

annual
management
report 2012



ArcelorMittal

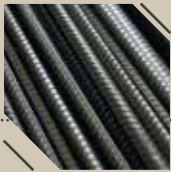


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management message

The year 2012 was a period in which Brazil in general and steel producers in particular, faced a challenging economic scenario, mainly from the second quarter onwards, with the reduction of the industrial activity and its impact in the country growth. The global market kept on experiencing the European crisis effects, where the steel apparent consumption was 8% less than 2011, the USA recession and China lower growth.

Rolled products
summed up

26.2
million tons

In Brazil, expectations of an expanding domestic market and a annual GDP growth of around 3% did not come true. Despite all government efforts to boost the economy, continuing the policy to reduce interest rate, and to correct asymmetries of competition nature, by issuing a series of measures to improve competitiveness of companies, the transformation industry GDP was negative in more than two percent. The country's GDP growth was only 0.9% in 2012- far below market forecast in the beginning of the year.

Despite the fall of Selic rate – which ended the year in 7.25%, the lowest in the country's recent history – inflation was 5.84% in 2012, which was above Central Bank goal of 4.5%, increasing production costs and reducing business margins. It is the fifth consecutive year of inflation above the world average and higher than the price indexes of our main trade partners – what makes Brazil less competitive. The dollar currency exchange quote oscillated throughout the year from R\$ 1.88 to R\$ 2.04.– a linear increase over 8.5%.

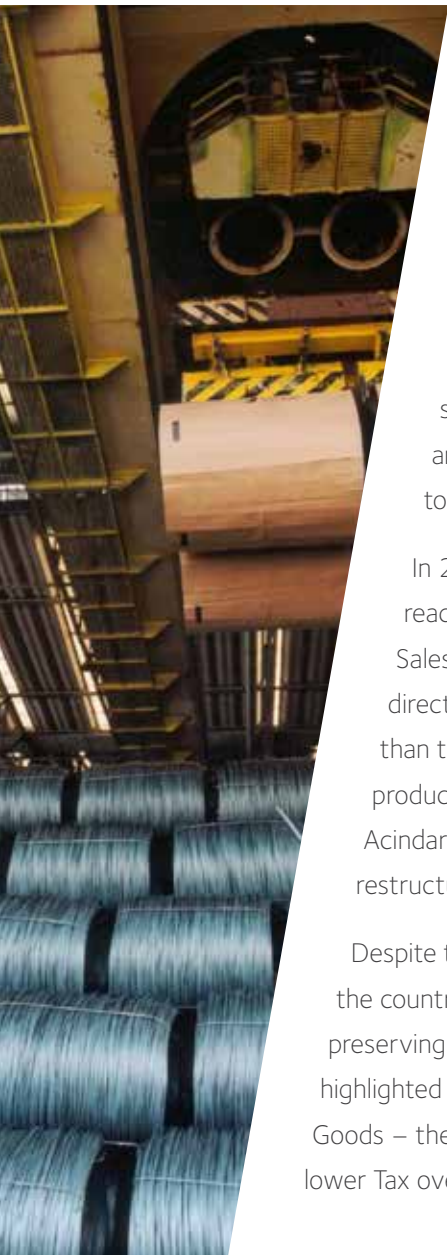
The Brazilian crude steel production in the year totaled 34.7 million tons, a fall of 1.5%; that of rolled products summed up 26.2 million tons - a 4% increase in the same period of 2011. The direct import of steel products was in the same level of the previous year. Therefore our market continued being a target for outside manufacturers, mainly from China, Turkey and Eastern Europe countries.

The apparent steel consumption in Brazil reached 25.1 million tons, being practically stable compared to the previous year. The yearly steel consumption per capita fell from 130 kg to 128 kg – an index much lower than that of the main producing countries.

The excess in the world steelmaking capacity over consumption remained high – more than 500 million tons causing disturbances in the international trade of steel. In Brazil the sector suffered lower margins in the business and registered an importation of 3.8 million tons of steel products in the year, representing about 15% of the apparent steel consumption of the country. The coming into force in January 1st 2013 of Senate Resolution 13 , establishing a sole quota of 4% for interstate ICMS Tax over imported products, intends to end the so called “Port War” and, consequently, reduce import incentives being granted by several Estates , what will allow a further reduction of import levels of steel products in the country.

Still to correct asymmetries related to importation, in September the government raised to up to 25% the import tax over 100 products, valid for Brazilian purchases outside the Mercosul. The first List of Transitory Raises from TEC (External Common Tariff) included products produced by ArcelorMittal Brasil: Hot Rolled Coils and Wire Rods.





Once again ArcelorMittal Brasil kept the same ability, creativity and boldness shown in previous years to respond quickly and efficiently in order to overcome the seasonal and chronic challenges (high and complex tax load, currency exchange oscillation, high costs of work force, electric energy and natural gas, besides the logistics deficiencies of the country), always guided by the values that differentiate our organization: strong internal leadership, quality in all management areas, and sustainability in its multiple aspects, including priority to health and safety of the collaborators, to environmental controls and to people and communities development.

In 2012 ArcelorMittal Brasil consolidated net revenue reached R\$ 15.7 billion with a 9% reduction related to 2011. Sales volume reached 8.5 million tons of products, mainly directed to the domestic market. Such result was 18% lower than the one in 2011 mainly due to the reduction of slab production at ArcelorMittal Tubarão, and also considers Acindar sales volume only until April due to a shareholding restructuring within ArcelorMittal Group.

Despite the instability in the steel apparent consumption in the country, our domestic sales performance has improved preserving our leadership position in Brazil. Sectors highlighted are Civil Construction, Automotive and White Goods – the latter two bestowed by the extension of the lower Tax over Industrialized Products (IPI) during 2012.

ArcelorMittal Brasil operating results (EBITDA) was R\$ 2.4 billion, 1.7% more than in 2011, despite the fall of 17% in the volume sold and consequent reduction of the company's gross profit, which was partially compensated by the increase of other operating revenues resulting from investment alienation in the Group restructuring process. The EBITDA margin over consolidated net revenue was 15% - nominal increase of one percent.

The Company registered a consolidated net loss of R\$ 961 million, mainly resulting from the partial reversion - adding up to a total of R\$ 859 million - of tributary credit over fiscal loss and negative base of social contribution over net profit, due to the review of accounting criteria which is based in the generation of future taxable profits, but limited to 10 years.

In the Flat Steel segment, we registered a reduction in crude steel production due to the scheduled stoppage to revamp Blast Furnace no.1 in April at Tubarão unit, for approximately 130 days, after nearly 28 and a half years of nonstop operation - a record in the steel industry worldwide. To partially compensate for the production loss during the revamp period BF no.2 was re-started in the beginning of the year and in November BF no.3 was blew-down to repair the Hot Stoves. Under this scenario, the annual production of crude steel was 4.4 million tons -19% less than in 2011. Sales volume reached 4.3 million tons - a 17% fall compared to the previous year, but domestic sales increased 2.6%.

*ArcelorMittal Brasil
operating results (EBITDA)*

R\$ **2.4**
billion

Net profit
Unicon Venezuela

R\$ **149**
million

Further to the operation instability resulting from the intervention in the three blast furnaces at Tubarão unit, the Flat Steel segment was the most affected by the excess of steel in the global market, mainly impacting the slab international market, and consequently the prices. The Flat Steel segment EBITDA reached R\$ 545 million - 8% lower than in 2011. One of the segment highlights was the concentration of efforts to increase production of higher added value products in Vega unit, which grew 5% in 2012 compared to the previous year.

On the other hand, the Long Steel segment benefited greatly from the dynamism of the civil construction sector, despite the fall of the industrial growth. The long carbon steel consumption in Brazil registered an expansion above 1.1% in 2012.

Excluding the effects of consolidation scope, sales volume of the Long Steel segment in the country grew 0.5%, increasing from 3.46 million to 3.48 million tons last year, generating an EBITDA of R\$ 1.529 billion - 1.4% lower than in 2011.

Unicon, largest pipe producer in Venezuela which has integrated ArcelorMittal Brasil since 2009, registered EBITDA of R\$ 320 million - 62% higher than the figures registered in 2011. Net profit in 2012 was R\$ 149 million, 52% higher than previous year.. The company produced 212 thousand tons of tubular products in 2012, which corresponds to an increase of 10 % related to 2011.

In 2012 we continued our efforts towards continuous improvement in all processes, and we did hard work to reduce and control fixed costs. We invested in innovation, in productivity increase and coordinated synergetic integrated actions between Flat and Long Steel segments, ensuring sustainable development. We kept our domestic competitiveness and we have always been close to our customers – essential base of our commercial model.

To this end the company expanded the sales network in the steel distribution business. We opened the logistics hub Rio das Pedras in the interior of São Paulo, with technological infrastructure able to supply the market just-in-time.

An important achievement in 2012 was the homage received by the company, for the second consecutive year, of the award Época Empresa Verde, attesting ArcelorMittal Brasil commitment to the environmental management of its activities. The company was part of a distinct list of 20 companies highlighted by good practices in that area and was the only steel producer honored.

In the environmental area, ArcelorMittal Brasil Tubarão unit – first integrated steel producer worldwide to validate and register a large scale carbon credit project in United Nations Executive Committee (UNFCCC) - registered in the United Nations its second Project of Clean Development Mechanism (CDM), with a potential to generate up to 2.5 tons of CO2 in credits along



10 years, from the total re-use of gases generated in the coke production process at Sol Coke Plant Tubarão.

ArcelorMittal Brasil Long Steel segment has approved before the Brazilian government the first worldwide carbon credit project for a semi-integrated steel producer. This initiative refers to the charcoal production in the blast furnaces of Juiz de Fora unit and will avoid the emission of more than 3 million tons of CO₂ in the atmosphere between 2013 and 2019.

Once again the quality of our products was recognized and attested by customers. The Michelin Annual Quality Meeting promoted in France by the tire manufacturer has elected the material produced by ArcelorMittal Brasil Long Steel segment one of the best worldwide. This product is decisive to ensure more mechanical strength and durability to tires, used in tackles that compose their metallic layers.

The Galvanized Coils produced in Vega unit have received the award Top Supplier from Ford – a recognition to their best suppliers in South America. Vega has been highlighted in the “Raw Material” category due to the excellent performance obtained in Quality, Delivery and Commercial Relations.

Still in the automotive sector, ArcelorMittal Brasil has received during the Volkswagen Supply Awards, the award “Supplier of the Year” in the category “Metallics”. The carmaker highlighted the company performance in Commercial

Excellence. The products used by Volkswagen in Brazil are produced in the hot strip mill from Tubarão unit and cold re-rolled and coated in Vega unit .

Aligned with the needs of large OEM’s from the automotive market, which need more and more to comply with the severe regulations related to fuel consumption, the segment of Flat Steel of ArcelorMittal Brasil launched in the country the global platform S-in motion, creating a new category of flat steel applied to vehicle bodies with lighter, safer and environmentally sustainable solutions. Using high strength steels, the S-in motion solutions provide reductions close to 20% in BIW (body in white) weight and 14% in CO₂ emissions of the vehicles without compromising its strength or safety.

2013 still presents challenges for the business environment, particularly due to the recessive picture in Europe and the uncertainties related to the solution of the sovereign debts in the continent. The USA managed to overcome the “fiscal abyssm” issue, however the Government has postponed to 2013 the attempt of a agreement in Congress to establish a new debt ceiling for the country. In the north american car industry manufacturers forecast strong results with immediate positive effects on the steel consumption. In China the industrial sector grew at the end of 2012. All those indicators show reasons for moderate optimism.

In Brazil we believe 2013 will be better than 2012. Industrial





output already shows signs of recovery and the currency exchange rates tends to stability. The Federal Government signals efforts to revert the deindustrialization process. The measures adopted last year such as Resolution 13, commercial defense actions, the pay-roll exoneration, the renewal of Reintegra in 3%, the Program of Investment Sustention (PSI) from BNDES, the electric energy tariff reduction and the programs demanding and inducing steel consumption, such as the investments related to infrastructure projects of Program for Growth Acceleration (PAC), World Cup in 2014 and the Olympic Games in Rio de Janeiro in 2016, bring us a optimistic vision of the future. We trust in the stability of Brazilian economy growth rate in 2013 and in the positive evolution of the business environment.

From the operating point of view, we took advantage of the variations and oscillations in the market during 2012 to prepare our plants for a better market in 2013. Favoring us, we have a diversified product mix, teams who are engaged

and committed to results, and a business model focused in the domestic market and in sectors that tend to present good results – specially the automotive and home appliances sectors, machinery and civil construction industries.

Once again we renew our confidence in the Company sustainable growth and we thank the contribution of our shareholders and employees, strongly committed to the business objectives and targets and focused in the generation of positive results for the business.

Message from Management

Belo Horizonte, March 28, 2013.

02

independent
auditor's report

The auditors' evaluation about the financial statements in accordance with brazilian and international auditing standards.

To the Management and Shareholders of
ArcelorMittal Brasil S.A.
Belo Horizonte – MG

We have audited the accompanying individual and consolidated financial statements of ArcelorMittal Brasil S.A. (“Company”), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2012, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board – IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Individual Financial Statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of ArcelorMittal Brasil S.A. as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of ArcelorMittal Brasil S.A. as at December 31, 2012, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB and accounting practices adopted in Brazil.



Emphasis of Matter

We draw attention to Note 2.a, to the financial statements, which state that the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of ArcelorMittal Brasil S.A., these accounting practices differ from the IFRSs, applicable to separate financial statements, only with respect to the measurement of investments in subsidiaries, associates and joint ventures by the equity method of accounting, which, for purposes of IFRS would be measured at cost or fair value. Our opinion is not qualified in respect of this matter.

Other Matters

Statements of Value Added

We have also audited the individual and consolidated statements of value added (“DVA”), for the year ended December 31, 2012, prepared under the responsibility of the Company’s management, the presentation is not required by the Brazilian Corporate Law for closely-held companies, and as supplemental information for IFRS that does not require a presentation of DVA.

These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Belo Horizonte, March 28, 2013

DELOITTE TOUCHE TOHMATSU
Independent Auditors

Walmir Bolgheroni
Engagement Partner

03

balance sheet

On the following pages, we present the balance sheet at december 31st, 2012 and the related income statements.

Balance sheet

For the year ended December 31, 2012

In thousands of Brazilian Reais

Assets	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Current assets		<i>Adjusted</i>			<i>Adjusted</i>	
Cash and cash equivalents (note 7)	563,101	281,637	64,912	1,060,423	619,396	342,171
Held-to-maturity investments (note 8)	2,577	7,382	23,226	2,584	38,314	44,868
Trade accounts receivable (note 9)	1,262,241	1,261,561	1,275,147	1,412,806	1,701,230	1,552,161
Inventories (note 10)	3,182,628	3,145,078	2,364,948	3,921,100	4,303,223	3,298,611
Recoverable taxes (note 11)	115,730	208,200	405,061	273,590	454,395	543,735
Dividends and interest on capital receivable	93,642	106,419	73,819	93,149	-	15
Other receivables	122,745	266,391	115,593	134,865	470,200	352,852
Total current assets	5,342,664	5,276,668	4,322,706	6,898,517	7,586,758	6,134,413
Noncurrent assets						
Held-to-maturity investments (note 8)	-	-	-	-	38,300	23,694
Recoverable taxes (note 11)	764,052	765,394	553,410	1,034,698	937,174	761,663
Deferred income tax and social contribution (note 25)	-	369,563	802,411	22,296	426,137	939,274
Compulsory and escrow deposits (note 27a)	457,899	259,667	269,606	543,311	314,441	321,599
Receivables from related parties (note 27)	116,684	115,343	139,543	103,254	98,315	138,035
Other receivables	40,354	177,155	155,701	108,240	240,649	194,068
Investments						
In subsidiaries and affiliates (note 12)	4,019,516	5,708,928	5,005,869	4,994	22,701	31,402
Other permanent investments	1,201	1,500	5,326	1,201	1,531	5,358
Property, plant and equipment (note 13)	10,999,488	9,791,329	8,178,755	13,756,148	12,814,866	10,804,357
Biological assets (note 14)	-	-	-	355,597	362,827	348,551
Intangible assets (note 15)	6,435,832	5,851,378	5,155,328	6,899,874	6,393,785	5,700,713
Total noncurrent assets	22,835,026	23,040,257	20,265,949	22,829,613	21,650,726	19,268,714
Total assets	28,177,690	28,316,925	24,588,655	29,728,130	29,237,484	25,403,127

The accompanying notes are an integral part of these financial statements.

Liabilities and shareholders' equity	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Current liabilities		<i>Adjusted</i>			<i>Adjusted</i>	
Trade accounts payable (note 16)	2,726,545	4,405,156	3,104,934	2,825,017	4,821,346	3,461,540
Salaries and related charges	262,351	253,033	246,971	376,748	433,590	379,390
Short-term debt (note 17)	1,753,749	1,511,626	1,105,092	1,913,838	767,842	471,215
Debentures (note 18)	4,694	8,735	8,474	4,694	36,941	33,979
Taxes payable	111,216	119,305	65,843	185,368	247,956	179,895
Income tax and social contribution	-	22,657	-	3,085	24,011	23,304
Dividends and interest on own capital	364,381	468,898	468,898	388,128	546,317	521,760
Provision for tax, civil and labor risks (note 27)	57,203	15,998	30,891	74,292	41,607	55,482
Payables to related parties (note 26)	580,571	535,230	491,652	688,573	95,083	81,340
Other payables	146,617	249,473	63,611	327,785	467,609	236,030
Total current liabilities	6,007,327	7,590,111	5,586,366	6,787,528	7,482,302	5,443,935
Noncurrent liabilities						
Long-term debt (note 17)	6,428,972	6,506,126	6,082,119	6,432,111	6,512,485	6,090,030
Debentures (note 18)	17,580	20,344	22,463	17,580	20,517	47,521
Deferred income tax and social contribution (note 25)	601,971	-	-	776,253	179,966	164,330
Provision for tax, civil and labor risks (note 27)	352,932	287,172	277,995	475,635	365,721	347,686
Payables to related parties (note 26)	628,034	-	97,515	757,521	125,246	97,515
Other payables	230,820	183,853	183,666	150,851	158,871	262,404
Total noncurrent liabilities	8,260,309	6,997,495	6,663,758	8,609,951	7,362,806	7,009,486
Shareholders' equity (note 19)						
Capital	11,666,520	11,666,520	11,666,520	11,666,520	11,666,520	1,666,520
Capital reserves	392,814	387,562	375,448	392,814	387,562	375,448
Earnings reserves	757,445	1,613,480	1,721,797	727,008	2,094,699	1,378,012
Other comprehensive income	1,093,275	61,757	(1,425,234)	1,093,586	(446,902)	(1,116,093)
Non-controlling interests	-	-	-	450,723	690,497	645,819
Total shareholders' equity	13,910,054	13,729,319	2,338,531	14,330,651	14,392,376	12,949,706
Total liabilities and shareholders' equity	28,177,690	28,316,925	24,588,655	29,728,130	29,237,484	25,403,127

Income statement

For the year ended December 31, 2012
In thousand of Reais

	Company		Consolidated	
	2012	2011	2012	2011
	<i>Adjusted</i>		<i>Adjusted</i>	
Net sales (note 20)	12,774,846	13,320,836	15,704,030	17,285,534
Cost of sales (note 21)	(11,935,753)	(12,135,284)	(13,930,757)	(15,050,843)
Gross profit	839,093	1,185,552	1,773,273	2,234,691
Operating income (expenses)				
Selling (note 21)	(238,259)	(184,751)	(360,554)	(293,366)
General and administrative (note 21)	(289,586)	(281,891)	(410,382)	(420,447)
Equity in subsidiaries and affiliates (note 12)	254,422	261,156	141	5,106
Other operating income (expenses), net (note 22)	578,429	139,986	436,268	32,041
Operating profit	1,144,099	1,120,052	1,438,746	1,558,025
Financial income (expenses), net (note 23)	(1,126,815)	(959,720)	(1,187,741)	(1,043,747)
Income before income tax, social contribution and profit sharing	17,284	160,332	251,005	514,278
Income tax and social contribution (note 25)	(972,097)	(331,250)	(1,130,750)	(586,439)
Profit sharing	(2,787)	(3,600)	(2,787)	(3,600)
Loss before noncontrolling interest	(957,600)	(174,518)	(882,532)	(75,761)
Non-controlling interests	-	-	(78,075)	(91,007)
Net loss	(957,600)	(174,518)	(960,607)	(166,768)
Number of shares	2,693,247	2,693,247		
Basic and diluted earnings per share - R\$	(355.56)	(64.80)		

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income (loss)

For the year ended December 31, 2012
In thousands of Brazilian Reais

	Company		Consolidated	
	2012	2011	2012	2011
	<i>Adjusted</i>		<i>Adjusted</i>	
Net loss	(957,600)	(174,518)	(960,607)	(166,768)
Other comprehensive income (loss)				
Translation adjustments for the period	1,136,663	1,558,713	1,136,663	1,775,585
Changes in interest in subsidiary	-	(4,806)	-	(4,806)
Net change in the fair value of financial assets available for sale	(2,387)	(20)	(2,387)	(20)
Total other comprehensive income	1,134,276	1,553,887	1,134,276	1,770,759
Total comprehensive income	176,676	1,379,369	173,669	1,603,991
Comprehensive income (loss) attributable to:				
Controlling shareholders			247,984	1,690,379
Noncontrolling shareholders			(74,315)	(86,388)
Total comprehensive income			173,669	1,603,991

The accompanying notes are an integral part of these financial statements.

Statement of changes in shareholders' equity

For the year ended December 31, 2012

In thousands of Brazilian Reals

Company

	Capital reserves				Earning reserves		Retained earnings (loss)	Valuation adjustments to equity	Currency translation adjustment	Shareholders' equity (Company)
	Capital	Investment grants and other	Goodwill on issuance of shares	Stock options granted	Legal	Statutory				
Balance as of January 01, 2011 - adjusted	11,666,520	301	292,741	82,406	540,116	1,181,681	-	750,373	(2,175,607)	12,338,531
Options granted and others	-	-	-	12,114	-	-	-	(715)	-	11,399
Realization of deemed cost	-	-	-	-	-	-	66,201	(66,201)	-	-
Changes in interest in subsidiary's capital	-	-	-	-	-	-	-	(4,806)	-	(4,806)
Net loss	-	-	-	-	-	-	(174,518)	-	-	(174,518)
Currency translation adjustment	-	-	-	-	-	-	-	-	1,558,713	1,558,713
Compensation of net loss: Transfer to reserve	-	-	-	-	-	(114,327)	114,327	-	-	-
Balance as of December 31, 2011 - adjusted	11,666,520	301	292,741	94,520	540,116	1,067,354	6,010	678,651	(616,894)	13,729,319
Options granted and others	-	-	-	5,252	-	-	-	(3,580)	-	1,672
Realization of deemed cost	-	-	-	-	-	-	101,565	(101,565)	-	-
Net loss	-	-	-	-	-	-	(957,600)	-	-	(957,600)
Currency translation adjustment	-	-	-	-	-	-	-	-	1,136,663	1,136,663
Compensation of net loss: Transfer to reserve	-	-	-	-	-	(850,025)	850,025	-	-	-
Balance as of December 31, 2012	11,666,520	301	292,741	99,772	540,116	217,329	-	573,506	519,769	13,910,054

The accompanying notes are an integral part of these financial statements.

