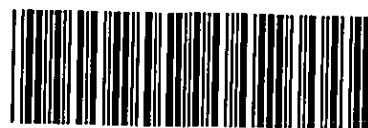


Company Registration No. 06346976 (England and Wales)

ARCELORMITTAL MINING SERRA AZUL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

MONDAY



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COMPANIES HOUSE

ARCELORMITTAL MINING SERRA AZUL LTD

COMPANY INFORMATION

Directors	C Cornier	(Resigned 16 January 2012)
	R S Bendinelli	(Resigned 16 January 2012)
	Kleber S Silva	(Appointed 20 August 2012)
	R C Saraf	(Appointed 16 January 2012)
	Anne van Ysendyck	(Appointed 16 January 2012)
Secretary	D G Borton	
Company number	06346976	
Registered office	7th Floor Berkeley Square House Berkeley Square London W1J 6DA	
Auditors	Ashley King Limited 68 St Margarets Road Edgware Middlesex HA8 9UU	

ARCELORMITTAL MINING SERRA AZUL LTD

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ARCELORMITTAL MINING SERRA AZUL LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities

The company acted as a parent undertaking for ArcelorMittal Mineracao Serra Azul SA, a company registered in Brazil

Directors

The following directors have held office since 1 January 2012

C Cornier	(Resigned 16 January 2012)
R S Bendinelli	(Resigned 16 January 2012)
Kleber S Silva	(Appointed 20 August 2012)
R C Saraf	(Appointed 16 January 2012)
Anne van Ysendyck	(Appointed 16 January 2012)

Auditors

Ashley King Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARCELORMITTAL MINING SERRA AZUL LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



D G Borton

Secretary

30/9/13

ARCELORMITTAL MINING SERRA AZUL LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARCELORMITTAL MINING SERRA AZUL LTD

We have audited the financial statements of ArcelorMittal Mining Serra Azul Ltd for the year ended 31 December 2012 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ARCELORMITTAL MINING SERRA AZUL LTD

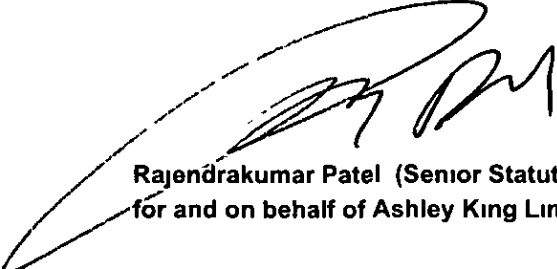
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ARCELORMITTAL MINING SERRA AZUL LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Rajendrakumar Patel (Senior Statutory Auditor)
for and on behalf of Ashley King Limited

Chartered Accountants
Statutory Auditor

30/9/13

68 St Margarets Road
Edgware
Middlesex
HA8 9UU

ARCELORMITTAL MINING SERRA AZUL LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Administrative expenses		(742,063)	(3,750)
Operating loss	2	(742,063)	(3,750)
Investment income	3	8,048,462	4,207,696
Profit on ordinary activities before taxation		7,306,399	4,203,946
Tax on profit on ordinary activities	4	(898,311)	-
Profit for the year	9	6,408,088	4,203,946

ARCELORMITTAL MINING SERRA AZUL LTD

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Investments	5	22,093,423		22,093,423	
Current assets					
Debtors	6	1,280,965		-	
Cash at bank and in hand		9,331,340		4,207,697	
		<u>10,612,305</u>		<u>4,207,697</u>	
Creditors: amounts falling due within one year	7	<u>(11,520)</u>		<u>(15,000)</u>	
Net current assets		10,600,785		4,192,697	
Total assets less current liabilities		<u>32,694,208</u>		<u>26,286,120</u>	
Capital and reserves					
Called up share capital	8	22,093,424		22,093,424	
Profit and loss account	9	10,600,784		4,192,696	
Shareholders' funds		<u>32,694,208</u>		<u>26,286,120</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 30/9/13



Kleber S Silva
Director

Company Registration No 06346976

ARCELORMITTAL MINING SERRA AZUL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has considerable financial resources as it is supported by the ultimate parent undertaking ArcelorMittal SA. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company and ArcelorMittal SA have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Fixed asset investments are carried at the book value.

1.4 Revenue recognition

The company has an investment in its subsidiary ArcelorMittal Mineracao Serra Azul SA. The company will recognise any income received from this investment on an arising basis.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of ArcelorMittal Spain Holding SL, a company incorporated in Spain, and is included in the consolidated accounts of that company.

2 Operating loss

	2012	2011
	£	£
Operating loss is stated after charging		
Auditors' remuneration	4,020	3,750

ARCELORMITTAL MINING SERRA AZUL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

3	Investment income	2012 £	2011 £
	Income from shares in group undertakings	8,048,462	4,207,696

4	Taxation	£	£
	Foreign tax		
	Foreign tax	898,311	-

Foreign tax represents, irrecoverable withholding tax on dividends received

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2012 & at 31 December 2012	22,093,423
Net book value	
At 31 December 2012	22,093,423
At 31 December 2011	22,093,423

The company holds 81,162,499 Ordinary shares of 1 Brazilian Real each, being the entire issued share capital, of ArcelorMittal Mineracao Serra Azul SA (formally London Mining Brazil Mineracao SA), a company incorporated in Brazil and engaged in exploration, exploitation and trade of mineral resources

6	Debtors	2012 £	2011 £
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,280,965	-

ARCELORMITTAL MINING SERRA AZUL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7	Creditors amounts falling due within one year	2012 £	2011 £
	Other creditors	<u>11,520</u>	<u>15,000</u>

8	Share capital	2012 £	2011 £
	Allotted, called up and fully paid		
	22,093,424 Ordinary of £1 each	<u>22,093,424</u>	<u>22,093,424</u>

9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2012	4,192,696
	Profit for the year	<u>6,408,088</u>
	Balance at 31 December 2012	<u>10,600,784</u>

10 Control

The company is a wholly owned subsidiary of ArcelorMittal Spain Holding SL, which is incorporated in Spain. The ultimate parent undertaking is ArcelorMittal S A, a company registered in Luxembourg.

The parent undertaking of the group of undertakings for which group financial statements are drawn up is that headed by ArcelorMittal S A. Copies of these financial statements, which include the company, are available from ArcelorMittal S A, 19 avenue de la Liberté, L-2390 Luxembourg, Luxembourg.

11 Post balance sheet events

There have not been any significant events after the balance sheet date which require disclosure of or an adjustment in the financial statements.

ARCELORMITTAL MINING SERRA AZUL LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

12 Related party relationships and transactions

The company has taken advantage of the exemption in paragraph 3 (c) of FRS 8 from disclosing transactions with related parties that are part of the ArcelorMittal S A group