



ArcelorMittal

FEI Canada – Presentation
Doing business in China

Benoit Alain CA

VP Commercial and Business development – Mining Group

May 28th, 2009

ArcelorMittal

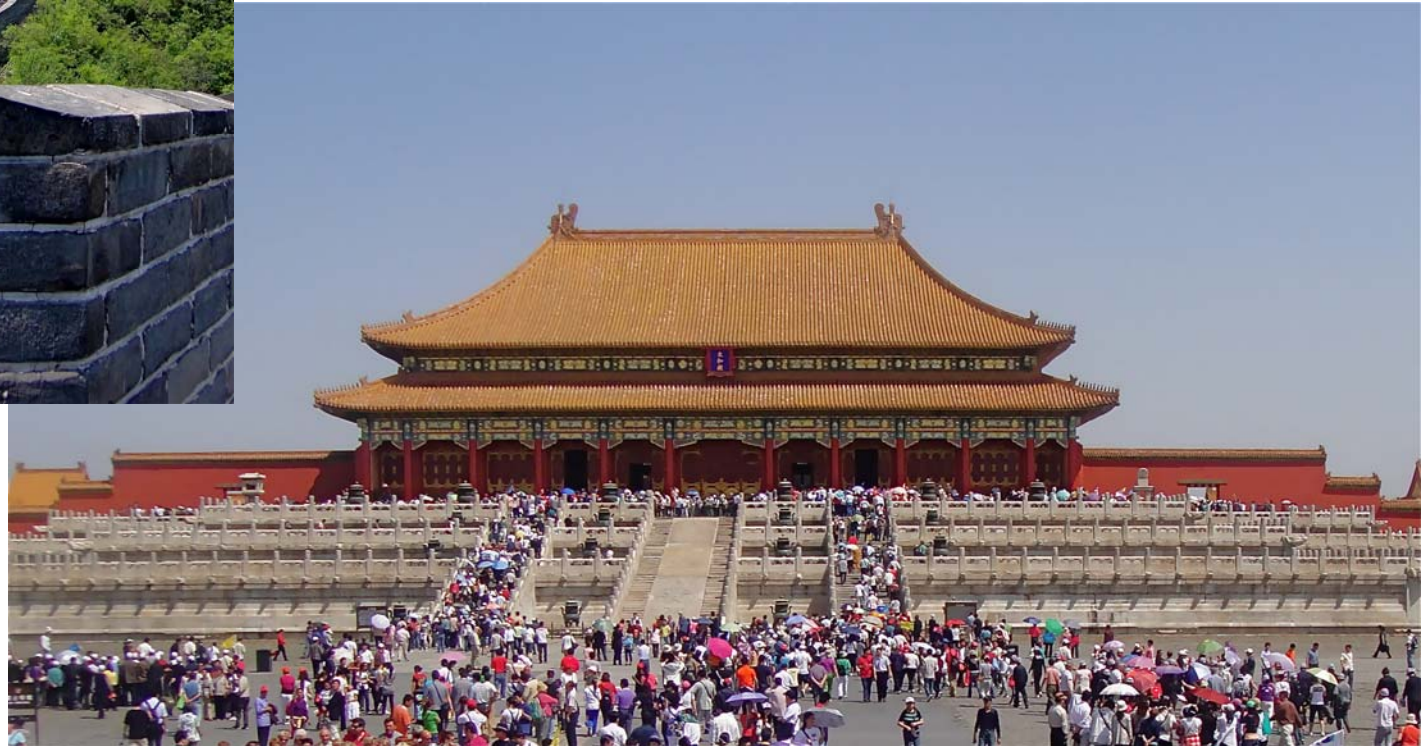


ArcelorMittal

- Largest integrated Mining & Steel producer in the world
- 320,000 employees in more than 60 countries
- 2008 figures
 - More than 100Mt of shipment
 - Sales of \$125B
 - EBITDA of \$25B
- 11,000 employees in Canada
 - ArcelorMittal Hamilton (*Dofasco*)
 - ArcelorMittal Mines Canada (*Quebec Cartier Mining*)
 - ArcelorMittal Montreal (*Sidbec-Dosco and some Stelco subs*)
 - ArcelorMittal Tubular Products Canada



