ARCELOR

Presentation of the Group

Legal disclaimer

Regarding the amalgamation of ACERALIA, ARBED and USINOR, it is expressly noted that :

The statements contained in this presentation, particularly those regarding synergies, performance, costs, divestments, and growth are or may be forward looking statements and reflect management's current analysis and expectations, based on reasonable assumptions. Actual results may differ materially from the statements made depending on a variety of factors.

The share for share offers associated with the amalgamation will not be made, directly or indirectly, in or into, and may not be accepted in or from, the United States, Canada, Australia, Japan, Italy and Germany, and nothing in this presentation should be considered to constitute an offering of securities.

Introduction

- Feb 2001 : Announcement by ACERALIA, ARBED and USINOR of the project to create the world reference in the steel industry
- Nov 2001 : Clearance by the European Commission of the amalgamation transaction on conditions that steel production and distribution business are divested
- Rationale :
  - offensive move : synergies, liquidity of shares, trigger consolidation in the industry, increase attractiveness of the Group
  - defensive move : avoid additional capacities in Europe
- **What about the execution now ?**

Offers overview

- **Transaction form**

  Three share-for-share exchange offers by ARCELOR on ACERALIA, ARBED and USINOR in four countries :

Offer on USINOR	France
Offer on ARBED	Belgium, Luxembourg
Offer on ACERALIA	Spain

- **Exchange ratios**

  3 ACERALIA shares = 4 ARCELOR shares

  4 ARBED shares = 43 ARCELOR shares
  No Offer on the existing ARBED convertibles

  1 USINOR share = 1 ARCELOR share
  Similar Exchange Ratios for the existing USINOR OCEANE 2005 and 2006

  Minimum acceptance rate :
  75 % for ARBED Offer (waivable)
  75 % for ACERALIA Offer (waivable)
  $66^{2/3}$ % for USINOR Offer (not waivable)

- **Expected Closing**

  18 February 2002

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Offers Timetable

- USINOR Exchange Offer — 24 December 2001 - **31 January** 2002
- ARBED Exchange Offer — 24 December 2001 - **31 January** 2002
- ACERALIA Exchange Offer — 4 January 2001 - **8 February** 2002
- Trading of ARCELOR — **18 February** 2002
  on Euronext Paris & Brussels
  on Luxembourg stock exchange
  on Spanish stock exchanges

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I. Organisation Overview

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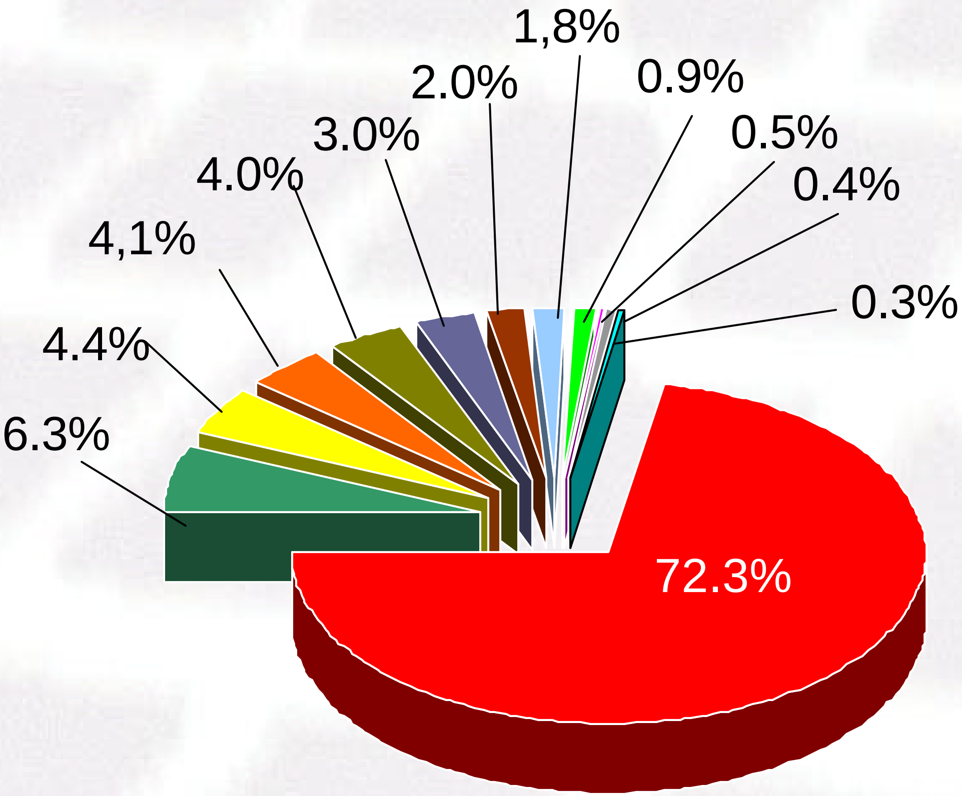
Organisational structure

ARCELOR shareholding (*)



Individual/institutional shareholders	72.3 %
Luxembourg State	6.3 %
J.M.A.C. B.V. (Aristrain)	4.4 %
Flemish Region (Staal Vlaanderen)	4,1 %
Walloon Region (SOGEPA)	4.0 %
Employees	3,0 %
Société Générale de Belgique	2,0 %
Electricité de France	1,8 %
Banque Générale du Luxembourg et BGL IP	0.9 %
Sidergal	0.5 %
Lucchini	0.4 %
Gestamp	0.3 %

(*) At dec. 11, 2001. Assuming 100% acceptance level of the public exchange offers, excluding cross-shareholdings and treasury shares and including OCEANE Usinor 2006 and 1st tranche of USINOR stock options (in the money at the announcement of the transaction)

Board of directors

- 18 members (5 Fr, 5 Lux, 4 Sp, 2 Bel, 1 Germ, 1 Braz)

- Board members include :
  - 2 co-chairmen *(J. Kinsch and F. Mer)*
  - 1 vice-chairman *(J.R. Alvarez Rendueles)*
  - 3 representatives of employees

- 2 chairmen until 2004, then 1

- Board of directors sets up 2 committees
  - Audit
  - Appointments & remuneration

