



Q3 2003 financial results

13 November 2003

Introduction

Key figures

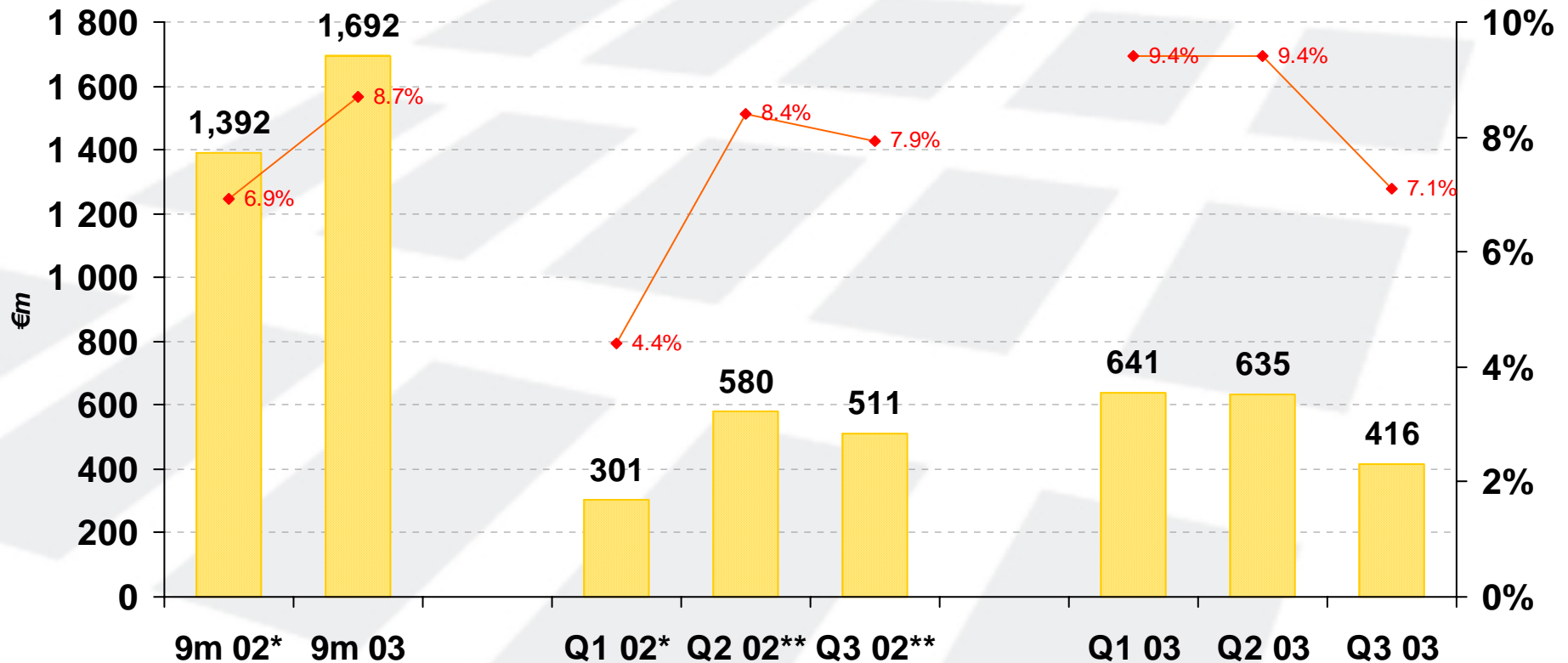
€m - unaudited	Q3 2002**	Q3 2003	9m 02*	9m 03	Change***	
					Q/Q	9m/9m
Revenues	6,438	5,869	20,143	19,451	- 8.9%	- 3.4%
Gross operating result <i>as % of revenue</i>	511 7.9%	416 7.1%	1,392 6.9%	1,692 8.7%		
Operating result <i>as % of revenue</i>	260 4%	169 2.9%	648 3.2%	914 4.7%		
Net result, Group share <i>as % of revenue</i>	56 0.9%	101 1.7%	159 0.8%	459 2.4%		
€						
EPS	0.12	0.21	0.33	0.96		
	12.31.2002			09.30.2003		
Gearing	75%			65%		

* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

*** But -4.2% (Q/Q) and -1.9% (9m/9m) at comparable structure

Sequential & QoQ Gross Operating Result, absolute & margins



* Proforma & adjusted after final allocation of "merger" neg. goodwill.

