



ArcelorMittal

news release

ArcelorMittal Offer is a Bid for 100% of Baffinland's Shares and is Financially Superior to Nunavut's Coercive Partial Offer

- **ArcelorMittal's Cash Offer of C\$1.25 per Common Share for 100% of Baffinland's Common Shares is Financially Superior to Nunavut's Coercive Partial Bid**
- **The Value of the Partial Offer by Nunavut is Highly Uncertain**
- **Baffinland's New Shareholder Rights Plan Protects Shareholders from Nunavut's Financially Inferior, Coercive Bid**

Luxembourg, 20 December 2010 (19:30 CET) – ArcelorMittal today responded to Nunavut Iron Ore Acquisition Inc.'s ("Nunavut") recent allegations regarding ArcelorMittal's improved, financially superior offer for Baffinland Iron Mines Corporation ("Baffinland"). ArcelorMittal's improved offer of C\$1.25 in cash per common share (the "ArcelorMittal Offer") provides superior value and certainty for the shareholders of Baffinland. The ArcelorMittal Offer is made for 100% of Baffinland's shares as compared to Nunavut's offer, which is a coercive partial bid for only 50.1% of Baffinland's common shares including those shares already owned by Nunavut.

The current offer by Nunavut is coercive because it forces Baffinland shareholders to decide whether to accept or reject such offer without knowing the price at which the shares not taken up would trade should the current offer by Nunavut be completed. Nunavut's offer leaves shareholders with the prospect of being left with thinly traded minority common shares that would unlikely reflect the full value of Baffinland's assets. In addition, Nunavut's offer provides Baffinland's shareholders with no certainty as to how many shares will be taken-up due to the pro rationing of tendered shares. Further, the fact that Nunavut already owns approximately 10.3% of the common shares means it is effectively bidding for only approximately 39.8%.

Assuming all of Baffinland's common shares, other than those locked-up with ArcelorMittal and those owned by Nunavut, are tendered to Nunavut's offer, Baffinland's shareholders would receive C\$1.35 in cash for approximately 62% of their holdings and would end up continuing to hold the remaining 38% of their tendered shares. For Baffinland shareholders to realize the equivalent value offered by the C\$1.25 ArcelorMittal Offer, the remaining minority common shares held by tendering shareholders would have to trade at or above C\$1.09 per share, versus an unaffected price for Baffinland's common shares of

C\$0.56 prior to the initial unsolicited offer by Nunavut on 22 September 2010. The economic value of the coercive partial offer by Nunavut is substantially less than the ArcelorMittal Offer and is highly uncertain as it is dependent on an unspecified royalty structure and project development plan.

Under the current offer by Nunavut, Baffinland shareholders face continued execution and financing risk with the potential for significant equity dilution. If the Nunavut offer were successful, these risks could materially and adversely affect the value of the remaining minority common shares.

Baffinland has agreed to adopt a new shareholder rights plan in order to protect Baffinland's shareholders from being coerced into tendering into Nunavut's inferior partial offer and in order to guard against tactics by Nunavut that seek to coerce shareholders. Adopting a new rights plan ensures that Baffinland shareholders can take advantage of the superior ArcelorMittal Offer.

The increased break fee payable under the ArcelorMittal Offer reflects Baffinland's board of directors' support for the certainty and value that the ArcelorMittal Offer provides to Baffinland shareholders. ArcelorMittal's Offer for all common shares represents an increase of \$0.15 per share, or almost \$60 million, more than its original bid.

ArcelorMittal has received all of the required regulatory approvals for its offer and is uniquely positioned to provide the technical expertise and financial capacity to evaluate, manage and overcome the infrastructure challenges associated with the Mary River project, a project vital to Baffinland's future success.

Contact Information

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This document contains forward-looking information and statements about ArcelorMittal and its subsidiaries. These statements include financial projections and estimates, including non-cash impairment charges, net financial debt and net debt to EBITDA leverage ratio, statements regarding plans, objectives and expectations with respect to future operations and statements regarding future performance generally. Forward-looking statements may be identified by the words "will," "believe," "expect" or similar expressions. Although ArcelorMittal's management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ArcelorMittal's securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of ArcelorMittal, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier) and the United States Securities and Exchange Commission (the "SEC") made or to be made by ArcelorMittal, including ArcelorMittal's Annual Report on Form 20-F for the year ended 31 December, 2009 filed with the SEC. ArcelorMittal undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise.

About ArcelorMittal

ArcelorMittal is the world's leading steel company, with operations 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. With an industrial presence in over 20 countries spanning four continents, the Company covers all of the key steel markets, from emerging to mature.

Through its core values of sustainability, quality and leadership, ArcelorMittal commits to operating in a responsible way with respect to the health, safety and wellbeing of its employees, contractors and the communities in which it operates. It is also committed to the sustainable management of the environment and of finite resources. ArcelorMittal recognises that it has a significant responsibility to tackle the global climate change challenge; it takes a leading role in the industry's efforts to develop breakthrough steelmaking technologies and is actively researching and developing steel-based technologies and solutions that contribute to combat climate change.

In 2009, ArcelorMittal had revenues of \$65.1 billion and crude steel production of 73.2 million tonnes, representing approximately 8 per cent of world steel output.

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

For more information about ArcelorMittal visit: www.arcelormittal.com

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