Fourth Quarter 2015

Questions and Answers
Forward-Looking Statements

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Q1: What happened to steel shipments in 4Q 2015?
A: Total steel shipments for 4Q 2015 were 6.3% lower at 19.7 million metric tonnes as compared with 21.1 million metric tonnes for 3Q 2015 (primarily due to lower shipments in NAFTA -18.5%).

- **NAFTA:** Steel shipments in 4Q 2015 decreased 18.5% to 4.6 million tonnes as compared to 5.6 million tonnes in 3Q 2015, primarily driven by a 19.6% decrease in flat product steel shipments (mainly Mexico and US) and 13.0% decrease in long product shipment volumes.
- **Brazil:** Steel shipments in 4Q 2015 decreased by 8.1% to 2.9 million tonnes as compared to 3Q 2015, primarily due to a 4.5% decrease in flat steel shipments and a 13.5% decrease in long product shipment volumes due to a continued slowdown in demand.
- **Europe:** Steel shipments in 4Q 2015 decreased by 1.8% to 9.5 million tonnes as compared to 3Q 2015, primarily due to a 4.5% decrease in flat product shipment volumes, offset in part by a 4.8% increase in long steel shipment volumes.
- **ACIS:** Steel shipments in 4Q 2015 decreased by 3.7% to 3.1 million tonnes as compared to 3Q 2015. Lower steel shipments in South Africa and Kazakhstan were offset in part by higher Ukrainian shipments.

Q2: What happened to shipments of market priced iron ore in 4Q 2015?
A: Market priced iron ore shipments in 4Q 2015 decreased by 4.3% to 9.9 million metric tonnes as compared to 3Q 2015 primarily driven by lower shipments in Mexico.

Q3: Can you explain the impairment charges of $4.8 billion?
A: Impairment charges for 12M 2015 were $4.8 billion relating to:

- Mining segment ($3.4 billion): consisting of $0.9 billion with respect to goodwill and $2.5 billion primarily related to fixed assets mainly due to a downward revision of cash flow projections relating to the expected persistence of a lower raw material price outlook at:
  - ArcelorMittal Liberia ($1.4 billion);
  - Las Truchas in Mexico ($0.2 billion);
  - ArcelorMittal Serra Azul in Brazil ($0.2 billion); and
  - ArcelorMittal Princeton coal mining operations in the United States ($0.7 billion)

- Steel segments ($1.4 billion): consisting of fixed asset impairment charges of $0.2 billion related to the intended sale of the Long Carbon facilities in the US (ArcelorMittal La Place, Steelton and Vinton within the NAFTA segment), $0.4 billion primarily in connection with the idling for an indefinite time of the ArcelorMittal Sestao plant in Spain (Europe segment), and $0.8 billion related to:
  - NAFTA: Deployment of asset optimization programs at Indiana Harbor East and West in the United States ($0.3 billion);
Brazil: ArcelorMittal Point Lisas in Trinidad and Tobago ($0.2 billion) currently idled; and
ACIS: Saldanha plant in ArcelorMittal South Africa as a result of its revised competitive outlook ($0.3 billion).

Q4: How much tax savings do you expect after the impairments?
A: The total amount of potential tax benefits is $1.3 billion, of which $0.1 billion recognized immediately and $1.2 billion to be recognized in future periods upon availability of positive taxable income projections above the already recorded level of group DTA.

Q5: Can you explain the exceptional charges of $1.4 billion?
A: Exceptional charges for 12M 2015 were $1.4 billion primarily including $1.3 billion inventory related charges following the rapid decline of international steel prices and litigation and other costs in South Africa ($0.1 billion).

As the Company is following the IFRS accounting principles, the standard requires us to write down the value of inventory to lower of cost or net realizable value. Given the rapid decline of prices following aggressively priced imports, the write down is significant and therefore classified separately.

Q6: Can you explain the change in net debt during 4Q 2015?
A: Net debt decreased to $15.7 billion as compared with $16.8 billion in September 30, 2015, due largely to working capital release of $0.9 billion. Net debt as of December 31, 2015 was lower by $0.1 billion as compared to December 31, 2014 and was the lowest level since the ArcelorMittal merger.

Q7: What was depreciation during 4Q 2015 and what is the expectation for 2016?
A: Depreciation was $807 million for 4Q 2015 as compared to $777 million in 3Q 2015.

Depreciation of $3.2 billion for 12M 2015 was lower as compared to $3.9 billion for 12M 2014 primarily due to the impact of the US dollar appreciation against all major currencies. Full year 2016 depreciation is expected to be approximately $3.0 billion considering the impairments recorded in 4Q 2015.

Q8: Why did income tax expense increase so dramatically in 2015 as compared to 2014?
A: ArcelorMittal recorded an income tax expense of $902 million for 12M 2015 as compared to income tax expense of $454 million for 12M 2014. The 12M 2015 income tax expense is negatively influenced by impairments of deferred tax assets stemming from revisions to future taxable result forecasts in some jurisdictions.

