



ArcelorMittal

news release

ArcelorMittal Increases Offer Price and Lowers Minimum Tender Condition for Baffinland

- Increased Offer Price of C\$1.25 in Cash per Common Share
- Baffinland Board Supports Increased Offer and Authorizes Adoption of New Shareholder Rights Plan
- Approximately 25% of Baffinland Shares are Locked-Up to the ArcelorMittal Offer
- Minimum Tender Condition Set at 50% + 1 Common Share
- Offer Extended to 11:59 p.m. (Toronto time) on 29 December 2010
- Notice of Variation and Extension Mailed

Luxembourg, 18 December 2010 - ArcelorMittal today announced that it has agreed with Baffinland Iron Mines Corporation ("Baffinland") to increase its offer (the "Offer") for all of Baffinland's outstanding common shares ("Common Shares") and all outstanding common share purchase warrants issued pursuant to a warrant indenture dated 31 January 2007 (the "2007 Warrants"). ArcelorMittal's Offer has been extended until 11:59 p.m. (Toronto time) on 29 December 2010, unless extended or withdrawn.

The increased Offer price of C\$1.25 per Common Share represents a premium of approximately 14% to ArcelorMittal's original Offer.

The all-cash Offer for 100% of Baffinland's Common Shares and 2007 Warrants remains subject to the same conditions as the original Offer mailed to Baffinland securityholders on 13 November 2010, except that it is conditional upon there being deposited under the Offer and not withdrawn at the expiry time of the Offer such number of Baffinland Common Shares that represent at least 50% of the Common Shares (calculated on a fully diluted basis) plus one Common Share (the "Minimum Tender Condition").

ArcelorMittal and Baffinland have agreed to amend their Support Agreement entered into on 8 November, 2010 to:

- increase the break fee payable in the circumstances provided for in the Support Agreement from C\$11 million to C\$15.5 million; and
- allow ArcelorMittal to waive the Minimum Tender Condition down to 45% without the consent of Baffinland.

Baffinland's board of directors has approved the Offer and continues to recommend that Baffinland's securityholders tender their Common Shares and 2007 Warrants to the Offer. In addition, Baffinland has authorized the adoption of a new shareholder rights plan having substantially the same terms as the shareholder rights plan in effect immediately prior to 19 November, 2010, which new shareholder rights plan may not be waived by Baffinland until immediately prior to the time ArcelorMittal is first permitted to take-up securities deposited to the Offer unless ArcelorMittal otherwise requests that it be waived earlier.

Baffinland's non-solicitation covenants and ArcelorMittal's right to match any unsolicited superior proposal under the Support Agreement remain unchanged.

Peter Kukielski, Head of Mining and Member of the Group Management Board of ArcelorMittal said: "The amended Offer allows Baffinland shareholders to realize full and fair value for their interest in Baffinland. We believe our Offer is clearly superior to Nunavut Iron's partial and incomplete Offer because it does not expose the remaining shareholders with financing risk for the project and potential dilution to their investment. In contrast to the Nunavut Iron offer, our Offer provides certainty to all shareholders of Baffinland. ArcelorMittal is committed to developing the Mary River property and has the technical and project management expertise to develop the project for the benefit of all stakeholders."

On 13 December 2010 ArcelorMittal announced that no further conditions relating to regulatory approvals were outstanding.

As previously announced, ArcelorMittal has entered into a lock-up agreement with Baffinland's largest shareholder, Resource Capital Funds, pursuant to which it has tendered all of its Common Shares and 2007 Warrants, representing approximately 22.5% of the outstanding Common Shares (on a fully diluted basis), to the Offer. In addition, each of the directors and officers of Baffinland have tendered all Common Shares and 2007 Warrants held by them, representing a further approximately 2.4% of the outstanding Common Shares (on a fully diluted basis), to the Offer pursuant to lock-up agreements with ArcelorMittal.

ArcelorMittal has today mailed a notice of variation and extension of the Offer with respect to the increased Offer to Baffinland securityholders.

ArcelorMittal has retained Georgeson Shareholder Communications Canada Inc. as information agent in connection with the Offer. Computershare Investor Services Inc. is the depositary for the Offer. Any questions or requests for assistance or further information on how to tender Common Shares or 2007 Warrants to the Offer may be directed to, and copies of the above referenced documents may be obtained by contacting, the information agent at 1-888-605-7641 or by email at askus@georgeson.com or by contacting the depositary at 1-800-564-6253 (North America) or 1-514-982-7555 (overseas), or by email at corporateactions@computershare.com. Securityholders whose Common Shares or 2007 Warrants are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact such nominee for assistance in depositing their Common Shares and 2007 Warrants to the Offer.

Contact Information

Information Agent for the Offer

Georgeson

Toll Free (North America): 1-888-605-7641

Collect (Overseas): 1-781-575-2168

E-Mail: askus@georgeson.com

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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