



Offer to Acquire Dofasco

November 23, 2005



arcelor

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Presenters

Guy Dollé

Arcelor CEO

Michel Wurth

Arcelor CFO

Transaction Overview



Transaction Summary

- **Arcelor announces cash offer for Dofasco¹ common shares at a value of C\$4.4 billion² (€3.2 billion)³**
- **Offer Price:**
 - C\$56 per share in cash
 - 36.2% premium over the 20-day volume weighted average price
- **Structure:**
 - 60 day take-over bid
 - Minimum 2/3 tender condition
 - Offer subject to standard conditions such as obtaining regulatory approvals and absence of material change
- **Financing:**
 - All cash

Notes:

1 Including Dofasco's 98.7% stake in QCM

2 Including all options outstanding (net of estimated option proceeds)

3 November 22, 2005 C\$/€ = 1.3872

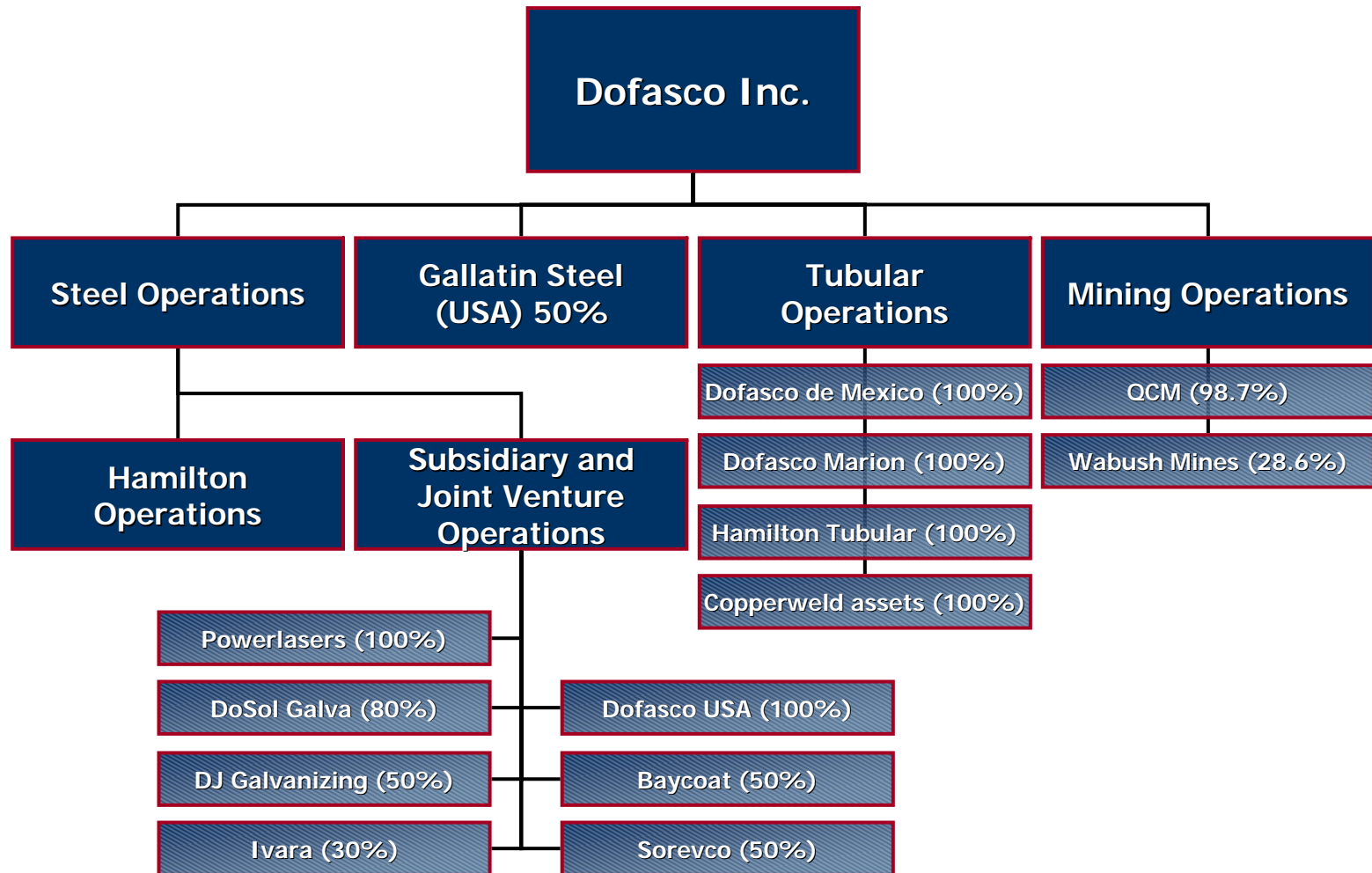
DOFASCO

Overview



One of Canada's Largest Steel Producers

- Founded in 1912, and based in Hamilton, Ontario, Canada
- Major clients include automotive, construction, appliances, energy and manufacturing industries

