



ArcelorMittal

2013 ArcelorMittal USA Fact Book

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The 2013 ArcelorMittal USA Fact Book was developed by ArcelorMittal USA to serve as a resource to all stakeholders. Published annually, the fact book will provide background material on the domestic steel industry as a whole and ArcelorMittal USA, including the opportunities and challenges facing the industry and business, while highlighting key statistics about the industry and company.

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Cover photo: This photo shows the hot strip mill at AM/NS Calvert, a 50/50 joint venture between ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation (NSSMC) located in Calvert, Alabama. The joint venture partners reached agreement with former owner ThyssenKrupp in Nov. 2013. The \$1.55 billion sale was finalized in Feb. 2014. AM/NS Calvert is one of the most modern steel finishing facilities in the world.

The information included in the 2013 Fact Book is accurate to the best of our current knowledge as reported to the individuals responsible for compiling the material.

I. Executive summary

The 2013 ArcelorMittal USA Fact Book provides an in-depth look at the U.S. steel industry and the challenges and opportunities facing our business, the industry, employees and other stakeholders. It is updated annually and serves as a resource for all stakeholders.

Steel is essential to our everyday lives. It's in the tools we use around the house, the appliances we depend on, and the cars we drive that continue to become safer and more fuel efficient. Steel is also the future. It's the key ingredient to revitalizing the nation's infrastructure, constructing stronger and more sustainable homes and buildings, and enhancing our aging power grid.

According to the American Iron and Steel Institute (AISI), the U.S. steel industry operates more than 100 steelmaking and production facilities, producing 95 million tons of steel shipments valued at \$75 billion in 2013. Domestic steel mills employ nearly 91,000 while the industry employs 152,900, directly or indirectly supporting more than one million U.S. jobs.

With our headquarters in Chicago, ArcelorMittal USA is one of the largest steelmakers in North America, capturing approximately 20 percent of total U.S. raw steel capacity and employing more than 20,000 hardworking men and women at

28 mining, flat, long, tailored blanks and tubular operations across 14 states. Additionally, ArcelorMittal employs more than 1,200 at our global research and development center in East Chicago and sales and corporate offices throughout the U.S. In 2013, ArcelorMittal USA produced more than 16.2 million tons of raw steel with the majority of steel shipments serving the automotive, distribution/service center and energy markets.

The year 2013 marked the first full year of operation under the new collective bargaining agreement reached with the United Steelworkers union in September 2012. Like any negotiation, the new contract represents compromise for both parties and serves as a platform for achieving a business that is sustainable throughout the cycle.

In an effort to continue to produce *Safe Sustainable Steel* for years to come, ArcelorMittal continues to focus on enhancing performance, processes and efficiencies within our business, specifically in the areas of health and safety, fixed costs, innovation and workforce development.

More about the challenges and opportunities facing ArcelorMittal USA are outlined in Section V. on pages 26–29.



II. Overview of US steel industry

Source: AISI

Key facts

Steel is the backbone of our nation. Steel connected both sides of our continent through the railroads, bridged once insurmountable gaps over rivers and valleys, and made it possible to build skyscrapers more than 100 stories tall.

Steel is essential to our everyday lives as well. It's in the tools we use around the house, the appliances we depend on, and the cars we drive that continue to become safer and more fuel efficient.

Steel is also the future. It's the key ingredient to revitalizing the nation's infrastructure, constructing stronger and more sustainable homes and buildings, and enhancing our aging power grid.

The following facts further illustrate the importance of this high-tech, innovative and globally competitive industry:

Steel is an economic driver:

- The U.S. steel industry operates more than 100 steelmaking and production facilities, producing 95 million tons in steel shipments valued at \$75 billion in 2013.
- While steel mills employ less than 91,000 today, the industry directly employs 152,900 people in the United States, and directly or indirectly supports more than one million U.S. jobs.
- Labor productivity for the U.S. steel industry has improved five-fold since the early 1980s, when the average steel mill produced one ton of steel for 10.1 worker hours. The 2013 average was 2.0 worker hours per ton, with many facilities producing a ton of steel in less than one worker hour.

Steel is critical to different markets:

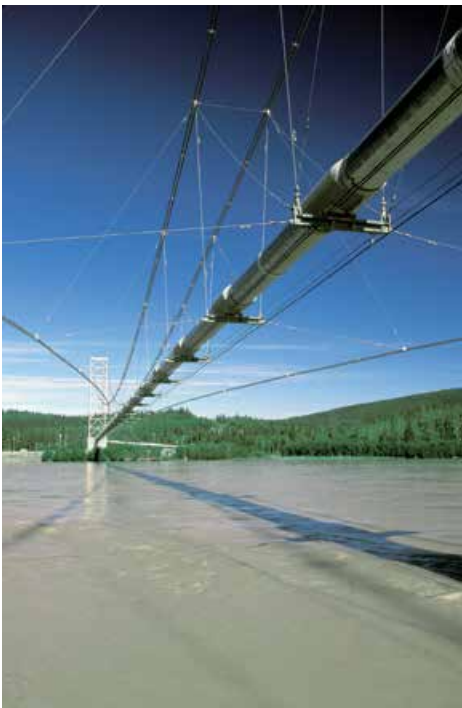
- Because of steel's broad range of applications – including renewable energy infrastructure, machinery and equipment, defense, transportation and infrastructure – it's vital to our economy and national security.
- In construction, steel is the material of choice because of its superior performance, affordability and environmentally friendly profile.
- Steel is the main material used in delivering renewable energies such as solar, tidal and wind.

Steel is sustainable:

- Steel is the most recycled material in the world – more than aluminum, copper, paper, glass and plastic combined. In North America alone, more than 84 million tons of steel are recycled or exported for recycling each year.
- Today, 97 percent of steel by-products can be re-used and the recycling rate for steel itself is 88 percent, far surpassing other materials.
 - Recycling rates for autos are often near or more than 100 percent, as older vehicles being recycled are often heavier than new cars, which are lighter and more fuel-efficient through the use of advanced high-strength steels.
- Through recycling, the steel industry saves the energy needed to power 20 million homes for one year.
- The steel industry is the only significant industry in the U.S. that reduced its total energy consumption while increasing its production from 1990 to 2012.
 - According to the U.S. EPA's Sector Performance Report, the domestic steel sector is recognized as having the steepest decline of total air emissions among nine manufacturing sectors studied.
- Steel is the only material that reduces greenhouse gas emissions in all phases of an automobile's life: manufacturing, driving and end-of-life.
- Since 1990, the industry has reduced energy intensity by 28 percent and CO2 emissions by 35 percent per ton of steel shipped.

Steel is an industry leader:

- The North American steel industry is committed to the highest safety and health standards. Since 2005, U.S. steel producers have achieved a reduction of 50 percent in both the total OSHA recordable injury and illness and lost workday case rates, while reaching record levels of productivity.



History

The long decline (1975–2000)

- Flat U.S. and global demand due to end of postwar, European boom; slow growth in third world countries and post-89 collapse in the Commonwealth of Independent States (CIS)
- New entrants and steady growth in North American Free Trade Agreement (NAFTA) mini-mill sector
- Excess staffing and high fixed costs
- Value destruction and weakening balance sheets for NAFTA integrated producers

The bankruptcy crisis (2001–2002)

- Businesses being managed for cash in weak markets – inadequate or inappropriate maintenance and investment
- Cascading bankruptcies (13 of 17 NAFTA integrated flat-rolled producers)

Restructuring and recovery (2003–2004)

- Emergence of new players with different business model and union relationships
- Shedding of legacy costs and strengthening of balance sheets
- Globalization
- Significant turnover in leadership and management
- China boom and surge in commodity markets
- Strong profit recovery in 2004

Stabilization (2005–2007)

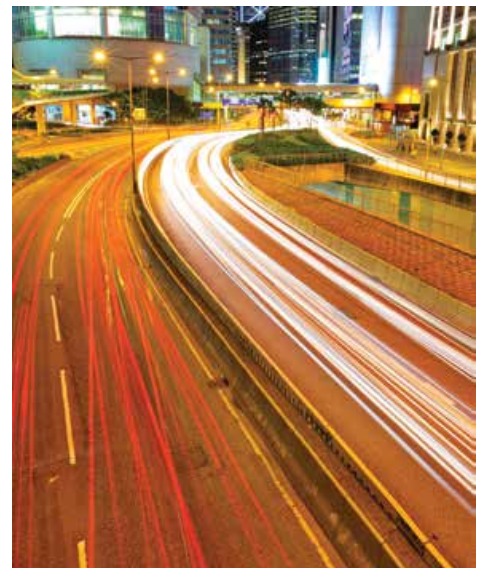
- Recurrent challenges of inventory-driven booms and busts, but adjustments are made relatively quickly
- Improved financial returns for NAFTA steel producers

Global financial crisis (2008–2011)

- After a strong first half in 2008, the global financial crisis hit in late third quarter, placing significant strain on the steel industry. Industry capacity utilization rates fell to record lows, hitting 33.5 percent in the last week of 2008.
- Record low production levels resulted in significant layoffs by integrated steel producers in 2009.
- While 2010 gave way to a slow and progressive recovery, capacity utilization continued to hover around 70 percent.
- In 2011, the industry continued to see measured improvement, with capacity utilization around 75 percent. The restructuring of the industry that took place between 2003 and 2004 better positioned the industry to sustain the crisis.

Slow and cautious recovery (2012 – present)

- Most major markets saw demand increase in 2012, with a notable eight percent increase in the U.S. and the broader NAFTA market supported by strength in the manufacturing sector – specifically autos, energy and heavy equipment.
- In 2013, the market for steel in the U.S. was relatively flat, with overall demand just slightly down, tied to service center inventory reductions.
- For 2014, AISI is forecasting an improving steel market with an expected four percent increase in demand and shipments. While there has been improvement in many U.S. key markets served, downside risk and cost pressures still exist.

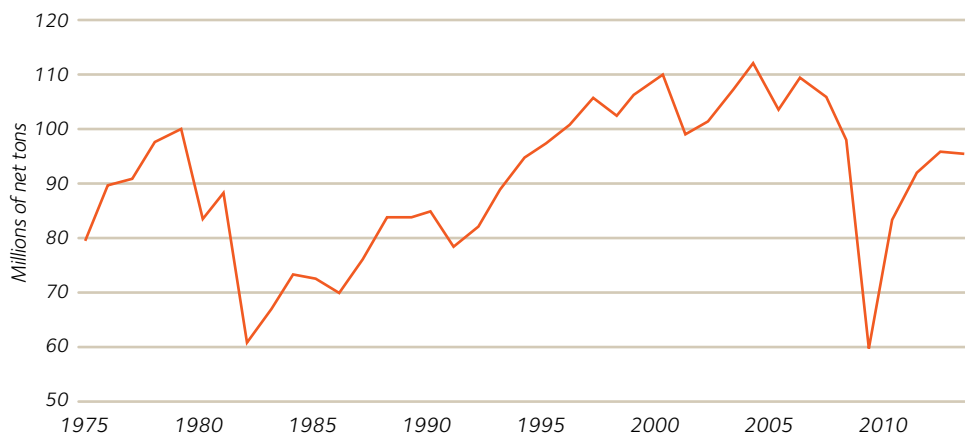


III. US steel industry statistics

US domestic steel shipments: 1975-2013

Source: AISI

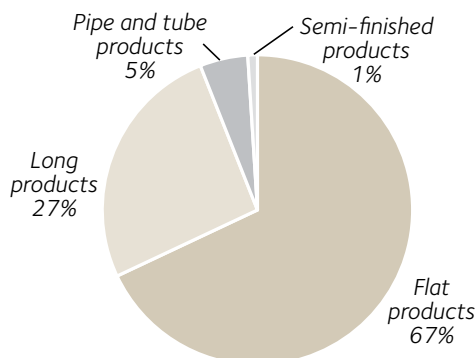
U.S. steel producers shipped 95 million tons in 2013, essentially flat compared to 2012. Although 2013 shipments were 58 percent higher than 2009, shipments were still 10 percent lower than the pre-crisis average of 106 million tons for 2000-2007.



2013 US steel shipments by product

Source: AISI

In 2013, flat rolled products accounted for 67 percent of U.S. steel industry shipments, followed by long (27 percent), pipe and tube (five percent), and semi-finished products (one percent). These percentages were the same in 2012.

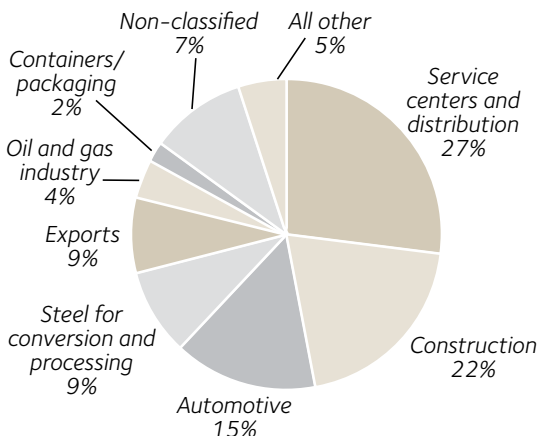


2013 US steel shipments by market

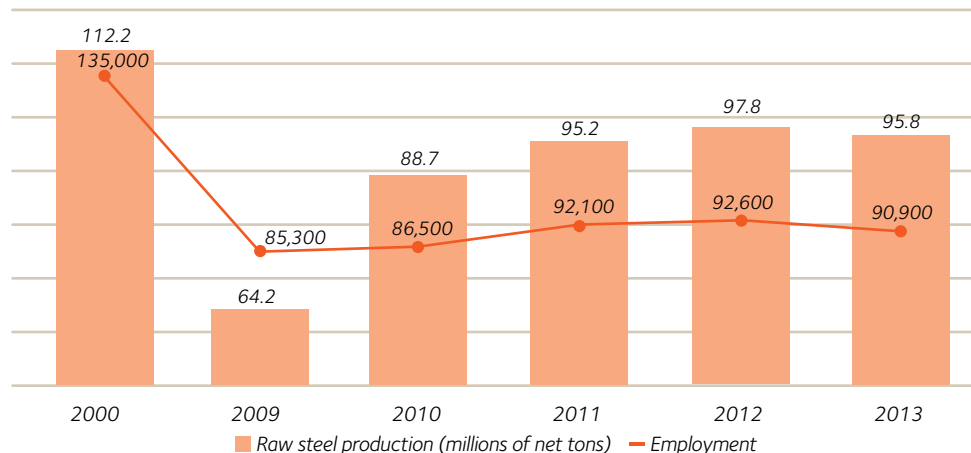
Source: AISI

In 2013, the three largest markets for domestic steel shipments were service centers/distribution (27 percent), construction (22 percent), and automotive (15 percent). Service centers serve most steel end-use markets, including automotive.

Construction has historically been a large market for steel, but is only in the very early stages of recovery.



Steelmaking processes have transformed at a rapid pace, reflecting the industry's improvement in operating practices and investment in state-of-the-art equipment to increase productivity. Employment by U.S. steel mills has declined from approximately 135,000 in 2000 to less than 91,000 today due to a consolidated and more efficient industry and automated processing. In 2000, one employee accounted for 831 tons of raw steel production. In 2013, one employee accounted for 1,054 tons of raw steel production, an increase of 27 percent.

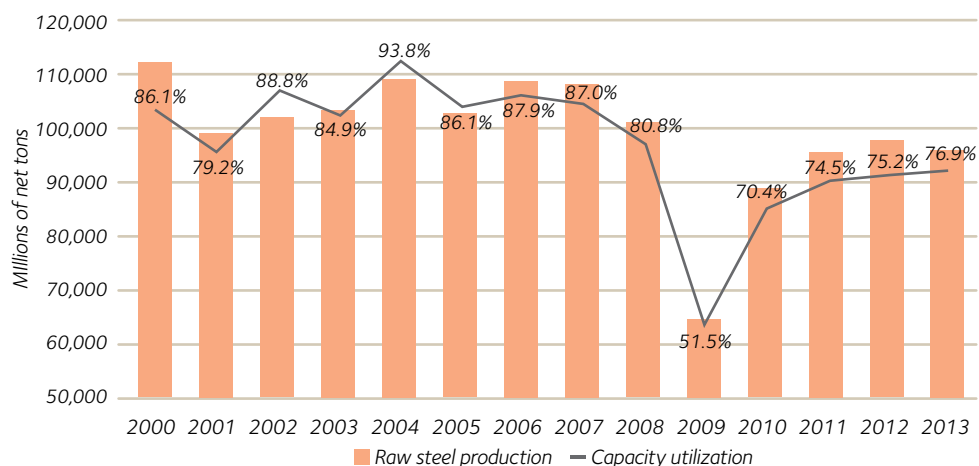


US steel production vs. employment: 2000-2013

Sources: AISI, Bureau of Labor Statistics
(Employment = NAICS 3311)



The Great Recession of 2008-2009 resulted in production and capacity utilization far below pre-crisis levels. Capacity utilization dropped to just 51 percent in 2009 and has steadily recovered to 77 percent in 2013. In the six years prior to 2008, capacity utilization levels averaged 89 percent. The industry last operated consecutively at capacity utilization levels below 80 percent between 1980 and 1987, with an average of 67 percent. The industry was in a severe recession caused by a number of factors, including increased imports into the U.S. due to overcapacity in global steel markets and new capacity from mini-mills. A wave of bankruptcies and industry consolidation, which followed the 2001 recession, better positioned the industry for surviving future economic uncertainty, including the 2008 financial crisis; however, global overcapacity remains an issue for the industry.



