Federal Reserve Bank of Chicago
Economic Outlook Symposium
Steel Market Outlook

Robert DiCianni
ArcelorMittal USA Marketing
December 6, 2013
Agenda

• ArcelorMittal Overview

• Key Economic Indicators

• USA Steel Market Outlook and Consumption Trends

• Global Market Overview

• Risks and Summary

• Questions
ArcelorMittal at a glance
The world’s leading steel and mining company

• ArcelorMittal is the world's number one steel and mining company, with around 246,000 employees in more than 60 countries. ArcelorMittal is the leader in all major global steel markets, including automotive, construction, household appliances and packaging, with leading R&D and technology, as well as sizeable captive supplies of raw materials and outstanding distribution networks.

• An industrial presence in 20 countries exposes the company to all major markets, from emerging to mature.

• ArcelorMittal values geographical breadth, product diversity and raw materials security. Approximately 39% of our steel is produced in the Americas, 44% in Europe and 17% in other countries such as Kazakhstan, South Africa and Ukraine.

Underpinning all our operations is a philosophy to produce safe, sustainable steel
Top Steel-Producing Companies (2012)
(In Millions of Metric Tons Crude Steel Output)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Headquarters</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ArcelorMittal</td>
<td>Luxembourg</td>
<td>93.6</td>
</tr>
<tr>
<td>2</td>
<td>Nippon Sumitomo</td>
<td>Japan</td>
<td>47.9</td>
</tr>
<tr>
<td>3</td>
<td>Hebei</td>
<td>China</td>
<td>42.8</td>
</tr>
<tr>
<td>4</td>
<td>Baosteel</td>
<td>China</td>
<td>42.7</td>
</tr>
<tr>
<td>5</td>
<td>POSCO</td>
<td>S. Korea</td>
<td>39.9</td>
</tr>
<tr>
<td>6</td>
<td>Wuhan</td>
<td>China</td>
<td>36.4</td>
</tr>
<tr>
<td>7</td>
<td>Shagang</td>
<td>China</td>
<td>32.3</td>
</tr>
<tr>
<td>8</td>
<td>Shougang</td>
<td>China</td>
<td>31.4</td>
</tr>
<tr>
<td>9</td>
<td>JFE</td>
<td>Japan</td>
<td>30.4</td>
</tr>
<tr>
<td>10</td>
<td>Ansteel</td>
<td>China</td>
<td>30.2</td>
</tr>
<tr>
<td>11</td>
<td>Shandong</td>
<td>China</td>
<td>24.0</td>
</tr>
<tr>
<td>12</td>
<td>Tata Steel</td>
<td>India</td>
<td>23.0</td>
</tr>
<tr>
<td>13</td>
<td>US Steel</td>
<td>USA</td>
<td>21.4</td>
</tr>
<tr>
<td>14</td>
<td>Nucor</td>
<td>USA</td>
<td>20.1</td>
</tr>
<tr>
<td>15</td>
<td>Gerdau</td>
<td>Brazil</td>
<td>19.8</td>
</tr>
</tbody>
</table>

Total Top 15: 535.9

% of Total Production (1,547 M): 35%

*Nippon Steel and Sumitomo Metals Industries (NSSMC) merged in October 2012

Source: World Steel Association
ArcelorMittal is the World’s Leading Steel and Mining Company

Largest iron ore producers

- 4th largest iron ore producer; iron ore reserves of 4.3 billion metric tons
- 8.2 million tons of metallurgical coal produced in 2012; reserves of 323 million metric tons

Source: ArcelorMittal presentations and website, 10K report 2012
ArcelorMittal global R&D expertise

- 1,300 full time researchers
- 2012 spending of $285 million
- Broad, comprehensive portfolio and programmes addressing business needs
- Worldwide network of laboratories (currently 11 labs in Europe and North America)
- Budget spending by focus area:

  - Auto: 55%
  - General Industry: 12%
  - Construction: 14%
  - Plates & Specialties: 14%
  - Others: 5%

* Packaging, appliance, metal processing, electrical steels

R&D effort fully aligned with group strategy
**ArcelorMittal 2010 - 2012 key figures**
Q4 and full year 2012 results