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Flat Carbon Steel

€m - unaudited	Q3 2002**	Q3 2003	9m 02*	9m 03	Change***	
					Q/Q	9m/9m
Revenues	3,099	3,165	9,879	10,539	+ 2.1%	+ 6.7%
Gross op. result <i>as % of revenue</i>	264 8.5%	256 8.1%	595 6.0%	1,099 10.4%		
Depreciation & Amortisation	- 140	- 144	- 383	- 425		
Operating result <i>as % of revenue</i>	124 4.0%	112 3.5%	212 2.1%	674 6.4%		
Shipments (<i>metric tons</i>)	6,320 kt	5,651 kt	20.5 mt	19.1 mt	- 10.6%	-6.6%

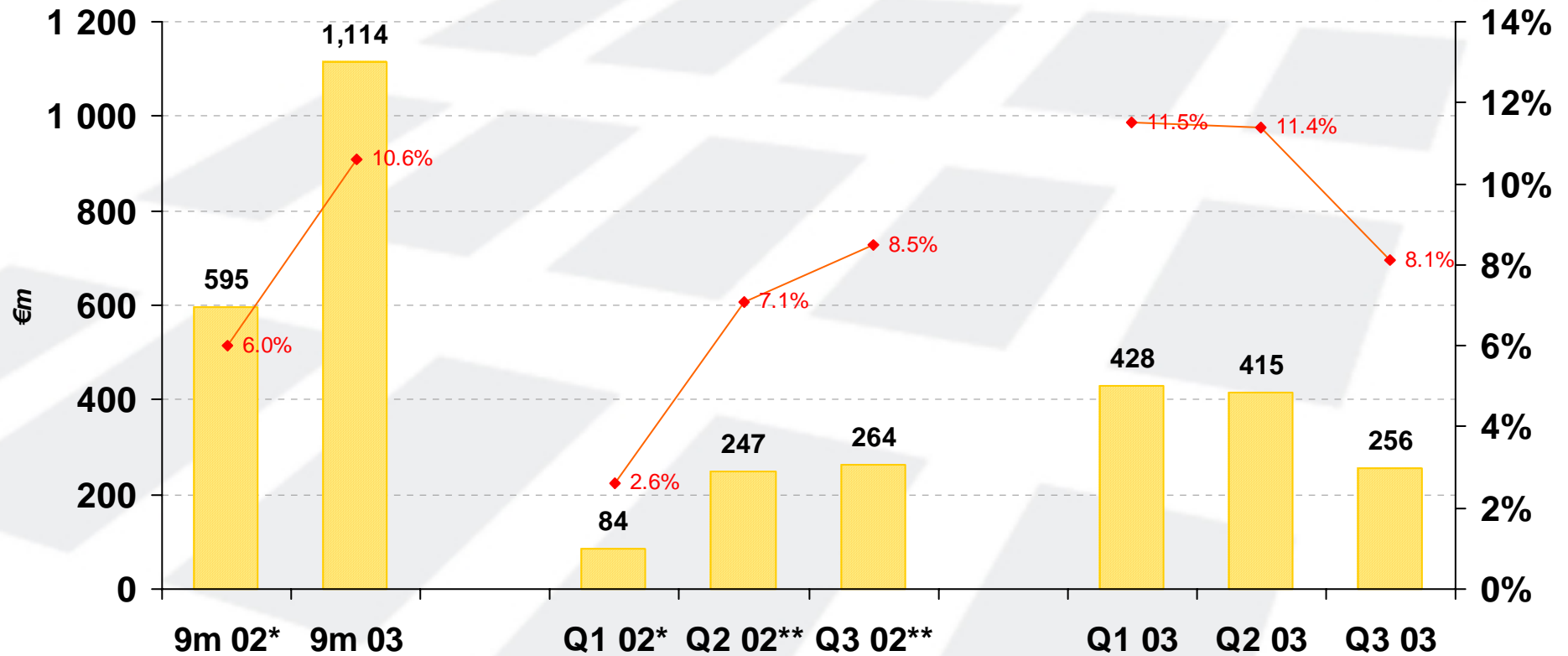
* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

*** But -2.4% (Q/Q) and +0.1% (9m/9m) at comparable structure

Flat Carbon Steel

Sequential & QoQ Gross Operating Result, absolute & margins



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** Adjusted after final allocation of "merger" neg. goodwill.