	Company		Consolidated	
	2012	2011	2012	2011
	Adjusted		Adjusted	
Net loss	(957,600)	(174,518)	(960,607)	(166,768)
Expenses (income) not affecting cash:				
Inflation adjustment and interest	721,162	459,600	1,401,655	563,237
Reserve for losses/contingencies	170,171	13,971	223,700	45,422
Derivatives loss/(gain), net	(63,669)	137,356	(63,669)	112,670
Equity in subsidiaries	(254,422)	(261,156)	(141)	(5,106)
Depreciation, amortization and depletion	734,518	632,125	980,587	859,583
Post-employment benefits	36,870	18,088	2,133	17,987
Stock options granted	5,252	12,005	5,252	12,114
Gain (loss) on sale of permanent assets, net	(10,284)	(1,868)	(8,665)	(2,966)
Gain (loss) on sale of disposal of investments, net	(485,146)	-	(485,114)	-
Adjustment to fair value of biological assets	-	-	(27,483)	(40,103)
Suppliers present value adjustments	7,429	19,784	7,429	19,784
Noncontrolling interest	-	-	78,075	91,007
Write-off of unclaimed dividends and interest on capital	(16,912)	-	(16,912)	-
Deferred income tax and social contribution	971,534	378,208	1,025,223	484,433
	858,903	1,233,595	2,161,463	1,991,294
(Increase) decrease in asset				
Trade accounts receivable	(1,480)	18,209	115,094	(140,018)
Inventories	(31,898)	(537,106)	(239,042)	(732,971)
Dividends and interest on capital of subsidiaries	247,016	134,514	2,477	(12,602)
Other assets	240,850	(82,106)	392,435	(313,214)
Tax assets	(144,240)	39,528	(259,402)	(134,586)
Increase (decrease) in liabilities:				
Trade accounts payable	(1,678,612)	1,257,731	(1,708,017)	1,331,299
Other liabilities	52,485	(131,671)	191,299	73,781
Tax liabilities	(30,747)	76,119	(47,960)	104,909
Cash flow from operating activities	(487,723)	2,008,813	608,347	2,167,892
Purchase of investments	(1,000)	(31,387)	-	(9)
Purchase of property, plant and equipment	(1,064,130)	(1,146,022)	(1,151,003)	(1,353,032)
Sale of assets	2,694,648	2,635	2,075,999	5,319
Cash flow used in investing activities	1,629,518	(1,174,774)	924,996	(1,347,722)
Loans and financing	1,343,564	1,186,297	1,110,785	1,724,255
Repayments of principal on loans and financing	(1,259,619)	(1,222,419)	(1,663,951)	(1,723,124)
Repayments of interest on loans and financing	(779,371)	(583,512)	(772,129)	(634,283)
Intercompany loans, net	(58,740)	35,020	630,858	228,296
Redemption of debentures	(8,076)	(3,212)	(38,900)	(35,063)
Payment of dividend/interest on own capital	(87,605)	-	(133,773)	(60,162)
Cash flow used in financing activities	(849,847)	(587,826)	(867,110)	(500,081)
Gain/loss in cash and cash equivalents	(10,484)	(29,488)	(16,650)	(54,302)
Increase in cash and cash equivalents	281,464	216,725	649,583	265,787
Increase in cash and cash equivalents	281,637	64,912	619,396	342,171
Effect of currency inflation - Venezuelan strong bolivar (Unki)	-	-	29,597	18,195
Cash and cash equivalents from companies excluded from consolidation	-	-	(238,153)	(6,757)
Total cash and cash equivalents at beginning of year	281,637	64,912	410,840	353,609
Cash and cash equivalents at end of year	563,101	281,637	1,060,423	619,396
Additional Information				
Income tax and social contribution paid	49,849	5,640	56,509	18,466

The accompanying notes are an integral part of these financial statements.

Statement of cash flow

For the year ended December 31, 2012
In thousand of Brazilian Reais

	Company		Consolidated	
	2012	2011	2012	2011
		<i>Adjusted</i>		<i>Adjusted</i>
Revenues				
Sale of products	16,682,744	17,093,635	20,220,959	21,720,889
Discounts, losses and recovery of provisions	(28,946)	15,314	(31,329)	7,296
Revenues from the construction of own assets	1,208,934	856,798	1,232,176	924,958
Other operating revenues	727,296	430,532	139,821	467,054
	18,590,028	18,396,279	21,561,627	23,120,197
Inputs purchased from third parties				
Raw materials consumed	(10,474,157)	(11,070,415)	(12,486,109)	(14,328,437)
Electric power, services and other operating expenses	(4,027,631)	(3,276,697)	(3,456,325)	(3,324,397)
Recovery (loss) in the realization of assets	65,298	(39,980)	65,298	(39,425)
	(14,436,490)	(14,387,092)	(15,877,136)	(17,692,259)
Depreciation, amortization and depletion	(734,518)	(632,125)	(980,587)	(859,583)
Net added value created by the Company	3,419,020	3,377,062	4,703,904	4,568,355
Added value received in transfer				
Equity in subsidiaries and affiliates	254,422	261,156	141	5,106
Dividends, capital income from investments stated at cost	695	5,146	1,426	5,451
Other financial income and rentals	1,227	2,948	(13,652)	2,957
Financial income and exchange gains	(15,601)	(195,065)	95,701	(83,699)
	240,743	74,185	83,616	(70,185)
Total added value	3,659,763	3,451,247	4,787,520	4,498,170
Added value distributed				
Employees				
Salaries and related charges	944,068	878,277	1,276,827	1,389,471
Management compensation (note 26a)	22,173	23,393	36,542	37,566
Profit sharing	128,668	139,359	185,272	222,507
Retirement and pension plan	45,301	42,660	52,135	48,283
	1,140,210	1,083,689	1,550,776	1,697,827
Taxes				
Federal	1,501,577	859,402	1,909,061	1,383,956
Income taxes	972,097	331,250	1,130,750	586,439
Others taxes	529,481	528,152	778,311	797,517
State	554,914	628,003	607,988	227,472
Municipal	12,855	13,065	19,860	17,958
	2,069,347	1,500,470	2,536,909	1,629,386
Lenders				
Interest and exchange losses	1,092,691	757,281	1,250,724	946,452
Capitalized financial charges	9,325	14,911	9,326	14,911
Lease and rentals	305,790	269,414	322,317	285,355
	1,407,806	1,041,606	1,582,367	1,246,718
Shareholders				
Interest on own capital and dividends	-	-	46,310	101,740
Retained earnings	(957,600)	(174,518)	(928,842)	(177,501)
	(957,600)	(174,518)	(882,532)	(75,761)
	3,659,763	3,451,247	4,787,520	4,498,170

Statement of value added

For the year ended December 31, 2012
In thousands of Brazilian Reals

The accompanying notes are an integral part of these financial statements.

NOTES OF THE FINANCIAL STATEMENT

For the year ended December 31, 2012

Amounts in thousand of Brazilian Reais

1. Operations and corporate issues

ArcelorMittal Brasil S.A. (“Company” or “ArcelorMittal Brasil”), controlled by ArcelorMittal S.A. (headquartered in Luxemburg) is a private corporation headquartered in Belo Horizonte, MG. The activities of the Company and its subsidiaries in Brazil and abroad (“Consolidated”, “Group” or the “ArcelorMittal Brasil Group”) include the implementation and operation of industries and businesses in the steel and metallurgy sectors as well as holding ownership interest in other companies with the same or complementary purposes, including the production and sale of power and other inputs of the steel and/or metallurgy industries.

The main operating activities of ArcelorMittal Brasil Group are segregated into the following segments: long steel, flat steel, mining and tubes.

Long steel

ArcelorMittal Long Steel

ArcelorMittal Long Steel is the current denomination of Belgo, one of the most traditionally active producers of the steel in Brazil since 1921. The segment, through the branches of ArcelorMittal Brasil and its subsidiaries produces and markets steel and long draw. Its units have installed capacity to produce 6.5 million tons of rolled steel per year.

Its drawn steel industry is able to produce 850 million tons of wire per year.

The industrial activities in Brazil are concentrating in Minas Gerais, São Paulo, Espírito Santo and Bahia states. Its distribution and sales framework, presented throughout Brazil, are able to serve Market demands in overt expansion.

The segment provides the market with steel products and solutions for numerous applications, and it also boasts the most complete product line for Civil Construction industry. It is a South American leader of wire production for the cattle raising industry, and it is among the main world manufactures of wire rod for steel cord – used to reinforce tires.

ArcelorMittal Brasil S.A. held the controlling stake in Acindar Industria Argentina de Aceros SA until May, when it was sold (see Note 6b).

ArcelorMittal Costa Rica

Located in Central America, ArcelorMittal Costa Rica has three long steel Production units in the provinces of Limón, San José and Alajuela.

The company was founded in 1962 by the Pujol Group and, since 2008, 100% of its stocks are under the control of ArcelorMittal Group, of which 50% by ArcelorMittal Brasil S.A. ArcelorMittal. Its production capacity is 405 thousand of long steel per year delivered to construction, manufacturing and the cattle raising industries, including bars, structural shapes and wires.

Arcelor Mittal BioFlorestas Ltda.

ArcelorMittal BioFlorestas Ltda. is a company controlled by ArcelorMittal Brasil S.A., headquartered in Belo Horizonte – MG. The Company was established on January 3, 2011. It is engaged mainly in supplying the units in the long steel segment by providing renewable solid waste (charcoal) for use in its production processes.

ArcelorMittal Comercializadora de Energia Ltda.

Established in 2012, ArcelorMittal Comercializadora de Energia Ltda. is engaged in the sale of energy to ArcelorMittal Group in Brazil.

Flat steel**ArcelorMittal Tubarão**

Specialized in flat steel, the business unit has an integrated production plant in the Great Metropolitan Region of Vitória. Company produces and trades semi-finished rolled, whose main product lines are steel slabs and hot rolled coils. Its privileged location and distribution infrastructure contributes raw materials input, as well as products transportation to domestic and foreign markets.

Commencing operations in 1983, and throughout its existence, ArcelorMittal Tubarão, current CST - Companhia Siderúrgica de Tubarão, has invested heavily in order to expand its productive installed capacity and, concurrently, to modernize its processes and equipment. Today, it has an installed capacity of 7.5 million tons of steel slab per year, of which 4 million are transformed in-house into hot-rolled coils.

ArcelorMittal Vega

ArcelorMittal Vega is one of the most modern processing plants in the world when it comes to cold-rolled and galvanized steel. Specialized on innovative solutions in steel tubes and sections to the automotive, house appliance, and construction, associated with superior quality of steel from ArcelorMittal Tubarão Plant, ArcelorMittal Vega provides sustainable competitive presence in both domestic and international markets.

ArcelorMittal Vega is located in São Francisco do Sul, in Santa Catarina State, which has a strategic location, near automotive plants in Brazil and Mercosul. A second galvanization line was introduced in 2010, further expanding the plants to 1.4 million tons per year of rolled steel.

Tubes**Unki de Venezuela S.A.**

Acquired in 2009, Unki de Venezuela S.A. ("Unki") has the total capital of Industrias Unicon C.A. ("Unicon"), the largest producer of pipes in Venezuela and the main supplier the oil and gas, manufacturing and construction industries in the country and abroad.

Headquartered in Caracas, the company is a large consumer of hot-rolled coils, used in the manufacture of tubular shapes from steel. It has an installed capacity of 700 thousand tons per year. The company is located near sea ports, which provides excellent conditions to obtain raw material and to ship its production.

Mining**Mina do Andrade**

Mina do Andrade, one of the oldest mine in Brazil, started producing iron ore in 1944. It is located in the Vale do Aço (Steel Valley) and serves to ArcelorMittal Monlevade plant. It currently has an installed production capacity of 3.5 million tons/year.



2. Basis of preparation

The financial statements have been prepared based on the historical cost, except for certain financial instruments and biological assets, measured at their fair values, as described in the following accounting practices.



a. Declaration of conformity

The Company's financial statements for the years ended December 31, 2012 and 2011 comprise:

- The consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board - IASB, and the accounting practices adopted in Brazil, identified as Consolidated (IFRS and BR GAAP); and
- The Parent's individual financial statements prepared in accordance with the accounting practices adopted in Brazil, identified as Parent (BR GAAP).

The accounting practices adopted in Brazil include those established in the Brazilian Corporate Law, as well as the pronouncements, guidelines, and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Federal Accounting Council (CFC).

In the individual financial statements investments in subsidiaries, joint ventures and associates are stated under the equity method, pursuant to prevailing Brazilian laws. Therefore, these individual financial statements are not considered in full compliance

with IFRS, which requires these investments to be stated at fair value or cost in the Parent's separate financial statements.

As there is no difference between the consolidated equity and the consolidated profit or loss attributable to the owners of the Company, disclosed in the consolidated financial statements prepared in accordance with IFRSs and the accounting practices adopted in Brazil, and the Company's equity and profit or loss disclosed in the individual financial statements prepared in accordance with accounting practices adopted in Brazil, except for unrealized inventory profit reconciled in the Note 6, item d - Consolidated Financial Statements, the Company decided to present these individual and consolidated financial statements in a single set, using a side-by-side format.



3. Significant accounting policies

3.1 The following is a summary of the significant accounting policies adopted by ArcelorMittal Brasil Group:

a. Consolidation basis and investments in subsidiaries

The consolidated financial statements include the Company's and its subsidiaries' financial statements. Control is obtained when the Company has the power to control an entity's financial and operating policies to benefit from its activities.

In the Company's individual financial statements, the financial information on subsidiaries and jointly-controlled companies are recognized under the equity method.

When necessary, the subsidiaries' financial statements are adjusted to conform their accounting policies

to those set by the Group. All intercompany transactions and balances were fully eliminated in the consolidated financial statements.

The entities comprising the consolidated financial statements are presented in Note 6, other than the entity in item "a" herein.

These consolidated financial statements are the first prepared in accordance with International Financial Reporting Standards (IFRSs). The effects of adopting IFRSs are presented in Note 4.

(i) Changes in ArcelorMittal Brasil Group's equity interests in existing subsidiaries

In the consolidated financial statements, the changes in ArcelorMittal Brasil Group's equity interests in subsidiaries that do not result in loss of the Group's control over subsidiaries are recognized as capital transactions. The carrying amounts of the ArcelorMittal Brasil Group's interests and noncontrolling interests are adjusted to reflect the changes in their interests in subsidiaries. The difference between the amount based on which noncontrolling interests are adjusted and the fair values of considerations paid or received is recognized directly in equity and attributed to the Group's shareholders.

When the Group loses control over a subsidiary, the gain or loss on disposal is calculated by the difference between: (i) the sum of the fair value of considerations received and the fair value of the residual interest; and (ii) the previous carrying amount of the assets (including goodwill) and the liabilities of the subsidiary, and noncontrolling interests, if any. When a subsidiary's assets are recognized at fair values and the corresponding accumulated gain or loss was recognized in line item 'Other comprehensive income' and accumulated in equity, the amounts previously recognized in 'Other comprehensive income' and accumulated in equity are accounted for as if the Company had directly disposed of the corresponding assets (i.e., reclassified to profit or loss or directly transferred to line item 'Retained earnings', as prescribed by applicable IFRSs). The fair value of any investment held in the former subsidiary on the date control is lost is recognized as the fair value on initial recognition for subsequent accounting in accordance with IAS 39 - Financial Instruments: Recognition and Measurement (equivalent to CPC 38) or, where applicable, the cost of an investment in an associate or jointly-controlled entity on initial recognition.



b. Investments in associates

An associate is an entity over which the Group has significant influence and that does not qualify as a subsidiary or joint venture. Significant influence is the power to participate in the financial and operating decisions of the investee without exercising individual or joint control over those policies.

Profit or loss, assets, and liabilities of associates are included in the financial statements by the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and subsequently adjusted for purposes of recognition of the Company's interest in profit or loss and other comprehensive income of the associate. When ArcelorMittal Brasil Group's share in the loss of an associate exceeds its interest in the associate (including any long-term interest that, in substance, is included in

ArcelorMittal Brasil Group's net investment in the associate), ArcelorMittal Brasil Group no longer recognizes its share in additional losses. Additional losses are recognized only if ArcelorMittal Brasil Group has incurred legal or constructive obligations or has made payments on behalf of the associate.

Any amount in excess of the acquisition cost on the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate on acquisition date is recognized as goodwill. Goodwill is added to the investment's carrying amount. Any amount of ArcelorMittal Brasil Group's share in the net fair value of identifiable assets, liabilities and contingent liabilities in excess of the acquisition cost, after revaluation, is immediately recognized in profit or loss.

c. Interests in joint ventures

A joint venture is a contractual agreement whereby ArcelorMittal Brasil Group and other parties exercise an economic activity subject to joint control, where the decisions on strategic financial and operating policies relating to the joint venture activities require the approval of all parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer holds an interest are called “jointly controlled entities”.

ArcelorMittal Brasil Group recognizes interests in jointly controlled entities in the consolidated financial statements under the proportionate consolidation method, except when the investment is classified as “held for sale”; in this case, the investment is recognized pursuant to IFRS 5 - Noncurrent Assets Held for Sale and Discontinued Operations (equivalent

to CPC 31). ArcelorMittal Brasil Group’s interests in the assets, liabilities and profit or loss of jointly controlled entities are combined with similar items, on a line by line basis, in ArcelorMittal Brasil Group’s consolidated financial statements.

In the Parent’s individual financial statements, interests in jointly controlled entities are recognized by the equity method of accounting.

When ArcelorMittal Brasil Group’s company carries out transactions with its jointly controlled entities, the related gains and losses are recognized in ArcelorMittal Brasil Group’s consolidated financial statements only to the extent that ArcelorMittal Brasil Group’s interests in the jointly controlled entity are not related to the ArcelorMittal Brasil Group.

d. Individual financial statements

In the individual financial statements, the Company applies the requirements of ICPC - 09, which requires that any amount in excess of the acquisition cost on the Company’s interest in the fair value of identifiable assets, liabilities and contingent liabilities of the acquire on the acquisition date is recognized as goodwill. Goodwill is added to the investment’s carrying amount. Any amount of the Company’s interest in the fair value of identifiable assets, liabilities and contingent liabilities in excess of the acquisition cost, after revaluation, is immediately recognized in profit or loss. Considerations transferred, as well as the net fair value of assets and liabilities are measured using the same criteria applicable to the consolidated financial statements, as described above.

e. Functional, foreign and reporting currency

Since September 1, 2008 the Company's functional currency is the US dollar. The Company's Management annually reviews primary and secondary assumptions and factors relating to the determination of functional currency, as prescribed by CPC 02, considering its business structure. The Company translated all the items into a new functional currency using the exchange rate prevailing on the date of the change (9/1/2008). The resulting translated amounts for non-cash items are treated as their historical costs.

In addition to ArcelorMittal Brasil S.A., the following subsidiaries adopted the U.S. dollar as their functional currency:

- ArcelorMittal Tubarão Comercial S.A.
- Itaúna Siderúrgica Ltda.
- CST Comércio Exterior S.A.
- CST Corporation BV
- Sol Coqueria Tubarão S.A.
- ArcelorMittal Costa Rica
- BMB - Belgo-Mineira Bekaert Artefatos de Arame Ltda.

The other subsidiaries used the currencies of their respective countries as their functional currency.

Foreign currency-denominated transactions, i.e., those not carried out in the functional currency (mainly the Brazilian Real - "R\$"-, the Argentine peso - "\$", Venezuelan strong bolivar - "Bs.F" and the Colon - "CRC"), are translated at the exchange rate for the dates of each transaction. Foreign currency-denominated monetary assets and liabilities are translated into the functional currency at the foreign exchanges rate at the balance sheet date. Foreign exchange gains and losses on monetary assets and liabilities are recognized in the statement of operations. Non-cash assets and liabilities purchased or contracted in foreign currency are translated based on exchange rates prevailing on the transition dates or the fair value measurement dates, when used. Gains and losses resulting from foreign investments are directly recorded in shareholders' equity in line account 'Foreign Cumulative Translation Adjustments' and recognized in income when these part of the whole investments are disposed of. The financial statements of foreign subsidiaries are adjusted to the accounting practices adopted in Brazil, and subsequently translated into the local presentation currency at the exchange rate effective on the closing date.

ArcelorMittal Brasil Group comprised individual entities that adopt different functional currencies; therefore, the presentation of consolidated financial statements was prepared by using the same currency for all entities, in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards, the Group determined the Brazilian Real ("R\$") as the reporting currency.

The presentation currency of the individual and consolidated accounting statements is the Brazilian Real ("R\$"). The balances presented therein are, therefore, when applicable, the result of the translation of the respective functional currencies into the Brazilian Real, in compliance with the following criterion: (i) assets and liabilities are translated using the closing rate at the balance sheet date; and (ii) revenue and expenses and changes in shareholders' equity are translated using the prevailing exchange rate on the transaction dates or average exchange rates for the period. The changes in foreign exchange rates resulting from the translation criterion above are recorded in a specific shareholders' equity line, named 'Foreign Cumulative Translation Adjustments.

f. Non-derivative financial instruments

Non-derivative financial instruments include short-term investments, investments in debt and equity instruments, trade accounts receivable, other receivables, cash and cash equivalents, financing, as well as trade accounts payable and other debts.

Non-derivative financial instruments are initially recognized at fair value plus any directly attributable transaction costs for instruments not recognized at fair value through profit or loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial assets or liabilities are offset and the net amount stated in the balance sheet when, and only when, ArcelorMittal Brasil Group retains the legal right to set

off the amounts and has the intention to simultaneously settle the liability and Realize the asset on a net basis.

Non-derivative financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets.

The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition. All regular way purchases or sales of financial assets are recognized or derecognized on the trade date. Regular way purchases or sales of financial assets correspond to those requiring the delivery of assets within a period established by standard or market practices.

(i) Effective interest method

The effective interest method is used to calculate the amortized cost of a debt instrument and allocate its interest income over the related period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments other than those financial assets are classified at fair value through profit or loss.



(ii) Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if held for trading or designated as such when initially recognized. Financial instruments are designated at fair value through profit or loss if the Group manages these investments and makes purchase and sale decisions based on their fair value according to the investment strategy and risk management documented by ArcelorMittal Brasil Group. After initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured by their fair value and their fluctuations are recognized in profit or loss.

(iii) Held-to-maturity investments

If the Group has the positive intent and ability to hold its financial instruments to maturity, they are classified as held-to-maturity. Held-to-maturity investments are measured at amortized cost using the effective interest rate, less impairment losses.

(v) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with original maturities of three months or less from the date of its purchase, subject to an insignificant risk of change in value.

(iv) Loans and receivables

Loans and receivables are represented by non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables consist of cash and cash equivalents, and trade and other receivables. These assets are measured at amortized cost using the effective interest method, less any impairment loss.

g. Inventories

They are measured at average cost of acquisition or production, which is lower than net Realizable value, corresponding to the estimated selling price of inventories, less all estimated costs of completion and costs necessary to make the sale. Imports in transit are measured at the accumulated cost of each import.

Cost of inventories comprises acquisition and transportation costs. Cost of finished products and work in process inventories comprises general manufacturing expenses based on the normal operating capacity.

h. Impairment of financial assets

Financial assets, except those measured at fair value through profit or loss, are valued by using impairment indicators at the end of each reporting period. Impairment losses are recognized if, and only if, there is objective evidence of impairment of the financial asset as a result of one or more events occurred after initial recognition, with an impact on the estimated future cash flows of such asset.

i. Property, plant and equipment

They are measured at acquisition or construction cost. Depreciation is recognized based on the estimated useful life of each asset under the straight-line method so that cost less its residual value after its useful life is fully written off (except for lands and construction in progress). The estimated useful life, residual values and depreciation methods are reviewed on an annual basis. Property, plant and equipment depreciation is recorded mainly as production costs.

Expenses related to property, plant, and equipment replacement are separately recorded, including those arising from large renovations, are accounted for in property, plant, and equipment. Other expenses are capitalized only when there is an increase in the economic benefits and/or increase in the useful life of this item. Any other type of expense is recognized in the income statement as cost or expense.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to be ready for the intended use or sale are added to the cost of such assets through the date in which they are ready for the intended use or sale.

The carrying amount of an asset is immediately written off at its recoverable value if the carrying amount of the asset is higher than its estimated recoverable value.

j. Biological assets

The evaluation of biological assets is carried out on a quarterly basis by ArcelorMittal Brasil Group, and the corresponding gains or losses on the changes in fair value of biological assets are recognized in the income statement for the period in which they occur.

The fair value of the biological asset in the current place and conditions is measured using the present value of the expected cash flow of the asset, discounted at current market rate. The increase or decrease in the fair value is determined based on the difference between the fair values of biological assets at the beginning and end of the period, less costs of planting incurred in the development of biological assets and depleted biological assets in the period.

The forest reserves depletion, at the controlled Company ArcelorMittal BioFlorestas Ltda. is calculated based on the volume of lumber compared to the existing potential volume.



k. Intangible assets

Intangible assets include assets acquired from third parties, including through business combinations, and those generated internally by the Company. The following criteria are used:

- Intangible assets acquired from third parties: are measured at their total cost of acquisition, less impairment losses.
- Intangible assets generated internally: are recognized as assets only in their development phase so long as the following aspects can be evidenced:
 - Technical feasibility to conclude the intangible asset in such a way that it is available for use or sale;
 - Intention to conclude the intangible asset and to use or sell it;
 - Capacity to use or sell the intangible asset;
 - Evidence the existence of a market or other ways of obtaining economic benefits;
 - Availability of technical financial resources and other adequate resources to complete the development of the intangible asset;
 - Capacity to measure the expenses attributable to the intangible asset accurately during its development;

- Amortization.

The amount originally recorded of internally generated intangible assets corresponds to the sum up of the costs incurred since the asset started to meet the recognition criteria previously mentioned. When no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss for the period, when incurred.

Intangible assets with finite useful lives are amortized considering the useful lives shown in note 15.

Intangible assets with undefined useful life are not amortized and are annually tested for impairment. Goodwill on expected future earnings was amortized until December 31, 2008 based on useful lives. Due to the adoption of International Financial Reporting Standards and accounting practices adopted in Brazil, beginning January 1, 2009, goodwill started to be tested for impairment.

l. Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities as other financial liabilities. These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Non-derivative financial liabilities comprise: borrowings and financing, and trade and other payables.

m. Income tax and social contribution

Current and deferred income tax and social contribution for the year is calculated at the rate of 15%, plus a 10% surtax on taxable income exceeding R\$240 for income tax and 9% on taxable income for social contribution, and take into consideration the offset of tax losses carryforward, limited to 30% of taxable income.

