

## Prospectus Supplement dated January 25, 2011.

### APERAM

APERAM is a Luxembourg public limited company (*société anonyme*) with its registered office at 12C, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 155908 (the “**Company**” or “**APERAM**”).

This document is a supplement to APERAM’s prospectus dated December 15, 2010 (the “**Prospectus**”) and constitutes a prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC (the “**Prospectus Supplement**”). It purports to update the Prospectus on certain corporate events of APERAM and on certain changes in tax legislation that have occurred since the publication of the Prospectus on December 15, 2010 as well as certain timing aspects of the spin-off process and the listing of the Company shares; it should be read in conjunction with the Prospectus. This Prospectus Supplement has been prepared in accordance with the Luxembourg law of July 10, 2005 relating to prospectuses for securities, as amended, and the rules promulgated thereunder. This Prospectus Supplement has been filed with and approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) on January 25, 2011. The CSSF will provide a notification of the approval together with a copy of the approved Prospectus Supplement to the French *Autorité des marchés financiers* and the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

Copies of this Prospectus Supplement can be obtained free of charge at the offices of APERAM and ArcelorMittal, from the website of ArcelorMittal (<http://investors.arcelormittal.com> and [www.arcelormittal.com](http://www.arcelormittal.com) under “Investors & Shareholders– Extraordinary General Meeting 25 January 2011”), from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and from the website of NYSE Euronext ([www.euronext.com](http://www.euronext.com)).

Distribution of the Prospectus and this Prospectus Supplement may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of the Prospectus and this Prospectus Supplement are urged to inform themselves of any such restrictions which may apply in their jurisdiction and to observe them. APERAM disclaims all responsibility for any violation of such restrictions by any person.

## **RESPONSIBILITY STATEMENT**

The Company is responsible for the information contained in this Prospectus Supplement. The Company, having taken all reasonable care to ensure that such is the case, confirms that, to the best of its knowledge as at the date of this Prospectus Supplement, the information contained in this Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### Board of Directors

The table on page 90 is supplemented as follows:

The members of the Board of Directors as of the date of this Prospectus Supplement are set forth below.

Name	Age <sup>(1)</sup>	Position within the Company	Term Expires
Mr. Lakshmi N. Mittal .....	60	Chairman, Non-independent member of the Board of Directors	May 2013
Mr. Aditya Mittal .....	35	Non-independent member of the Board of Directors	May 2013
Mr. Gonzalo Urquijo .....	48	Non-independent member of the Board of Directors	May 2013
Ms. Kathryn A. Matthews .....	50	Independent member of the Board of Directors	May 2013
Mr. David B. Burritt.....	55	Independent member of the Board of Directors	May 2013
Ms. Sylvie Ouziel .....	40	Independent member of the Board of Directors	May 2013
Mr. Romain Bausch .....	57	Independent member of the Board of Directors	May 2013

Notes:

(1) Age on June 30, 2010.

The business address of all independent members of the Board of Directors is the Company's registered office at 12C, rue Guillaume Kroll, L-1882 Luxembourg, Grand Duchy of Luxembourg.

Page 92 is supplemented by the biographies of the two newly appointed directors on January 21, 2011 as follows:

#### ***Ms. Sylvie Ouziel***

Ms. Sylvie Ouziel is the Chief Operating Officer for Accenture Management Consulting with responsibility for Accenture's management consulting business performance globally as well as internal transformation programs. Previously, she headed Management Consulting for France and Benelux and Health & Life Sciences for Northern Europe. Ms. Ouziel has been with Accenture for 18 years, working primarily in the pharmaceutical and healthcare, automotive, building materials and industrial equipment industries, advising clients such as Saint-Gobain and Sanofi-Aventis. Ms. Ouziel has an engineering degree from Ecole Centrale de Paris in France and an Executive Masters in Business Administration from Kellogg Graduate School of Management at Northwestern University in the United States.