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Management board

CEO
Guy Dollé

Purchasing, R&D, IT,
e-Commerce,Integration
NSC Alliance
Jacques Chabanier

Strategy and planning,
M&A, Synergies
Paul Matthys

Finance,
Management by objectives
Michel Wurth

Stainless steel
Jean-Yves Gilet

Distribution
Processing Trading
Robert Hudry

Long carbon steel
Roland Junck

Flat carbon steel
Guillermo Ulacia

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Business sectors and operational units

- **The management board is responsible for:**
  - Strategy, allocation of resources
  - Progress management
  - Human resources
  - Integration
- **Each business sector is responsible for :**
  - Its own results
  - Implementation of the Group's strategy
  - Personnel management
  - Synergies between operational units
- **Operational units are responsible for :**
  - Industrial and commercial operations (as the case may be)
  - Operating results and return on capital employed

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Operational units

Flat carbon steel	Long carbon steel	Stainless steel	Distribution Processing Trading	Other activites
• Southern Europe • North-East France • Wallonia • Flanders-Germany • Brazil	• Northern Europe • Southern Europe • Brazil • Wire drawing	• Europe (Ugine + ALZ) • USA (J&L) • Brazil (Acesita) • Thailand (Thainox) • PLIA • IUP • Tubes Inox • Industeel	• Distribution • Trading • Packaging • Construction • Carbon steel tubes	• CMI • Paul Wurth • Circuit Foil • DHS Group

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II. ARCELOR’s strategy

Long term strategy

- **Higher returns for shareholders**
  - Improve profitability
  - Become the investment reference in the sector
    - ✍ *increased visibility on the capital markets*
  - Optimise industrial configuration and increase flexibility
    - ✍ *synergies; multi-market, multi-process and multi-product approach*

- **Better service for customers**
  - Meet demand of global customers and provide the same product and service world-wide
  - Increase the attractiveness of steel solutions
  - Offer a wide range of products and enrich the product portfolio
    - ✍ *existing complementarity of products, markets and distribution networks ; combination of R&D resources*

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Long term strategy

- **A stronger company in a restructured industry**
  - Participate actively in the reconfiguration of the steel industry
  - Expand further in North & South-America, Asia and Europe
    - ✍ Favour external growth
    - ✍ Alliance with Nippon Steel

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II.A. Business sectors

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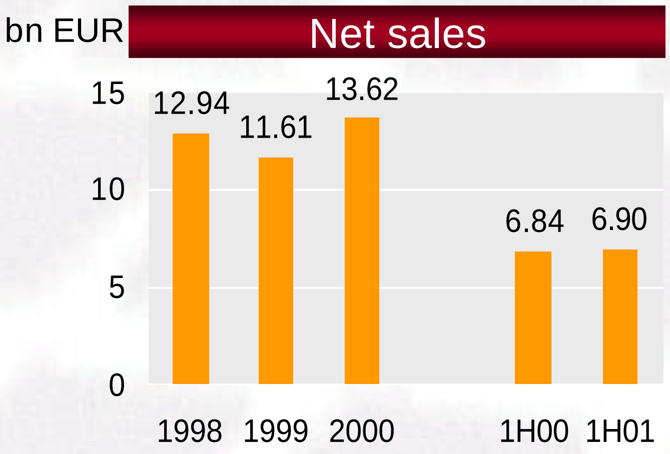
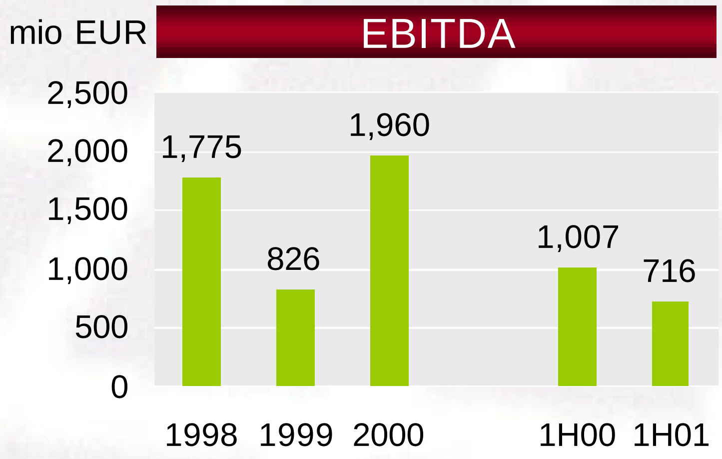
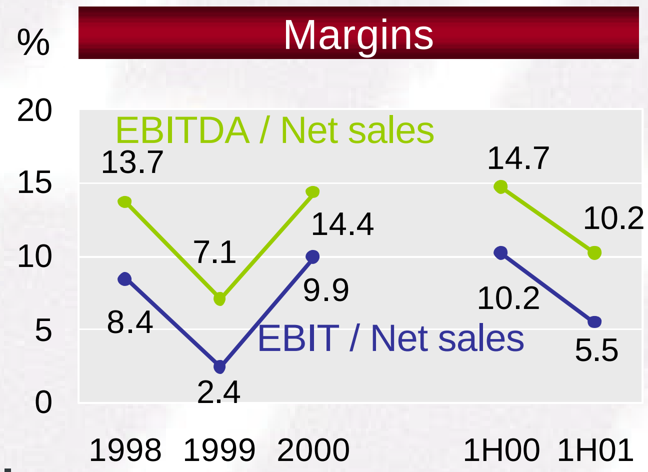
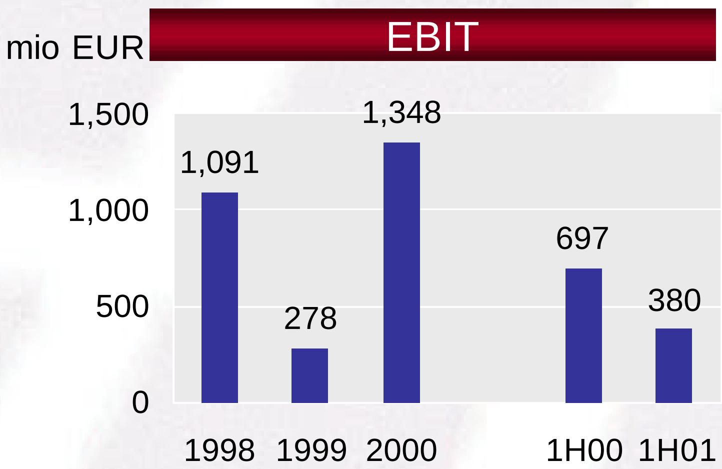
Flat carbon steel *(1)*