ArcelorMittal





ArcelorMittal

China



ArcelorMittal

10 cities of over 4 million inhabitants

23 cities of 2 and 4 million inhabitants

138 cities of 1 and 2 million inhabitants

- Shanghai – Beijing
- Tianjin – Wuhan – Shenyang – Guangzhou – Harbin - Xian, Chongqing – Chengdu – Nanjing - Hangzhou

China



ArcelorMittal

Geography

- 4th in surface
- 1st in land borders
- 4th in arable surface

Infrastructure

- 4th in Highway network
- 3rd in railroad network
- 1st in telephony
- 1st in port traffic
- 2nd in internet access

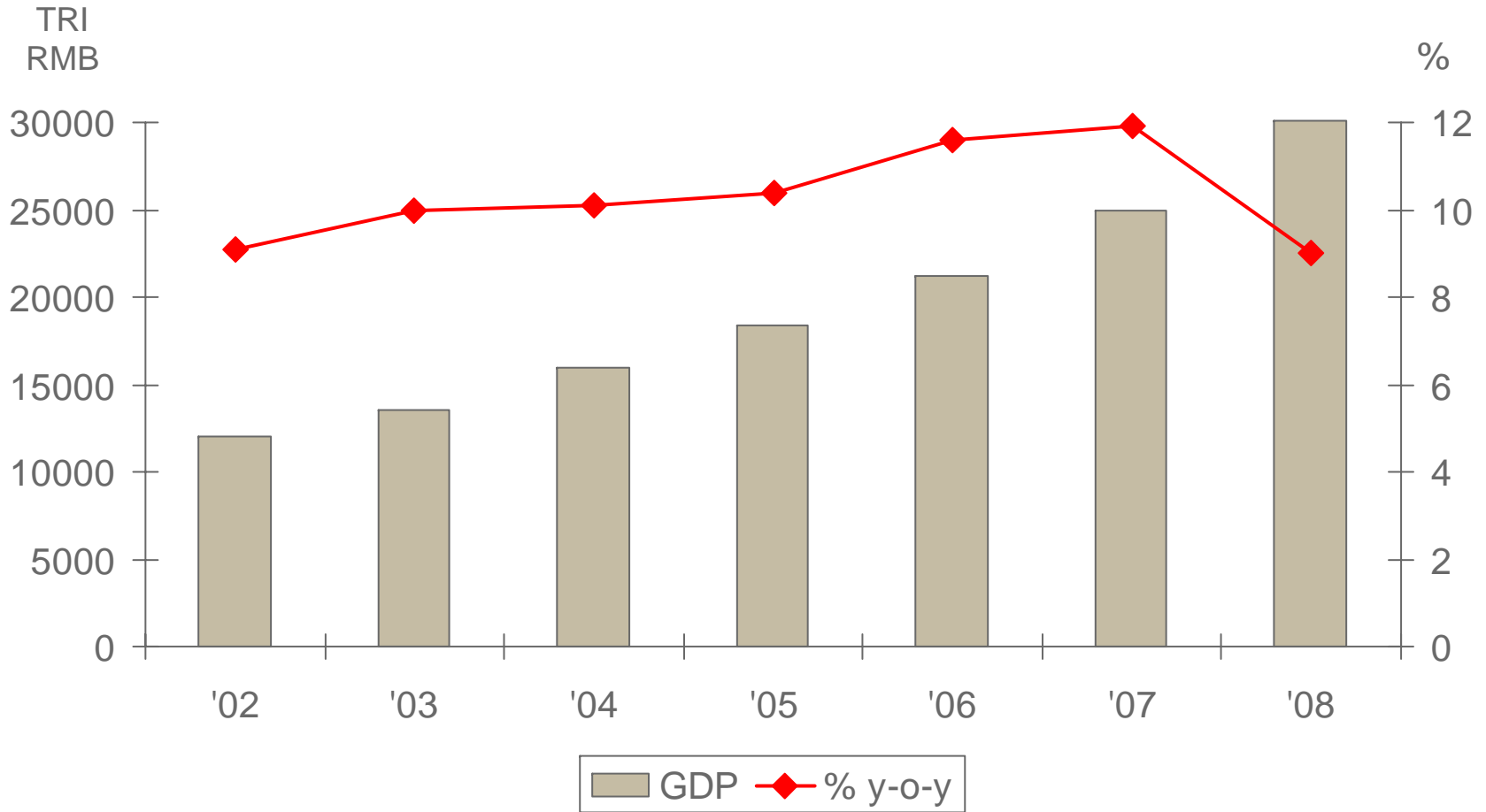
Factory production

- 3rd in the auto industry:
- 1st in television production
- 1st in toys
- 1st in kitchen appliances
- 1st in steel production

