



ArcelorMittal

Press release

ArcelorMittal Poland expands the product portfolio of its Krakow Unit with innovative products

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In mid-2018 the next stage of projects implementation at the Krakow Unit of ArcelorMittal Poland will commence. A new line for organic coating (i.e. coating steel sheets with paint) will be installed at the new hot dip galvanizing plant. At the steel shop a new pilot R&D project - for production of new generation electrical steel grades will be continued. Those projects are aimed at helping the steel industry in Poland to keep following the demands of its customers. Their value amounts to a few hundred million zlotys.

Responding to market needs

The first works on the construction of the organic coating line will start in June. So-called “combi” line will be a modern installation, which, apart from the galvanized steel sheets produced already, used i.a. in window profiles or construction elements, will allow for production of coated sheets. So far the only producer of this product range was ArcelorMittal Poland’s Unit in Swietochlowice.

- We are planning to produce the first coil of coated sheet as early as the first quarter of 2019. This type of sheet is used for production of i.a. roofing and cladding. We are observing the demand for roof tiles not only on the local markets, but also on markets of the neighbouring countries – explains Geert Verbeeck, CEO and deputy chairman of the board at ArcelorMittal Poland.

The modern organic coating line after commissioning will be able to produce 220,000 tonnes of coated steel per year (44 mln square meters). This is enough to produce roofing for 220,000 of average size houses.

New generation steel grades – R&D project

Employees of the Krakow Unit of ArcelorMittal Poland and the Institute of Ferrous Metallurgy in Gliwice are working on an R&D project aimed at production of a new steel grade. ArcelorMittal Poland have signed an agreement with NCBiR under the Smart Growth Operational Program for co-funding of a research and development project (‘R&D’) entitled: “Innovative high-silicone steel grade with adjusted

small content of impurities and non-metallic inclusions and with controlled morphology and proper amount of AlN inhibitor, intended to be used for high quality transformer sheets.”

Under the above mentioned project a new generation transformer steel grade will be developed, which has not been produced in Poland so far. The project will enable melting and secondary vacuum metallurgy of silicon steel. The new generation electrical steel will be degassed in vacuum tanks and thanks to the parameters achieved via this route it will be used for production of high quality transformer sheets after the pilot R&D project is successful. Its application will allow for more efficient operation and lower noise emission of transformers.

– We are investing in innovative and high value products not only to expand our product portfolio but primarily due to the fact that they offer us a better chance of surviving on the global steel market – explains Sanjay Samaddar, chairman of the board of directors of ArcelorMittal Poland. – We are truly worried about the NAP4 of the EU ETS. We will have to purchase carbon credits, whose price post 2020 may reach 30 euros per tonne and our competitors from outside the EU will be free of those expenses. It constitutes a real threat for the competition of the steelmaking in Europe. This is why we are trying to maintain this competitiveness with strategic projects such as those planned at our Unit in Krakow – he adds.

The construction of the organic coating line and the installation for vacuum tank degassing make up for the next stage of projects implemented at ArcelorMittal Poland’s Unit in Krakow. The first stage (2007-2014), worth over PLN 2.5 bn covered the construction of the hot rolling mill, modernization of the cold rolling mill and coke plant as well as change in the manner of transporting hot metal (torpedo ladles were put in use, which resulted in reduction of greenhouse gas emissions). The second stage started in 2015 and consumed over PLN 500 m. Within this package ArcelorMittal Poland carried out a general overhaul of the only blast furnace operating at the unit and the basic oxygen furnace. The company also increased the capacity in hot rolling by ca. 0.9 m tonnes and constructed a new hot dip galvanizing line with a capacity of 0.4 m tonnes per year.

Contact / additional information:

Marzena Rogozik

tel. 12 290 4025

e-mail: marzena.rogozik@arcelormittal.com

About ArcelorMittal Poland

ArcelorMittal Poland is the biggest steel producer on the Polish market with about 70% of production capacity of the Polish steel industry. The company consists of five steel plants located in Krakow, Dabrowa Gornicza, Sosnowiec, Swietochlowice and Chorzow. It also owns the largest coke plant in Europe – ZK Zdzieszowice. ArcelorMittal Poland employs over 11,000 people and over 14,000 if subsidiaries are taken into account. The company produces a wide range of long, flat, special and semi products for construction, transport and white goods industries.

The company has transformed Polish steelmaking. It has invested PLN 6 bn in modernizing every stage of the production process. Thanks to increasing H&S standards, the company has reduced its accident frequency rate by more than 90 percent. It has decreased the CO2 emissions by 25 percent, thanks to which it has become more environmentally friendly. The company is 1 of 3 companies worldwide able to produce 120 meter rails.

ArcelorMittal Poland is consistently engaged in supporting local communities by carrying out educational, health and safety programmes. The company has invested over PLN 16 m in these projects.

For more information visit poland.arcelormittal.com

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 18 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2016, ArcelorMittal had revenues of \$56.8 billion and crude steel production of 90.8 million tonnes, while own iron ore production reached 55.2 million tonnes.

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

For more information about ArcelorMittal please visit: <http://corporate.arcelormittal.com/>