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PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Definitions and Terminology

Unless indicated otherwise, or the context otherwise requires, references herein to “ArcelorMittal”, “we”, “us”, “our” and “the Company” or similar terms are to ArcelorMittal, formerly known as Mittal Steel Company N.V. (“Mittal Steel”), having its registered office at 19, avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg, and, where the context requires, its consolidated subsidiaries. ArcelorMittal’s principal subsidiaries, categorized by operating segment and location, are listed below.

All references herein to “Arcelor” refer to Arcelor, a *société anonyme* incorporated under Luxembourg law, which was acquired by Mittal Steel on August 1, 2006.

For the purposes of this annual report, the names of the following ArcelorMittal subsidiaries as abbreviated below will be used where applicable.

Name of Subsidiary	Abbreviation	Country
Flat Carbon Americas		
ArcelorMittal Dofasco Inc.	Dofasco	Canada
ArcelorMittal Lázaro Cárdenas S.A. de C.V.	ArcelorMittal Lázaro Cárdenas	Mexico
ArcelorMittal USA Inc.	ArcelorMittal USA	USA
ArcelorMittal Mines Canada Inc	ArcelorMittal Mines Canada	Canada
Flat Carbon Europe		
ArcelorMittal Atlantique et Lorraine SAS	ArcelorMittal Atlantique et Lorraine	France
ArcelorMittal Belgium N.V.	Arcelor Steel Belgium	Belgium
ArcelorMittal España S.A.	ArcelorMittal España	Spain
ArcelorMittal Flat Carbon Europe SA	AMFCE	Luxembourg
ArcelorMittal Galati S.A.	ArcelorMittal Galati	Romania
Industeel Belgium S.A.	Industeel Belgium	Belgium
Industeel France S.A.	Industeel France	France
Long Carbon Americas and Europe		
Acindar Industria Argentina de Aceros S.A.	Acindar	Argentina
ArcelorMittal Belval & Differdange SA	ArcelorMittal Belval & Differdange	Luxembourg
ArcelorMittal Brasil S.A.	ArcelorMittal Brasil	Brazil
ArcelorMittal Hamburg GmbH	ArcelorMittal Hamburg	Germany
ArcelorMittal Hochfeld GmbH	ArcelorMittal Hochfeld	Germany
ArcelorMittal Las Truchas, S.A. de C.V.	Sicartsa	Mexico
ArcelorMittal Madrid S.L.	ArcelorMittal Madrid	Spain
ArcelorMittal Montreal Inc	ArcelorMittal Montreal	Canada
ArcelorMittal Olaberria S.L.	ArcelorMittal Olaberria	Spain
ArcelorMittal Ostrava a.s.	ArcelorMittal Ostrava	Czech Republic
ArcelorMittal Point Lisas Ltd.	ArcelorMittal Point Lisas	Trinidad and Tobago
ArcelorMittal Poland S.A.	ArcelorMittal Poland	Poland
ArcelorMittal Ruhrort GmbH	ArcelorMittal Ruhrort	Germany
Société Nationale de Sidérurgie S.A.	Sonasid	Morocco

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AACIS

ArcelorMittal South Africa Ltd.
JSC ArcelorMittal Temirtau
OJSC ArcelorMittal Kryviy Rih

ArcelorMittal South Africa
ArcelorMittal Temirtau
ArcelorMittal Kryviy Rih

South Africa
Kazakhstan
Ukraine

Stainless Steel

ArcelorMittal Inox Brasil S.A.
ArcelorMittal Stainless Belgium

Acesita or ArcelorMittal Inox Brasil
AMSB

Brazil
Belgium

Steel Solutions and Services

ArcelorMittal International Luxembourg SA

ArcelorMittal Luxembourg

Luxembourg

In addition, unless we have indicated otherwise, or the context otherwise requires, references in this annual report to:

- “production capacity” are to the annual production capacity of plant and equipment based on existing technical parameters as estimated by management;
- “steel products” are to finished and semi-finished steel products and exclude direct reduced iron (DRI), hot metal, coke, etc.;
- “sales” include shipping and handling fees and costs billed to a customer in a sales transaction;
- “tons”, “net tons” or “ST” are to short tons and are used in measurements involving steel products (a short ton is equal to 907.2 kilograms or 2,000 pounds);
- “tonnes” or “MT” are to metric tonnes and are used in measurements involving steel products, as well as crude steel, iron ore, iron ore pellets, DRI, hot metal, coke, coal, pig iron and scrap (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds);
- “Articles of Association” are to the amended and restated articles of association of ArcelorMittal, dated May 13, 2008;
- “crude steel” are to the first solid steel product upon solidification of liquid steel, including ingots from conventional mills and semis (e.g., slab, billet and blooms) from continuous casters;
- “gigajoules” are to the equivalent of 1,000,000,000 joules (where joules is a measure of energy);
- “megajoules” are to the equivalent of 1,000,000 joules (where joules is a measure of energy);
- measures of distance are stated in kilometers, each of which equals approximately 0.62 miles, or in meters, each of which equals approximately 3.28 feet;
- “DMTU” or “dmtu” stand for dry metric tonne unit;
- “real”, “reais” or “R\$” are to Brazilian reais, the official currency of Brazil;
- “US\$”, “\$”, “dollars”, “USD” or “U.S. dollars” are to United States dollars, the official currency of the United States;
- “AUD\$” or “AUD” are to Australian dollars, the official currency of Australia;
- “C\$” or “CAD” are to Canadian dollars, the official currency of Canada;
- “Rs” are to Indian rupees, the official currency of India;
- “HK\$” are to Hong Kong dollars, the official currency of Hong Kong;
- “CNY” are to Chinese yuan, the official currency of China;
- “downstream” are to finishing operations, for example in the case of flat products, the process after the production of hot rolled coil/plates, and in case of long products, the process after the production of blooms/billets;
- “upstream” are to operations that precede downstream steel-making, such as mining, coke, sinter, DRI, blast furnace, blast oxygen furnace (“BOF”), electric arc furnace (“EAF”), casters & hot rolling/plate mill;
- “euro”, “euros”, “EUR” or “€” are to the currency of the European Union member states participating in the European Monetary Union;
- “number of employees” are to employees on the payroll of the Company;

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- “Significant shareholder” are to Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal, who together own approximately 45.63% of ArcelorMittal’s outstanding voting equity as at December 31, 2008;
- “brownfield project” are to the expansion of an existing operation;
- “greenfield project” are to the development of a new project;
- “coking coal” are to coal that, by virtue of its coking properties, is used in the manufacture of coke, which is used in the steelmaking process;
- “direct reduced iron” (“DRI”) are to metallic iron formed by removing oxygen from iron ore without the formation of, or passage through, a smelting phase. DRI can be used as feedstock for steel production;
- “energy coal” are to coal used as a fuel source in electrical power generation, cement manufacture and various industrial applications. Energy coal may also be referred to as steam or thermal coal;
- “metallurgical coal” are to a broader term than coking coal that includes all coals used in steelmaking, such as coal used for the pulverized coal injection process;
- “hot briquetted iron” (“HBI”) are to densified direct reduced iron where the densification is carried out at a temperature greater than 650 degrees Celsius. The resultant product has density greater than 5g/cm³. HBI can be used as feedstock for steel production;
- “BRICET” are to the countries of Brazil, Russia, India, China, Eastern Europe and Turkey;
- the “Spanish Stock Exchanges” are to the stock exchanges of Madrid, Barcelona, Bilbao and Valencia; and
- “take or pay” are to an obligation on a customer to pay for an agreed minimum quantity of a commodity even if it fails to “take” that agreed minimum quantity.

Financial Information

This annual report contains the audited consolidated financial statements of ArcelorMittal (of which Mittal Steel Company N.V. is the predecessor) and its consolidated subsidiaries, including the consolidated balance sheets as of December 31, 2007 and 2008, and the consolidated statements of income, changes in equity and cash flows for each of the years ended December 31, 2006, 2007 and 2008, which we refer to as the ArcelorMittal Consolidated Financial Statements. The ArcelorMittal Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

ArcelorMittal’s significant acquisitions in 2006, 2007 and 2008 have been accounted for using the purchase method of accounting, with ArcelorMittal as the acquiring entity in accordance with IFRS 3, “Business Combinations”.

