



ArcelorMittal

Corporate Social Responsibility 2009

ArcelorMittal Ostrava



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Our production has to be safe. And sustainable.

Dear friends,

We at ArcelorMittal Ostrava, like in the rest of the ArcelorMittal Group, follow our motto “Safe Sustainable Steel”. I am told that this motto is by no means easy to render into Czech and so I will try to explain what it means as it has to do with the reasons why we have prepared the report that you are just reading.

Safe Sustainable Steel is the embodiment of the Group’s vision. We want to make steel, because we are good at it and because we believe that it is the material of the future. We do not know how the social climate, conditions for conducting business, or steel-making technologies may change in the future. But what we know is that whatever the changes may be, we will always want to make steel. Therefore, it is clear to us that we

need to approach all we do in such a way that will enable us to fulfil our vision.

“Safe” means that our key priority is health and safety protection at work. Steelmaking has always been inherently dangerous, involving risks of accidents including fatalities. But we have decided to change this. There is no reason why a single accident should happen – not even a minor one, let alone a fatality. Each accident involves something that was not supposed to happen or something that was not supposed to be done. And what we want is to avoid such occurrences. We take a lot of initiatives to succeed, as you will learn from the following pages.

“Sustainable” means that we want to be able to continue making steel for a long time. It implies that we should do our utmost to

create favourable conditions for fulfilling our fundamental vision, i.e. steelmaking, even in the future. In particular, it involves the minimization of the impact of our production and related processes on the environment, being fair with all our stakeholders, starting with our employees and ending with the Government, and supporting the local communities. Such an approach is commonly referred to as “being a good corporate citizen”.

And this is what we are striving to be – a good citizen of the society in which we operate. This report shows where we are on this journey.

Thank you for your interest.

Yours sincerely,
Augustine Kochuparampil

“It involves the minimization of the impact of our production and related processes on the environment, being fair with all our stakeholders, and supporting the local communities.”



2009: Helping the region

January

- Since January a memorial stone has commemorated the event of our planting 52 hornbeam trees on Hlavní třída in Havířov. The hornbeam trees are among the 1111 trees that ArcelorMittal Ostrava planted in the Ostrava district between the autumn of 2008 and the spring of 2009.

February

- Mýval (Racoon) has moved out to the streets of Silesian Ostrava and Radvanice and Bartovice. Mýval is the name given by children to a cleaning car worth more than 4 million crowns which we have donated to the city districts in order to help reduce dust in the streets.

March

- Our employees as volunteers have started reading to children in hospitals within the nation-wide project Every Czech Reads to Kids.



April

- We have donated a unique rope pyramid worth half a million crowns, which is one of the three available in the country, to a primary school in the Ostrava-Hrabová district. Thus, the pupils as well as the general public have the opportunity to test their climbing skills.

May

- Planting of 1111 has been completed. We have delivered on our promise made to the Ostrava region during the Colours of Ostrava music festival.



June

- ENGAGE or Engaging for a Better Life in the Ostrava Region – sixty of our employees have volunteered in this international volunteering project, lending a hand to non-profit organizations.

July

- 1.5 million crowns and material help worth another approximately 100 thousand crowns – such was our immediate response to the disastrous flood in the Moravian-Silesian Region. Further relief was brought to the affected citizens after collections of utensils and other necessary articles had been organized among our employees.

August

- Our donation for the adaptation of the garden has made it possible for the children from the Lipová kindergarten in the town of Šenov to be able to play safely again.



September

- The Company and its employees have pooled in 100 thousand crowns for the Fireflies. In this way we have supported The Day of Fireflies project organized by the Czech Radio Charitable Fund. The collected money is helping the blind in Ostrava.

October

- 100 Minutes for Life is the name of a campaign supporting voluntary blood donation. 514 employees have taken part and donated a total of 240 litres of blood.



November

- The Company's support has made it possible for the audience to be able to enjoy the autumn concerts by the students of the Janáček Conservatoire.

December

- 136 employees have lent a hand to 24 non-profit organizations in Ostrava and neighbouring districts within the framework of the International Volunteering Day.

We are able to develop new ways of helping



Not only prosperity, but also help wherever necessary – this is the current mission of corporations. This approach is called corporate social responsibility. But more important than the name is whether corporations are successful in implementing this approach. I am pleased that thanks to, among other things, the support from the Company Management we have been able to further develop our partnership with the non-profit sector and the local communities. Our help is not limited to financial gifts only: we are also able to find new ways of helping.

I am highly pleased that last year, more than ever before, our employees showed great sympathy and enthusiasm to help those who were in need. For example, we organized a swift collection for the victims of flooding immediately after the first news of the disaster had spread. We collected the necessary utensils and detergents and delivered them to the affected boroughs. The people who were in a desperate situation appreciated our help indeed.

And there were many more initiatives with similarly positive effects. We mainly focused on this region. We helped several nursery and elementary schools to improve and extend their equipment. Many of our

employees participated in the campaign supporting voluntary blood donation that we organized in conjunction with the Ostrava Blood Centre. Hundreds of them were also involved in voluntary activities for non-profit organizations. Thanks to this initiative that is now becoming traditional in this Company we have found that many of our employees devote themselves to such activities in their free time, too. Seeing that steelmakers are not indifferent to the local communities is encouraging for us.

I believe that you will find the information on our corporate social responsibility initiatives interesting.

Monika Pěnčíková,
Head of the Corporate Social Responsibility

“I am highly pleased that last year, more than ever before, our employees showed great sympathy and enthusiasm to help those who were in need.”



Cleanly Racoon helping after the flood



Racoon (Mýval in Czech) is a cleaning car worth more than 4 million crowns which we donated to the districts of Silesian Ostrava and Radvanice – Bartovice in February. Why? Because our aim is to provide individual districts with useful gifts and because we care to help reduce dust nuisance in the neighbouring areas.

The name Racoon was invented by children. School children from both the city districts participated in a contest to find the best name for the new cleaning car. The winner was a girl from the third grade of the Vrchlický primary school in Radvanice, who won tickets for the entire class to the Ostrava ZOO tour with a

special programme. During the hand-over ceremony she christened the vehicle “Mýval” with a bottle of non-alcoholic sparkling wine.

Mýval is very useful for the Ostrava city districts because it collects dust which is very harmful, because passing cars keep spreading it into the air. Apart from collecting dust, Mýval is also able to remove mud deposits off the streets. It proved its capabilities during the flood when we arranged for the vehicle to be lent to the town of Jeseník nad Odrou and we paid for the fuel consumed during the period for which the car was cleaning the roads covered with mud.

It is essential to help quickly

People:

“Bernartice and the adjacent Buková were the worst affected municipalities in the Jeseníky mountains area. The gift from ArcelorMittal Ostrava’s employees will help a number of families which have lost everything and for which we are helping to procure the basic household equipment.”

Petr Adame, Adra

“We highly appreciate the selfless help from ArcelorMittal Ostrava. The material goods and the cleaning car helped us a great deal.”

Tomáš Machýček,
Mayor of Jeseník nad Odrou

Figures:

1.5 million – our donation in crowns

100 thousand – worth of the material goods provided

24 hours – time taken for the collection of kitchen utensils

The flood of 2009 ranks third among the most damaging disasters in the recent history of the Czech Republic. It claimed 13 lives and caused damage worth more than 5.6 billion crowns. In such situations, quick help is the best help.

Therefore, immediately after the first news about the damaging consequences of the flood spread, the Company Management donated 1.5 million crowns to the affected areas by sending it directly to the account of the Moravian – Silesian Region. Subsequently, the Company also sent material help worth approximately 100 thousand crowns to the towns of Nový Jičín and Jeseník nad Odrou. Subsidiaries, too, joined the flood relief efforts.

Our coordination team was continuously in touch with the mayors of the affected

municipalities to identify the immediate needs of flood victims. We organised Company collections and our employees joined with enthusiasm. As a result we were able to deliver a number of carloads of the articles in need – cloths, towels, buckets, brooms, detergents, etc.

One day we even organized a flash collection. We learned that people in the municipalities of Bernartice and Buková had lost their kitchen utensils due to the flood and so they had almost nothing to eat or drink from. Using the internal communication tools we announced an immediate collection and within 24 hours we were able to collect two carloads of utensils, which we delivered directly to those who needed them.