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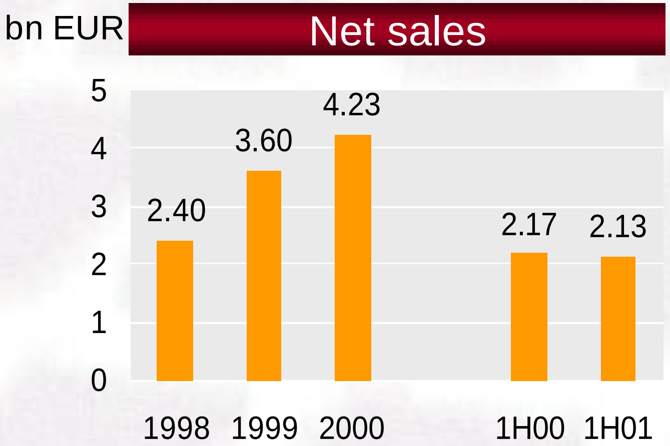
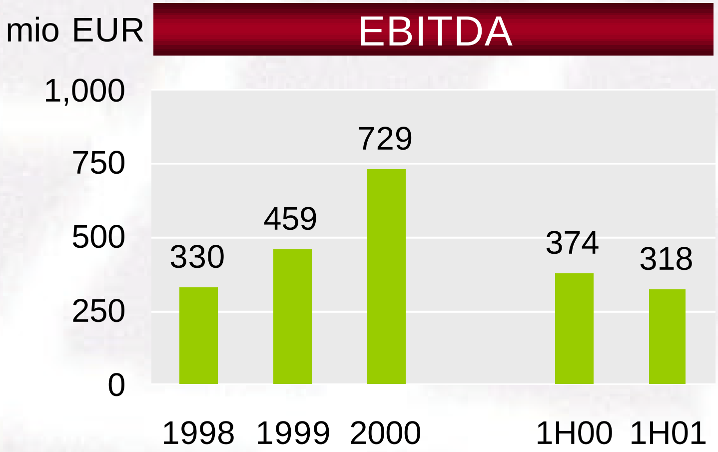
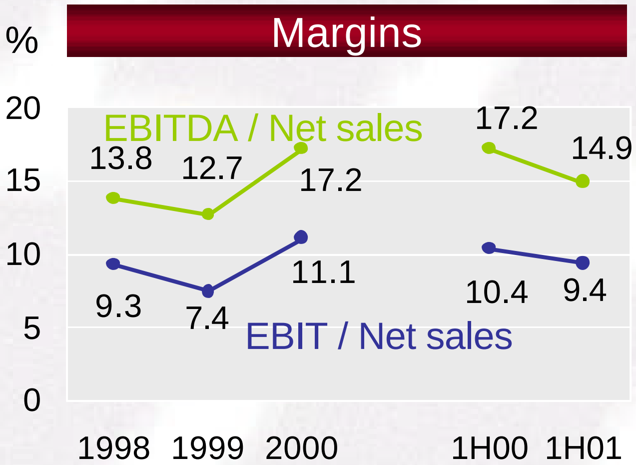
Flat carbon steel *(2)* - strategy

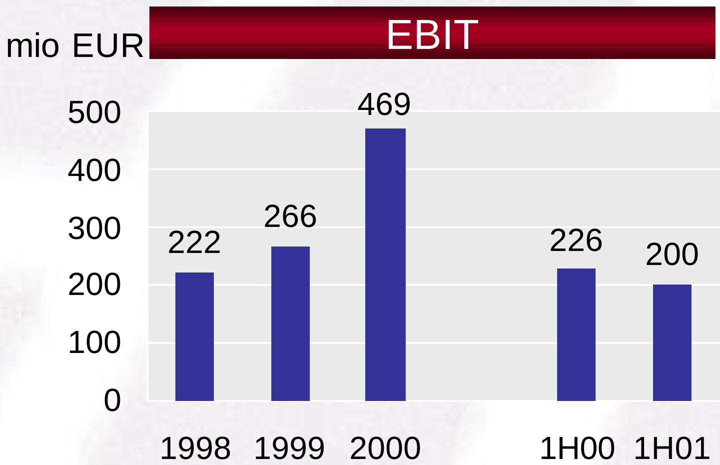
- **Optimise the European industrial base**
  - Synergies
- **Target the customers with the highest profitability and growth potential**
  - Auto
    - increase world market share
  - Household appliances
    - capitalise on improved network and logistics to capture growth in Central and Eastern Europe
  - Construction
    - high growth potential (in conjunction with long carbon steel sector)
    - capitalise on distribution network
    - improve marketing and communication efforts

Long carbon steel and wire drawing sector *(1)*









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Long carbon steel and wire drawing sector *(2)* - strategy

- **Highly efficient production essentially based on mini-mills**
- **Generation of stable cash flows**
- ***Construction & Infrastructures* as main markets**
  - Value added products
    - ✍ growth in USA and Northern Europe
    - ✍ improve geographical coverage for heavy sections and sheet piles
  - Commodity type products
    - ✍ concentrate on most attractive markets
  - Carbon wire rod
    - ✍ growth in Eastern Europe and South America
  - Wire products
    - ✍ leadership in South America, strong position world-wide in high carbon (steelcord)
- **Integrate the alliance with Nippon Steel**

