expiration of the agreements on the subsoil use conditions and the subsoil use permits range from 2016 to 2021, while the expiration of the land lease agreements ranges from 2060 to 2061.

The iron ore extracted from the Kryvyi Rih open cast is first processed at the mine site through primary crushing. After initial processing, the product is loaded on a rail-loading facility and transported to the crushing plant. The concentrator production process includes crushing, classification, magnetic separation and filtering. The iron ore extracted from the Kryvyi Rih's underground mine by a modified sub-level caving method is crushed on surface and transported by rail to the steel plant. The main consumer of the sinter and concentrate products is the ArcelorMittal Kryvyi Rih steel plant, with some concentrate being shipped to other ArcelorMittal affiliates in Eastern Europe, as well as to third parties. Operations began at the Kryvyi Rih open cast in 1959 and at the Kryvyi Rih underground mine in 1933. ArcelorMittal acquired the operations in October 2005 from the State Property Fund of Ukraine.

The iron mineralization is hosted by early Proterozoic rocks containing seven altered ferruginous quartzite strata with shale layers. The major iron ore bearing units in the open pit mines have carbonate-silicate-magnetite composition. In addition, oxidized quartzite is mined simultaneously with primary ore but cannot be processed at present and is stored separately for future possible processing. Only the magnetite mineralization is included in the 2014 open pit iron ore reserve estimates. The underground mine is hosted by a ferruginous quartzite with martite and jaspilite.

Lisakovsk, Kentobe, Atasu, Atansore (Temirtau Iron Ore)

ArcelorMittal Temirtau (formerly known as Ispat Karmet, Kazakhstan) has four iron ore mining operations in Kazakhstan. The mines are Lisakovsk, Kentobe, Atasu and Atansore. The four mines are connected by all-weather roads and railways. Dispatch of ore from these mines to the ArcelorMittal steel plant is by railway. ArcelorMittal Termitau's operations control all of the mineral rights and surface rights needed to mine and process its estimated 2014 iron ore reserves.

Lisakovsk is an open pit operation located in northwest Kazakhstan about 1,100 kilometers from Temirtau, with production of 1.6 million tonnes of concentrate in 2014. This mine was initially commissioned in 1976 and was acquired by ArcelorMittal in 1999. The existing subsoil agreement expires in 2020. The production process comprises crushing, screening, grinding, wet jigging and wet magnetic separation. The iron mineralization at Lisakovsk occurs as oolite containing mainly hygoethite and goethite. The phosphorous content in the mineralization limits its utilization in the steel-making process. At Lisakovsk, natural gas is supplied by KazTransGazAimak JSC and transmitted through the local grid. Electric power for the other facilities is supplied by Stroiinvest and Sarbai Interregional.

Kentobe is an open pit operation located about 300 kilometers southeast of Temirtau, initially started in 1994, with production of 0.7 million tonnes of concentrate in 2014. It was acquired by ArcelorMittal in 2001. The existing subsoil agreement expires in 2015 which is in the process of renewal. Ore processing is performed by crushing and dry magnetic separation, producing coarse concentrate. The Kentobe mine is located in the Balkhash metallogenic province hosting numerous volcanic, sedimentary and hydrothermal deposits. The mineralization at Kentobe includes two types of iron ore: oxidized and primary magnetite. The magnetite mineralization constitutes the vast majority of the 2014 estimated ore reserves. Electric power is supplied to the Kentobe operations by Karaganda Energosbyt LLP.

Atasu is an underground mine operation located about 400 kilometers south/southwest from Temirtau with production of 0.9 million tonnes of lump and fines in 2014. The mine began operating in 1956 with open pit exploitation of near surface reserves. Surface operations ended in 1980. Underground operations commenced in 1976. ArcelorMittal Temirtau acquired the mine in 2003 and operations continue to consist of underground mining. The existing subsoil agreement expires in 2026. Processing comprises of crushing and wet jigging. The Atasu mine is hosted by the West Karazhal deposit, which is a primary magnetite ore with associated manganese mineralization. Studies have indicated that the deposit could have a sedimentary-volcanogenic origin caused by underwater hydrothermal activity. The mine receives electric power from the Prometei-2003 grid via NovoKarazhal substation.

Atansore is an open pit operation located about 500 kilometers northeast of Temirtau with production of 0.4 million tonnes of concentrate and fines in 2014. The mining lease was obtained by ArcelorMittal in 2004. The existing subsoil agreement expires in 2029. The Atansor deposit is located within skarn zones related to a volcanic intrusion that can be traced for more than 1.5 kilometers. The mineralization includes both martitic oxidized ore and primary magnetite ore. A new concentrator is processing the magnetite portion of the ore by simple dry crushing and magnetic separation while the low-grade oxidized portion of the ore is sold as fines to a third party for further beneficiation. At the Atansore operations, electric power is provided from the Kokshetauenergo center.