***Mr. Romain Bausch***

Mr. Romain Bausch is President and Chief Executive Officer of SES since July 2001. SES is a world-leading telecommunications satellite operator, with a global fleet of more than 40 geostationary satellites. SES operates mainly through SES ASTRA and SES WORLD SKIES and holds participations in a number of satellite operators and satellite service provision companies. Mr. Bausch is also Chairman of the Board of Directors of SES ASTRA, SES ASTRA Services Europe, and of the Special Shareholder Committee of SES WORLD SKIES. He became the Director General and the Chairman of the Management Committee of SES in 1995, following a career in the Luxembourg civil service (Ministry of Finance). Previously, he occupied key positions in the banking, media and telecommunications sectors in Luxembourg. Mr. Bausch is also a Vice-Chairman of Fedil (the Luxembourg Business Federation) and a member of the Board of Directors of BIP Investment Partners. He graduated with a degree in economics (specialization in business administration) from the University of Nancy and holds an honorary doctorate from Sacred Heart University in Luxembourg.

None of these independent members of the Board of Directors have entered into service contracts with the Company or any of its affiliates that provide for benefits upon the termination of their service.

Following the appointment of the two independent directors on January 21, 2011 the Company's Board of Directors has a majority of independent directors, with four members of the Board of Directors being independent and the remaining three members being non-independent.

**Compensation – Board of Directors and Senior Management Compensation Policy**

Page 97 is supplemented by an additional paragraph as follows:

A general meeting of the Company held on January 21, 2011 resolved to delegate to the Board of Directors of the Company the power to:

- (i) issue up to 500,000 stock options or 125,000 restricted stock units, at the option of the Board of Directors, to be granted to the Company's senior management;
- (ii) create an Employee Share Purchase Plan ("ESPP") for the Company whereby up to 125,000 Company shares will be offered for subscription at a discounted price to the Company's employees; and
- (iii) determine how to compensate employees who have outstanding ArcelorMittal stock options and who are transferring from ArcelorMittal to the Company, with stock options or restricted stock units of the Company to replace such ArcelorMittal stock options, and to implement the foregoing at the Board of Directors' discretion, with the exact number of Company stock options or restricted stock units to be determined by the Board of Directors, taking into account, among other relevant factors, the ratio of 1 APERAM share for 20 ArcelorMittal shares applicable with respect to the spin-off.

**Share Ownership**

Page 104 is supplemented by an additional paragraph as follows:

As of the date of this Prospectus Supplement, the aggregate beneficial share ownership of the independent members of the Company's Board of Directors totaled nil ordinary shares.

## PRO FORMA FINANCIAL INFORMATION

### Dividend Policy – Dividend Distributions

The paragraph on page 117 is replaced by the following:

A general meeting of the Company held on January 21, 2011 approved in principle the payment of an interim dividend of \$0.75 per Company share, in four equal quarterly installments of USD 0.1875 (gross) per share with the first payment to take place on or about March 31, 2011, subject to all applicable requirements of Luxembourg law being met.

## THE SPIN-OFF AND LISTING

### Spin-off and Listing Details – Timetable for Approval of the Spin-off

The section on page 119 is supplemented by the following:

On January 25, 2011 the respective shareholders meetings of ArcelorMittal and the Company have approved by an affirmative vote the spin-off. The spin-off is effective between the two companies and its shareholders from January 25, 2011. The publication of the notarial deeds recording the affirmative resolutions of the respective extraordinary general meetings of shareholders of the two companies in the Luxembourg official gazette (*Mémorial C, Recueil des Sociétés et Associations*) is expected to take place on February 2, 2011.

### Clearing and Settlement

The introductory section on page 130 is supplemented by the following:

On January 12, 2011 the Company has agreed on the terms of a Technical Information Memorandum (“TIM”) with BNP Paribas Securities Services which is provided to members of NYSE Euronext and admitted institutions of Euroclear Netherlands in order to inform them about certain administrative and technical guidelines in relation to the listing of the 78,049,730 fully paid-up shares of the Company, following the increase of the share capital of the Company and the issue of 78,045,730 newly fully paid-up shares in the context of the spin-off of the ArcelorMittal stainless and specialty steels business into the Company (for further details on the spin-off, please refer to the Prospectus).