US raw steel production and capacity utilization: 2000-2013

Source: AISI

NOTE: 2013 overall industry capacity was lower than 2012 due to the closure of RG Steel.

III. US steel industry statistics (continued)

US weekly raw steel production capacity utilization: 2008-2013

Source: AISI

During the last week of 2008, capacity utilization dipped as low as 33.5 percent. While production levels have significantly improved, utilization rates only averaged in the mid to upper-70s in 2013, compared to levels near 90 percent before the recession.

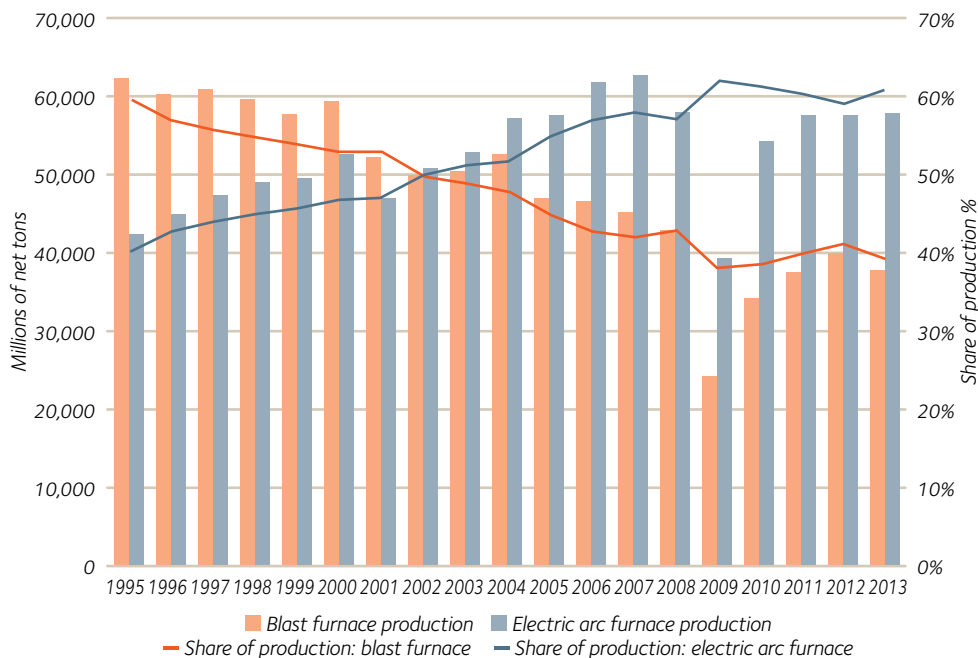


US raw steel production – integrated vs. mini-mill: 1995-2013

Source: AISI

Since 1995, integrated steelmakers have lost their dominant share of U.S. raw steel production to mini-mills. Blast furnace production share declined from 60 percent in 1995 to under 40 percent in 2013. In 1990, blast furnace share was 63 percent; in 1980, the share was 72 percent. This graph visually illustrates the threat of electric arc furnace technology – which offers flexibility, quick turnaround time and lower fixed costs – to integrated steelmaking.

Share has stabilized since 2009 as blast furnace production has benefitted from the rebound in the automotive sector, while electric arc furnace production has been impacted more by the slow recovery of the construction market.

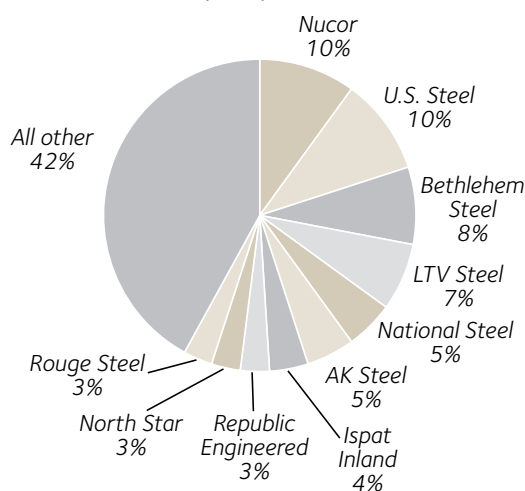


A wave of bankruptcies and industry consolidations changed the landscape of the U.S. steel industry over the past decade as illustrated in the pie charts below. In 2013, the top three steel producers in the U.S. accounted for 54 percent of capacity compared to 28 percent in 2000. The top 10 steel producers account for 84 percent of capacity today compared to 58 percent in 2000.

Top US steel producers: 2000 vs. 2013

Source: World Steel Dynamics

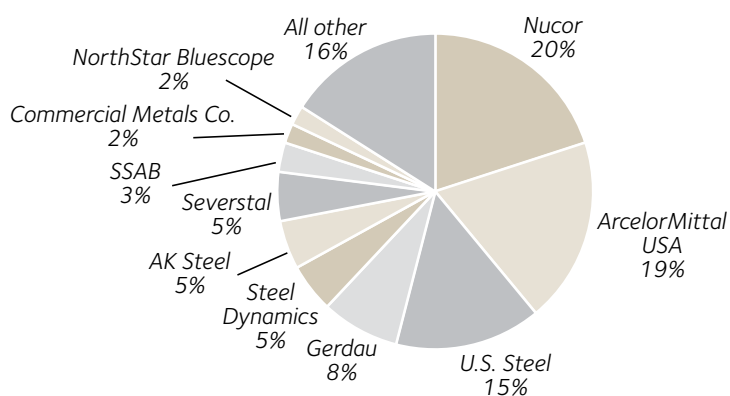
Share of US raw steel capacity: 2000



Share of top 3 = 28%
Share of top 10 = 58%



Share of raw steel capacity: 2013



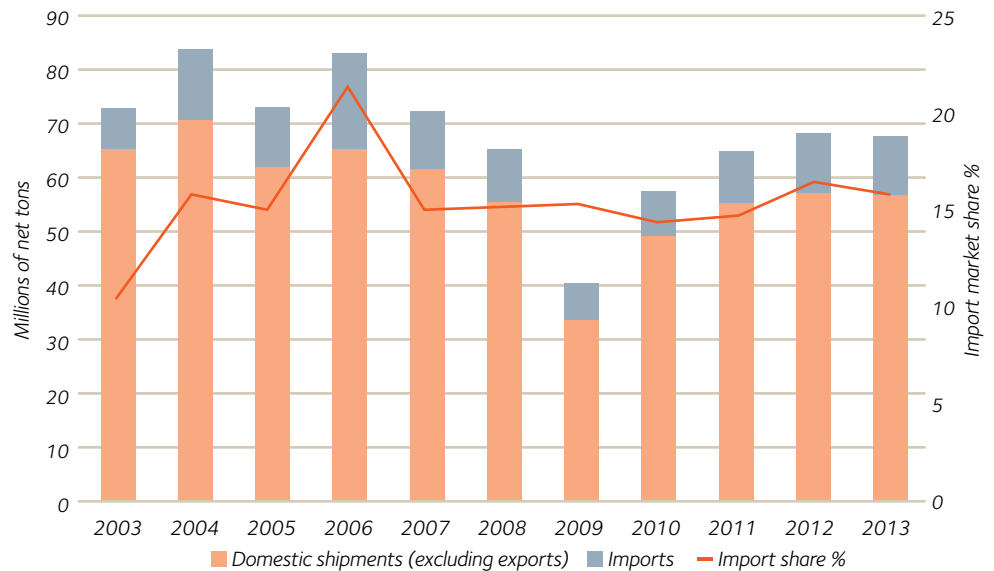
Share of top 3 = 54%
Share of top 10 = 84%

III. US steel industry statistics (continued)

US steel consumption for flat products: 2003-2013

Source: AISI

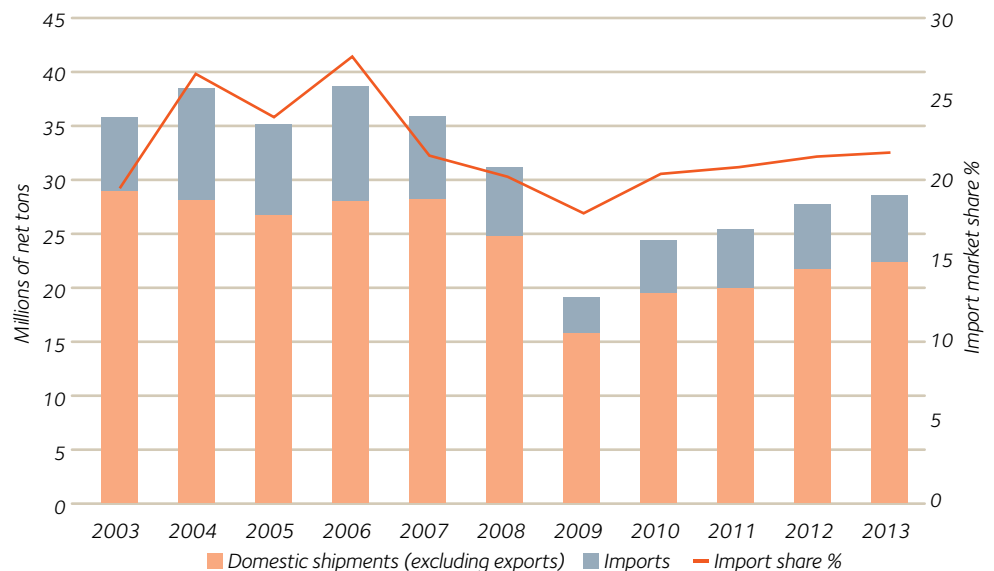
In 2013, imports accounted for 16 percent of U.S. flat roll consumption and 22 percent of U.S. long product consumption. Today, there is available domestic capacity that could displace these imports. The charts below illustrate that while imports play a minority role in domestic steel consumption, they are a constant share of supply and take volume that could be supplied by domestic steelmakers to improve capacity utilization levels. A more effective U.S. trade policy is needed to further level the playing field and to help preserve and strengthen the domestic manufacturing sector.



US steel consumption for long products: 2003-2013

Source: AISI

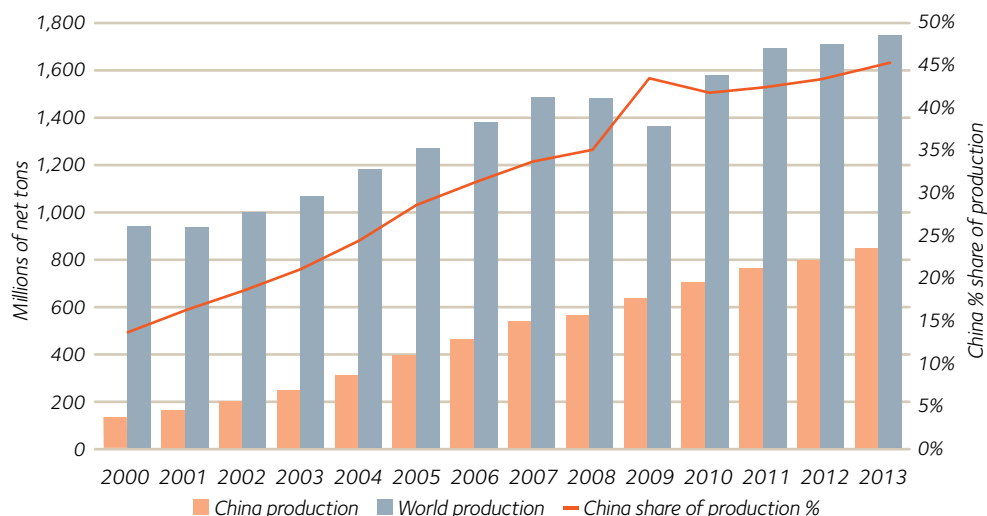
The continuing surge of imports, caused by global overcapacity and weak economies abroad, is the industry's biggest downside risk.



Between 2000 and 2013, steel production in China increased more than five-fold, growing from 142 million net tons to 860 million net tons. In spite of U.S. capacity utilization levels of only 77 percent, global production reached a new record for the fourth consecutive year, totaling more than 1.7 billion net tons in 2013. China accounted for almost half of the world's steel production. The rapid and significant increase in steel production in developing countries like China has put a strain on raw material supplies and caused a global increase in raw material pricing. Furthermore, the threat of imports to the U.S. will rise if China's market weakens.

Impact of Chinese steel production: 2000-2013

Source: World Steel Association



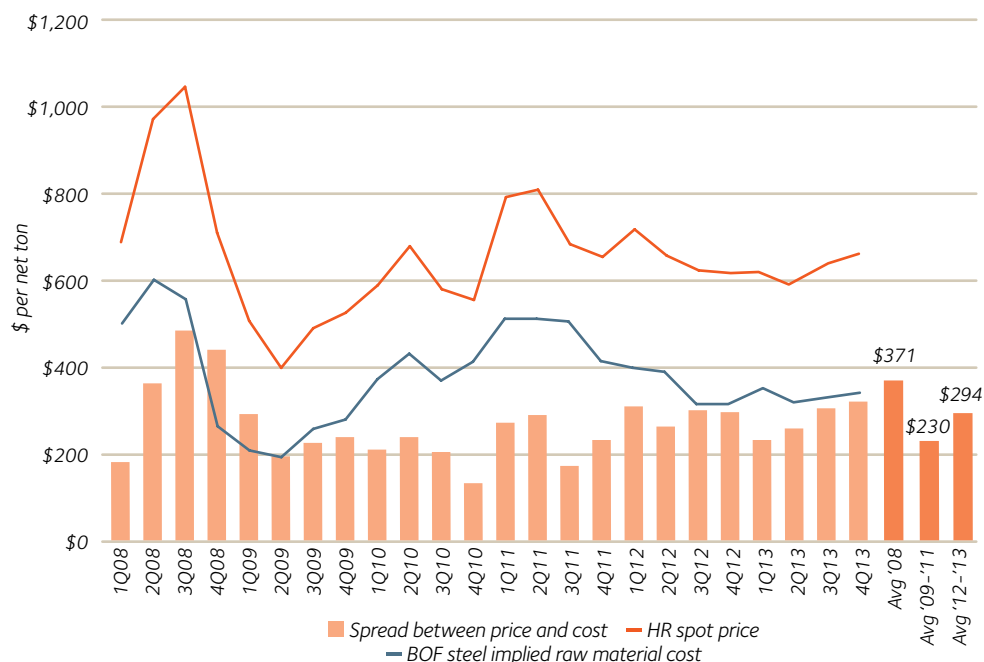
The rapid and significant increase in steel production in developing countries like China has put a strain on raw material supplies and caused a global increase in raw material pricing. Furthermore, the threat of imports to the U.S. will rise if China's market weakens.

Driven by China's rapid growth in raw material demand, input costs such as iron ore, coking coal and scrap (BOF steel implied raw material cost) have increased significantly over time compared to historical values. The average spread between the implied raw material cost and hot rolled coil price decreased by 38 percent, from \$371 per net ton in 2008 (prior to the financial crisis) down to \$230 per net ton from 2009-2011. The spread has recovered 28 percent since averaging \$294 per net ton in 2012-2013 as U.S. domestic steel prices outpaced the rest of the world. The 4Q 2013 spread of \$325 per net ton marked the largest quarterly differential since 4Q 2008.

Cost price squeeze: 2008 – 2013

Sources: CRU, Platts, SBB, AMM (quarterly averages)

BOF steel implied cost = $(1.52 \times \text{iron ore}) + (0.71 \times \text{coking coal}) + (0.15 \times \text{scrap})$



Slow recovery in the U.S. economy compared to record global steel production has lessened the ability of steelmakers to raise their prices as demand is still less than pre-crisis levels.