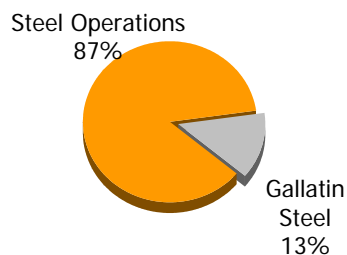


Business Overview

Sales Breakdown

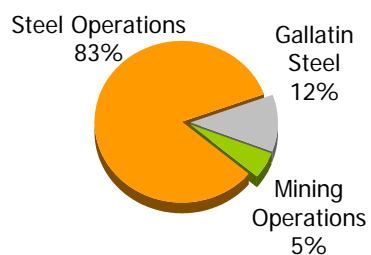
By Segment

FY 2004



Total: C\$4,224.9m

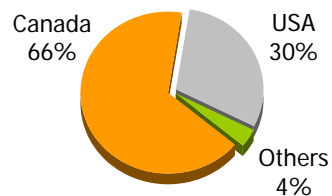
9 months ended 30 Sep 05¹



Total: C\$3,238.6m

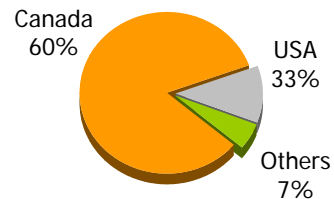
By Geography

FY 2004



Total: C\$4,224.9m

9 months ended 30 Sep 05¹



Total: C\$3,238.6m

Sources: Dofasco 2004 Annual Report, Dofasco Report to Shareholders for the period ended September 30, 2005

Note:

1 Copperweld not included in Q3 reporting, QCM included

Segment Description (as reported in Q3 05)¹

- Steel operations
 - Hamilton Operations: Dofasco's operations hub, 750 acre steelmaking complex and head-office in Hamilton
 - Subsidiaries and JVs : Dofasco USA, Powerlasers, DoSol Galva, Dofasco de Mexico, Dofasco Marion, Baycoat, DJ Galvanizing and Sorevco
- Gallatin Steel
 - 50% owned
 - Joint venture minimill which produces hot rolled steel
- Mining operations
 - QCM (98.7% owned): Acquisition of 65.8% in July 05
Iron ore mining
 - Wabush Mines (28.6% owned):
Iron ore mining
- Acquisition of Copperweld mechanical tubing and automotive components businesses in October 05

Key Figures

(C\$ million)

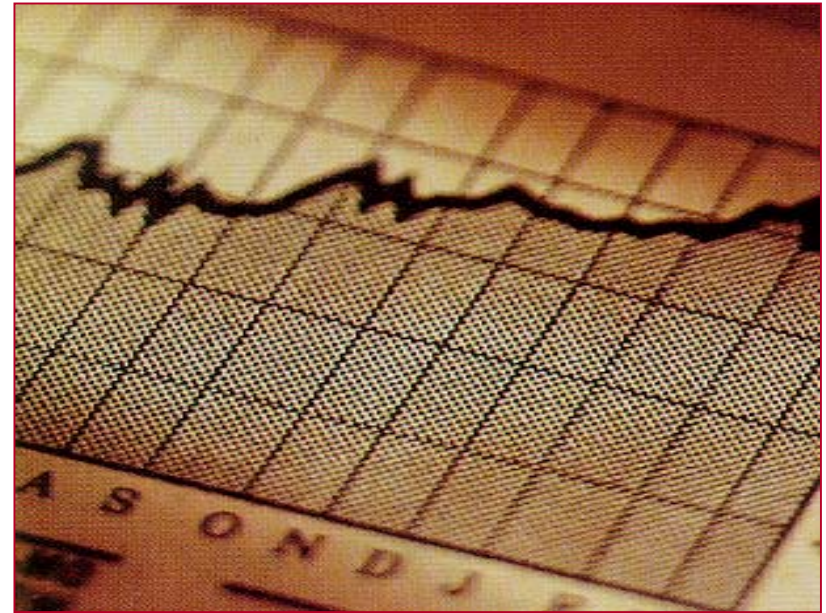
	12 months ended 31 December			9 months ended 30 September		
	2003	2004	Change (%)	2004	2005	Change (%)
Shipments¹ ('000 net tons)	4,833	5,002	3%	3,795	3,589	(5%)
Sales	3,554.9	4,224.9	19%	3,111.8	3,238.6	4%
EBITDA	558.6	836.2	50%	616.5	412.6³	(33%)
<i>Margin (%)</i>	<i>16%</i>	<i>20%</i>		<i>20%</i>	<i>13%</i>	
EBIT²	306.8	600.4	96%	438.3	253.5	(42%)
<i>Margin (%)</i>	<i>9%</i>	<i>14%</i>		<i>14%</i>	<i>8%</i>	
Net Income	117.7	376.9	220%	280.1	142.6	(49%)
<i>Margin (%)</i>	<i>3%</i>	<i>9%</i>		<i>9%</i>	<i>4%</i>	
Total debt					780.4	
Cash					171.4	
Net financial debt^{4, 5}					609.0	
Working capital					1,422.0	
Total assets					4,407.2	
Total liabilities					2,129.4	

