

**Rating Action: ArcelorMittal Finance**

**Moody's upgrades ArcelorMittal's ratings to Baa2/P2; outlook stable**

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**Approximately USD 4.3 billion long- and short term debt instruments affected**

Frankfurt, January 17, 2008 -- Moody's Investors Service has today upgraded ArcelorMittal's issuer ('AM'), ArcelorMittal Finance and ArcelorMittal USA's senior unsecured ratings to Baa2 from Baa3. At the same time the short term rating of ArcelorMittal Finance was upgraded to P-2 from P-3. The outlook on all ratings is stable.

Matthias Hellstern, Moody's lead analyst for AM said: "The rating action was prompted by the now achieved visibility of successful integration efforts with synergy effects resulting in cost reductions of around USD 1.3 billion per 09/2007, and the commitment of AM's management to keep its net debt/EBITDA ratio below 1.8x, even if contemplating large sized acquisitions in order to maintain a solid investment grade rating".

In addition Moody's has taken into account the (i) stable outlook for the steel industry in general and the positive outlook in the Eastern European and other emerging markets which, due to AM's strong asset base in these markets will benefit AM additionally, and (ii) the improved and further improving vertical integration of AM, which will help partly isolating AM from negative price swings for iron ore and coking coal. The Baa2 rating of the ArcelorMittal group also reflects its unrivalled position as the most geographically diversified steel producer in the world, which is expected to help mitigating downturns in one region with potentially positive business environments in other regions.

The ArcelorMittal group is well positioned to benefit from strong economies in nearly all emerging regions in the world, including Eastern Europe, South Africa and South America, which should help offsetting potentially weaker economic conditions in the mature markets such as North America or Western Europe. Due to this strong internal cash generation, and despite significant cash outflows for acquisitions, for the buy-out of Arcelor Brazil's minorities and for share buy-backs totalling around US\$5.3 billion in the second and third quarter of 2007, the on-balance sheet net debt position was only slightly up compared to the situation as of 30 September 2006 - directly after the completion of the Arcelor acquisition.

Apart from the buy-out of the Brazilian minorities and the subsequent extraordinary share-buy back there have been no other significant further cash outflows, e.g. from acquisitions in 2007. Therefore Moody's expects ArcelorMittal's cash flow-to-debt ratios to remain largely flat at year-end 2007 - given the strong cash generating operations.

Given the high cash balance and strong cash flow generation of the company, the liquidity position of ArcelorMittal is adequate.

The rating could come under pressure if CFO-div/debt would sustainably slip below the high twenties, indicating either significantly weaker operating performance or a more aggressive growth strategy.

Given the strategy of AM to significantly expand its business by both, organic and external growth, potential for a further upgrade at this moment in time is limited. A further upgrade would in particular require that a larger portion of the cash generated be applied to debt reduction to below USD 30 billion rather than to acquisitions, share buy backs or other expansion projects. Moody's also commented that the CFO-dividends/debt would have to move towards the mid-thirties, and debt to EBITDA to be below 1.3 times for such an upgrade to be considered.

**Upgrades:**

..Issuer: ArcelorMittal (formerly Arcelor SA)

....Issuer Rating, Upgraded to Baa2 from Baa3

..Issuer: ArcelorMittal Finance

....Multiple Seniority Commercial Paper, Upgraded to P-2 from P-3

...Senior Unsecured Regular Bond/Debenture, Upgraded to Baa2 from Baa3

..Issuer: ArcelorMittal USA

...Senior Unsecured Regular Bond/Debenture, Upgraded to Baa2 from Baa3

..Issuer: East Chicago (City of) IN

...Senior Unsecured Revenue Bonds, Upgraded to Baa2 from Ba1

..Issuer: Ispat Inland ULC

...Senior Secured Regular Bond/Debenture, Upgraded to Baa2 from Baa3

Under the expectation that AM will guarantee the USD 7.68 million Industrial Revenue Bond related to Ispat Inland and issued by the City of East Chicago, Moody's has also upgraded the rating from Ba1 to Baa2.

ArcelorMittal, based in Luxemburg, is the holding company of the ArcelorMittal group, the worlds largest steel producer. The activities of the group are divided in six segments, Flat Carbon Americas; Flat Carbon Europe; Long Carbon Americas and Europe; Asia, Africa and CIS ("AACIS"); Stainless Steel and AM3S, the steel distribution division. With an annual steel production capacity of approximately 120 million tons, ArcelorMittal is more than three times larger than its closest competitor. The combination of Arcelor and Mittal in mid 2006 has improved the group's competitive position and significantly improved both its scale and its geographic and product diversification. Per the last twelve months 09/2007, the group generated sales of US\$ 105 billion and an EBIT of US\$ 15 billion.

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