ArcelorMittal Liberia

ArcelorMittal Liberia Holdings Limited ("AMLH"), through its agent (and subsidiary) ArcelorMittal Liberia Limited ("AML"), has started to extract 'direct shippable' iron ore from the

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continued

first of three deposits in the Mt. Tokadeh, Mt. Gangra and Mt. Yuelliton mountain ranges in northern Nimba, Liberia. Mining commenced in June 2011. AML signed a Mineral Development Agreement ("MDA") in 2005 with the Government of Liberia ("GOL") that is valid for 25 years and renewable for an additional 25-year period. The MDA covers three deposits to support AML's operations located approximately 300 kilometers northeast of Monrovia, Liberia over 516 square kilometers. These three deposits are grouped under the name "Western Range Project", which includes the Tokadeh, Gangra and Yuelliton deposits. In addition to the rights to explore and mine iron ore, the GOL has granted the right to develop, use and operate and maintain the Buchanan to Yekepa railroad and Buchanan port. A phased approach has been taken to establish the final project configuration. Currently only high grade ore reserves of oxidized iron ore (direct shipping ore, or DSO) are mined. This ore only requires crushing and screening to make it suitable for export.

The materials-handling operation consists of stockyards at both the mine and port areas, linked by a 250-kilometer single track railway running from Tokadeh to the port of Buchanan. Production in 2014 was at 4.9 million tonnes. The power for the current Liberia DSO operations is obtained from a combination of diesel and electric sources. Planning and construction of the project were commenced in 1960 by a group of Swedish companies, which ultimately became the Liberian American-Swedish Minerals Company ("LAMCO"), and production commenced on the Nimba deposit in 1963. Production reached a peak of 12 million metric tonnes in 1974 but subsequently declined due to market conditions. Production started at Mt. Tokadeh in 1985 to extend the life of the Nimba ore bodies to 1992 when operations ceased due to the Liberian civil war. In 2005, Mittal Steel won a bid to resume operations and signed the MDA with the GOL. Rehabilitation work on the railway started in 2008 and, in June 2011, ArcelorMittal started mining operations at Tokadeh, followed by a first shipment of iron ore in September 2011.

The Nimba Itabirites is a 250 to 450 meter thick recrystallized iron formation. Although the iron deposits at Tokadeh, Gangra and Yuelliton fit the general definition of Itabirite as laminated metamorphosed oxide-facies iron formation, they are of lower iron grade than the ore previously mined at Mount Nimba. Tropical weathering has caused the decomposition of the rock forming minerals resulting in enrichment in the iron content that is sufficient to support a DSO operation.

Coal

ArcelorMittal Princeton

The ArcelorMittal Princeton ("AMP") properties are located in McDowell County, West Virginia and Tazewell County, Virginia, approximately 30 miles west of the city of Princeton, West Virginia, where AMP's corporate office is located. The properties consist of two operating areas: the Low Vol operations and the Mid Vol operations, which are situated south of U.S. Route 52. High-voltage power lines, typically 12,500 volts, deliver power to work stations where transformers reduce voltage for specific equipment requirements.

The larger Low Vol operations are located in McDowell County, West Virginia, near the communities of Northfork, Keystone, Eckman, Gary, Berwind, and War. The Eckman Plant, Dans Branch Loadout, Eckman 2 and Redhawk 1 surface mines are also located here, as well as the following deep mines: XMV Mine Nos. 32, 35, 37, 39, 40 and 42.

The Mid Vol operations are in southeastern McDowell County, West Virginia and northwestern Tazewell County, Virginia. The nearest communities are Horsepen and Abbs Valley, Virginia as well as Anawalt, West Virginia. The mine operations office is located at Horsepen, Virginia near the Mid Vol operations.

The property has a long history of coal mining, mostly by predecessors in title to AMP. Significant underground mining of some of the deeper coal seams on the properties have occurred, notably the Pocahontas no. 3 and no. 4 seams. In addition, a substantial amount of the thicker coal outcrops have been previously contour mined, providing access for highwall mining and on-bench storage of excess spoil from future, larger-scale surface mining. AMP was created in 2008 when the Mid-Vol Coal Group and the Concept Mining Group were integrated.