GDP



ArcelorMittal

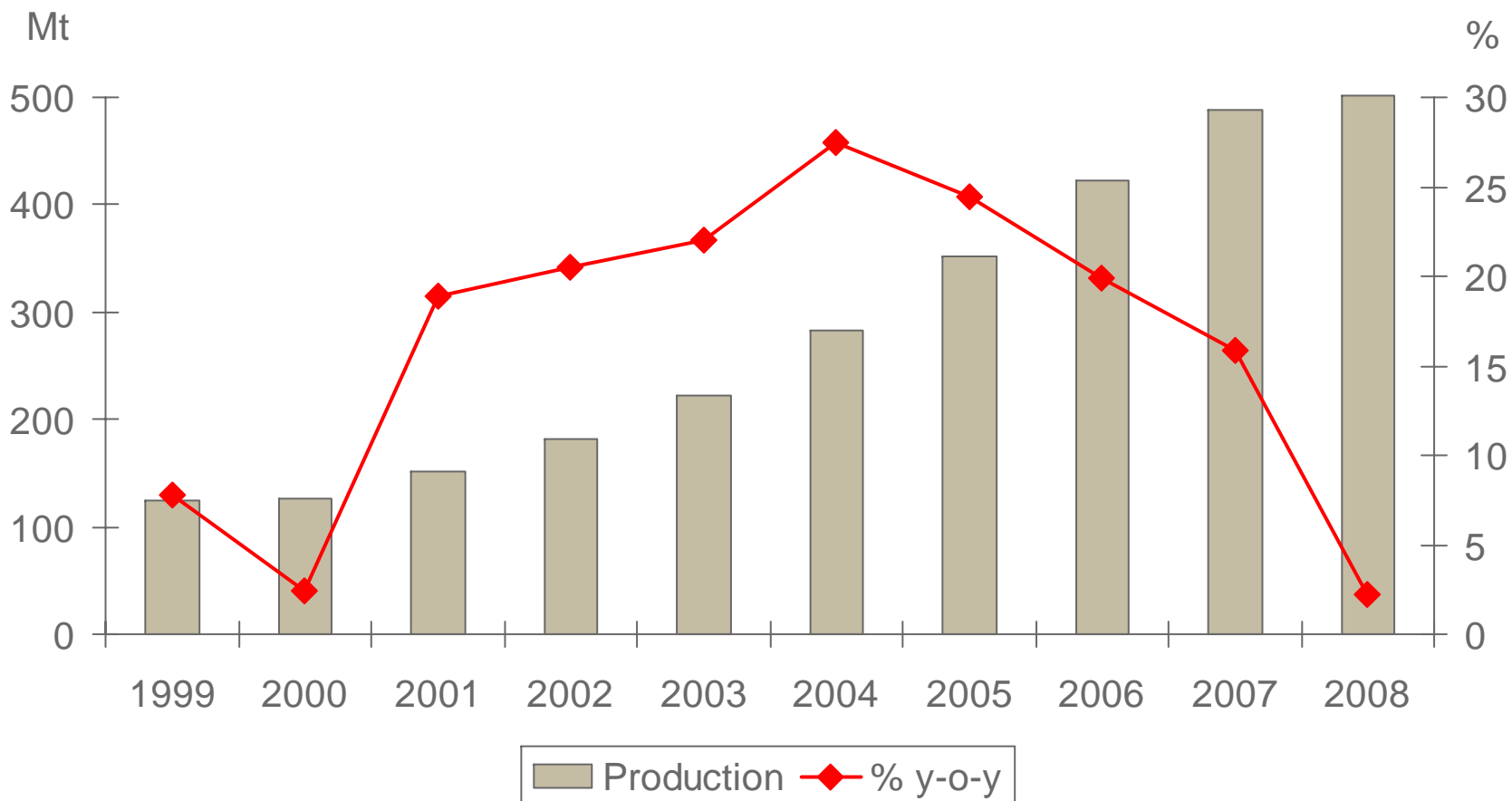




Steel Production