Income tax and social contribution expenses comprise current and deferred income taxes. Current and deferred taxes are recognized in the profit or loss unless they are related to a business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on taxable profit or loss for the year at tax rates that have been enacted or substantially enacted at the end of the reporting period and any adjustment to taxes payable in relation to prior years.

Deferred tax on temporary differences is recognized between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for tax calculation purposes. Deferred taxes are not accounted for on the following temporary differences:

- The initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects

neither accounting nor taxable profit or loss.

- Differences relating to investments in subsidiaries, branches and associates and joint ventures when it is probable that they will not be reversed in the future; and
- A deferred tax liability is not recognized for taxable temporary differences resulting in the initial recognition of goodwill.

Deferred tax is measured at the rates that are expected to be applied on temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of the reporting period.

In determining current and deferred income tax, the Company takes into consideration the impact of uncertainties relating to tax positions assumed and whether the additional payment of income tax and interest has to be made. The Company believes that the provision for income tax in liabilities is adequate with respect to all outstanding tax periods based on the assessment of various factors, including interpretations of tax laws and past experience. This assessment is made based on estimates and assumptions that may require a series of judgments about future events. New information can be disclosed which would require the Company to change its judgment about the adequacy of the existing

provision. These changes will impact income tax expenses in the year they are realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for all unutilized deductible tax losses, tax credits, and temporary differences to the extent that it is probable that taxable profits will be available against which those tax losses, tax credits, and deductible temporary differences can be utilized.

Deferred income tax and social contribution assets are reviewed annually and reduced to the extent that their Realization is no longer probable.

Deferred tax Realization criteria are described in Note 25.

The subsidiary Belgo Bekaert – BBN has tax benefits related to the operating profit, granted by the Northeast Development Agency (ADENE).

The Company and its Brazilian subsidiaries opted for the Transitional Tax Regime (“RTT”) for the years of 2009 and 2008, as established by Law 11941/09.

n. Derivatives

ArcelorMittal Brasil Group holds derivatives to protect itself against foreign currency and interest rate risks.

Derivatives are initially recognized at their fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes are recorded in profit or loss.

o. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past events, when a reliable estimate can be made of the amount of the obligation, and its settlement is probable. Provisions are recorded based on the best estimates of management and its legal counsel with respect to the risks involved.

p. Employee benefits

ArcelorMittal Brasil Group is the sponsor of pension plans for its employees. The sponsorship costs of plans and possible deficits (surpluses) are recorded in accordance with CPC Pronouncement 33. - Employee Benefits.

Actuarial calculations are periodically made for defined benefit plans where the Group is held liable for or assumes any type of risk based on the Projected Unit Credit Method, in order to estimate its responsibility for the payment of contributions. The liability recognized in the balance sheet on the defined benefit plan corresponds to the present value of the defined benefit obligation on the balance sheet date, less the fair value of the plan assets, including adjustments to unrecognized costs of past services. Actuarial gains and losses are recognized and calculated according to the corridor approach, whose approach will only affect net income (loss) for the period if it

exceeds 10% of the amount of assets and liabilities, whichever the higher, and of the excess amount, it will affect the portion of deferred charges based on the future work time of the plan's active beneficiaries. Costs of past services arising from changes in the plans are immediately recognized in net income (loss), when incurred.

The present value of the defined benefit obligation is determined by deducting estimated future cash outflows, based on interest rates in line with market yield, which are denominated in the currency of payment of benefits and with maturity dates close to those of the respective pension plan obligation.

Relating to the contribution defined, the Group does not have the additional obligation after the contribution is made.

q. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, less any expected returns, trade discounts and/or bonuses granted to the buyer, and other similar deductions, and stated at their net amount..

- Revenue from sale of products is recognized when products are delivered and all risks and rewards inherent in the ownership of these products are transferred to the buyer, whose amounts can be reliably measured.
- Revenue from services is recognized based on the percentage of completion of the agreement.
- Revenue from investment dividends is recognized when a shareholders' right to receive these dividend is determined.
- Revenues from operating leases are recognized on a straight-line basis over the lease period.

r. Leases

Leases are classified as finance leases whenever the terms and conditions in the lease contract substantially transfer all risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

(i) Finance leases

Certain lease agreements transfer risks and rewards connected with ownership of an asset to the lessee. These contracts characterize as finance lease agreements and assets are recognized at their fair value or the present value of contractual minimum payments. Goods recognized as assets are depreciated over the periods established in the respective lease agreements. Financial charges related to finance lease agreements are allocated to income over the life of the agreement based on the amortized cost method and the effective interest rate.

(ii) Operating leases

Payments made under an operating lease are recognized as expenses in the income statement on a straight line basis over the life of the agreement.

s. Share-based payment arrangements

The fair value of the options granted, which is determined on the grant date, is recorded under the straight-line method as expense in the income statement for the year during the term in which the right is obtained, based on the Group's estimates over which options granted will be potentially acquired, with a corresponding increase in shareholders' equity.

3.2 RECLASSIFICATIONS

Under CPC 26 - Presentation of Financial Statements, the Group restated 2011 opening balance. Reclassifications in the financial statements can be summarized as follows:

	Company				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Shareholders' equity
Balance as of 1/1/2011 previously presented	4,322,706	22,020,535	5,586,366	8,412,334	12,344,541
Deferred taxes (a)	-	(1,745,480)	-	(1,748,576)	-
Short and long term debts (b)	-	-	(391,603)	-	-
Payables to related parties (b e c)	-	-	469,205	97,515	-
Other payables (c)	-	-	(77,602)	(97,515)	-
Deferred assets (d)	-	(9,106)	-	-	(6,010)
Balance as of 1/1/2011 - restated	4,322,706	20,265,949	5,586,366	6,663,758	12,338,531
Balance as of 12/31/2011 previously presented	5,276,668	25,290,060	7,590,111	9,247,298	13,729,319
Recoverable taxes (a)	-	(49,875)	-	-	-
Deferred taxes (a)	-	(2,199,928)	-	(2,249,803)	-
Short and long term debts (b)	-	-	(453,074)	-	-
Payables to related parties (b e c)	-	-	516,985	-	-
Other payables (c)	-	-	(63,911)	-	-
Balance as of 12/31/2011 - restated	5,276,668	23,040,257	7,590,111	6,997,495	13,729,319

	Consolidated				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Shareholders' equity
Balance as of 1/1/2011 previously presented	6,134,413	21,126,000	5,443,935	8,866,772	12,949,706
Deferred taxes (a)	-	(1,857,286)	-	(1,857,286)	-
Short and long term debts (b)	-	-	-	-	-
Payables to related parties (b e c)	-	-	81,340	97,515	-
Other payables (c)	-	-	(81,340)	(97,515)	-
Balance as of 1/1/2011 - restated	6,134,413	19,268,714	5,443,935	7,009,486	12,949,706
Balance as of 12/31/2011 previously presented	7,586,758	24,024,926	7,482,302	9,737,006	14,392,376
Recoverable taxes (a)	-	(49,875)	-	-	-
Deferred taxes (a)	-	(2,324,325)	-	(2,374,200)	-
Payables to related parties (b e c)	-	-	95,083	125,246	-
Other payables (c)	-	-	(95,083)	(125,246)	-
Balance as of 12/31/2011 - restated	7,586,758	21,650,726	7,482,302	7,362,806	14,392,376

a. Deferred taxes

For better comparability of reporting years and in conformity with CPC 32 – Income Taxes, deferred taxes are restated at their net amounts between assets and liabilities.

Recoverable taxes on foreign profits, previously classified under “recoverable taxes”, are reclassified to “deferred taxes”, in the amount of R\$49,875 as at December 31, 2011.

b. Short and long term debits

Reclassification of intercompany loans with CST BV Corporation and AM Basque Holding to other amount payables to the group companies.

c. Other payables

Reclassification of payables to group companies, previously recorded in “other payables”.

d. Deferred assets

The transition of BRGAAP to IFRS resulted in the derecognition of deferred assets; the amount recorded through December 31, 2010 was fully derecognized on January 1, 2011.



4. Adoption of the new and revised international financial reporting standards (IFRS)

Effects of the initial adoption of IFRS on the consolidated financial statements

The consolidated financial statements for the years ended December 31, 2012 are the first to be presented in accordance with IFRSs.

ArcelorMittal Brasil Group applied the accounting policies set out in Note 3 to all reporting periods, which includes the balance sheet as at the date of transition (January 1, 2011).

In measuring the adjustments to the opening balances and in preparing the balance sheet as at the transition date, ArcelorMittal Brasil Group applied the mandatory exceptions and certain optional exemptions from retrospective application prescribed by IFRS 1 and CPC 37(R1) – First-time Adoption of International Financial Reporting Standards.

The adjustment applicable in the change of the accounting standard adopted, upon convergence of Brazilian standards with international standards, on January 1, 2011, is shown below, upon the reconciliation of the effects from adopting the IFRSs by comparing the amounts recognized in the year beginning January 1, 2011 and ending December 31, 2011 and the effects recognized.

(i) Effects of adopting IFRSs on the consolidated balance sheet

	Consolidated					
	"As of 1/1/2011 (transition date)"			"As of 12/31/2011 (date of last period presented under previous accounting practices)"		
	BR GAAP - previous	BR GAAP - previous	IFRSs	BR GAAP - previous	Effect of the transition to IFRSs	IFRSs
Assets						
Current assets						
Cash and cash equivalents	342,171	-	342,171	619,396	-	619,396
Held-to-maturity investments	44,868	-	44,868	38,314	-	38,314
Trade accounts receivable	1,552,161	-	1,552,161	1,701,230	-	1,701,230
Inventories	3,298,611	-	3,298,611	4,303,223	-	4,303,223
Recoverable taxes	543,735	-	543,735	454,395	-	454,395
Dividends and interest on capital receivable	15	-	15	-	-	-
Other receivables	352,852	-	352,852	470,200	-	470,200
Total current assets	6,134,413	-	6,134,413	7,586,758	-	7,586,758
Noncurrent assets						
Held-to-maturity investments	23,694	-	23,694	38,300	-	38,300
Recoverable taxes	761,663	-	761,663	987,049	-	987,049
Deferred income tax and social contribution	2,796,560	-	2,796,560	2,750,462	-	2,750,462
Compulsory and escrow deposits	321,599	-	321,599	314,441	-	314,441
Receivables from related parties	138,035	-	138,035	98,315	-	98,315
Other receivables	194,068	-	194,068	240,649	-	240,649
Investments						
Held-to-maturity investments	31,402	-	31,402	22,701	-	22,701
Recoverable taxes	5,358	-	5,358	1,531	-	1,531
Property, plant and equipment	10,804,357	-	10,804,357	12,814,866	-	12,814,866
Biological assets	348,551	-	348,551	362,827	-	362,827
Intangible assets	5,700,713	-	5,700,713	6,393,785	-	6,393,785
Deferred assets	9,690	(9,690)	-	-	-	-
Investments	21,135,690	(9,690)	21,126,000	24,024,926	-	24,024,926
Total assets	27,270,103	(9,690)	27,260,413	31,611,684	-	31,611,684

	Consolidated					
	As of 1/1/2011 (transition date)			As of 31/12/2011 (date of last period presented under previous accounting practices)		
	BR GAAP - previous	Effect of the transition to IFRSs	IFRSs	BR GAAP - previous	Effect of the transition to IFRSs	IFRSs
Liabilities and shareholders' equity						
Current liabilities						
Trade accounts payable	3,461,540	-	3,461,540	4,821,346	-	4,821,346
Salaries and related charges	379,390	-	379,390	433,590	-	433,590
Short-term debt	471,215	-	471,215	767,842	-	767,842
Debentures	33,979	-	33,979	36,941	-	36,941
Taxes payable	179,895	-	179,895	247,956	-	247,956
Income tax and social contribution	23,304	-	23,304	24,011	-	24,011
Dividends and interest on own capital	521,760	-	521,760	546,317	-	546,317
Provision for tax, civil and labor risks	55,482	-	55,482	41,607	-	41,607
Other payables	317,370	-	317,370	562,692	-	562,692
Total current liabilities	5,443,935	-	5,443,935	7,482,302	-	7,482,302
Noncurrent liabilities						
Long-term debt	6,090,030	-	6,090,030	6,512,485	-	6,512,485
Debentures	47,521	-	47,521	20,517	-	20,517
Deferred income tax and social contribution	2,024,911	(3,295)	2,021,616	2,554,166	-	2,554,166
Provision for tax, civil and labor risks	347,686	-	347,686	365,721	-	365,721
Other payables	359,919	-	359,919	284,117	-	284,117
Total noncurrent liabilities	8,870,067	(3,295)	8,866,772	9,737,006	-	9,737,006
Shareholders' equity						
Capital	11,666,520	-	11,666,520	11,666,520	-	11,666,520
Capital reserves	375,448	-	375,448	387,562	-	387,562
Earnings reserves	1,384,407	(6,395)	1,378,012	2,094,699	-	2,094,699
Other comprehensive income	755,442	-	755,442	678,651	-	678,651
Foreign cumulative translation adjustments	(1,871,535)	-	(1,871,535)	(1,125,553)	-	(1,125,553)
Non-controlling interests	645,819	-	645,819	690,497	-	690,497
Total shareholders' equity	12,956,101	(6,395)	12,949,706	14,392,376	-	14,392,376
Total liabilities and shareholders' equity	27,270,103	(9,690)	27,260,413	31,611,684	-	31,611,684

(ii) Reconciliation of income statement and statement of changes in equity

	Consolidated		
	Net loss	Shareholder's Equity	
	As of 12/31/2011 (date of last period presented under previous accounting practices)	As of 1/1/2011 (transition date)	As of 12/31/2011 (date of last period presented under previous accounting practices)
In accordance with previous accounting practices	(173,163)	12,956,101	14,392,376
Derecognition of deferred assets	9,690	(9,690)	-
Deferred income tax on derecognition of deferred assets	(3,295)	3,295	14,392,376
Total adjustments in accordance with IFRSs	(166,768)	12,949,706	14,392,376

(iii) Effects of adopting IFRSs on the consolidated income statement

	Consolidated		
	As of 12/31/2011 (date of last period presented under previous accounting practices)		
	BR GAAP - previous	Effect of the transition to IFRSs	IFRSs
Net sales	17,285,534	-	17,285,534
Cost of sales	(15,050,843)	-	(15,050,843)
Gross profit	2,234,691	-	2,234,691
Operating income (expenses)			
Selling	(293,366)	-	(293,366)
General and administrative	(420,447)	-	(420,447)
Equity in subsidiaries and affiliates	5,106	-	5,106
Other operating income (expenses), net	22,351	9,690	32,041
Operating profit	1,548,335	9,690	1,558,025
Financial income (expenses), net	(1,043,747)	-	(1,043,747)
Income before income tax, social contribution and profit sharing	504,588	9,690	514,278
Income tax and social contribution	(583,144)	(3,295)	(586,439)
Profit sharing	(3,600)	-	(3,600)
Loss before noncontrolling interest	(82,156)	6,395	(75,761)
Non-controlling interests	(91,007)	-	(91,007)
Net loss	(173,163)	6,395	(166,768)

(iv) Notes to the reconciliations

The transition of BRGAAP to IFRS in the consolidated financial statements resulted in the derecognition of deferred assets; the amount recorded through December 31, 2010 was fully derecognized on January 1, 2011. The effects from the derecognition of deferred assets and the tax effects arising from derecognition are shown in the tables above.

e. New and revised standards

Several standards, amendments to and interpretations of the IFRS issued by the IASB are not yet effective for the year ended December 31, 2012, as follows:

- IAS 1 – Presentation of Financial Statements. The main change is the separation of other comprehensive income items in two groups: those that will be Realized against profit or loss and those that will remain in equity. The standard is effective beginning January 1, 2013. The impact on its adoption derives from disclosure.
- IAS 19 – Employee Benefits, amended in June 2011. This amendment was included in CPC 33 (R1) – “Employee Benefits”. The standard is effective beginning January 1, 2013. The main impacts expected from its adoption in the Company’s financial statements are: (i) elimination of the corridor approach that limited the recognition of loss on defined benefit plans; (ii) replacement of interest on liabilities and expected return on assets for a single net interest rate. As a result of the adoption of IAS 19, the Company expects a negative impact on the 2013 income statement in the approximate amount of R\$50.5 million. The new standards are effective beginning January 1, 2013.

- IFRS 9 – Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It supersedes parts of IAS 39 where it relates to the classification and measurement of financial instruments. The Company and its subsidiaries are analyzing the impacts of IFRS 9. The standard is effective beginning January 1, 2015.

- IFRS 10 – Consolidated Financial Statements included as an amendment to CPC 36(R3) – Consolidated Financial Statements. The standard provides additional guidance to define control. The Company is analyzing the full impact of IFRS 10. The standard is effective beginning January 1, 2013.

- IFRS 11 – Joint Arrangements, issued in May 2011, included as an amendment to CPC 19(R2) – Interests in Joint Ventures. The standard provides an approach to joint arrangements in focusing on the rights and obligations under the agreements, rather than on its legal form. The proportionate consolidation method, applied in 2012, will no longer be allowed. The Company is analyzing the impact of IFRS 11. The standard is effective beginning January 1, 2013.

- IFRS 12 – Disclosure of Interest in Other Entities, considered as a new CPC 45 – Disclosure of Interest in Other Entities. It addresses disclosure requirements for all types of interests in other entities, including joint arrangements, associates, special purpose entities and other off-balance sheet interests. The standard is effective beginning January 1, 2013. Such standard will basically impact disclosure.

- IFRS 13 – Fair Value Measurement, issued in May 2011, and disclosed in a new CPC 46 – Fair Value Measurement. IFRS 13 is designed to reduce complexity of fair value measurement by providing a more precise definition of fair value measurement and disclosure requirements for application in the IFRS. The standard is effective beginning January 1, 2013. Such standard will basically impact disclosure.

There are no other CPC/IFRS standards or IFRIC interpretations that are not yet effective and that could have a material impact on ArcelorMittal Brasil AS Group companies.

5. Critical accounting judgments and key sources of estimation uncertainties

In applying the accounting policies, Management is required to make judgments and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and related assumptions are based on past experience and other factors that are considered to be relevant. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at least annually. The effects of changing the accounting estimates are recognized in the period they are reviewed. The main balance sheet items subject to such estimates are the recoverable value of property, plant and equipment, biological assets, intangible assets, and deferred charges, the allowance for doubtful accounts, the fair value of inventories, and the recoverable amount of deferred income tax assets,

the provision for tax, civil and labor risks, financial instruments and, actuarial assets and liabilities. The settlement of transactions involving these estimates may differ from these estimated values.

The information on critical judgments related to the accounting policies adopted that affect the amounts recognized in the consolidated financial statements is disclosed in the following notes:

- Note 13 - Property, plant and equipment
- Note 14 - Biological assets
- Note 15 - Intangible assets
- Note 23 - Financial Instruments
- Note 24 - Income tax and social contribution
- Note 26 - Provisions for tax, civil and labor risks
- Note 29 - Obligations with post-employment benefits



6. Consolidated financial statements

The following direct and indirect subsidiaries and associates are included in the annual consolidated financial statements:

ArcelorMittal Brasil S.A. and subsidiaries:	Participação %			
	Country	2012	2011	1/1/2011
Acindar Industria Argentina de Aceros S.A. (i)	Argentina	-	65.01	65.01
Acindar Uruguay I.A.A.S.A.	Argentina	-	100.00	100.00
Agrinsa Agroindustrial S.A.	Argentina	-	100.00	100.00
Eco Oil S.A.	Argentina	-	50.00	50.00
Acindar Pymes S.G.R.	Argentina	-	42.86	50.00
Armar Com. Imp. Export. Ltda (viii)	Argentina	-	-	100.00
CDSA S.A.	Argentina	-	100.00	100.00
IPH S.A.C.I.F.	Argentina	-	33.00	33.00
ArcelorMittal Projects Argentina S.A.	Argentina	-	5.00	-
Acindar do Brasil Ltda.	Brazil	100.00	100.00	100.00
Armar Com. Imp. Export. Ltda (viii)	Brazil	100.00	100.00	-
Itaúna Siderúrgica Ltda.	Brazil	100.00	100.00	100.00
BMB - Belgo-Mineira Bekaert Artefatos de Arame Ltda.	Brazil	55.50	55.50	55.50
Belgo Bekaert Arames Ltda.	Brazil	55.00	55.00	55.00
Belgo Bekaert Nordeste S.A. (ii)	Brazil	-	54.90	54.80
ArcelorMittal Sistemas S.A.	Brazil	100.00	100.00	100.00
Belgo - Mineira Comercial Exportadora S.A.	Brazil	100.00	100.00	100.00
PBM - Picchioni Belgo Mineira DTVM S.A.	Brazil	74.50	74.50	74.50
ArcelorMittal BioEnergia Ltda (v)	Brazil	-	-	63.50
ArcelorMittal BioFlorestas Ltda (iii)	Brazil	100.00	100.00	-
ArcelorMittal Costa Rica S.A.	Costa Rica	50.00	50.00	50.00
ArcelorMittal Tubarão Comercial Ltda	Brazil	100.00	100.00	100.00
CST Comércio Exterior S.A.	Brazil	100.00	100.00	100.00
CST Corporation B.V. (vii)	Netherlands	-	100.00	100.00
Sol Coqueria Tubarão S.A.	Brazil	100.00	100.00	100.00
Unki de Venezuela S.A.	Venezuela	100.00	100.00	100.00
Industrias Unicon C.A.	Venezuela	100.00	100.00	100.00
Conduvid C.A.	Venezuela	80.00	80.00	80.00
C.A. Conduven España	Spain	100.00	100.00	100.00
Agencia Flecon S.A. (ix)	Venezuela	-	100.00	100.00
C.A. Conduven Exportaciones (vi)	Venezuela	-	99.00	99.00
Industria Improcon C.A.	Venezuela	100.00	100.00	100.00
Siderurgica Occidental C.A.	Venezuela	99.33	99.33	99.33
Vendedora de Materiales Siderurgicos del Occidente, C.A.	Venezuela	100.00	100.00	100.00
Servicios Siderurgicos del Occidente, C.A.	Venezuela	100.00	100.00	100.00
Seguridad Compania Anonima SCA	Venezuela	100.00	100.00	100.00
Grupo Siderpro, C.A.	Venezuela	50.00	50.00	50.00
Productos y Servicios Industriales C.A.	Venezuela	99.54	99.54	99.54
C.A. Venezolana Procesadora de Acero	Venezuela	99.08	99.08	99.08
Grupo Siderpro, C.A.	Venezuela	50.00	50.00	50.00
Tuboauto, C.A.	Venezuela	30.00	30.00	30.00
ArcelorMittal Comercializadora de Energia Ltda (iv)	Brazil	100.00	-	-
Transportes de Produtos Siderúrgicos Ltda	Brazil	100.00	100.00	100.00

(i) Company sold to ArcelorMittal Spain in may 2012.

(ii) Company was incorporated by Belgo Bekaert Arames Ltda. in february 2012.

(iii) Company created in 2011, that receives operations from ArcelorMittal Bioenergia Ltda.

After business segregation on 5/1/2011 (see item "a" of this note).

(iv) Company created in 2012.

(v) Jointly-Controlled Company, proportionally consolidated in 63,5%, until 6/30/2011.

(vi) Company discontinued in 2012.

(vii) Company sold to ArcelorMittal Netherlands B.V in december 2012.

(viii) Interest transferred to ArcelorMittal Brasil on 3/29/2011.

(ix) Company incorporated by Industria Unicon C.A. in August 2012.

a. ArcelorMittal BioEnergia Ltda.

On January 25, 2011, the management of ArcelorMittal S.A. approved the worldwide-level separation of the stainless steel segment business, which included ArcelorMittal BioEnergia Ltda. Accordingly, the assets and liabilities of ArcelorMittal BioEnergia Ltda. started to be controlled by the stainless steel and the long steel segments, held by ArcelorMittal S.A., separated between ArcelorMittal Brasil S.A. and ArcelorMittal Inox S.A..

On May 1, 2011, the assets and liabilities of ArcelorMittal BioEnergia Ltda., relating to reforestation and charcoal production activities in the long steel segment, were transferred to ArcelorMittal BioFlorestas Ltda., holding by ArcelorMittal BioEnergia Ltda only the stainless steel segment operations. Both companies were

controlled at the time by ArcelorMittal Brasil S.A. and ArcelorMittal Brasil Inox S.A..

On June 1, 2011, ArcelorMittal Brasil S.A. reduced ArcelorMittal Bioenergia Ltda., by the amount of the investment of ArcelorMittal BioFlorestas Ltda., and settled its interest in ArcelorMittal BioEnergia Ltda. and consequently; it became the controlling shareholder of ArcelorMittal BioFlorestas Ltda..

The stainless steel segment was never held by ArcelorMittal Brasil S.A. and is not included in the scope of these consolidated financial statements.