The properties are located in the Pocahontas Coalfields of the Central Appalachian Coal Basin. The Carboniferous age coal deposits are situated in the Pottsville Group, New River and Pocahontas Formations. The rock strata, including the coal deposits, are sedimentary rocks formed by alluvial, fluvial, and deltaic sediments deposited in a shallow, subsiding basin. The most common rock types are various types of sandstone and shale. The coal deposits are typically in relatively thin coal beds, one to five feet thick.

The combined production of the mines in 2014 was 2.0 million tonnes of washed and directly shippable coal.

ArcelorMittal Temirtau (Karaganda Coal Mines)

ArcelorMittal Temirtau has eight underground coal mines and two coal preparation plants (CPP "Vostochnaya" and Temirtau Washery-2). The coal mines of ArcelorMittal Temirtau are located in the Karaganda Coal Basin. The basin is more than 3,000 square kilometers and was formed by strata of Upper Devonian and Carbonic ages, Mesozoic and Cainozoic formations. Due to structural peculiarities, the coal basin is divided into three geology-based mining areas: Karagandinskiy, Sherubay-Nurinskiy and Tentekskiy.

The mines are located in an area with well-developed infrastructure around the regional center of Karaganda city. Within a distance of 10 to 60 kilometers are the following satellite towns: Shakhtinsk, Saran and Abay, as well as Shakhan and Aktas. All mines are connected to the main railway, and coal is transported by railway to the coal wash plants and power stations.

The Kostenko mine began operations in 1934 and merged with the neighboring Stakhanovskaya mine in 1998. The field of Kostenko mine falls within the Oktyabrskiy district of Karaganda city.

The Kuzembaeva mine was established in 1998. The nearest communities are Saran, Abay and Shakhtinsk, which are located 18 kilometers to the northeast, 15 kilometers to the southeast and 12 kilometers to the west, respectively. The eastern part of the mine falls within the center of Karaganda City.

The Saranskaya mine began operations in 1955. It merged with the Sokurskaya mine in mid-1997 and the Aktasskaya mine in 1998. The nearest communities are Saran, Abay and Shakhtinsk, which

Mining
continued

are located 18 kilometers to the northeast, 15 kilometers to the southeast and 12 kilometers to the west, respectively. Karaganda City is located approximately 35 kilometers to the northeast.

Kostenko, Kuzembaeva and Saranskaya mines receive energy from public district networks through transforming substations of Karagandaenergo Company.

The Abayskaya mine began operations in 1961. In 1996, it was merged with the Kalinina mine. The nearest communities are Saran, Abay and Shakhtinsk, which are located 18 kilometers to the northeast, 15 kilometers to the southeast and 20 kilometers to the west, respectively. Karaganda City is located approximately 30 kilometers to the northeast.

The Kazakhstanskaya mine began operations in 1969. The nearest community is Shakhtinsk. Karaganda City is located approximately 50 kilometers to the northeast. The railway station at MPS-Karabas is located approximately 35 kilometers to the southeast.

The Lenina mine was put in operation in 1964 and was subsequently merged with Naklonnaya no. 1/2 mine in 1968. The nearest community is Shakhtinsk, located seven kilometers to the southeast, and Karaganda City, is located 50 kilometers to the northeast. The railway station MPS-Karabas is located 35 kilometers to the southeast.

The Shakhtinskaya mine began operations in 1973. The nearest community is Shakhtinsk, which is located 10 kilometers to the southeast, and Shakhan, which is located seven kilometers to the north. Saran is located 18 kilometers to the east. Karaganda City is located approximately 35 kilometers to the east.

The Tentekskaya mine began operations in 1979. The nearest community is Shakhtinsk. Karaganda City is located approximately 50 kilometers to the northeast. The railway station MPS-Karabas is located approximately 35 kilometers to the southeast.

Abayskaya, Shakhtinskaya, Lenina, Tentekskaya and Kazakhstanskaya mines receive energy from high-voltage lines of Karaganda.

The subsoil use contract and license (all coal mines in Temirtau) will expire in 2022. Total land area under mineral rights is 286 square kilometers.

The mines produce primarily coking coal used in steel-making at ArcelorMittal Temirtau as well as thermal coal for ArcelorMittal Temirtau's power plants. For beneficiation of coking coal, two washeries are operated. Surplus coal is supplied to ArcelorMittal Kryvyi Rih in Ukraine, and to external customers in Russia and China. In 2014, the Karaganda Coal Mines produced 4.8 million tonnes of metallurgical coal and approximately 1.8 million tonnes of thermal coal consumed by the Temirtau steel operations.

