



ArcelorMittal

ArcelorMittal South Africa Limited

(Incorporated in the Republic of South Africa)
(Registration number 1989/002164/06)
Share code: ACL
ISIN: ZAE000134961
("ArcelorMittal")

ARCELORMITTAL UPDATE AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

Further to the announcements dated 26 February 2010 and 3 March 2010 pertaining to a notice that was received by ArcelorMittal from Sishen Iron Ore Company (Proprietary) Limited ("SIOC"), ArcelorMittal's shareholders are advised that ArcelorMittal remains firmly of the opinion that all the terms contained in the current agreement relating to the annual supply of 6.25 million tons of iron ore from SIOC to ArcelorMittal at cost +3%, remain of full force and effect. The dispute resolution procedure under the agreement in respect of this matter has been initiated.

SIOC has thus far failed to provide documents supporting its contentions.

Having regard to SIOC's notice that with effect from 1 March 2010, SIOC will no longer supply iron ore to ArcelorMittal from Sishen Mine at cost +3%, but only "on commercial terms", ArcelorMittal has been left with no alternative but to inform its customers that it will, with immediate effect, adjust its commercial pricing policy. ArcelorMittal will introduce a surcharge ("the Sishen surcharge") to partially mitigate the additional iron ore cost, based upon the international spot price for iron ore that SIOC asserts it is entitled to charge on iron ore supplied to ArcelorMittal, which entitlement ArcelorMittal disputes.

Should ArcelorMittal prevail in proceedings against SIOC in respect of the contract price, the accumulated Sishen surcharge funds will be refunded to customers, with any interest earned thereon. In the event ArcelorMittal is not successful in these proceedings, in whole or in part, the relevant Sishen surcharge will be available to fund the obligation to SIOC.

ArcelorMittal will endeavour to resolve its disputes with SIOC as soon as reasonably practicable. Such disputes, by their nature, may, however, take an extended period to resolve.

ArcelorMittal's Chief Executive Officer, Ms Nonkululeko Nyembezi-Heita, commented: "Our pricing policy is going to be unavoidably affected by the current dispute with SIOC. As we understand the current position, SIOC believes that it is no longer bound to supply iron ore at the contractually agreed price of cost +3% and instead claim that SIOC is entitled to charge ArcelorMittal a price derived from the international spot price for iron ore. We dispute SIOC's position and firmly believe that SIOC remains contractually obliged to continue supplying iron ore at cost +3%, pursuant to our long term contractual arrangement. It may, however, be some time before this dispute is resolved and, in the meantime, we have reluctantly come to the conclusion that the only prudent course for ArcelorMittal in addressing SIOC's claims is to increase steel product pricing, notwithstanding our firm belief that we will prevail in our disputes with SIOC. We regret that this will involve passing on increased prices to our customers, given the significant difference between the contractual rate for iron ore of cost +3% and the spot price for iron ore based on worldwide indices, which SIOC is asserting an entitlement to charge".

Although ArcelorMittal will continue to export steel in the short term, this will not be profitable taking into account iron ore input costs as claimed by SIOC, as well as current steel prices. Management will continue to review the profitability of operations and, if necessary, adjust the commercial policy and production levels, which may necessitate plant closures.

The Department of Mineral Resources ("DMR") has informed ArcelorMittal in writing on 17 March 2010 that its 21.4% undivided share of its old order right has ceased to exist with effect from 1 May 2009. This is the first communication that ArcelorMittal has received from the DMR in relation to this matter. ArcelorMittal is considering its rights in this regard.

Furthermore, ArcelorMittal is engaging SIOC over what ArcelorMittal alleges to be overcharging on the cost of iron ore supplied to ArcelorMittal over the past few years.

Shareholders and customers will be informed of developments in this regard and shareholders are advised to continue to exercise caution in dealing in their ArcelorMittal securities until a further announcement is made.

Vanderbijlpark
30 March 2010

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