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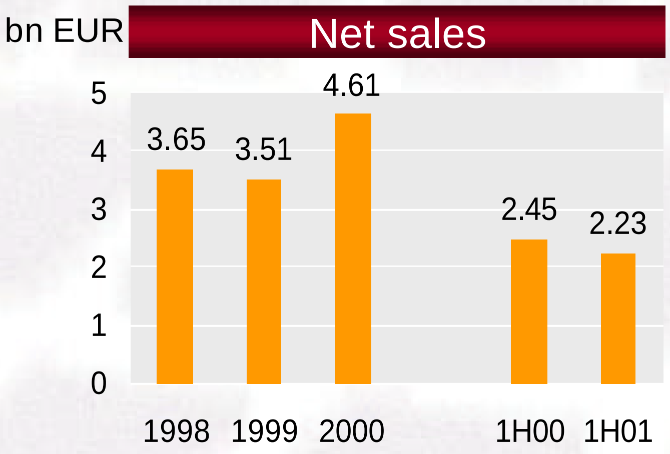
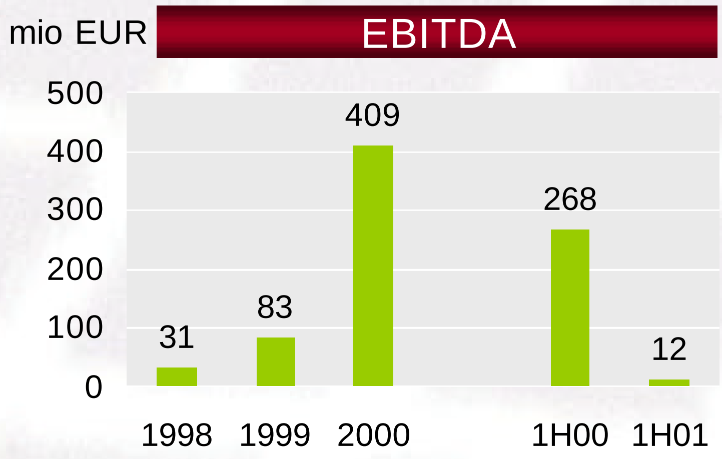
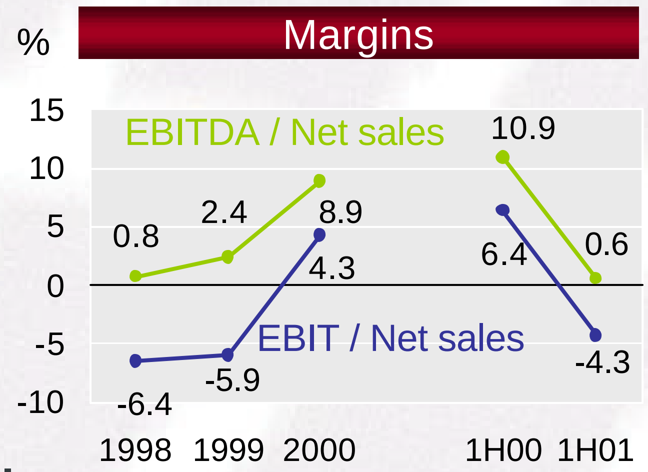
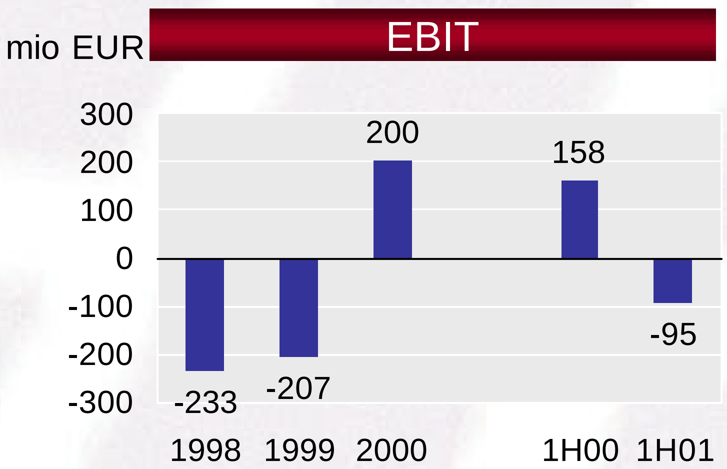
Stainless steel *(1)*