ArcelorMittal Coal Mines Kuzbass

ArcelorMittal Coal Mines Kuzbass in Siberia, Russia includes the Berezovskaya and Pervomayskaya mines, as well as the Severnaya coal washery. ArcelorMittal holds approximately 98.64% of these mines. Power is supplied to JSC "Ugolnaya kompaniya "Severniy Kuzbass" from the wholesale market by the national grid company FSK (Federal Grid Company) Russia through grids of MRSK (Interregional Distribution Grid Company) Siberia.

The Berezovskaya mine began operations in 1958 and is located in the northeastern part of the Kemerovo district of Kuzbass, 30 kilometers from the city of Kemerovo. The mines' administrative division is located in the town of Berezovsky. There is a well-developed highway system in the region and the Novosibirsk-Achinsk federal highway connects to the mine via an asphalt road approximately 2.5 kilometers from the mine site. The mine is located within the boundaries of the Berezovo-Biryulinsky coal deposit in the Kuznetsk intermountain trough on the eastern side of the Kemerovo syncline.

The Pervomayskaya mine began operations in 1975 and is located in the northern part of the Kemerovo district of Kuzbass, 40 kilometers from the city of Kemerovo. The mine is located in an area that has a well-developed highway system. The Berezovsky – Anzhero-Sudzhensk highway is situated north of the mine.

The Severnaya wash plant is located adjacent to the Berezovskaya mine and began operations in 2006. It processes all of the coal from ArcelorMittal Kuzbass' mines. Coal is transported from the Berezovskaya mine by conveyor directly to the wash plant and from the Pervomayskaya mine via rail.

The main consumers of the coking coal produced are some local and Ukrainian coke producers. In 2014, ArcelorMittal Coal Mines Kuzbass produced 0.2 million tonnes of metallurgical coal.

On December 31, 2014 ArcelorMittal sold its interest in the Kuzbass coal mines to the Russian National Fuel Company.

Mining
continued

Capital expenditure projects

The following tables summarize the Company's principal growth and optimization projects involving significant capital expenditure that are currently ongoing.

Ongoing Projects[1]

Segment	Site	Project	Capacity / particulars	Forecasted completion
Mining	Liberia	Phase 2 expansion project	Increase production capacity to 15mt/ year (high grade sinter feed)	Initial forecast of 2015/ currently delayed[2]

[1] Ongoing projects refer to projects for which construction has begun (excluding various projects that are under development), even if such projects have been placed on hold pending improved operating conditions.[2]

[2] Due to the current Ebola virus outbreak in West Africa, contractors working on the phase 2 expansion project have declared force majeure. Prior to the force majeure event, the plant was expected to begin production of sinter feed at the end of 2015. The Company will issue a new timing forecast when the force majeure is no longer in effect. Budgeted capex for phase 2 was $1.7 billion before the force majeure event; it will be re-assessed once work recommences. ArcelorMittal remains fully committed to Liberia. Phase 1 operations are continuing as normal at this time and to date have not been affected by the Ebola situation in Liberia.

Reserves and resources (iron ore and coal)

Introduction

ArcelorMittal has both iron ore and metallurgical coal reserves. The Company's iron ore mining operations are located in the United States, Canada, Mexico, Brazil, Liberia, Bosnia, Ukraine, Algeria and Kazakhstan. In Canada, the Company is developing a large greenfield project on Baffin Island through a joint venture. The Company's metallurgical coal mining operations are located in the United States and Kazakhstan.

The estimates of proven and probable ore reserves and mineral resources at the Company's mines and projects and the estimates of the mine life included in this annual report have been prepared by ArcelorMittal's experienced engineers and geologists. Cardno MM&A prepared the estimates of coal reserves for underground and open pit operations at ArcelorMittal Princeton. The reserve calculations were prepared in compliance with the requirements of USA Securities and Exchange Commission's ("SEC") Industry Guide 7 and the mineral resource estimates were prepared in accordance with the requirements of Canadian National Instrument NI 43-101, under which:

• Reserves are the part of a mineral deposit that could be economically and legally extracted or produced at the time of the reserve determination.

• Proven reserves are reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, working or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

• Probable reserves are reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

• The mineral resource estimates constitute the part of a mineral deposit that have the potential to be economically and legally extracted or produced at the time of the resource determination. The potential for economic viability is established through high level and conceptual engineering studies.

• A 'measured mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

• An 'indicated mineral resource' is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

• An 'inferred mineral resource' is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The ore reserve and mineral resource estimates are updated annually in order to reflect new geological information and current mine plan and business strategies. The Company's reserve estimates are of in-place material after adjustments for mining depletion and mining losses and recoveries, with no adjustments made for metal losses due to processing. The mineral resource estimates are of in-situ wet metric tonnage material prior to adjustments for mining recovery and dilution factors and reported exclusive (in addition to ore reserve estimates).

