

2005 First Quarter Results

May 3rd 2005



1Q05 Achievements

- **Record Results**

- The Highest quarterly EBITDA– Euro 1.7BN.
- Flat Carbon Steel Division was the driver of the outstanding results
- Continuous efforts in cost reduction
 - ✓ Anticipation of the closure of the first continental blast furnace in Europe (1.7mn tons/year - Liege)
- Further debt reduction

- **Flat Steel**

- Positive Impact of the annual contracts negotiation
- CST
- Spot prices

- **Long Steel**

- Margins increased QoQ despite volumes reduction.
- Safe environment

- **Stainless**

- Improvement of the operational performance.

- **A3S (DTT)**

- Excellent results despite raw-materials costs increase

Key Figures

<i>€m - unaudited</i>	1Q04	1Q05	<i>Change on comparable basis</i>
Revenues	6,899	8,136	+14.6%
Gross op. result (EBITDA)	696	1,697	
<i>as % of revenue</i>	<i>10.1%</i>	<i>20.9%</i>	
<i>...incl. non recurring items</i>	<i>- 18</i>	<i>2</i>	
Depreciation & Amortization	- 287	- 309	
<i>...incl. non recurring items</i>	<i>0</i>	<i>0</i>	
Operating result (EBIT)	409	1,388	
<i>as % of revenue</i>	<i>5.9%</i>	<i>17.1%</i>	
<i>...incl. non recurring items</i>	<i>- 18</i>	<i>2</i>	
Net result, Group share	234	934	
<i>as % of revenue</i>	<i>3.4%</i>	<i>11.5%</i>	
EPS (€)	0.49	1.52	
Gearing	46%	17%	

Flat Carbon Steel

<i>€m – unaudited</i>	1Q04	1Q05	<i>Change on comparable basis</i>
Revenues	3,650	4,756	+18.0%
Gross op. result (EBITDA) <i>as % of revenue</i>	400 11.0%	1,173 24.7%	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Mix/Vol effect - 7.0% </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Price effect + 25.0% </div> </div>
Depreciation & Amortization	- 146	- 191	
Operating result (EBIT) <i>as % of revenue</i>	254 7.0%	982 20.6%	
<i>Production</i> <i>Shipments</i>	7,720 kt 6,879 kt	9,057 kt 7,502 kt	

Long Carbon Steel

<i>€m – unaudited</i>	1Q04	1Q05	<i>Change on comparable basis</i>
Revenues	1,268	1,541	+ 15.1%
Gross op. result (EBITDA) <i>as % of revenue</i>	134 10.6%	327 21.2%	<p>Mix/Vol effect -13.9% Price effect +29.0%</p>
Depreciation & Amortization	- 44	- 63	
Operating result (EBIT) <i>as % of revenue</i>	90 7.1%	264 17.1%	
Production	2,917 kt	2,844 kt	
Shipments	3,289 kt	2,968 kt	

Stainless Steel & Alloys

<i>€m – unaudited</i>	1Q04	1Q05*	Change on comparable basis*
Revenues	1,208	981	+ 3.4%
Gross op. result (EBITDA) <i>as % of revenue</i>	51 4.2%	94 9.6%	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Mix/Vol effect - 12.5% </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Price effect + 7.2% </div> </div>
Depreciation & Amortization	- 41	- 24	
Operating result (EBIT) <i>as % of revenue</i>	10 0.8%	70 7.1%	
Production*	713 kt	421 kt	
Shipments*	638 kt	403 kt	

*Industeel not included as part of the Stainless Division since 1st of January 2005

A3S – Arcelor Steel Solutions and Services (DTT)

<i>€m – unaudited</i>	1Q04	1Q05	<i>Change on comparable basis</i>
Revenues	1,972	2,056	+ 13.3%
Gross op. result (EBITDA) <i>as % of revenue</i>	92 4.7%	98 4.8%	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Mix/Vol effect - 14.0% </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> Price effect + 27.3% </div> </div>
Depreciation & Amortization	- 38	- 19	
Operating result (EBIT) <i>as % of revenue</i>	54 2.7%	79 3.8%	
Total Volume Sold *	3,751 kt	3,208 kt	
Sourced from Arcelor	2,738 kt	2,438 kt	
Sourced externally	1,013 kt	770 kt	