<table>
<thead>
<tr>
<th></th>
<th>2010 *</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (US$ billion)</td>
<td>78.0</td>
<td>94.0</td>
<td>84.2</td>
</tr>
<tr>
<td>Ebitda (US$ billion)</td>
<td>8.5</td>
<td>10.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Operating income (US$ billion)</td>
<td>3.6</td>
<td>4.9</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Net income (US$ billion)</td>
<td>2.9</td>
<td>2.3</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Shipments (million tonnes)</td>
<td>85.0</td>
<td>85.8</td>
<td>83.8</td>
</tr>
<tr>
<td>Steel production (million tonnes)</td>
<td>90.6</td>
<td>91.9</td>
<td>88.2</td>
</tr>
<tr>
<td>Own iron ore production (million tonnes)**</td>
<td>48.9</td>
<td>54.1</td>
<td>55.9</td>
</tr>
<tr>
<td>Own coal production (million tonnes)**</td>
<td>7.0</td>
<td>8.3</td>
<td>8.9</td>
</tr>
</tbody>
</table>

**2013 Q3 Results**
Steel shipments = 21.1mt
EBITA = $1.7b
Earnings = ($193m)

**Outlook and guidance:**
> The Company expects 2013 EBITDA to be higher than $6.5b
> Steel shipments are expected to increase by approximately 1-2% in 2013 as compared to 2012

**Leader in the metals and mining sector with 63 blast furnaces and 49 electric arc furnaces**

*Successful spin-off of stainless steel business (Aperam) following shareholders approval on January 25, 2011. Accordingly stainless steel results have been shown as discontinued operations and all periods reported (results and operational KPI’s) have been recast.

**Own iron ore and coal production excluding strategic long-term contracts.
Strong track record of successful integration

[Diagram showing a network of companies including Arbed, Belgo, Bremen, Sidmar, Aceralia, Aristain, UCIN, Velasco, Usinor, Sacilor, Ugine, Cockerill/EkoStahl, Trinidad, Sibalsa, Sidbec, Hamburg, Ruhort, Hochfeld, Inland, Unimetal, Karmet, Alfasid, Sidex, Novahut, PHS, Hunedoara, BH Steel, Iscor, Ispat Intl, LNM, Jones & Laughlin, Youngstown Sheet & Tube, J&L, Republic, Bethlehem, Lukens, Acme, Weirton Steel, Georgetown, National Steel, Korf Group, Hunan Valin, Mittal, Kryvorizhstal, LTV, ISG, Acesita, Sonasid, Dofasco, Arcelor Brazil, Huta Warsawa, and ArcelorMittal.]
The Economy
U.S. economic growth slows from fiscal tightening in 2013 but stronger outlook is seen for 2014.

GDP Growth 2011-2014 : Annual & Quarterly

- Latest deal in Washington puts stress on Q1’14 with federal government only funded through January 15th and debt ceiling only suspended until February 7th.
- Q4 likely downgraded from current forecast of 1.6%.
- While Q1’14 was originally supposed to benefit from Q4’s weakness, this may not happen as Congress will again need to pass a deal.
- The early October forecast called for stronger growth in 2014 as housing is no longer a drag on economy and consumer spending continues to grow. This may be revised.

Sources: BEA, IHS Global Insight Oct 2013
Industrial production growth slows but returns to 2007 levels by end 2014.

Manufacturing recovery is nearing completion and re-shoring trends point to bright future outlook.

Sources: Global Insight, Nov 2013
The October PMI posted 56.4. The index increased for the 5th consecutive month rising 0.2 points from September. The manufacturing economy continues to strengthen in the second half of 2013 as the index has been in positive territory 10 of the past 11 months. New orders and production segments both continued to record readings above 60.

A PMI reading above 50% indicates that the manufacturing economy is generally expanding.
Manufacturing output expected to pick up in 2H 2013 and into 2014, but weak economy will limit growth.

The last 5 months show y/y growth in durable capital orders. In the past 3 months, growth has averaged over 8%.

Sources: Census Bureau/FRED, ISM
Steel Markets
Residential construction downturn much more severe than nonresidential but recovery is underway.

U.S. Housing Starts
2002-2015F

Rising interest rates could slow housing recovery. However, lending standards are beginning to ease which will support the market.

Sources: Census Bureau; IHS Global Insight, Oct 2013
Nonresidential construction market will improve in 2014 as recovery gains some traction.

**U.S. Fixed Investment**
2010-2015 y/y% change

- Blue: Nonresidential: Structures

**AIA Architectural Billings Index**
Jan 2007-Oct 2013

Sources: AIA; IHS Global Insight, Oct 2013
As the economy gradually improves pent-up demand for new vehicles is being released. The average age of vehicles on the road is now over 11 years.

