Topics for Discussion

• ArcelorMittal Overview

• Key Economic Indicators

• Key Steel Consuming Markets

• Steel Consumption Trends

• Global Steel Outlook

• Questions
The world’s leading steel and mining company

• ArcelorMittal is the world's leading steel and mining company, with around 222,000 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 19 countries exposes the company to all major markets, from emerging to mature.

• ArcelorMittal values geographical breadth, product diversity and raw materials security. Around 38% of our steel is produced in the Americas, 47% in Europe and 15% 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 (2015)

Millions of metric tons

- ArcelorMittal: 97.1
- Hesteel: 47.7
- Nippon/Sumitomo: 46.4
- POSCO: 41.9
- Baosteel: 34.9
- Shagang: 34.2
- Ansteel: 32.5
- JFE Steel: 29.8
- Shougang: 28.5
- Tata Steel: 26.3
- Wuhan: 25.7
- Shandong: 21.6
- Hyundai: 20.4
- Nucor: 19.6
- Maanshan: 18.8

Other companies include: Nippon/Sumitomo, Hesteel, ArcelorMittal, Baosteel, Shagang, Ansteel, Shougang, Tata Steel, Wuhan, Shandong, Hyundai, Nucor, Maanshan.
ArcelorMittal Mining – portfolio

Key assets and projects

* Includes share of production

Geographically diversified mining assets
Global R&D key facts and figures

- Over 1,300 full time researchers
- Working on all process and development needs
- Expanding worldwide network of laboratories (currently 12 labs in Europe, North America, and South America)
- Key challenges fully aligned with the group strategy: geography, value chain, product differentiation

R&D budget spending by need

- Automotive: 60%
- Process: 36%
- Product: 58%
- Exploratory: 6%

2015 R&D spend of $227m (~1/3 for automotive sector)
Strong track record of successful integration
Economic indicators
Real GDP growth has fallen below 2% in each of the last three quarters, measuring 0.9% in Q415, 0.8% in 1Q16 and 1.2% in 2Q16 (advance estimate). Growth in PCE climbed to 4.2% in 2Q16 from 1.6% in 1Q16, while nonresidential fixed investment growth was negative for the 3rd consecutive quarter as investment fell in nonresidential structures (-7.9%) and equipment (-3.5%).

The June 2016 Blue Chip consensus 2016 full year GDP growth is forecast at 1.9%, close to the average rate seen in the U.S. economy for the past several years. Consumer spending is expected to drive much of the growth, with job gains expected to continue and the unemployment rate to improve.

2017 full year GDP growth is forecast at 2.3% with growth driven largely by the same sectors as in 2016, though nonresidential fixed investment and industrial production are expected to make larger contributions, improving upon their 2016 softness.
Industrial Production Index (IP)
Percent Change in Index vs. Prior Years 2000-2015, Forecast 2016-2017

- IP declined by 1.0% in 2Q16, following a 1.8% drop in 1Q16. Mining (which includes crude oil and natural gas production) declined significantly (-15.9%) during the period. Manufacturing output (NAICS basis) fell 0.8%.
- The 2016 forecast for IP is -0.5% as the mining sector will decline further, offsetting marginal gains posted in manufacturing. Weak global conditions and prior appreciation of the U.S. dollar will limit exports.
- IP is seen returning to growth in 2017 at 2.3% as headwinds slowly dissipate for the manufacturing and upstream energy sectors.
Key steel markets
Automotive

Pent-up demand from the recession is exhausted on the retail side of the market. Replacement is now the biggest driver of retail sales.

- The average age of vehicles on the road is now over 11.5 years. The fleet is old and needs to be replaced.
- There is still some pent up demand left on the fleet side of the market. Fleet sales are now increasing as a percent of total sales.
- As the housing market improves demand for pickup trucks is improving.
- Low gasoline prices are also increasing demand for trucks.
- Trucks achieved record market share in 2015 at 57%. Through 2016 trucks are running at 61% market share.
- Although the rate of increase will slow as long as demographics & economics remain positive sales will continue to increase, unless there is a change in lifestyle and behavior. There is no peak in sales until we go into a recession.

Source: LMC & AM USA Marketing
Building construction
Some growth in private construction

- Economic conditions continue to support steady improvement in 2016, but not robust recovery.

- The residential construction recovery that began in 2012 should continue its momentum in 2016 & 2017 prompted by improving labor markets, demographics, affordability, and mortgage availability. Homeownership rates remain historically low; however, growth in multifamily construction is expected to slow in 2016.

- The non-residential construction sector weakened in 2015, however market fundamentals suggest return to modest growth across both commercial and institutional sectors in 2016 & 2017.

- Growth in the residential sector should continue to provide a catalyst for growth in several nonresidential segments in 2016 & 2017.

* Non-building structures (e.g. infrastructure) not included

Source: McGraw-Hill (Dodge)*
U.S. Service Center Data: Carbon Flat Roll
Shipments, Inventory, and Months-on-Hand: Source: MSCI
Steel markets direction in 2017

- There is no expectation that we will see robust growth any time soon. Steel markets are still slowly recovering from the recession.

- Auto growth is in Mexico in 2017. USA market is flat.

- Non-res construction will add about 1 million tons of demand in 2016.

- Energy activity will continue to be soft but recovers off the bottom in 2017.

- Steel inventories will add some demand in 2016 but will end low in 2016 and will be rebuilt in 2017.