A copy of the TIM can be obtained free of charge at the offices of APERAM and ArcelorMittal, from the website of ArcelorMittal (<http://investors.arcelormittal.com> and [www.arcelormittal.com](http://www.arcelormittal.com) under “Investors & Shareholders – Extraordinary General Meeting 25 January 2011”) and from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The TIM contains further details of the listing process of the APERAM shares, including the following:

- the APERAM shares will be traded “as if and when issued” (AIW) on NYSE Euronext in Amsterdam as from January 26, 2011;
- the allocation of the APERAM shares will apply to shareholders holding ArcelorMittal shares as at the close of business on January 28, 2011 (the “**Record Date**”);
- the allocation of the APERAM shares to holders of ArcelorMittal shares shall occur with respect to the European Shares and the New York Registry Shares (both as defined in the Prospectus) on January 31, 2011; and

- the first trading date of the APERAM shares on NYSE Euronext Amsterdam, Euronext Paris and the Luxembourg Stock Exchange will be January 31, 2011.

## ADDITIONAL INFORMATION

### Articles of Association – Repurchase of Shares

Paragraphs 8 and 9, page 136, and paragraphs 1 and 2, page 137, are replaced by the following:

A general meeting of the Company held on January 21, 2011 resolved to cancel the fifth resolution adopted at a general meeting of the Company held on December 6, 2010 and to replace it by a new resolution (which shall become effective upon the effectiveness under Luxembourg law of the spin-off of ArcelorMittal's stainless and specialty steels assets into the Company) whereby the general meeting authorizes the Company to acquire and to own Company shares, including through off-market and over-the-counter transactions, and through derivative financial instruments on any of the stock exchanges on which the Company is listed, for a period of five years or until the date of its renewal by a resolution of the general meeting of shareholders if such renewal date is prior to the expiration the five-year period, provided that (a) the maximum number of own shares the Company may hold at any time directly or indirectly may not exceed 10% of its issued share capital and may not have the effect of reducing the Company's net assets ("*actif net*") below the amount mentioned in the relevant provisions of the Luxembourg law on commercial companies of 10 August 1915, as amended (Article 72-1), and (b) the purchase price per share to be paid may not represent more than 105% of the trading price of the Company shares on the stock exchanges where the Company is listed, and no less than one cent. For off-market transactions, the maximum purchase price will be 105% of the Company share price on Euronext. The reference price will be deemed to be the average of the final listing prices per share on the relevant stock exchange during 30 consecutive days on which the relevant stock exchange is open for trading preceding the three trading days prior to the date of purchase. The total amount allocated for the Company's share repurchase program may not in any event exceed the amount of the Company's then available equity.

## TAXATION

The following changes have occurred since the publication of the Prospectus in the laws and regulations of the countries listed in the Taxation section of the Prospectus.

### Material Luxembourg Tax Considerations

The reference to Luxembourg companies benefitting from the special tax regime of the law of July 31, 1929 on holding companies made in the sections "*Income Tax*", "*Taxation of Dividends*", "(iii) Luxembourg companies benefitting from a special tax regime", on page 147, paragraph 5; "*Income Tax*", "*Taxation of Capital Gains*", "(iii) Luxembourg companies benefitting from a special tax regime", on page 149, paragraph 1; and "*Net Wealth Tax*", on page 149, paragraph 2, is deleted. The law of July 31, 1929 having been abolished with effect at December 31, 2010, its related special tax regime does no longer apply to any Luxembourg company.

### Certain Belgian Income Tax Considerations

The following paragraph in the section "*Capital gains and losses*", "*Belgian individuals*", on page 152, paragraph 3, is no longer of application and is deleted from the entire section:

“Belgian individuals may also be subject to income tax in Belgium at the rate of 16.5% plus additional local taxes (or, if more favourable, at the applicable ordinary progressive income tax rates taking into account the taxpayer’s other declared income) if the gain is realised, outside the exercise of a professional activity, upon the transfer of Shares to a legal entity resident in a non-European Economic Area (“EEA”) country, to the extent the participation belongs to a substantial shareholding of 25% or more in the Company.”

The paragraph, “*Belgian legal entities*”, in the same section “*Capital gains and losses*”, on page 152, paragraph 7, is amended so as to read as follows:

“Capital gains realised on the disposal of Shares by Belgian legal entities will, as a rule, be unconditionally and fully exempt from Belgian legal entities tax. Losses on such disposal of their Shares will not be deductible.”

### **Certain Dutch Income Tax Considerations**

The list of bullet points on page 153 is supplemented by a new bullet point as follows:

- which is not considered the beneficial owner (uiteindelijk gerechtigde) of the ArcelorMittal shares and/or Shares and/or the benefits derived from the ArcelorMittal shares and/or Shares.