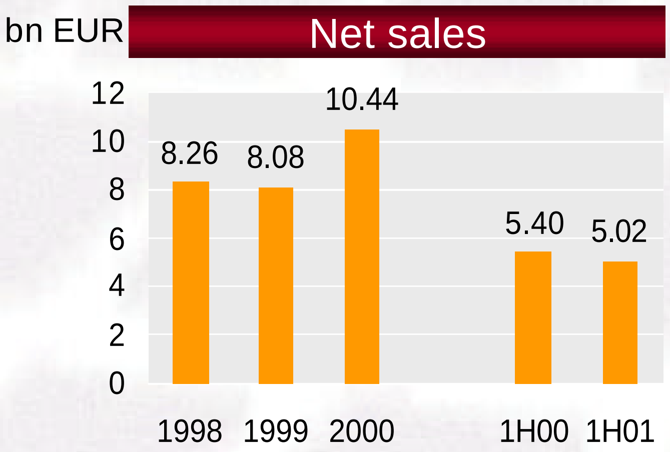


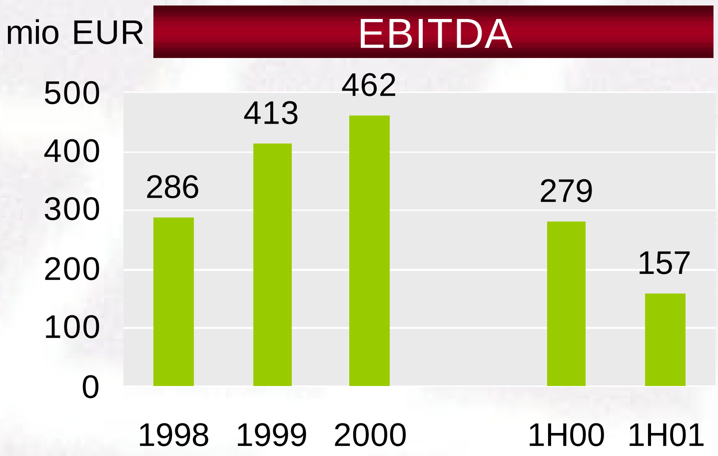


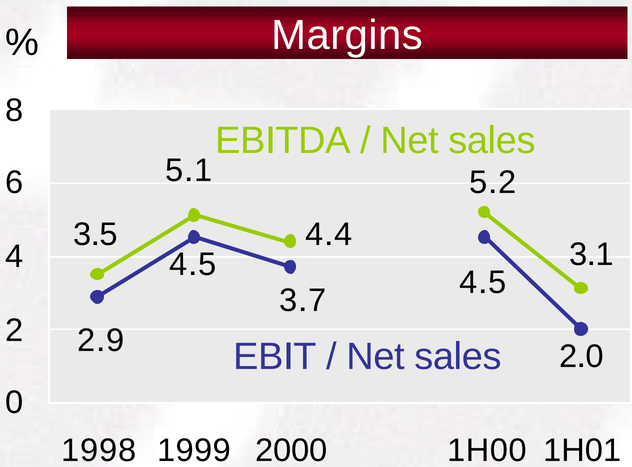
Stainless steel *(2)* - strategy

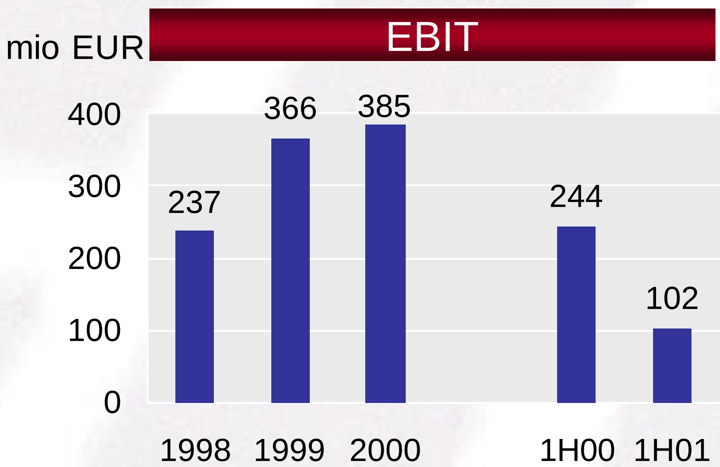
- **Flat stainless steel :** growing market but new capacities world-wide
  - Main markets : General industry
  - *Europe* : implement industrial reconfiguration first and generate synergies
  - *USA* : pursue the restructuring of J&L
  - *Thailand* : very efficient mill but difficult Asian market
- **Long stainless & alloys**
  - Leverage innovation strengths to adapt products to specific needs of customers
- **Speciality plates**
  - Main markets : Oil & Gas, Paper, Storage/Transport of chemical products
  - Two years restructuring plan

Distribution - Processing - Trading *(1)*







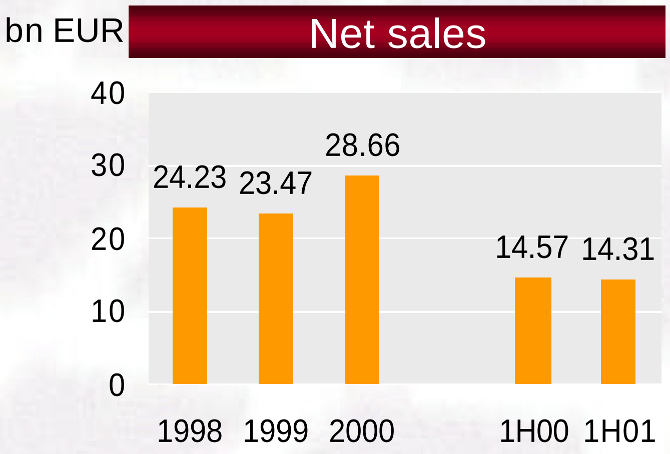


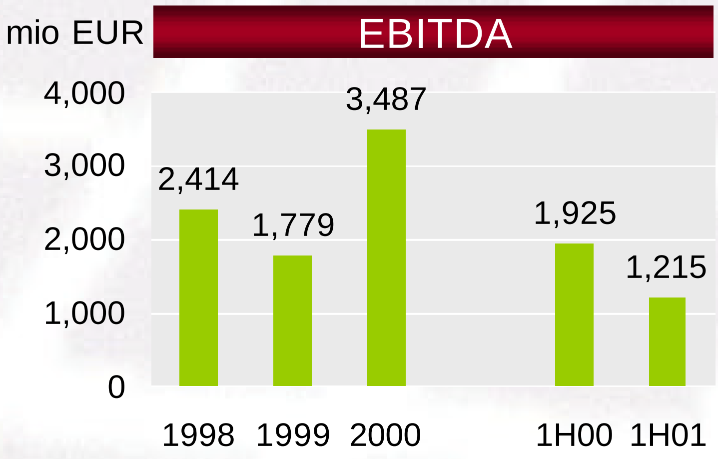
Distribution - Processing - Trading *(2)* strategy

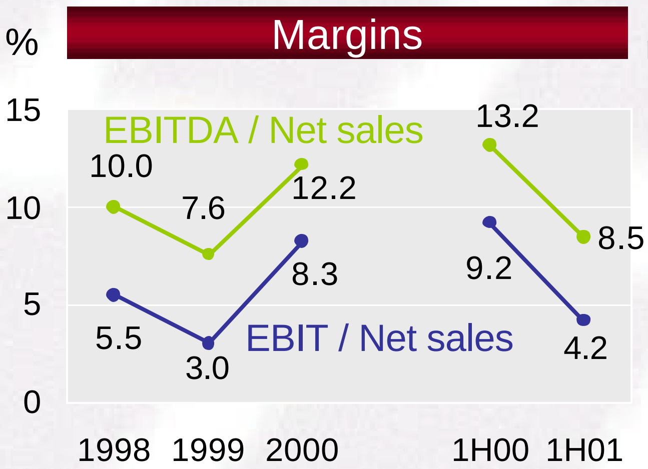
- **Strengthen position on traditional markets**
  - Local-focus policy towards the customer
  - Capitalise on a world-wide presence
  - *Packaging*
    - ✍ differentiation by concentrating on top-of-the range products (ultra-light beverage cans, easy-to-open capsules...)
- **Increase presence in Central Europe**
- **Develop transaction systems related to e-commerce**