Fleet sales were low from 2009 through 2012, adding to pent-up demand. This demand is also being released in 2013 & will continue in 2014.

Auto credit markets are improving.

As the housing market improves demand for pickup trucks is improving.

While gasoline prices are high, improved fuel economy of new vehicles has become a positive for sales. OEMs offer more high mileage vehicles than in the past.

Although the unemployment rate is not improving significantly the workforce is increasing every month and this adds to demand for new vehicles.

As the market recovers to previous levels the YOY pace of improvement is slowing.

Source: AM USA Marketing
U.S. Auto Inventories

Light Vehicle Inventory - Units

Source: Wards Automotive
In 2013 new emissions requirements went into effect. There was some pull forward due to this and that has softened 2013 demand.

Freight demand and truck supply is currently in balance. This balance is expected to tip toward truckers in the second half of 2013 and into 2014 as economic expansion improves, although only gradually.

Trucker profits are at replacement levels.

Current fleet is old due to deferred capex; trucks have become very expensive.

EPA mandates and rising materials prices have significant impact on new class 8 prices.

Economic uncertainty makes truckers cautious, but inventories have dropped and used truck prices are now high.

The forecast is below the replacement level and is expected to remain that way into 2015.

Economic uncertainty and tighter credit weigh more heavily on medium duty buyers than on class 8 buyers.

Local government budget cuts also restrain medium duty market.

Medium duty tied more closely to housing market and consumer spending. Recovery in housing is helping sales marginally.

Source: ACT Research, October 2013
**Appliance**

**USA Core Appliance Shipments (AHAM6)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>40</td>
</tr>
<tr>
<td>2006</td>
<td>40</td>
</tr>
<tr>
<td>2007</td>
<td>35</td>
</tr>
<tr>
<td>2008</td>
<td>35</td>
</tr>
<tr>
<td>2009</td>
<td>30</td>
</tr>
<tr>
<td>2010</td>
<td>28</td>
</tr>
<tr>
<td>2011</td>
<td>30</td>
</tr>
<tr>
<td>2012</td>
<td>30</td>
</tr>
<tr>
<td>2013</td>
<td>35</td>
</tr>
<tr>
<td>2014</td>
<td>40</td>
</tr>
</tbody>
</table>

*Core appliances (AHAM6 = washers, dryers, refrigerators, ranges, dishwashers, and freezers)*

2013 YTD appliance shipments are up 9.0% compared to the same period of 2012

**Market Drivers**

- Housing starts forecasted to gain 20% in 2013, 29% in 2014, and 24% in 2015
- Existing home sales forecasted up 10% in 2013 (highest level since 2006) and another 8% in 2014
- Replacement and Remodeling have picked up in 2013
- Consumer spending is up in 2013 although income growth has slowed
- Typical appliance life cycles are nearing or have already passed
- Consumer confidence/sentiment at higher levels
- Energy efficiency – sustainability initiative/standards
- New finishes, trends and suites of appliances targeting consumers
  - Gen Y - largest population of new home buyers
  - Aesthetic appeal/innovation

**2012**
- AHAM6 shipments closed out 2012 down 2.1% compared to 2011

**2013-2014**
- 2013 demand forecasted to increase 6.6% Y/Y after last few years of negative growth.
- Expect continued recovery in 2014 of another 7% increase in shipments.

Source: AHAM (thru August 2013), AMUSA forecast, Global Insight – Sept 2013
HVAC and Water Heaters

USA HVAC Shipments (Unitary A/C & Furnaces)

<table>
<thead>
<tr>
<th>Millions of units</th>
<th>Y/Y ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>11%</td>
</tr>
<tr>
<td>2006</td>
<td>-15%</td>
</tr>
<tr>
<td>2007</td>
<td>-11%</td>
</tr>
<tr>
<td>2008</td>
<td>-12%</td>
</tr>
<tr>
<td>2009</td>
<td>-10%</td>
</tr>
<tr>
<td>2010</td>
<td>4%</td>
</tr>
<tr>
<td>2011</td>
<td>1%</td>
</tr>
<tr>
<td>2012</td>
<td>2%</td>
</tr>
<tr>
<td>2013F</td>
<td>7%</td>
</tr>
<tr>
<td>2014F</td>
<td>7%</td>
</tr>
</tbody>
</table>

Y/Y ∆ = Total HVAC Shipments

2012
- HVAC shipments were up 1.5% Y/Y and water heater shipments were flat compared to 2011

2013-2014
- 2013 has built momentum indicated by healthy shipments across the board versus 2012. Expect positive demand in years ahead.