The sections dealing with the “*Dutch tax treatment of the Spin-off*”, “*Income tax*”, “*Resident holders*”, on page 154, paragraph 3; and “*Corporate income tax*”, on page 154, paragraphs 5 to 7; and the “*Dutch tax regime of the holding and disposal of Shares*”, “*Income Tax*”, “*Resident holders*”, on page 155, paragraph 4, and “*Corporate Income Tax*”, on page 155, paragraphs 7, are amended to read as follows:

#### ***Dutch tax treatment of the Spin-off***

##### *Income Tax*

“Resident holders: A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the ArcelorMittal shares as assets that are held in box 3. Taxable income with regard to the ArcelorMittal shares is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4% of the holder’s yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the ArcelorMittal shares, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the ArcelorMittal shares will be included as an asset in the holder’s yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%. The allocation of newly issued Shares and/or the cash payment, in return for any fractional entitlement, to these holders of ArcelorMittal shares as a result of the spin-off is, as such, not subject with Dutch income tax. The Shares and the cash received in return for the fractional entitlement, if any, in relation to the spin-off must, following the spin-off, be recorded as assets that are held in box 3, similar to the ArcelorMittal shares.”

##### *Corporate income tax*

“Resident holders or holders having a Dutch permanent establishment: A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands to which the ArcelorMittal shares are attributable, is, in consequence of the spin-off, deemed to have transferred its ArcelorMittal shares against their fair market value. A capital gain, being computed as the difference between the fair market value of the ArcelorMittal shares and their tax book value for the respective holder of ArcelorMittal shares, is in principle taxed at rates of up to 25%.

However, these holders of ArcelorMittal shares should in principle be able to claim roll-over relief in relation to the allocation of the newly issued Shares as a result of which a capital gain does not need to be recognized, in which case the tax book value of the ArcelorMittal shares must be attributed to the ArcelorMittal shares and the newly issued Shares on a pro rata parte basis.

No roll-over relief is available with respect to the Cash Payment made to these holders of ArcelorMittal shares in relation to the spin-off. Such Cash Payment is therefore taxed at rates of up to 25%.”

### ***Dutch tax regime of the holding and disposal of Shares***

#### *Income tax*

“Resident holders: A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the Shares as assets that are held in box 3. Taxable income with regard to the Shares is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4% of the holder’s yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Shares, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Shares will be included as an asset in the holder’s yield basis. The deemed return on income from savings and investments is taxed at a rate of 30%.”

#### *Corporate income tax*

“Resident holders or holders having a Dutch permanent establishment: A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands to which the Shares are attributable, is taxed in respect of benefits derived from the Shares at rates of up to 25%.”

### **Certain French Income Tax Considerations**

The section “**Certain French Income Tax Considerations**” on pages 156, 157, 158, 159, 160 and 161 is entirely replaced by the following wording:

“The following is a summary of certain material French tax consequences that are likely to be relevant to French resident investors in respect of their investment in the Company’s shares.

This summary is of general nature only and does not purport to be a comprehensive description of all the French material tax considerations which may be relevant to the receipt of the Company’s shares, nor to the decision to purchase, hold or dispose of the Company’s shares. It is based on the laws, regulations, practice and applicable tax treaties in force in France as at the date of this prospectus, all of which are subject to change, possibly with retroactive effect. More particularly, the following summary takes into account the tax measures included in the finance act for 2011 n°2010-1657 dated December 29, 2010 (the “**2011 Finance Act**”). The 2011 Finance Act notably provides for: (i) for revenues received as from 2010, the increase to 41% of the current 40% marginal rate of individual income tax, (ii) for dividends received as from 2011, the increase to 19% of the 18% flat-rate tax, (iii) for dividends received as from 2010, the cancellation of the 50% tax credit, (iv) for sales of securities realized as from 2011, the increase to 19% of the 18% proportional tax rate on capital gains and the cancellation of the €25,830 threshold, and (v) the increase to 12.3% of the current 12.1% global rate of social security contributions for capital gains realized as from 2010 on sale of securities

and for dividends received as from 2010 or, as from 2011 if such dividends are subject to the 18% flat-rate or distributed through a French paying agent and subject to individual income tax at the progressive rate.