Long Carbon Steel

<i>€m - unaudited</i>	Q3 2002**	Q3 2003	9m 02*	9m 03	Change***	
					Q/Q	9m/9m
Revenues	1,008	1,064	3,233	3,205	+ 5.6%	- 0.9%
Gross op. result <i>as % of revenue</i>	129 12.8%	141 13.3%	468 14.5%	390 12.2%		
Depreciation & Amortisation	- 42	- 37	- 142	- 136		
Operating result <i>as % of revenue</i>	87 8.6%	104 9.8%	326 10.1%	254 7.9%		
Shipments (<i>metric tons</i>)	2,869 kt	2,932 kt	9.0 mt	8.9 mt	+ 2.2%	- 1.1%

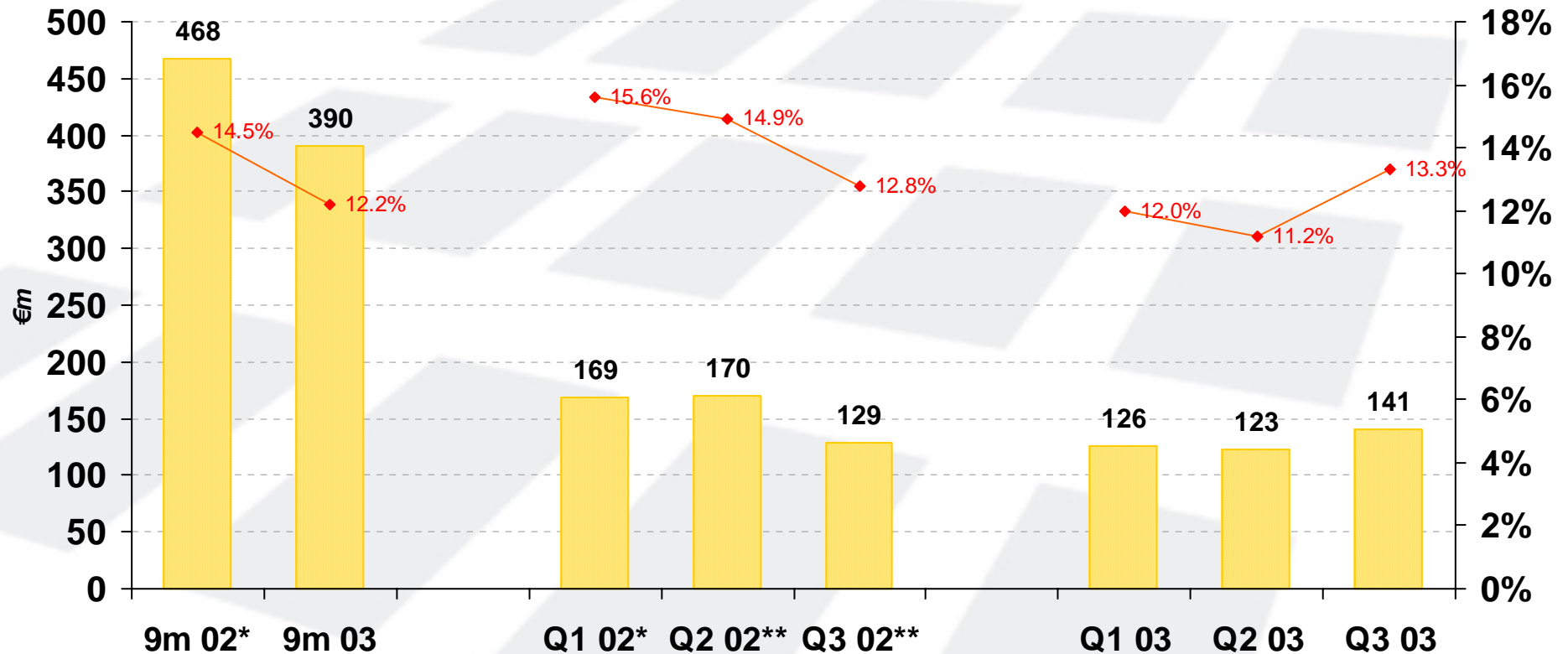
* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