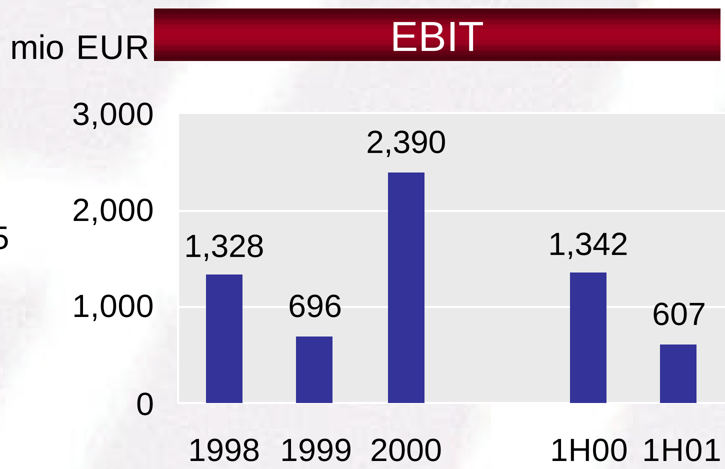
II.B. Financials

The Arcelor Group
Financial results









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Balanced product mix on 30 June 2001

Breakdown of turnover by geographical area	
UE (15)	**74.9%**
North America	**11.4%**
South America	**4.6%**
Other	**9.1%**

Breakdown of turnover by business sector	
Flat carbon steel	**48.2%**
Long carbon steel	**14.9%**
Stainless steel	**15.6%**
DPT	**35.0%**
Other activities	**2.7%**
Eliminations	**- 16.4%**
Total	**100%**

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Accounting rules

- **International Accounting Standards (IAS)**

- **Purchase accounting method** taking USINOR's share price as the measure for the net equity value of ACERALIA and ARBED

- **Significant negative goodwill despite impairment of existing assets**
  - EUR 2.2bn assuming Usinor's share price at 14 EUR (? EUR 225 mio for ? EUR 1 in Usinor's share price)
  - Amortization over 12 years
  - impact on depreciation line of P&L
  - Impact on gearing

Financial objectives

- **Pre-tax ROCE of 15% on average over a cycle, vs. 10% on average 1999-2001**
  - Increase structural profitability of business
  - Management of capital expenditures
  - Reduce working capital requirements

- **Gearing between 30 and 50% over cycle**
  - Gap of EUR 1.8 - 3 bn in comparison with pro forma 30/06/01

- **Dividend policy**
  - Board of directors will decide about dividend policy
  - ARCELOR intends to keep its dividends in line with past dividends paid by the three companies
    (no additional dividend foreseen to be paid in 2002)

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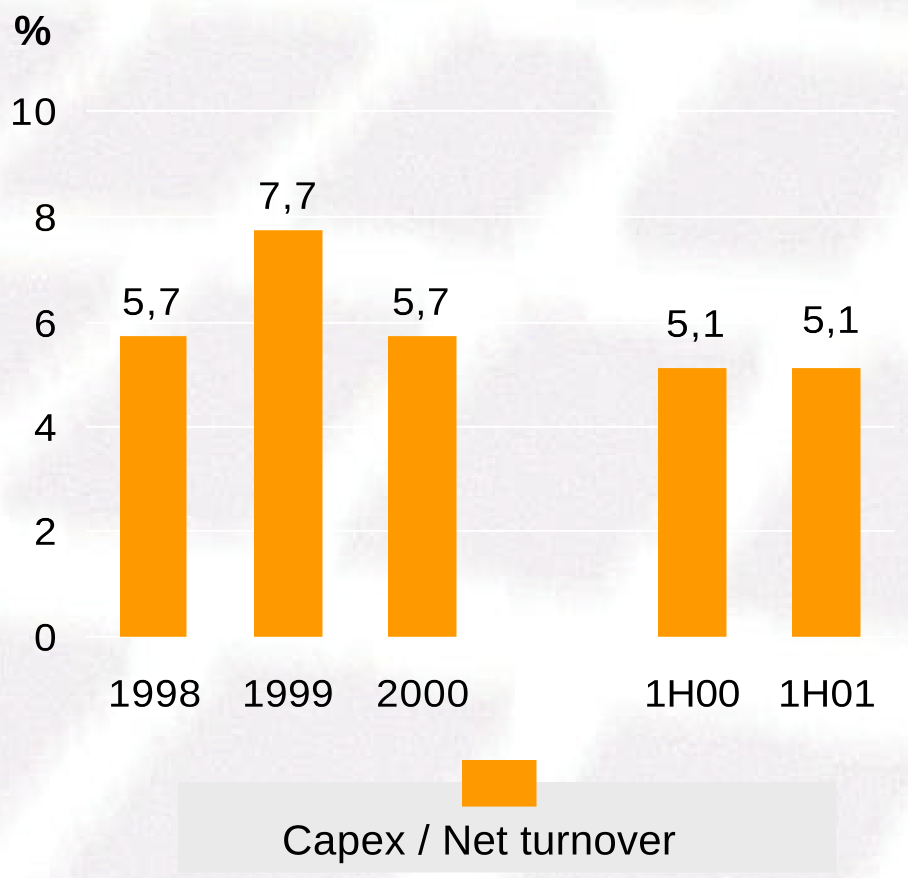
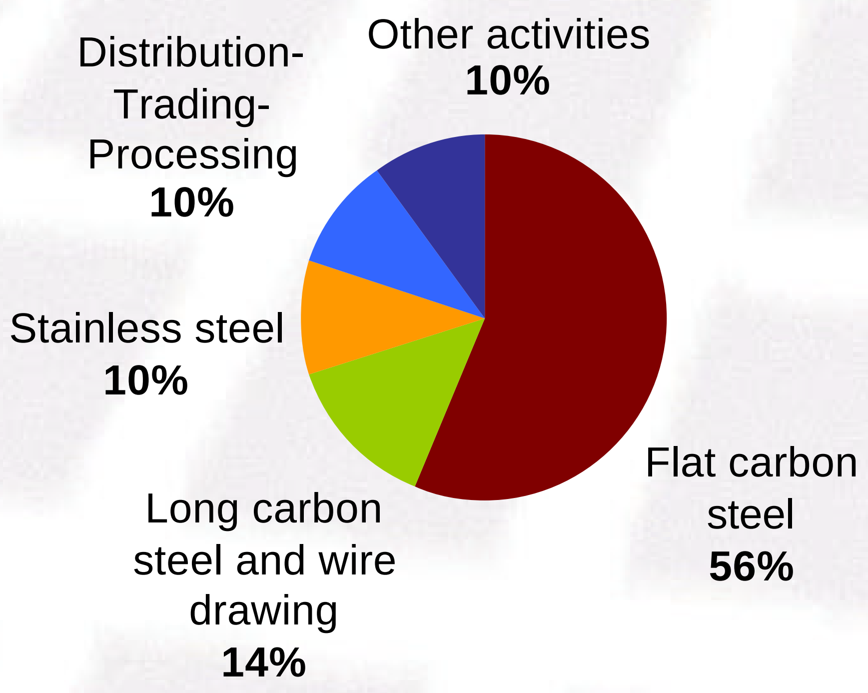
Capital expenditures