This summary does not take into account the specific circumstances of particular investors some of which may be subject to special tax rules. French holders of ArcelorMittal shares and/or Company's shares should consult their own tax advisors as to the particular French tax consequences of the receipt of the Company's shares and/or of the holding or disposal of the Company's shares.

As used herein, a "**French individual**" is an individual who is a resident of France for tax purposes, is subject to personal income tax (*impôt sur le revenu*) and owns the ArcelorMittal and the Company's shares as private assets (otherwise than through a fixed base outside France) and a "**French legal entity**" is a legal entity which is a French tax resident subject to corporate income tax (*impôt sur les sociétés*) which does not own its interests in ArcelorMittal or the Company through a permanent establishment outside France, and which does not hold an interest in ArcelorMittal or the Company that would qualify as participation shares (*titres de participation*) or other interest representing more than 5% of ArcelorMittal or the Company's share capital and benefit from a taxation at a reduced rate. "**French holders**" shall mean all these holders collectively.

THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED AS BEING LEGAL OR TAX ADVICE. SHAREHOLDERS OR PROSPECTIVE SHAREHOLDERS ARE THEREFORE STRONGLY ADVISED TO CONSULT THEIR TAX ADVISERS REGARDING THE TAX CONSEQUENCES OF THE RECEIPT, ANY PURCHASE, OWNERSHIP OR DISPOSAL OF THE SHARES. THE SPECIFIC TAX SITUATION OF EACH SHAREHOLDER CAN ONLY BE ADEQUATELY ADDRESSED BY INDIVIDUAL TAX ADVICE.

#### ***French tax treatment of the Spin-off***

The distribution of the Company's shares to the French resident shareholders of ArcelorMittal upon the spin-off will be treated as a dividend distribution for tax purposes and will be taxable in the hands of the latter under the same tax regime as dividends.

#### ***French individuals***

French individuals will be subject to personal income tax and to related social security contributions on the income corresponding to the fair market value of the Company's shares received in the spin-off increased, as the case may be, by the fraction of the proceeds generated from the sale by ArcelorMittal of the Company's fractional shares, under the same conditions as described in paragraph "**Taxation of dividends – French individuals**".

If the Company's shares are distributed through a French paying agent, or, with respect to the 19% flat-rate tax, through a paying agent established within the EEA (to the exclusion of Liechtenstein) and expressly authorized for this purpose, and prior to the distribution, French individuals will have to advance to the paying agent the sums corresponding to the applicable 12.3% social security contributions as well as, in case of election for the 19% flat-rate tax, to the 19% tax, in order for the paying agent to report and pay the corresponding amounts to the French tax authorities on behalf of the taxpayer (see "Taxation of dividends – French individuals" below), failing which the paying agent will be entitled to sell, on behalf of the taxpayer, the required number of Company's shares or retain, as the case may be, the fraction of the proceeds that such taxpayer may be entitled to as a result of the sale by ArcelorMittal of fractional Company's shares, in order to proceed to the payment of the related social security contributions and, as the case may be, of the 19% flat-rate.

Capital gains on the subsequent disposal of the Company's shares will be computed by reference to the fair market value of the Company's shares at the time of the spin-off.

Specific tax treatment applicable to ArcelorMittal shares held in a Share Savings Plan (*Plan d'Épargne en Actions* – “PEA”)

Company's shares are eligible to be held in a PEA.

As a result, shareholders whose ArcelorMittal shares are held in a PEA will benefit from an exemption from personal income tax on the distribution income corresponding to the Company's shares provided that they will register the Company's shares and keep the fraction of the proceeds received, as the case may be, as a result of the sale by ArcelorMittal of Company's fractional shares, in their PEA and that all other requisite conditions for the application of the PEA regime, and notably the requisite holding periods, are met (see paragraph “Taxation of dividends – French individuals” below).

Upon closure of the PEA (if it takes place more than five years after the opening of the PEA) or upon a partial withdrawal (if it takes place more than eight years after the opening of the PEA), the net gain realised since the opening of the PEA will benefit from an exemption from personal income tax but will be subject to social security contributions (currently at a global rate of 12.3% but the effective rate of such contributions will depend on the date when the related gain will be realised).

#### *French legal entities*

French legal entities will be required to include in their taxable income subject to corporate income tax the income corresponding to the fair market value of the Company's shares received in the spin-off increased, as the case may be, by the fraction of the proceeds received as a result of the sale by ArcelorMittal of Company's fractional shares, under the same conditions as described in the “Taxation of dividends – French legal entities”.