* Excluding Tubes and PUM Processing

Consolidated Income Statement

€m - unaudited

	1Q04	1Q05
Revenues	6,899	8,136
Gross operating result	696	1,697
Depreciation & Amortization	- 287	- 309
Amortization of goodwill	0	0
Operating result	409	1,388
Net financing costs	- 92	- 46
Income from associates	78	71
Result before tax	395	1,413
Income tax	- 110	- 374
Result after tax	285	1,039
Minority interests	- 51	- 105
Net result, Group share	234	934

Consolidated Balance Sheet - Assets

€m - unaudited

	12.31.2004	03.31.2005
Non current assets	15,249	15,338
- Intangible assets	157	158
- Property, plant and equipment	11,230	11,443
- Investments under equity method	1,366	1,410
- Other investments	528	488
- Receivables and other financial assets	684	715
- Deferred tax assets	1,284	1,124
Current assets	15,973	16,204
- Inventories	6,801	7,342
- Trade receivables	3,757	3,743
- Other receivables	1,372	1,520
- Cash and cash equivalents	4,043	3,599
TOTAL ASSETS	31,222	31,542

Consolidated Balance Sheet - Liabilities

€m - unaudited

	31.12.2004	31.03.2005
Shareholders' equity	12,317	13,462
- Group share	10,902	11,972
- Minority interests	1,415	1,490
Non current liabilities	8,518	8,604
- Interest bearing liabilities	4,348	4,362
- Employee benefits	1,652	1,666
- Termination benefits	887	864
- Other provisions	920	935
- Deferred tax liabilities	629	695
- Others	82	82
Current liabilities	10,387	9,476
- Trade payables	4,997	4,796
- Interest bearing liabilities	2,293	1,587
- Other amounts payables	2,848	2,848
- Termination benefits	50	43
- Other provisions	199	202
Total Shareholders' Equity & Liabilities	31,222	31,542