1111 trees

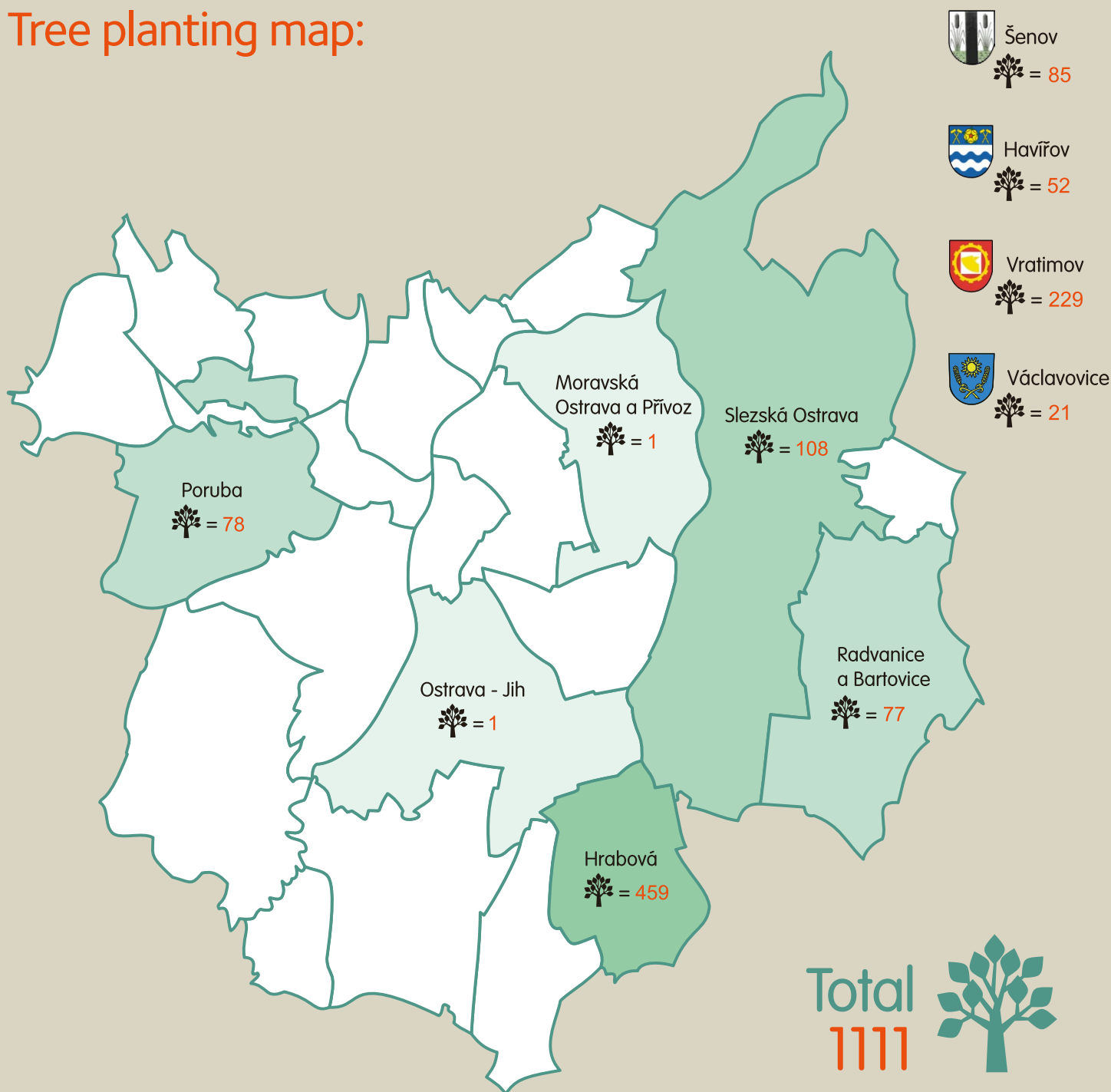


Last May we delivered on our promise made during the Colours of Ostrava 2008 music festival. As a partner of the festival we promised to plant one tree in the Ostrava area for each 100 plastic cups collected. Thus, we supported the collecting of cups which would otherwise have been scattered all over the festival area and would have hardly been properly disposed of during the final cleaning as sorted waste. The number of cups collected was 111 thousand, which would have equalled 1110 trees. We added one

more tree so that the figure was easy to remember. The first tree, a five-meter plane, was planted at Komenský park in the Moravian Ostrava district on September 22, 2008. The last of the 1111 trees was planted in the Ostrava-Hrabová district in May 2009.

The fact that we have delivered on our promise does not mean the end of our initiatives aimed at making Ostrava a greener place. Our tree planting will continue.

Tree planting map:



100 Minutes for Life



100 minutes – that is the time you need to donate blood, including all administrative procedures. 100 minutes of your time is enough to save someone's life. That was the reason why we named our October voluntary blood donation campaign 100 Minutes for Life.

Blood donation has a long tradition in this Company, but it was only last year that we supported the interest of employees with a campaign organised in conjunction with the Ostrava Blood Centre. The objective was to inspire regular blood donors to join in and mainly to attract new donors. This is absolutely vital for the Czech health service because the number of voluntary

blood donors in the country falls by ten thousand every year.

The results were beyond expectations: more than 500 colleagues participated in the campaign of whom 39 donated blood for the very first time. In total they donated more than 240 litres of this precious liquid, thus helping to save many lives. We will re-launch the campaign in October 2010.

Beyond the scope of the campaign we donated two plasma TV sets to the Blood Centre to make the donors' waiting time more pleasant.

People:

"I began to donate blood because of my wife. She received blood transfusion during childbirth and I promised myself to return what she had been given. And I have continued ever since."

Kamil Michalík, electrician

"I decided to donate blood because my eldest daughter suffered from health problems. Besides, one never knows when they may need such a help, for example during an operation."

Dušan Ťažký, Steel Plant.

Figures:

514 – number of Company's participants

100 – of minutes you spend on the whole blood donation process

39 – number of first-time donors



We tried to encourage employees to donate blood through an in-house media campaign. The face of the campaign was our colleague Barbora Dvořáková as a first-time donor. We were taking photos of her at every stage of the blood donation process, then we made a cartoon and Barbora filled in her impressions.

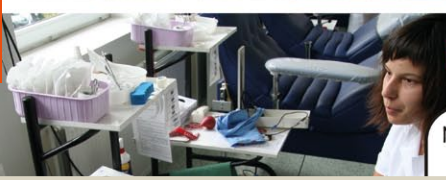


vědomostní test, nýbrž dotazník o zdravotním stavu a absolvovaném očkování, který se vyplňuje před každým odběrem.

Moje číslo konečně vyhrává, takže můžu do ordinace na vstupní vyšetření. Tlak mám proklatě nízký - poprvé i podruhé nula, ale napotřetí už se našťástí potvrdí, že jsem naživu. :-)



Zdravím a mě se nedívají! Tu šestnou novou di vzala pří přišla nalačno jak mi t vysvě značně r Našťěst na takov přípr



Netrvalo to ani deset minut.



Pokusíte se spolu s dát někomu naději
Dárce krve:
* má nárok na

Fireflies scattered all over the Company and collected more than a hundred thousand crowns



“The Day of Fireflies” – this is the name of a traditional project organized by the Czech Radio Charitable Fund in which we participated in September 2009. We gave a new impulse to the event that helps brighten the world of the blind every year: we invited patrols of Fireflies (students of the Janáček Conservatoire) to the Company premises. Both partners, the Czech Radio Charitable Fund and the Janáček Conservatoire, enthusiastically agreed.

The collection was a great success, the employees contributed 51 thousand crowns and the Company then contributed to double the amount. More than one hundred thousand crowns was used to help two children with severe visual and physical handicaps: thirteen-year-old Ivanka and two-year-old Míša. 80 thousand crowns was contributed for the purchase of a new car with special modifications that is used for taking Ivanka to school. The remaining 20 thousand crowns was given to the parents of two-year-old Míša to buy a special baby carriage.



