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Mittal Steel 03/14/06

Julian Onillon:	Good morning everybody. We are pleased to be here today for, to present [UI]. [UI] before the operation [UI] today, that obviously a lot of people [UI]. [UI sentence] ...for Americas. You know, [UI] for Europe, and [UI] for Asia, Africa. [UI] the presentation just real quickly on the disclaimer, just to remind you [UI sentence]. [UI] This statement includes [UI] and estimates [UI] ...[UI] statements [UI] 1985 [UI] anticipated [UI]...many of which are difficult [UI]. [UI] statement. [UI] include [UI]. And I turn back the microphone to Mr. Mittal.
Lakshmi Mittal:	Thank you, thank you Julian. Good morning everyone. First of all let me thank you very much for coming this today, from all different places and we are both thankful to you for showing interest in Mittal [sounds like Steel]. This seminar was scheduled much earlier than our transaction and it so happened that now we are in the middle of a transaction between [ph] Pillistine and Oslo [ph] so it has become much more interesting. Today you are with us for the whole day and we are very happy that you will be spending the whole day with us, listening to us, listening about America, listening about Asia, Africa, and listening about our mining operations. Today we will go through all these different aspects of our business and I believe that at the end of the day you will have a very clear and very confident view about Mittal Steel. This morning s session I will walk you through some of the highlights and [UI] about the group and then we will also discuss the Oslo bit a little bit and then we will go on with your question answer. Tomorrow some of you will be visiting our plant and you will have some idea about some of our

facilities, Bunt Harbor and [ph] Intic [ph] and [ph] Ancote [ph]. And you will find them, they are very interesting and very modern facilities supplying to the best of customers in the United States. I ll walk you through some of our presentation this morning and first presentation is very clear that we are the most successful global steel company, number one global steel producer, totally global steel company, strong vertical integration, very high growth, high return, diversified asset base, revenues of $28 billion and net income of $3.4 billion in 05, market capitalization of $24 billion with listing in New York and Amsterdam stock exchange. We are just the starting point which most of you perhaps already aware. But the most important is our business model which is rest on three pillars, growth, turnaround, and open culture. If you look at our growth since 1989 when we acquired the first company in [ph] Trinidad [ph], and since then how we have been going till 2005 and 2006 now, we are the first company to be in Trinidad and Latin America in 93, 92, and we were the first company to be in CIS country in Kazakhstan. We were the first company to be in all the Eastern European and Central European countries. And we were the first company to be in China. So though we have all other acquisitions, what I here like to highlight that in all these very important markets we were the first movers. CIS countries, Ukraine, China, Latin America, and how we have changed these companies, how we have realized their full potentials, we have given you few examples here of Mexico. In Mexico we grew up potential, we grew shipments by 700%. In [ph] Timital [ph] in Kazakhstan, 64%. In, even if in countries in [ph] Golati [ph]

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Romania, 33%, South Africa 10%, and after acquiring these companies we have been able to realize the full potential for all these companies and we have also able to capture the synergy which we have announced. If you look at [ph] ISG [ph] we announced $250 million of synergies in first year, first nine months, [UI] $120 million. And in [ph] Keverostol [ph] we have announced $200 million, and we re already on the way to achieving those synergies. Lou Schorsch is going to speak during the day about ISG. On this, this business model is supported by our knowledge management program, which we have talked a lot in past. But it s a very strong management program which allows exchange of knowledge, exchange of technology, exchange of information between the various companies of the group. Similarly, we have a very strong strict investment criteria for our investment program. You will see how we have invested in next few site in our all these different units to modernize them, to be ahead in, in terms of quality of [UI] and to be had in terms of producing well [UI] products. And we have a very high ROIC expectation from all these investment programs. Our management style is very decentralized. We have very small group in [UI] London managing this business. We have CEOs with independent Board Director in each and every country. Similarly we have all these companies have their business plan and basically corporate office monitors those business plan and guides them for a common strategy, common vision and follow them very closely on the growth potential. I believe that we have the best talent in the industry. That is very clear from our performance. And we continue to grow our talent. We are

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recruiting every year a lot of MBAs and we are trying to groom them for the future positions and future requirements. We are strengthening our middle management. We are working with all the time on succession plan. We continue to work on improving the talent and the skills by participating in various management schools in the United States and in Europe. We also have a very strong [UI] improvement program. This is based on our knowledge. This is based on our experience. This program is led by [ph] X McKenzie [ph] and he has a group of people who continuously follow and create a new benchmark for continuous improvement. Obviously we have been always the lowest, we have focused on cost reduction. We are perhaps the lowest cost producer in all the regions wherever we produce and that has arisen more out of our global nature of the business and our experience in different parts of the world. Just to prove a point here that we are a truly global steel producer you can see that we are the only steel company who is in Americas, Europe, and rest of the world. We are in four continents and this clearly shows that we are the only global steel producer. Next producer [UI] is only two parts, two countries, two continents, Europe and South America. We have a very balanced portfolio of high quality assets in various markets. People have talked about that we produce only commodity steel, of course we do, but it is in developing markets. If we see here in Europe we in developed markets our production is about 27.4 million metric tons. These markets are, these markets are very stable economic growth. They have a higher cost structure. They need valuated products and we have large contract business in