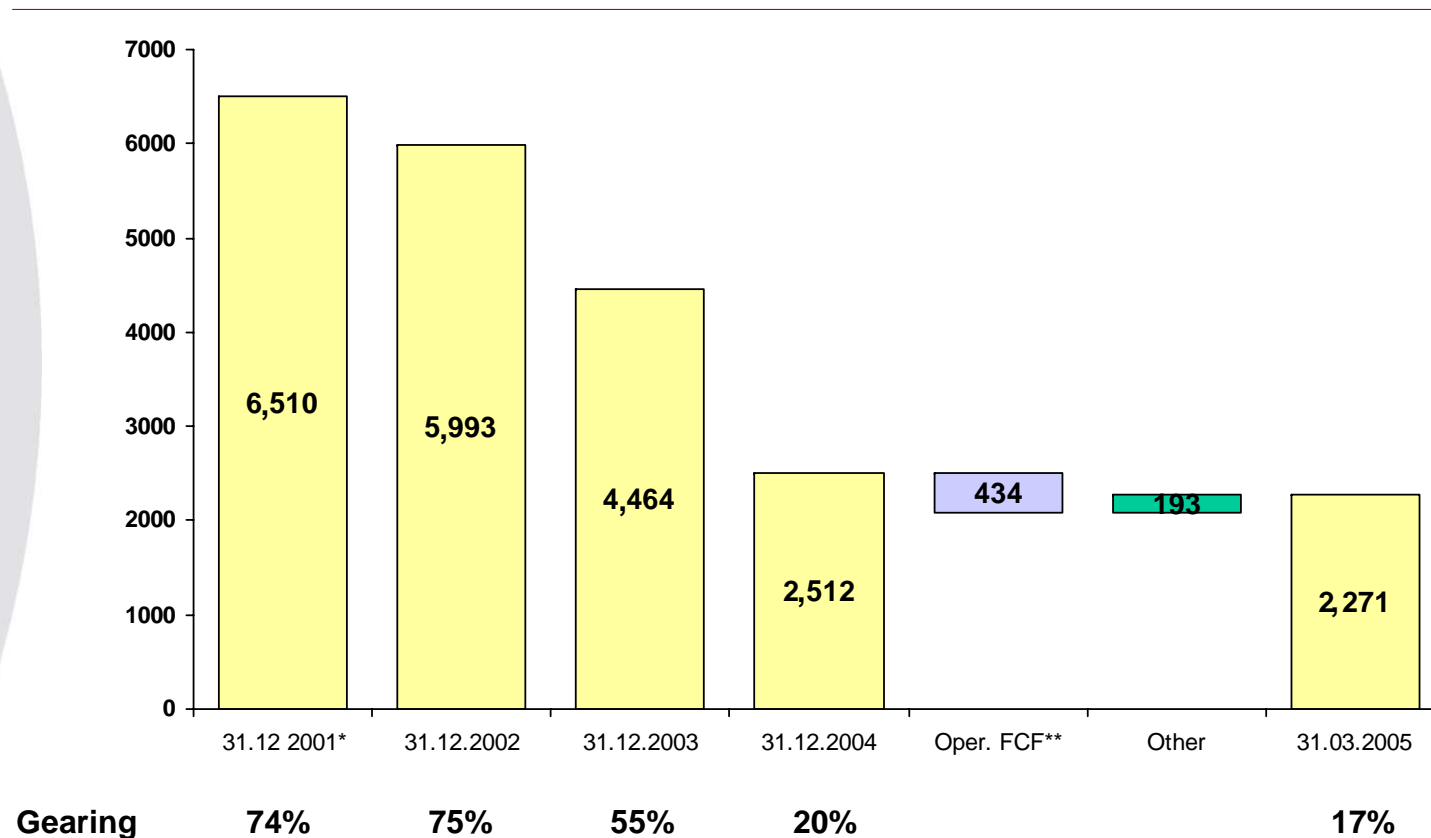
Cash-Flow and Net Financial Debt

€m - unaudited

	1Q04	1Q05
Net result before Minority Interests	285	1,039
Depreciation & Amortization	287	309
Loss/profit of cics under equity method, net of div.	- 77	- 57
Others	44	178
Change in working capital (decr.=+)	- 105	- 736
Cash flow from operating activities	434	733
Acquisitions of tangible and intangible assets	- 256	- 299
Other acquisitions and disposals	115	- 122
Cash flow from investing activities	- 141	- 421
Proceeds from the issue of share capital	8	6
Dividends paid	- 23	- 40
Conversion O.C.E.A.N.E.	277	-
Buyout of Aceralia's minority interests	- 85	-
Cash flow from financing activities	177	- 34
Exchange rate, scope, others	- 33	- 37
Change in net financial debt (decr.=+)	437	241
NFD at the beginning of the period	4,464	2,512
NFD at the end of the period	4,027	2,271