Thus, the employees of ArcelorMittal Ostrava were able to meet the Fireflies in the Company premises and buy key rings or bracelets with the logo of Firefly, or small magnets with drawings by blind Pavla Francová. The Company Management joined in, too: the CEO as well as each director bought bracelets with the picture of a firefly that shines in the dark.

People:

“We highly appreciate that one of the largest companies in the Czech Republic decided to help and participated in the collection along with its employees. The amount collected is a great help for the blind and otherwise visually handicapped.”

Ivana Jančová
The Czech Radio Charitable Fund

“ArcelorMittal Ostrava contributed the largest amount of all the foundations that we had contacted. Had it not been for the Company, we would not have had the baby carriage by now. We would like to thank all those who contributed: you have helped us tremendously.”

Mother of 2-year-old Michal from
Ostrava-Hrabůvka

Figures:

100 000 crowns – slightly more than this amount was collected

80 000 crowns – donation for a special car

20 000 crowns – donation for a special baby carriage



Buy and Help



The employees of ArcelorMittal Ostrava were able to buy products made by the clients of six sheltered workshops in Ostrava and adjacent areas directly on the Company premises: the Company hosted a Christmas fair under the slogan "Buy and Help". Having bought interesting textile or ceramic products, candles and Christmas cards the steelmakers made a charity contribution amounting to 71,400 crowns.

Most clients of the sheltered workshops suffer from handicaps, either inborn or as a result of an injury. For many of them protected workshops are the only place where they can get a job.

The fair was accompanied by a display of photographs from the calendar published by the non-profit organization Every Czech Reads to Kids. The employees had

an opportunity to buy the calendar at a discounted price.

„This was the first Christmas fair in this Company. The Christmas mood and the time spent with the clients of the sheltered workshops made the employees slow down and think about what is important in life. As the event was a great success, we immediately planned a similar fair for Easter,” said CEO Augustine Kochuparampil.

Participating sheltered workshops: Charity of St. Alexander, Hlučín Charity – social and therapeutic workshops, Salvation Army, Opava Charity – Sheltered Workshops of St. Joseph, Hrabyně Charity, and Roska Ostrava. Another participant was beneficiary association Every Czech Reads to Kids.

People:

“We are glad to have been able to offer products that are not only original, but also unrepeatable in many cases. And we are pleased with the attitude of the steelmakers, who helped us obtain some financial support and many of whom were also genuinely interested in the activities of the sheltered workshops.”

Pavel Šefrānek, Opava Charity.

“The more products we sell, the more work we have for our employees. This means that the money obtained is spent on the running of the workshops and our employees’ wages.”

Pavel Folta,
Charity of St. Alexander.

Figures:

71 400 – amount obtained by the charities

6 – number of participating sheltered workshops

2 – number of days the event lasted



Small actions can produce big results



Corporate volunteering has become a tradition in this Company. A total of 136 Company employees lent a hand in 24 non-profit organizations within the International Volunteering Day in December.

The volunteers were decorating walls, cleaning carpets and windows, collecting street leaves, and building and painting fences. In addition to that they also distributed St. Nicolas Day presents to children in hospital and made a musical performance for children at kindergarten. "I am happy that our employees were enthusiastic about the idea of joining the campaign where small actions produce big results. That is why the Company Management enables and supports this noble cause," said CEO Augustine Kochuparampil. During corporate volunteering the day's work is paid by the Company but employees work for non-profit organizations.

The largest group of 30 volunteers was helping with painting, cleaning the garden, but mainly building a car park at the Special

Primary School Diakonie in Vítkovice. "In this school year, 25 of our 27 pupils are immobile. The adaptation of the exterior that was made by the employees of ArcelorMittal Ostrava will make it easier for the pupils to access the school and will also help the children's parents and teachers very much," said Irena Savková, the principal of the school.

The employees who participated feel good about volunteering. „I think that it is a man's duty to help others. I participated in the volunteering day last year and was happy to help. And it is also an opportunity to think out of the box and see a different environment. For me it is a good idea and I hope that such events will continue in the future," said Zbyšek Nierostek from the Coking Plant, who was helping to rake leaves in the Domeček unincorporated association.

In 2009 more than 2000 of the Company employees participated in volunteering projects, collections or other types of humanitarian help.

People:

"I was helping in 2008, too. I was raised by old grandparents and so working with the elderly is close to my heart."

Gabriela Pernická,
metallurgical laboratory (helping the elderly in Domovinka – Siloe)

"Volunteering is something beyond what one does every day; it is an opportunity to help those who may not be as lucky as we are. And it does not matter at all what kind of help it involves."

Jiří Pyš, Investments

Figures:

2000 – approximate number of employees helping others in 2009

136 – number of employees who volunteered in December 2009

24 – number of NGOs receiving our help



2009: For better environment

January

- Additional 1,800 tonnes of dust collected – this is the result of our project involving increased frequency of road cleaning in the Company area in 2008.



July

- Dedusting of the skull-cutting process – this investment worth more than 20 million crowns has eliminated the clouds of brown smoke generated during the flame-cutting of skull.



February

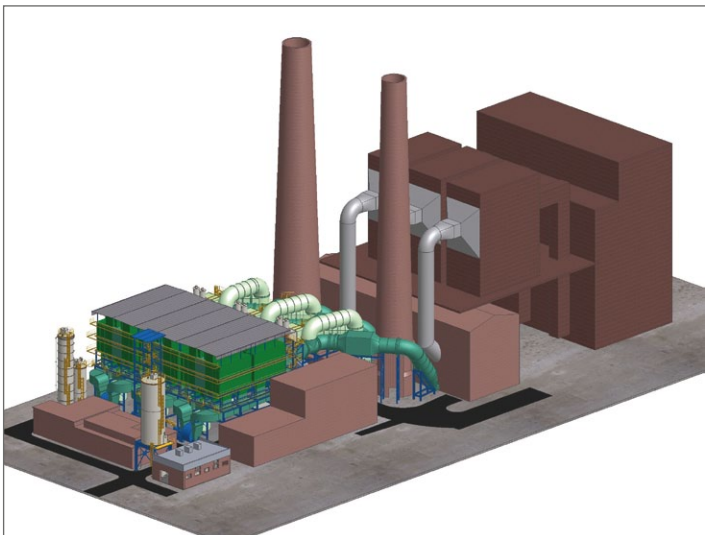
- Modernization and strengthening of the secondary dedusting facility at the Steel Plant has been completed. The investment worth more than 100 million crowns has made it possible for us to stop opening the roof lights, which was causing clouds of the notorious red smoke.

April

- The Company representatives have taken part in a conference on air quality organized by the Ostrava City Authority.

June

- Planning permit obtained for the modernization of the Sinter Plant North dedusting facility – another step towards the implementation of the most important environmental project worth more than 1 billion crowns.



September

- The Company representatives have taken part in a conference on the environmental protection in downstream steelmaking.
- We have concluded a contract with the contractor for the reconstruction of the Žermanice water pipeline.

November

- We have completed the erection of three anti-noise screens at the Bartovice marshalling yard. The project worth 4.5 million crowns has significantly improved the environment for the residents of the surrounding houses.



December

- The reconstruction of sintering band no. 5 at Sinter Plant South has been completed.
- We have commissioned the equipment for elimination of brown coal tar vapours.

Environmental projects are worked on continually



“ The most important environmental project is the dedusting of the Sinter Plant. We were very careful about selecting the contractor to deliver the best technology. The fact that our decision was right was confirmed by independent experts from the Technical University of Ostrava.”

After the privatization, between 2004 – 2008, the Company implemented investment projects worth more than 8 billion crowns of which 2.5 billion crowns was invested in environmental projects. Investments did not stop even in 2009 although we were facing the impacts of the economic crisis.

The most important environmental project, which will substantially reduce dust emissions, is the dedusting of the Sinter Plant. The contract was signed with the contractor (Lühr Filter) in 2008; preparatory work continued throughout 2009. In June we obtained a planning permit for the construction.