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these markets. Important here is to see that we are number one in North America, over 50% of our business is contract. 75% of our business is valuated products. It is very important to note here that we are rated one [UI] by Ford and GM, largest two producers of cars in the world. This is very important here. These are very demanding, very difficult customers and if we are rated one it clearly shows that our capability in valuated products. We are number one supplier to most of the automotive and [UI] goods industry. You will see, you will hear from Lou Schorsch in the later part of the day our list of our customers and how we have got some niche qualities and how we have, we are partnering with them in developing those qualities. We have very productive operations in Western Europe. Some of the minimal operations in Western Europe are number one, number, top in the industry. Similarly our plants in Europe have the highest productivity which I will show you later. Then our businesses in also developing markets, these countries are listed here. The characteristics of these markets that they are continuously growing. This is very important for the investor. We must be in the markets which are growing and we are there. Low operating costs, all these countries have a much lower operating cost. We produce low valuated production, not because we can t produce because these markets don t need. Today, now these markets are growing and as they will grow in the valuated product we will be, we will supply them those products. We are already. We have made investments and we will continue to make investments in these countries to cater to the growing demand of the market. Since there is no, since there is

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not enough demand for the valuated products most of our products are sold on export basis. Export basis is normally one to three month contract. Even on the [UI] with some of the contractors, some of the business, we have generally a yearly volume understanding and prices are fixed on a month basis or on three month basis. Our position is very clear in this market. We are leader in Eastern Europe and we have two very important plants, Kazakhstan and Ukraine, [ph] Temirtau [ph] and [ph] Kavirostol [ph] and South Africa, which are among the lowest cost steel producers on a global basis. And all these, many of these companies have a very strong vertical integration, which you will also hear from [UI] during the day about some of our facilities in Asia and Africa, how they are vertically integrated. This is very important for the industry that we are in all high growth areas as well. If you look at all these countries India, Kazakhstan, Macedonia, Bosnia, Algeria, South Africa, Ukraine all these countries are growing and we are already there. 50% of our product is in the mature market and 50% of our growth or more than 50% is in this high growing, high growth areas, which will allow us to grow organically as these countries grow. Our product portfolio is very balanced. About 70% is flat and 28%, 25% is long. Here I like to make two comments. One on the pipes and tubes and plates. It looks very small percentage of our business but we are very important player in both pipes and tubes. We are among the top producers in the plate. We have niche products supplying very high applications, even to the defense industries et cetera. So we are in these two products, also there is another product is a wire product. Other long

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products, which means we are in the downstream industries producing a lot of wire and wire products, which are all value addition operations. If you look at our investment, our investment is basically to capture growth opportunities. All these investments are made for higher ROICs. And these investments have given us higher returns than many of the investments, investments other companies make. Clearly our productivity is very high in [UI] if you compare with even [UI] or Oslo. For example in [UI] USA we produced 20 million tons and we have 20,000 employees. In Mittal Steel, rest of the world we have 40 million ton production and about 200,000 employees, which means that it offers us opportunity to improve productivity in all of the countries. And this is what we are working on. We have announced 40,000 employees reduction in next five years. This is arising, mostly arising out of [ph] voluntary time and scheme [ph] and is a part of our fierce [UI] with the various governments. It is with consultation and argument with the unions and the Society of the Community and the government. So we are working on this to also improve productivity in other countries. Of course this, when I say 200,000 it also does not include only the steel industry but we have a lot of other facilities like [UI] mining, coal mining, power generations, transportation, ships, port facilities, all these are also included. So if you look exclusively at the steel there are much less than 200,00, but it s definitely offers us opportunity to reduce employees in other parts of the world. One of the plans, for example Cleveland, now we have 1300 people producing 3.5 million tons. They used to have 3,700 employees before Cleveland plant went