For a description of risks relating to reserves and resource estimates, see the risk factor entitled 'ArcelorMittal's reserve and resource estimates may materially differ from mineral quantities that it may be able to actually recover; ArcelorMittal's estimates of mine life may prove inaccurate; and market price fluctuations and changes in operating and capital costs may render certain ore reserves uneconomical to mine' (more details page 202).

The demonstration of economic viability is established through the application of a life of mine plan for each operation or project providing a positive net present value on a cash-forward looking basis. Economic viability is demonstrated using forecasts of operating and capital costs based on historical performance, with forward adjustments based on planned process improvements, changes in production volumes and in fixed and variable proportions of costs, and forecasted fluctuations in costs of raw material, supplies, energy and wages.

Detailed independent verifications of the methods and procedures used are conducted on a regular basis by external consultants. Sites

Mining
continued

are reviewed on a rotating basis; certain of the Company's operations with significant ore reserve estimates as of December 31, 2011 were independently audited In 2012 by Roscoe Postle Associates and SRK Consulting UK Ltd and no material changes to the 2011 year-end iron ore reserve and coal reserve or resource estimates were recommended by them. In 2014, the year-end 2013 ore reserve estimates were independently audited and validated by Roscoe Postle Associates for the Company's mines in Liberia and in Canada including the joint venture Baffinland and no material changes to the 2013 year-end iron ore reserve and mineral resource estimates were recommended by them.

ArcelorMittal owns less than 100% of certain mining operations; reserve and resource estimates have not been adjusted to reflect ownership interests and therefore reflect 100% of the reserves and resources of each mine. Please see the table above under "Mining" for the ownership interest of ArcelorMittal in each mine. All of the reserve figures presented represent estimates at December 31, 2014 (unless otherwise stated).

Mine life is derived from the life of mine plans and corresponds to the duration of the mine production scheduled from ore reserve estimates only.

The Company's mineral leases are of sufficient duration (or convey a legal right to renew for sufficient duration) to enable all ore reserves on the leased properties to be mined in accordance with current production schedules. Ore reserves may include areas where some additional approvals remain outstanding but where, based on the technical investigations the Company carries out as part of its mine planning process and its knowledge and experience of the approvals process, the Company expects that such approvals will be obtained as part of the normal course of business and within the timeframe required by the current life of mine schedule.

In Eastern Europe (Bosnia) and the Commonwealth of Independent States (CIS), ArcelorMittal has conducted in-house and independent reconciliations of ore reserve and mineral resource estimate classifications based on Industry Guide 7, National Instrument NI 43-101 and standards used by the State Committee on reserves, known as the GKZ in the CIS. The GKZ constitutes the legal framework for reserve and resource reporting in several former Soviet Union countries where ArcelorMittal operates mines. On the basis of these reconciliations, ArcelorMittal's mineral resources have been classified as measured for categories A and B, indicated for category C1 and inferred for category C2. Ore reserves have been estimated by applying mine planning, technical and economic assessments defined as categories A, B and C1 only according to the CIS standards. In general, provided Guide 7's economic criteria for reserves are met (which is the case here), A+B is equivalent to "proven" and C1 is equivalent to "probable".

The reported iron ore and coal reserves contained in this annual report do not exceed the quantities that the Company estimates could be extracted economically if future prices were at similar levels to the average contracted price for the three years ended to December 31, 2014. The average iron ore spot reference price for the last three years (2012 – 2014) was $120.60/dmt CFR China, 62% Fe, (PLATTS Index) duly adjusted for quality, Fe content, logistics and other considerations. For the same period, the average coal spot reference price was $151.15/tonne FOB Australia, Hard Coking Coal (FOB Australia HCC Peak Downs, PLATTS Index). The Company establishes optimum design and future operating cut-off grade based on its forecast of commodity prices and operating and sustaining capital costs. The cut-off grade varies from operation to operation and during the life of each operation in order to optimize cash flow, return on investments and the sustainability of the mining operations. Sustainability in turn depends on expected future operating and capital costs.

Tonnage and grade estimates are reported as 'Run of Mine'. Tonnage is reported on a wet metric basis.

Iron ore reserve and resource estimate

The tables below detail ArcelorMittal's estimated iron ore reserves and resources as at December 31, 2014. The classification of the iron ore reserve estimates as proven or probable and of the iron ore resource estimates as measured, indicated or inferred reflects the variability in the mineralization at the selected cut-off grade, the mining selectivity and the production rate and ability of the operation to blend the different ore types that may occur within each deposit. Proven iron ore reserve and measured mineral resource estimates are based on drill hole spacing ranging from 25m x 25m to 100m x 100m, and probable iron ore reserve and indicated mineral resource estimates are based on drill hole spacing ranging from 50m x 50m to 300m x 300m. Inferred mineral resource estimates are based on drill hole spacing ranging from 100m x 100m to 500m x 500m.