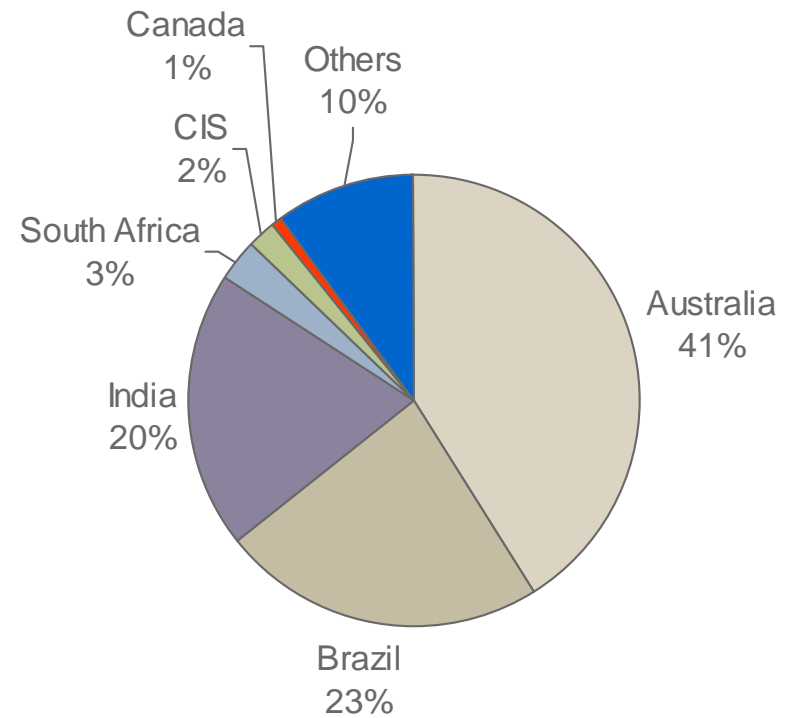
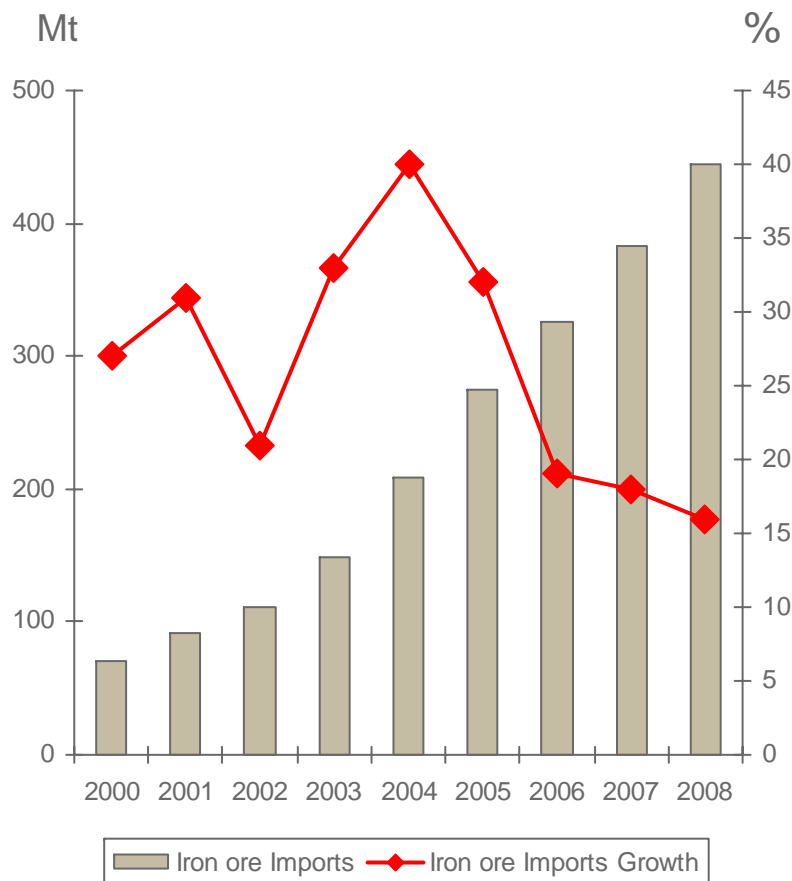
ArcelorMittal