Capital gains on the subsequent disposal of Company's shares will be computed by reference to their fair market value at the time of the spin-off.

#### ***French tax regime of the holding and disposal of Company's shares***

##### *Taxation of dividends*

Pursuant to Article 19-3-b of the tax treaty dated April 1, 1958 between France and Luxembourg (the “**Treaty**”), France grants a tax credit for the withholding tax levied in Luxembourg on dividends. The amount of such tax credit is equal to the withholding tax as reduced by the Treaty that is, generally, 15/85 of the net amount of the dividends, capped at the amount of the French tax due with respect to such dividends.

##### *French individuals*

Dividends received by French individuals are generally included in their taxable income of the relevant tax year and subject to personal income tax either:

- (i) at a progressive rate (with a marginal rate of 41%), under the following regime:

If the conditions set out in Article 158-3-2° of the *Code général des impôts* are satisfied with respect to such dividends, and provided that no election has been made for the 19% flat-rate tax on other distributions received during the same tax year (see below), an allowance of 40% (the “**40% Allowance**”) is first applied to the gross amount of the dividends, including the attached tax credit determined for the Luxembourg withholding tax.

Subject to the same condition and on the aggregate amount of dividends received during the same tax year after deduction of the 40% Allowance and of deductible expenses, an additional allowance is applied for an amount of (i) €3,050 for married couples subject to joint taxation as well as for signatories of a *pacte civil de solidarité* as defined under Article 515-1 of the Code civil (“**PACS**”)

who are subject to joint taxation or (ii) €1,525 for single people, widows and widowers, divorcees or married people who file their tax returns separately.

- (ii) upon election by the taxpayer, at a 19% flat-rate if the conditions set out in Article 117 *quater* of the *Code général des impôts* are satisfied in respect of such dividends.

If dividends are paid by a French paying agent, the election for the 19% flat-rate tax shall be made by the taxpayer with the paying agent prior to the receipt of the dividends and the 19% tax is withheld at the time of payment by the French paying agent who then will report and pay on behalf of the French taxpayer, the 19% tax to the French tax authorities.

If dividends are paid by a foreign paying agent, the 19% tax is either (i) paid to the French tax authorities by the French taxpayer within the first fifteen days of the month following the month of payment or (ii) if the paying agent is established in a country within the EEA (to the exclusion of Liechtenstein), and upon written authorization from the French taxpayer, withheld at the time of payment by the paying agent who will report and pay on behalf of the French taxpayer the 19% flat-rate tax to the French tax authorities.

Dividends are further subject to the following social security contributions: the general social contribution (*contribution sociale généralisée – CSG*) at the rate of 8.2% (of which 5.8% is deductible from the aggregate taxable income of the taxpayer, in the absence of election for the 18% flat-rate on the relevant dividends), the social levy (*prélèvement social*) at the rate of 2.2%, the contribution for the repayment of the social debt (*contribution au remboursement de la dette sociale – CRDS*) at the rate of 0.5% and the contributions payable in addition to the social levy at the respective rates of 0.3% and 1.1%, giving a global rate of 12.3% of social security contributions. These social security contributions are recovered under similar rules as those applicable to the 19% flat-rate tax when the dividend is paid by a French paying agent.

The tax credit granted by France in respect of the Luxembourg withholding tax can be set off against the personal income tax and thereafter against the social security contributions due in respect of the relevant dividends; any excess may neither be refunded nor carried forward.

Specific tax treatment applicable to Company's shares held in Share Savings Plans (*plan d'épargne en actions – PEA*)

Company's shares are eligible to be held in a PEA.

Under certain conditions, a PEA confers the right (i) during the duration of the PEA, to an exemption from income tax and social related contributions on the net proceeds and net capital gains resulting from investments made through a PEA, provided that these proceeds and capital gains are kept in the PEA and (ii) upon closure of the PEA (if it takes place more than five years after the opening of the PEA) or after a partial withdrawal (if it takes place more than eight years after the opening of the PEA), to an income tax exemption on the net gain realised since the opening of the PEA. These proceeds and capital gains remain nevertheless subject to social related contributions (currently at a total rate of 12.3% but the effective rate of such contributions depends on the date when such gain will be realised). Specific rules apply to the use of capital losses realised within a PEA; investors are invited to consult their tax advisor on this issue.