IV. Overview of ArcelorMittal USA

About ArcelorMittal USA

ArcelorMittal USA is one of the largest steelmakers in North America, employing more than 20,000 hardworking men and women at 28 operations in the U.S., with an additional 1,200 in R&D, corporate and sales offices across the United States. ArcelorMittal USA's product portfolio includes a broad range of flat, long and tubular products serving the automotive, construction, pipe and tube, appliance, container and machinery markets.

ArcelorMittal USA is part of ArcelorMittal, the world's largest steel and mining company, resulting from the 2006 merger of Mittal

Steel Company N.V. (Mittal) and Arcelor S.A., then the world's largest and second largest steel companies by production volume.

In 2013, ArcelorMittal globally had sales of \$79.4 billion, steel shipments of 92.9 million net tons and crude steel production of 100.5 million net tons, representing approximately six percent of world steel output. ArcelorMittal has steelmaking operations in 20 countries on four continents.

Our history

1998

- ISPAT International acquired Inland Steel Company's assets including Indiana Harbor Works, Minorca Mine, and I/N Tek and I/N Kote (joint ventures with Nippon Steel).

2000

- Weirton Steel, the world's largest Employee Stock Ownership Plan, filed for bankruptcy.
- Acme Steel (now ArcelorMittal Riverdale) shut down.
- Ohio-based LTV Steel filed for Chapter 11 bankruptcy in December.

2001

- Bethlehem Steel filed for bankruptcy in September.

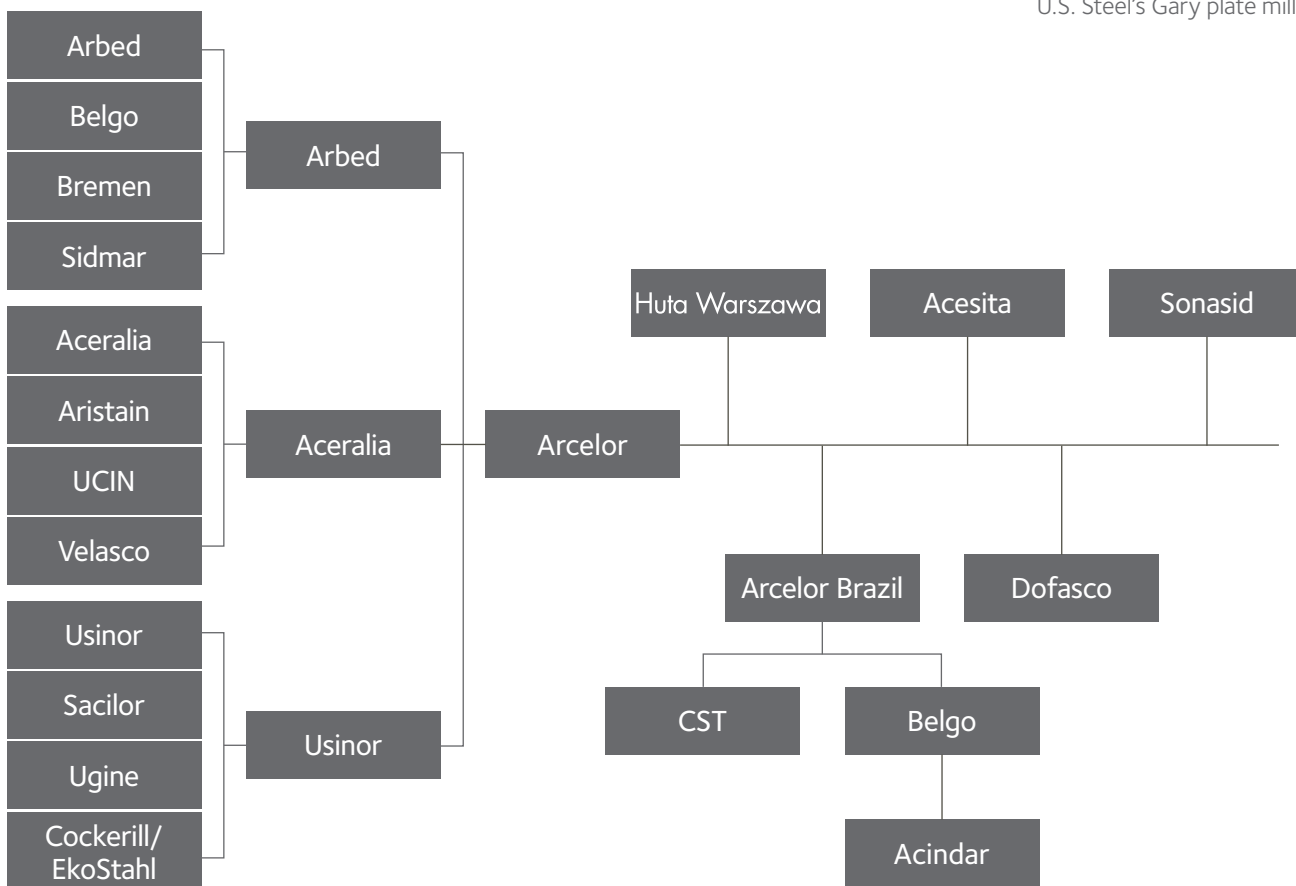
2002

- Ohio-based International Steel Group (ISG) purchased the assets of Acme Steel and LTV's integrated steel assets including Cleveland Works and Indiana Harbor West.

2003

- ISG acquired the Bethlehem Steel Corporation assets, which included Burns Harbor, Coatesville, Conshohocken, Lackawanna, Sparrows Point, Steelton and U.S. Steel's Gary plate mill.

The evolution of ArcelorMittal



2004

- ISG purchased the assets of Weirton Steel and Georgetown Steel.

2005

- ISG, Ispat International and LNM Holdings merged to create Mittal Steel USA.

2007

- Mittal Steel, the world's largest steel company based on production volume, completed the merger with Arcelor, the world's second largest steel producer, creating ArcelorMittal, the world's largest steel company.

2008

- ArcelorMittal sold Sparrows Point to Severstal to resolve U.S. Department of Justice antitrust concerns and maintain competition in the U.S. tin plate steel market.
- The fourth quarter global economic crisis pushed the world's steel industry into recession.

- ArcelorMittal announced a 35 percent reduction in production levels worldwide.
- ArcelorMittal USA's capacity utilization rates were in line with industry levels, which hit a record low of 33.5 percent in the last week of 2008.

2009

- Production and workforce reductions were announced at ArcelorMittal facilities across the United States.
- ArcelorMittal announced the closure of two U.S. finishing facilities, Lackawanna (New York) and Hennepin (Illinois).

2010

- ArcelorMittal experienced a slow and progressive recovery, yet capacity utilization continued to hover around U.S. steel industry averages of 70 percent.

2011

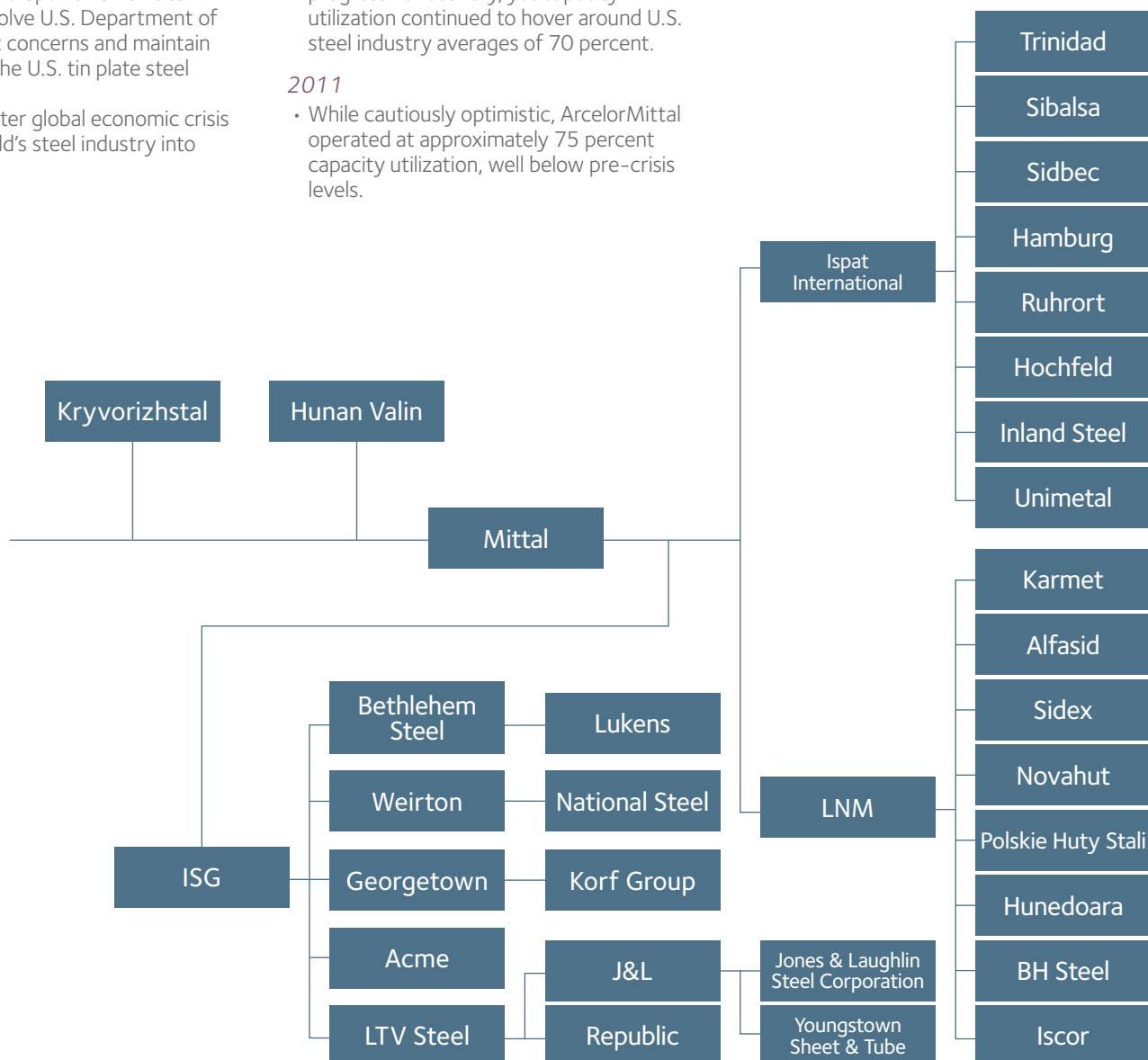
- While cautiously optimistic, ArcelorMittal operated at approximately 75 percent capacity utilization, well below pre-crisis levels.

2012

- While more optimistic about the future, ArcelorMittal continued to operate below pre-crisis levels. ArcelorMittal benefited from a market demand increase of eight percent, supported by strength in auto, energy and heavy equipment.

2013

- After challenging conditions in the first half of 2013, with inventory liquidation among customers affecting apparent consumption, ArcelorMittal USA experienced a strong rebound in the second half of the year, due to improved pricing and a strong automotive market.



IV. Overview of ArcelorMittal USA (continued)

US operations

ArcelorMittal owns and operates 28 facilities, including mines, integrated steelmaking facilities, mini-mills and finishing operations, employing more than 20,000 across 14 states. In addition to our Americas' headquarters in Chicago, ArcelorMittal also operates one of 11 global research and development centers in East Chicago, Indiana and several sales and distribution centers throughout the states, employing an additional 1,200.

Key terms:

- **Integrated:** An integrated steelmaking facility transforms raw materials – coke, iron ore and limestone – into molten iron in a blast furnace. The molten iron is then charged in a basic oxygen furnace (BOF) to make steel.
- **Mini-mill:** A mini-mill uses steelmaking technology, called an electric arc furnace (EAF), which recycles scrap steel into new steel.
- **Flat:** Flat products include hot-rolled, cold-rolled and coated sheets; tin; carbon and alloy plates; and raw material facilities to support the production of these products. Flat products are typically produced in integrated steelmaking facilities.
- **Long:** Long products, which include wire rod, rail products, bars and semi-finished shapes, are typically produced using EAF technology.
- **Tubular:** Tubular products include mechanical steel tubing and seamless and welded precision tubes.

To read more about our process and products, see pages 16-19.

¹ Joint venture with Nippon Steel & Sumitomo Metal Corporation. Acquisition completed in Feb. 2014.

² Joint ventures with Nippon Steel & Sumitomo Metal Corporation.

³ Joint venture between ArcelorMittal and US Steel.

⁴ Idled in 2009. \$50 million capital investment announced in Sept. 2012. Facility restarted in May 2014.

⁵ Closed in 2011. Restarted in Jan. 2014.

State	Facility name	City	Reporting division	Type of operation
Ala.	AM/NS Calvert ¹	Calvert	Flat	Finishing
Ark.	ArcelorMittal Pine Bluff	Whitehall	Other	Wire drawing
Ill.	ArcelorMittal Riverdale	Riverdale	Flat	BOF
	ArcelorMittal Burns Harbor/ Burns Harbor Plate	Burns Harbor	Flat	Integrated
	I/N Kote ²	New Carlisle	Flat	Finishing
Ind.	I/N Tek ²	New Carlisle	Flat	Finishing
	ArcelorMittal Indiana Harbor	East Chicago	Flat	Integrated
	ArcelorMittal Indiana Harbor Bar	East Chicago	Long	EAF
La.	ArcelorMittal LaPlace	LaPlace	Long	EAF
Minn.	ArcelorMittal Minorca	Minorca	Flat	Iron ore mine – open pit
Miss.	Double G Coatings ³	Jackson	Flat	Finishing
N.C.	ArcelorMittal Piedmont	Newton	Flat	Finishing
	ArcelorMittal Cleveland	Cleveland	Flat	Integrated
	ArcelorMittal Columbus	Columbus	Flat	Finishing
	ArcelorMittal Marion	Marion	Other	Tubular
Ohio	ArcelorMittal Shelby	Shelby	Other	Tubular
	ArcelorMittal Tailored Blanks	Pioneer	Other	Blanking and welding
	ArcelorMittal Warren	Warren	Flat	Coke battery
	ArcelorMittal Coatesville	Coatesville	Flat	EAF
Pa.	ArcelorMittal Conshohocken	Conshohocken	Flat	Rolling/finishing
	ArcelorMittal Monessen ⁴	Monessen	Other	Coke battery
	ArcelorMittal Steelton	Steelton	Long	EAF
S.C.	ArcelorMittal Georgetown	Georgetown	Long	EAF
Tenn.	ArcelorMittal Harriman ⁵	Harriman	Long	Finishing
	ArcelorMittal Tailored Blanks	Murfreesboro	Other	Blanking and welding
Texas	ArcelorMittal Vinton	Vinton	Long	EAF
W.V.	ArcelorMittal Princeton	Princeton	Other	Coal mine – surface and underground
	ArcelorMittal Weirton	Weirton	Flat	Rolling/finishing

