



CHINA ORIENTAL GROUP COMPANY LIMITED
中國東方集團控股有限公司



ArcelorMittal

Press Release

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ArcelorMittal strengthens its position in China through a landmark agreement with the China Oriental Group Company Limited

Luxembourg/Hong Kong, 7 December 2007 - ArcelorMittal, the world's largest steel company, today announced that it has entered into a Business Cooperation Agreement (the "Business Cooperation Agreement"), with China Oriental Group Company Limited ("China Oriental" or the "Company", stock code: 581) and its subsidiaries (the "Group"). In addition, ArcelorMittal entered into a Shareholders' Agreement with the controlling shareholders of China Oriental regarding their shareholdings in and the management of the Company. The agreements will allow ArcelorMittal strengthen its position in China's fast growing steel market.

The Business Cooperation Agreement will see ArcelorMittal share technology, technical expertise and know-how with the aim of transforming the Group into a leading producer of heavy sections in China. ArcelorMittal will also assist the Group in sourcing of iron ore and coal.

Commenting, Mr. Lakshmi Mittal, President and CEO of ArcelorMittal, said: "We have made no secret of our wish to participate more actively in the China's fast growing steel market, and the agreements we have signed are a major step forward in delivering that strategy. Not only will this strengthen our position in China, it will also provide the China Oriental Group with the expertise and experience it needs to become a leading producer of heavy sections in China." He added: "Part of ArcelorMittal's growth over the years has been through strategic acquisitions and subsequently creating value through active management of the companies acquired. I am confident that these agreements will be further examples of how ArcelorMittal adds value through the provision of technology and technical know how, training, financial management, mergers and acquisitions, supply chain management and marketing as well as sustainable and resource efficient production."

"ArcelorMittal becoming the Company's second largest shareholder and the signing of the Business Cooperation Agreement well reflect its confidence in the potential of China Oriental's operations, as well as in the market in Mainland China. We are delighted to have the world's leading steel company as our strategic partner. I believe with ArcelorMittal's support in steel production technology, its network of worldwide raw material sourcing and financial management expertise, China Oriental can expedite its development and the realization of its plan to become a world-class leading H-section steel production base in the PRC," said Mr. Han Jingyuan, Chairman and Chief Executive Officer of China Oriental.

ArcelorMittal intends to make a general offer for the Company in line with HK Stock Exchange regulation. The offer price will be no less than HK\$6.12 per Share, being the price at which a 28.02% stake in China Oriental was purchased by ArcelorMittal from Ms Chen Ningning. In addition, it is the intention of ArcelorMittal to maintain the listing of China Oriental after the close of the general offer.



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About ArcelorMittal:

ArcelorMittal is the world's number one steel company, with 320,000 employees in more than 60 countries. The company brings together the world's number one and number two steel companies, Arcelor and Mittal Steel.

ArcelorMittal is the leader in all major global markets, including automotive, construction, household appliances and packaging, with leading R&D and technology, as well as sizeable captive supplies of raw materials and outstanding distribution networks. An industrial presence in 27 European, Asian, African and American countries exposes the company to all the key steel markets, from emerging to mature, positions it will be looking to develop in the high-growth Chinese and Indian markets.

ArcelorMittal key pro forma financials for 2006 show combined revenues of USD 88.6 billions, with a crude steel production of 118 million tonnes, representing around 10 per cent of world steel output.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MTP), Brussels (MTBL), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

About China Oriental:

Listed on 2 March 2004, the Group is one of China's most efficient iron and steel producers. China Oriental's production plant is located in Hebei Province, which is one of the provinces with the richest iron ore reserves in China, and with close proximity to deep-water ports and railways. The plant's strategic geographical location ensures reliable and stable raw material supply and product transport. The Group's products are mainly sold in China to downstream iron and steel manufacturers, in Northern China. In addition, the Group further processes its billets and strips into downstream steel products primarily for use in the construction and machinery manufacturing industries. To diversify the iron and steel product mix and achieve business integration, China Oriental is also engaged in the production of other downstream products such as cold rolled sheets, galvanised sheets and H-section steel.

Shareholding of China Oriental as of 6 December 2007

China Oriental's controlling shareholders (including Wellbeing Holdings Limited and Chingford Holdings Limited which are respectively majority and solely owned by Mr Han Jingyuan, Chairman of China Oriental), currently owns about 1,320 million China Oriental shares, which accounts for about 45 per cent equity interest in the Company.

Mittal Steel Holdings AG, a wholly owned subsidiary of ArcelorMittal acquired about 820 million China Oriental ordinary shares, or about 28 per cent of equity interest in the Company from Smart Triumph Corporation and Ms. Chen Ningning, for a total cost of HK\$5,020 million on 6 November 2007. Accordingly, ArcelorMittal becomes China Oriental's second largest shareholder.



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Business Cooperation Agreement

Under the Business Cooperation Agreement between ArcelorMittal and the Company, for so long as ArcelorMittal is interested in 25 per cent or more of the issued shares in China Oriental, it shall provide certain technology, technical expertise, mergers and acquisitions expertise, financial and funds management expertise, assistance in exploring overseas marketing opportunities to the Company for its development in steel manufacturing. ArcelorMittal will also, source a fixed minimum quantity of iron ore per annum to be sold to China Oriental and provide assistance in the sourcing of coking coal, and contribute to capital requirements of the Company.

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