



ArcelorMittal

# Capturing opportunities in the clean-energy transition

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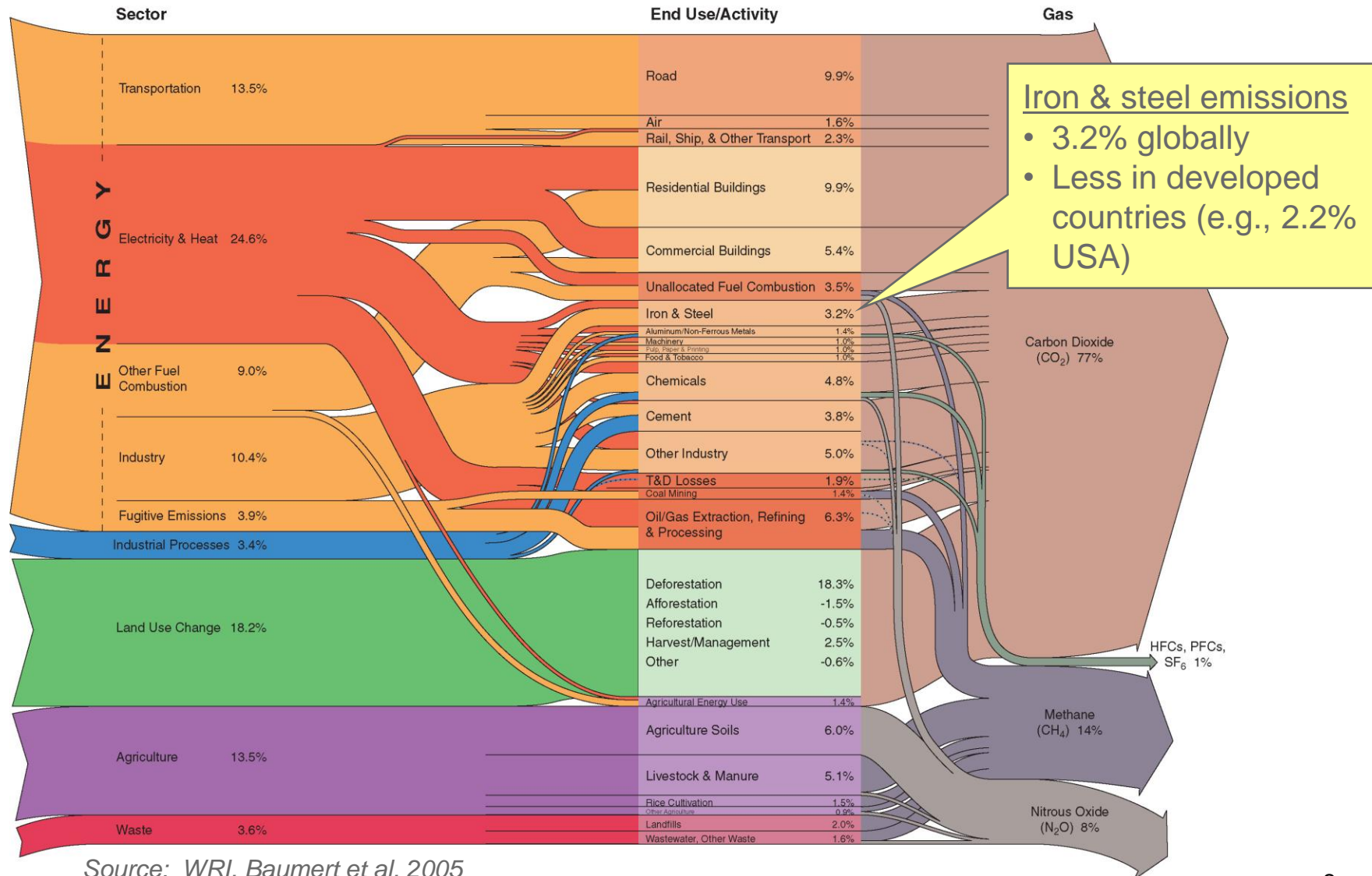


# Who is ArcelorMittal?



- With around 320,000 employees in more than 60 countries and an industrial presence in 20 countries, ArcelorMittal is the largest steel producer in Europe, North America, South America, and Africa as well as the only truly global steelmaker.
- In 2007 ArcelorMittal had revenues of \$105.2 billion, EBITDA of \$19.2 billion, and net income of \$10.4 billion.
- ArcelorMittal is not only a steel producer but operates throughout the value chain as an integrated metals and mining company as well a leading developer of steel applications.
- ArcelorMittal applies a wide range of technologies to participate in effectively all steel product markets and customer segments

