



ArcelorMittal

news release

ArcelorMittal All Cash Bid for 100% of Baffinland Provides Certainty and Transparency and Continues to be Superior to Nunavut's Coercive Partial Offer

Toronto, 6 January 2011 (15:45 EST) / Luxembourg, 6 January 2011 (21:45 CET) – ArcelorMittal today re-affirmed that its all cash offer to acquire 100% of the outstanding common shares and share purchase warrants of Baffinland Iron Mines Corporation (“Baffinland”), issued pursuant to the indenture dated January 31, 2007, provides certainty and transparency to shareholders, and is superior to the coercive partial offer by Nunavut Iron Ore Acquisition Inc. (“Nunavut”).

This re-affirmation follows a settlement agreement between Nunavut and Staff of the Ontario Securities Commission (“OSC”), the major terms of which were that Nunavut must either extend the expiry date of its bid for a minimum of 10 days without offering the exchange rights and warrants previously proposed by Nunavut, or amend their offer to provide for the issuance of the exchange rights while also extending the offer for a minimum 10 days. Under no circumstances can Nunavut on January 10, 2011 take up any shares tendered to its offer.

Nunavut's agreement with the OSC allowed it to avoid a public hearing to examine the adequacy of its disclosure and its compliance with securities laws, and the risk of a cease trade order against its bid.

“Nunavut's partial offer is highly conditional and discretionary, and continues to be so,” Peter Kukielski, Head of Mining and Member of the Group Management Board at ArcelorMittal, said. “Nunavut provides Baffinland shareholders no certainty as to what Nunavut is offering under its bid. Nunavut's coercive partial offer will leave shareholders with the prospect of holding thinly traded shares subject to further financing and execution risks. It is also important for Baffinland shareholders to understand that the Nunavut offer does not currently include any exchange rights or warrants, and will not unless and until such time as the Nunavut offer is amended and the timing extended, both of which are uncertain.”

He added that the Baffinland shares would be subject to further dilution under the Nunavut offer, as a result of the proposed issuance of warrants, if implemented, and as Nunavut sought financing to move the project forward.”

As disclosed by Baffinland earlier today, estimated capital costs under the Road Haulage feasibility study currently being finalized are expected to be higher than research analyst estimates, creating further uncertainty about the likely trading value of Baffinland shares not taken up under the Nunavut partial offer.

From the perspective of Baffinland shareholders, the ArcelorMittal offer for 100% of Baffinland shares eliminates all uncertainty with respect to future financing and costs of the Mary River project, dilution arising from the financing of the project, and the future trading value of Baffinland shares.

Baffinland shareholders now have a clear choice – to tender to the all cash C\$1.40 per share offer by ArcelorMittal for 100 per cent of the Common Shares before 11:59 p.m. (Toronto time) on January 10, 2011, or risk the uncertainty of Nunavut's coercive partial offer.

The Baffinland Board of Directors recommends that shareholders and 2007 Warrant holders accept the ArcelorMittal Offer. Baffinland's largest shareholder, Resource Capital Funds, 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 ArcelorMittal Offer, and 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, all pursuant to lock-up agreements with ArcelorMittal. In addition, as at 29 December 2010, no further conditions relating to regulatory approvals are outstanding under the Offer.

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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