

# news release

## **ArcelorMittal recalibrates agreement with Hunan Valin Steel to increase exposure to fast growing automotive market**

Luxembourg and Changsha, Hunan, June 6th 2012 - ArcelorMittal and the Valin Group today announce that ArcelorMittal will increase its shareholding in the downstream automotive steel joint venture, VAMA (Valin ArcelorMittal Automotive), from 33% to 49%. VAMA is focused on establishing itself as a premier supplier of high-strength steels and value-added products for China's fast growing automotive market.

In-line with the new shareholding agreement, Valin and ArcelorMittal will increase their planned capacity by 25% from 1.2 million tons to 1.5 million tons. Capital investment will also increase by 15% to RMB 5.2 billion and VAMA has signed purchase agreements totalling RMB 1.8 billion for key equipment including cold rolling facilities, continuous annealing and galvanizing lines. The joint venture is expected to become operational in the first half of 2014.

In addition ArcelorMittal could potentially recalibrate its share-holding in Hunan Valin Steel. The two companies have finalized a share swap arrangement based upon a Put Option mechanism, which enables ArcelorMittal to exercise the Put Options granted by Valin Group over the next two years. Under this arrangement, ArcelorMittal could sell up to 19.9% of the equity (600 million shares) it holds in Hunan Valin Steel to Valin Group. The exercise period of the Put Options is equally spaced with a gap of 6 months and linked to the key development milestones of VAMA. Following the exercise of the Put Options, ArcelorMittal would retain a 10.07% shareholding in Valin Steel as a long term strategic cooperation.

Mr Sudhir Maheshwari, ArcelorMittal's Group Management Board member responsible for China, said: "We have agreed with Valin Group to recalibrate our shareholdings in Valin Steel to focus on China's fast growing automotive steel market. This is a natural evolution since ArcelorMittal already enjoys a leadership position in the automotive markets of Europe and North America. VAMA will be based on our

proven market leading technology. We believe this is a good opportunity to create value for our shareholders and further enhance our participation in both China and the automotive market more broadly.”

#### **About Valin Iron & Steel Group Co., Ltd.**

Hunan Valin Iron & Steel Group Co., Ltd was set up in 1997 integrating Hunan top 3 steel companies of Xiangtan Steel, Lianyuan Steel and Hengyang Steel. It is one of top 10 Chinese steel producers with steel production capacity of 22 M tons. In 2011, it has steel output of 18.22 M tons, sales revenue of 83.9 B yuan and total profit of 1.67 B yuan.

The operation of Valin Group is mainly based on the listed company: Valin Steel, which has the state-of-the-art equipment and process for the production of plate, hot rolled coil and cold rolled coil, seamless steel tube and pipes, wire rod and bar with 5000 specifications and sizes. It focus on becoming the steel industrial organizer by set-up a complete steel chain of resource investment, steel deep drawing, recycling economy, transportation and logistics, finance service.

#### **About ArcelorMittal**

ArcelorMittal is the world's leading steel and mining company, with a presence in more than 60 countries.

ArcelorMittal is the leader in all major global carbon steel markets, including automotive, construction, household appliances and packaging, with leading R&D and technology. The Group also has a world class mining business with a global portfolio of over 20 mines in operation and development, and is the world's 4th largest iron ore producer. With operations in over 22 countries spanning four continents, the Company covers all of the key industrial markets, from emerging to mature, and has outstanding distribution networks.

Through its core values of sustainability, quality and leadership, ArcelorMittal commits to operating in a responsible way with respect to the health, safety and well-being of its employees, contractors and the communities in which it operates. It is also committed to the sustainable management of the environment. 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. ArcelorMittal is a member of the FTSE4Good Index and the Dow Jones Sustainability World Index.

In 2011, ArcelorMittal had revenues of \$94.0 billion and crude steel production of 91.9 million tonnes, representing approximately 6 per cent of world steel output. The Group's mining operations produced 54 million tonnes of iron ore and 8 million tonnes of metallurgical coal.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (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](http://www.arcelormittal.com)

#### **About Hunan Valin Iron & Steel Co., Ltd.**

Hunan Valin Iron & Steel Co., Ltd. (also “Valin Steel”), is listed in Shenzhen Stock Exchanges. Stock code is № 000932.

Since it went public, Valin has taken full advantage of the opportunities for development and the capital market, and carried out its internationalization strategy. Through share transfer, the Company introduces ArcelorMittal, world №1 steel enterprise, as its strategic partner. It strives to improve its main business of steel, and determines a differentiated developmental strategy on the basis of professionalized production and cost control. It targets at the high-end products in the segmented market and positions itself as a “steel solution provider to the customers”.

Since its incorporation, Valin Steel has invested over RMB 60 B yuan on a series of technical revamping projects, including optimization of the processes, adjustment of the product mix, energy saving, consumption reduction, and improvement of its competitive strength, and has conducted a series of technical innovation and modernized the production processes featured by large equipment, automatic operation and lean management. The Company concentrated on several key products, including cold-rolled and hot-rolled ultra-thin coils, heavy and wide plates, seamless steel tubes and pipes of all calibers, and high quality wire rod. So far, it has established plate and coil, tube and pipe, and wire rod production lines of advanced level. It also focused on high-tech and sophisticated products, including high strength auto steel, high grade steel, high magnetic electrical steel, high strength shipbuilding plate, thick plates for high power thermal power plants and nuclear plants, high pressure boiler tubes, X80 pipeline steel. It attempts to form its series of products with great competitive strength to meet the demand of the domestic market substituting the imported steel. In 2011, it produced 15.43 M tons of steel, yielding sales revenue of RMB 73.859 B yuan with total assets of RMB 85.969 B yuan.

#### **About Valin ArcelorMittal Automotive Co., Ltd.**

Valin ArcelorMittal Automotive Co, Ltd. (VAMA) was registered and set up on Sept.27 2010. It was approved by NDRC and MOFCOM with registered capital of 1.53 B yuan, in which 33% held by Hunan Valin Steel Group, 34% held by Hunan Valin Steel, 33% held by ArcelorMittal. VAMA is built with the state-of-the-art of automotive technology in Loudi Economic Development Zone, Loudi city, Hunan Province.

**Contact information ArcelorMittal Investor Relations**

Europe	+ 352 4792 2484
Americas	+ 1 312 899 3569
Retail	+ 44 203 214 3198
SRI	+ 44 207 543 1128
Bonds/Credit	+ 33 171 92 10 26

**Contact information ArcelorMittal Corporate Communications**E-mail: [press@arcelormittal.com](mailto:press@arcelormittal.com)

Phone: +352 4792 5000

**ArcelorMittal Corporate Communications**

Giles Read (Head of Media Relations)	+ 44 20 3214 2845
Lynn Robbroeckx	+ 44 20 3214 2991
Tobin Postma	+ 44 20 3214 2412

United Kingdom  
*Maitland Consultancy:*  
Martin Leeburn + 44 20 7379 5151

France  
*Image 7*  
Sylvie Dumaine / Anne-Charlotte Creach + 33 1 5370 7470