Our results of operations and financial conditions as of and for the years ended December 31, 2006 and 2007, and the comparability between them, have been significantly affected by our August 2006 acquisition of Arcelor. For purposes of comparing our 2006 and 2007 results, we have prepared unaudited pro forma financial information for the year ended December 31, 2006 that presents our results of operations as if the acquisition had taken place on January 1, 2006, as described under “Item 5—Operating and Financial Review and Prospects”.

The financial information and certain other information presented in a number of tables in this annual report have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this annual report reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market Information

This annual report includes industry data and projections about our markets obtained from industry surveys, market research, publicly available information and industry publications. Statements on ArcelorMittal’s competitive position contained in this annual report are based primarily on public sources including, but not limited to, publications of the International Iron and Steel Institute. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. We have not independently verified this data or determined the reasonableness of such assumptions. In addition, in many cases we have made statements in this annual report regarding our industry and our position in the industry based on internal surveys, industry forecasts and market research, as well as our own experience. While these statements are believed to be reliable, they have not been independently verified, and we do not make any representation or warranty as to the accuracy or completeness of such information set forth in this annual report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report and the documents incorporated by reference in this annual report contain forward-looking statements based on estimates and assumptions. This annual report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, among other things, statements concerning the business, future financial condition, results of operations and prospects of ArcelorMittal, including its subsidiaries. These statements usually contain the words “believes”, “plans”, “expects”, “anticipates”, “intends”, “estimates” or other similar expressions. For each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realized or, even if realized, that they will have the expected effects on the business, financial condition, results of operations or prospects of ArcelorMittal.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this annual report or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. In addition to other factors and matters contained or incorporated by reference in this annual report, it is believed that the following factors, among others, could cause actual results to differ materially from those discussed in the forward-looking statements:

- the downturn in the global economy and any protracted global recession or a depression;
- the risk of a protracted fall in steel prices or of price volatility;
- the risk that excessive capacity may hamper the steel industry’s recovery and prolong the downward cycle;
- any volatility or increases in the cost, or shortages in the supply, of raw materials, energy and transportation;
- the risk that unfair practices in steel trade could negatively affect steel prices and reduce ArcelorMittal’s profitability;
- the risk that national trade restrictions could reduce or eliminate ArcelorMittal’s access to steel markets;
- the risk that developments in the competitive environment in the steel industry could have an adverse effect on ArcelorMittal’s competitive position;
- increased competition from other materials, which could significantly reduce market prices and demand for steel products;
- legislative or regulatory changes, including those relating to protection of the environment and health and safety;
- the risk that ArcelorMittal’s high level of indebtedness and the adverse conditions prevailing in global credit markets could make it substantially more difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business;
- ArcelorMittal’s ability to manage its growth;
- Mr. Lakshmi N. Mittal’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 needs or for planned dividends or share buy-backs;
- the risk that changes in assumptions underlying the carrying value of certain assets, including as a result of deteriorating market conditions, could result in impairment of tangible and intangible assets, including goodwill;
- the risk that significant capital expenditure and other commitments ArcelorMittal has made in connection with past acquisitions may limit its operational flexibility and add to its financing requirements;
- risks relating to ArcelorMittal’s mining operations;
- the risk that non-fulfillment or breach of transitional arrangements may result in the recovery of aid granted to some of ArcelorMittal’s subsidiaries;
- ArcelorMittal’s ability to fund under-funded pension liabilities;
- the risk of labor disputes;
- economic policy risks and uncertainties in the countries in which it operates or proposes to operate;
- the risk of disruption or volatility in the economic, political or social environment in the countries in which ArcelorMittal conducts business;
- fluctuations in currency exchange rates, commodity prices, energy prices and interest rates;
- the risk of disruptions to ArcelorMittal’s operations;
- damage to ArcelorMittal’s production facilities due to natural disasters;
- the risk that ArcelorMittal’s insurance policies may provide limited coverage;

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- the risk of product liability claims adversely affecting ArcelorMittal's operations;
- the risk of potential liabilities from investigations and litigation regarding antitrust matters;
- 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 U.S. investors may have difficulty enforcing civil liabilities against ArcelorMittal and its directors and senior management.

These factors are discussed in more detail in this annual report, including under "Item 3D—Key Information—Risk Factors".