Water Heater Shipments: (Residential + Commercial)

<table>
<thead>
<tr>
<th>Millions of units</th>
<th>Y/Y ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>7.5</td>
</tr>
<tr>
<td>2006</td>
<td>7</td>
</tr>
<tr>
<td>2007</td>
<td>8</td>
</tr>
<tr>
<td>2008</td>
<td>8.5</td>
</tr>
<tr>
<td>2009</td>
<td>9</td>
</tr>
<tr>
<td>2010</td>
<td>9.5</td>
</tr>
<tr>
<td>2011</td>
<td>10</td>
</tr>
<tr>
<td>2012</td>
<td>10.5</td>
</tr>
<tr>
<td>2013F</td>
<td>11</td>
</tr>
<tr>
<td>2014F</td>
<td>12</td>
</tr>
</tbody>
</table>

Market Drivers
- Consumers are replacing old or damaged units
  - Replacement accounts for 75% of sales
- Housing recovery will create continued growth
- Builder confidence/business conditions indices are up
- Weather and seasonality
- Energy efficiency leading new product innovation
- Industry regulation

Shipments

<table>
<thead>
<tr>
<th>Shipments</th>
<th>2013 v. 2012</th>
<th>2013 (f)</th>
<th>2014 (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitary A/C + Heat Pumps</td>
<td>+11%</td>
<td>+6%</td>
<td>+7%</td>
</tr>
<tr>
<td>Furnaces</td>
<td>+22%</td>
<td>+8%</td>
<td>+7%</td>
</tr>
<tr>
<td>HVAC Total</td>
<td>+13%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>Water Heaters</td>
<td>+7%</td>
<td>+6%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

Source: AHRI (thru July 2013), AMUSA forecast
Tin Mill Products

USA Domestic Shipments

Tin Plate + Tin Free

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>2%</td>
<td>-6%</td>
<td>3%</td>
<td>-4%</td>
<td>1%</td>
<td>-12%</td>
<td>-17%</td>
<td>14%</td>
<td>-3%</td>
<td>-1%</td>
<td>-1%</td>
<td></td>
</tr>
</tbody>
</table>

Tin Imports % by Country

Tin Plate + Tin Free

2012
- Domestic tin shipments declined 3% in 2012
- ASC actually rose 2%
- Tin imports in 2012 represented 24% of ASC

2013-2014
- 2013YTD domestic tin shipments are down 3%
- ASC is up 5% due to tin imports – tracking 28% of ASC
- Domestic tin shipments are forecasted to decline 3-4% in 2013 and be flat in 2014.

Source: AISI (thru July 2013), AMUSA Forecast
Construction & Agricultural Equipment

N.A. Construction Equipment Units Built (000’s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>167.7</td>
</tr>
<tr>
<td>2009</td>
<td>89.2</td>
</tr>
<tr>
<td>2010</td>
<td>101.3</td>
</tr>
<tr>
<td>2011</td>
<td>131.4</td>
</tr>
<tr>
<td>2012</td>
<td>148.7</td>
</tr>
<tr>
<td>2013E</td>
<td>154.6</td>
</tr>
<tr>
<td>2014</td>
<td>159.2</td>
</tr>
</tbody>
</table>

USA & Canada Annual Tractor Retail Sales

Sources: Historical - Yengst & Associates; Forecast Goldman Sachs; www.caterpillar.com
Sources: Assoc of Equipment Manufacturers, Deere Fact Book (Historical), Forecast based on AEM growth estimates
Total railcar forecast calls for a 12% increase in 2014 following a 16% drop in 2013.

Year to date U.S. carloads originated totaled 7,217,899 units, down 1.5% from a year ago for the same time period.

Grain and coal car shipments continue to underperform. Petroleum and petroleum products are up 47.9% YTD over 2012.

As of Jul 1, 2013, 33,547 cars in storage (19.8% of fleet).

Sources: RSI ARCI Committee, FTR Associates Rail Equipment Outlook, AAR Weekly Railroad Traffic
Shipments of new tanks cars are expected to decrease 2% in 2014 following 36% growth this year.
Demand for replacements will remain around 12,000 units per year. Growth demand has peaked and will see a slow decline in the next few years.
Tank cars will likely become the largest railcar segment by unit shipments in 2013.
Tank cars account for approximately 85% of industry backlog.
Models built before 2005 cannot be retrofitted with new design standards, so there is less risk of a “bubble” market.