*** But +5.4% (Q/Q) and -0.8% (9m/9m) at comparable structure

Long Carbon Steel

Sequential & QoQ Gross Operating Result, absolute & margins



* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

Stainless Steel, Alloys & Specialty plates

€m - unaudited	Q3 2002**	Q3 2003	9m 02*	9m 03	Change***	
					Q/Q	9m/9m
Revenues	992	916	3,233	3,186	- 7.7%	- 1.5%
Gross op. result <i>as % of revenue</i>	61 6.1%	0 0%	165 5.1%	86 2.7%		
Depreciation & Amortisation	- 34	- 42	- 109	- 49		
Operating result <i>as % of revenue</i>	27 2.7%	- 42 -4.6%	56 1.7%	- 37 - 1.2%		
Shipments (<i>metric tons</i>)	537 kt	501 kt	1.8 mt	1.8mt	- 6.7%	- 0.6%

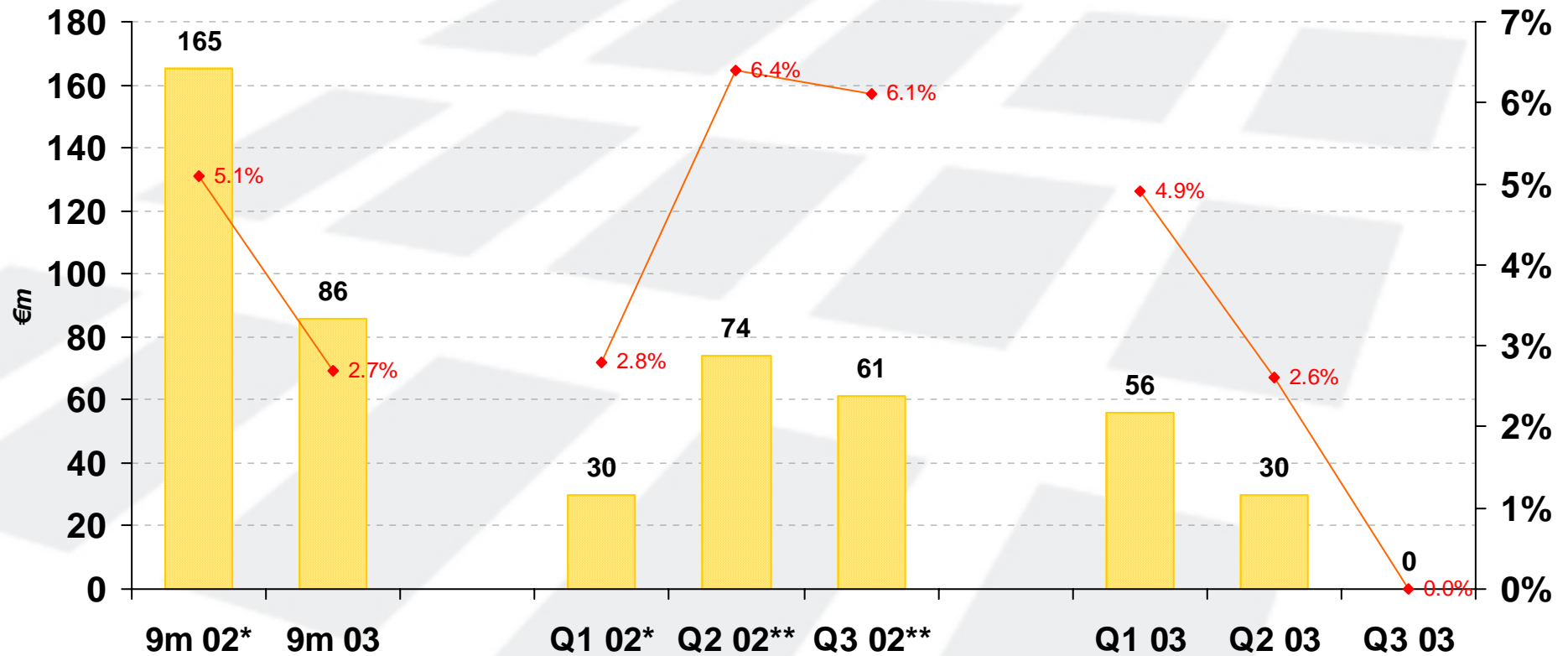
* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