Source: AMUSA analysis
USA apparent steel consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Short tons (in millions)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>106</td>
<td>1%</td>
</tr>
<tr>
<td>2014</td>
<td>118</td>
<td>12%*</td>
</tr>
<tr>
<td>2015</td>
<td>106</td>
<td>-11%</td>
</tr>
<tr>
<td>2016</td>
<td>105</td>
<td>-1%</td>
</tr>
<tr>
<td>2017</td>
<td>108</td>
<td>3%</td>
</tr>
</tbody>
</table>

*About 3 million tons of the 2014 increase was an inventory overbuild due to a late year surge in imports.
Steel consumption trends and global markets
Weekly US raw steel production
Capacity utilization

As of 8/13/2016: 72.1%

Source: American Iron & Steel Institute
USA Apparent Steel Consumption
million of short tons

Drop in ASC in select recessions
1953 – 22%
1957 – 22%
1973 – 23%
1981 – 27%
2009 – 41%

Source: AISI, AM Marketing

8/22/2016
USA imports and shipments

Imports market share 2015 & 2016
Q1 - 34%
Q2 - 30%
Q3 - 27%
Q4 - 26%
Q1 – 25%
Q2 – 23%

Finished imports

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>6.4</td>
<td>7.2</td>
<td>8.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Q2</td>
<td>6.0</td>
<td>8.4</td>
<td>8.7</td>
<td>6.4</td>
</tr>
<tr>
<td>Q3</td>
<td>7.2</td>
<td>8.6</td>
<td>9.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Q4</td>
<td>6.4</td>
<td>9.7</td>
<td>8.2</td>
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Q-Y-Q % increase

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-20%</td>
<td>-10%</td>
<td>0%</td>
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<tr>
<td>Q2</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Q3</td>
<td>40%</td>
<td>50%</td>
<td>-10%</td>
</tr>
<tr>
<td>Q4</td>
<td>-20%</td>
<td>-10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Domestic shipments

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>24.5</td>
<td>24.9</td>
<td>22.0</td>
<td>21.5</td>
</tr>
<tr>
<td>Q2</td>
<td>23.6</td>
<td>25.3</td>
<td>22.0</td>
<td>23.0</td>
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<tr>
<td>Q3</td>
<td>23.9</td>
<td>23.8</td>
<td>22.2</td>
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</tr>
<tr>
<td>Q4</td>
<td>24.9</td>
<td>20.1</td>
<td>22.2</td>
<td>23.0</td>
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Q-Y-Q % increase

<table>
<thead>
<tr>
<th>2013</th>
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<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
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<td>-10%</td>
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<tr>
<td>Q2</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Q3</td>
<td>40%</td>
<td>50%</td>
<td>-10%</td>
</tr>
<tr>
<td>Q4</td>
<td>-20%</td>
<td>-10%</td>
<td>0%</td>
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</table>

Source: American Iron & Steel Institute
## Dumping Margins and Subsidy Rates

<table>
<thead>
<tr>
<th>Countries</th>
<th>CTD (CORE)</th>
<th>CR</th>
<th>HR</th>
<th>CTL Plate</th>
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<tbody>
<tr>
<td></td>
<td>Final AD Assessments</td>
<td>Final Subsidy Rates</td>
<td>Final DoC AD Assessments</td>
<td>Final DoC Subsidy Rates</td>
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<tr>
<td>Austria</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Australia</td>
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<td>NA</td>
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<td>NA</td>
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<td>Belgium</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Brazil</td>
<td>NA</td>
<td>NA</td>
<td>14.35-35.43%</td>
<td>11.09-11.31%</td>
</tr>
<tr>
<td>China</td>
<td>209.97%</td>
<td>39.05-241.07%</td>
<td>265.79% (final)</td>
<td>256.44% (final)</td>
</tr>
<tr>
<td>France</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Germany</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>India</td>
<td>3.05-4.44%</td>
<td>8.0-29.46%</td>
<td>7.60%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Italy</td>
<td>12.63-92.12%</td>
<td>De minimis-38.15%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Japan</td>
<td>NA</td>
<td>NA</td>
<td>71.35% (final)</td>
<td>NA</td>
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<td>Netherlands</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Russia</td>
<td>NA</td>
<td>NA</td>
<td>1.04-13.36%</td>
<td>0.62-6.65%</td>
</tr>
<tr>
<td>South Korea</td>
<td>8.75-47.8%</td>
<td>De minimis-1.19%</td>
<td>6.32-34.33%</td>
<td>3.91-58.36%</td>
</tr>
<tr>
<td>South Africa</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10.34%</td>
<td>De minimis</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Turkey</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>UK</td>
<td>NA</td>
<td>NA</td>
<td>5.40-25.56%</td>
<td>NA</td>
</tr>
</tbody>
</table>
Global steel consumption

WSA - Global Apparent Steel Consumption

Source: World Steel Association – Short Range Outlook (April 2016)

WSA - Global ASC Growth Forecast by Region

Source: World Steel Association – Short Range Outlook (April 2016)
Steelmaking Raw Material Input Costs
2009-2015 Averages and April/May 2016

All charts in $ per metric ton except for Scrap

#1 Busheling Chicago Scrap AMM ($/GT)

Platts IODEX 62% CFR China

Metallurgical Coke SBB/Platts

Australian Hard Coking Coal CRU/SBB

2009 – June 2012 = SBB, July 2012 - Present = Platts
Summary

• Industrial markets continue to be soft but should improve in 2017

• Auto continues to be strong but is nearing its peak

• Housing and construction remain solid

• Energy market will increase after contracting for a few years

• Trade issues will continue to evolve
Questions?

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