The selected contractor's bid was not the cheapest, but with such an important project it was important for us to select a contractor who would deliver the best technology. The fact that our decision was right was confirmed by independent experts from the Technical University of Ostrava. The state-of-the-art system of bag filters will ensure that we will comfortably comply with the future dust emission legislative requirements. However, such an investment project worth more than a billion crowns cannot be completed overnight.

Apart from that we have been implementing other investment projects that gradually reduce our environmental footprint. We have modernized and increased the capacity of our secondary dedusting system at the Steel Plant, installed the dedusting equipment for the skull-cutting process, and reconstructed sintering bands at the Sinter Plants. We are also aiming to reduce the fugitive emissions, i.e. particles that are not captured by filters. We have increased the frequency of cleaning the Company areas, introduced compulsory covering of all trucks transporting dusty material, and donated a cleaning vehicle to the neighbouring districts.

The above environmental projects are detailed in the following chapter. You will also be able to read about our water sources, waste handling, and noise reduction.

I am happy to be able to inform you in this way of the gradual reduction of our environmental footprint.

Petr Baranek
Chief Green Officer



Completion of the secondary dedusting system at the Steel Plant

Since January 1, 2009, the roof of the Steel Plant hall has been permanently closed. This has been possible thanks to the investment of more than 100 million crowns in the upgrading of the secondary dedusting in the Steel Plant. Thus, we have managed to reduce fugitive emissions of dust and eliminate the red and brown smoke. "The red and brown smoke above the Steel Plant had become a symbol of

air pollution. We are glad that this smoke is history now," said Petr Baranek, Chief Green Officer.

By 2008 we had had to open the roof each time that our employees needed to work in elevated parts of the hall capacity (e.g. to repair or inspect cranes), because the dedusting system had insufficient capacity and was incapable of collecting all the gas produced by Tandem Furnaces.

Thus, part of the gases that are lighter than air would cumulate under the roof and it was necessary to release them so that the works could be done.

The reconstruction of the dedusting system has made it possible to increase the capacity of the exhaust system by twenty per cent, which is now sufficient to collect all the leaking gas. As a result, the roof can remain permanently closed.

Dedusting of the skull-cutting process



In July we commissioned the equipment for elimination of dust and red and brown smoke generated during the skull-cutting process – an investment worth 20 million crowns.

Skull is generated during hot metal production in blast furnaces. Some pieces of skull may weigh tens of tonnes and they cannot be charged in the steelmaking furnaces until cut into smaller pieces of several tonnes. The cutting is done by

oxygen torches, which generates flue gases with high contents of iron oxides – the red and brown smoke.

The new facility that was commissioned in the Scrap Yard area extracts and cools down the emissions, and separates dust through bag filters with more than 99 per cent efficiency.

People:

"By commissioning this equipment ArcelorMittal Ostrava has reached another stage of fulfilling its commitments. Emissions from this equipment will be well below the legislative limits as well as below the limits set by the Regional Authority."

Miroslav Novák,
Vice-President
of the Moravian – Silesian Region

"The equipment meets even the most stringent standards. We can guarantee that the operational parameters will be below 10 milligrams per cubic meter."

Miloslav Šváb,
GŘ ZVVZ-Enven Engineering

Figures:

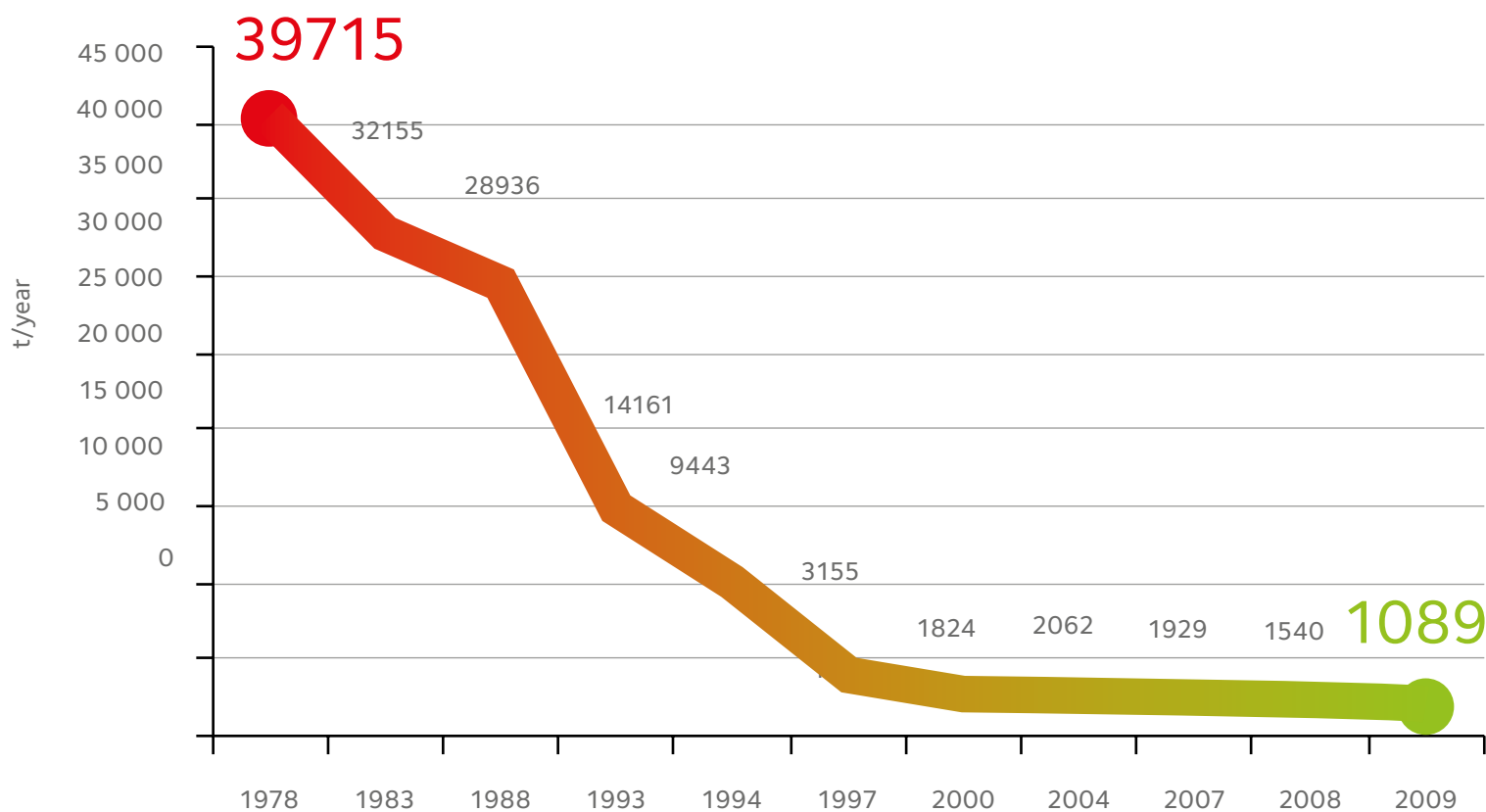
20 million – price in CZK of the dedusting equipment for the skull-cutting process

10 thousand – tonnage of skull that the equipment can process every month

800 – area of the bag filter in m².



We keep reducing dust emissions



As opposed to the beginning of the 1980s we are now emitting approximately forty times less particulate matter, and as opposed to the beginning of 1990s fifteen times less. Although we have been continually reducing our emissions, the ambient air quality standards in and around Ostrava are often exceeded.

We are aware of our share in the situation and the responsibility associated with it. Therefore, it is our objective to further reduce the amount of pollutants emitted. Our major environmental investment project focuses on the main source of particulate matter, the Sinter Plant.

After the dedusting facility is commissioned, the Sinter Plant's dust emissions will be reduced by 70 per cent compared to the status quo.

Another step towards the construction of the dedusting facility

In 2009 the Sinter Plant North dedusting project continued with designing work. In November we received the building permit for the largest environmental investment in the Region. Immediately after that we started preparing the construction site. It was necessary to pull down the existing structures, clean out the entire area and prepare the ground.

The installation of the bag filters will be completed by the end of 2011 and will bring the reduction of dust emissions from the Sinter Plant by more than two thirds compared to the current situation.