*** But -8.9% (Q/Q) and -3.6% (9m/9m) at comparable structure

Stainless Steel, Alloys, Specialty plates

Sequential & QoQ Gross Operating Result, absolute & margins

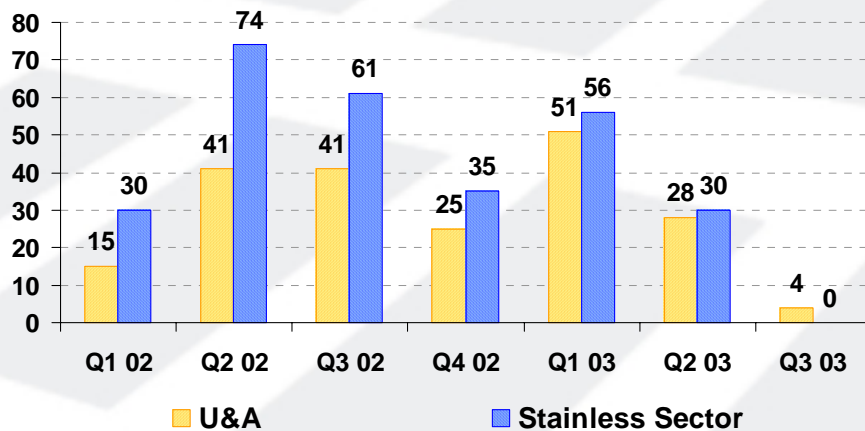


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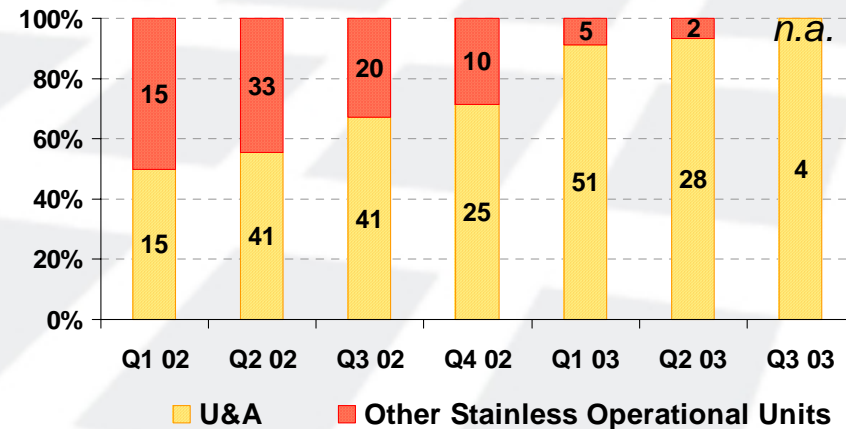
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European Flat Stainless operations – Ugine & ALZ

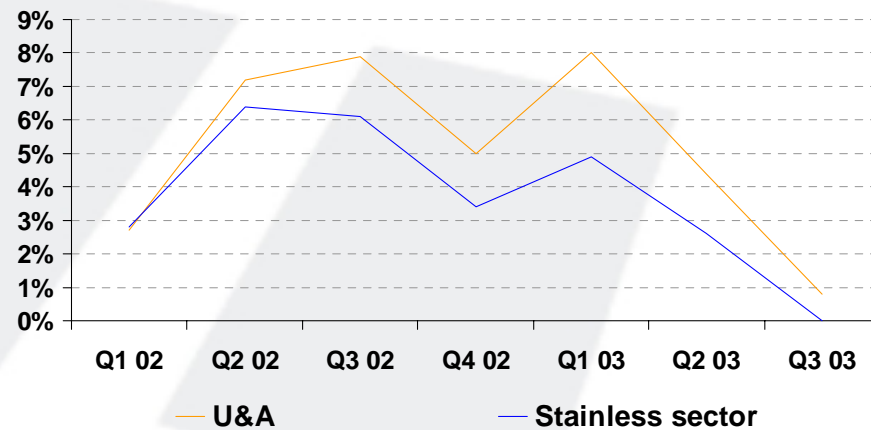
Gross operating result of U&A and Stainless sector (€m)