	As at December 31, 2014						As at December 31, 2013	
	Proven ore reserves		Probable ore reserves		Total ore reserves		Total ore reserves	
Business units	Million tonnes	% Fe	Million tonnes	% Fe	Million tonnes	% Fe	Million tonnes	% Fe
Canada (excluding Baffinland)	2,048	28.7	81	27.8	2,129	28.7	2,197	30.2
Baffinland – Canada	272	66.0	107	65.4	379	65.8	380	65.8
Minorca – USA	130	23.4	4	22.7	134	23.4	143	23.4
Hibbing – USA	243	19.0	21	18.9	264	19.0	303	19.1
Mexico (excluding Peña Colorada)	45	30.5	74	25.4	119	27.3	126	28.4
Peña Colorada – Mexico	110	23.4	127	23.0	237	23.2	251	23.2
Brazil	95	58.9	53	49.8	148	55.6	120	57.9
Liberia	4	51.9	497	48.3	501	48.3	505	48.5
Bosnia	10	46.4	14	45.7	24	46.0	29	45.8
Ukraine open pit	198	34.0	-	-	198	34.0	222	33.0
Ukraine underground	24	55.0	-	-	24	55.0	24	54.8
Kazakhstan open pit	34	37.9	242	39.5	276	39.3	280	39.4
Kazakhstan underground	-	-	28	45.0	28	45.0	29	45.0
Total					4,461	35.1	4,609	35.5

Mining
continued

	As at December 31, 2014				As at December 31, 2013			
	Measured & Indicated resources		Inferred resources		Measured & Indicated resources		Inferred resources	
Business units	Million tonnes	% Fe	Million tonnes	% Fe	Million tonnes	% Fe	Million tonnes	% Fe
Canada (Excluding Baffinland)	3,663	30.0	1,850	29.4	3,663	29.6	1,850	29.0
Baffinland - Canada	54	65.6	545	66.2	55	65.6	545	66.2
Minorca - USA	339	22.3	7	22.2	339	22.3	7	22.2
Hibbing - USA	260	18.2	1	16.2	260	18.2	1	16.2
Mexico (Excluding Pena Colorada)	63	28.0	71	27.0	63	28.0	71	27.0
Peña Colorada - Mexico	101	27.3	-	-	101	27.3	-	-
Brazil	246	38.7	77	37.8	240	38.5	77	37.4
Liberia	45	43.6	2,211	38.8	45	43.5	2,206	38.8
Algeria	-	-	92	53.0	-	-	92	53.0
Bosnia	1	38.3	1	39.2	2	41.3	-	-
Ukraine Open Pit	507	33.4	-	-	507	33.4	-	-
Ukraine Underground	370	36.8	353	32.4	365	36.5	353	32.5
Kazakhstan Open Pit	838	34.0	5	48.4	834	34.0	5	48.0
Kazakhstan Underground	446	51.2	30	49.6	448	51.2	30	49.6
Total	6,933	32.3	5,243	38.0	6,921	32.0	5,237	37.9

Supplemental information on iron ore operations

The table below provides supplemental information on the producing mines.

Operations/Projects	% Ownership	In Operation Since	2014 Run of Mine Production (Million Tonnes) *	2014 Saleable Production (Million Tonnes) [1*]	Estimated Mine Life (Years) [2]
Canada (excluding Baffinland)	85	1976	66.8	23.3	31
Baffinland - Canada	50	2014	0.3	0.3	20
Minorca - USA	100	1977	8.9	2.7	15
Hibbing - USA	62.3	1976	27.3	7.7	9
Mexico (excluding Peña Colorada)	100	1976	8.7	4.8	19
Peña Colorada - Mexico	50	1974	10.1	3.5	17
Brazil	100	1944	6.2	4.5	19
Algeria[4]	70	1921	0.5	0.5	N/A[3]
Liberia	85	2011	4.5	4.9	18
Bosnia	51	2008	3.0	2.1	8
Ukraine Open Pit	95.1	1959	24.2	9.9	6
Ukraine Underground	95.1	1933	1.0	1.0	14
Kazakhstan Open Pit	100	1976	5.2	2.8	31
Kazakhstan Underground	100	1956	1.6	0.9	17

1 Saleable production is constituted of a mix of direct shipping ore, concentrate, pellet feed and pellet products which have an iron content of approximately 65% to 66%. Exceptions in 2014 included the direct shipping ore produced in Bosnia, Ukraine underground and the Kazakh mines which have an iron content ranging between 55% to 60% and are solely for internal use at ArcelorMittal's regional steel plants. The direct shipping ore produced from Liberia had an average iron content of approximately 59% in 2014 while the sinter fines produced for external customers in Brazil from the Serra Azul operations averaged approximately 62% and the lumps averaged 60.5%.