Sources: RSI ARCI Committee, FTR Associates Rail Equipment Outlook
USA Energy Market Steel Demand
(millions of tons)

Demand for OCTG moves with drilling activity while line pipe demand lags by approximately 18 months

Source: History and forecast, Preston Pipe & Tube Report, November 2013
USA Service Center Data: **Carbon Flat Roll**
Shipments & Inventory

Service Center Monthly Shipments and Inventory - October 2013

- **Shipments**
- **Inventory**

End Inventory (,000 tons)

Shipments (,000 tons)
USA Service Center Data: **Carbon Flat Roll**

Months-on-Hand

**Months on Hand – October 2013**

- Jan-07
- Jan-08
- Jan-09
- Jan-10
- Jan-11
- Jan-12
- Jan-13

The image shows a line graph illustrating the months-on-hand for Carbon Flat Roll from January 2007 to January 2013.
Steel demand change 2013

Most major steel consuming markets will continue to recover over the next 18 months. However the pace of recovery for the US economy is still very slow. Therefore, there is no expectation that we will see robust growth any time soon.

<table>
<thead>
<tr>
<th></th>
<th>Steel Inventories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td></td>
</tr>
<tr>
<td>Residential Construction</td>
<td></td>
</tr>
<tr>
<td>Non-residential Construction</td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Electric motors</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td></td>
</tr>
</tbody>
</table>

Source: AMUSA analysis
Steel Consumption Forecast Summary
2013 and 2014 SRO Forecast (net tons)
Source: AISI

<table>
<thead>
<tr>
<th>Finished Steel (Million Net Tons)</th>
<th>2012</th>
<th>2013</th>
<th>∆ YOY</th>
<th>2014</th>
<th>∆ YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Shipments</td>
<td>95.9</td>
<td>96.7</td>
<td>+1%</td>
<td>100.2</td>
<td>+4%</td>
</tr>
<tr>
<td>Finished Imports</td>
<td>25.8</td>
<td>25.4</td>
<td>-2%</td>
<td>25.9</td>
<td>+2%</td>
</tr>
<tr>
<td>Adjustments</td>
<td>2.0</td>
<td>2.2</td>
<td></td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>13.7</td>
<td>13.1</td>
<td>-4%</td>
<td>13.9</td>
<td>+6%</td>
</tr>
<tr>
<td>Apparent Steel Use (ASU)*</td>
<td>106.0</td>
<td>106.8</td>
<td>+1%</td>
<td>110.0</td>
<td>+3%</td>
</tr>
<tr>
<td>Inventory Change</td>
<td>0.2</td>
<td>0.1</td>
<td></td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Real Steel Use (RSU)**</td>
<td>105.8</td>
<td>106.7</td>
<td>+1%</td>
<td>109.5</td>
<td>+3%</td>
</tr>
</tbody>
</table>

This forecast predicts a continuing recovery but, even if these predictions are achieved, 2013 ASU will still be only 86% of the 4-year annual average preceding the 2008-2009 recession. Capacity utilization was 75% in 2012 and is estimated at 78% based on the 2013 SRO forecast. But the rise in utilization rate is in part due to the closure of facilities and the loss of their production capability.

*ASU = Shipments + finished imports – adjustments – exports.

*RSU = ASU – net increase in end-user and merchant inventories.
Steel Consumption Trends
Weekly US Raw Steel Production Capacity Utilization

Source: American Iron & Steel Institute
U.S. raw steel production started lower than 2012 but will surpass it in the 2nd half.

**US Weekly Raw Steel Production Capacity Utilization, 2011-2013**

(note: lower total capacity in 2013)

Flat Product Utilization Higher than Longs

Source: AISI
U.S. Domestic Shipments by Product
Year 2000-2012

Table:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2012</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat</td>
<td>67.9</td>
<td>64.4</td>
<td>-5%</td>
</tr>
<tr>
<td>Long</td>
<td>31.0</td>
<td>25.7</td>
<td>-17%</td>
</tr>
<tr>
<td>P &amp; T</td>
<td>5.1</td>
<td>4.8</td>
<td>-6%</td>
</tr>
<tr>
<td>Total Finished</td>
<td>104.0</td>
<td>94.9</td>
<td>-9%</td>
</tr>
</tbody>
</table>

Source: AISI
Imports surged in the first half of 2012 and have remained high.