Anti-noise screens at the Bartovice marshalling yard

The marshalling yard in Bartovice is an essential part of the Company transportation network. In order to reduce the noise in its vicinity we have erected three anti-noise screens. They reduce the noise coming from the area where cargo trains are shunted and transferred to the Company siding.

The screens are 100, 152 and 28 meters long and 4 – 4.5 meters high. They were erected in record time of one month by GEPA Zlín and cost almost five million crowns. The project will be accomplished

by the erection of the fourth wall of 400 meters in length and 4.5 – 8 meters in height.

With the fourth wall we will have completed the noise reduction measures which we started implementing in 2008 when noise dampers on rail brakes were installed. We also adopted some operational measures: save for unavoidable exceptions we stopped night shunting. Since 2008 the local citizens have been able to use a toll-free line to communicate their concerns and suggestions.

People:

“Almost all our supplies of raw and other material, spare parts, and empty wagons pass through the Bartovice railway station. Because the marshalling yard is situated in the vicinity of residential buildings, it was important for us to reduce the noise level in this area.”

Petr Baranek, Chief Green Officer

“The restriction on night shunting makes our operation more complicated and more expensive, but we are aware that peace and quiet at night is one of the preconditions of healthy environment. And this is our priority.”

Alan Dorňák,
Transport Plant Director

Figures:

11 million – total price in crowns for the erection of the screens

4.5 million – in crowns spent on the screens so far

270 – length of the existing walls in meters

4,5 – height of the existing walls in meters

All trucks have to be covered with tarps

In 2009 we issued an instruction that all trucks transporting dusty material such as slag, fly ash, etc. have to be covered with tarps. This applies to both internal as well as external forwarders. The objective is to eliminate fugitive emissions of dust generated during the transportation of loose materials. This measure will have a positive impact along the entire route of transport, i.e. even outside the Company.

“Tarp covering has a great benefit for the environment. The dust on and along roads is whirled by passing vehicles again and again until collected or even inhaled. And that is why we have made it obligatory to use tarp covering and have donated a cleaning vehicle to the neighbouring districts,” explained Petr Baranek, Chief Green Officer.

Reconstruction of the sintering bands dust control

The reconstruction, which started in 2009, is very important. After it is completed in 2011, it will minimize the dust emissions from sinter production. The reconstruction will enable us to comfortably meet the tightened national emission limits and ceilings.

Sinter is part of the blast furnace charge. It is produced under high temperatures on sintering bands from such components as iron ore, limestone, and coke. Naturally,

the production of sinter involves the generation of dust and smoke and that is why we have equipped the bands with suction hoods so that flue gases can be cleaned.

We are undertaking a step-by-step reconstruction of sintering bands dust control to meet the new, more stringent emission limits and ceilings for particulate matter that will be effective from January 1, 2012 onwards.



People:

"Thanks to the recirculation of waste water from the waste water treatment plants and the use of ingress water we saved, i.e. did not need to use, 6.5 million ml of water from natural surface resources."

Petr Baranek, Chief Green Officer

"From our two waste water treatment plants on the Ostravice and the Lučina we were able to reuse more than 35 % of the cleaned water."

Michal Čuport, Water Management

Figures:

140 million – amount in CZK to be invested by 2011 to improve the quality of groundwater

14 million – amount of water in m³ that we consumed in 2009

90 – percentage of recycled cooling water

We clean all our waste water

All waste water, be it industrial water, sewage or rainwater, is taken by a sewer system to two mechanical and chemical waste water treatment plants Lučina and Ostravice. At the Lučina waste water treatment plant we have implemented a new technology for waste water neutralization using carbon dioxide. In doing so we replaced iron sulphate that is commonly used for such purposes and reduced the content of dissolved solids in the cleaned water.

The two waste water treatment plants process 98.5 per cent of our waste water. The only exception is the ingress water from the Lihovarská slag dump that is used for slag granulation. Only its surplus is discharged into the river Lučina.

The Company Coking Plant is the only in the Czech Republic to operate a biological phenol-ammonia waste water treatment plant. The plant has to clean technological waste water generated during coke production so that it conforms to the City of Ostrava sewage rules. The cleaned water then can be taken together with the municipal waste water to the central waste water treatment plant in Ostrava-Přívov. In 2009 we started the reconstruction of the waste water treatment plant. We built a new technological tank with capacity of 500 ml. "Our objective is to ensure that this demanding technology continues to be highly efficient and reliable," explained Chief Green Officer Petr Baranek.

Reconstruction of the Žermanice water feeders

The Žermanice feeders are two buried pipelines of 900 mm in diameter and 12.5 km in length which can supply up to 32 million m³ of surface water from Žermanice dam to the Company every year. The water is required for the production in all our plants. The reconstruction of the Žermanice water feeders, which will be executed between 2010 – 2012, is the most extensive water management project in recent years. In 2009 we obtained the building permit and started the preparatory work, such as the diagnostics of the pipelines.

The reconstruction will be executed by the method of cementing, which will increase the life of the piping by at least 25 years. "It is an excavation-free technology consisting in internal machine application of a special mixture that will adhere to the steel piping through chemical reaction. Besides that we will also be replacing the accessories, i.e. section valves, air valves, and mud traps," said Tomáš Janša, head of operation 47, in explanation of the technological procedure.

Reducing the emissions of volatile organic compounds

At the end of 2009 we started a trial operation of new equipment for capturing and liquidation of volatile organic compounds. These are released during the handling of brown coal generator tar, which is used as blast furnace fuel. Volatile organic compounds are released during the tapping of tar from railway cisterns and during its storage in tanks. Our new equipment will capture the vapours and take them to a combustion catalytic unit. The guaranteed capturing efficiency is more than 99 per cent.



Various types of waste

It is our long-term objective to reduce the volume of by-products and waste. That is why we strive to maximize recycling and prevent waste generation. The results speak for themselves: while in 2000 we produced more than 800 thousand tonnes of waste with steel production of 2.5

million tonnes, in 2009 we produced less than 155 thousand tonnes of waste with steel production of 1.6 million tonnes. This means that we reduced the volume of waste from 320 kg per tonne to less than 100 kg.

The basic types of high volume waste that we generate are listed below. Some of them are classified as products and are used mostly by the building industry.

People:

“Many types of our waste are classified as products and are used mainly by the building industry.”

Petr Baranek, Chief Green Officer

“We aim to maximize the recycling of our waste. For example, we recycle about 10 per cent of the refractory brick that we use for repairs of our steel-making facilities.”

Svatava Třaskošová,
Waste Management

Figures:

320 – kilograms of waste per each tonne produced in 2000

100 – kilograms of waste per each tonne produced in 2009

60 – percentage by which we have reduced the amount of waste per tonne over 9 years



Fly ash from coal burning

Fly ash is produced during steam and electricity generation. This particulate matter is separated by the dedusting equipment filters of individual boilers of the Heating Plant. The annual steam generation of around 20 million GJ is accompanied by the production of 116 thousand tonnes of fly ash. A significant part of fly ash is used by the building industry and for the reclamation of land.

The remaining amount is used by the building industry.

Sludge from industrial waste water cleaning

The sludge is generated in the industrial waste water treatment plants Lučina and Ostravice. The sludge settles in the sludge beds and when they are full, it is collected by external entities. In the Lučina waste water treatment plant the sludge is dewatered through a horizontal centrifuge. In 2009 we disposed of approximately 5.5 thousand tonnes of this type of sludge.

Cinder, slag and boiler dust

It is unburned debris of fuel produced during the burning in steam boilers. Every year we produce approximately 6.4 thousand tonnes of this type of waste

Waste sand

Waste sand is made in the Foundry during the production of castings. In 2009 we made approximately 5.3 thousand tonnes of waste sand, which is used by the building industry.

Sludge from gas cleaning

The sludge is produced during the wet cleaning of flue gases generated by tandem and blast furnaces. With 1.6 million tonnes of crude steel output we produce approximately 36.5 thousand tonnes of such sludge. It is used mainly for the production of land reclamation material.

Blast furnace slag generated during hot metal production

The slag is used for the production of aggregate and granulate. Every year we produce approximately 298 thousand tonnes of granulate and 282 thousand tonnes of aggregate.