Product(s)	Market(s) served	Plant manager	Avg. 2013 headcount (hourly and salaried)	Local USW #	ArcelorMittal USA LLC entity
Hot-rolled sheet, hot-rolled pickled and oiled, cold-rolled sheet, advanced coated products	Appliance/HVAC, automotive, construction, distribution, pipe and tube	Chris Richards (assumed role in Feb. 2014)	1,427	—	N
Steel cord, hose wire, saw wire	Agriculture, automotive	Charley Chen	320	—	N
Hot-rolled sheet	Distribution, strip converter	Mark Dutler	315	1010	Y
Hot-rolled sheet, cold-rolled sheet, hot-dip galvanized sheet, steel plate	Appliance, automotive, construction, converters, distribution, energy, heavy equipment, infrastructure, military, pipe and tube, railcar, ship building, transportation	John Mengel – Flat John Battisti – Plate	3,984	6787	Y
Hot-dip galvanized and galvanealed, electrogalvanized coil	Automotive	Chris Richards (Thomas Cayia assumed roll in Feb. 2014)	255	9231	Y
Cold-rolled sheet, annealed sheet	Appliance, automotive, distribution	Chris Richards (Thomas Cayia assumed roll in Feb. 2014)	269	9231	Y
Hot-rolled sheet, aluminized sheet, cold-rolled sheet, hot-dip galvanized sheet	Appliance, automotive, contractor applications, distribution, strip converters, tubular	Wendell Carter	5,087	1010/1011	Y
Hexagons, rounds	Automotive, cold-finisher, distribution, fastener	Dan Tunacik	301	1010	Y
Angles, beams, channel, flats, rebar	Light structural shapes, merchant bars, rebar markets	Raymond Hawkins	415	9121	N
Iron ore pellets	ArcelorMittal Indiana Harbor furnaces	Jonathan Holmes	357	6115	Y
Galvalume sheet, hot-dip galvanized sheet	Construction	Mark Chrislip	78	363L-01	N
Plasma-cuts plate products into blanks	Automotive, heavy equipment	Scott Gifflin	10	—	Y
Semi-finished slabs, hot-rolled, cold-rolled, hot-dip galvanized sheet	Automotive, construction, converters, distribution	Eric Hauge	1,864	979	Y
Hot-dip galvanized sheet	Automotive, distribution	Thomas Cayia	141	9309/2342.1	Y
Conveyor tube, specialty automotive tube, boiler tube	Automotive, boiler, conveyor, distribution	Fred Schuster (Chad Ousley assumed role in Feb. 2014)	100	1949	N
Seamless and welded, precision tubes, drawn-over-mandrel (DOM), cold-drawn tubes	Automotive, construction, distribution, farm machinery, oil and gas tooling	Dane Smith	631	3057	N
Laser welded blanks	Automotive	Mike Clark	110	—	N
Coke	ArcelorMittal Cleveland furnaces	Jeff Foster	177	1375-07	Y
Steel plate: carbon, high-strength, low-alloy (HSLA), commercial alloy, military alloy, clad and flame-cut products	Aircraft and aerospace, construction, energy, heavy equipment, military, mold and tool, ship building	Ed Frey	845	1165	Y
Coiled plate, discrete plate	Construction, distribution, energy, heavy equipment, military, mold and tool, railcar	Paul Waterman	318	9462	Y
Coke	ArcelorMittal furnaces	Paul Champagne	163	3403	N
Railroad rails, specialty blooms, flat bars	Forging, railroad	David Wirick (Steven Taylor assumed role in Dec. 2013)	681	1688	Y
Wire rod	Converters, original equipment manufacturers	Danie Devapiriam	225	7898	Y
Angles, unequal angles, flats, rounds, squares and rebar	Distribution, infrastructure, original equipment manufacturers, ship building	Ray Hawkins	74	—	N
Laser welded blanks	Automotive	Brian Brown	7	—	N
Rebar, fabricated products, grinding balls, smooth rounds	Construction, mining	Kesavan Rangaswamy	324	9424-0	Y
Coking coal, pulverized coal injection (PCI)	Primarily ArcelorMittal furnaces	Greg Jessee	572	—	N
Cold-rolled sheet, tin plate	Distribution, packaging	Brian James	998	2911	Y

IV. Overview of ArcelorMittal USA (continued)

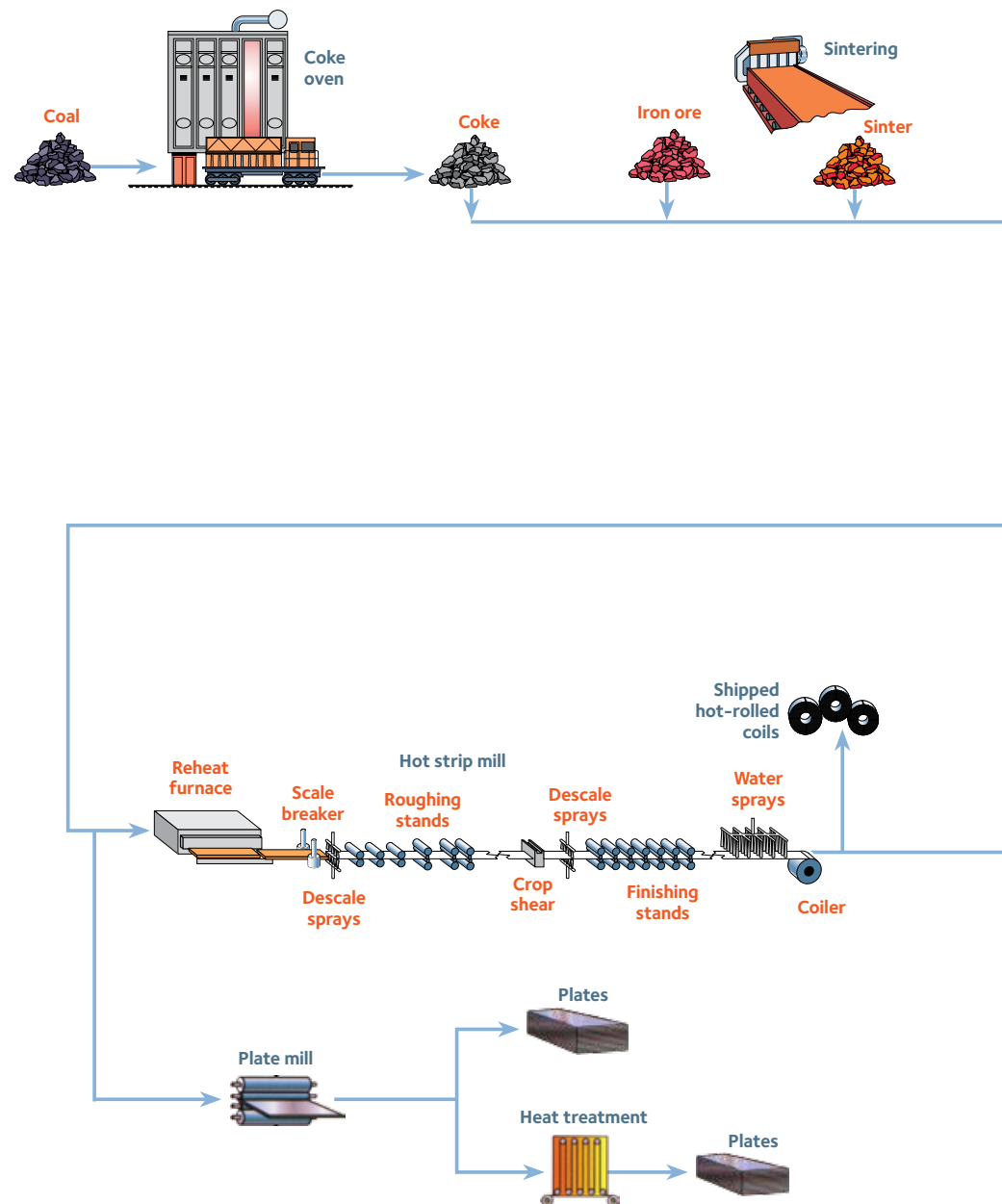
Steelmaking process

Steel is produced either by a blast furnace in an integrated steel facility or an electric arc furnace at a mini-mill.

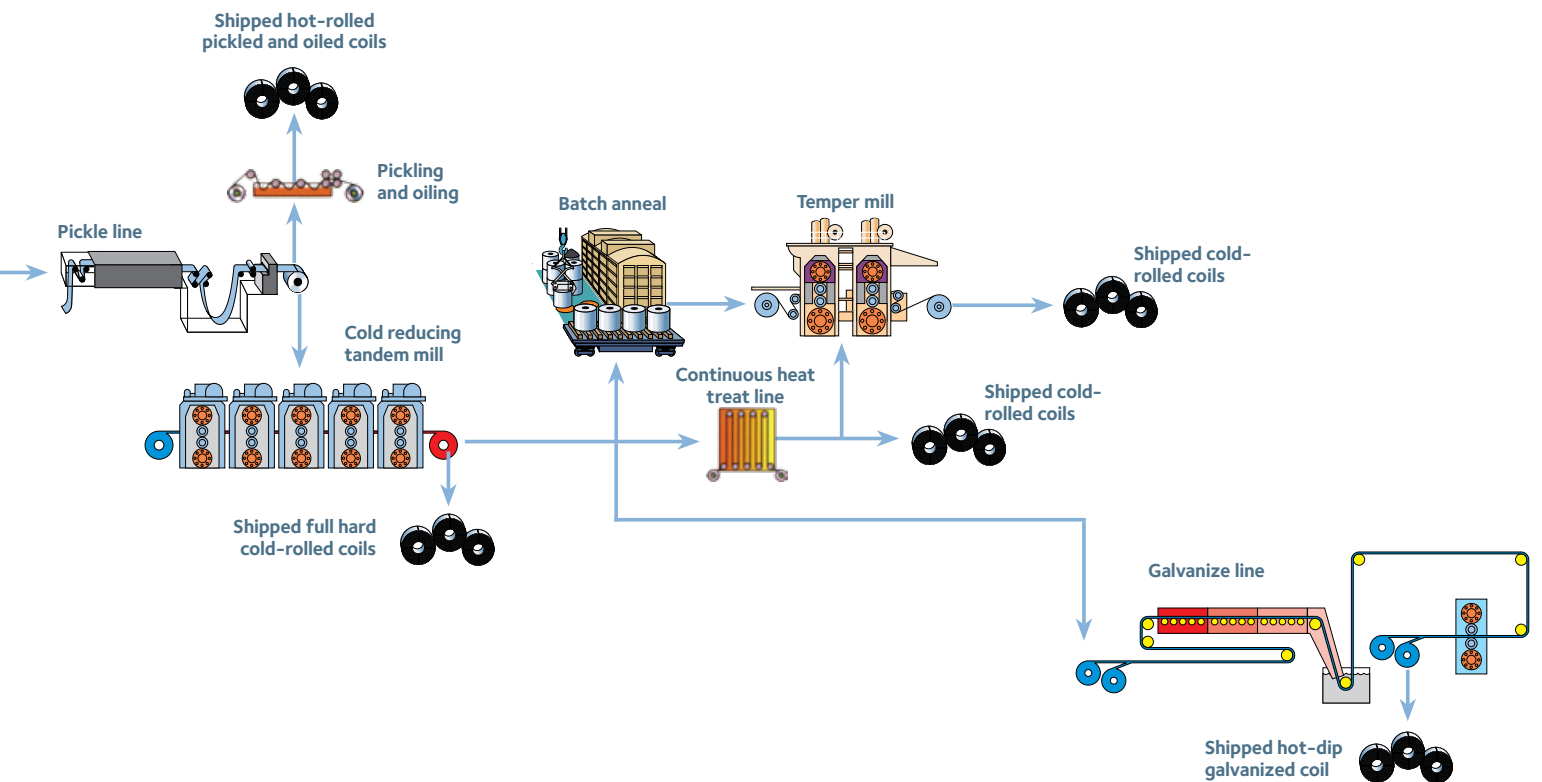
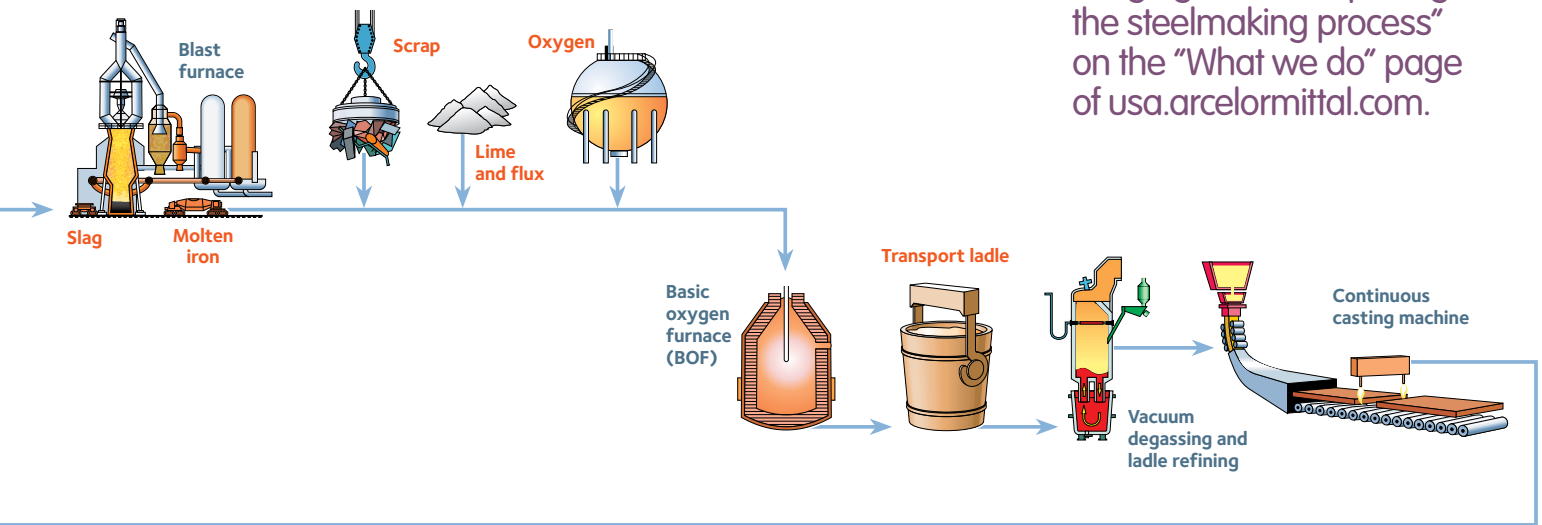
An **integrated steel mill** uses blast furnaces to produce hot metal typically from iron ore, limestone and coke. Coke is a refined carbon product produced by firing coal in large coke ovens. Hot metal is then converted through the basic oxygen process into liquid steel where it can be metallurgically refined. For flat-rolled steel products, liquid steel is either teemed into ingots for later processing or cast into slabs in a continuous caster machine. The slabs are further shaped or rolled at a plate mill or hot strip mill. In the production of sheet products, the hot strip mill process may be followed by various finishing processes, including pickling, cold-rolling, annealing, tempering or coating processes, such as galvanizing (zinc coating). These various processes are often distinct steps undertaken at different times rather than during a continuous process and may take place in separate facilities. Steel produced by integrated mills tends to be cleaner or purer than steel produced by electric arc furnaces since less scrap is used in the production process and scrap contains non-ferrous tramp elements. These purer products are more often required for value-added applications.

A **mini-mill** uses an electric arc furnace to melt steel scrap or scrap substitutes. This process is often used to produce a variety of long products. For flat-rolled products, liquid steel from the electric arc furnace is cast into slabs in a continuous casting process. The slabs are then rolled into finished product. Mini-mills are designed to accommodate shorter production runs with relatively fast product change-over time. Mini-mills generally produce a narrower range of steel products than integrated producers and their products tend to be more of a commodity; however, mini-mills have historically enjoyed certain competitive advantages as compared to integrated mills, including lower required capital investment and lower labor costs per ton shipped.

Follow the integrated steelmaking process from raw materials through finished product.



To learn more about our steelmaking process, watch "Forging ahead: Exploring the steelmaking process" on the "What we do" page of usa.arcelormittal.com.



IV. Overview of ArcelorMittal USA (continued)



Hot-rolled coil



Cold-rolled coil



Coated product

Steel products

ArcelorMittal USA's principal products include a broad range of flat, long and tubular products to serve the automotive, construction, pipe and tube, appliance, container and machinery markets. All of these products are available in standard carbon grades as well as high-strength, low-alloy grades for more demanding applications.

Flat products:

Hot-rolled products

All coiled flat-rolled steel is initially hot-rolled by passing a slab through a multi-stand rolling mill to reduce its thickness to less than 5/8 inch. Hot-rolled steel destined for the sheet market can be either shipped as black band or cleaned in an acid bath and sold as pickled band. These products are used in non-critical surface applications such as automotive frames and wheels, construction products, pipe, off-highway equipment and guardrails.

Cold-rolled products

Cold-rolled sheet is hot-rolled coil that has been further processed through a pickler and then passed through a rolling mill without reheating until the desired gauge, or thickness, and other physical properties have been achieved. Cold-rolling reduces gauge and hardens the steel. Further processing through an annealing furnace and a temper mill improves ductility and formability. Cold-rolling can also impart various surface finishes and textures. Cold-rolled sheet is used in, among other things, steel applications that demand higher surface quality, such as exposed automobile and appliance panels. Cold-rolled sheet prices are usually higher than hot-rolled steel prices. For certain applications, cold-rolled sheet is coated or painted.

Coated products

Either hot-rolled or cold-rolled coil may be coated with zinc, aluminum or a combination thereof to render it corrosion resistant. Hot-dip galvanized, galvanized, Galvalume, electrogalvanized and aluminized products are types of coated steel. These are also among the highest value-added sheet products because they require the greatest degree of processing and usually have the strictest quality requirements. Coated steel products are generally used in applications such as automobiles, household appliances, roofing and siding, heating and air conditioning equipment, air ducts, switch boxes, chimney flues, awnings and grain bins.

Plate

Plate is steel that is generally more than 3/16 inch thick. It can be made on either a coiled plate mill, up to one-inch thick, or a discrete plate mill. The coiled plate, or discrete plate, is then cut into sections for specific end uses. Commodity steel plate is used in a variety of applications, such as storage tanks, ships and railcars, large diameter pipe and machinery parts. More specialized steel plate, such as high-strength, low-alloy, heat-treated or alloy plate, can have superior strength and performance characteristics for particular applications such as the manufacture of construction, mining and logging equipment; pressure vessels and oil and gas transmission lines; and the fabrication of bridges and buildings. Quenched and tempered plate is harder and stronger and can be used in products, such as military armor and hard rock mining equipment.