Capital expenditures by sector 1H01



Gearing

- Debt / Equity ratio of ARCELOR greater than that of the three groups taken separately since accounting treatment of amalgamation results in a badwill which has the effect of temporarily reducing ACERALIA's and ARBED's shareholders' equity

Proforma net debt/equity according to IAS, 1H 2001

ACERALIA	ARBED	USINOR	ARCELOR
7.3%	*52.1%*	*50.9%*	*65.6%*

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Key pro-forma consolidated figures

EUR mio	2000	1H2001
Turnover	28,663	14,314
EBITDA	3,487	1,215
% of turnover	*12.2%*	*8.5%*
EBIT	2,390	607
% of turnover	*8.3%*	*4.2%*
Total Non Current Assets	13,745	13,915
Total Current Assets	14,147	14,298
Shareholder's Equity	9,511	9,421
Group share	*8,237*	*8,141*
Minority interests	*1,274*	*1,280*
Net Financial Debt	6,174	6,184
Gearing (%)	64.9	65.6

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III. Short-medium term outlook of ARCELOR

Divestments

- **Coated products facilities**
  - Interests in Hdg line of Arvedi, Galmed, Lusosider, Segal. Beautor
  - Facilities : Dudelange (Hdg line), Strasbourg
- **Distribution**
  - Cofrafer
  - Bamesa

- **Divestments equitably shared between parties and countries**
- **Total volume of sales ~ 2 mt...**

  ...of which 1.2 mt of coated products
- **Timeframe**
  - Between 9 & 18 months
  - Arcelor reports regularly to the Commission on developments in negotiations

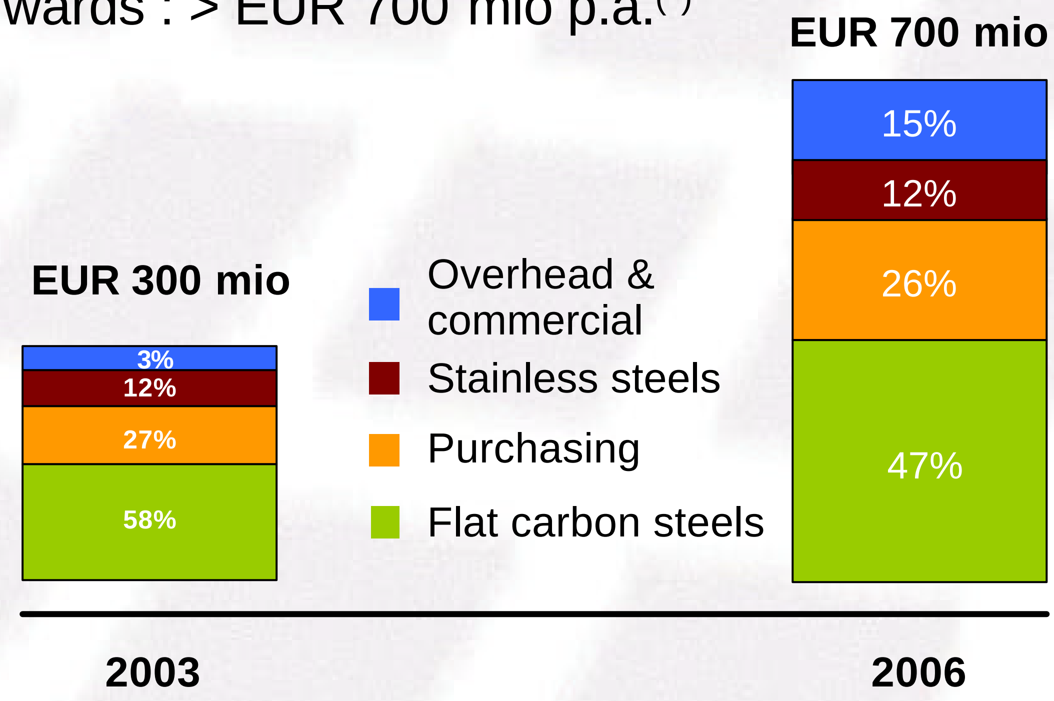
Impact

Arcelor : - EUR 80 mio (*)

(*) estimated. At Ebitda level. Impact already taken into account in calculations of synergies.
Impact may vary depending on a certain number of assumptions particularly on the upstream activities

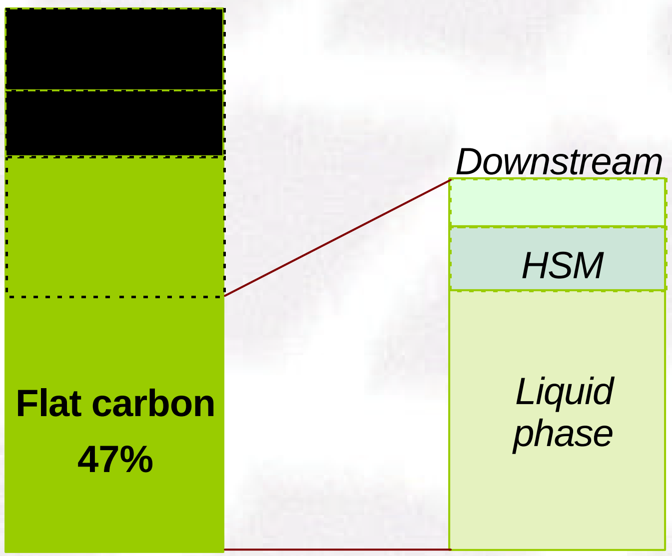
Confirmation of synergies

- First synergies achieved in 2002
- Incremental synergies in addition to ongoing cost improvement programs already in place in each company
- From 2006 onwards : > EUR 700 mio p.a.(*)