The summarized results of Balance Sheets and Statements of Operations of ArcelorMittal BioEnergia Ltda. as of June 30, 2011 and the Balance Sheets as of May 01, 2011 are shown below:

BALANCE SHEET	5/1/2011	6/30/2011
Assets		
Current assets	55,840	146,757
Noncurrent assets	481,396	741,286
Total assets	537,236	888,043
Liabilities		
Current liabilities	57,811	122,952
Noncurrent liabilities	72,430	119,719
Shareholders' equity	406,995	645,372
Total liabilities and shareholders' equity	537,236	888,043
STATEMENT OF INCOME		6/30/2011
Net sales		93,185
Gross profit		20,018
Operating profit		51,004
Net income		34,952

b. Acindar Industria Argentina de Aceros S.A.

On May 12, 2012, ArcelorMittal Brasil S.A. sold to ArcelorMittal Spain 65.01% stake in Acindar Industria Argentina de Aceros S.A., at the total amount of R\$796,152.

Below are the balance sheet and income statement of Acindar Industria Argentina de Aceros S.A. as at December 31, 2011 and April 30, 2012.

BALANCE SHEET	4/30/2012	12/31/2011	STATEMENT OF INCOME	4/30/2012	12/31/2011
Current assets	1,075,049	1,057,943	Net sales	723,061	2,167,170
Noncurrent assets	484,342	509,583	Gross profit	127,082	339,594
Total assets	1,559,391	1,567,526	Operating profit	89,309	206,163
Current assets	646,543	692,915	Net income	59,780	150,146
Noncurrent assets	101,135	112,267			
Total assets	811,713	762,345			
Total do Passivo e Patrimônio líquido	1,559,391	1,567,526			

c. CST Corporation B.V.

On December 20, 2012, ArcelorMittal S.A sold 100% stake in CST B.V. to ArcelorMittal Netherlands B.V. at the total amount of R\$1,544,043.

BALANCE SHEET	12/20/2012	12/31/2011
Current assets	1,580,053	1,363,317
Noncurrent assets	-	-
Total assets	1,580,053	1,363,317
Current liabilities	-	-
Noncurrent liabilities	-	-
Shareholders' equity	1,580,053	1,363,317
Total liabilities and shareholders' equity	1,580,053	1,363,317
STATEMENT OF INCOME	12/20/2012	12/31/2011
Net sales	-	-
Gross profit	-	-
Operating profit	44,528	40,066
Net income	44,528	40,066

d. Reconciliation of shareholders' equity and net income

Reconciliation of Company shareholders' equity and net income, with consolidated shareholders' equity and net income, is as follow:

	Net income		Shareholder's Equity	
	2012	2011	2012	2011
Balance - Company	(957,600)	(174,518)	13,910,054	13,729,319
. Unrealized profit, net of tax effects	(3,007)	7,750	(30,126)	(27,440)
. Noncontrolling shareholders	-	-	450,723	690,497
Balance - Consolidated	(960,607)	(166,768)	14,330,651	14,392,376

7. Cash and cash equivalents

Short-term investments in cash and cash equivalents refer basically to highly liquid to Bank Certificates of Deposit (CDB) and time deposits with low risk of loss upon Realization, yielding interest from 75% to 102.5% of the interbank deposit rate (CDI) fluctuation.

In the foreign market, the Company invests in Sweep and Time Deposit products that are likely to be affected by the fluctuations in the US interest rate. The average term in 2012 for Sweep is immediately and for Time Deposit is no more than five days.

Highly-liquid short-term investments of subsidiary Unki de Venezuela yield annual interest of 2.8%.

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Cash and cash equivalents						
. Cash and demand deposits						
.. Brazilian reais	1,778	9,094	3,798	6,463	32,651	20,529
.. US dollar	-	-	-	38,483	34,473	36,068
.. Venezuelan strong bolivar	-	-	-	353,967	122,570	48,416
.. Argentine pesos	-	-	-	-	20,935	33,217
	1,778	9,094	3,798	398,913	10,629	138,230
. Short-term financial investments						
.. Brazilian reais	553,049	268,214	55,500	653,236	327,638	122,366
.. US dollar	8,274	4,329	5,614	8,274	4,329	5,614
.. Argentine pesos	-	-	-	-	76,800	75,961
	561,323	272,543	61,114	661,510	408,767	203,941
Total current	563,101	281,637	64,912	1,060,423	619,396	342,171

8. Held-to-maturity investments

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Held-to-maturity investments						
Current						
.. Brazilian reais	2,577	7,382	23,226	2,584	7,432	23,290
.. Argentine pesos	-	-	-	-	30,882	21,578
Total current	2,577	7,382	23,226	2,584	38,314	44,868
Noncurrent						
.. Argentine pesos	-	-	-	-	38,300	23,694
Total noncurrent	-	-	-	-	38,300	23,694

In the domestic market, short-term investments refer mainly to Bank Certificates of Deposit (CDB) and repurchase agreements pegged to to the interbank deposit rate (CDI). Short-term investments, yielding interest rates from, in 2012, 75% to 102.5% of the Interbank Deposit Rate (CDI). The yield of short-term investment is shown in Note 23.

9. Trade accounts receivable

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
. Domestic market						
.. Group companies	261,028	250,431	321,379	112,062	96,636	84,186
.. Third parties	781,962	819,310	545,425	985,188	1,099,963	828,134
Subtotal domestic market	1,042,990	1,069,741	866,804	1,097,250	1,196,599	912,320
. Foreign market						
.. Group companies	101,939	51,525	288,386	67,032	35,824	311,668
.. Third parties	119,176	141,358	125,617	256,681	480,396	347,529
Subtotal foreign market	221,115	192,883	414,003	323,713	516,220	659,197
Subtotal	1,264,105	1,262,624	1,280,807	1,420,963	1,712,819	1,571,517
. Allowance for doubtful accounts	(1,864)	(1,063)	(5,660)	(8,157)	(11,589)	(19,356)
Total	1,262,241	1,261,561	1,275,147	1,412,806	1,701,230	1,552,161

The balance of trade accounts receivable is as follows:

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Current	1,080,359	1,079,037	765,386	1,363,516	1,567,831	1,195,067
01 to 30 days	81,494	138,977	240,245	6,054	111,440	196,870
31 to 90 days	52,350	36,871	165,835	11,218	15,229	153,345
91 to 180 days	43,334	1,409	898	23,858	4,581	3,696
Over 180 days	6,568	6,330	108,443	16,317	13,738	22,539
Total Portfolio	1,264,105	1,262,624	1,280,807	1,420,963	1,712,819	1,571,517

Changes in the allowance for doubtful accounts:

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Balance at beginning of year	(1,063)	(5,660)	(8,658)	(11,589)	(19,356)	(24,051)
. Net Additions/(Write off)	(2,340)	(259)	(2,303)	(3,539)	(1,104)	(5,410)
. After payment	1,539	4,856	5,301	3,084	9,161	15,464
. Reversal of provision	-	-	-	4,147	-	-
. Sale of Acindar Argentina	-	-	-	362	-	-
. Capital reduction (i)	-	-	-	-	146	-
. Earnings/losses due cambial variation	-	-	-	(622)	(436)	(5,359)
Balance at end of year	(1,864)	(1,063)	(5,660)	(8,157)	(11,589)	(19,356)

(i) Arising from the spin-off ArcelorMittal BioEnergia Ltda. (see note 6a).

The allowance for doubtful accounts includes trade accounts receivable that are individually difficult to be recovered and under court-ordered collection process. The impairment recognized corresponds to the difference between the carrying amount of these trade accounts receivable and the present

value of the expected revenue from settlement.

The allowance for doubtful accounts of third parties – domestic market, were recognized in connection with accounts past due over 180 days for third-party customers identified in the domestic market, based on the portfolio's risk rating and the related

guarantee instruments. There is no historical change in the criterion used to recognize the allowance for doubtful accounts in 2012 and 2011.

The breakdown of trade receivables by currency is disclosed in Note 24.

10. Inventories

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
. Finished products	1,570,575	1,434,998	1,168,296	1,876,003	1,985,780	1,606,732
. Work in process	154,409	121,680	89,159	248,228	264,538	220,698
. Raw and consumption materials	886,683	889,251	487,110	1,194,099	1,229,078	717,837
. Spare parts and sundry materials	374,448	361,146	350,169	432,572	458,616	434,562
. Imports in transit	226,908	445,907	331,514	216,066	489,693	393,413
. Advances to suppliers	6,032	5,274	11,253	39,750	31,306	22,297
. (-) Provision for losses	(36,427)	(113,178)	(72,553)	(85,618)	(155,788)	(96,928)
Total	3,182,628	3,145,078	2,364,948	3,921,100	4,303,223	3,298,611

In 2012, ArcelorMittal Brasil Group recorded in the Income Statement directly, in the cost of sale line, an idle production capacity cost of R\$200,218 (R\$63,687 in 2011) in the Parent, and R\$213,337 (R\$74,263 in 2011), in the Consolidated.

The cost of inventories recognized as expense includes a reduction of allowance for inventory losses, in the Parent, of R\$36,427 as of December 31, 2012 (R\$113,178 in 2011) and in the Consolidated R\$85,618 (R\$155,788 as of December 31, 2011). The fluctuation relating to inventory

reduction to net Realizable value amounted to R\$76,751 (R\$40,625 in 2011). The prior adjustments were reversed due to the increase in the sales prices in certain markets.

The inventory balance includes the adjustment of financial charges on the purchase of iron ore through the extension of maturity dates, which was calculated based on an average negative goodwill rate of 11.2575% in 2012, with a debit against "prepaid interest" under "other receivables" in current assets. There are no pledged inventories.



11. Recoverable taxes

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
. State VAT (ICMS)	740,358	560,698	688,814	968,649	744,779	829,291
. Tax on Revenue (COFINS)	207,011	277,756	159,170	334,949	383,964	255,233
. Income Tax and Social Contribution	34,921	39,767	53,660	49,276	72,421	93,006
. Tax on Revenue (PIS)	64,257	50,197	32,917	92,686	78,618	60,674
. Federal VAT (IPI)	26,902	18,221	9,779	82,461	64,332	41,317
. Withholding Income Tax (IRRF)	-	-	-	799	843	86
. Other	44,385	26,955	14,131	59,052	46,612	25,791
. Provision for losses	(238,052)	-	-	(279,584)	-	-
Total	879,782	973,594	958,471	1,308,288	1,391,569	1,305,398
. Current	115,730	208,200	405,061	273,590	454,395	543,735
. Noncurrent	764,052	765,394	553,410	1,034,698	937,174	761,663
Total	879,782	973,594	958,471	1,308,288	1,391,569	1,305,398

ICMS tax credits recorded in consolidated arising from property, plant and equipment acquisition, in the total amount of R\$111,967 (R\$87,578 in 2011) are offset over 48 months from the date of its recognition.

The Company is adopting necessary measures to recover the credits generated by Vega do Sul (SC) unit, in the amount of R\$639,172 as of December 31, 2012 (R\$480,000 as of December 31, 2011). Such tax credits are classified as noncurrent assets, based on the deadline for implementation of measures aiming at such recovery and on recovery prospects.

In 2012 the Group recognized PIS and COFINS

credits on other manufacturing costs, in light of the broadening, by the Administrative Council of Tax Appeals (CARF), of the concept of inputs used in the production process. These credits refer to the last five years, subject to the statute of limitations. Due to additional discussions about items subject to credit, the Group has decided to recognize an allowance for losses.

The Company's management evaluates legal measures to realize these credits in accordance with its business model permanently, in order to reduce the generation and accumulation of credit balances in its production units, mainly ICMS credits.



12. Investment

ArcelorMittal Brasil Group recognized a gain of R\$254,422 in 2012 (R\$261,156 in 2011) relating to equity in subsidiaries, and received R\$234,239 in 2012 (R\$205,728 in 2011) as dividends from companies under the equity method of accounting.

The yearend of all companies accounted for under the equity method is December. The balance sheet as at November 30,

2012 was used by subsidiary Unki de Venezuela to calculate the equity accounting effects. No company has shares traded on stock exchanges.

The table below shows the summarized financial information on subsidiaries and the changes in investments in subsidiaries.



a. Information on direct subsidiaries

	Number of shares held	% - interest		Total assets	Total liabilities	Shareholders' equity	Net income (loss) for the year	Equity insubsidiaries/ affiliates
		Voting capital	Total Capital					
Acindar Industria Argentina de Aceros S.A. (i)								
12/31/2012	-	-	-	-	-	-	59,780	39,045
12/31/2011	560,338,355	65.01	65.01	1,567,526	805,181	762,345	150,146	97,602
1/1/11	560,338,355	65.01	65.01	1,382,379	638,431	743,948	203,222	132,114
Itaúna Siderúrgica Ltda.								
12/31/2012	1,000	100.00	100.00	25,945	4,499	21,446	10,535	10,524
12/31/2011	1,000	100.00	100.00	22,903	4,793	18,110	10,466	9,471
1/1/11	1,000	100.00	100.00	20,728	4,587	16,141	9,769	9,769
BMB - Belgo-Mineira Bekaert Artefatos de Arame Ltda.								
12/31/2012	366,433	55.50	55.50	216,539	121,848	94,691	4,616	4,945
12/31/2011	366,433	55.50	55.50	213,773	126,792	86,981	(1,880)	(2,636)
1/1/11	366,433	55.50	55.50	185,264	101,310	83,954	22,255	14,742
Belgo Bekaert Arames Ltda.								
12/31/2012	6,963	55.00	55.00	1,160,579	358,129	802,450	109,893	67,759
12/31/2011	6,963	55.00	55.00	1,368,087	613,640	754,447	92,792	56,365
1/1/11	6,963	55.00	55.00	1,271,681	582,345	689,336	134,322	78,720
ArcelorMittal Sistemas S.A.								
12/31/2012	1,879,952	100.00	100.00	40,138	20,019	20,119	(786)	(749)
12/31/2011	1,879,952	100.00	100.00	38,047	17,141	20,906	(1,221)	(1,149)
1/1/11	1,879,952	100.00	100.00	38,337	16,319	22,018	(2,949)	(2,949)

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(Continued)

	Number of shares held	% - interest		Total assets	Total liabilities	Shareholders' equity	Net income (loss) for the year	Equity insubsidiaries/ affiliates
		Voting capital	Total Capital					
Belgo - Mineira Comercial Exportadora S.A.								
12/31/2012	418,649	100.00	100.00	7,158	4,482	2,676	(1,121)	(1,121)
12/31/2011	418,649	100.00	100.00	14,346	1,924	12,422	(357)	(357)
1/1/11	418,649	100.00	100.00	12,950	171	12,779	20,714	20,714
ArcelorMittal Costa Rica S.A.								
12/31/2012	1,994,910	50.00	50.00	230,258	136,866	93,392	12,294	6,147
12/31/2011	1,994,910	50.00	50.00	212,459	137,657	74,802	134	97
1/1/11	1,994,910	50.00	50.00	184,699	120,642	64,057	(5,297)	(2,648)
Acindar do Brasil Ltda								
12/31/2012	6,961,785	100.00	100.00	3,178	4,041	(863)	(1,502)	(1,502)
12/31/2011	6,961,785	100.00	100.00	3,695	3,056	639	14	14
1/1/11	6,961,785	100.00	100.00	3,269	2,644	625	(3,886)	(3,886)
ArcelorMittal BioEnergia Ltda (v)								
12/31/2011	-	-	-	-	-	-	34,952	22,194
1/1/11	352,456,437	63.50	63.50	913,696	219,888	693,808	51,922	33,581
ArcelorMittal Tubarão Comercial Ltda - AMTC								
12/31/2012	2,430,118,755	100.00	100.00	348,754	108,551	240,203	(24,927)	(24,928)
12/31/2011	2,430,118,755	100.00	100.00	375,849	132,732	243,117	(45,375)	(45,375)
1/1/11	2,430,118,755	100.00	100.00	372,176	115,510	256,666	21,740	21,740
Sol Coqueria Tubarão S.A.								
12/31/2012	672,756,349	100.00	100.00	1,589,291	33,548	1,555,743	(25,695)	(25,695)
12/31/2011	672,756,349	100.00	100.00	1,537,079	68,617	1,468,462	(38,615)	(38,615)
1/1/11	672,756,349	100.00	100.00	1,505,664	153,113	1,352,551	36,484	36,484

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(Continued)

	Number of shares held	% - interest		Total assets	Total liabilities	Shareholders' equity	Net income (loss) for the year	Equity insubsidiaries/ affiliates
		Voting capital	Total Capital					
CST - Comércio Exterior S.A.								
12/31/2012	553,000	100.00	100.00	10,142	4,494	5,648	(183)	(183)
12/31/2011	553,000	100.00	100.00	9,558	4,254	5,304	(97)	(97)
1/1/11	553,000	100.00	100.00	12,510	5,883	6,627	2,414	2,414
CST Corporation B.V. (vi)								
12/31/2012	-	-	-	-	-	-	44,528	44,528
12/31/2011	300,000	100.00	100.00	1,363,317	-	1,363,317	40,066	40,066
1/1/11	300,000	100.00	100.00	1,171,829	965	1,170,864	43,902	43,902
Unki de Venezuela S.A								
12/31/2012	963,000	100.00	100.00	1,255,054	574,210	680,844	148,955	148,955
12/31/2011	963,000	100.00	100.00	909,413	369,242	540,171	97,666	97,666
1/1/11	963,000	100.00	100.00	520,332	272,645	247,687	50,689	50,689
Armar Com. Imp. Export. Ltda. (vii)								
12/31/2012	25,160,000	100.00	100.00	49	325	(276)	(295)	(304)
12/31/2011	25,160,000	100.00	100.00	335	315	20	(160)	(150)
ArcelorMittal BioFlorestas Ltda (ii)								
12/31/2012	477,005,868	100.00	100.00	588,644	102,531	486,113	(14,756)	(9,911)
12/31/2011	477,005,868	100.00	100.00	631,222	135,198	496,024	20,523	19,018
Transportes de Produtos Siderúrgicos Ltda								
12/31/2012	3,472,710	100.00	100.00	983	385	598	(3,111)	(3,111)
12/31/2011	3,472,710	100.00	100.00	12,334	824	11,510	2,029	2,029
1/1/11	3,472,710	100.00	100.00	11,654	2,138	9,516	1,972	1,972
ArcelorMittal Comercializadora de Energia Ltda (iii)								
12/31/2012	1,000,000	100.00	100.00	7,080	6,059	1,021	21	21

(i) Company sold to ArcelorMittal Spain in may 2012.

(ii) Company created in 2011, that receives operations from ArcelorMittal Bioenergia Ltda. After business segregation on 5/1/2011 (see item "a" of this note).

(iii) Company created in 2012.

(iv) Company discontinued in 2012.

(v) Jointly-Controlled Company, proportionally consolidated in 63,5%, until 6/30/2011.

(vi) Company sold to ArcelorMittal Netherlands B.V in december 2012.

(vii) Interest transfered to ArcelorMittal Brasil on 3/29/2011.

b. Changes in investments in direct subsidiaries and associates

	1/1/2011	Additions/ losses	Currency translation adjustment	Profit/ Loss on interest	Equity	Dividends/ Interest on own capital	2011	Additions/ losses	Currency translation adjustment	Equity	Dividends/ Interest on own capital	2012
Acindar do Brasil Ltda	625	-	-	-	14	-	639	-	-	(639)	-	-
Acindar Industria Argentina de Aceros S.A.	483,755	-	13,524	(55)	97,603	(99,248)	495,579	(527,671)	(6,953)	39,045	-	-
ArcelorMittal Costa Rica S.A.	32,029	-	5,275	-	97	-	37,401	-	3,148	6,147	-	46,696
ArcelorMittal Bionergia Ltda	440,568	(407,006)	-	(5,432)	22,194	(50,324)	-	-	-	-	-	-
ArcelorMittal Bio Florestas Ltda	-	477,006	-	-	19,018	-	496,024	-	-	(9,911)	-	486,113
ArcelorMittal Comercializadora de Energia Ltda	-	-	-	-	-	-	-	1,000	-	21	-	1,021
ArcelorMittal Pine Bluff	4,862	-	-	-	-	-	4,862	-	-	-	-	4,862
ArcelorMittal Sistemas S.A.	22,018	-	-	-	(1,149)	-	20,869	-	-	(749)	-	20,120
ArcelorMittal Tubarão Comercial - AMTC (ex CST)	256,666	-	31,825	-	(45,374)	-	243,117	-	22,014	(24,928)	-	240,203
Armar Com. Imp. Export. Ltda	-	361	-	(190)	(152)	-	19	-	-	(19)	-	-
Belgo - Mineira Comercial Exportadora S.A.	12,779	-	-	-	(357)	-	12,422	-	-	(1,121)	(8,625)	2,676
Belgo Bekaert Arames Ltda.	379,135	-	-	-	56,365	(20,554)	414,946	(3,071)	-	67,759	(38,286)	441,348
BMB - Belgo-Mineira Bekaert Artefatos de Arame Ltda.	46,595	-	5,761	-	1,393	(5,475)	48,274	-	4,670	4,945	(5,356)	52,533
CST Comercial Exterior S.A	6,627	-	623	-	(97)	(1,849)	5,304	-	527	(183)	-	5,648
CST Corporation B.V	1,170,864	-	152,387	-	40,066	-	1,363,317	(1,580,053)	172,208	44,528	-	-
Itaúna Siderúrgica Ltda.	16,122	-	1,731	273	10,460	(10,494)	18,092	-	1,849	10,524	(9,040)	21,425
Sol Coqueria Tubarão S.A.	1,352,551	-	172,310	-	(38,615)	(17,784)	1,468,462	-	132,349	(25,695)	(19,374)	1,555,742
Transporte de Produtos Siderúrgico Ltda	9,481	-	-	-	2,029	-	11,510	-	-	(3,111)	(7,802)	597
Unki de Venezuela S.A.	243,449	-	199,056	-	97,666	-	540,171	-	137,473	148,955	(145,756)	680,843
Other	258	-	-	-	(5)	-	253	1,149	-	(1,146)	-	256
Subtotal	4,478,384	70,361	582,492	(5,404)	261,156	(205,728)	5,181,261	(2,108,646)	467,285	254,422	(234,239)	3,560,083
Goodwill												
Belgo Bekaert Arames Ltda.	(7,503)	-	-	-	-	-	(7,503)	-	-	-	-	(7,503)
Acindar Industria Argentina de Aceros S.A.	68,234	-	-	-	-	-	68,234	(68,234)	-	-	-	-
ArcelorMittal Tubarão Comercial - AMTC (ex CST)	(1,792)	-	-	-	-	-	(1,792)	-	-	-	-	(1,792)
ArcelorMittal Costa Rica S.A.	10,276	-	-	-	-	-	10,276	-	-	-	-	10,276
Other	(75)	182	-	-	-	-	107	-	-	-	-	107
Unki de Venezuela S.A.	458,345	-	-	-	-	-	458,345	-	-	-	-	458,345
Total	5,005,869	70,543	582,492	(5,404)	261,156	(205,728)	5,708,928	(2,176,880)	467,285	254,422	(234,239)	4,019,516

13. Property, plant and equipment

Company	Administrative and industrial buildings	Industrial facilities and equipment	Other (furniture, vehicles, etc.) (i)	Land	Construction in progress	Advances to suppliers	Total
Total cost as of 1/1/2011	1,817,522	12,656,796	237,206	198,357	717,569	223,053	15,850,503
. Additions	-	-	-	-	931,551	225,718	1,157,269
. Write-offs	(7)	(12,400)	(301)	(2)	-	-	(12,710)
. Translation adjustment	228,448	1,626,300	140,307	24,951	167,753	24,073	2,211,832
. Transfers	5,790	475,828	(4,980)	-	(374,592)	(77,619)	24,427
Total cost as of 12/31/2011	2,051,753	14,746,524	372,232	223,306	1,442,281	395,225	19,231,321
. Additions	-	-	-	-	1,384,574	(308,989)	1,075,585
. Write-offs	-	(15,302)	(2,201)	(9,921)	-	-	(27,424)
. Translation adjustment	190,139	1,398,933	31,268	20,085	105,812	17,687	1,763,924
. Transfers	45,359	757,993	(15,876)	410	(813,085)	-	(25,199)
Total cost as of 12/31/2012	2,287,251	16,888,148	385,423	233,880	2,119,582	103,923	22,018,207
Total depreciation as of 1/1/2011	(926,993)	(6,633,278)	(111,477)	-	-	-	(7,671,748)
. Additions	(64,746)	(516,072)	(19,867)	-	-	-	(600,685)
. Write-offs	4	10,359	158	-	-	-	10,521
. Translation adjustment	(123,547)	(912,712)	(117,394)	-	-	-	(1,153,653)
. Transfers	7,884	(36,535)	4,224	-	-	-	(24,427)
Total depreciation as of 1/1/2011	(1,107,398)	(8,088,238)	(244,356)	-	-	-	(9,439,992)
. Additions	(76,273)	(617,294)	(22,434)	-	-	-	(716,001)
. Write-offs	-	11,855	415	-	-	-	12,270
. Translation adjustment	(102,568)	(750,868)	(24,409)	-	-	-	(877,845)
. Transfers	(618)	(2,326)	5,793	-	-	-	2,849
Total depreciation as of 12/31/2011	(1,286,857)	(9,446,871)	(284,991)	-	-	-	(11,018,719)
Net as of 1/1/2011	890,529	6,023,518	125,729	198,357	717,569	223,053	8,178,755
Net as of 12/31/2011	944,355	6,658,286	127,876	223,306	1,442,281	395,225	9,791,329
Net as of 12/31/2012	1,000,394	7,441,277	100,432	233,880	2,119,582	103,923	10,999,488
Useful life as of 1/1/2011	25 years	25 years	10 years				
Useful life as of 12/31/2011	25 years	25 years	10 years				
Useful life as of 12/31/2012	25 years	25 years	10 years				