Contribution of U&A to Gross operating result of Stainless sector



U&A Gross operating margin vs Arcelor stainless sector



Distribution Transformation Trading

€m - unaudited	Q3 2002**	Q3 2003	9m 02*	9m 03	Change***	
					Q/Q	9m/9m
Revenues	2,379	1,743	7,243	6,019	- 26.7%	- 16.9%
Gross op. result <i>as % of revenue</i>	120 5.0%	29 1.7%	265 3.7%	120 2.0%		
Depreciation & Amortisation	- 26	- 17	- 80	- 68		
Operating result <i>as % of revenue</i>	94 4.0%	12 0.7%	185 2.6%	52 0.9%		

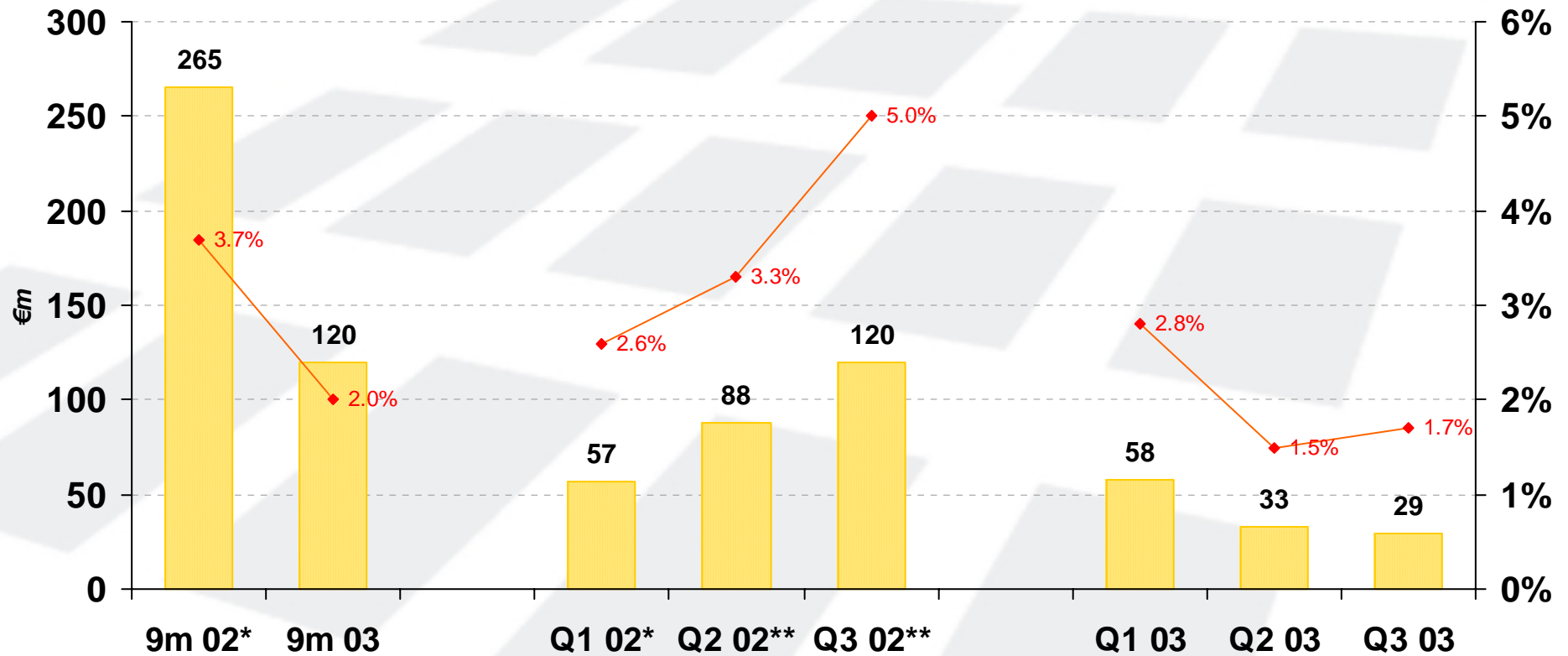
* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

*** But -11.5% (Q/Q) and -7.2% (9m/9m) at comparable structure

DTT

Sequential & QoQ Gross Operating Result, absolute & margins



* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

Working capital

€m	12.31.02*	06.30.03*-**	09.30.03**	Change
Inventories	6,091	6,086	5,804	- 287
Trade receivables	4,320	3,983	3,609	- 711
Trade payables	- 4,111	- 4,340	- 4,100	+ 11
Operating Working Capital	6,300	5,729	5,313	- 987
Other receivables & payables	- 896	- 1,037	- 1,116	- 220
Net financing linked to securitisation	- 1,097	- 69	0	+ 1,097
Total Working Capital	4,307	4,623	4,197	- 110

* Proforma.