Refractory material

Every year we produce more than 60 thousand tonnes of refractory lining and material from the repaired steel-making equipment. Approximately 10 per cent of the waste is recycled and reused in repairs of the steel-making equipment.

Steel-making slag

Last year we sold more than 118 thousand tonnes of steel-making slag to external entities. We produced 39 thousand tonnes of unprocessed ladle slag.



2009: For better safety

January

- Warning figurines named Jarda - we have borrowed the idea from our sister company ArcelorMittal Gent. Jardas are placed on sites where industrial accidents have happened. In 2009 they were used on eleven sites



February

- The rules for the entry of people and vehicles to the Company area have been tightened up. Our aim is to increase safety on the premises.

March

- We have installed the first horizontal retention system for working at heights on the crane runways at the Steel Plant. In the course of 2009 we tested the system and identified other crane runways where it will be implemented in 2010.

April

- Every April we organize the Health and Safety Day for our employees within the framework of the World Day for Health and Safety at Work.
- We have also organized the Health and Safety Day for children from Radvanice and Bartovice district. The programme included the display of healthcare and rescue equipment, the practicing of safe behaviour on the road, etc.



May

- We have performed thematic safety audits focusing on the storing and handling of material and components, slings for the transport of loads, and the condition of ladders.

June

- Meeting of the Global Joint Health and Safety Committee. We have had the opportunity to exchange experience and ideas in the field of health and safety with our colleagues from other units of the Group.

July

- We have surveyed employee satisfaction with the quality of preventive healthcare using a sample of 85 employees.

September

- We have launched a project aimed at the refurbishment of the washing and changing rooms, roofing, and roads.



October

- The recertification audit of the Health and Safety Management System in accordance with BS OHSAS 18 001:2007 has taken place. We have defended the certificate.

November

- Locomotives have received new reflective painting.
- We have installed modern warning signalling on selected pedestrian crossings to improve the road safety in the Company area.

December

- Another meeting of the Health and Safety Committee, whose members are the representatives of the Top Management and Trade Unions, has taken place. The meetings were held regularly during the whole year.



Even one accident is more than the target



Health and safety protection at work are not just empty words for us: it is the top priority not only in this Company but in the entire ArcelorMittal Group. And it is a natural part of employee care. We spare no expense or effort to reduce and eventually eliminate the occurrence of both injuries and occupational diseases.

As for injuries, last year we launched a long-term project of "Journey to Zero". The target of zero accidents at steelworks may seem overly ambitious or even unrealistic. But some steel plants have seen no accident for several months in a row. If this is possible for a day, a week, a month, then why not for yet another month, the whole year, another year...?

Last year we had nine lost time accidents in this Company. Some may say it was "only" nine accidents as in the 1990s we would have tens of such accidents each month. But we have a different view. Even if only one accident occurs during the whole year, for us it will simply be one more than the target.

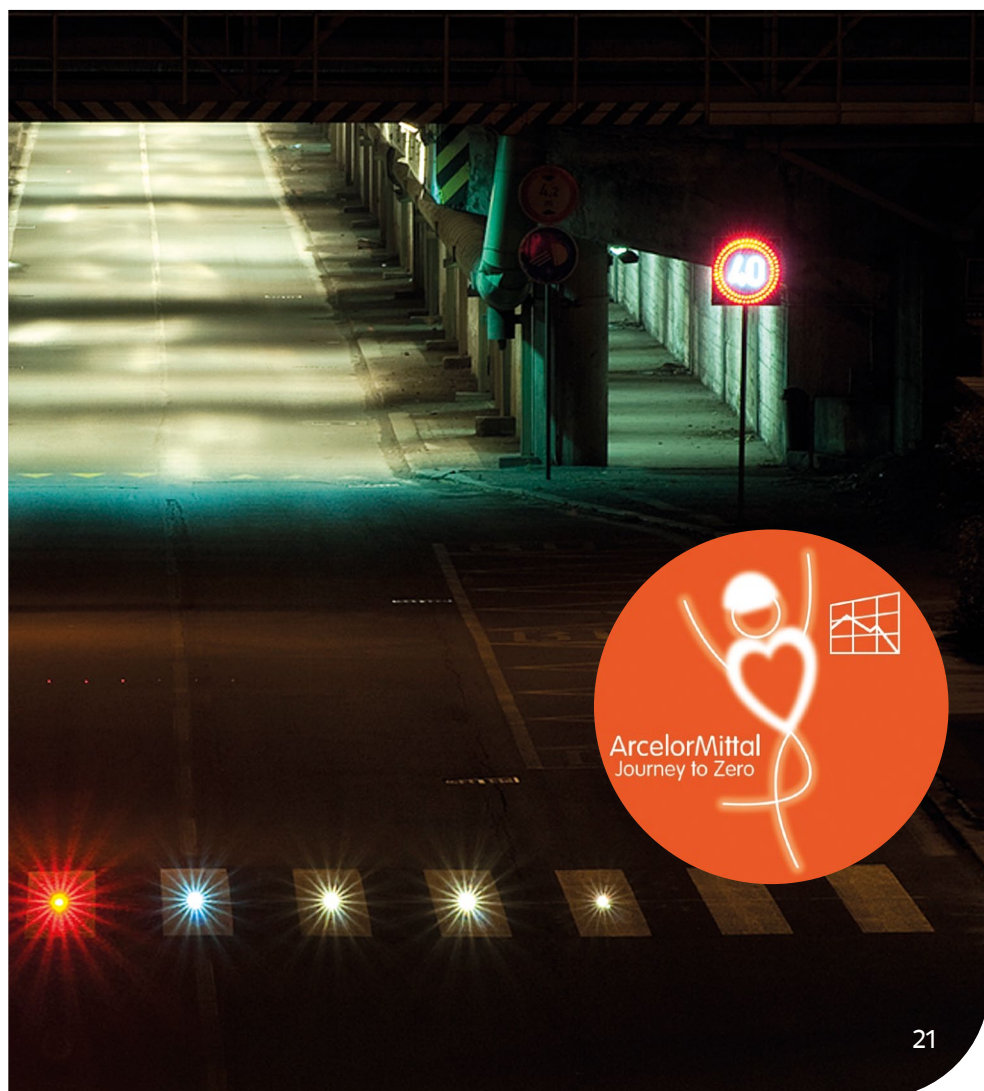
I often ask people whether they think it possible for a steelworks to have zero accidents. They mostly say no. Then I ask them whether they plan to have an accident and it shows that nobody plans to have one. So, I say, you expect accidents to happen to your colleagues then. To that there is usually no response but uncomfortable silence. The people come to realize that accident is no abstract thing. It means that a member of the team will not come home in a good condition or in the worst case will not come home at all.

If we view this from such a perspective, we will realize what the real priorities are. We are a leader among steelmakers in health and safety. But as a good leader we know that although we have done a lot of work, we still have a lot of work to do.

Please, keep your fingers crossed for us.

Jiří Michálek,
Chief Health and Safety Officer

"The target of zero accidents at steelworks may seem unrealistic. But some steel plants have seen no accident for several months in a row. If this is possible for a day, a week, a month, then why not for yet another month, the whole year, another year...?"





People:

"I have never seen safety at work to be represented on such a high level in the organizational structure of a company. The office of safety director is quite common in the Czech industry. But safety managers only rarely report directly to the CEO. And if so, the focus is more on security than safety at work."

Stanislav Malý, Director of the Safety at Work Research Institute

"We promote safe work not only among our own employees, but also among our contractors' staffs. Our ultimate target, i.e. zero accidents, applies to all that work with us – without exceptions."

Jiří Michálek, Chief Health and Safety Officer

Figures:

5,582 – number of employees who participated in the Health and Safety Day

29 – number of projects implemented in 2009 to improve safety

25 – million crowns invested in safety in 2009

We strive to become the safest steelmaker in the world

This is the reason why we are launching the "Journey to Zero" project. The objective is to prevent serious industrial accidents and to reduce the frequency of accidents and the time lost on account of accidents. Other goals include the struggle against occupational diseases. Gradually, we have been implementing ArcelorMittal standards

for the prevention of industrial accidents. The standards cover the areas of isolation, working at heights and in confined spaces, crane, railway and road transport as well as housekeeping. The standards apply not only to our employees, but also to contractors.