(i) Includes finance lease in the amount of R\$ 35.923 (R\$ 39.797 in 12/31/2011 and R\$ 41.411 in 1/1/2011)

Consolidated:	Administrative and industrial buildings	Industrial facilities and equipment	Other (furniture, vehicles, etc.)	Land	Construction in progress	Advances to suppliers	Impairment	Total
Total cost as of 1/1/2011	2,611,772	16,447,862	282,958	297,596	792,883	238,131	(23,303)	20,647,899
. Additions	-	-	18	-	1,079,975	238,113	-	1,318,106
. Write-offs	(7)	(15,004)	(1,290)	(2)	-	-	-	(16,303)
. TPS consolidation	-	-	2,012	-	-	-	-	2,012
. Capital reduction (i)	580	(10,774)	(17,186)	83	(8,623)	(476)	-	(36,396)
. Translation adjustment	354,657	2,065,159	260,835	38,229	207,470	16,489	-	2,942,839
. Transfers	14,818	573,382	11,848	-	(496,029)	(75,799)	-	28,220
Total cost as of 12/31/2011	2,981,820	19,060,625	539,195	335,906	1,575,676	416,458	(23,303)	24,886,377
. Additions	71	2,996	58	-	1,461,756	(307,911)	-	1,156,970
. Write-offs	(580)	(22,618)	(10,864)	(9,921)	(96)	-	-	(44,079)
. Disposal of Acindar Argentina	(139,254)	(730,902)	(11,518)	(3,156)	(43,885)	(15,419)	3,993	(940,141)
. Translation adjustment	288,870	1,795,322	46,095	29,482	106,764	13,756	1,052	2,281,341
. Transfers	61,444	842,346	(11,722)	562	(920,913)	(966)	-	(29,249)
Total cost as of 12/31/2012	3,192,371	20,947,769	551,244	352,873	2,179,302	105,918	(18,258)	27,311,219
Total depreciation as of 1/1/2011	(1,271,107)	(8,405,772)	(166,663)	-	-	-	-	(9,843,542)
. Additions	(90,768)	(661,761)	(29,024)	-	-	-	-	(781,553)
. Write-offs	4	11,260	679	-	-	-	-	11,943
. TPS consolidation	-	-	(1,683)	-	-	-	-	(1,683)
. Capital reduction (i)	3,826	10,412	9,933	-	-	-	-	24,171
. Translation adjustment	(189,451)	(1,107,968)	(155,208)	-	-	-	-	(1,452,627)
. Transfers	7,884	(38,657)	2,553	-	-	-	-	(28,220)
Total depreciation as of 12/31/2011	(1,539,612)	(10,192,486)	(339,413)	-	-	-	-	(12,071,511)
. Additions	(106,531)	(776,250)	(32,235)	-	-	-	-	(915,016)
. Write-offs	39	12,578	15,587	-	-	-	-	28,204
. Disposal of Acindar Argentina	87,476	437,425	8,812	-	-	-	-	533,713
. Redução de capital	(151,660)	(946,876)	(34,987)	-	-	-	-	(1,133,523)
. Transfers	(618)	(2,326)	6,006	-	-	-	-	3,062
Total depreciation as of 12/31/2012	(1,710,906)	(11,467,935)	(376,230)	-	-	-	-	(13,555,071)
Net as of 1/1/2011	1,340,665	8,042,090	116,295	297,596	792,883	238,131	(23,303)	10,804,357
Net as of 12/31/2011	1,442,208	8,868,139	199,782	335,906	1,575,676	416,458	(23,303)	12,814,866
Net as of 12/31/2012	1,481,465	9,479,834	175,014	352,873	2,179,302	105,918	(18,258)	13,756,148
Useful life as of 1/1/2011	25 years	25 years	10 years					
Useful life as of 12/31/2011	25 years	25 years	10 years					
Useful life as of 12/31/2012	25 years	25 years	10 years					

(i) Due ArcelorMittal Bioenergia Ltda segregation (see note 6a)

a. Guarantees

There are property, plant and equipment items guarantee Company loans and financing (see Note 17).

b. Asset under Construction

The construction in progress balance of R\$1,180,714 is mainly related to investments in projects focused on increasing productivity, modernization and quality, cost reductions, and installation of new environmental protection systems of expansion of João Monlevade Plant.

c. Equalization of useful lives and deemed cost

The Company's Management believes that the useful lives applied in 2012 and 2011 correspond adequately to the economic useful lives of its assets and are in conformity with the accounting practices adopted by the Group.

The Company reviewed the useful lives of the facilities, machinery and equipment, retroactively to the acquisition of the assets, according to ICPC 10, and recorded the differenced on January 1, 2009 as deemed cost.

The effect of depreciation on the parent company and consolidated, respectively, as of December 31, 2012, amounted to R\$116,132 and R\$118,210 (R\$87,491 and R\$89,443 in 2011).

d. Impairment test

The Company did not identify any indicators that could impair its assets as of December 31, 2012 and 2011, based on its analysis of discounted cash flows prepared in accordance with the budget plan approved by Management.



14. Biological assets

Consolidated	Forest reserve	Forest reserve	Total
Total cost as of 1/1/2011	413,106	165,395	578,501
. Additions	46,174	-	46,174
. Write-offs	(22,273)	-	(22,273)
. Capital reduction (i)	(74,188)	(175,949)	(250,137)
. Fair value	-	83,001	83,001
Total cost as of 12/31/2011	362,819	72,447	435,266
. Additions	5,488	-	5,488
. Write-offs	(6,147)	-	(6,147)
. Fair value	-	27,483	27,483
Total cost as of 12/31/2012	362,160	99,930	462,090
Total depletion as of 1/1/2011	(149,908)	(80,042)	(229,950)
. Additions	(45,888)	-	(45,888)
. Write-offs	19,953	-	19,953
. Capital reduction (i)	135,748	80,042	215,790
. Fair value	-	(32,344)	(32,344)
Total depletion as of 12/31/2011	(40,095)	(32,344)	(72,439)
. Additions	(36,439)	-	(36,439)
. Write-offs	2,385	-	2,385
. Fair value	-	-	-
Total depletion as of 12/31/2012	(74,149)	(32,344)	(106,493)
Net as of 1/1/2011	263,198	165,395	348,551
Net as of 12/31/2011	322,724	40,103	362,827
Net as of 12/31/2012	288,011	67,586	355,597

(i) Due ArcelorMittal Bioenergia Ltda segregation (see note 6a)

The Company's biological assets comprise the cultivation and planting of eucalyptus forests in order to supply raw materials for the production of charcoal and are located in the States of Minas Gerais and Bahia.

In 2010, the total area was 171 thousand hectare, of which 127 thousand hectares of eucalyptus and 44 thousand hectares of land available for reform. After the spin-off of ArcelorMittal BioEnergia Ltda. activities, on May 1, 2011, the total area was reduced to 146 thousand hectare, of which 95 thousand hectare of eucalyptus forest reserves and 31.5 thousand hectare of agrarian reform area.

In 2012, the total area corresponds to 146 thousand hectare, of which 95 thousand hectare of eucalyptus forest reserves and 31.5 thousand hectare of agrarian reform area. These areas are administrated by ArcelorMittal BioFlorestas Ltda. running planting and harvesting services and charcoal production.

As of December 31, 2012, the Company had 65,892 hectare (ha) (63,427 in 2011) of planted areas.



a. Assumptions for recognition of the fair value of biological assets

Company recognizes its biological assets at fair value, determine based on the discounted cash flow, considering productivity and cultivation area for a harvest cycle from six to seven years.

Projected cash flows are consistent with the planted area growth cycle. The eucalyptus production volume to be harvested was estimated based on the average production in cubic meters ("m³") of planted timber by hectare ("ha") on harvest date. Average production varies according to the genetic material, weather and

soil conditions and forest management programs. This projected volume is based on average annual growth (IMA - Average Annual Growth), which is equivalent to 27.46 m³/ha/year by the end of 2012.

The average net sales price of eucalyptus was projected based on the domestic market, through a market study and Real transaction survey, adjusted to reflect the price of trees by region. As at December 31, 2012, the average net sales price was equivalent to R\$36.42 by m³ (R\$41.20 m³ in 2011). The

average estimated cost includes harvest costs, chemical growth control, pest control, composting, road maintenance, inputs and labor. Tax effects based on current rates, as well as the contribution of other assets, e.g., property, plant and equipment, were considered in the estimate based on the average rates of return on assets. The Group reviews the fair value of these assets on a quarterly basis.

The valuation model considers cash flows less income tax and the discount rate of tax benefits.

b. Exposure to plantation-related risks

Regulatory and environmental risks

The Group is subject to Brazilian environmental laws and regulations. The Group sets environmental policies and procedures aimed at the compliance with environmental and other laws. Management conducts regular analyses to identify environmental risks and ensure that systems in operation are appropriate to manage such risks.

Supply and demand risks

The Group is exposed to risks arising from price fluctuation and sales volume of its crops. When possible, the Group manages this risk by aligning the harvested volume with market supply and demand. Management conducts analysis on a regular basis on the industry trends in order to ensure that the Group's prices are in line with market prices and ensure that projected harvest volumes are consistent with expected demand.

Climate and other risks

The Group's plantations are exposed to the risk of damages caused by climatic changes, diseases, forest fires, and other forces of nature. The Group has an extensive process in place aimed at monitoring and mitigating these risks, including regular inspections to forest health and plant disease and pest analyses. The Group also takes insurance against natural disaster, such as floods and hurricanes.

15. Intangible assets

	Company				Consolidated			
	Goodwill on investments	Software	Software	Total	Goodwill on investments	Software	Other	Total
Total cost as of 1/1/2011	8,515,894	273,395	25,370	8,814,659	9,055,768	348,733	25,370	9,429,871
. Additions	-	-	2,506	2,506	-	-	2,688	2,688
. Write-offs	-	(56)	-	(56)	-	(56)	-	(56)
. Capital reduction(i)	-	-	-	-	-	(1,796)	-	(1,796)
. Translation adjustment	1,127,459	35,055	3,211	1,165,725	1,127,459	35,811	2,017	1,165,287
. CPCs adjustments	-	(3,176)	-	(3,176)	-	-	-	-
. Transfers	-	(94,303)	173	(94,130)	-	(93,588)	(4,144)	(97,732)
Total cost as of 12/31/2011	9,643,353	214,091	31,260	9,888,704	10,183,227	289,104	25,931	10,498,262
. Additions	-	-	3,607	3,607	-	-	3,607	3,607
. Write-offs	(25,608)	-	-	(25,608)	(93,861)	-	-	(93,861)
. Disposal of Acindar Argentina	-	-	-	-	(12,619)	(10,265)	-	(22,884)
. Translation adjustment	938,742	18,955	4,960	962,657	938,524	19,053	4,960	962,537
. Transfers	-	13,311	11,888	25,199	-	17,361	11,888	29,249
Total cost as of 12/31/2012	10,556,487	246,357	51,715	10,854,559	11,015,271	315,253	46,386	11,376,910
Total amortization as of 1/1/2011	(3,439,203)	(217,422)	(2,706)	(3,659,331)	(3,439,245)	(287,207)	(2,706)	(3,729,158)
. Additions	-	(25,620)	(383)	(26,003)	-	(25,857)	(383)	(26,240)
. Write-offs	-	77	-	77	-	79	-	79
. Capital reduction(i)	-	-	-	-	-	1,583	-	1,583
. Translation adjustment	(422,257)	(23,547)	(395)	(446,199)	(422,257)	(25,821)	(395)	(448,473)
. Transfers	-	94,130	-	94,130	-	97,732	-	97,732
Total amortization as of 12/31/2011	(3,861,460)	(172,382)	(3,484)	(4,037,326)	(3,861,502)	(239,491)	(3,484)	(4,104,477)
. Additions	-	(17,667)	(850)	(18,517)	-	(18,833)	(850)	(19,683)
. Write-offs	-	-	-	-	-	-	-	-
. Disposal of Acindar Argentina	-	-	-	-	-	10,265	-	10,265
. Translation adjustment	(345,623)	(13,590)	(822)	(360,035)	(345,623)	(13,634)	(822)	(360,079)
. Transfers	-	(174)	(2,675)	(2,849)	-	(387)	(2,675)	(3,062)
Total amortization as of 12/31/2012	(4,207,083)	(203,813)	(7,831)	(4,418,727)	(4,207,125)	(262,080)	(7,831)	(4,477,036)
Net as of 1/1/2011	5,076,691	55,973	22,664	5,155,328	5,616,523	61,526	22,664	5,700,713
Net as of 12/31/2011	5,781,893	41,709	27,776	5,851,378	6,321,725	49,613	22,447	6,393,785
Net as of 12/31/2012	6,349,404	42,544	43,884	6,435,832	6,808,146	53,173	38,555	6,899,874
Useful life as of 1/1/2011		05 years	05 years		05 years	05 years		
Useful life as of 12/31/2011		05 years	05 years		05 years	05 years		
Useful life as of 12/31/2012		05 years	05 years		05 years	05 years		

(i) Due ArcelorMittal Bioenergia Ltda segregation (see note 6a)

a. Origin of goodwill

Goodwill on investments derive from:

- goodwill arising on the acquisition of subsidiaries includes mainly goodwill arising on the merger of Mittal Steel Participações S.A. through the acquisition of interest in Arcelor Brasil S.A. in August 2007; and
- goodwill deriving from the merger of Belgo Bekaert Nordeste S.A. into Belgo Bekaert Arames Ltda., in February 2012.

b. Goodwill impairment test

The amount used in each cash-generating unit was determined based on the estimated cash flows over a five-year period for steel activities. Assumptions relating to average sales and shipment prices are based on past experience and expected future changes in the market. Cash flow projections derive from most recent financial plans approved

by Management. To cover a period greater than the expected five-year period, ArcelorMittal Brasil projects cash flows for the following years based on a constant estimated growth rate of 2%. This rate does not exceed average long-term growth rate for significant markets.

16. Trade accounts payable

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
. Domestic market						
.. Group companies	53,582	45,369	44,585	7,495	12,288	13,998
.. Third parties	1,394,084	2,080,777	2,436,926	1,485,577	2,154,360	2,530,498
. Total domestic market	1,447,666	2,126,146	2,481,511	1,493,072	2,166,648	2,544,496
. Foreign market						
.. Group companies	1,118,827	2,220,500	587,595	1,132,304	2,337,013	675,105
.. Third parties	160,052	58,510	35,828	199,641	317,685	241,939
. Total foreign market	1,278,879	2,279,010	623,423	1,331,945	2,654,698	917,044
Total	2,726,545	4,405,156	3,104,934	2,825,017	4,821,346	3,461,540

ArcelorMittal Brasil Group's currency and interest rate risk exposure and the breakdown by currency relating to trade and other payables are disclosed in Note 24.



17. Loans

	Final maturity	Average annual financial charge - 2012	Company			Consolidated		
			2012	2011	1/1/2011	2012	2011	1/1/2011
In Brazilian reais								
. Working capital								
.. Bradesco S.A.	2013	TJLP	841	947	1,267	841	947	31,351
.. Banco do Brasil	-	-	-	-	8,000	-	-	8,000
.. Banco do Estado do Espírito Santo	2013	1.00%	-	-	-	977	780	981
.. Banco Desenvolvimento do Estado da Bahia"	2016	8.00%	-	-	-	5,435	9,067	9,788
			841	947	9,267	7,253	10,794	50,120
. Investments								
.. BDMG System	2014	IGPM + 4.00%	-	-	-	917	1,356	1,096
.. BNDES System	2018	TJLP + 2.71%	754,908	874,490	689,061	754,908	874,490	689,061
.. Bradesco S.A.	2011	-	-	-	60,180	-	-	60,180
.. Santander S.A.	2011	-	-	-	50,151	-	-	50,151
.. Prepayments and advances on export contracts (i)	2017	10.00%	6,478,364	-	-	6,478,364	-	-
.. Others investments	-	-	21,066	17,204	16,563	21,123	17,204	16,563
			7,254,338	891,694	815,955	7,255,312	893,050	817,051
Subtotal in Brazilian reais			7,255,179	892,641	825,222	7,262,565	903,844	867,171
In US dollars								
. Working capital:								
.. Banco do Brasil	2012	Libor + 4.50%	-	64,601	114,246	35,937	92,077	121,378
.. Bradesco S.A.	2015	Libor + 5.00%	92,047	121,984	141,669	92,047	121,984	141,669
.. Prepayments and advances on export contracts (i)"	2013	4.13%	663,034	910,089	779,385	663,034	-	-
.. Others- working capital	2012	-	-	-	-	119,905	133,985	104,338
			755,081	1,096,674	1,035,300	910,923	348,046	367,385
. Investments:								
.. Leasing	2017	15.00%	65,955	68,725	64,710	65,955	68,725	64,710
.. Prepayments and advances on export contracts (i)"	2017	USD + 10%	-	5,758,460	5,079,751	-	5,758,460	5,079,751
.. Equipment financing	2016	Libor + 6.00%	-	90,721	102,926	-	90,721	102,926
.. BNDES	2018	UMBNDDES + 1.88%	106,506	110,531	79,302	106,506	110,531	79,302
			172,461	6,028,437	5,326,689	172,461	6,028,437	5,326,689
Subtotal in US dollars			927,542	7,125,111	6,361,989	1,083,384	6,376,483	5,694,074
Total			8,182,721	8,017,752	7,187,211	8,345,949	7,280,327	6,561,245
. Current			1,753,749	1,511,626	1,105,092	1,913,838	767,842	471,215
. Noncurrent			6,428,972	6,506,126	6,082,119	6,432,111	6,512,485	6,090,030
Total			8,182,721	8,017,752	7,187,211	8,345,949	7,280,327	6,561,245

(i) Refers to a debt with the ArcelorMittal group companies. The basic currency of these contracts was renegotiated from US dollar to Brazilian Real on December 1, 2012.

Debts indexes

- TJLP - Long term interest rate, fixed quarterly, at 5.50% p.a. as of December 31, 2012 (6.00% p.a. as of December 31, 2011).
- Libor - London Interbank Offered Rate - As of December 31, 2012, the weighted average Libor rate on the Company's financing agreements was 0.306% p.a. (0.76% p.a. as of December 31, 2011).
- UMBNDES - monetary unit of the BNDES - National Bank for Economic and Social Development (currency basket) - up by 3.56% in 2012 (3.59% in 2011).

The noncurrent portion matures as follows beginning 2012:

LONG-TERM PORTIONS MATURE AS FOLLOWS:	Company	Consolidated
2014	1,833,954	1,836,143
2015	1,801,639	1,802,559
2016	1,794,179	1,794,209
2017	963,479	963,479
2018 em diante	35,721	35,721
	6,428,972	6,432,111

a. Covenants

As of December 31, 2012 and 2011, the Company and its subsidiaries comply with all the financing agreements' (covenants). Currently, Company has covenants with the following banks:

- Banco Bradesco; and
- JP Morgan Chase Bank.

b. Collaterals

Investment debts are collateralized by the financed asset, as well as bank guarantees and/or the Group's controlling shareholders.

18. Debentures

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Simple, non-convertible debentures	22,274	29,079	30,937	22,274	57,458	81,500
Current	4,694	8,735	8,474	4,694	36,941	33,979
Noncurrent	17,580	20,344	22,463	17,580	20,517	47,521
Total	22,274	29,079	30,937	22,274	57,458	81,500

a. Simple, non-convertible debentures

Issued by BMP in 1999 and subsequently transferred to ArcelorMittal Brasil, with a face value of R\$14,365 and semiannual repayments over 18 years, which pay IGP-M price index, and by ArcelorMittal Brasil in 2001, with a face value of R\$1,869, repaid annually with final maturities from December 31, 2006 to 2018, which pay the IGP-M price index per year.

19. Shareholders' equity

a. Capital

The Company's fully subscribed and paid in capital is R\$11,666,520 (R\$11,666,520 in 2011), represented by 2,693,247 common shares. The Company's bylaws limit authorized capital to 5,000,000 common shares.

b. Earnings reserves

Legal reserve - Calculated at 5% of net income for the year as foreseen in Article 193 of Law 6404/76 up to a limit equal to 20% of capital.

Bylaws reserve - Recognized as 5 to 75 percent of the net income for the year and it is used to finance the Company's expansion, either directly or through subsidiaries, up to the limit of 80% of the subscribed capital.

c. Other Comprehensive Income

Refers basically to the deemed cost recognized on January 1, 2009 relating to the difference in the useful lives of facilities, machinery and equipment, as prescribed in ICPC 10.

d. Foreign Cumulative Translation Adjustments

Relate mainly to exchange rate changes on foreign investments and adjustments for translation from functional currency U.S. dollar into presentation currency Brazilian Reais.

e. Dividends

The Company's bylaws provide for the allocation of at least 25% of the net income for the year, adjusted in conformity with the Brazilian Corporate Law, to pay mandatory dividends to the shareholders.

f. Loss per share

Loss per share in 2012 and 2011 was R\$355.56 and R\$64.80, respectively, and is calculated based on the number of the Company's common shares in each of the aforementioned years.



20. Sales

The reconciliation of gross sales revenue with net operating income is as follows:

	Company		Consolidated	
	2012	2011	2012	2011
Gross sales of products and services				
Domestic market	14,301,648	13,583,857	17,568,233	17,790,586
Foreign market	2,381,097	3,509,778	2,652,726	3,930,303
	16,682,745	17,093,635	20,220,959	21,720,889
Taxes on sales	(3,249,789)	(3,106,448)	(3,636,664)	(3,490,836)
Other deductions	(658,110)	(666,351)	(880,265)	(944,519)
Net operating revenue	12,774,846	13,320,836	15,704,030	17,285,534

21. Expenses by nature

	Company		Consolidated	
	2012	2011	2012	2011
Raw and consumption materials	9,761,987	10,331,240	11,191,317	12,513,126
Depreciation, amortization and depletion	734,518	632,125	980,587	859,583
Salaries and related charges	1,130,091	1,056,949	1,515,695	1,637,665
Management compensation (note 26a)	22,173	23,393	36,542	37,566
Profit sharing	128,668	139,359	185,272	222,507
Retirement and pension plan	45,301	42,660	52,135	48,283
Leases and rentals	305,790	269,414	322,317	285,355
Cost of disposal of investments	2,051,344	3,823	1,429,861	3,823
Other	774,026	405,559	1,065,680	672,289
Allocation of Income Statement	14,953,898	12,904,522	16,779,406	16,280,197
Cost of sales	11,935,753	12,135,284	13,930,757	15,050,843
Selling	238,259	184,751	360,554	293,366
General and administrative	289,586	281,891	410,382	420,447
Other operating expenses	2,490,300	302,596	2,077,713	515,541
	14,953,898	12,904,522	16,779,406	16,280,197

22. Other operating income (expenses)

	Company		Consolidated	
	2012	2011	2012	2011
Other operating income				
Sundry sales (i)	278,290	296,724	292,504	316,992
Income from the sale of assets (ii)	2,694,648	2,635	2,075,999	5,319
Income from the sale of carbon credits	-	172	-	172
Income from rentals	1,227	2,943	1,666	3,294
Adjustments - biological assets	-	-	30,721	63,847
Other operating income	94,564	131,002	113,091	148,268
	3,068,729	433,476	2,513,981	537,892
Other operating expenses				
Cost on sundry sales	(135,640)	(157,886)	(161,878)	(190,569)
Taxes on other income	(74,223)	(79,307)	(77,409)	(90,228)
Voluntary Termination Program	(26,606)	(19,030)	(55,274)	(50,849)
Cost on the sale of assets (ii)	(2,067,838)	(9,873)	(1,450,840)	(12,043)
Provision for pension fund	(36,118)	(4,408)	(36,118)	(4,408)
Amortization of deferred asset	-	(749)	-	(749)
Reserve for tax risks and contingencies	8,651	20,186	(9,262)	61
Share-based payment	(5,252)	(12,005)	(5,252)	(12,114)
Depreciation on leased assets	-	-	(56,877)	(56,877)
Other operating expenses	(153,274)	(30,418)	(224,803)	(88,075)
	(2,490,300)	(293,490)	(2,077,713)	(505,851)
Total	578,429	139,986	436,268	32,041

(i) Mainly sale of slag and scrap.

