

Final Report of the May 12th 2009 AGM of ArcelorMittal in Luxembourg
Kim Cartwright, Mn Services

ArcelorMittal

Agenda and Voting Results

Item	Resol.	Proposal	Mgt. Rec.	MnS voting	Voting FOR (in %)
		<u>Annual Meeting</u>			
1		Presentation of Management Report	NONE	NONE	None
2	1	Approve Consolidated Financial Statements	FOR	FOR	
3	2	Approve Parent Co. Annual Accounts for 2008	FOR	FOR	
4	3	<u>Allocation of Income and Dividends</u>	FOR	FOR	99.8
	4	<u>Approve Dividend of USD 0.1875 per Share</u>	FOR	FOR	99.8
	5	Approve Remuneration of Directors			98.0
5	6	Approve Discharge of Directors	FOR	FOR	99.6
6	7	Reelect the following three Directors	FOR	AGAINST	99.8
	8	<u>Reelect Narayanan Vaghul as Director</u>	FOR	AGAINST	93.2
	9	<u>Reelect Wilbur L. Ross as Director</u>	FOR	AGAINST	91.7
	10	<u>Reelect Francois Pinault as Director</u>	FOR	AGAINST	91.2
7	11	Authorise Board of Directors and corporate bodies in ArcelorMittal Group to acquire shares	FOR	AGAINST	90.2
8	12	<u>Ratify Deloitte SA as Auditors</u>	FOR	FOR	92.8
9	13	<u>Approve Bonus Plan</u>	FOR	FOR	98.2
10	14	<u>Approve Stock Option Plan (Long Term Incentive Plan)</u>	FOR	AGAINST	93.1
11	15	<u>Approve Employee Stock Purchase Plan</u>	FOR	FOR	99.7
		<u>Special Meeting – DID NOT TAKE PLACE DUE TO LACK OF QUORUM</u>			
12	16	<u>Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights and Amend Article 5.5 Accordingly</u>	FOR	AGAINST	N/A

Shares Represented:

A total of 722,051,341 shares were represented at the meeting, comprising 51.76 percent of voting rights. The number of shares represented for the Special Meeting did not meet the requirements of a quorum, and as a result, the voting for Agenda item 12, Resolution 16, did not take place at this AGM.

General Remarks:

The agenda which I received at the AGM had several changes from the one used in the analysis. The important changes concerned Resolutions 7 and 11. Resolution 7 acknowledged the mandate of the Board of Directors to re-elect three Board members. I did not know at the time of voting that this resolution was procedural and I was concerned that a FOR vote may result in FOR votes for the re-election of the three members, whom we were voting AGAINST. I therefore voted AGAINST Resolution 7 when a FOR vote would have been the preferred choice.

In Resolution 11, the Company cancelled the authorisation granted to the Board of Directors at the 2008 AGM with respect to the share-back programme and with Resolution 11, would authorise instead the Board of Directors the authority for the companies in the ArcelorMittal Group to acquire and sell shares in the Company in accordance with the Law and under certain financial conditions. Due to the different wording of the provisions, I was under the impression that Resolution 11 was a substitute for Old Agenda Item 12 (Code M0318) Share Purchase Program. However, since the two resolutions were similar enough, I voted AGAINST for Resolution 11 as intended under old Agenda Item 12.

The agenda for this AGM was therefore modified three times prior to the actual meeting, with no notification of the last minute changes of terminology and content. The addition of resolution numbers also added to the confusion.

Another procedural issue of which I was unaware was the limitation of comments to an introductory Q&A session. At the 2008 AGM, one could provide comments to specific agenda items at the time of their vote. This unfortunately meant that I presented my introductory comments only and did not have the opportunity to refer to the specific resolutions we were opposing.

With the exception of the agenda change and the more limited Q&A session, the meeting was very well run and the answers provided by the Company were informative, succinct, and outwardly sincere.

CEO and Chairman of the Board, Mr. Lakshmi Mittal presided over the meeting.

Question & Answer Session:

Good morning Mr. Mittal,

My name is Kim Cartwright. I represent Mn Services, the asset manager for PME, PMT and 10 other Dutch pension funds. I shall speak on behalf of other Eumedion members, namely Robeco, Stichting Financiering Voortzetting Pensioenverzekering, Stichting Spoorwegpensioenfonds and Stichting Pensioenfonds Openbaar Vervoer, and Pensioenfonds voor de Grafische Bedrijven.

The number of shares I represent is **260, 428**.

Back in 2007 when ArcelorMittal announced it wanted to increase annual output to 130m tonnes by 2015 no one would have predicted that one year later we would be facing one of the biggest downturns in the steel industry since the Great Depression. In 2007,

vertical integration was a cornerstone of the Company's strategy to reduce its dependency on outside origins of iron ore and its exposure to rising input prices. By pursuing this strategy you have inadvertently made yourself extremely vulnerable to the market shocks brought about by the sub-prime crisis. Now we understand that this strategy has been put on hold and that you are in the process of reducing your debts. While you could not have predicted falling steel demand, we would like to hear what you would have done to better insulate the Company against the risks it is now facing. We would also like to know what has changed in the Company's risk management strategy as a result.