Net Financial Debt & Gearing

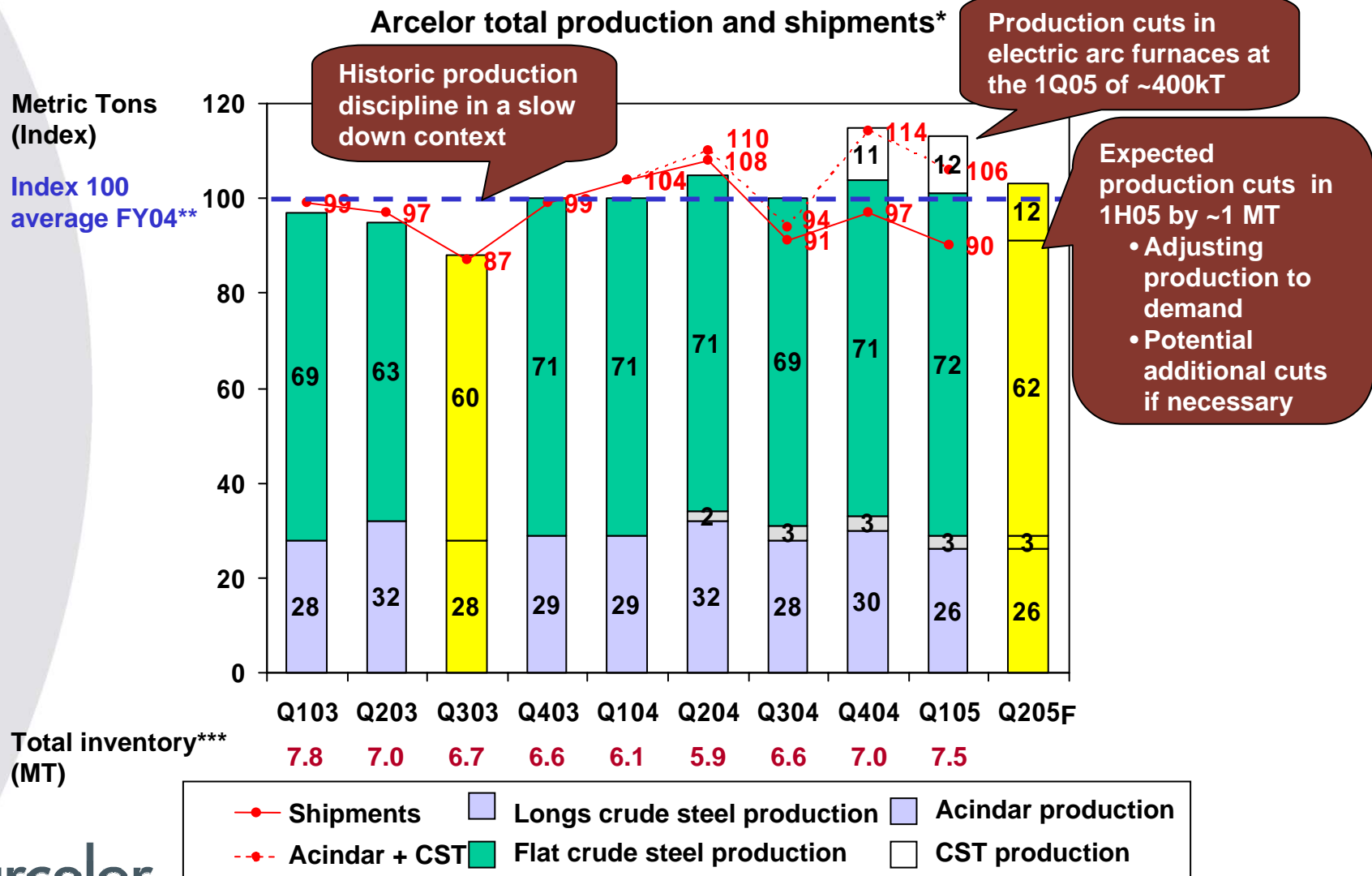
€m - unaudited



Working Capital

<i>€m unaudited</i>	31/12/2004	31/03/2005	Change
Inventories	6,801	7,342	+ 541
Trade receivables	3,757	3,743	- 14
Trade payables	- 4,997	- 4,796	+ 201
Operating Working Capital	5,561	6,289	+ 728
Other receivables & payables	- 1,558	- 1,410	+ 148
Total Working Capital	4,003	4,879	+ 876
Total Inventories in tonnage	10.0 mt	10.8 mt	0.8 mt
CST Inventories in tonnage	0.1 mt	0.2 mt	