(ii) Mainly refers to the sale of investments of Acindar Argentina, CST BV and shares of Acominas Gerda.

23. Financial income (expenses), net

	Company		Consolidated	
	2012	2011	2012	2011
Financial income				
Financial gains on pension fund	594	-	445	-
Interest received	57,663	48,629	60,293	63,437
Other financial income	91,226	19,118	146,087	25,765
Yield on short-term financial investments	6,310	13,518	47,104	5,469
Exchange gains (losses)	(345,408)	(418,865)	(346,538)	(320,599)
	(189,615)	(337,600)	(92,609)	(225,928)
Financial expenses				
Interest on financing	(740,825)	(639,384)	(708,272)	(617,037)
Operation interest of payment extension	(86,281)	(147,007)	(86,281)	(147,007)
Other financial expenses (i)	(14,823)	(53,508)	(111,011)	(127,094)
Amnesty - Law 11941/09	(8,095)	(34,412)	(8,095)	(34,412)
Late payment interest and inflation adjustments (mainly on provisions of tax, civil and labor risks)	(18,780)	(27,052)	(23,354)	(25,846)
Financial loss on pension fund	-	(13,681)	-	(13,842)
Interest on debentures	(1,671)	(1,727)	(1,761)	(1,804)
Exchange gains (losses)	(66,725)	294,651	(156,358)	149,223
	(937,200)	(622,120)	(1,095,132)	(817,819)
Total	(1,126,815)	(959,720)	(1,187,741)	(1,043,747)

(i) Includes Pis and Cofins on interest on own capital and derivatives transactions.

24. Financial instruments

ArcelorMittal Brasil Group transacts several financial instruments, e.g., short-term investments, trade payables, trade receivables, borrowings and financing and derivatives.

ArcelorMittal Brasil Group's financial instruments are recorded in balance

sheet accounts as at December 31, 2012 and 2011 at amounts that approximate their fair values as at these dates. These financial instruments are managed using operating strategies that seek liquidity, profitability, and security. The control policy consists of permanent

monitoring of contracted rates as prevailing market rates.

According to the internal policy, ArcelorMittal Brasil Group's finance income (costs) must arise from the generation of cash from operating activities rather than from gains in the financial market. Accordingly, it

considers that derivatives should only be used to hedge against potential exposures arising from the risks to which it is subject, without speculative purposes. The contra entry to a derivative transaction should be a non-hedged asset or liability, never leveraging the position.

The amount of the main financial instruments is broken down as follows:

2012 Assets	Consolidated			Total
	Loans and receivables	Assets at fair value with gains and losses recognized in profit or loss	Assets at fair value with gains and losses recognized in shareholder's equity	
Cash and cash equivalents	1,060,423	-	-	1,060,423
Held-to-maturity investments	-	2,584	-	2,584
Trade accounts receivable	1,412,806	-	-	1,412,806
Receivables from related parties	190,341	-	-	190,341
Other financial assets	124,571	-	6,664	131,235
TOTAL	2,788,141	2,584	6,664	2,797,389

Liabilities	Consolidated			Total
	Liabilities at fair value with gains and losses recognized in profit or loss	Liabilities at fair value with gains and losses recognized in shareholder's equity	Other financial liabilities at amortized cost	
Trade accounts payable	-	-	2,825,017	2,825,017
Financing	-	-	8,345,949	8,345,949
Debentures	-	-	22,274	22,274
Payables to related parties	-	-	1,446,093	1,446,093
Other financial liabilities	-	-	390,735	390,735
TOTAL	-	-	13,030,068	13,030,068

2011 Assets	Consolidated			
	Loans and receivables	Assets at fair value with gains and losses recognized in profit or loss	Assets at fair value with gains and losses recognized in shareholder's equity	Total
Cash and cash equivalents	619,396	-	-	619,396
Held-to-maturity investments	-	76,614	-	76,614
Trade accounts receivable	1,701,230	-	-	1,701,230
Receivables from related parties	412,276	-	-	412,276
Other financial assets	355,126	-	5,971	361,097
TOTAL	3,088,028	76,614	5,971	3,170,613

Liabilities	Consolidated			
	Liabilities at fair value with gains and losses recognized in profit or loss	Liabilities at fair value with gains and losses recognized in shareholder's equity	Other financial liabilities at amortized cost	Total
Trade accounts payable	-	-	4,821,346	4,821,346
Financing	-	-	7,280,327	7,280,327
Debentures	-	-	57,458	57,458
Payables to related parties	-	-	220,330	220,330
Other financial liabilities	-	-	463,900	463,900
TOTAL	-	-	12,843,361	12,843,361

1/1/2011 Assets	Consolidated			
	Loans and receivables	Assets at fair value with gains and losses recognized in profit or loss	Assets at fair value with gains and losses recognized in shareholder's equity	Total
Cash and cash equivalents	342,171	-	-	342,171
Held-to-maturity investments	-	68,562	-	68,562
Trade accounts receivable	1,552,161	-	-	1,552,161
Receivables from related parties	269,497	-	-	269,497
Other financial assets	409,468	-	5,990	415,458
TOTAL	2,573,297	68,562	5,990	2,647,849

Liabilities	Consolidated			
	Liabilities at fair value with gains and losses recognized in profit or loss	Liabilities at fair value with gains and losses recognized in shareholder's equity	Other financial liabilities at amortized cost	Total
Trade accounts payable	-	-	3,461,540	3,461,540
Financing	-	-	6,561,245	6,561,245
Debentures	-	-	81,500	81,500
Payables to related parties	-	-	180,643	180,643
Other financial liabilities	-	-	482,527	482,527
TOTAL	-	-	10,767,455	10,767,455

a. Financial risk management

ArcelorMittal Brasil Group manages its capital so as to ensure that the Group companies are able to preserve their growth strategies and maximize return to all stakeholders. Risk management is critical to the Group to mitigate potential impacts arising from

unexpected changes in consolidated profit or loss.

The Group is exposed to market, credit and liquidity risks arising from the use of financial instruments. The risks identified will be discussed in this note, where

information on the Group's exposure to each of the risks is presented. Management did not identify any changes in exposure, goals, management policies and risk measurement methods in 2012 and 2011.

(i) Risk management framework

As part of its risk management framework, ArcelorMittal Brasil Group adopts a specific financial instrument risk management policy, that seeks to manage financial transactions by defining operational limits, counterparties and maximum exposure, in addition to operating principles and procedures, thus ensuring best financial and governance practices.

Accordingly, transactions are analyzed and approved by proper levels of authority so as to ensure that the aforementioned policy is satisfied.

Additionally, SOX and internal audit controls seek to ensure financial management transparency, in order to identify

risks and mitigating factors, verify standard practices and prevent frauds.

The financial instrument risk management policy is annually reviewed, if necessary, and any unexpected transaction is previously approved by the Company's Board of Directors.

b. Credit Risk

The credit risk refers to the risk of default of the amounts relating to loans granted, causing the ArcelorMittal Brasil Group to incur financial losses.

The credit risk is mainly related to trade receivables and financial instruments and the maximum exposure to credit risk as at December 31, 2012 and 2011 and January 1, 2011 by category of financial instrument is shown below:

	Consolidated		
	2012	2011	1/1/2011
Derivative financial assets			
Financial derivative instruments	24,783	35,791	-
Non-derivative financial assets			
Cash and cash equivalents	1,060,423	619,396	342,171
Held-to-maturity investments	2,584	76,614	68,562
Trade accounts receivable	1,412,806	1,701,230	1,552,161
Receivables from related parties	190,341	412,276	269,497
Other financial assets	131,235	361,097	415,458

(i) Cash and cash equivalents

ArcelorMittal Brasil Group is exposed to credit risk of cash and cash equivalents and, to mitigate the exposure to such risk, it conducts transactions with banks and financial institutions, which are assigned a minimum risk rating of A+ (local rating), based on the main world rating agencies.

(ii) Trade receivables

In order to mitigate the credit risk relating to trade receivables, the sales policy of the ArcelorMittal Group is subject to credit policies established by its Management that are intended to minimize potential losses arising from the default of its customers.

ArcelorMittal Brasil Group adopts criteria to determine credit risk and analyze in detail the financial condition of its customers, the financial information publicly disclosed and its own internal records. Based on this information and in accordance with the internal credit policy, the Group establishes the credit limits based on the proper levels of authority and reviews and monitors these limits on an ongoing basis. Trade accounts receivable consist of a large number of customers in different industries and geographical areas (risk diversification) and are monitored on a daily basis.

The Company analyzes the payment capacity of corporate customers by analyzing the financial statements, operating segment, payment history and business relationship with customers. Individual customers purchase only by means of prepayment or through credit and debit cards.

Maximum exposure by geographic region in the domestic market:

Domestic market	
Southeast	61%
South	28%
Northeast	5%
Midwest	4%
North	2%

Maximum exposure by geographic region in the foreign market:

Foreign market	
South America	56%
North America	27%
Central America	1%
Europe	5%
Asia	11%

In order to mitigate the risk of losses, ArcelorMittal Brasil Group collateralizes received through receivable collateral, pledge, mortgage, letter of guarantee (for export transactions) and bank guarantee that account for a major portion of the balance of trade receivables.

Losses on receivables accounted for less than 0.01% of the balance of trade receivables over the past three years. The amount of renegotiated past-due receivables is not included in the balance of trade receivables.

Given the current diversification of portfolio customers, there is no individual customer with an exposure that accounts for a major portion (above 60%) of the balance of trade receivables.

The breakdown by maturity and changes in the allowance for impairment losses with respect to trade receivables in 2012 and 2011 are shown in Note 9.

c. Liquidity risk

Liquidity risk refers to the risk of failure to perform the obligations relating to its financial liabilities that are settled in cash or using another financial asset, which ArcelorMittal Brasil Group seeks to manage to keep sufficient liquidity to perform its obligations when due, under normal and stress conditions, without giving rise to unreasonable losses or jeopardizing activities, in the short, medium and long terms.

The liquidity risk is mainly related to trade payables, financing and financial instruments and the maximum exposure to liquidity risk as at December 31, 2012 and 2011 and January 1, 2011 by category of financial instrument is shown below:

	Consolidated		
	2012	2011	1/1/2011
Derivative financial liabilities			
Financial derivative instruments	87,902	162,579	14,119
Non-derivative financial liabilities			
Trade accounts payable	2,825,017	4,821,346	3,461,540
Financing	8,345,949	7,280,327	6,561,245
Debentures	22,274	57,458	81,500
Payables to related parties	1,446,094	220,330	180,643
Other financial liabilities	390,734	463,900	482,527

The table below includes remaining contractual maturities of derivative and non-derivative liabilities, including estimated interest payments and excluding netting agreements, prepared based on the date closest to the settlement of the related liability.

As of December 31, 2012	Carrying amount	Contractual cash flow	Consolidated			
			1-12 months	1-2 years	2-5 years	More than 5 years
Derivative financial liabilities						
Financial derivative instruments	87,902	(93,504)	19,537	(4,627)	(108,414)	-
Non-derivative financial liabilities						
Trade accounts payable	2,825,017	2,825,017	2,825,017	-	-	-
Financing	8,345,949	10,232,078	2,597,621	2,400,053	5,196,656	37,748
Debentures	22,274	25,142	4,068	4,068	12,243	4,763
Payables to related parties	1,446,094	1,446,094	651,159	-	706,666	88,269
Other financial liabilities	390,734	390,734	384,942	-	5,792	-
	13,030,068	14,919,065	6,462,807	2,404,121	5,921,357	130,780

For derivative instruments, the amount presented are the most probable of being paid. However, such provision is subject to changes due to the counterparty's likelihood to enforce the collateral, which arises from the likelihood of collateralized receivables held by the counterparty incurring credit losses.

The amounts of non-derivative financial liabilities are also subject to changes if fluctuations in floating interest rates differ from estimates.

d. Market risk

Market risk refers to the risk of fluctuations in market prices: exchange and interest rates. In 2012 and 2011, ArcelorMittal Brasil Group conducted interest rate and currency swap transactions, by translating transactions denominated in Brazilian Reais into US dollars, linked to costs denominated in US dollars. The transactions are part of ArcelorMittal's global risk management policy and are tied to the Group's project financing. Interest rate and currency swaps are presented in item f.(ii) herein.

i. Currency risk

Currency risk is tied to the possible currency fluctuations, which affects finance costs (income) and liability (asset) balance of contracts indexed to a currency different from the functional currency of ArcelorMittal Brasil Group. The Group has assets and liabilities linked to the same currency; therefore, a natural hedge is created thus minimizing the risks described above.

ArcelorMittal Brasil Group assesses the residual risk of exchange rates, by contracting currency hedge transactions, as discussed in item f.(iv) hereof.

Foreign exchange exposure

The foreign currency exposure of ArcelorMittal Brasil Group is linked to financial assets and financial liabilities shown in the table below, which indicates the maximum currency risk exposure as at December 31, 2012.

	Consolidated									
	December 31, 2012									
	Functional currency US\$		Functional currency R\$		Euro	Pounds sterling	Japanese yen	Franco-swiss	Colon	Strong Bolivar
R\$	US\$	R\$	US\$							
Assets										
Cash and cash equivalents	623,659	46,757	36,039	-	1	-	-	-	172	353,795
Held-to-maturity investments	2,584	-	-	-	-	-	-	-	-	-
Trade accounts receivable	871,832	235,651	180,004	28,731	5,753	-	-	-	9,241	81,594
Receivables from related parties	51,126	17,922	34,206	-	-	-	-	-	-	-
Other receivables	128,735	29,855	75,956	-	17	-	-	-	1,162	7,380
Total assets exposure	1,677,936	330,185	326,205	28,731	5,771	-	-	-	10,575	442,769
Liabilities										
Trade accounts payable	1,329,420	1,210,194	155,746	19,287	105,849	1,423	40	29	3,029	-
Financing	7,256,155	956,735	6,409	126,650	-	-	-	-	-	-
Debentures	22,274	-	-	-	-	-	-	-	-	-
Payables to related parties	169,200	1,215,817	42,385	-	18,692	-	-	-	-	-
Other payables	116,503	115,993	40,972	-	-	-	-	-	4,502	200,666
Total liabilities exposure	8,893,552	3,498,739	245,512	145,937	124,541	1,423	40	29	7,531	200,666

The closing rates applied in the financial statements are as follows:

	R\$	US\$	\$	BsF\$	CRC \$
12/31/2012	2,0435	1,000	0,4160	0,4764	0,0041
12/31/2011	1,8758	1,000	0,4360	0,4373	0,0038
12/31/2010	1,6662	1,000	0,4194	0,3885	0,0033

Sensitivity analysis for currency risk

Management appreciates currency to analyze the increase (decrease) of equity and profit or loss as at December 31, through the analysis of reasonably possible fluctuations in foreign currency exchange rates as at December 31, measured by the Group's functional currency, i.e., US dollar, against exchange rates of foreign currency-denominated transactions (R\$, \$, Bs.F\$ and CRC \$). The Group considers that all other variables in this analysis, in particular interest rates, remained constant; this analysis was conducted in 2012 on the same basis as 2011 and 2010.

The scenarios presented in the sensitivity analysis for the currency risk were determined by a 25% and 50% depreciation compared to the probable scenario ("Probable scenario"), considered as "Scenario 1" and "Scenario 2", respectively, in 2012.

	Asset			Liability		
	Probable scenario	Scenario 1	Scenario 2	Probable scenario	Scenario 1	Scenario 2
R\$ (functional currency US\$)	1,677,936	2,097,420	2,516,904	8,893,552	11,116,940	13,340,328
Income statement	-	419,484	838,968	-	2,223,388	4,446,776
Shareholders' equity	-	-	-	-	-	-
US\$ (functional currency US\$)	330,185	330,185	330,185	3,498,739	3,498,739	3,498,739
Income statement	-	-	-	-	-	-
Shareholders' equity	-	-	-	-	-	-
R\$ (functional currency R\$)	326,205	326,205	326,205	245,512	245,512	245,512
Income statement	-	-	-	-	-	-
Shareholders' equity	-	-	-	-	-	-
US\$ (functional currency R\$)	28,731	35,914	43,097	145,937	182,421	218,906
Income statement	-	7,183	14,366	-	36,484	72,969
Shareholders' equity	-	-	-	-	-	-
Euro	5,771	7,214	8,657	124,541	155,676	186,812
Income statement	-	1,443	2,886	-	31,135	62,271
Shareholders' equity	-	-	-	-	-	-
Pounds sterling	-	-	-	1,423	1,779	2,135
Income statement	-	-	-	-	356	712
Shareholders' equity	-	-	-	-	-	-
Japanese yen	-	-	-	40	50	60
Income statement	-	-	-	-	10	20
Shareholders' equity	-	-	-	-	-	-
Franco-swiss	-	-	-	29	36	44
Income statement	-	-	-	-	7	15
Shareholders' equity	-	-	-	-	-	-
Strong bolivar	442,769	553,461	664,154	200,666	250,833	300,999
Income statement	-	110,692	221,385	-	50,167	100,333
Shareholders' equity	-	-	-	-	-	-
Colon	10,575	13,219	15,863	7,531	9,414	11,297
Income statement	-	2,644	5,288	-	1,883	3,766
Shareholders' equity	-	-	-	-	-	-

Sensitivity analysis of cash flow for the variable interest rate risk

A change in the scenarios of interest rates as at December 31 would have increased (decreased) equity and profit or loss for the year based on the amounts below. This analysis considered that other variables, in particular foreign currency, remain constant, as well as conduction in 2012 on the same basis as 2011.

The scenarios presented in the sensitivity analysis of cash flow for the interest rate risk were determined by a 25% and 50% depreciation compared to the probable scenario ("Probable scenario"), considered as "Scenario 1" and "Scenario 2", respectively, in 2012, as follows:

	Consolidated			
	Income statement			
	Actual Scenario	Probable scenario	Scenario 1	Scenario 2
As of December 31, 2012				
Variable interest rate instruments	(8,713)	(8,713)	(10,891)	(3,712)
Interest rate swap	-	-	-	-
Sensitivity cash flow (net)	(8,713)	(8,713)	(10,891)	(3,712)

ii. Interest rate risk

Interest rate risk arises from fluctuations that interest rates may cause to the financial assets and financial liabilities of ArcelorMittal Brasil Group.

Likewise currency risk, Management appreciates interest rates to analyze the increase (decrease) of equity and profit or loss as at December 31, through the analysis of reasonably possible fluctuations in interest rates as at December 31 against floating interest rates (Libor, TJLP and Selic).

As at December 31, 2012 and 2011 and January 1, 2011, the profile of interest-earning financial instruments of ArcelorMittal Brasil Group was:

	Consolidated		
	2012	2011	1/1/2011
Fixed interest rate instruments			
Financial assets	247,597	710,829	572,407
Financial liabilities	8,052,543	6,265,886	5,525,094
	8,300,140	6,976,715	6,097,501
Variable interest rate instruments			
Financial assets	760,272	507,102	316,489
Financial liabilities	1,640,279	1,390,805	1,269,022
	2,400,551	1,897,907	1,585,511

Sensitivity analysis of fair value through profit or loss for the fixed interest rate risk

A change in the scenarios of interest rates as at December 31 would not affect equity and profit or loss for the year for agreements entered into using fixed interest rates.

iii. Stock price risk

ArcelorMittal Brasil Group's operational investment strategy does not provide for the acquisition of shares issued by publicly-held companies; assets recorded under "Other investments" refer basically to gains (losses) on nationalization programs implemented by the Brazilian government in telephone companies.

The stock price risk derives from fluctuations that stock prices may cause to the financial assets and financial liabilities of ArcelorMittal Brasil Group.

Likewise currency and interest rate risks, Management appreciates prices to analyze the increase (decrease) of equity and profit or loss as at December 31, through the analysis of reasonably possible fluctuations in stock prices as at December 31 against floating market prices.

As at December 31, 2012 and 2011, the profile of financial instruments of ArcelorMittal Brasil Group was:

		Consolidated		
		2012	2011	1/1/2011
Financial assets				
OI	Bovespa	143	128	156
Contax	Bovespa	15	12	17
Embratel	Bovespa	3	2	2
Elektrobras	Bovespa	1,621	3,826	3,587
Tractebel	Bovespa	1,592	1,339	1,152
TIM Participações	Bovespa	19	20	15
Telesp	Bovespa	190	189	134
Telebras	Bovespa	-	1	-
Embraer	Bovespa	-	-	-
		3,583	5,517	5,063

Sensitivity analysis for stock price risk

Likewise the analysis of scenarios for currency and interest rate risk fluctuations, we present below the fluctuations in stock price risk:

	Consolidated			
	Shareholders' equity			
	Actual Scenario	Probable scenario	Scenario 1	Scenario 2
Stock price	3,583	3,583	4,479	5,375
Shareholders' equity	-	-	896	1,792
	3,583	3,583	5,375	7,167

e. Capital management

Management, by keeping a solid capital structure to support investor's, lender's and market's trust and the development of future business of ArcelorMittal Brasil Group, has developed policies that allow to monitor returns on capital.

ArcelorMittal Brasil Group's debt-to-capital ratio is as follows:

	Consolidated		
	2012	2011	1/1/2011
Total liabilities	8,368,223	7,337,785	6,642,745
less: cash and cash equivalents	1,060,423	619,396	342,171
Net debt	7,307,800	6,718,389	6,300,574
Total shareholders' equity	14,330,651	14,392,376	12,949,706
less: amounts accumulated in equity relating to cash flow hedges	-	-	-
Adjusted shareholders' equity	14,330,651	14,392,376	12,949,706
Debt-to-capital ratio	51%	47%	49%

f. Derivative assets and liabilities

ArcelorMittal Brasil Group conducted derivative transactions by translating a major portion of the long-debt debt denominated in Brazilian Reais into US dollars. Accordingly, the fluctuation of the US dollar impacts the Group's profit or loss to a lesser extent.

For short-term transactions, the amounts in Brazilian Reais are not translated in full into US dollar since transactions involving payables and receivables are denominated in Brazilian Reais.

Based on its internal policy, the use of derivatives is restricted to hedge against the Company's

potential exposures given the nature of its business. Derivative instruments seek to reduce the volatility of the cash flow and hedge financial liabilities, so that financial income/expense derive from the generation of cash from activities rather than from gains in the financial market.

ArcelorMittal Brasil Group believes that derivative transactions mitigate the exposure to currency fluctuations; therefore, profit or loss is not substantially affected by the remaining portion pegged to other currencies, other than the US dollar. However, the marking-to-market of such

instruments is directly affected by the exchange rate at yearend, thus affecting the Group's profit or loss.

To analyze the potential impacts of exchange rate changes on the Company's consolidated profit or loss, the Company applied a 10% fluctuation on the closing exchange rate of the contractual currency, considering appreciation and depreciation, as follows:

Counterparty	Maturities	Rates		Consolidated		
		Asset	Liability	Recorded	US Dollar fluctuation	
				Fair value (market)	Appreciation (10%)	Depreciation (10%)
				Fair value (market)	Fair value (market)	Fair value (market)
JP Morgan	8/13 to 10/13	EUR	BRL	(379)	249	(1,023)
HSBC/Bradesco/BITG Pactual e Outros	4/2017 to 5/2018	Average rate of 7.9% p.a.	US Dollar exchange + 1.48% p.a.	(53,286)	(123,998)	21,865
Itaú BBA	1/2013 to 10/2014	Selic rate	US Dollar exchange + 3.25% p.a.	(17,840)	(27,570)	(8,126)
Santander/Bradesco/Itaú BBA	1/2013 to 5/2013	Average rate of 9.64% p.a.	US Dollar exchange + average rate of 4.25% p.a.	8,386	(51,263)	67,803

Derivative transactions include cash flow hedge, interest rate swaps, currency swaps and currency futures agreements, as already mentioned.

i. Currency and interest rate swaps

The Company's derivative transactions are described below:

Counterparty	Maturity	Rates		Notional amount						Fair value (market)						Consolidated
		Asset	Liability	2012		2011		1/1/2011		2012		2011		1/1/2011		Gain/(loss) in net income for the period 2012
				Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	
HSBC/Bradesco/BTG Pactual and others	4/2017 to 5/2018	Average rate of 7.9% p.a.	US Dollar exchange + 1.48% p.a.	R\$ 675,918	R\$ 734,499	R\$ 796,894	R\$ 793,063	R\$ 0	R\$ 0	R\$ 675,793	R\$ 729,079	R\$ 753,991	R\$ 749,603	R\$ 0	R\$ 0	(R\$ 15,190)
Itaú BBA	1/2013 to 10/2014	Selic rate	US Dollar exchange + 3.25% p.a.	R\$ 79,353	R\$ 95,646	R\$ 113,099	R\$ 131,390	R\$ 0	R\$ 0	R\$ 79,376	R\$ 97,217	R\$ 113,048	R\$ 130,896	R\$ 0	R\$ 0	(R\$ 7,742)
Santander/Bradesco/Itaú BBA	1/2013 to 5/2013	Average rate of 9.64% p.a.	US Dollar exchange + average rate of 4.25% p.a.	R\$ 600,944	R\$ 592,411	R\$ 1,253,553	R\$ 1,365,652	R\$ 0	R\$ 0	R\$ 603,613	R\$ 595,227	R\$ 1,255,908	R\$ 1,365,213	R\$ 0	R\$ 0	(R\$ 5,918)
Total				R\$ 1,356,215	R\$ 1,422,556	R\$ 2,163,546	R\$ 2,290,105	R\$ -	R\$ -	R\$ 1,358,782	R\$ 1,421,523	R\$ 2,122,947	R\$ 2,245,712	R\$ -	R\$ -	(R\$ 28,850)

ii. Accounts payable Swaps

In the same period the Company conducted derivative transactions, by translating transactions to extend the maturity of trade accounts payable and the Installment Payment of the Federal Amnesty (Refis IV) denominated in Brazilian Reais into US dollars.

iii. Currency Hedges

ArcelorMittal Brasil conducts NDF transactions (Non Deliverable Forwards) qualified as cash flow hedge, in order to reduce the foreign exchange exposure on the purchase of imported equipment. The Company generally does not settle its transactions before the respective original maturity dates and does not prepay its derivatives; it also does not have access to this market for speculative purposes.