Source: AISI, U.S. Department of Commerce
Imports: By Region (2010-2012)
(Carbon Flat Rolled)

- **2010**
  - Americas: 43%
  - China & Asian Zone: 29%
  - EU: 15%
  - CIS: 2%
  - ROW: 11%
  - Total: 5.7M tons

- **2011**
  - Americas: 38%
  - China & Asian Zone: 34%
  - EU: 12%
  - CIS: 4%
  - ROW: 12%
  - Total: 6.6 M tons

- **2012**
  - Americas: 37%
  - China & Asian Zone: 41%
  - EU: 14%
  - CIS: 2%
  - ROW: 6%
  - Total: 7.7 M tons

Source: AISI
U.S. Steel Industry lost production due to Imports (millions of tons)
Global Steel Markets and Raw Materials
Europe

- Growth is uneven but has turned positive.
- Retail sales have returned to pre-recession levels in Northern Europe.
- The PMI has turned positive.
- Construction has stabilized, non-residential construction has stopped declining.
- Industrial growth is showing real gains, although small.
- Steel inventory de-stocking in Germany has been completed.
China

- Auto is strong
- Housing has rebounded but we expect housing to slow in 2014.
- IP growth rebounded to 10.1% in Q3’13, best quarter since Q1’12.
- China moves slowly away from investment-led growth towards consumption-driven model, leading to slower GDP growth next year.
- GDP growth 7.7% in 2013; 7.3% in 2014.
- Hebei province demolished 10 blast furnaces, 6.8m tons of capacity, in November.
Global GDP growth accelerates to 3.3% in 2014. Manufacturing expected to see stronger 2014.

- Global growth improves with better outlooks in developed countries. Eurozone economy looks to expand in 2014 following 2 years of contraction.
- China accepting of slower economic growth.
- PMI suggest slow manufacturing growth globally. Eurozone PMI finally enters expansion territory.
- Global industrial production forecast to grow by 1.9% in 2013 before improving to 4.2% in 2014.

Purchasing Managers’ Index

(Index, over 50 indicates expansion)

Source: IHS Global Insight  Global Service, Sep 2013
Global steel consumption is forecasted to gain 3% in 2013 and another 3% in 2014 topping 1,500 million MT. Global ASC growth continues to set yearly record levels.

Source: WSA Short Range Outlook, October 2013
Steelmaking Raw Material Input Costs
2009-2013 Averages and Oct 2013

All charts in $ per metric ton except for Scrap

#1 Busheling Chicago Scrap AMM ($/gross ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 Avg</th>
<th>Oct'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$263</td>
<td>$428</td>
<td>$495</td>
<td>$416</td>
<td>$398</td>
<td>$400</td>
</tr>
</tbody>
</table>

Platts IODEX 62%CFR China

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 Avg</th>
<th>Oct'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$80</td>
<td>$147</td>
<td>$169</td>
<td>$130</td>
<td>$135</td>
<td>$132</td>
</tr>
</tbody>
</table>

Metallurgical Coke SBB/Platts

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 Avg</th>
<th>Oct'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$408</td>
<td>$456</td>
<td>$473</td>
<td>$444</td>
<td>$258</td>
<td>$251</td>
</tr>
</tbody>
</table>

Australian Hard Coking Coal CRU/SBB

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 Avg</th>
<th>Oct'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$145</td>
<td>$219</td>
<td>$294</td>
<td>$191</td>
<td>$149</td>
<td>$146</td>
</tr>
</tbody>
</table>

* 2009-Jun2012 average = SBB, Jul2012 average-current = Platts
Risks

• Government Regulation
  – Healthcare
  – Energy
  – CAFÉ

• Fiscal Showdowns

• Pace of improvement in Europe and China
Summary

• Uncertainty continues to drag on economy as short-term budget fix only diverts the next crisis until January 15 when the federal government funding ends and February 7th when the debt ceiling suspension ends.

• Assuming no major economic shock, the US economy continues to grow at a very slow pace but construction recovery and improving labor market favors stronger growth in 2014.

• While the pace of growth has slowed, U.S. manufacturing nears pre-crisis levels and future outlook improves with continued investment.

• North American automotive market continues to do well with US auto sales nearing 16M units in 2014, the highest since 2007.

• Improving construction market will also boost growth in various flat roll markets such as appliance, HVAC, non-energy pipe & tube, and construction equipment. Service centers should begin to see benefit in shipment levels.

• Important upcoming trade cases will need to be monitored for impact on market – HR, OCTG.
Questions?

contact@arcelormittal.com
www.arcelormittal.com