** Unaudited.

Consolidated Income Statement

<i>€m - unaudited</i>	Q3 2002**	Q3 2003	9m 02*	9m 03
Revenues	6,438	5,869	20,143	19,451
Gross operating result	511	416	1,392	1,692
Depreciation & Amortisation	- 271	- 283	- 813	- 863
Amortisation of goodwill	20	36	69	85
Operating result	260	169	648	914
Net financing costs	- 128	- 35	- 342	209
Income from associates	25	40	25	90
result before tax	157	174	331	795
Income tax	- 97	- 33	- 140	- 220
result after tax	60	141	191	575
Minority interests	- 4	- 40	- 32	- 116
Net result, Group share	56	101	159	459

* Proforma & adjusted after final allocation of "merger" neg. goodwill.

** Adjusted after final allocation of "merger" neg. goodwill.

Net financial debt & gearing

€m	12.31.02*	06.30.03* ^{**}	09.30.03 ^{**}	Change
Interest bearing liabilities, LT	4,594	4,255	4,926	+ 332
Interest bearing liabilities, ST	3,821	2,694	2,439	- 1,382
Net financing linked to securitisation	- 1,097	- 69	0	+1,097
Cash & cash equivalents	- 1,239	- 936	- 1,778	- 539
Revaluation of fin. instruments (ST and LT)	- 86	- 88	- 95	- 9
Net financial debt	5,993	5,856	5,492	- 501
<i>Shareholders' equity</i>	<i>7,393</i>	<i>7,665</i>	<i>7,784</i>	<i>+ 391</i>
<i>Residual neg. goodwill</i> <i>(mainly Cockerill-Sambre)</i>	<i>627</i>	<i>612</i>	<i>630</i>	<i>+ 3</i>
Total shareholders' equity	8,020	8,277	8,414	+ 394
<i>Gearing</i>	<i>75%</i>	<i>71%</i>	<i>65%</i>	

Consolidated Balance Sheet - Assets

€m	12.31.02*	09.30.03**
Non current assets	12,853	12,818
- Intangible assets	- 950	- 921
- Property, plant and equipment	9,268	9,423
- Investments under equity method	1,780	1,871
- Other investments	466	345
- Receivables and other financial assets	766	733
- Deferred tax assets	1,523	1,367
Current assets	12,983	12,530
- Inventories	6,091	5,804
- Trade receivables	4,320	3,609
- Other receivables	1,333	1,339
- Cash and cash equivalents	1,239	1,778
TOTAL ASSETS	25,836	25,348

Consolidated Balance Sheet - Liabilities

€m	12.31.02*	09.30.03**
Shareholders' equity	7,393	7,784
- Group share	6,732	6,996
- Minority interests	661	788
Non current liabilities	8,178	8,435
- Interest bearing liabilities	4,594	4,926
- Employee benefits	1,961	2,175
- Provisions	1,059	881
- Deferred tax liabilities	359	318
- Others	205	135
Current liabilities	10,265	9,129
- Trade payables	4,111	4,100
- Interest bearing liabilities	3,821	2,439
- Other amounts payables	2,023	2,317
- Provisions	310	273
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	25,836	25,348

Consolidated cash-flow statement

€m	2002*	9m 03**
Cash flow from operating activities	1,800	1,464
Acquisitions of tangible and intangible assets	- 1,415	- 940
Other acquisitions and disposals	- 299	- 50
Cash flow from investing activities	- 1,714	- 990
Contribution of shareholders' equity	35	78
Dividends paid	- 192	- 215
Increase/decrease in loans or other financing	- 864	254
Cash flow from / (used in) financing activities	- 1,021	117
Impact of exchange rate	-3	- 52
Increase (decrease) of cash	- 938	539
Balance at the beginning of the period	2,177	1,239
Balance at the end of the period	1,239	1,778