Sources: Dofasco 2004 Annual Report, Dofasco Report to Shareholders for the period ended September 30, 2005

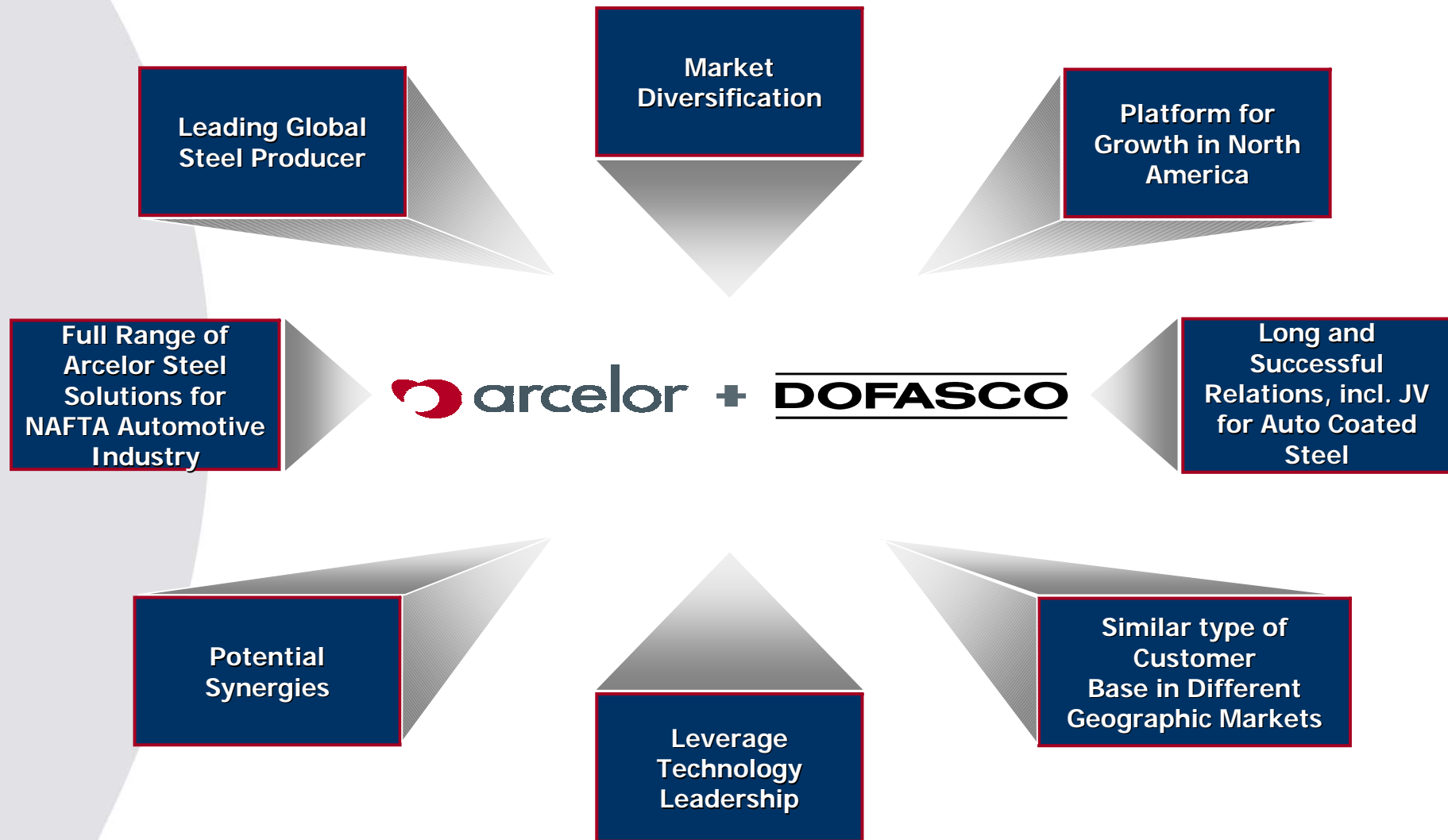
Notes:

- 1 Shipments from Hamilton operations plus 50% of Gallatin Steel shipments
- 2 Derived from financial statements prepared in accordance with Canadian GAAP
- 3 For the 71 day period from July 22nd until September 30, QCM contributed C\$35.6 million of gross income, net of non-cash purchase price allocation adjustments. Excluding this non-cash inventory adjustment QCM's gross income would have been C\$82.1 million for the period
- 4 Excludes the acquisition of Copperweld for US\$177.8 million
- 5 Excludes minority interest of C\$42.3 million

Strategic Rationale



Arcelor, the best partner for Dofasco



An Acquisition in line with Arcelor's Global Growth Strategy

Leading Global Steel Producer

- Combined 2004 revenues and EBITDA of €33.9 billion⁽¹⁾⁽²⁾ and €5.4 billion⁽¹⁾⁽²⁾ respectively
- Dofasco will become part of a leading international steel producer

Market Diversification

- Enhances automotive strategy in world's largest market
- Geographic diversification by establishing presence in the North American market

Platform for Growth in North America

- Dofasco would be the platform for Arcelor's expansion in the region
 - Stable political environment
 - High-quality operations

Note:

1 Pro forma of CST and Acindar acquisitions

2 Using 2004 average C\$/€ = 1.6167

Strong Potential for Value Creation

Similar type of Customer Base in Different Geographic Markets

- Potential for increased penetration of automotive market due to the combination of
 - Arcelor's global leadership in steel for automotive applications, and
 - Strong position of Dofasco in the North American automotive markets: Automotive represents 41% of Hamilton Operations sales¹

Leverage Arcelor's Technology Leadership

- Highly skilled and motivated work force
- Well-managed company
- Access to Arcelor's best in class technology and know-how
 - DoSol Galva already uses Arcelor Extragal™ technology

Potential Synergies

- Anticipated synergies between Arcelor's global know-how and market reach and Dofasco's North American market presence
- Gains expected to come from exchange of best practices, R&D, marketing and purchasing
- Possibility of sourcing slabs from Arcelor Brazil
- Flexible cost structure of Dofasco
- Natural hedging for a significant part of iron ore needs

Note:

¹ For the year ended December 31, 2004 (includes automotive tubular products)

Appendix

 **arcelor**
Overview



Arcelor Overview

Leading force in the transformation of the global steel industry

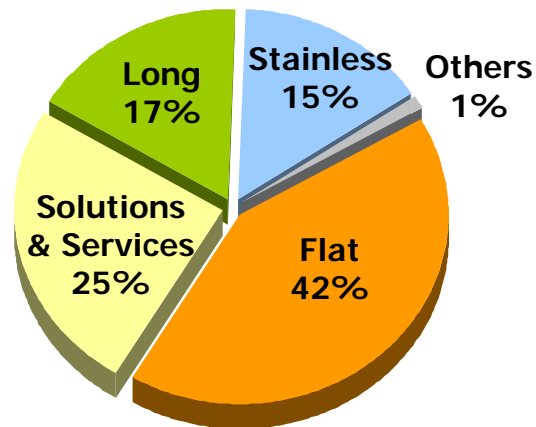
Arcelor in figures (2004)

- Revenues of €31.3 billion¹
- EBITDA of €4.9 billion¹
- Total shipments of 48 million tons of steel¹
- 94,000 employees over 60 countries