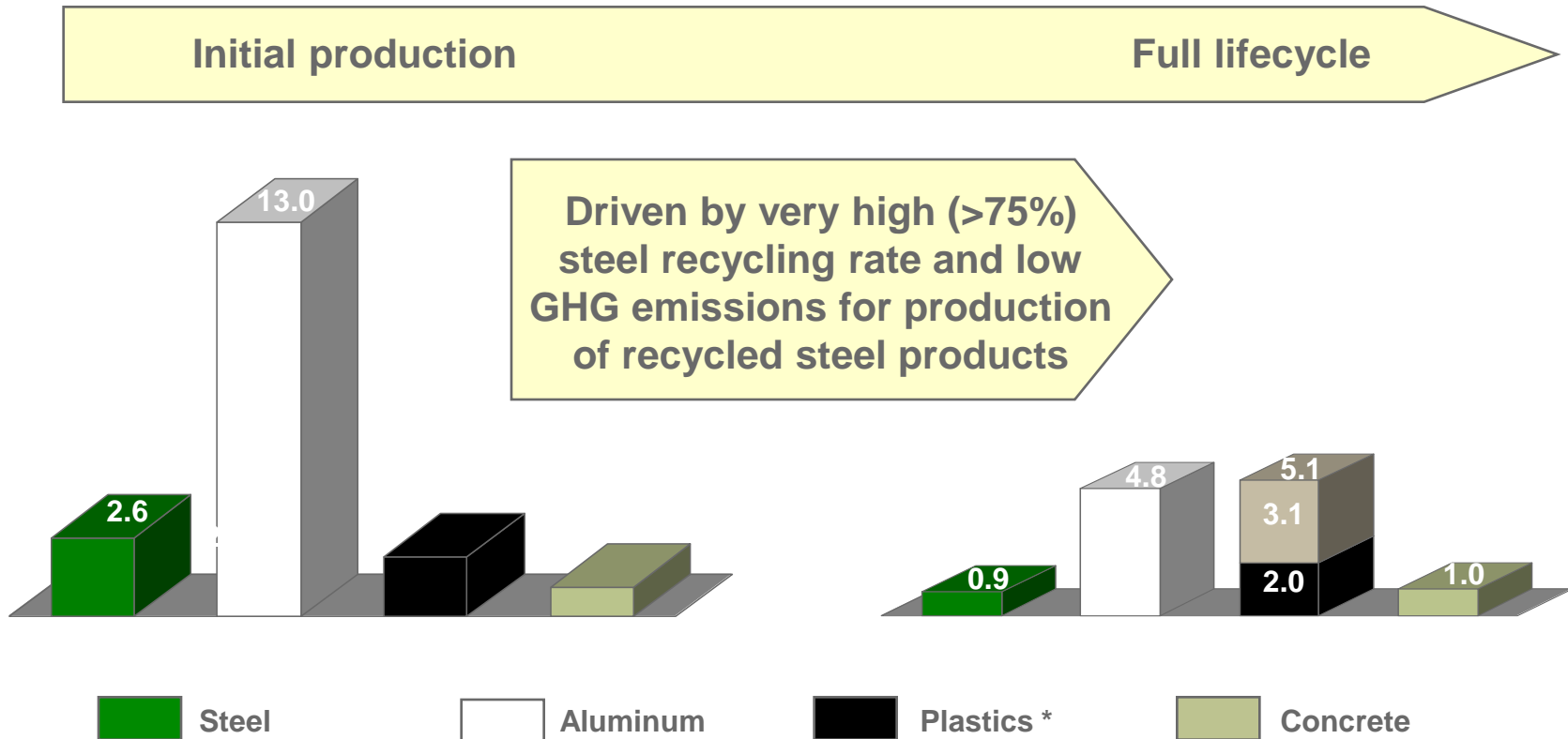
# Steel accounts for ~3% of global greenhouse-gas emissions