Plate

Tin

Tin mill sheet steel is used to produce food packaging and other containers. It is available as black plate, tin plate and tin-free steel. Black plate is an uncoated thin gauge cold-rolled steel; tin plate is black plate, electrolytically plated with metallic tin; and tin-free steel is black plate that has been electrolytically plated with metallic chromium and chromium oxides. Both tin plate and tin-free steel undergo a plating process whereby the molecules from the positively charged tin or chromium anode attach to the negatively charged sheet steel. The thickness of the coating is readily controlled through regulation of the voltage and speed of the sheet through the plating area.

Long products:

Bars

Bars are long steel products that are rolled from billets. Merchant bars include rounds, flats, angles, squares and channels that are used by fabricators to manufacture a wide variety of products such as furniture, stair railings and farm equipment.

Rail

Billets and blooms are fed through rollers that form rail. Rail is produced in a number of sections determined by their weight per yard and relative strengths. Rail is sold to railroad companies and regional transit authorities for new track projects and for the repair of existing track.

Wire rod

Billets are fed through rolls that form wire rod. Wire rod is produced in a variety of grades and dimensions for further processing into wire products or fabricated to make fasteners.

Reinforcing bar (Rebar)

Billets are fed through rolls to form rebar. Rebar is used in construction with concrete and masonry structures.

Tubular products:

Specialty steel tubing

Apart from welded and seamless steel tubes, available in a wide spectrum of carbon and alloy grades, tubular product solutions can also be tailored to meet the specific needs of customers through an extensive range of services, including cutting, end finishing, heat treating and steel slitting. There are also drawn-over-mandrel (DOM) and cold drawing capabilities available for the most demanding applications. Tubular products serve a variety of markets including automotive, industrial and construction equipment, hydraulic cylinders, agricultural equipment and mineral mining equipment.



Rail



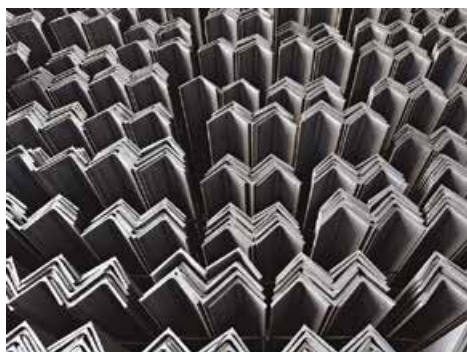
Wire rod



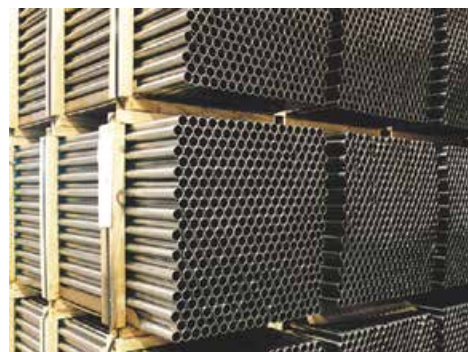
Rebar



Tin



Bars



Tubular

IV. Overview of ArcelorMittal USA (continued)



Michael G. Rippey
President & chief executive officer,
ArcelorMittal USA

USA leadership

Flat Carbon USA

Michael G. Rippey

President & chief executive officer,
ArcelorMittal USA

Michael G. Rippey serves as president and chief executive officer of ArcelorMittal USA's flat carbon operations, comprised of 15 facilities in nine states and includes mines, integrated steelmaking facilities and finishing mills capable of producing light flat-rolled and plate products. ArcelorMittal USA flat carbon operations employ more than 16,000 people and serve as a vital component of the company's global footprint.

When the company merged to create ArcelorMittal in 2007, Rippey provided critical leadership in the integration of USA facilities that included flat and plate steel operations.

Prior to August 2006, he held roles as executive vice president, sales and marketing with direct responsibility for light, flat-rolled and plate products and also as executive vice president, commercial, and chief financial officer, at Ispat Inland, a predecessor company.

A valued member of the senior leadership team since 1998, Rippey began his career with Inland Steel in 1984. He holds a bachelor's degree in marketing from Indiana University, a master's in banking and finance from Loyola University, Chicago, and a MBA from the University of Chicago.

Flat Carbon USA

William Ball*	Director, engineering
Al Barsophy	Senior director, operations
John Battisti	Chief operating officer, plate
John Brett	Executive vice president, finance, planning & procurement
Wendell Carter	Vice president & general manager, Indiana Harbor
Mary Lynn Gargas-South	Director, human resources
Andy Harshaw	Executive vice president, operations
Eric Hauge	Vice president & general manager, Cleveland
Brian Knaley	Controller
Paul Liebenson*	General counsel
Greg Ludkovsky*	Vice president, global research & development
Om Mandhana	Vice president, procurement
John Mengel	Vice president & general manager, Burns Harbor
Marcia Miller*	Vice president, government relations
Dan Mull	Executive vice president, sales & marketing
Keith Nagel*	Director, environmental & real estate
Patrick Parker*	Vice president, labor relations
Cordell Petz (retired April 2014; role assumed by Stephen Thompson in April 2014)	Director, corporate safety & health
Bill Steers*	General manager, communications & corporate responsibility
Jerry Yothment	General manager, IT

* These individuals have functional oversight for facilities beyond flat carbon USA sites to include long carbon facilities and/or operations outside the United States.

USA leadership

Long Carbon North America

PS Venkataramanan

Chief executive officer,
Long Carbon North America

PS Venkataramanan (Venkat) serves as chief executive officer of Long Carbon North America, the premier long carbon product supplier in North America. Long Carbon North America is a vital component of the company's global footprint, with a network of 11 manufacturing facilities in North America, including six sites in the U.S. that employ more than 2,000.

In this role, Venkat manages the Long Carbon North America leadership team and business functions such as finance, procurement, sales and marketing, and human resources.

Prior to the merger of Arcelor and Mittal in mid-2007, Venkat served as the chief executive officer of ArcelorMittal Mexico and previously held roles of vice president/marketing for Mittal Steel Canada and director of sales/marketing for Mittal Steel Lazaro Cardenas, Mexico.

Venkat holds a Master of Science degree in Geology and a Master of Arts degree in Business Administration from Madras University in India.



PS Venkataramanan

Chief executive officer,
Long Carbon North America

Long Carbon North America (LCNA)

Hugues Dorban	Chief financial officer
Jose Gutierrez	Vice president, operations, USA
Gary Lefko	Chief technology officer
Erica Mishler	Manager, finance, strategy & business coordination
Ranganathan Ravi	Vice president, commercial
Daniel Robert	General manager, human resources & legal
Kevin Torres	Director, recycling & scrap, USA

IV. Overview of ArcelorMittal USA (continued)

Overview of company benefits

Represented employees

The Basic Labor Agreement (BLA), a contract between 15 ArcelorMittal USA facilities and the United Steelworkers, regulates wages, hours, and terms and conditions for employment. The last agreement took effect in September 2012 and will expire on Sept. 1, 2015. As part of the BLA, ArcelorMittal USA and the United Steelworkers agree to provide the following benefits to the represented workforce:

Healthcare benefits

ArcelorMittal USA provides eligible employees and their eligible dependents with a comprehensive package of healthcare coverage, including:

- Hospital/surgical/medical – Employees and dependents are eligible to participate in a comprehensive PPO medical plan.
- Prescription drug – The prescription drug plan, administered by CVS Caremark, provides coverage for prescription drugs purchased at either retail stores or by mail order.
- Dental – The dental plan offered to employees is very comprehensive, including preventative, restorative and orthodontic services.
- Vision – The vision benefit plan provides benefits for eye exams, frames, lenses and contacts.
- Life insurance – The company provides \$50,000 of basic life insurance and \$50,000 of accidental death and dismemberment (AD&D) insurance. Additionally, employees are able to purchase optional term life insurance for themselves and eligible family members at attractive group rates. Optional AD&D is also available. *NOTE: A small group (less than three percent) of represented non-exempt salaried employees have slightly different life and disability coverage.*

Sickness and accident benefits

If an employee becomes totally disabled, the company provides disability benefits equal to 70 percent of pay for a period based upon service offset by certain workers' compensation, railroad retirement benefits and Social Security payments.

Flexible spending account

The flexible spending account, or FSA, helps save money on taxes, while making it easier for employees to budget for expected health care and dependent/elder day care expenses. With FSA, the employee pays for many health care and dependent/elder day care fixed costs with dollars that are not taxed, thereby reducing taxable income.

Vacation and holidays

One, but less than three, year(s) of service equals one week of vacation

Three, but less than eight, years of service equals two weeks of vacation

Eight, but less than 15, years of service equals three weeks of vacation

Fifteen, but less than 24, years of service equals four weeks of vacation

Twenty four or more years of service equals five weeks of vacation

NOTE: A week of vacation consists of seven consecutive days.

The company also provides the following paid holidays:

New Year's Day
Martin Luther King Jr. Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving
Day after Thanksgiving
Christmas Eve
Christmas Day

Bonus opportunities

Employees participate in two bonus plans offered by the company – profit sharing and production incentive. Through profit sharing, employees benefit from a profit sharing pool that consists of 7.5 percent of the company's quarterly profits as defined by EBIT, or earnings before interest and taxes. Through production incentive, employees have an earnings opportunity of 20 percent of base wage for normal production levels with the opportunity to earn more.

401k plan

Employees are eligible to participate in the company's 401k plan.



Pensions

For ArcelorMittal USA employees who are covered under the ArcelorMittal USA defined benefit pension plan, the minimum pension formula multipliers are:

- Up to 30 years of continuous service prior to January 1, 2009: \$65
- Years of continuous service over 30 years prior to January 1, 2009: \$85
- All years of continuous service after January 1, 2009: \$100

For ArcelorMittal USA employees covered by the Steelworkers Pension Trust (SPT), the company contributes \$2.65 per hour into a multi-employer pension fund administered by a Board of Trustees, consisting of an equal number of employer and union representatives. At current SPT calculation rates that would provide approximately \$100 per month, per year of service.

Supplemental Unemployment Benefits (SUB)

Employees with two years of continuous service who are laid off are eligible for a weekly supplemental unemployment benefit equal to 40 times their hourly base wage multiplied by a percentage based on years of service and length of layoff.

Severance allowance

Employees who have accumulated at least three years of continuous service are eligible for severance allowance based on one of two payment options:

Option #1

Employee has been on involuntary layoff for six consecutive months, or in any 12 month period is offered less than 520 hours of straight time work:

- Receives a single lump sum payment equal to one week of pay at the employee's vacation rate of pay for each year of continuous service

Option #2

Employee has been on involuntary layoff due to a permanent closure:

- Receives one week of pay at the employee's vacation rate of pay for each year of continuous service (up to 15 years) or portion thereof plus two weeks of pay at the employee's vacation rate of pay for each year of service over 15 years of continuous service or portion thereof
- Total above may not exceed \$75,000

Interplant Job Opportunities (IJOP)

An employee with more than two years of continuous service, who is continuously on layoff for at least 60 days and not expected to be recalled within 60 days, shall be given priority over new hires and probationary employees for permanent job vacancies at other plants.

Employee discount programs

ArcelorMittal USA employees are provided with discounts by a number of companies including:

Daimler Chrysler
Dell Computers
Ford
General Motors
General Electric
Nissan
Verizon Wireless
Whirlpool

Institute for Career Development

The company invests \$0.15 for each hour worked by represented employees into the USW/ArcelorMittal USA Institute for Career Development, whose purpose is to provide resources and support services for the education, training and personal development of the employees of the company including upgrading their basic skills and education levels.

Employee wellness

ArcelorMittal USA's *Transforming YOU* wellness program provides biometric screenings with incentives, a wellness newsletter, flu vaccination program, tobacco cessation reimbursement program and a Health Week each fall featuring a global walk/run and wellness activities at each plant.

IV. Overview of ArcelorMittal USA (continued)



Salaried employees

Healthcare benefits

ArcelorMittal USA provides eligible employees and their eligible dependents with a comprehensive package of healthcare coverage (no vision), including:

- Hospital/surgical/medical – Employees and dependents are eligible to participate in a comprehensive PPO medical plan.
- Prescription drug – The prescription drug plan, administered by CVS Caremark, provides coverage for prescription drugs purchased at either retail stores or by mail order.
- Dental – The dental plan offered to employees is very comprehensive, including preventative, restorative and orthodontic services.
- Life Insurance – The company provides 1x base salary for basic life insurance and accidental death and dismemberment (AD&D) insurance. Additionally, employees are able to purchase optional term life insurance for themselves and eligible family members at attractive group rates. Optional AD&D is also available.

Sickness and accident benefits

If an employee becomes totally disabled, the company provides disability benefits equal to 100 percent of pay for a period based upon service, dropping to 60 percent of pay, or 70 percent with offsets, for the remainder of the disability period.

Vacation and holidays

Less than one year of service and hired before July 1 equals one week of vacation in calendar year hired, two weeks in following year

Less than one year of service and hired after July 1 equals two weeks of vacation in year following hire

One, but less than five, years of service, equals two weeks of vacation

Five, but less than 10, years of service, equals three weeks of vacation

Ten or more years of service equals four weeks of vacation

NOTE: A week of vacation consists of five days.

The company also provides the following paid holidays:

New Year's Day
Martin Luther King Jr. Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving
Day after Thanksgiving
Christmas Eve
Christmas Day

Bonus opportunities

Salaried employees participate in a competitive bonus program and have multiple opportunities to earn quarterly bonuses when financial and operational performance targets are met. Targets are set annually and align with company priorities, such as operating profits, lost time injury rates and cost improvement measures. Payouts are calculated as a percentage of base salary earnings and vary depending on the sequence level of the position held and operating segment.

401k plan

Employees are eligible to participate in the company's 401k plan, in which the first five percent contributions are company matched. ArcelorMittal will match two dollars for each dollar of the first one percent of contributions and one dollar for each dollar of the remaining four percent of contributions for salaried employees who are not currently accruing a benefit under a U.S. defined-benefit pension plan sponsored by ArcelorMittal or an affiliate. For salaried employees who are currently accruing a benefit under a U.S. defined-benefit plan sponsored by ArcelorMittal or an affiliate, the company will match one dollar for each dollar of the first five percent of contributions, for a total five percent employer match. Employees may

contribute up to 50 percent of their eligible pay on a pre-tax, after-tax, or Roth after-tax basis in a range of investment options in addition to a brokerage account.

Employee discount programs

ArcelorMittal USA employees are provided with discounts by a number of companies including:

Daimler Chrysler
Dell Computers
Ford
General Motors
General Electric
Nissan
Verizon Wireless
Whirlpool

Tuition reimbursement

Company tuition reimbursement is available for approved graduate and undergraduate job-related programs.

Employee wellness

ArcelorMittal USA's *Transforming YOU* wellness program provides biometric screenings with incentives, a wellness newsletter, flu vaccination program, tobacco cessation reimbursement program and a Health Week each fall featuring a global walk/run and wellness activities at each plant.



V. Challenges and opportunities facing ArcelorMittal USA

Similar to the United States steel industry, ArcelorMittal USA has been slowly recovering from the Great Recession of 2008-2009 and our business remains under serious cost pressures, increasingly buffeted by weakness in Europe and other regions, all resulting in growing marketplace volatility. These forces are here to stay, reinforcing the need to be flexible, competitive and profitable throughout the business cycle.

In 2013, the market for steel in the U.S. was relatively flat, with overall demand just slightly down. For 2014, we are cautiously optimistic, with AISI forecasting an improving steel market with an expected four percent increase in demand and shipments.

At the same time, we continue to face the challenge of increasing foreign imports, which is particularly troubling given that U.S. producers were only using 77 percent of production capacity in 2013. The industry's biggest downside risk continues to be the threat that global overcapacity in steel and weaker economies abroad could result in a continuing surge of imports into our market.

Despite the challenges we face, we have demonstrated real progress in enhancing processes and efficiencies across the United States, improving our health and safety performance and investing limited capital into both research and development and our operations to ensure our sustainability in the years to come.

In the United States, our operations employ

more than 20,000 individuals with a direct economic contribution of \$1.98 billion in 2013 through wages and benefits. Additionally, ArcelorMittal USA provides significant financial and volunteer support to local and national organizations working in three key areas: environment, education, and health and safety. In 2013, ArcelorMittal provided \$5.7 million in cash grants to nonprofit organizations working to improve the communities in which we operate.