Q9: What is guidance for FY 2016?
A: As indicated at 3Q 2015 results, a combination of Company actions and known developments is expected to support EBITDA in 2016 by $1.0 billion relative to the 4Q 2015 annual run-rate level. Due to order book and the time lag required for lower raw
material costs to positively impact cost of sales, EBITDA is expected to sequentially decline in 1Q 2016. Based on the assumption of prevailing raw material costs and spot steel spreads, the Company expects FY 2016 EBITDA to be in excess of $4.5 billion. This guidance does not capture any upside to current market conditions.

Q10: Can you provide more detail on your plan to support the 2016 outlook?
A: A combination of Company actions and known developments are expected to support EBITDA in 2016 by $1 billion relative to the 4Q 2015 annual run-rate level. More specifically by region:

- In the Americas: uplift from ramp-up of Calvert and improved value-added mix; benefits of Americas Asset Optimization Program and Brazil Value Plan.
- In ACIS: improvement driven by new iron ore supply agreement and tariffs in South Africa, the benefits of new coke battery and increased PCI usage in CIS, and increased competitiveness afforded by local currency devaluation.
- In Europe: further benefits from transformation programme and;
- In Mining: a further >10% reduction in average unit iron ore cash costs

Q11: How will the Company reduce the cash requirements of the business in 2016 by approximately $1 billion?
A: The Company targets reducing the cash requirements of the business in 2016 by in excess of $1 billion as compared to 2015. The components of which are:

- Lower capex spend (FY 2016 capex is expected to be approximately $2.4 billion as compared to $2.7 billion in FY 2015),
- Lower interest expenses (FY 2016 net interest is expected to be approximately $1.1 billion as compared to $1.3 billion in FY 2015);
- No dividend in respect of the 2015 financial year and;
- Lower cash taxes

As a result, the level of EBITDA required for free cash flow breakeven would reduce to $4.5 billion, thus helping to ensure that the Company continues to generate positive free cash flow, reduce net debt and maintain strong liquidity.

Q12: What is Action 2020 plan?
A: The Company has today published details of its Action 2020 plan. The Action 2020 plan represents a strategic roadmap for each of ArcelorMittal’s main business segments. The Action 2020 plan is over and above the Company’s ongoing management gains plan and seeks to deliver real structural improvements unique to ArcelorMittal’s’ business. The Action 2020 plan targets a return to >$85/t EBITDA absent any recovery in steel spreads and raw materials prices from current levels. The Action 2020 plan targets a further structural EBITDA improvement of approximately $3.0
billion. Upon full achievement of the plan, the Company would expect to deliver free cash flow in excess of $2.0 billion annually.

**Q13: What is your forecast for global apparent steel consumption in 2015?**
A: Based on the current economic outlook, ArcelorMittal expects global apparent steel consumption (“ASC”) in 2016 as compared to 2015 to grow between 0% and 0.5%. The forecast for ASC by region is as follows:
- **US**: +3% to +4%
- **EU28**: +0% to +1%
- **China**: -0.5% to -1.5%
- **Brazil**: -6% to -7%
- **CIS**: -5% to -6%

**Q14: What is ArcelorMittal’s view on the threat of alternative materials for automotive applications?**
A: We believe that steel is material of choice for automotive customers. Steel can provide all the weight reduction that automotive producers require to satisfy the new fuel efficiency standards for all types of vehicles.

ArcelorMittal is the leader in advanced high strength steels (AHSS) globally. We have a large R&D budget, approximately $0.2 billion per year, much of which is invested on the development of automotive solutions. We are continuously working on new steel grades in order to meet manufacturers’ needs for the automotive industry. The pace of new product development accelerated in 2015, taking the number of new automotive products under current development to around 100.

In the past year, the Company's new generation of AHSS press-hardenable steels, Usibor® 2000 and Ductibor® 1000, successfully completed industrial trials and are moving into the commercialization phase. In addition, Fortiform® 1050, the first of a new range of cold-stamping AHSS steels that can absorb more energy and impact in a crash even though less steel is used, moved into commercialization in Europe. A still higher grade, Fortiform® 1470, was successfully developed and trialed in industrial conditions. The Company was named Best Supplier in PSA Peugeot Citroën’s ‘Value Creation’ category at its 2015 Best Supplier Awards in recognition of the role played by Fortiform® in enabling the automotive producer to reuse its existing conventional stamping presses while achieving important savings in the weight of the vehicle.

**Q15: How is the integration of Calvert progressing?**
A: We made substantial progress in 2015, setting billing records for several months in 2015 and improving the operational performance of the facility, progress that continued in January. We have announced various improvements and continue to challenge ourselves to increase capacity at this operation.

We continue to target the automotive and energy business and continue to run trials and pursue qualifications from our customers. We are currently approved on 208 of 222...
submitted automotive qualification packages with 40 or more new qualifications targeted for 2016. The negative impact from the slab purchasing lag is now largely behind us.