The Company's NDF transactions are as follows:

Counterparty	Maturity	Rates		Notional amount						Fair value (market)						Consolidated
		Asset	Liability	2012		2011		1/1/2011		2012		2011		1/1/2011		Gain/(loss) in net income for the period 2012
				Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	
JPMorgan	1/12 to 10/13	EUR	BRL	R\$ 6,413	R\$ 7,112	R\$ 50,186	R\$ 57,269	R\$ 184,480	R\$ 216,326	R\$ 6,363	R\$ 6,749	R\$ 49,420	R\$ 53,444	R\$ 184,241	R\$ 194,360	R\$ 34
Total				R\$ 6,413	R\$ 7,112	R\$ 50,186	R\$ 57,269	R\$ 184,480	R\$ 216,326	R\$ 6,363	R\$ 6,749	R\$ 49,420	R\$ 53,444	R\$ 184,241	R\$ 194,360	R\$ 34

g. Accounting classification and fair values

The criteria for measurement of the fair value of financial instruments are based on the adoption of market curves of each derivative adjusted to at present value on the measurement date. The methods and assumptions take into account the interpolation of curves according to the market.

The amounts are determined based on market models and quotations

that take into account present or future market conditions. As a result, the estimates presented below are not necessarily indicative of the amounts that could be Realized in the current market.

The fair values of financial assets and financial liabilities and the carrying amounts in the consolidated financial statements of ArcelorMittal Brasil Group are:

As of December 31, 2012	Note	Negotiation	Designated at fair value	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	7	-	-	-	1,060,423	-	-	1,060,423	1,060,423
Held-to-maturity investments	8	-	2,584	-	-	-	-	2,584	2,584
Trade accounts receivable	9	-	-	1,412,806	-	-	-	1,412,806	1,412,806
Receivables from related parties	26	-	-	-	190,341	-	-	190,341	190,341
Other financial assets		-	-	-	131,235	-	-	131,235	131,235
		-	2,584	1,412,806	1,381,999	-	-	2,797,389	2,797,389
Trade accounts payable	16	-	-	2,825,017	-	-	-	2,825,017	2,825,017
Financing	17	-	-	8,345,949	-	-	-	8,345,949	8,553,313
Debentures	18	-	-	22,274	-	-	-	22,274	18,562
Payables to related parties	26	-	-	1,446,094	-	-	-	1,446,094	1,446,094
Other financial liabilities		-	-	390,734	-	-	-	390,734	390,734
		-	-	13,030,068	-	-	-	13,030,068	13,233,720

As of December 31, 2011	Note	Negotiation	Designated at fair value	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	7	-	-	-	619,396	-	-	619,396	619,396
Held-to-maturity investments	8	-	76,614	-	-	-	-	76,614	76,614
Trade accounts receivable	9	-	-	1,701,230	-	-	-	1,701,230	1,701,230
Receivables from related parties	26	-	-	-	412,276	-	-	412,276	412,276
Other financial assets		-	-	-	361,097	-	-	361,097	361,097
		-	76,614	1,701,230	1,392,769	-	-	3,170,613	3,170,613
Trade accounts payable	16	-	-	4,821,346	-	-	-	4,821,346	4,821,346
Financing	17	-	-	7,280,327	-	-	-	7,280,327	7,113,053
Debentures	18	-	-	57,458	-	-	-	57,458	54,897
Payables to related parties	26	-	-	220,330	-	-	-	220,330	220,330
Other financial liabilities		-	-	463,900	-	-	-	463,900	463,900
		-	-	12,843,361	-	-	-	12,843,361	12,673,526

As of January 01, 2011	Note	Negotiation	Designated at fair value	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Cash and cash equivalents	7	-	-	-	342,171	-	-	342,171	342,171
Held-to-maturity investments	8	-	68,562	-	-	-	-	68,562	68,562
Trade accounts receivable	9	-	-	1,552,161	-	-	-	1,552,161	1,552,161
Receivables from related parties	26	-	-	-	269,497	-	-	269,497	269,497
Other financial assets		-	-	-	415,458	-	-	415,458	415,458
		-	68,562	1,552,161	1,027,126	-	-	2,647,849	2,647,849
Trade accounts payable	16	-	-	3,461,540	-	-	-	3,461,540	3,461,540
Financing	17	-	-	6,561,245	-	-	-	6,561,245	6,561,245
Debentures	18	-	-	81,500	-	-	-	81,500	31,684
Payables to related parties	26	-	-	180,643	-	-	-	180,643	180,643
Other financial liabilities		-	-	482,527	-	-	-	482,527	482,527
		-	-	10,767,455	-	-	-	10,767,455	10,717,639

h. Fair value hierarchy

ArcelorMittal Brasil Group sets a three-level fair value hierarchy, which prioritizes inputs for fair value measurement by an entity in order to maximize the use of observable inputs and minimize the use of unobservable inputs.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Other inputs available, other than those included in Level 1, where prices are quoted (unadjusted) for similar assets and liabilities in non-active

markets, or other input that is available or may be corroborated by market inputs for substantially the full term of the asset or liability.

Level 3 - Inputs for the asset or liability that are not based on observable market data

(unobservable inputs) because market activity is insignificant or does not exist to measure the fair value of assets and liabilities.

The financial assets and financial liabilities of ArcelorMittal Brasil Group measured at fair value on a recurring basis, including private bonds and derivatives, subject to disclosure, are as follows:

	Fair Value Hierarchy								
	Prices quoted in active markets for identical assets			Prices quoted in non-active markets for similar assets			Unobservable inputs		
	Level 1			Level 2			Level 3		
	2012	2011	1/1/2011	2012	2011	1/1/2011	2012	2011	1/1/2011
Current assets									
Short-term investments									
Available for sale	661,510	408,767	203,941	-	-	-	-	-	-
Held to maturity	2,584	38,314	44,868	-	-	-	-	-	-
Swap and other agreements	24,783	35,791	-	-	-	-	-	-	-
Noncurrent assets									
Short-term investments									
Held to maturity	-	38,300	23,694	-	-	-	-	-	-
Swap and other agreements	-	-	-	-	-	-	-	-	-
	688,877	521,172	272,503	-	-	-	-	-	-
Current liabilities									
Swap and other agreements	76,636	148,289	10,718	-	-	-	-	-	-
Noncurrent liabilities									
Swap and other agreements	11,266	14,290	3,401	-	-	-	-	-	-
	87,902	162,579	14,119	-	-	-	-	-	-
	776,779	683,751	286,622	-	-	-	-	-	-

There was no transfer between levels 1, 2 and 3 in 2012, 2011 and on January 1, 2011.



25. Income tax and social contribution

a. Income tax and social contribution

	Company		Consolidated	
	2012	2011	2012	2011
Income before income tax, social contribution, legal reserves and noncontrolling interest	17,284	160,332	251,005	514,278
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution at tax rate	5,877	54,513	85,342	174,855
Adjustments to net income				
Effects on net income of additions (deductions) that do not generate tax credits				
Effects of Law 11638 (mainly functional currency)	279,300	332,563	332,482	409,031
Derecognition of tax loss carryforwards	866,450	-	859,170	-
Equity in subsidiaries/affiliates	(86,504)	(88,793)	(71)	(1,369)
Taxation of profits abroad	(10,093)	14,146	(10,093)	-
Goodwill / negative goodwill	(45,436)	7,669	(45,436)	7,669
Cost of disposal of investments	(51,080)	-	(51,080)	-
Interest on own capital received	7,859	1,706	-	-
Grants and donations	6,198	3,057	6,949	3,375
Exclusion of profits abroad with treaty	-	-	-	(25,619)
Others	(474)	6,389	(46,513)	18,497
Income tax and social contribution computed	972,097	331,250	1,130,750	586,439
Effective rate	5624%	207%	450%	114%
Current income tax and social contribution	563	(46,958)	105,527	102,006
Deferred income tax and social contribution	971,534	378,208	1,025,223	484,433



b. Deferred income tax and social contribution

	Company					Consolidated				
	Balances as of 1/1/2011	Income statement	Additions / write-offs	Other comprehensive income	Balances as of 12/31/2011	Balances as of 1/1/2011	Income statement	Additions / write-offs	Other comprehensive income	Balances as of 12/31/2011
Noncurrent assets										
Tax loss carryforwards	1,758,322	637,279	(104,526)	-	2,291,075	1,835,240	659,787	(127,412)	-	2,367,615
Recoverable from temporary differences	205,658	27,787	-	-	233,445	258,894	21,951	1,109	-	281,954
Effects of Law 11638 - functional currency	517,543	(517,543)	-	-	-	635,414	(582,579)	2,150	-	54,985
Profits abroad	-	-	49,875	-	49,875	-	-	-	49,875	49,875
Plano Verão ("Summer Plan") and others	54,538	(21,397)	-	-	33,141	55,142	(21,406)	-	-	33,736
Others Effects of Law 11638	11,830	-	-	-	11,830	11,862	37	273	-	12,172
Total noncurrent assets	2,547,891	126,126	(54,651)	-	2,619,366	2,796,552	77,790	(74,005)	49,875	2,800,337
Noncurrent liabilities										
Temporary differences	35,959	-	-	-	35,959	253,813	30,390	(34,666)	-	249,537
Unrealized inventory profit	-	-	-	-	-	(17,725)	3,620	154	-	(13,951)
Write-off of deferred assets	(3,096)	3,096	-	-	-	(3,295)	3,295	-	-	-
Effects of Law 11638 - functional currency	-	201,731	-	-	201,731	21	202,083	2,150	-	204,254
Effects of Law 11638 - goodwill amortization	871,251	166,905	-	-	1,038,156	871,251	166,905	-	-	1,038,156
Effects of Law 11638 - others	841,366	132,602	(11)	-	973,957	917,543	155,930	2,697	-	1,076,170
Total noncurrent liability	1,745,480	504,334	(11)	-	2,249,803	2,021,608	562,223	(29,665)	-	2,554,166
Income statement effect		(378,208)					(484,433)			
Total noncurrent asset	802,411				319,688	939,274				426,137
Total noncurrent liability	-				-	164,330				179,966

	Company					Consolidated				
	Balances as of 12/31/2011	Income statement	Additions / write-offs	Other comprehensive income	Balances as of 12/31/2012	Balances as of 12/31/2011	Income statement	Additions / write-offs	Other comprehensive income	Balances as of 12/31/2012
Noncurrent assets										
Tax loss carryforwards	2,291,075	(594,572)	-	-	1,696,503	2,367,615	(586,761)	-	-	1,780,854
Recoverable from temporary differences	233,445	275,869	-	-	509,314	281,954	291,680	(10,253)	-	563,381
Effects of Law 11638 - functional currency	-	-	-	-	-	54,985	(43,658)	-	-	11,327
Profits abroad	49,875	36,132	-	-	86,007	49,875	36,132	-	-	86,007
Plano Verão ("Summer Plan") and others	33,141	(3,516)	-	-	29,625	33,736	(4,143)	29	-	29,622
Others Effects of Law 11638	11,830	-	-	-	11,830	12,172	1,847	2	-	14,021
Total noncurrent assets	2,619,366	(286,087)	-	-	2,333,279	2,800,337	(304,903)	(10,222)	-	2,485,212
Noncurrent liabilities										
Temporary differences	35,959	-	-	-	35,959	249,537	20,305	(38,403)	-	231,439
Unrealized inventory profit	-	-	-	-	-	(13,951)	(1,459)	-	-	(15,410)
Effects of Law 11638 - functional currency	201,731	453,948	-	-	655,679	204,254	452,651	-	-	656,905
Effects of Law 11638 - goodwill amortization	1,038,156	137,871	-	-	1,176,027	1,038,156	137,871	-	-	1,176,027
Effects of Law 11638 - others	973,957	93,628	-	-	1,067,585	1,076,170	110,953	(2,500)	5,585	1,190,208
Total noncurrent liability	2,249,803	685,447	-	-	2,935,250	2,554,166	720,321	(40,903)	5,585	3,239,169
Income statement effect		(971,534)					(1,025,224)			
Total noncurrent asset	369,563				-	426,137				22,296
Total noncurrent liability	-				601,970	179,966				776,253

ArcelorMittal Brasil Group, based on the expected generation of future taxable income, determined in a technical study approved by Management, recognized in 2012 a reversal of tax credits on tax

losses carryforward of R\$866,450 (Parent) and R\$859,170 (consolidated). The remaining balance of credits does not expire and their offset is limited to 30% of annual taxable income.

Income tax and social contribution credits on the temporary differences recorded in noncurrent assets will be Realized at the same time frame of the liabilities that originated them.

26. Related-party transactions

The balances and most significant transactions with related parties, included in the individual and consolidated financial statements as at December 31, 2012 and 2011 and January 1, 2011, are summarized as follows:

	Company						
	Balances				Transactions		
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Sales	Purchases	Other income (expenses)
A.L.Verina Carril (Technical Bundles > 003)	-	-	-	-	-	447	-
Acindar do Brasil Ltda.	831	-	50	-	-	-	-
Acindar Industria Argentina	94,893	-	23,091	-	6,843	228,278	-
Acindar Uruguay I.A.A.S.A.	49	-	-	-	96	-	-
APERAM CONSO	5,026	-	12,489	-	2,127	35,701	3
Arcelor Mittal Int Brasil Com Aço Ltda	172	-	-	-	-	-	-
ArcelorMittal Ausbras SL	-	-	92,701	-	-	-	-
ArcelorMittal Basque Holding S.L.	-	-	-	628,034	-	-	(572,395)
ArcelorMittal Belgium - Gent (Techn.bundle)	-	-	326	-	-	-	(419)
ArcelorMittal Belgium - Liège (Technical Bundle > 731)	-	-	1,051	-	-	-	-
ArcelorMittal Bioflorestas	1,181	-	4,007	-	284	139,817	(195)
ArcelorMittal China Co. Ltd	222	-	-	-	-	-	-
ArcelorMittal Comercializadora de Energia Ltda.	172	-	-	-	-	184,091	(179)
ArcelorMittal Commercial RPS SàrL	1,865	-	22,780	-	-	22,628	-
ArcelorMittal Commercial Sections SA	118	-	3,702	-	-	14,524	-
ArcelorMittal Costa Rica	60	17,922	-	-	-	-	583
ArcelorMittal Distribution Services France	-	-	-	-	31,464	-	-
ArcelorMittal Distribution Solutions SA	3,356	-	-	-	-	-	-
ArcelorMittal Espana	-	-	-	-	-	222	-
ArcelorMittal Finance SCA	-	-	344	-	-	-	3,495
ArcelorMittal Flat Carbon Europe	6	-	106	-	-	-	-
ArcelorMittal France	90	-	57,891	-	-	-	-
ArcelorMittal Gandrange (Consolidated)	-	-	-	-	-	1,997	-
ArcelorMittal Gonvarri Brasil Produtos Siderurgicos S.A	37,982	-	314	-	243,738	3,018	-
ArcelorMittal Holdings AG	119	-	-	-	-	-	-
ArcelorMittal International Luxembourg SA - New currency USD	35,554	-	1,261	-	435,864	383	(2,015)

continued

continued

	Company						
	Balances				Transactions		
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Sales	Purchases	Other income (expenses)
ArcelorMittal International Luxembourg- Slab sales Tubarao (TB)	-	-	-	-	721,334	-	-
ArcelorMittal Investigación y Desarrollo, SL	218	-	8,086	-	-	-	(29,468)
ArcelorMittal Laplace Llc	-	-	-	-	-	2,994	-
ArcelorMittal Lazaro Cardenas S.A. de C.V.	-	-	-	-	-	-	(473)
ArcelorMittal Logistics Belgium	-	-	1,870	-	-	2,848	-
ArcelorMittal Logistics Italia S.R.L.	-	-	-	-	-	69	-
ArcelorMittal Luxembourg S.A.	-	-	8,824	-	-	-	(6,144)
ArcelorMittal Mineração Serra Azul S.A.	6,210	-	2,210	-	15,389	11,577	572
ArcelorMittal Pine Bluff, Inc	-	-	126	-	1,265	-	-
ArcelorMittal Point Lisas Limited	18,974	-	-	-	-	13,779	-
ArcelorMittal Projects (Consolidated)	-	-	-	-	-	574	-
ArcelorMittal Projects America do Sul Comércio	9,437	18,409	-	-	28,535	1,797	1,677
ArcelorMittal Purchasing	-	-	1,339	-	-	-	(1,203)
ArcelorMittal SA	1,450	-	876,269	5,620,172	-	-	(93,153)
ArcelorMittal Singapore (Consolidated)	1,929	-	-	-	47,483	-	-
ArcelorMittal Sistemas S.A	449	-	6,863	-	-	39,247	(30,853)
ArcelorMittal Sourcing	1,005	-	1,064,518	-	-	1,704,758	885
ArcelorMittal Spain Holding SA	319	-	213,948	-	-	-	(2,800)
ArcelorMittal Tubular Products - Al Jubail	172	-	-	-	-	-	-
Armar Com Impor e Export Ltda	163	184	-	-	-	-	6
Belgo Bekaert Arames Ltda.	78,495	-	22,556	-	935,845	172,661	22,007
Belgo Mineira Comer. Exp. S.A. - Bemex	198	-	-	-	-	-	-
Belgo Mineira Participacao Ind. e Com. Ltda.	122	-	-	-	-	-	-
Bergamos Empreendimentos e Participações Ltda	-	-	-	-	-	-	-
BMB Belgo Mineira Bekaert	9,421	-	92	-	87,479	362	85
Companhia Siderurgica de Tubarao	75,205	-	5,254	-	1,023,131	70,717	1,596
CST BV Overseas Lt	-	-	1,162,497	-	-	-	(49,719)
CST Comercio Exterior SA	473	-	4,958	-	-	514	7
Industrias Unicon CA	63,246	-	-	-	62,793	-	-
Itauna Siderúrgica Ltda	651	-	6,285	-	446	44,030	827
Kiswire ArcelorMittal Ltd	950	-	-	-	14,816	-	-
Manchester Tubos e Perfilados SA	37,628	80,169	3,256	-	207,127	94,767	7,695
Mittal Steel International Holdings B.V.	609	-	6,737	-	-	-	298
Paul Wurth do Brasil Tec. e Equip. para Metalurgica Ltda	-	21,309	1,059	-	-	-	-
Paul Wurth SA	-	41,874	328	-	-	-	(570)
Paul Wurth Umwelt. GmbH, Essen (D)	-	-	3,211	-	-	-	(449)
Perfilor S.A. Construções Industria e Comércio	11,343	-	146	-	24,914	-	751
PWurth Metal Technology (Beijing) co Ltd	-	-	236	-	-	-	-
Sol Coqueria Tubarão	196	-	17,758	-	-	4,275	(97,190)
Usina Hidrelétrica Guilman Amorim S.A.	1,896	-	-	-	-	-	-
Valin ArcelorMittal Electrical Steel Co Ltd	4,380	-	-	-	-	-	-
Others	34	-	47	-	-	-	-
TOTAL OF 12/31/2012	506,869	179,867	3,638,586	6,248,206	3,890,973	2,796,075	(846,738)
TOTAL OF 12/31/2011	487,378	191,703	4,525,896	5,442,651	5,356,394	3,327,225	(733,663)
TOTAL OF 1/1/2011	719,221	139,543	2,373,571	5,078,339	5,851,186	2,553,129	(747,722)

	Consolidated						
	Balances				Transactions		
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Sales	Purchases	Other income (expenses)
A.L.Verina Carril (Technical Bundles > 003)	-	-	-	-	-	447	-
Acindar Industria Argentina	97,073	-	27,989	-	9,106	262,008	244
Acindar Uruguay I.A.A.S.A.	49	-	-	-	96	-	-
AM Mining	239	-	-	-	229	-	-
APERAM CONSO	6,490	-	20,603	35,142	14,156	35,701	3
Arcelor Mittal Int Brasil Com Aço Ltda.	172	-	-	-	-	-	-
ArcelorMittal Ausbras S.L.	-	-	92,701	-	-	-	-
ArcelorMittal Basque Holding S.L.	-	-	-	628,034	-	-	(572,395)
ArcelorMittal Belgium - Gent (Techn.bundle)	-	-	326	-	-	-	(419)
ArcelorMittal Belgium - Liège (Technical Bundle > 731)	-	-	1,051	-	-	-	-
ArcelorMittal Burns Harbor LLC	61	-	-	-	-	-	-
ArcelorMittal China Co. Ltd.	222	-	-	-	-	-	-
ArcelorMittal Commercial RPS SârL	1,865	-	22,780	-	-	23,240	-
ArcelorMittal Commercial Sections S.A.	118	-	3,702	-	-	15,039	-
ArcelorMittal Distribution Services France	-	-	-	-	31,464	-	-
ArcelorMittal Distribution Solutions S.A.	3,356	-	-	-	-	-	-
ArcelorMittal Dofasco (Consolidated)	19	-	-	-	1,487	-	-
ArcelorMittal Espana	-	-	-	-	-	222	-
ArcelorMittal Finance SCA	-	-	344	-	-	-	3,495
ArcelorMittal Flat Carbon Europe	15	-	5,045	-	-	16,130	-
ArcelorMittal France	90	-	57,891	-	-	-	-
ArcelorMittal Gandrange (Consolidated)	-	-	-	-	-	1,997	-
ArcelorMittal Gonvarri Brasil Produtos Siderúrgicos S.A.	52,450	-	2,093	-	478,669	21,988	-
ArcelorMittal Holdings AG	119	-	-	2,217	-	-	-
ArcelorMittal International America, LLC	224	-	-	-	2,214	-	-
ArcelorMittal International Luxembourg S.A. - New currency USD	35,554	-	45,149	-	435,864	118,253	(2,052)
ArcelorMittal International Luxembourg - Slab sales Tubarão (TB)	-	-	-	-	721,334	-	-
ArcelorMittal Investigación y Desarrollo, SL	218	-	8,086	-	-	-	(29,890)
ArcelorMittal Laplace Llc	98	-	-	-	360	2,994	-
ArcelorMittal Las Truchas (Consolidated)	236	-	-	-	1,435	12,421	-
ArcelorMittal Lazaro Cardenas S.A. de C.V.	-	-	-	-	-	-	(473)
ArcelorMittal Liberia Ltd.	38	-	-	-	153	-	-
ArcelorMittal Logistics Belgium	-	-	1,870	-	-	2,848	-
ArcelorMittal Logistics Italia S.R.L.	-	-	-	-	-	69	-
ArcelorMittal Luxembourg S.A.	-	-	9,610	4,175	-	-	(1,605)
ArcelorMittal Mineração Serra Azul S.A.	6,274	-	2,210	-	16,306	11,577	895
ArcelorMittal Mines Canada (Consolidated)	224	-	-	-	1,735	-	-
ArcelorMittal Montreal Inc. (New currency USD)	580	-	-	-	2,496	18,049	-
ArcelorMittal Pine Bluff, Inc.	-	-	126	-	1,265	-	-

continued

	Consolidated						
	Balances				Transactions		
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Sales	Purchases	Other income (expenses)
continued							
ArcelorMittal Point Lisas Limited	19,296	-	13,515	-	1,186	163,187	-
ArcelorMittal Projects (Consolidated)	-	-	-	-	-	574	-
ArcelorMittal Projects América do Sul Comércio	9,501	23,085	-	-	28,790	1,797	1,832
ArcelorMittal Purchasing	-	-	1,339	-	-	-	(1,203)
ArcelorMittal S.A.	1,450	-	876,375	5,620,172	-	-	(94,290)
ArcelorMittal Singapore (Consolidated)	1,929	-	-	-	47,483	-	-
ArcelorMittal Sourcing	1,348	-	1,066,375	-	-	1,866,162	885
ArcelorMittal Spain Holding S.A.	319	-	213,948	-	-	-	(2,800)
ArcelorMittal Steel USA (Consolidated)	672	-	-	-	1,382	-	-
ArcelorMittal Treasury	-	-	19,026	87,953	-	-	234
ArcelorMittal Tubular Products - Al Jubail	172	-	-	-	-	-	-
ArcelorMittal Tubular Products Iasi S.A.	-	-	35,418	-	-	35,418	-
ArcelorMittal Tubular Products Roman S.A.	-	-	31,753	-	-	31,753	-
ArcelorMittal Usa Long - Border Steel (Techn.Bundle > A406)	34	-	-	-	204	-	-
CST BV Overseas Lt	-	-	1,162,497	-	-	-	(49,719)
Kiswire ArcelorMittal Ltd.	950	-	-	-	14,816	-	-
Manchester Tubos e Perfilados S.A.	37,797	80,169	3,827	-	210,424	103,276	7,724
Mittal Steel International Holdings B.V.	609	-	6,737	-	-	-	298
Paul Wurth do Brasil Tec. e Equip. para Metalúrgica Ltda.	-	21,309	1,059	-	-	-	-
Paul Wurth S.A.	-	41,874	328	-	-	-	(570)
Paul Wurth Umwelt. GmbH, Essen (D)	-	-	3,211	-	-	-	(449)
Perfilor S.A. Construções Indústria e Comércio	11,343	-	146	-	24,914	-	751
PWurth Metal Technology (Beijing) Co Ltd.	-	-	236	-	-	-	-
Skyline Steel (Consolidated)	-	-	312	-	-	-	-
Valin ArcelorMittal Automotive Steel Co Ltd.	260	-	-	-	-	-	-
Valin ArcelorMittal Electrical Steel Co Ltd.	4,380	-	-	-	-	-	-
Others	303	-	47	-	24	-	-
TOTAL OF 12/31/2012	296,147	166,437	3,737,725	6,377,693	2,047,592	2,745,150	(739,504)
TOTAL OF 12/31/2011	347,959	196,777	3,306,511	5,567,897	3,514,774	2,541,919	(423,402)
TOTAL OF 1/1/2011	527,331	138,035	1,295,403	5,175,854	3,614,800	2,790,953	(620,930)

Due from related parties arise mainly from sales transactions and mature within no more than 30 days. Trade receivables are not collateralized and are subject to interest. As at December 31, 2012 and 2011 and January 1, 2011, no allowance for doubtful accounts was recognized for due from related parties. Sales of products to related parties are made according to normal practices and prices adopted by the Group.