Arcelor production discipline: Adjusting capacity to demand

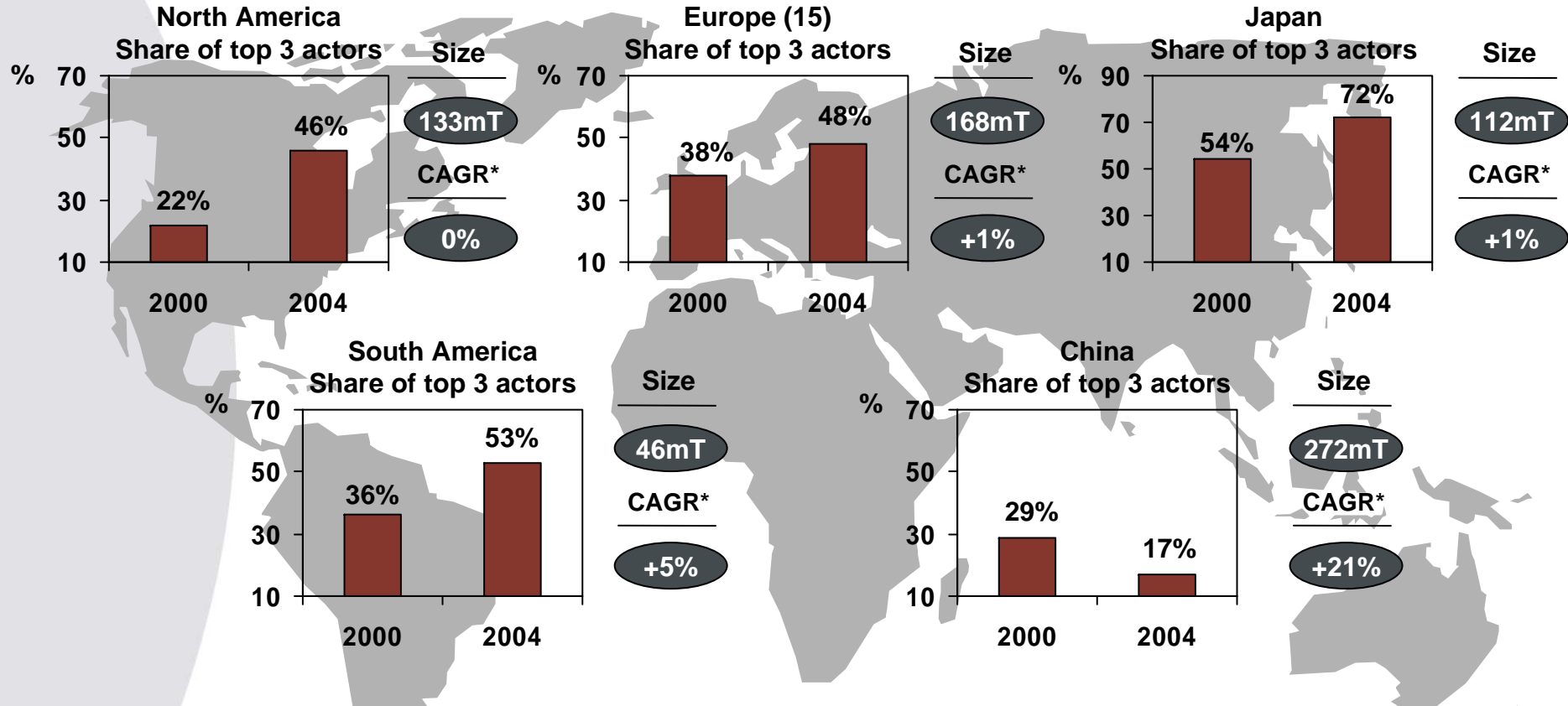


* Flat carbon steel and long carbon steel, excluding stainless and DTT

** Average FY2004 excluding Acindar and CST

*** Inventory at quarter end

Regional consolidation of the steel industry



- Consolidation enhances production discipline
- Production discipline leads to lower prices volatility thus reducing the cyclicity of the steel sector

Pro forma Results including the South American acquisitions

<i>€m - unaudited</i>	1Q04 <i>Reported</i>	1Q04 <i>Proforma*</i>	1Q05 <i>Reported</i>	Change	1Q05 <i>Acquisitions impact***</i>	% Total
Revenues	6,899	7,301	8,136	+ 11%	519	6.4
Gross op. result (EBITDA) <i>as % of revenue</i>	696 10.1%	871 11.9%	1,697 20.9%	+ 95%	296 57.0%	17
Net earnings <i>as % of revenue</i>	234 3.4%	286 3.9%	934 11.5%	+ 227%	131 25.2%	14
Oper. free cash flow **	178	274	434	+ 58%	229	53
EPS	0.49	0.53	1.52	+187%	0.21	
Gearing	46%	40%	17%			

* FY04 Proforma with CST and Acindar consolidated. EPS calculated considering the July 2004 rights issue.