Near misses

Some may say that everything is quite all right as nothing has happened. But this is not true. Near misses are events that have not resulted in an accident only by a happy coincidence. That is why we see a great potential for reducing the number

of accidents in the careful monitoring and evaluation of near misses. It is very important to prevent such events from happening again because next time there may be no happy coincidence.

Effective Committee

In 2009 we established the Health and Safety Committee. It is a task force whose objective is to identify risk-prone areas, i.e. places with inherent risk of accidents or sites where employees' health may be endangered. Importantly, the members of the Health and Safety Committee are

both representatives of Trade Unions and Top Management. Thanks to this the Committee is very effective: not only can the team propose measures, it can also immediately decide on their implementation.

Certificates and awards

We have earned the Safe Enterprise award and we continue to adhere to its conditions. In 2009 we defended the Health and Safety Management System certificate in accordance with ČSN OHSAS 18001.

We cooperate with the Faculty of Safety Engineering of the Technical University of Ostrava. The Company assists two students of the Faculty in writing up their final theses on safety.

Health and Safety Day

The Health and Safety Day for our employees is organized within the framework of the World Day for Health and Safety at Work. The programme includes lectures, surveys, and presentations of personal protective

equipment. Employees also have an opportunity to undergo special health check-ups. A total of 5,582 employees took part in the Health and Safety Day's activities.



2009: For better employee care

January

- The first round of the best employee awards. The title was awarded to 143 employees in 2009.

February

- The results of the Engagement Survey organized among our employees have been presented by Hewit Associates, which was working on the survey in the second half of 2008.

March

- Career 2009+ fair and conference at the Technical University of Ostrava in which we participated gave us an opportunity to offer cooperation to students, including new topics for final theses. Students with excellent results may also receive job offers.



April

- Educate Yourself! – we have actively joined the project that has enabled us to use the EU funds for the education of employees. In 2009 approximately one thousand employees participated in the project to enhance their competences during the period of production cuts.
- The scheme for talented employees that we have launched focuses on increasing the motivation of talents and on accelerating their preparation for the future, more demanding positions in the Company. 60 talents took part in the scheme in 2009.

June

- Graduation ceremony of the Faculty of Metallurgy and Material Engineering of the Technical University of Ostrava. Three students have received awards for the best diploma theses from the Company HR Director.
- The best secondary technical school students who have qualified for our scholarship programme have been awarded certificates.

August

- Career guidance office has been established. It offers all employees regardless of their positions the opportunity to discuss their career prospects within the Company. More than 50 employees used its services in 2009.

September

- The company has launched weekend spa treatment programmes for employees (in Darkov, Teplice and Karlova Studánka spas). The programme has received a very favourable response.

October

- Function for the employees who have completed 25 years with the Company. Entertainment was taken care of by Marcel Woodman Rock'n'Roll Band.
- By October the Help Centre had provided 1118 consulting services to the leaving employees (psychological counselling, assistance with labour office formalities, writing of job applications, curricula vitae, and motivational letters).



November

- A function for the best employees 2009 at the Puppet Theatre in Ostrava. Awards have also been handed out to blood donors with the highest number of blood donations. The night's programme included a theatrical performance, too.

December

- Function for the employees who have completed 35 years with the Company.
- Preparation of the programmes for cooperation with secondary schools and the Gifts to Schools projects.



2009 did not hold us back. On the contrary, we launched new projects.



2009 was really difficult for the human resources area. We had to cope with the impacts of the crisis so as not to make the Company weaker, but on the contrary to make it even more competitive for the future. That was a great challenge.

The Company, like most others, was stricken by the crisis that made us reduce the number of employees. But we were very considerate and fair with the leaving employees. We provided them with very generous severance pays amounting to thirteen to twenty average monthly salaries. Besides, all of them had the opportunity to use the services of our Help Centre where experts provided advice on job opportunities, psychological diagnostics and counselling, etc.

The most important thing was that though the period was difficult, we did not cease to launch new HR processes. We were interested to hear our employees' opinions, we were working hard on improvement and were trying to engage as many employees in educational programmes as possible. For example, we strove to make the most of the Educate Yourself! project sponsored by the Ministry of Labour and Social Affairs. And we managed to train approximately a

thousand employees within the project in 2009.

Throughout the year we were focusing heavily on the communication with employees. I always put emphasis on a two-way communication. The more difficult the situation, the more important it is to share information with employees. That is why from the beginning of the crisis the Top Management were meeting with employees directly on the shop-floor to inform them of the situation.

In spite of the fact that 2009 was by no means easy, our employee programmes and projects continued even beyond the scope of the Collective Agreement. We carried on with recondition stays, rewarding the best employees or those who had been with the company for many years.

Thanks to all this we were able not only to survive 2009 with our head held high, but also to launch new programmes and strengthen the position of ArcelorMittal Ostrava as a responsible employer.

Ctirad Lolek
Human Resources Director

“I always put emphasis on a two-way communication. The more difficult the situation, the more important it is to share information with employees.”



Employee care is more than wages



The Company average salary was 29,571 crowns in the last quarter of 2009. Apart from that all employees are provided with social benefits and perquisites.

In 2009 we spent more than 80 million crowns on employee social benefits, i.e. an average of 12 thousand crowns per employee. The highest amount was spent on the contributory pension scheme, which is used by more than 87 per cent of employees. In 2009 we contributed approximately 36 million crowns to the scheme.

We also make contributions to employee treatment stays and remedial programmes, and provide interest-free loans or financial support to employees in difficult life situations. Steelmakers also receive catering allowances and are provided with protective drinks. Besides that the Company supports sport and cultural activities of employees and their children. Special bonuses are paid to blood donors.

People:

"It is extremely important for us that besides participating in numerous joint projects, ArcelorMittal Ostrava has been a generous sponsor, whose gifts are used for the education of the young technical generation as well as for the promotion of the University."

Ivo Vondrák,
Rector of the Technical University
of Ostrava

"Good work with human resources takes a good team. I am glad that we have been able to establish such a team at ArcelorMittal Ostrava."

Ctirad Lolek,
Human Resources Director

Figures:

80 million – in CZK spent on social benefits in 2009

1.9 million – amount in CZK spent on the scholarship programme in 2009

29 571 – average salary in CZK in the last quarter of 2009

Best employees function

Excellent employees are awarded on a regular basis. The best employees of individual months (143 employees in 2009) meet with the Top Management representatives at a special dinner where they can discuss their concerns. At the end of the year we choose the best employees of the year, who receive presents.

We also appreciate a long-time service. We organize functions for those who have completed their 25th or 35th year with the Company. They are invited to come with their spouses so that they can receive the award from the CEO and other Top Management representatives and then enjoy a theatrical performance together.

Green light for young talents

The Company has a scholarship programme for secondary school students and outstandingly talented university students. Apart from that we also organize free on-the-job training and assign the topics for and supervise final theses. Other meetings with students take place during the recruitment plant visits.

In 2009 we distributed 1.9 million crowns among 188 secondary school students within the scholarship programme. 179 secondary school students took part in the on-the-job training during which they worked 34,350 hours.

Young and talented engineers who are willing to travel and move within the ArcelorMittal Group are provided with

ample opportunities within the Group Engineers global programme. 10 graduates from technical universities were recruited as part of the programme. During their first year with the Company they attend management courses, acquire their first practical skills and improve language skills. At the end of the first year they are assigned the first job at certain destinations of the Group. They usually spend 2 to 5 years on the job. At present four of our young engineers work in the ArcelorMittal units in Germany and Spain.

Bargaining, organizing, and checking



ArcelorMittal Ostrava Trade Unions not only emphatically defend the rights of all the Company employees, but for many years they have been organizing cultural, sport, and social events.

We deal with employees' day-to-day problems some of which need not necessarily be related to the jobs performed (though considering the size of ArcelorMittal Ostrava, even the number of the job-related problems is not negligible): we also handle personal problems and recently financial problems as well.

We organize Company Leagues in various sports, such as football and bowling. On the plant level we provide tickets for cultural events, organize hiking, skiing, cycling, and relaxation trips.