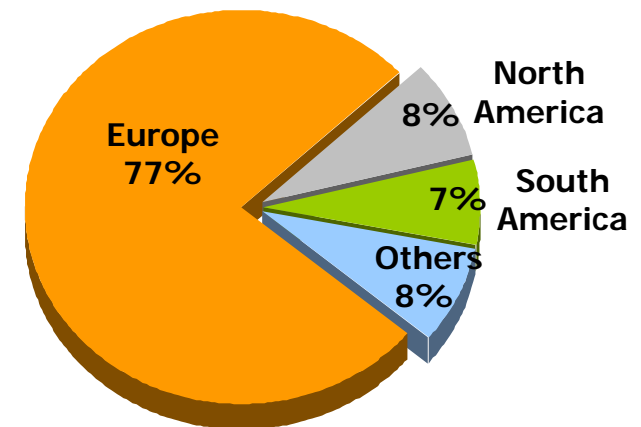
Leading supplier in its 4 main markets

- Automotive
- Construction
- Domestic electrical appliances
- Packaging

2004 Revenues breakdown by sector



2004 Revenues breakdown by region



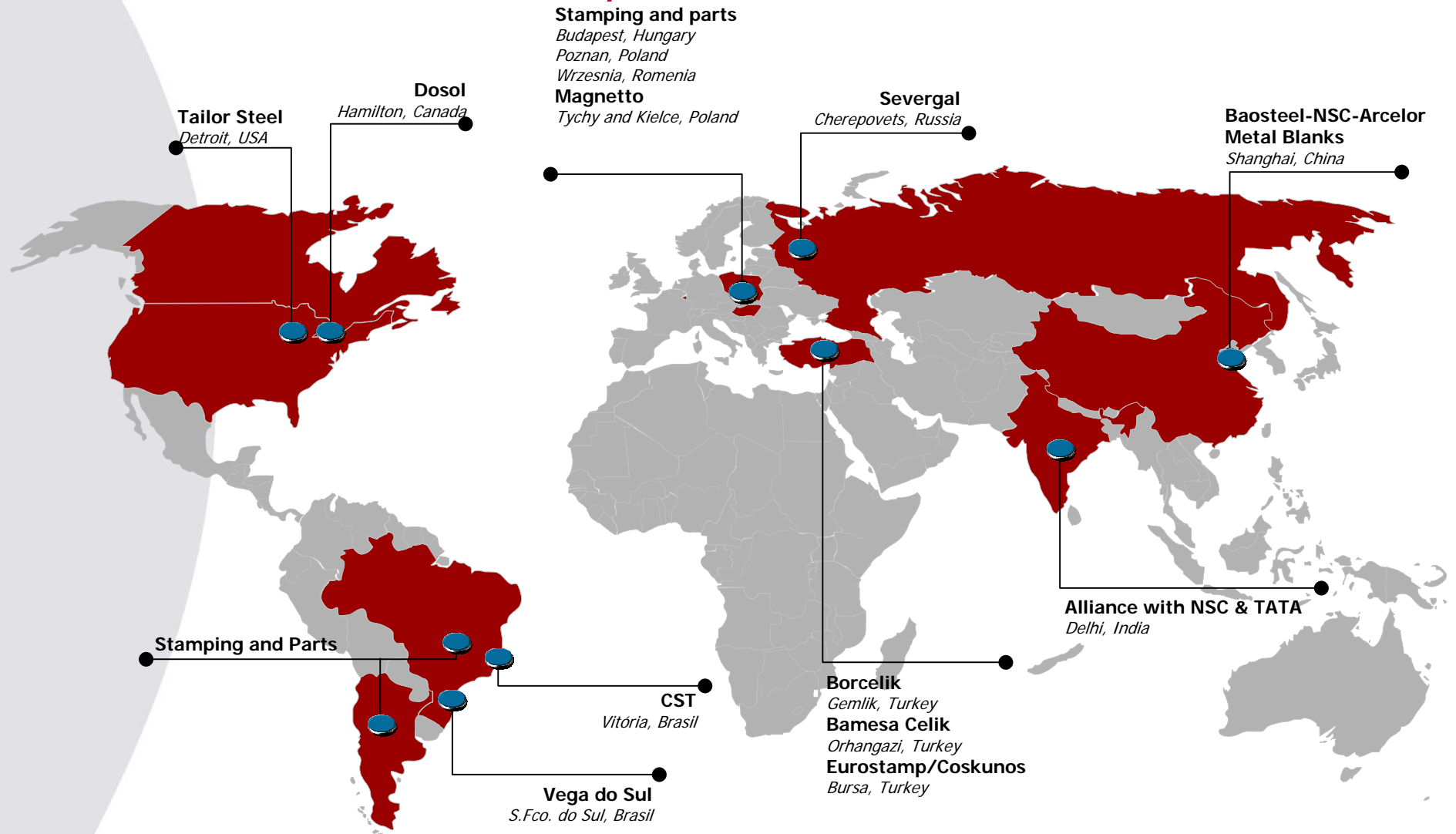
Source: Arcelor

Note:

¹ Assuming CST and Acindar pro-forma for the full year of 2004

Arcelor Growth Roadmap

To follow the clients of the most advanced Steel products outside Western Europe



Arcelor's Global Strategy

- Focused primarily on regions with greatest development potential: Brazil, Russia, India and China, increasing exposure to these countries to 50% of the Group