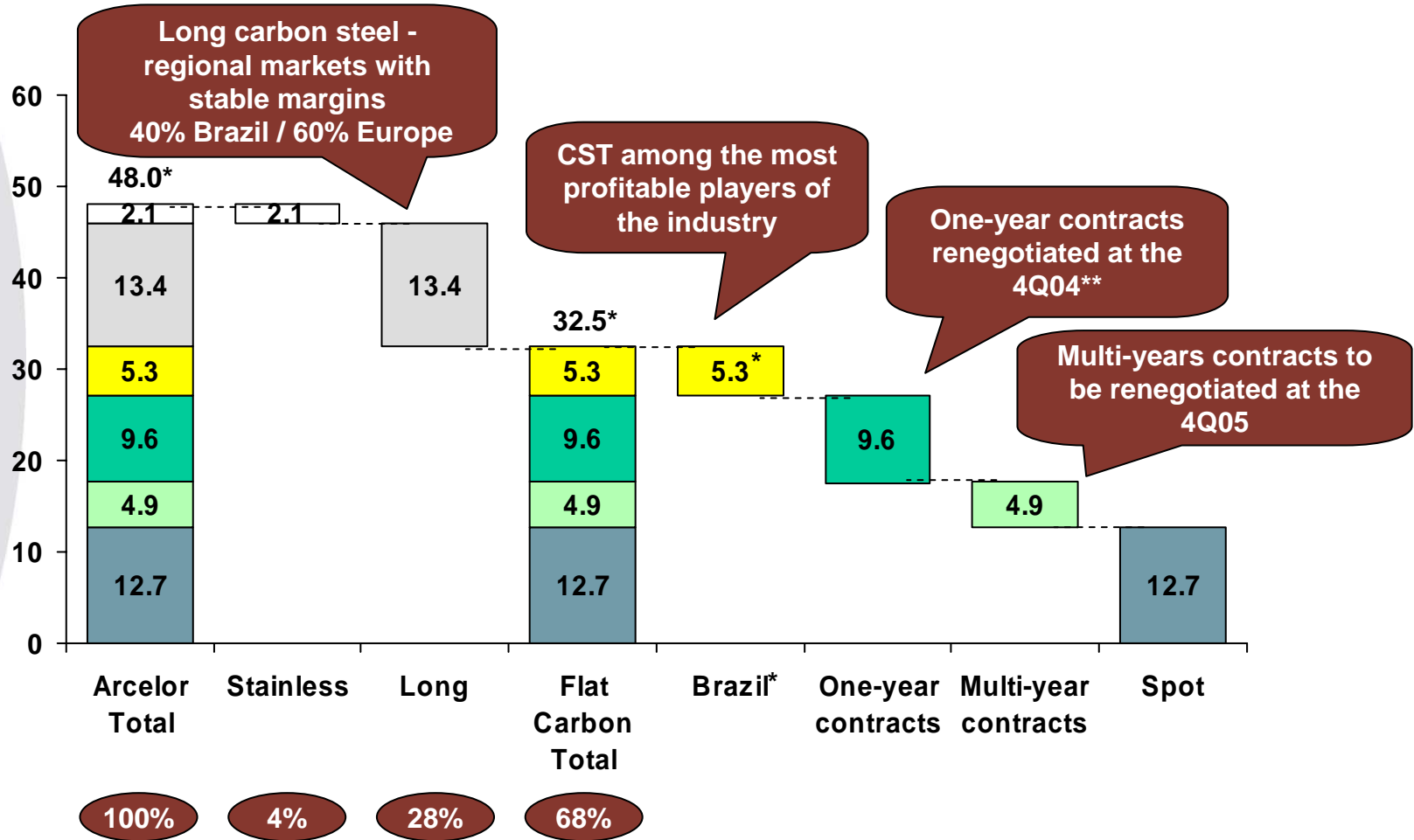
** Oper. free cash flow = cash flow from operating activities minus acquisitions of tangible and intangible assets