We also organize recreation stays in the Czech Republic, Slovakia, and Croatia.

However, the most important task of ArcelorMittal Ostrava Trade Unions is to check the compliance with health and safety rules and to bargain with the employer for favourable terms in the Collective Agreement. I am convinced that in this area we do good job in favour of all employees.

Vítězslav Prak,
Chairman of the
OS KOVO Trade Union Council

“We deal with employees' day-to-day problems some of which need not necessarily be related to the jobs performed: we also handle personal problems and recently financial problems as well.”



2009: ArcelorMittal Ostrava

People:

"In 2009 we adopted a lot of cost-cutting measures, including headcount reductions. Thus, we have considerably improved the Company competitiveness."

Augustine Kochuparampil,
Chief Executive Officer of
ArcelorMittal Ostrava

"Even though 2009 was a difficult year due to the crisis, we did not cease to carry on HR processes for the benefit of employees. For example, we made the most of the Educate Yourself! project so as to send the employees for whom we had no work to a training, not home. Thus, we managed to train approximately a thousand employees within the project in 2009."

Ctirad Lolek,
Human Resources Director of
ArcelorMittal Ostrava

Figures:

1.62 million – steel output in tonnes in 2009

54 – percentage of the products exported

48 – number of countries to which we exported our products

ArcelorMittal Ostrava is the largest steelmaker in the Czech Republic. Its activities mainly involve the production and processing of hot metal and steel and the downstream production.

The largest portion of steel products includes long and flat products.

Our products

Flat products

- hot-rolled coils, strips and sheets
- cold-rolled sections

Long products

- beams, merchant bars, reinforcing bars, wire rod

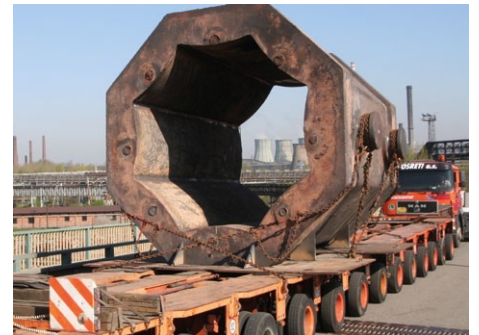
Engineering products

- castings, steel mine support, road barriers, special light rails

Other products

- Coke
- Crude black coal tar
- Liquid sulphur
- Coke oven gas
- Crude coke oven benzol

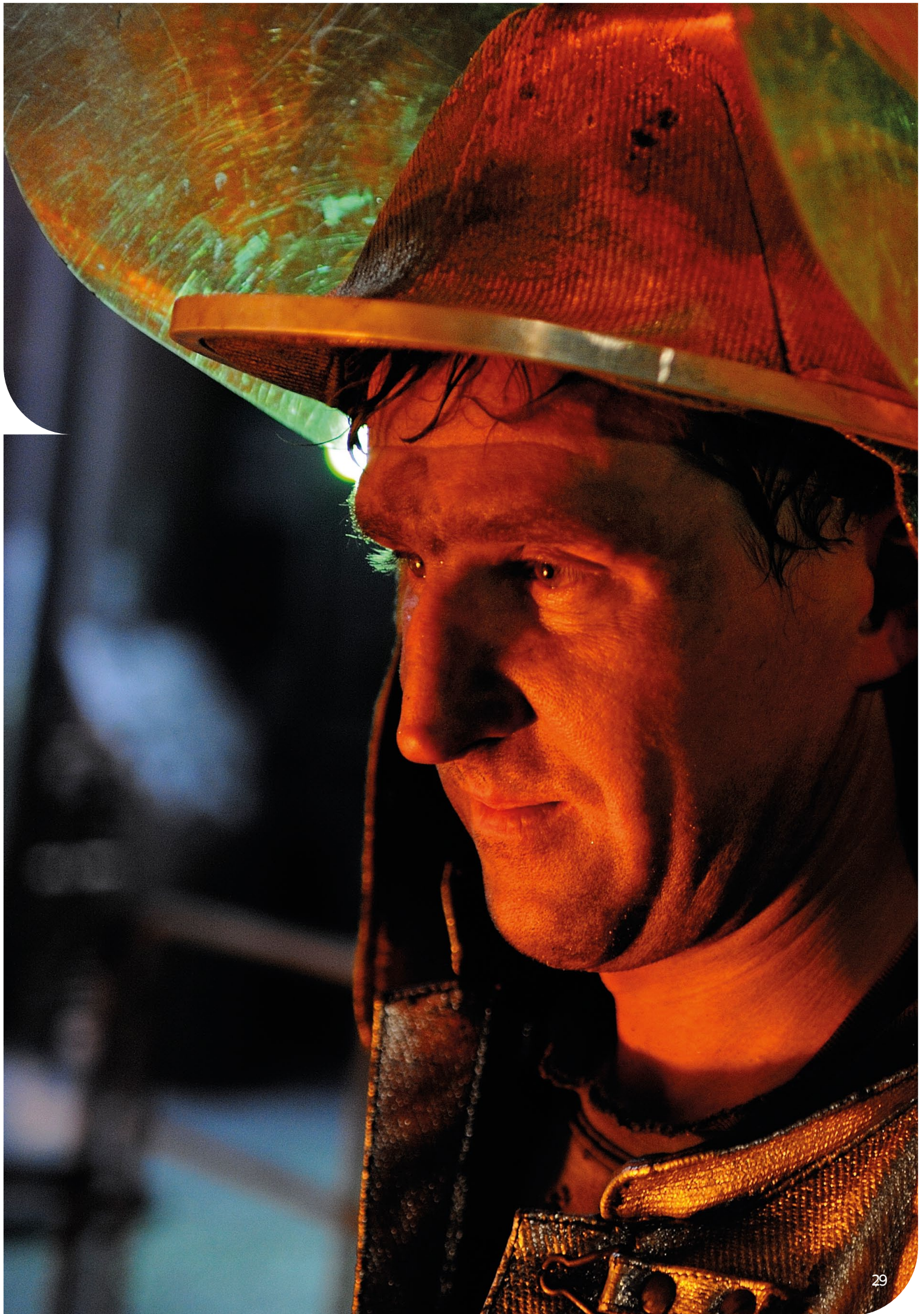
Engineering production mainly consists of mine support and road barriers. Our customers are mainly companies operating in the building and engineering industry, mining, transport, power industry and media transport through pipelines.



The largest mould

The largest casting ever produced in the Company was made of 155 tonnes of molten metal and weighed 140 tonnes. It had 4.2 meters in height and almost 4 meters in diameter. The casting temperature was 1,230 °C and the cooling process took 3 weeks. The casting was destined for an engineering company in Sheffield, England.





About ArcelorMittal

Figures:

65.1 billion – turnover of the Group in USD in 2009

73.2 million – steel output in tonnes in all the units of the Group in 2009

64 – percentage of the Group's self-sufficiency in iron ore

21 – percentage of the Group's self-sufficiency in coking coal

8 – percentage of the Group's share in global steel production in 2009

We are part of the ArcelorMittal Group which is the world's largest steel company, with operations in more than 60 countries. The Group was founded in 2006 by a merger of steel companies Mittal Steel (whose part was former Nová huť, today's ArcelorMittal Ostrava, after the privatization) and Arcelor.

In 2009 the majority shareholder of ArcelorMittal Ostrava ended the long-standing disputes with the Czech Government. As a result of the Share Purchase Agreement with the Ministry of Finance, ArcelorMittal withdrew all arbitrations and legal actions against the Czech Government and related entities and bought a 10.9 per cent share in ArcelorMittal Ostrava from the Czech Government for 6.8 billion crowns, thus increasing its share to 82.5 per cent.

As part of the settlement ArcelorMittal Ostrava entered into a long-term contract on hot metal supplies with Evraz Vítkovice Steel.

In November 2009 ArcelorMittal concluded an agreement on the purchase of 13.9 per cent share in ArcelorMittal Ostrava. After the settlement of the deal in January 2010 the shareholding of ArcelorMittal increased to 96.4 per cent.





www.arcelormittal.com/ostrava

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