At the AGM last year, we expressed our concern that ArcelorMittal has a combined CEO and Chairman. The Company responded that it did not see the combination of significant shareholder, CEO and chairman as a major risk. The Company also pointed out that the decision to appoint Mr. Mittal as CEO received support (98%) at the 2007 AGM, even though the significant shareholder withheld from voting.

We only have to mention the lessons learned from the subprime crisis to make our point that well-functioning financial markets depend on transparency and confidence that institutions are playing by clearly defined rules. These include a strong system of checks and balances and independent oversight. Prior to the subprime crisis, few investors and companies, including ArcelorMittal, anticipated the risks and certainly not the worldwide impacts of the risks. We are of the strong opinion that the Company is underestimating the risks the combined role of CEO and chairman has on the interests of shareholders and on the long term well-being of the Company, and we call upon you to separate the two roles before the impacts are felt.

RESPONSE: Mr. Mittal agreed with our assessment that the steel industry has suffered a huge shock. He stated that due to the combined CEO and Chairperson function, he was able to react swiftly and cut production in response to falling demand. In his view, vertical integration helped [has not hurt] the company and they want to operate existing mines and hold off on new projects. (He believes that real demand for steel is much higher than current demand which is reflecting the process of destocking. Once steel prices rise, the effects of vertical integration will again benefit the company.)

Mr. Mittal stated that the Company has the highest standards of corporate governance and it has put into place various risk management committees. It has sufficient transparency as prescribed by the US and European stock exchanges. On the combined CEO and Chairperson function, Mr. Kaden is an independent board chairman and leads the debate at the Board meetings. [Note that Mr. Kaden is not considered independent according to our corporate governance guidelines. This point was made in following comments by Luxembourg institutional representatives.]

THE FOLLOWING COMMENTS WERE UNSPOKEN:

Resolution 8. Reelect Narayanan Vaghul as Director.

First one general remark. We think the majority of board members should be independent. We know that from one country to another, opinions may differ for how many non-independent board members are allowed, but the fact that AM already has a combined CEO-chairman makes us quite critical with respect to board composition.

We oppose the re-election of Mr. Vaghul because he has already served 12 years on the Board of Directors. He is therefore not considered independent according to our corporate governance guidelines. The ability of directors to provide independent oversight after serving on the board for such a long time is questionable.

Resolution 9. Reelect Wilbur L. Ross as Director

We oppose the re-election of Mr. Ross because we do not consider him to be independent for the reason that in 2004, when he was the Owner and Chairman of the Board of Directors of the International Steel Group, he sold the Company to Mittal Steel. We therefore feel that Mr. Ross has a conflict of interest in serving on the Board.

Resolution 10. Reelect Francois Pinault as Director

We oppose the re-election of Mr. Pinault because we do not consider him to be independent. Mr. Pinault's son is the Chairman and CEO of PPR where Mr. Mittal's son, Aditya Mittal, ArcelorMittal's Chief Financial Officer, is up for election at the PPR's general meeting in 2009. Therefore, Mr. Pinault appears to have a conflicting relationship with ArcelorMittal's chairman and CEO which might jeopardize Mr. Pinault's objectivity as a board member of ArcelorMittal.

Resolution 11. Approve Share Repurchase Program

We oppose the share repurchase program for two reasons: [1] it allows for the repurchase of shares above the average stock exchange price and [2] it allows for the implementation of the repurchase authority during a takeover period and therefore could potentially be used by management as a takeover defense.

Resolution 13. Approve Bonus Plan

We support the plan but have two concerns. We feel that whilst the performance criteria, which are based on macro level financial indicators measuring company performance are excellent for board members, they are inadequate for the pool of 500 to 700 senior managers who participate in the Global Development Executive Programme. An effective performance based incentive system requires targets that are directly tied to job functions and expected contributions of individual employees. They also need to be measurable, quantifiable targets which can be objectively assessed. Second, we ordinarily require plans to provide an accurate cap on the annual bonus and for the cap to be expressed as a percentage of the fixed annual salary.

Resolution 14. Approve Stock Option Plan

We oppose the stock option plan for three reasons. First, the proposed plan may have the effect of diluting shareholders' dividend rights and voting rights to just under 6%. We consider an amount over 5% to be excessive for a mature company like ArcelorMittal.

Second, the performance criteria are the same as those used to reward executives in the proposed bonus plan, and as explained earlier, we believe the criteria need to be more specific. We also believe that since the same pool of managers will be eligible for the stock option plan and the bonus plan, the criteria should be more challenging for the stock option plan. Third, under the proposed plan the ten-year option will vest in equal installments on the first, second and third anniversary of the grant date. We believe that the vesting period is too short for encouraging employee retention and a long term performance outlook.

Resolution 16. Approve Issuance of Equity or Equity Linked Securities without Preemptive Rights and Amend Article 5.5 Accordingly

We oppose the proposed issuance request because it would increase the pool of capital by more than 11.6 percent over the currently issued capital. We oppose issuance requests without preemptive rights that exceed 10 percent because they dilute shareholders' dividend rights and voting rights beyond what we consider to be an acceptable level.