As the United States economy slowly rebounds, it is imperative that we continue to focus on our goal of building a truly sustainable future for ArcelorMittal USA, our dedicated employees and the communities in which we live and work.

Slow and steady market improvements

In the United States, 2013 steel demand was similar to 2012 levels, with future growth supported by improvements in the manufacturing sector – specifically energy, autos and heavy equipment.

Energy pipe and tube is one of the fastest growing segments for U.S. steel consumption, driven by increases in natural gas and oil production in response to the shale gas expansion. Continued investment in renewable energy sources, such as wind and solar is also supporting steel demand.

Steel demand continues to benefit from growth in U.S. auto sales and North American auto production. U.S. auto sales reached 15.5

million units in 2013, the best year since 2007, which recorded 16.1 million units sold. Auto sales will continue to improve, supported by growth in employment and the need to replace aging vehicles as the average vehicle age is more than 11 years old. U.S. auto sales for 2014 are forecasted at around 16.1 million units and NAFTA auto production will near 16.6 million units, the highest level since 2000.

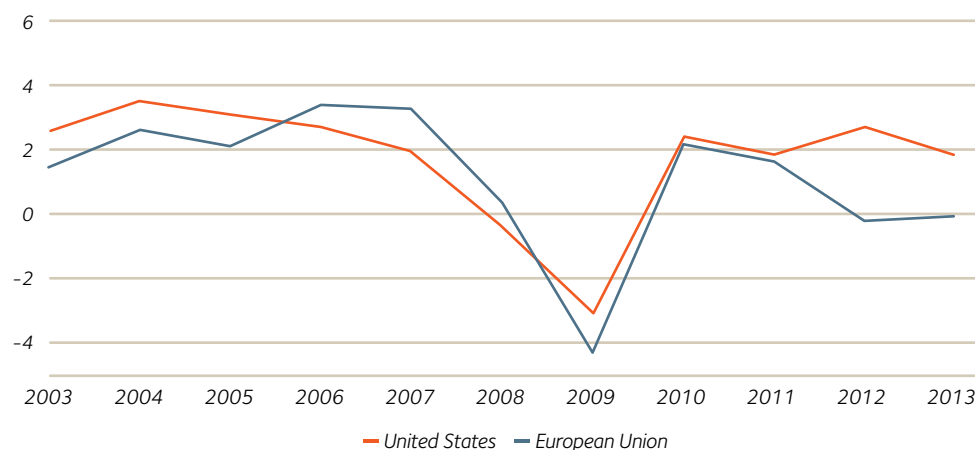
Construction, the largest market for total steel demand, has been the missing piece in the steel market recovery. At the end of 2013, the industry capacity utilization hovered around 77 percent primarily due to weakness in construction. The next few years are expected to see growth in both residential and nonresidential sectors, which will benefit construction and other steel consuming markets such as appliance, construction equipment, and pipe and tube.

Negotiating a more sustainable business

The year 2013 marked the first full year of operation under a new collective bargaining agreement with the United Steelworkers (USW). The new three-year USW Basic Labor Agreement, which took effect Sept. 1, 2012, builds on the main themes captured through *Safe Sustainable Steel*, an initiative to further educate the workforce on industry challenges and the need for increased employee engagement and involvement to improve business operations and performance for customers.

EU vs. US GDP growth chart

Source: The World Bank



The agreement provides opportunities to enhance our competitiveness and continue our progress through a number of mutual commitments:

- Wage moderations in line with manufacturing settlement trends in the United States
- Improved shop floor flexibility and employee engagement through employee training, cross-training and workforce utilization
- Targeted investment commitment in capital and repair and maintenance for ArcelorMittal USA facilities during the next three years
- Modifications to existing shop floor variable compensation programs to link quality, yield and environmental performance to financial incentives
- Implementation of larger wellness program designed to reduce or contain healthcare costs
- Leverage the unique market and competitive needs of ArcelorMittal USA's long carbon facilities

Like any negotiation, the new contract represents compromise for both parties but serves as a platform for achieving a business that is sustainable throughout the cycle.

The biggest areas for improvement remain labor costs and retiree obligations. ArcelorMittal USA's labor costs account for 39 percent of the total conversion cost of steel, or the cost to transform raw materials into finished steel products, minus the cost of raw materials. Despite a challenging economy, the average ArcelorMittal USA represented employee made more than \$72.53 per hour in 2013, which includes wages, benefits and social insurance programs. This figure is more than double the \$34.18 per hour earned by the average manufacturing worker in 2013, according to the Bureau of Labor Statistics.

ArcelorMittal USA's medical costs per active, represented employees are nearly double the national benchmark and increasing at an average annual rate of 7.8 percent per year – all while employment levels continue to decrease.

Additionally, high rates of natural attrition due to the company's aging workforce, competitive forces, government regulations and market realities make retirement obligations part of today's challenge.

Rising energy costs: the cost-price squeeze

Raw material costs – chiefly iron ore and coal – continue to be a major challenge for today's steel industry. The significant increases in Chinese production have increased demand and sent prices up, changing the nature of the relationship between integrated steel mills and their suppliers. High input prices for iron ore and coal create a cost price squeeze between input costs and the prices that customers are ultimately willing to pay for a product. This, combined with the volatility of both pricing and cost, makes business planning difficult and creates artificial short term shortages.

ArcelorMittal USA is a major energy consumer; approximately 16 percent of conversion cost is tied up in energy costs. In response, we are presently using more natural gas in our blast furnaces, in lieu of the higher priced metallurgical coal or coke. For example, switching to natural gas injection at ArcelorMittal USA's blast furnaces saved approximately \$57 million in 2012 compared to 2010.

ArcelorMittal is also pursuing opportunities to exploit ultra-low gas prices to utilize direct reduced iron (DRI), notably in Lazaro Cardenas, Mexico and Contrecoeur, Canada. In the United States, however, scrap continues to dominate as an input as it's a market commodity and generally more cost-effective than DRI.

We are also investing in self-sufficiency of raw materials. Globally, we continue to make progress to increase internal iron ore production from 70.1 million metric tons in 2013 to 95.0 million metric tons in 2015.



V. Challenges and opportunities facing ArcelorMittal USA (continued)

Continued commitment to health and safety

The health and safety of our employees is our number one priority. The single most important initiative at ArcelorMittal is our *Journey to Zero*, a global effort to reduce lost time injuries throughout the company. Management has made a significant effort to roll this program out globally, and throughout all levels of the company.

We are starting to see the benefits globally and in the United States. In 2007, at the time of the merger between Arcelor and Mittal, the global lost time injury (LTI) rate was 3.3. In 2012, we achieved a LTI of 0.8, which is a 74 percent reduction since 2007. Globally, the company is now working toward a LTI target of 0.5 by 2017. In the United States, ArcelorMittal recorded our best LTI rate on record in 2013, an 18 percent improvement over 2012. However, until we reach a place of zero accidents and zero fatalities, work continues to ensure the health and safety of our employees.

Investing in priority areas

At ArcelorMittal, we recognize markets are always moving forward, and we must keep pace with those markets and customer requirements. Therefore, we consistently evaluate our facilities – from mining and primary operations through finishing – and identify where enhancements are needed in order to meet customer demand and compete on a global stage.

Much of the 2013 global capital spend of \$3.5 billion was allocated for maintenance projects, though critical support was earmarked to our franchise businesses, including global automotive and mining, which account for approximately 55 percent of steel shipments and 80 percent of EBITDA. These two areas will continue to be the focus of capital investment in 2014.

In the United States, capital investment increased by nearly 17 percent in 2013, as compared to 2012, however, the focus of spending was placed on maintaining core assets and supporting franchise businesses. At ArcelorMittal Cleveland, the C-5 blast furnace underwent a relining and supporting stove work in 2013. At ArcelorMittal Warren, the coke plant conducted phase one of three to reconstruct the coke furnaces. In support of our automotive business, ArcelorMittal continued upgrades to the hot dip galvanizing line in Cleveland to further position the facility as a global center of excellence for the production of advanced high strength steels, which are critical in achieving future automotive fuel efficiency requirements.

In November 2013, we entered into a 50/50 joint venture partnership with Nippon Steel & Sumitomo Metal Corporation to acquire ThyssenKrupp Steel USA for \$1.55 billion. The renamed AM/NS Calvert is one of the most modern steel finishing facilities in the world, with a capacity of 4.3 million tons of flat product in Calvert, Alabama. With a state-of-the-art hot strip mill, the acquisition provides the opportunity for retaining our leadership in the high value end of the growing North American automotive steel market. It also expands our presence in other important markets, notably energy.

Leader in automotive steel solutions

In 2012, the Obama administration announced new Corporate Average Fuel Economy (CAFE) standards that will require the U.S. vehicle fleet to average 54.5 miles per gallon by 2025. ArcelorMittal's advancements in lightweight, high strength steels will enable today's automakers to address the challenge of providing vehicles that perform well in environmental, safety and crash performance.

ArcelorMittal's commercially available advanced and ultra high strength steels,

coupled with emerging and longer-term breakthrough steels, are at the forefront of the automotive industry. Over the next three to four years, we expect to commercially release a steady stream of important new products for the automotive industry. Three notable products and programs that are commercially available today include:

- MARTINSITE® – With tensile strengths ranging from 900 MPa to 1700 MPa, MARTINSITE® helps today's automakers shed weight from simpler shapes that can be manufactured by roll forming
- Usibor® – When compared to standard high yield strength steel, this aluminum pre-coated hot stamping grade supports weight reduction in more advanced shapes that require higher tensile strength
- S-in motion – Offers weight reduction solutions for 43 key vehicle parts for the front, side and rear body structure plus additional solutions for hang-on doors, chassis and exhaust parts

Building our workforce of the future

The U.S. steel industry is facing a critical workforce challenge: thousands of skilled workers are needed over the next decade to fill vacancies left by retirements. At ArcelorMittal, about 25 percent of our salaried employees and 50 percent of our hourly workforce have 30 years of service or more. Given these statistics – coupled with the fact that our industry has evolved significantly over time – it is crucial to hire, train and retrain skilled workers to continue our mission of providing safe, sustainable steel in the years to come.

ArcelorMittal USA, together with the United Steelworkers, partners with local community colleges to offer *Steelworker for the Future*®, a 2.5 year program that combines classroom learning with hands-on training at an ArcelorMittal facility. Graduates earn an associate degree and the opportunity to

achieve a full-time, sustainable career within ArcelorMittal or the manufacturing sector.

Steelworker for the Future® is available at 10 community colleges in five states across the United States. All partner schools are located within close proximity of our largest operating facilities.
www.steelworkerforthefuture.com

ArcelorMittal USA also partners with 11 accredited, four-year colleges and universities focused on metallurgical sciences and business. Through these targeted partnerships, ArcelorMittal provides support for curricula development and mentoring opportunities to help develop and recruit for professions in engineering, finance, business management and other areas.
www.workforarcelormittal.com

Committed to improved energy efficiency

ArcelorMittal works to identify and implement ongoing, innovative solutions to increase the sustainability of our operations, reduce greenhouse gas emissions, and protect the environment and natural resources, while saving costs. Notably, ArcelorMittal USA was the first – and remains the only – steel company to be named an ENERGY STAR® Partner of the Year, recognizing our continuous growth, energy management accomplishments and commitment to energy efficiency. Since 2006, ArcelorMittal USA has reduced energy costs by more than \$165 million through focused improvements in energy management.

We were also recognized by the U.S. Department of Energy for our leadership in the *Better Buildings, Better Plants* program, which supports the administration's target of increasing energy efficiency in U.S. commercial and industrial buildings.

ArcelorMittal joined the program in August 2013, making a commitment to reduce our energy intensity by 10 percent across our U.S. facilities by 2023.

U.S. government's role in today's steel industry

Government leaders should support a strong manufacturing agenda because manufacturing matters for America: for innovation and technology, economic security and stability, national security and the well-being of the middle class that underpins our economic strength.

The U.S. government has made a number of important policy decisions following the recession which have been supportive of the industry's resurgence, including the implementation of a substantial stimulus package; a difficult, but vital restructuring of the automotive industry; and adding the "Buy American" provision in the economic stimulus package.

There are four key issues that still require action to promote job creation, grow the economy and help the steel industry prosper:

- Infrastructure – A globally competitive economy depends on an effective and efficient transportation infrastructure
- Trade – U.S. manufacturers and their workers can compete with anyone in the world on a level playing field, but they cannot compete against governments
- Energy – The production of steel is inherently energy intensive and the industry would benefit from a comprehensive and market-driven energy policy
- Workforce – In order to compete globally, our advanced industry needs new workers with the skills necessary to take the place of our retiring workforce



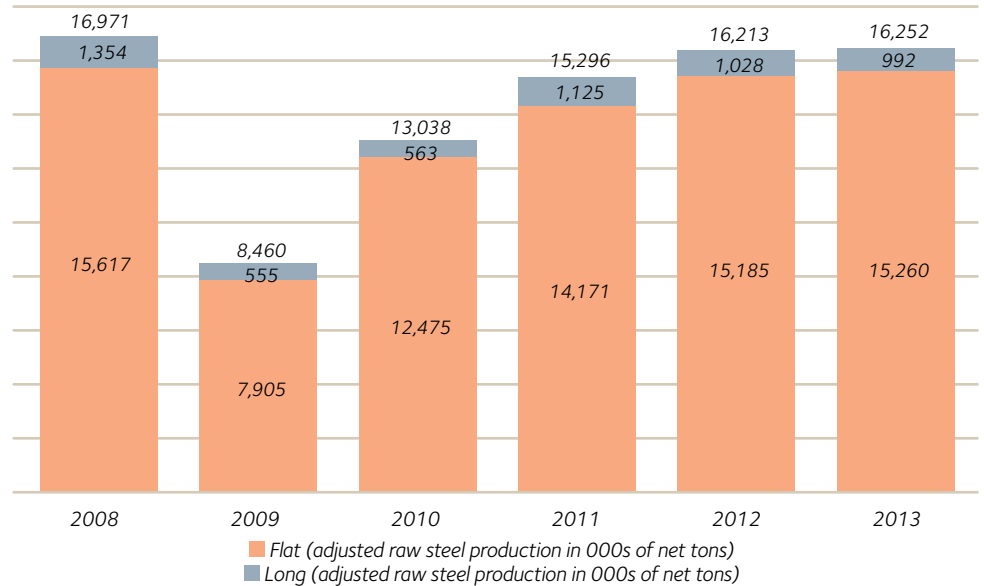
VI. ArcelorMittal USA statistics

Through the assembly of both current and historical data, the following section provides a general snapshot of ArcelorMittal USA operations and cost structure. **Unless otherwise noted, the data in this section represents wholly-owned ArcelorMittal USA LLC facilities, minus Vinton and Piedmont. For a list of ArcelorMittal USA LLC facilities, see pages 14-15. All costs are shown using U.S. GAAP, Generally Accepted Accounting Principles.**

ArcelorMittal USA raw steel production - flat vs. long: 2008-2013

NOTE: 2008 production includes Sparrows Point.

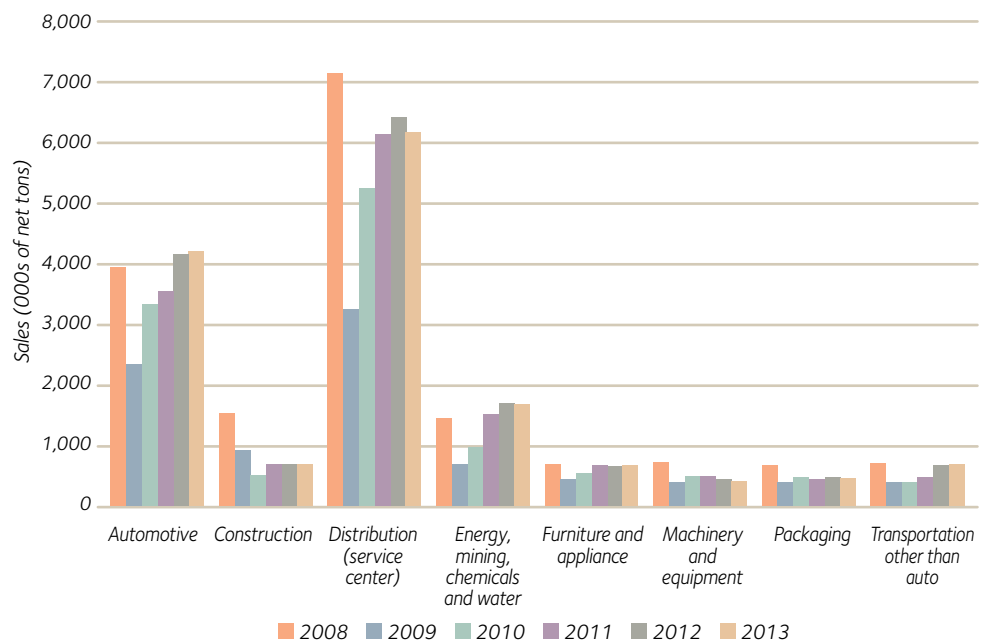
After a decrease in raw steel production of nearly 50 percent from 2008 to 2009, ArcelorMittal USA's raw steel production has experienced a slow and progressive recovery year over year. In 2013, ArcelorMittal USA produced more than 16.2 million tons of raw steel, with nearly 94 percent of production from flat operations, which are primarily integrated facilities.