ArcelorMittal

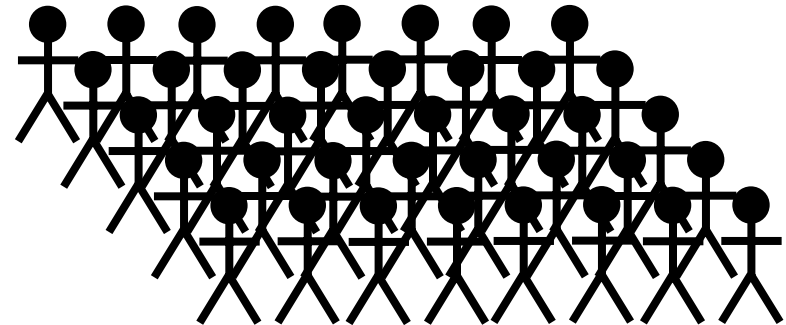
Iron Ore Imports



Culture



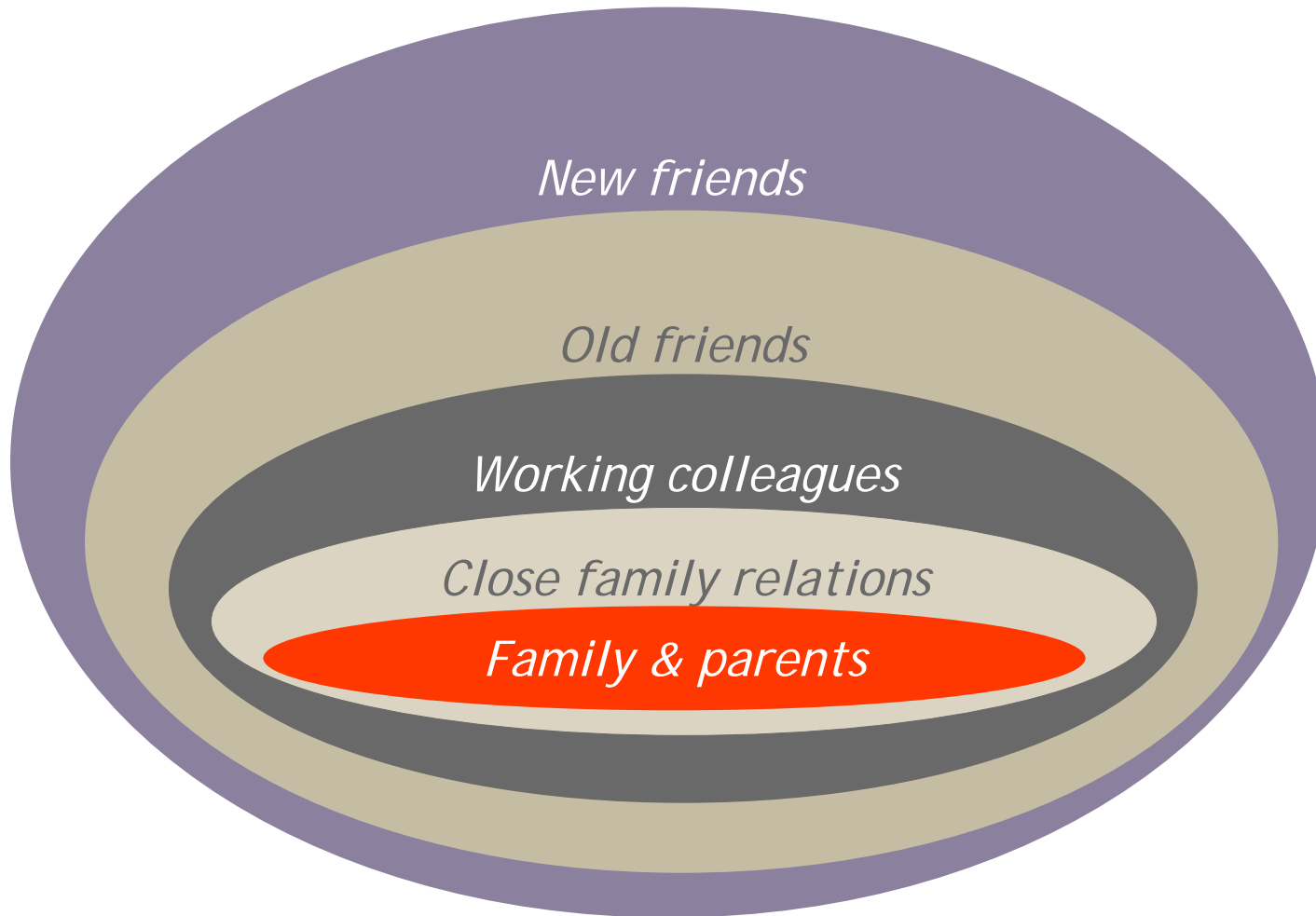
ArcelorMittal



Circle of Trust



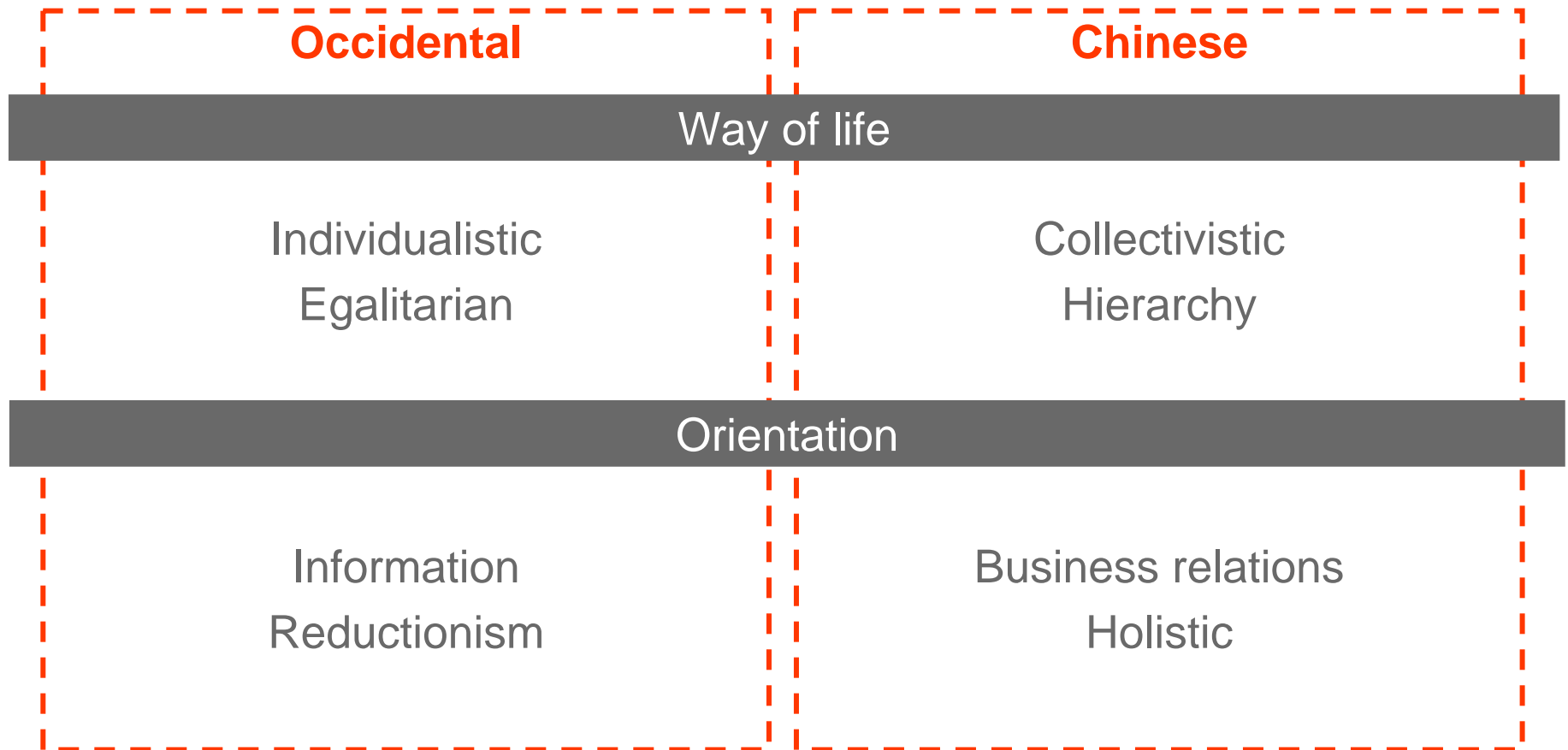
ArcelorMittal



Difference in Mentality



ArcelorMittal



Difference in Mentality



ArcelorMittal

Occidental	Chinese
Behavior	
Seeks the truth Informal Straightforward	Seeks the means Formal Indirect
Style	
Culture of argumentation Quick meeting First to suggest Impatient	Culture of bargaining Long seduction process First to explain Enduring
Motivation	
To make a deal Full authority	To make a long-term agreement Little authority



ArcelorMittal

Business negotiation tactics

- Will not show interest in the service or the product
- Will let you make your proposal
- Will take their time
- Will delay their answer to important questions until the end
- Will ask for additional concessions until the end
- Will use previous contracts to try to get same price as basis for negotiations
- Will refer to pseudo regulations to obtain concessions
- Will refer all major decisions to their superior
- Will try to change certain elements of the contract once the negotiations have ended



Some tips

- **Be on time**
- **Subjects to avoid**
 - Politics
 - Taiwan
 - Tibet
 - Tragedies like Tiananmen Place
- **Patience and Politeness**
- **Food**
 - Platters are usually placed in the middle of the table
 - To taste all the plates you are offered is a sign of politeness
 - Not well accepted to drink alone
 - toast to the table before drinking
 - take this opportunity to thank your hosts for the invitation
 - Business is not discussed during dinner normally



ArcelorMittal

FEI Canada – Presentation
Doing business in China

Benoit Alain CA

VP Commercial and Business development – Mining Group

May 28th, 2009