A withdrawal from a PEA in the form of a life annuity is subject to a specific tax regime not described herein.

Individuals owning Company's shares in a PEA will not be able to use the tax credit granted by France in respect of the Luxembourg withholding tax.

#### *French legal entities*

Gross dividends (including the Luxembourg withholding tax) received by French legal entities will be subject to corporate income tax at the current standard rate of 33 1/3% (or, as the case may be, at the reduced rate of

15% within the limit of €38,120 of taxable income per twelve-month period for companies that meet the conditions of Article 219 I-b of the *Code général des impôts*, that is, which have a yearly turnover net of tax of less than €7,630,000 and with a fully paid up share capital of which at least 75% is held by individuals or by companies which themselves satisfy the conditions relating to turnover and share capital ownership), increased, as the case may be, by the social related contribution of 3.3% assessed on the corporate income tax due, after deduction of an allowance that may not exceed €763,000 per twelve-month period (Article 235 *ter* ZC of the *Code général des impôts*).

The tax credit granted by France in respect of the Luxembourg withholding tax is in principle offsettable against the corporate income tax and the social related contribution; any excess may neither be refunded nor carried forward.

### ***Taxation of capital gains***

The capital gains, if any, realised by French holders on the disposal of their Company's shares held may be subject to tax in France but not in Luxembourg in accordance with Article 18 of the tax treaty dated April 1, 1958 between France and Luxembourg.

#### *French individuals*

Pursuant to Article 150-0 A of the *Code général des impôts*, capital gains realised by French individuals on the sale of Company's shares will be subject to personal income tax at the proportional rate of 19% from the first euro, irrespective of the total amount of transfers of securities realized by their household. Capital gains are also subject to social related contributions at the current total rate of 12.3% from the first euro, irrespective of the total amount of transfers of securities realised during the calendar year.

Under Article 150-0 D 11 of the *Code général des impôts*, capital losses incurred during a fiscal year may offset capital gains of the same nature realised over the same year or the ten following years.

It should be noted that Article 150-0 D *bis* of the *Code général des impôts* provides for a total or partial income tax exemption on capital gains realised on the transfer of shares, when shares have been held during at least six years. French holders are urged to consult their own tax advisers to determine whether they may be entitled to these provisions.

Specific tax treatment applicable to Company's shares held in a PEA

See further "Taxation of dividends – French individuals".

#### *French legal entities*

Capital gains realised upon the transfer of Company's shares will be, in principle, subject to corporate income tax under the same conditions as mentioned in the paragraph "Taxation of dividends – Legal entities".

Capital losses incurred as a result of the transfer of Company's shares will, in principle, be deductible from the taxable income subject to corporate income tax.

#### *Wealth tax*

Company's shares held by French individuals among their private assets will have to be included in their taxable estate and subject to, if applicable, French wealth tax (*Impôt de solidarité sur la fortune*).

#### *Inheritance and gift tax*

Company's shares acquired by French individuals through inheritance or as a gift will be subject to inheritance tax or gift tax.

#### *Transfer tax*

Disposals of Company's shares are as a rule not subject to registration taxes in France, provided that they are not recorded in an agreement entered into in France."

### **Certain Spanish Income Tax Considerations**

The following sentences in the section "*Spanish tax treatment of the Spin-off*" are no longer of application and are deleted from the said section:

Page 162, paragraph 4, last sentence: "The historical acquisition value of the shares in ArcelorMittal will be allocated between the ArcelorMittal shares and the Shares on the basis of the ratio existing between the two categories of shares.

Page 162, paragraph 5: Spanish resident (individual and corporate) shareholders will still have the possibility to opt for realising the capital gains arising from the receipt of the Shares for a portion of their shareholding in ArcelorMittal in the event of the spin-off. In such a case, the Spanish shareholders will be fully subject to Spanish taxation on the capital gains realised, unless they can rely on any of the applicable exemptions provided for by the CIT Law (see "- Taxation of capital gains" below)."

In addition, the words "(see "- Spanish tax treatment of the Spin-off")" are deleted from the section the "*Spanish tax regime of the holding and disposal of Shares*", "*Taxation of capital gains*" (page 163, paragraph 4).