(*) in terms of EBITDA

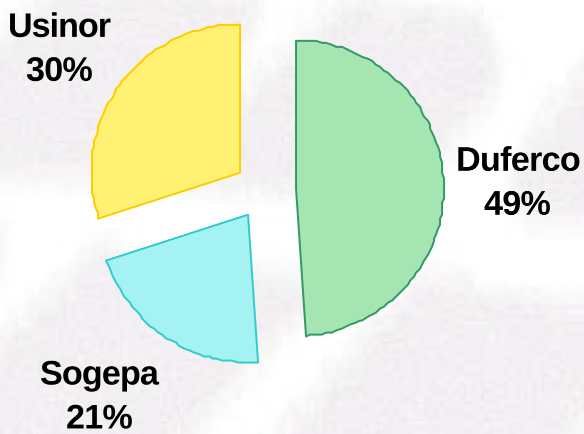
Flat carbon synergies *(1)*



- **Liquid phase**
  - concentration of slab production in the most cost efficient sites
  - disposal / closure of two hot phases between 2002 and 2006
    - ***first announcement = CARSID, effective in 2002***
- **HSM : future of inland mills linked to the closure of liquid phase**
  - different scenarii under study
- **Downstream**
  - several scenarii under study
    - ***first announcement project = CR mill of BIACHE, effective in 2002***

Flat carbon synergies *(2)* - first stages

Shareholding structure of Carsid



- Upstream phase of the Charleroi plant not consolidated anymore
- Higher flexibility with use of EAF
- No cash out for restructuring costs

Impact

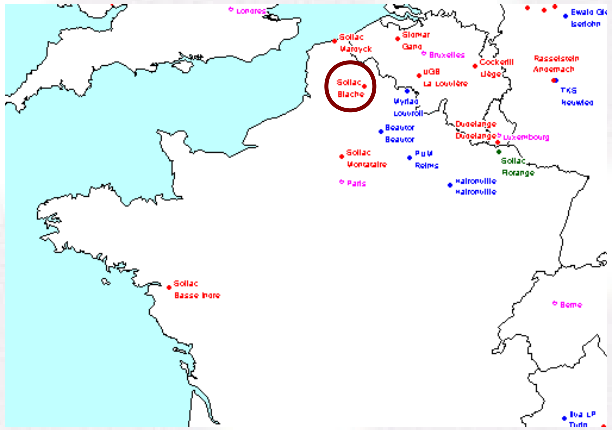
Arcelor : over +EUR 100 mio(*)
Industry : closure of 1.5mt of upstream facilities in Clabecq

(*) at Ebitda level

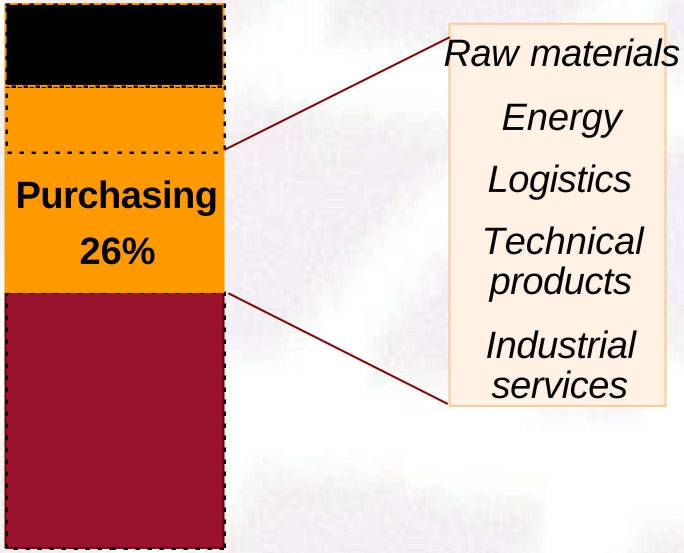
- Biache CR mill could be closed in 2002
- Improved load at neighbouring mills

Impact

Arcelor : ~ - 400 employees
Industry : closure of 1,000 kt of CR capacity

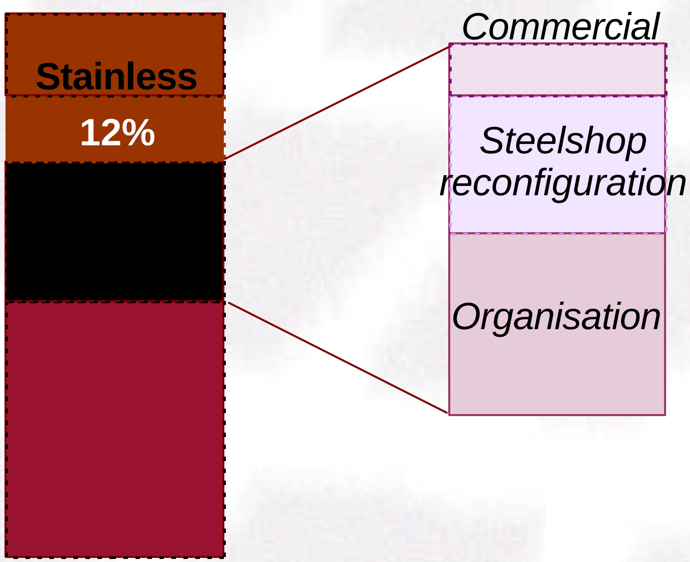


Purchasing synergies



- **15 working groups**
- **Main levers**
  - Price alignement
    - increased price transparency
  - Volume impact
    - may vary depending on product and service categories
  - Best practices
    - harmonization of grades, common specification and standards (raw material, spare parts, rolls & other production tools...)
- **40% of synergies should be realised by the end of 2003 (~ EUR 100 mio)**

Stainless synergies



- **Perimeter for synergies**
  - European facilities (Ugine & ALZ)

- **Reconfiguration is not based on reducing capacities, but on optimizing production flows**
  - Concentration of stainless hot-rolling at the mill in Carlam (Belgium)
  - Optimization of existing capacity

- **Commercial synergies**
  - Complementary range of products + extensive distribution network

Impact

Arcelor : over +Eur 80 mio(*)

(*) estimated. At Ebitda level