ArcelorMittal USA sales by market segment: 2008-2013

NOTE: Represents wholly-owned ArcelorMittal USA LLC sites, including Vinton and Piedmont, plus Double G, I/N Tek and I/N Kote, and LaPlace.

The majority of ArcelorMittal USA's steel shipments serve the following three markets: service center/distribution, automotive and energy/mining/chemicals/water.



New technologies are providing additional opportunities.



In the years following the economic downturn, ArcelorMittal USA's capital expenditure rate has remained relatively strong despite challenges facing the industry. Since 2008, ArcelorMittal USA has invested more than \$1.6 billion, an average of \$273 million each year, to improve the overall capabilities of our U.S. facilities and to extend the life of the assets. In 2013, with a limited global budget aimed at repair and maintenance and franchise businesses including automotive and mining, ArcelorMittal USA focused our capex resources on sustainable investments to maintain core assets at priority facilities.

ArcelorMittal USA capital investments: 2008-2013

NOTE: 2008 production includes Sparrows Point.

Flat USA	2008	2009	2010	2011	2012	2013
Raw steel production (000s of net tons)	15,617	7,905	12,475	14,171	15,185	15,260

Long USA	2008	2009	2010	2011	2012	2013
Raw steel production (000s of net tons)	1,354	555	563	1,125	1,028	992

Total USA	2008	2009	2010	2011	2012	2013
Raw steel production (000s of net tons)	16,971	8,460	13,038	15,296	16,213	16,252
Gross capex (US\$ millions)	\$452	\$126	\$273	\$339	\$207	\$242
US\$ invested/net ton of steel produced	\$27	\$15	\$21	\$22	\$13	\$15

Major capital improvement projects – completed or approved:

- Major blast furnace repairs – Burns Harbor D, Cleveland C-5 and Indiana Harbor No. 3 and No. 4
- Stove work – Burns Harbor C and D furnaces and Indiana Harbor No. 7
- Burns Harbor steel shop upgrades
- Burns Harbor plate leveler
- Burns Harbor coke plant – collect main and roof
- Burns Harbor landfill
- Burns Harbor continuous heat treat line upgrades
- Cleveland hot strip mill – automatic hydraulic gauge control
- Cleveland hot dip galvanizing line upgrades
- Coatesville slab caster – restore 12-inch capability
- Indiana Harbor No. 7 flare capture
- Indiana Harbor West coilers
- Indiana Harbor #5 continuous galvanize line – direct ship
- Indiana Harbor bridge
- Indiana Harbor East liquid steel transfer
- Steelton rolling mill reheat furnace
- Monessen coke battery upgrades
- Warren coke battery upgrades
- Weirton tandem mill sleeve charging



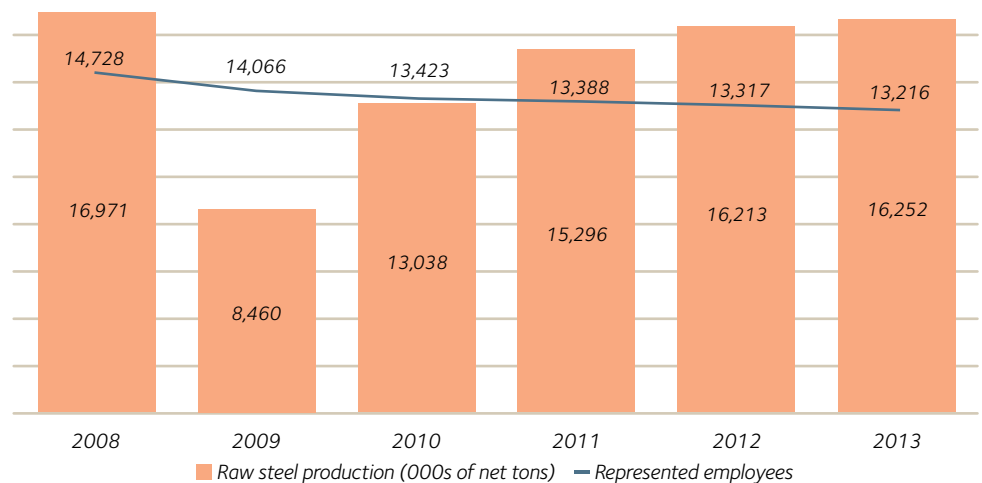
VI. ArcelorMittal USA statistics (continued)

Raw steel production vs. represented employees: 2008-2013

NOTE: Represented employee data includes I/N Tek and I/N Kote.



The chart below traces ArcelorMittal USA's represented employment levels since 2008, as compared to raw steel production. Raw steel production refers to steel in the first solid state after melting, suitable for rolling. While employment levels remained relatively flat, raw steel production varied based on market conditions.

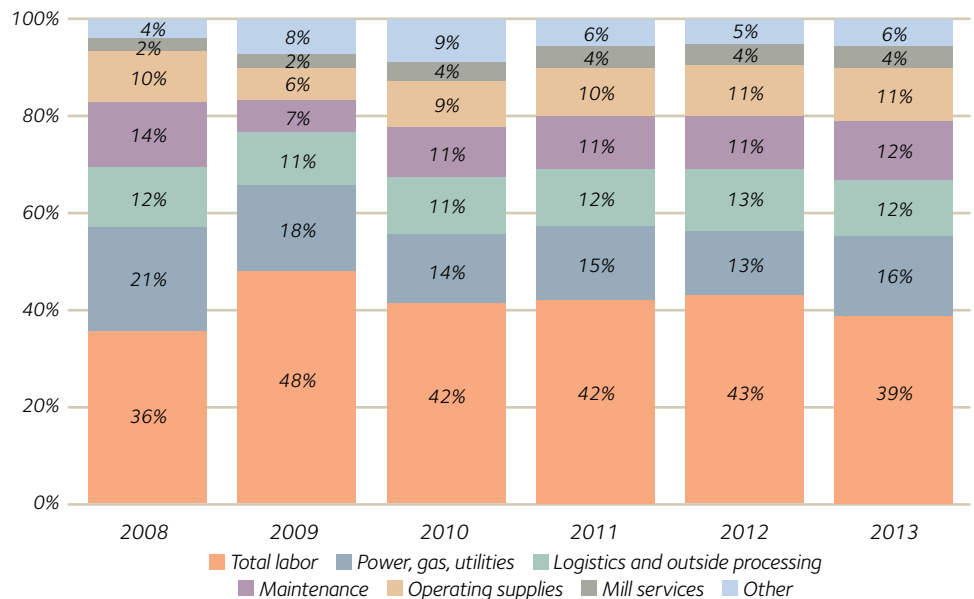


Components of conversion cost: 2008-2013

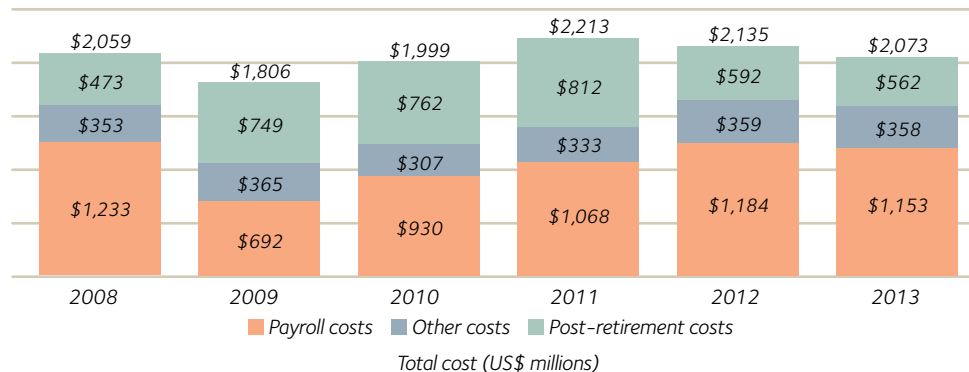
NOTES: "Total labor" equals both represented and non-represented employees.

Costs from non-wholly owned facilities (Double G Coatings, Hibbing, I/N Tek and I/N Kote) are included, but are not materially significant to any one category.

Conversion cost is the cost the company incurs to transform raw materials into finished steel products, minus the cost of raw materials. Repairs and maintenance, labor, energy use and logistics are examples of types of conversion costs. As shown in the chart below, labor accounts for the largest share of the total conversion cost of steel at 39 percent.



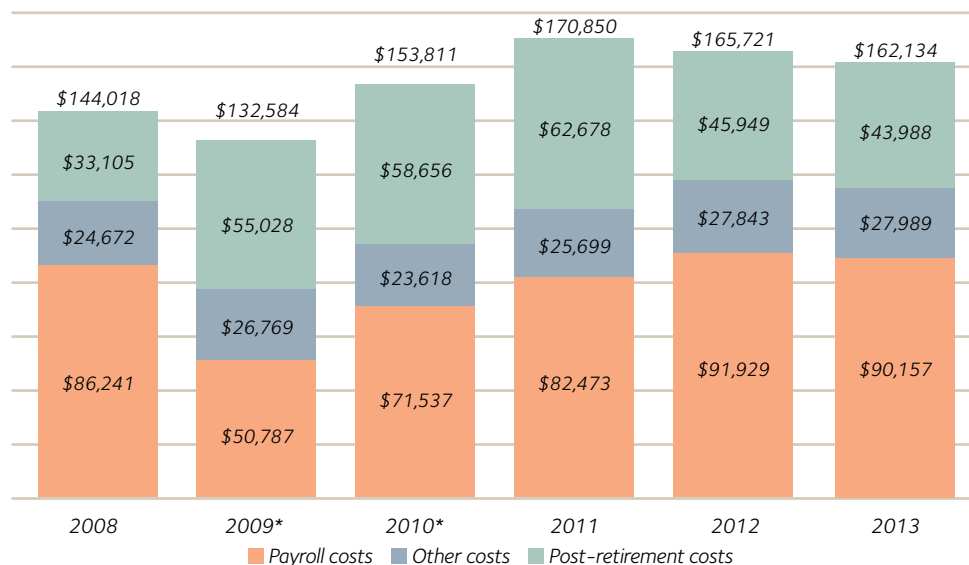
The chart below illustrates ArcelorMittal USA's total cost for our represented workforce from 2008 to 2013, including payroll, benefits and post-retirement costs. In 2013, total costs for represented workforce exceeded \$2.0 billion.



Total labor cost for represented workforce at ArcelorMittal USA: 2008-2013

NOTES: Historical labor costs reflect data for facilities that are now closed (Lackawanna and Hennepin). "Other costs" include payroll taxes, active health care, worker's compensation, sub pay and severance.

The chart below illustrates the average annual earnings of a represented employee at ArcelorMittal USA, highlighting annual pay, benefits and post-retirement. The 2013 average employment cost for a steelworker was approximately \$162,134.



Average annual employee cost per represented employee at ArcelorMittal USA: 2008-2013

NOTES: Historical labor costs reflect data for facilities that are now closed (Lackawanna and Hennepin). "Other costs" include payroll taxes, active health care, worker's compensation, sub pay and severance.

* The years 2009 and 2010 were impacted downwardly by layoffs necessary during the economic downturn. The payroll costs shown are based on the average payroll cost for both working and laid off employees.

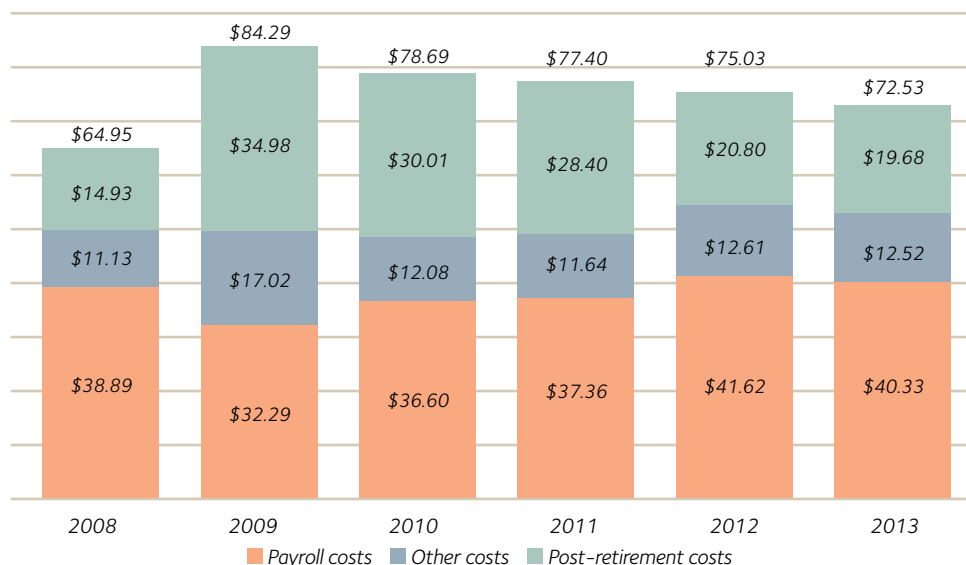
The 2013 average employment cost for a steelworker was approximately \$162,134.

VI. ArcelorMittal USA statistics (continued)

Average labor cost per worked hour to ArcelorMittal USA: 2008-2013

NOTES: Historical labor costs reflect data for facilities that are now closed (Lackawanna and Hennepin). "Other costs" include payroll taxes, active health care, worker's compensation, sub pay and severance.

The chart below illustrates the average cost per worked hour to the company per active represented employee from 2008 to 2013. In 2013, the average cost of a represented employee to ArcelorMittal USA was \$72.53 per hour worked, including payroll, benefits and post-retirement costs. According to 2013 data from the Department of Labor's Bureau of Labor Statistics, the average manufacturing worker earns \$34.18 per hour, including benefits and social insurance programs.



ArcelorMittal USA wage increases vs. benchmarks

Source: U.S. Department of Labor (Manufacturing) and consumer price index for urban wage earners and clerical workers (CPI-W).

NOTES: Lump sums not factored. Period 2003-2008 includes legacy companies ISG and Ispat Inland.

Wage increases at ArcelorMittal USA have been in line with, or run substantially ahead of, manufacturing sector wage increases and cost of living increases over the last decade. From 2009 to 2013, despite the challenges facing the industry and company, ArcelorMittal USA's average wage increase of 2.8 percent exceeds manufacturing increases (2.1 percent) and the consumer price index for urban wage earners and clerical workers, or CPI-W (1.7 percent).

Average wage increases			
Period	ArcelorMittal USA	Manufacturing	Consumer Price Index-W
2003-2008	2.9%	2.8%	3.1%
2009-2013	2.8%	2.1%	1.7%

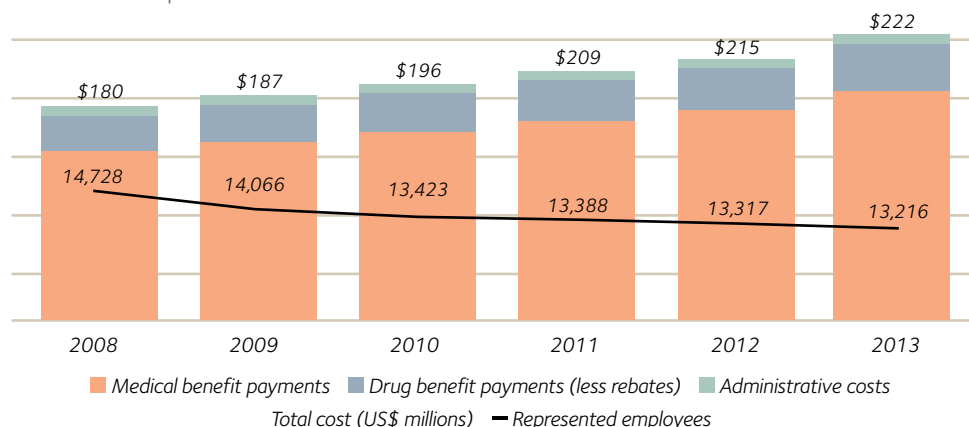


ArcelorMittal USA paid a total of \$222 million in medical costs for active represented employees in 2013. Despite a decline in the number of employees, the cost of medical coverage has increased by approximately 23 percent since 2008, with an average yearly increase of 4.3 percent.