2 The estimated mine life reported in this table corresponds to the duration of the production file of each operation based on the 2014 year-end iron ore reserve estimates only. The production varies for each operation during the mine life and as a result the mine life is not the total reserve tonnage divided by the 2014 production. ArcelorMittal believes that the life of these operations will be significantly expanded as exploration and engineering studies confirm the economic potential of the additional mineralization already known to exist in the vicinity of these iron ore reserve estimates.

3 Estimated mine life from iron ore reserve estimates is not available by end of 2014 due to deficiencies in the drilling data recording and archiving process.

4 On November 25, 2014, ArcelorMittal signed an agreement whereby the Company's interest in the Tebessa mines in Algeria will be diluted from 70% to 49% upon completion.

* Represents 100% of production.

Mining

continued

Changes in iron ore reserve estimates: 2014 versus 2013.

The Company's iron ore reserve estimates have decreased between December 31, 2013 and 2014 by 148 million metric tonnes of Run of Mine. This decrease is mainly due to 168 million tonnes of mining depletion during 2014. Other minor re-evaluations of the Company's ore reserves totaled a net increase of 20 million tonnes between the 2013 and 2014 year-end reserve estimates mainly due to re-evaluations at Hibbing and in Brazil. The average Fe grade decreased by 0.4% on an absolute basis mainly due to an adjustment of the mining dilution of the Company's iron ore reserves in Canada. However, the reserves mine life and quantities of concentrate and pellets produced from these reserve estimates is not impacted due to other adjustments made to mining and processing recoveries.

Changes in iron mineral resource estimates: 2014 versus 2013 iron measured and indicated mineral resource estimates have increased marginally between December 31, 2013 and 2014 by 12 million metric tonnes of run-of-mine as a result of minor adjustments in Brazil, Ukraine and Kazakhstan.

Iron inferred mineral resource estimates have marginally increased between December 31, 2013 and 2014 by 6 million tonnes of run-of-mine due to a local adjustment in the moisture factor.

Metallurgical Coal Reserve and resource Estimates

The table below details ArcelorMittal's estimated metallurgical coal reserve and resource estimates as at December 31, 2014. The classification of coal reserve estimates as proven or probable and of coal resource estimates as measured, indicated or inferred reflects the variability in the coal seams thickness and quality, the mining selectivity and the planned production rate for each deposit. Proven coal reserve and measured coal resource estimates are based on drill hole spacing ranging from 50m x 50m to 500m x 500m and Probable coal reserve and indicated coal resource estimates are based on drill hole spacing ranging from 100m x 100m to 1,000m x 1,000m. Measured coal resource estimates are based on drill hole spacing ranging from 200m x 200m to 2,000 x 2,000m.

	As at December 31, 2014									As at December 31,2013	
	Proven Coal Reserves		Probable Coal Reserves		Total Coal Reserves					Total Coal Reserves	
	ROM Millions of Tonnes	Wet Recoverable Million Tonnes [1]	Millions of Tonnes	Wet Recoverable Million Tonnes [1]	Millions of Tonnes	Wet Recoverable Million Tonnes[1,2]	Ash (%)	Sulfur (%)	Volatile (%)	Millions of Tonnes	Wet Recoverable Million Tonnes[1,2]
Princeton – USA	95	59	15	8	110	67	6.7	0.7	17.1	112	66
Karaganda - Kazakhstan	18	8	149	64	167	72	11.0	1.0	27.0	178	89
Kuzbass - Russia[3]	-	-	-	-	-	-	-	-	-	27	18
Total					277	139	8.9	0.9	22.2	317	173

[1] Washed or directly shipped saleable tonnage. This tonnage does not include the production in Kazakhstan of approximately 23 million tonnes for the life of the Kazakhstan mines of Run of Mine high ash coal which is sold internally within ArcelorMittal as thermal coal.

[2] Washed or directly shipped saleable tonnage. This tonnage includes 12Mt of wet recoverable coal contained in 24 million tonnes of Run of Mine high ash coal of potential metallurgical coal but which is sold internally within ArcelorMittal as thermal coal.