*** Total impact of CST and Acindar in 1Q05

Arcelor sectors and contract business : limited exposure to flat spot prices

Breakdown of Arcelor 2004 shipments by sectors and type of contract

Shipments
FY04 in MT



Share of
Arcelor total

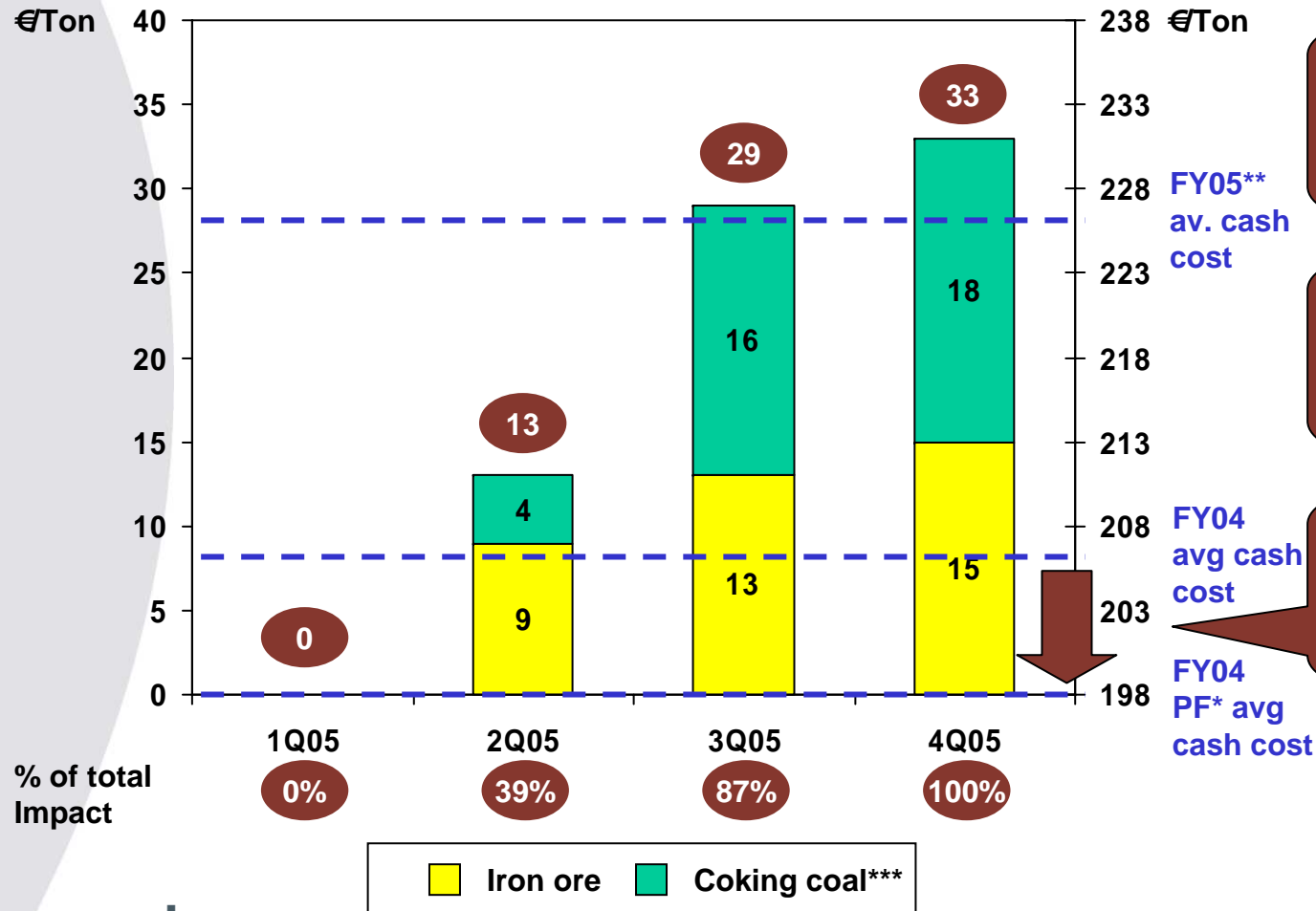


* CST under pro forma basis

** Including slabs contracts

Iron Ore and Coking Coal cash-cost increase by quarter

Impact of raw material prices on slabs cash production cost



Costs Reduction Initiatives

Closure of the first Continental European Blast furnace

Annual management gains and synergies from 1.5% to 2% of revenues (Euros 500MN)

Brazilian acquisition

* with CST pro forma

** assuming increase in Iron ore and coking coal cash-cost, all other cost components unchanged

*** Including external coke purchases

Outlook

- **Market discipline**
 - Supply reduction in order to adjust production to market needs.
- **Stable profitability**
 - Longs
 - Contracts in Flat
 - Flat 2Q05 average spot prices in line with 1Q05
 - No collapse in Flat spot markets expected in the 2H05
 - CST
 - Stainless Sector further improvements
- **2005 results should exceed 2004 earnings**