Total medical costs for active, represented ArcelorMittal USA employees: 2008-2013

Source: 2013 Annual Cost Report, Trion

NOTE: Data includes I/N Tek and I/N Kote.



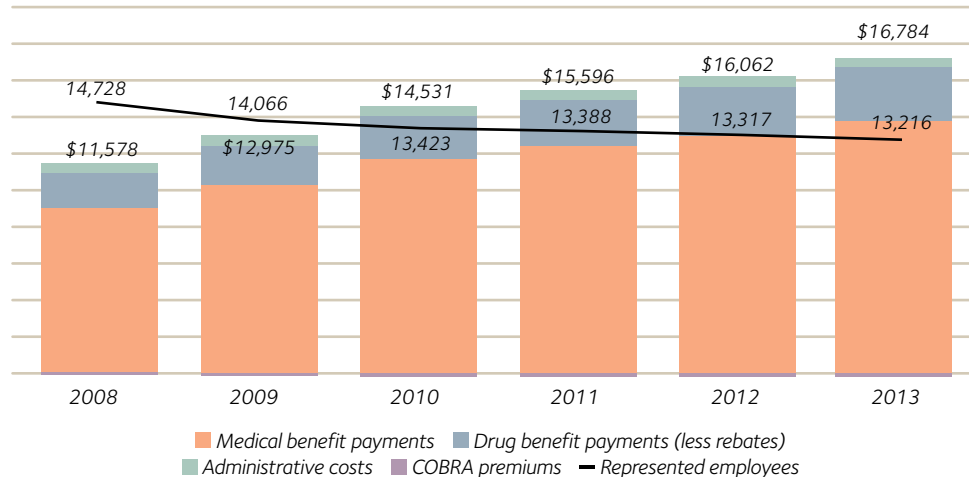
Medical costs per employee increase as our workforce ages.

The per capita cost of medical coverage to ArcelorMittal USA for active represented employees has increased approximately 45 percent since 2008 with an average annual increase of approximately 7.8 percent. Meanwhile, employment has gradually decreased year over year.

Medical costs per capita for ArcelorMittal USA active, represented employees: 2008-2013

Source: 2013 Annual Cost Report, Trion

NOTE: Data includes I/N Tek and I/N Kote.

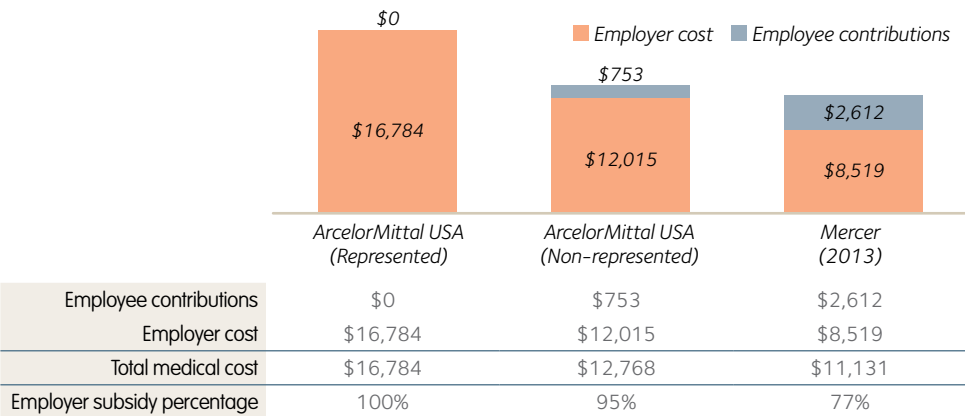


VI. ArcelorMittal USA statistics (continued)

2013 average annual medical costs per ArcelorMittal USA represented employee vs. national benchmark

ArcelorMittal USA’s medical costs per represented employee are nearly double the national benchmark.

ArcelorMittal USA’s medical costs per represented employee are nearly double the costs of our peers in the Mercer 2013 database. Additionally, ArcelorMittal USA’s represented employees do not contribute to the medical benefits package.



ArcelorMittal USA employee benefits vs. national benchmark

Source: Mercer’s National Survey of Employer-Sponsored Health Plans 2013, 10,000+ employees

The next two charts provide a detailed look at ArcelorMittal USA’s medical benefits plan and employee out-of-pocket costs as compared to national benchmarks. Active, represented employees of ArcelorMittal USA enjoy a superior plan as compared to other manufacturers.

In-network benefits	National benchmark (PPO/POS) manufacturing: median		ArcelorMittal USA*	
Annual deductible	\$650/\$1,300		\$0/\$0	
Out of pocket maximum	\$2,500/\$5,000		\$1,000/\$2,000	
Coinsurance	80%		90%	
Emergency room copay	\$125		\$50, waived if admitted	
Non-preventative doctor visits	\$25 copay		\$15 copay	
Specialist doctor visits	61% require higher copay. Average copay is \$50.		\$15 copay	
Prescriptions	Retail	Mail order (90 days)	Retail	Mail order (90 days)
Generic	\$10	\$20	\$10	\$20
Brand formulary	\$35	\$60	\$20	\$40
Brand non-formulary	\$55	\$100	\$30	\$60

* The ArcelorMittal USA data represents the majority of employees, which are part of the ISG Highmark/Caremark plan. Some employees from the former Ispat Inland Company participate in a slightly different, yet comparable benefits package.



Percent of medical costs paid by employee out of pocket (excludes Rx)		
	ArcelorMittal USA (active/retiree)*	Mercer Survey - Manufacturing
2011	4.8%	15.0%
2012	4.6%	15.5%
2013	4.3%	15.8%

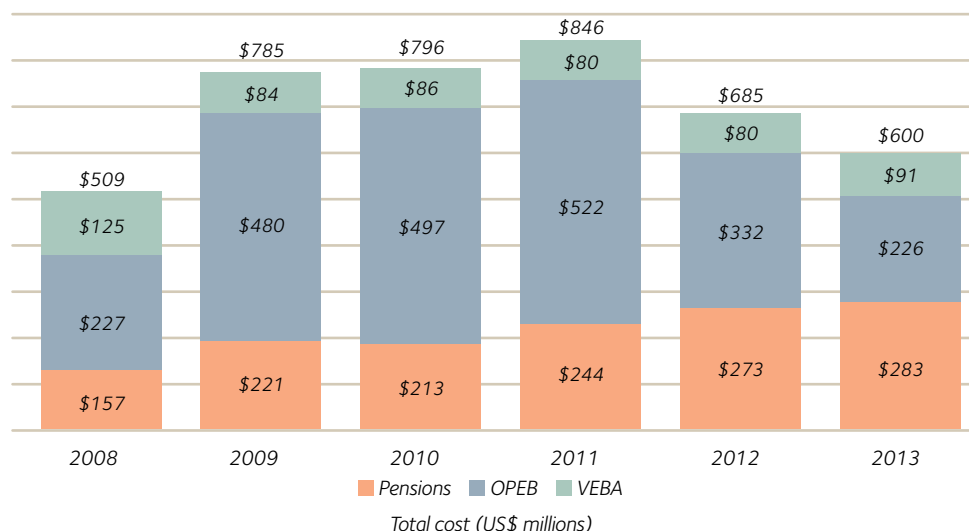
Percent of prescription drug costs paid by employee out of pocket (excludes medical)			
	ArcelorMittal USA (active/retiree)*	Caremark Book of Business	Caremark Book of Business Industry
2011	13.4%	17.7%	14.8%
2012	13.8%	18.3%	16.8%
2013	11.2%	16.3%	19.7%

ArcelorMittal USA employee out of pocket costs vs. benchmark

NOTE: Retiree/COBA contributions are excluded from this analysis.

* The ArcelorMittal USA data represents the majority of our employees which are part of the ISG wage plan. Some employees from the former Ispat Inland Company participate in a slightly different, yet competitive benefits package.

The impact of the 2008 collective bargaining agreement caused expenses, particularly OPEB, to increase in 2009 through 2011. Retirement obligations are large and financially significant and a risk to business sustainability and future profitability.



ArcelorMittal USA post-retirement expenses: 2008-2013

NOTES: Includes both represented and non-represented employees.

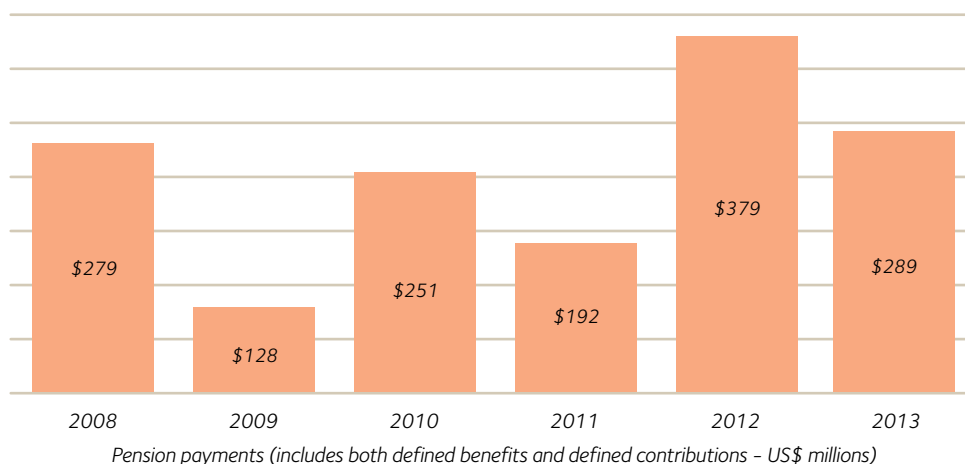
OPEB = other post-employment benefits

VEBA = voluntary employees' beneficiary association

VI. ArcelorMittal USA statistics (continued)

ArcelorMittal USA pension funding payments: 2008-2013

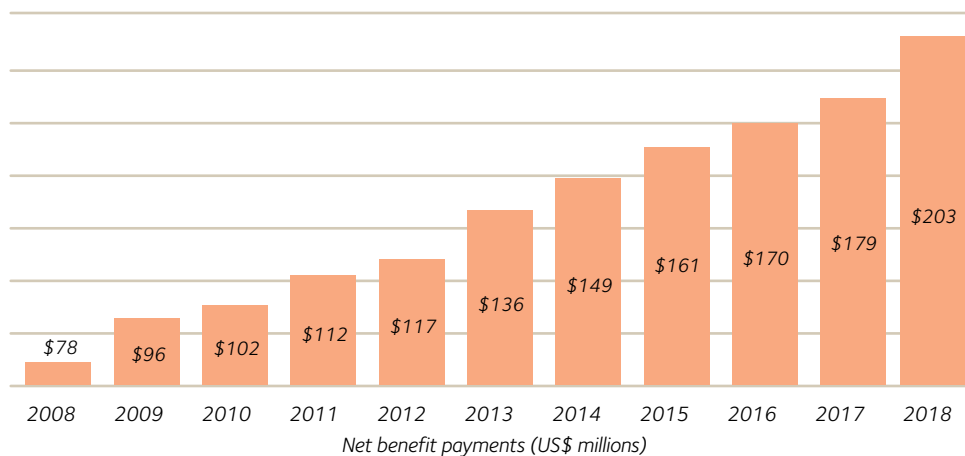
NOTES: Includes both represented and non-represented employees. Data also includes Hibbing, payments to Steelworkers Pension Trust, and employer share of 401k contribution.



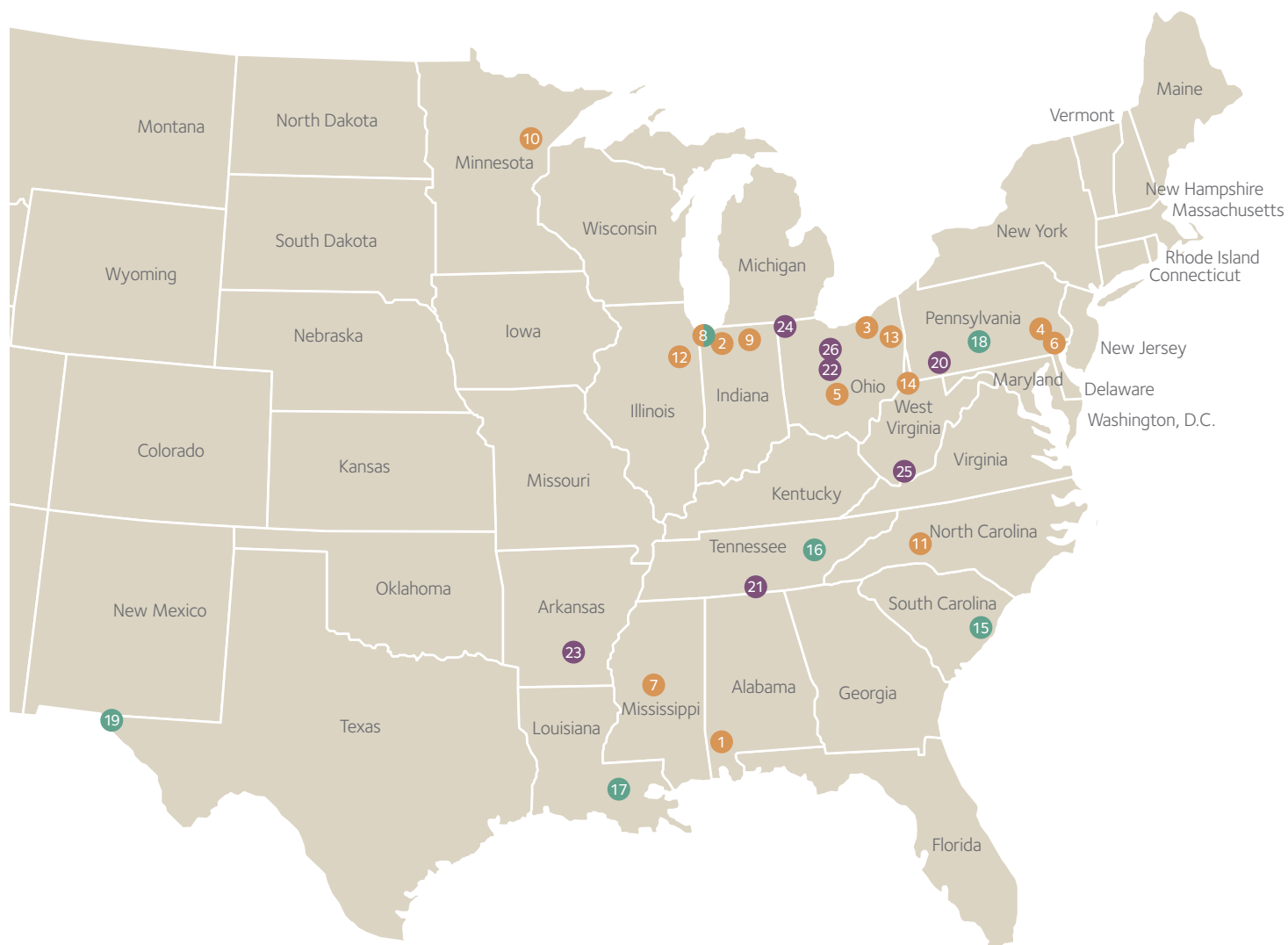
ArcelorMittal USA OPEB/retiree health care benefit payments: 2008-2018

Source: 12/31/13 audited financial statement for ArcelorMittal USA LLC.

NOTES: Excludes VEBA benefits. 2014-2018 are based on actuarial projections.



VII. Map of ArcelorMittal USA locations (by reporting division)



Flat

- 1 AM/NS Calvert*
- 2 Burns Harbor/Burns Harbor Plate
- 3 Cleveland
- 4 Coatesville
- 5 Columbus
- 6 Conshohocken
- 7 Double G Coatings*
- 8 Indiana Harbor
- 9 I/N Tek *
- 9 I/N Kote*
- 10 Minorca (iron ore mine)
- 11 Piedmont
- 12 Riverdale
- 13 Warren (coke battery)
- 14 Weirton

Long

- 15 Georgetown
- 16 Harriman
- 8 Indiana Harbor Bar
- 17 LaPlace
- 18 Steelton
- 19 Vinton

Other

- 20 Monessen (coke battery)
- 21 Murfreesboro (tailored blanks)
- 22 Marion (tubular)
- 23 Pine Bluff (wire drawing)
- 24 Pioneer (tailored blanks)
- 25 Princeton (coal mine)
- 26 Shelby (tubular)

* Joint venture

NOTE: Chart depicts all 28 facilities in the United States. Indiana Harbor and Indiana Harbor Bar are combined and shown as #8; I/N Tek and I/N Kote are shown as #9.



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