[3] On December 31, 2014, ArcelorMittal sold its interest in the Kuzbass mines to the Russian National Fuel Company.

	As at December 31, 2014				As at December 31,2013			
	Measured & Indicated resources		Inferred resources		Measured & Indicated resources		Inferred resources	
	ROM Millions of Tonnes	Wet Recoverable Million Tonnes[1]	Millions of Tonnes	Wet Recoverable Million Tonnes [1]	Millions of Tonnes	Wet Recoverable Million Tonnes [1]	Millions of Tonnes	Wet Recoverable Million Tonnes [1]
Princeton – USA	95	49	4	2	96	50	4	2
Karaganda - Kazakhstan	566	272	8	4	566	283	8	4
Kuzbass - Russia	-	-	-	-	60	53	38	32
Total	661	321	12	6	722	386	50	38

[1] Washed or directly shipped saleable tonnage. This tonnage does not include the production in Kazakhstan of approximately 2 million tonnes annually and 30 million tonnes for the life of the Kazakhstan mines of Run of Mine high ash coal which is sold internally within ArcelorMittal as thermal coal.

Mining
continued

Supplemental information on Metallurgical Coal operations

The table below provides supplemental information on the producing mines.

Operations/Projects	% Ownership	In Operation Since	2014 Run of Mine Production (Million Tonnes)	2014 Wet Recoverable production (Million Tonnes)[1]	Estimated Mine Life (Years)[2]
Princeton - USA	100	1995	3.3	2.0	34
Karaganda - Kazakhstan	100	1934	11.2	4.8	13
Kuzbass – Russia[3]	98.64	1958	0.5	0.2	N/A

[1] Washed or directly shipped saleable tonnage. This tonnage does not include the production in Kazakhstan of approximately 1 million tonnes of Run of Mine high ash coal and approximately 1 million tonnes of by-product middlings from the wash plants both of which are sold internally within ArcelorMittal as thermal coal.

[2] The estimated mine life reported in this table corresponds to the duration of the production file of each operation based on the 2014 year-end metallurgical coal reserve estimates only. The production varies for each operation during the mine life and as a result the mine life is not the total reserve tonnage divided by the 2014 production. ArcelorMittal believes that the life of these operations will be significantly expanded as exploration and engineering studies confirm the economic potential of the additional mineralization already known to exist in the vicinity of these estimated coal reserves.

[3] On December 31, 2014, ArcelorMittal sold its interest in the Kuzbass mines to the Russian National Fuel Company.

Changes in Metallurgical Coal Reserve Estimates: 2014 versus 2013

The Company's metallurgical coal reserve estimates have decreased by 40 million tonnes of Run of Mine coal and 34 million tonnes of recoverable coal between December 31, 2013 and 2014 mainly due to the annual mining depletion of 15 million tonnes and the substraction of 25 million tonnes of Run of Mine coal reserves resulting from the divestment of the Kuzbass mines. The reporting of recoverable coal reserves is also adjusted downward for Kazkahstan in 2014 in order to exclude the recoverable coal which in theory could be used for metallurgical applications but which is sold and used as thermal coal in practice by ArcelorMittal at its steel plant facilities.

Changes in coal resource estimates: 2014 versus 2013

The Company's measured, indicated and inferred coal resource estimates have remained the same between December 31, 2013 and 2014 with the exception of the substraction of 60 million tonnes of Run of Mine coal measured and indicated resource estimates and of 38 million tonnes of Run of mine coal inferred resource estimates resulting from the divestment of the Kuzbass mines. The reporting of recoverable measured and indicated coal resources is also adjusted downward by 11 million tonnes for Kazkahstan in 2014 in order to exclude the recoverable coal which in theory could be used for metallurgical applications but which is sold and used as thermal coal in practice by ArcelorMittal at its steel plant facilities.

Cautionary note concerning reserve and resource estimates: With regard to ArcelorMittal's reported resources, investors are cautioned not to assume that any part or all of ArcelorMittal's estimated mineral deposits that constitute either 'measured mineral resources', 'indicated mineral resources' or 'inferred mineral resources' (calculated in accordance with the guidelines set out in Canadian National Instrument 43-101) will ever be converted into reserves. There is a particularly great deal of uncertainty as to the existence of 'inferred mineral resources' as well as with regard to their economic and legal feasibility and it should not be assumed that all or part of an 'inferred mineral resource' will ever be upgraded to a higher category.

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ArcelorMittal
24-26, Boulevard d'Avranches
L-1160 Luxembourg
Grand Duchy of Luxembourg
Tel: +352 4792 3198

www.arcelormittal.com