Source: WRI, Baumert et al, 2005

# Steel's carbon footprint is favorable when evaluated on a lifecycle basis

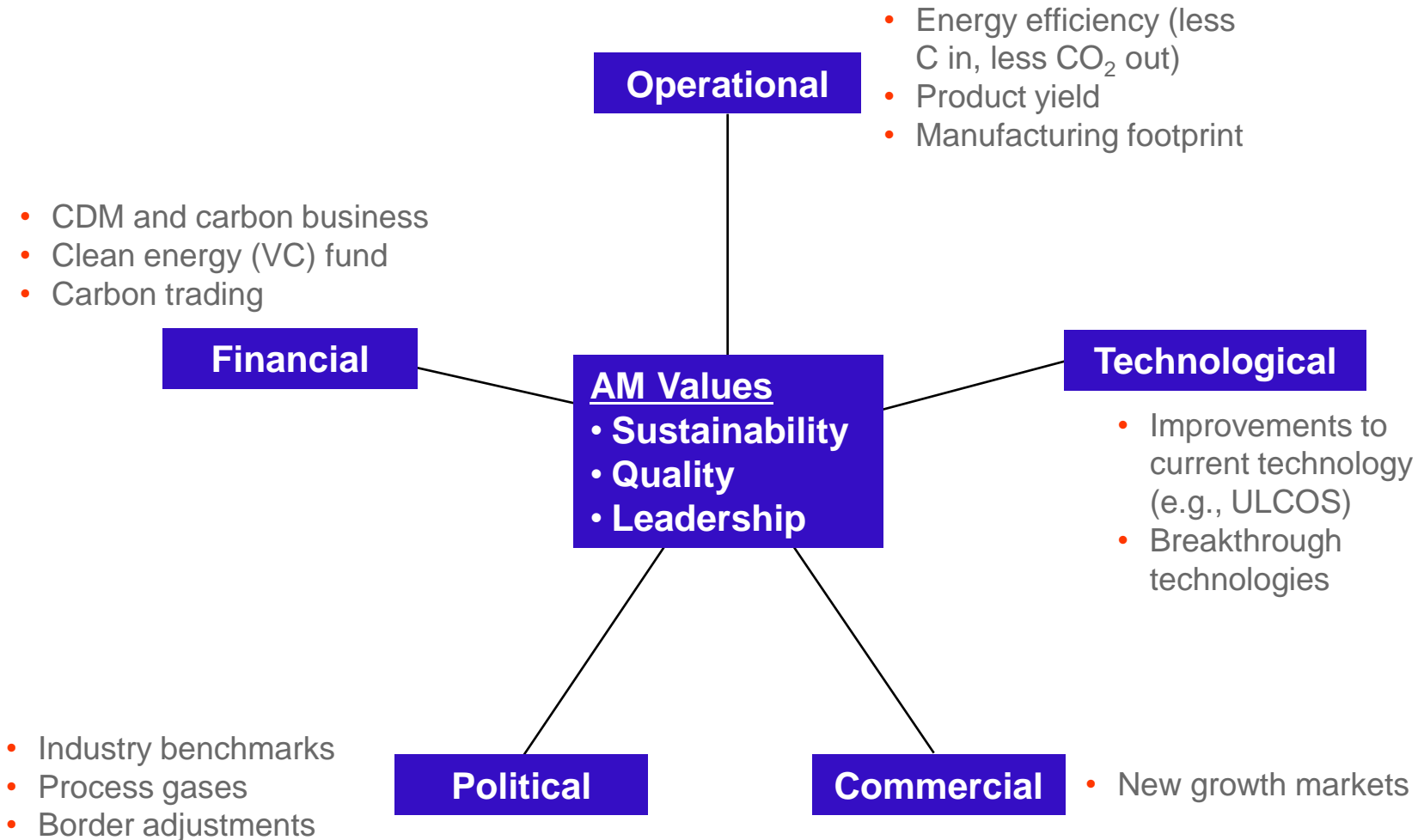
Tons CO<sub>2</sub> generated per ton of material



\* Polypropylene; additional 3.1 tons CO<sub>2</sub> applied for full lifecycle impact assumes combustion or eventual degradation in land fill

Source: Battelle Institute and ArcelorMittal analysis

# Financial initiatives are only one element in ArcelorMittal's GHG strategy



# ArcelorMittal is building a carbon business as part of its GHG strategy

## Internal

- 32 internal CDM & JI projects across 7 countries, focusing on industrial energy efficiency and waste-heat recovery
- Level of development: various
- Motivation: reduce compliance costs.



## External

- A carbon investment business for strategic investments in the carbon market that benefit steel and mining (e.g., energy efficiency, renewable energy, coal-mine technologies)
- Level of development: projects, companies, technologies
- Motivation: utilize new markets profitably, realize additional carbon revenues, and promote new green-steel technologies



# ArcelorMittal has established a \$50mm VC fund as part of its GHG strategy

- **Strategic intent**
  - Accelerate the identification and adoption of technologies that can reduce the GHG footprint of the core business
  - Gain market intelligence that will benefit the core business (impact on current customer base, emergence of new markets)
  - Earn a good return
- **Approach**
  - Partner with leading VC firms (initially KPCB, Khosla Ventures, Bessemer Partners)
  - Dedicated team to screen, assess, and ultimately recommend investments
  - Ultimate investment decision at GMB level
  - Role specific to opportunity (from passive to BOD role; active search for synergies)
- **Record**
  - Established in June 2008; first meetings in July
  - 9 opportunities evaluated to date: 7 declined, 1 still under consideration, 1 investment (Miasolé)