Due to related parties classified as trade payables arise mainly from purchase of inputs and mature within no more than 45 days after the purchase date. Due to

related parties are subject to interest. Purchases are made at normal market prices.

Other amounts classified as other due to/from related parties refer mainly to interest expenses incurred upon default in purchase and sale transactions and interest arising from intercompany loan agreements.

ArcelorMittal Brasil Group offered guarantees to its subsidiaries in the year ended December 31, 2012 in the amount of R\$974. ArcelorMittal Brasil group companies did not offer guarantees to third parties as at December 31, 2012 and 2011 and January 1, 2011.

a. Key management personnel compensation

Compensation paid or payable to key management personnel is as follows:

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Short-term benefits to administrators	10,755	8,598	7,090	20,542	17,751	16,228
Post-employment benefits	2,028	615	704	2,630	1,298	1,214
Other long term benefits	-	-	-	2,600	4,227	5,223
Benefits of termination of employment contract	4,138	2,175	260	5,518	2,175	960
Share-based compensation	5,252	12,005	7,207	5,252	12,114	9,723
	22,173	23,393	15,261	36,542	37,566	33,348

The amounts above are disclosed in the income statement under "General and administrative expenses".

ArcelorMittal Brasil Group offers a share-based payment plan, the amount recognized in income in 2012 was R\$5,252 (R\$12,114 in 2011).

27. Provision for tax, civil and labor risks and escrow deposits

Known risks, originated over the normal course of business, are reviewed by Company's management. They are supported, by an opinion from its legal counsel, assesses the likelihood of losses adjusting the reserve for risks as applicable.

The change in the provision for the year is as follows:

Company	Tax					TOTAL
	Income taxes	Other taxes	Civil	Labor	Environ-mental	
Balance as of 1/1/2011	31,732	169,440	41,590	63,623	2,501	308,886
Addition	27	8,912	3,833	25,586	-	38,358
Write-off/payments	(56)	(36,021)	(7,570)	(25,063)	-	(68,710)
Monetary update	1,302	10,387	6,378	6,569	-	24,636
Balance as of 12/31/2011	33,005	152,718	44,231	70,715	2,501	303,170
Addition	-	10,832	1,497	73,572	-	85,901
Write-off/payments	-	(65,821)	(4,501)	(65,085)	-	(135,407)
Monetary update	39,130	106,018	2,088	9,235	-	156,471
Balance as of 12/31/2011	72,135	203,747	43,315	88,437	2,501	410,135
Current	-	-	-	57,203	-	57,203
Noncurrent	72,135	203,748	43,315	31,233	2,501	352,932
Balance as of 12/31/2012	72,135	203,748	43,315	88,436	2,501	410,135

Consolidated	Tax					TOTAL
	Income taxes	Other taxes	Civil	Labor	Environ-mental	
Balance as of 1/1/2011	41,095	210,329	53,959	95,284	2,501	403,168
Addition	2,303	11,936	15,355	54,567	-	84,161
Write-off/payments	(56)	(37,402)	(11,392)	(65,110)	-	(113,960)
. Atualização monetária	1,908	10,928	6,927	11,059	-	30,822
Merger (i)	-	(530)	423	3,244	-	3,137
Balance as of 12/31/2011	45,250	195,261	65,272	99,044	2,501	407,328
Addition	1,288	11,072	4,850	95,510	-	112,720
Write-off/payments	-	(71,177)	(4,851)	(70,879)	-	(146,907)
Monetary update	49,666	129,793	(930)	9,963	-	188,492
Merger (i)	-	-	(4,764)	(6,942)	-	(11,706)
Balance as of 12/31/2011	96,204	264,949	59,577	126,696	2,501	549,927
Current	6,107	-	3,374	64,811	-	74,292
Noncurrent	90,097	264,949	56,203	61,885	2,501	475,635
Balance as of 12/31/2012	96,204	264,949	59,577	126,696	2,501	549,927

(i) Due ArcelorMittal BioEnergia Ltda. segregation (see note 6a)

In 2012, the Company obtained from financial institutions updated statements of escrow deposits relating to tax lawsuits, which enables the inflation adjustment of tax provisions relating to lawsuits where escrow deposits are made.

a. Probable risks

The main tax and civil lawsuits for which the Company recorded provisions are::

- PIS/COFINS (Taxes on Revenue): R\$150,793 as of December 31, 2012 (R\$64,734 as of December 31, 2011). The challenges involve mainly the inclusion of state VAT (ICMS) in these taxes' taxable base. The group's consolidated amount totals R\$205,500 as of December 31, 2012.
- CSLL/IRPJ: Amount of R\$96,204 as of December 31, 2012 (R\$45,250 as of December 31, 2012). The challenges involve mainly the offset of tax losses carryforward and late payment fine in cases of voluntary payments.
- ICMS: As of December 31, 2012, this amount totals R\$19,486 (R\$21,911 as of December 31, 2011). The challenges discuss ICMS on inputs used in the Company's production process;
- SOCIAL SECURITY LAWSUITS: Amount of R\$11,150 as of

December 31, 2012 (R\$2,993 as of December 31, 2011). The challenges involve mainly the levy of social security contributions on payments made to self-employed workers.

- CIVIL LAWSUITS – Consist mostly of lawsuits claiming indemnity for occupational diseases and accidents, as well as the termination of sales and service agreements.
 - LABOR LAWSUITS – The Company and its subsidiaries are defendants in several labor lawsuits, including pain and suffering, and property and aesthetic damages. The provision for unfavorable outcomes is recognized on a case-by-case basis, considering the Company's legal counsel's opinion on the likelihood of loss.
- Escrow deposits recorded in the Company's long-term assets total R\$457,899 as of December 31, 2012 and R\$259,667 as of December 31, 2011 (R\$543,311 and R\$314,441 in consolidated, respectively) are related to civil, labor and tax lawsuits.



b. Possible risks

The Company and its subsidiaries are also parties to various civil, labor and tax lawsuits in progress which, based on the current likelihood of favorable outcome and legal aspects, do not require a reserve for contingencies. As of December 31, 2012, these lawsuits amounted to approximately R\$4,322,827 (R\$6,340,833 as of December 31, 2011).

The main lawsuits with possible likelihood of loss are:

- CADE / SDE lawsuit - On September 1, 2000, the Big Structure Civil Construction Industry Union of the São Paulo State (SINDUSCON/SP) and the Residential and Commercial Real Estate Purchase, Sale, Rental and Management Companies Union of São Paulo (SECOVI/SP) brought a claim before the Economic Defense Department (SDE) against three long steel producers, including ArcelorMittal Brasil S.A., through

which it accused them of alleged antitrust market sharing practice, caused by the difference in long steel rebar prices charged from construction companies in the São Paulo State. As a result of such claim, the SDE commenced an administrative proceeding in order to analyze such accusation. After analysis, the SDE issued an opinion through which it recommended the Administrative Counsel of Economic Defense (CADE) of the Ministry of Justice, to sentence the companies allegedly involved in the aforementioned antitrust practice. On September 23, 2005, the lawsuit was unfavorably decided by CADE, and ArcelorMittal Brasil was sentenced to pay a fine equivalent to 7% of its gross revenues in 1999, net of taxes. The Company denies the adoption of any antitrust measure. On July 4, 2006, a civil suit with a request for injunction was brought before the 13th

Federal Court of Justice of Brasília challenging CADE's decision and, on August 30, 2006, the Judge of the 13th Federal Court decided to stay the effects of the decision until the consideration of the merits of the lawsuits. Based on the evidence and allegations attached to the court records, its attorneys understand that it will be possible to reverse the decision issued by CADE. As part of the lawsuit, the Company has pledged guarantees in the total amount of R\$76,500. The lawsuit amounts to R\$281,773 as of December 31, 2012 (R\$272,277 as of December 31, 2011).

- SOCIAL SECURITY LAWSUITS - Challenges mainly related to the levy of INSS on non-compensatory amounts, in addition to the challenges regarding the employment relationship of service providers and contributions to the Worker Support Service (SAT) in the estimated amount of

R\$213,691 as of December 31, 2011 (R\$329,574 as of December 31, 2011).

- PIS and COFINS (Taxes on Revenue) - Refer mainly to differences related to the levy of these taxes on i) exchange rate changes and challenges relating to offsets of these taxes and ii) payment of services provided abroad in 2007 and 2008, in the estimated amount of R\$333,283 as of December 31, 2012 (R\$300,763 as of December 31, 2011).
- II/IPI/PIS/COFINS - R\$132,417 as at December 31, 2012 (R\$161,046 as at December 31, 2011). Tax assessment notices were issued, ruling out the Drawback Regime under the International Bid category obtained by the Company's suppliers based on the allegation that the import would have been carried out in breach of said regime.

- IRPJ and CSLL – R\$1,848,008 as at December 31, 2012. The lawsuits filed to claim these taxes arise mainly from the tax assessment notices issued:

i) in light of the non-addition, in calendar 2005, of the profits earned by direct and indirect foreign subsidiaries and interest expenses on borrowings raised directly with the subsidiary in the estimated amount of R\$ 615,268; and

ii) with respect to the goodwill arising from the acquisition of a steel plant by and the going private process of Arcelor Brasil, relating to calendars 2007 and 2008, as well as the disallowance of the exchange rate changes and expenses concerning the funds raised through export prepayments, which were used to acquire

the shares of Arcelor Brasil in the estimated amount of R\$ 929,789.

- ISS – R\$90,581 as at December 31, 2012. The challenges arise mainly from differences about the nature of the services engaged by the Company, as well as about application of the agreement entered into among the municipalities of Serra and Vitória and the Company in 2004, so as to define the competent taxing municipality, since the Company is geographically located in both municipalities.

- ELETROBRÁS – R\$74,267 as at December 31, 2012 (R\$20,415 as at December 31, 2011). Challenges involve mainly the collection of compulsory loan on power consumption.

- CIVIL LAWSUITS – not accrued, whose likelihood of loss is assessed as possible, in the amount of R\$163,859 as at December 31, 2012 (R\$194,410 as at December 31, 2011). Consist mainly of lawsuits claiming indemnity for occupational diseases and accidents, as well as the termination of sales and service agreements.

- LABOR LAWSUITS – not accrued, whose likelihood of loss is assessed as possible, in the amount of R\$275,045 as at December 31, 2012 (R\$222,332 as at December 31, 2011), concerning various labor claims, i.e., property damages and pain and suffering, overtime, commuting hours, hazardous duty premium and severance pay.

c. Federal Amnesty - REFIS IV

Law 11941/2009 was enacted in 2009, and subsequently regulated by the acts issued by the RFB and PFN, addressing the benefits for payment in cash or in installments, within up to 180 (one hundred and eighty) months, of tax and social security debts with reduced late payment fine and interest, including the outstanding balance of consolidated debts in previous installment payment plans.

The joining to the aforementioned program provided for a scheduled consisting of five phases that should be met by taxpayers based on the

payment method selected (in cash, in installments or renegotiation of installments), considering that the last phase for final consolidation in Refis IV ended on July 29, 2011.

For lawsuits or administrative proceedings, taxpayers should also require as a condition to joining REFIS IV the relinquishment and waiver of the right supporting the claim.

The Group consolidated amount is R\$70,719 as at December 31, 2012, maturing in 22 installments through October 2014.



28. Non-cash transactions

In 2012, the Company carried out the following investing and financing activities not involving cash; therefore, these transactions are not reflected in the statement of cash flows:

- Decommissioning of Andrade mine in the amount of R\$3,607 pursuant to the appraisal report issued by the technical area (R\$2,668 in 2011).

29. Commitments

ArcelorMittal Brasil assumed several commitments with suppliers deriving from the normal course of the Company's activities in the amount of R\$5,945,284. These commitments, directly impacting ArcelorMittal Brasil Group's liquidity and funds available, are expected to be met beginning 2013, as shown below:

	Company				
	TOTAL	< 1 Year	1 - 3 Years	1 - 5 Years	> 5 Years
Commitments to suppliers	3,539,331	479,863	1,297,290	616,089	1,146,089
Bank guarantees, promissory notes and others	1,939,966	10,819	33,666	-	1,895,481
Commitments to acquire property, plant and equipment items	395,466	133,666	261,800	-	-
Operating leases	70,521	43,227	24,875	2,419	-
Total - Commitments	5,945,284	667,575	1,617,631	618,508	3,041,570

a. Commitments with suppliers

These commitments arise mainly from commitments to purchase power and utility services, in addition to those relating to transportation and acquisition of raw materials, among others.

b. Bank guarantees, promissory notes and other

The letters of guarantees issued by banks are related to credit facilities, in particular those from BNDES. Additionally, the Group has letters of guarantee issued by banks relating to lawsuits, in particular those of tax nature. The letters of guarantee are renewable commitments based on the Group's needs.

c. Commitments to acquire property, plant and equipment items

As at December 31, 2012, the Group had commitments to acquire property, plant and equipment in the amount of R\$395,466, which was used to expand plants and acquire or overhaul equipment necessary in such expansion process.

d. Operating leases

Commitments assumed under operating leases are related to the rental of properties and lease of machinery and equipment.

30. Post-employment benefits

a. Plan description

(i) Defined benefit plan - former Companhia Siderúrgica Belgo-Mineira and subsidiaries

In 1982, Companhia Siderúrgica Belgo Mineira, currently ArcelorMittal, entered into a defined retirement benefit plan agreement with Bradesco Previdência e Seguros S/A in order to supplement (i) the retirement income of participants; and (ii) guarantee pensions for spouses of participants. This plan offered to some employees of the Company and its subsidiaries at the time was closed to new entrants in 2000. As set forth in the paragraph below, with the implementation of the new defined contribution plan, participants were offered the option of changing plan. Currently, slightly more than 117 employees still participate in this plan.

(ii) Defined contribution plan - ArcelorMittal and other subsidiaries (Long Steel, mainly Corporate)

At the beginning of 2005, the Company began to offer a defined contribution plan through a PGBL plan (defined contribution pension plan) contracted with the same insurance company.

Under this new pension plan, participating companies (Long steel and Corporate segments) commit to monthly contributions on behalf of its employees that match those made by the respective employee. Under this new model, these companies do not assume any commitment with respect to a specific retirement benefit level or guarantee in relation to the return obtained by the PGBL plan investment funds.

(iii) FUNSSEST benefit plan - CST (mainly Flat Steel)

In 1988, the former CST established the Fundação de Seguridade Social dos Empregados da Companhia Siderúrgica de Tubarão - FUNSSEST, a supplementary closed-end pension entity, financial, and asset independence. As established by current legislation, the objective of this entity is to supplement benefits provided by Brazilian social security, as well as to provide welfare assistance to employees of CST and their dependents.

FUNSSEST manages four supplementary retirement plans, that is, defined benefits plans I, II, and III, which will be discontinued over time since no new entrants have been accepted since 1998. Plan IV, a defined contribution plan, covers employees hired beginning 1998, for the Flat steel segments.

(iv) Other

ArcelorMittal Brasil Group offers to the employees of companies headquartered in Brazil a supplementary pension plan. Foreign companies offer specific supplementary pension plans, all consolidated in the presentation of this note.

b. Net actuarial assets (liabilities)

The table below shows the actuarial position of the Company's plans, Company and consolidated:

Statement of net actuarial asset (liability)

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Present value of actuarial obligations	(2,026,464)	(1,635,036)	(1,317,345)	(2,041,289)	(1,651,086)	(1,331,213)
Fair value of plan assets	1,501,797	1,490,319	1,319,985	1,513,365	1,502,790	1,331,611
Net present value of assets (liabilities)	(524,667)	(144,717)	2,640	(527,924)	(148,296)	398
Unrecognized actuarial losses (gains)	536,607	237,324	95,482	539,981	240,854	97,783
Total net actuarial asset (liability)	11,940	92,607	98,122	12,057	92,558	98,181
Assets	1,501,797	1,490,319	1,319,985	1,513,365	1,502,790	1,331,611
Liabilities	(2,026,464)	(1,635,036)	(1,317,345)	(2,041,289)	(1,651,086)	(1,331,213)
Net liability	(524,667)	(144,717)	2,640	(527,924)	(148,296)	398

Change in defined benefit obligation	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Obligation at beginning of year	(1,635,036)	(1,317,345)	(1,220,751)	(1,651,086)	(1,331,213)	(1,232,441)
Service cost	(20,623)	(20,226)	(19,172)	(20,895)	(20,435)	(19,453)
Interest cost	(186,200)	(159,503)	(143,245)	(187,917)	(161,017)	(144,651)
Participant contributions	(4,544)	(3,043)	(3,001)	(4,895)	(3,409)	(3,354)
Actuarial gains/(losses) at beginning of the year	(129,363)	(75,438)	(52,078)	(129,363)	(75,505)	(53,220)
Actuarial (gains)/losses during the year	(330,734)	(65,659)	583	(327,821)	(66,412)	650
Benefits paid	116,182	90,256	74,257	116,992	91,138	75,123
Exchange rates changes	163,854	(84,078)	46,062	163,696	(84,233)	46,133
Obligation at end of year	(2,026,464)	(1,635,036)	(1,317,345)	(2,041,289)	(1,651,086)	(1,331,213)

Change in fair value of plan assets	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Fair value opening	1,490,319	1,319,985	1,244,222	1,503,804	1,331,611	1,255,378
Actual return on plan assets	189,767	146,210	163,280	191,333	146,243	163,847
Actuarial gains/(losses)	11,779	728	2,139	8,970	1,312	2,016
Employer contributions	30,546	26,815	25,976	31,228	27,442	26,563
Participant contributions	4,544	3,043	3,001	4,895	3,409	3,354
Benefits paid	(116,182)	(90,256)	(74,257)	(116,992)	(91,138)	(75,123)
Exchange rates changes	(108,977)	83,793	(44,376)	(109,874)	83,912	(44,425)
Fair value of plan assets (closing)	1,501,797	1,490,319	1,319,985	1,513,365	1,502,790	1,331,611

c. Amounts recognized in profit or loss

Below is a summary of pension plan costs:

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Service cost	(20,623)	(19,172)	(20,226)	(20,573)	(19,453)	(20,441)
Interest cost	(186,200)	(143,245)	(159,503)	(185,244)	(144,651)	(161,048)
Actuarial (gains)/losses recognised year	(89,235)	(8,328)	(10,945)	(88,804)	(8,408)	(11,009)
Expected return on plan assets	184,447	146,171	151,824	186,012	147,418	153,166
Charge/(income) due to unrecoverable surpluses	41,824	(8,614)	(6,945)	41,824	(8,614)	(6,945)
Participant contributions	30,546	25,976	26,815	30,797	25,976	27,459
Exchange rates changes	3,717	-	892	3,717	(13)	934
	(35,524)	(7,212)	(18,088)	(32,271)	(7,745)	(17,884)

The costs described above are broken down in the following items of the income statement:

	Company			Consolidated		
	2012	2011	1/1/2011	2012	2011	1/1/2011
Cost of sales	(28,519)	(6,103)	(15,306)	(25,908)	(6,554)	(15,133)
Sales expenses	(1,641)	(476)	(1,194)	(1,491)	(511)	(1,180)
General and administrative expenses	(5,364)	(633)	(1,588)	(4,872)	(680)	(1,570)
	(35,524)	(7,212)	(18,088)	(32,271)	(7,745)	(17,883)

Expected contributions for 2013 relating to the defined contribution plans amount to R\$17,855.

d. Actuarial assumptions

The actuarial assumptions used for the year ended December 31, 2012 are as follows:

. Actuarial method	Projected Unit Credit
. Nominal discount rate of actuarial liability	8.99% p.a.
. Expected rate of return on plan assets	(i)
. Estimated salary increase rate	6.89% p.a. of actual gain
. Nominal increase rate of estimated benefits	4.8% p.a. of actual gain

(i) A rate of 11.45% is estimated for Plan I and II of FUNSSEST, 12.29% for Plan III, 11.12% for Plan IV and 12.44% for ArcelorMittal Brasil Longos plans.

31. Insurance

The Company carries insurance against operating risks that guarantees compensation against property damage and loss of gross revenue for periods of up to twelve months of production downtime. The current policy remains in effect until June 30, 2013.

32. Events after the reporting period

a. Change in the functional currency

ArcelorMittal Brasil S.A. revalued its functional currency, based on studies involving the indicators that determine the functional currency, in accordance with CPC 02 - "Effects of Changes in Foreign Exchange Rates" and established that, beginning January 1 st, 2013, the US dollar ("US\$") is no longer the functional currency and is replaced by the Brazilian Real ("R\$").

The effects of the change in the functional currency is accounted for on a prospective

basis. All balances will be translated into the new functional currency using the exchange rate on the change date (January 1, 2013). Translated amounts, in case of non-monetary items, are treated as historical costs.

The entity's functional currency reflects the transactions, events and underlying conditions that are significant for the entity. Some changes in the Company's transactions, events and underlying conditions made Management decide to change

the functional currency beginning January 1, 2013, among which are: related to the higher concentration of sales of long and flat segments in the domestic market, the declining trend in imports of steel products in 2013 due to the restriction of tax incentives and the change of the base currency of very representative portion of loans and financing entity from U.S. dollar ("USD") to the Brazilian Real ("R\$"). These factors combined to reinforce the dominance of the Real against the U.S. dollar, especially from 2013.

33. Approval of financial statements

The release of the consolidated financial statements has been approved and authorized by the Company's Management on March 27, 2013.

04

corporate
information

Board of Directors

JOSÉ ARMANDO DE FIGUEIREDO CAMPOS
Chairman

CARLO PANUNZI
Vice Chairman

BHIKAM CHAND AGARWAL
Board Member

ANDRÉS ROZENTAL GUTMAN
Board Member

PAUL SEBASTIAN ZUCKERMAN
Board Member

Executive Board

BENJAMIN MÁRIO BAPTISTA FILHO
CEO and Executive Director of Flat steel

JEFFERSON DE PAULA
Senior Executive Director

ADILSON MARTINELLI
Executive Director of Controlling

AUGUSTO ESPESCHIT DE ALMEIDA
Executive Director of Long steel

MARCOS AFONSO MAIA
Executive Director of Finance

RICARDO GARCIA DA SILVA CARVALHO
Executive Director of Human Resources, IT and
Institutional Relations

GUSTAVO HUMBERTO PINTO FONTANA
Commercial Director of Flat steel

PAULO HENRIQUE DE SOUZA
Commercial Director of Long steel

ÁLVARO JOSÉ FERREIRA RIBEIRO
Executive Director of Flat steel

Chief Accountants

JOSÉ HENRIQUE DE PAIVA
Accounting and Real Estate Manager
CRC-MG 036748/O-1

ALEXANDRE AUGUSTO SILVA BARCELOS
Accounting and Tax General Manager
CRC-MG 064404/O-2