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Chapter 11, which means that these plants have improved their productivity by, by 250%. So we have similar examples in the United States and we believe that we have very high productivity plants in the United States and there is a lot of opportunity for our other companies to get into that. Raw material integration, there is, it has in one of our strategy and we have been very successful in this strategy. Oil we are about 45% self sufficient. I don t know at this time we are about 55, 50% self sufficient. Going forward we believe that we will be self sufficient up to 80%. And in coal we are 80% self sufficient. A lot of people think that we are only the steel company, but we are the fifth largest producer of [UI]. it will be close to fifty million tons in 2006 and we have reserves of about 5 billion tons. On BRI we are the largest producer [UI] we are produce, we produce about 11 million tons of production. Excuse me there are chairs here. [UI]. I know that we had difficulties last night. There was some [UI] on the flight. So thank you for coming. On coal, we are, we have about 1 and a half billion tons of reserve. In coal we have 15 million tons of production capacity, infrastructure we have a lot of infrastructure within our group. We have more than [UI] . We have [UI] workshop. So all these vertical integration gives, hedges us against a price increase. Like 31% price increase in iron ore last year and I don t know how many percent this year. And similarly on the coal. Advantage of our mines are that we are, they are located very close to the our steel making operations. So, which also gives us benefit in terms of transportation and logistics, which is a major part in raw material cost. What are the forces driving this consolidation? We believe that there are five. One is the globalization and consolidation of our customers. Our customers are consolidating and so there is a need for us to also consolidate. And then our customers are becoming global. And we, we have a site here that how we need to serve those customers and so we need also, this is also forcing consolidation. Research and development all these customers require strong participation in the new products, so that is also very important as a larger company you can very well participate with them in research and development as well as in new product development. Similarly among the suppliers there is a consideration among suppliers as I just said price increase in iron ore and coal, so it is important that the steel investors would also consolidate to have a better negotiating power. Then we have to also capture opportunities in the new markets. The more mature markets are growing slowly but these emerging markets are growing faster. So as a global company, as a [UI] invest company we can definitely capture them better. Economic [UI] scale is very important for plant specialization, manufacturing excellence, greater ability to sustain R & D investment, and lastly this consolidation is needed for sustainability. To reduce [UI] better capacity management, improved terms on capital, and also perhaps for rerating of the steel industry. We have seen the effect of this consolidation already last year in Q2 05 when the markets often we saw that companies reduced production and the prices could, price fall could be reduced. So we, even in some of our units operate even at 55% capacity during those periods and still made some profit. Just to give you an example of the customers in, in 70 we had 57 companies, independent companies making cars, 2005 there are 13 and expectation 2015 there will be only 6 to 8 companies. Similarly, global clear market share in 99 to 2015 you can see how they are evolving and as we move forward this global players will be more freedom, freedom in the [UI] companies similar to what is expected in the steel industry. Concentration among our suppliers is very clear that top three companies control 70% on the iron ore. And top 5 companies control 58% on the coal and we have seen the price increase. In the, on the marketing mature markets as I said are expected to experience low growth and [UI] emerging market expected to grow faster, faster rates. Because these markets are having a higher domestic consumption because of their development and similarly we can see that a lot of European companies and US companies are relocating their manufacturing capacities from Western market to the low cost, to the growing markets. And last place in developed countries are seeking to fill gaps in their portfolios and expanding developing markets to capture growth potential and to benefit from low production costs. So if we look at these markets how they are growing and the growth pattern in Japan [UI] the other growing market where we have our business. Economics of the [UI] steel industry is very important to maximize capitalization, product focus, on purchasing. I just mentioned to you that the global sourcing. In purchasing we also have, we believe that the way we are doing our purchasing it also helps us to negotiate a better, put us in a better negotiating position with the suppliers because we are large purchaser of lot of materials and we do a lot of purchasing through our central purchasing office which helps us to reduce our purchasing costs. A lot of our customers are also looking for global sourcing. They are becoming global so they will need a global company like us and I think here we can really help all the global customers. Economics of the scale will also provide operating flexibility and plus it will also allow us to pursue multiple growth opportunities. The need for sustainability is very important. You can see that how, when the production cut was announced in Q2 and how the value started creating, so industry started giving high return on capital than before as the investment [UI]. This is arising out of consolidation. We believe that consolidation process is moving to the next phase. So far we have seen in 2002 and 2004 regional consolidation. 2004 and 5 we are seeing cross-border consolidation and 2006 we are, we are seeing formation of global steel companies and Mittal Steel [UI] is the one case where, which will allow other companies to also look at further consolidation and participate in creating new global company. I think this transaction will spur other companies to also become global. There are a lot of advantages. We have seen here. I think large, large transformation combination will be faster, more efficient, both capital efficient and carry less risk than a series of acquisitions. [UI] to buy one [UI] or one crane [UI] for example. So they are the smaller acquisitions, smaller mergers, which take longer time for integration. If you are merging in a larger scale with the same vision, same strategy, I think those mergers are much more successful. Now as we see that there is a fierce competition like

[UI] has decided to pay very high price for the [UI] for example. So in Keverostol the bid went $4.8 billion [UI] between us and [ph] Artillo [ph]. So there is a need for consolidation and I think this will help industry a lot to continue to be benefited as well as continue to be stronger. And definitely we believe that [UI] global leader will have a capacity of 150 to 200 million tons at least. 150 million tons, we believe there will be three tier, three tiers in the industry. Global players, mid-size regional players, and local niche [UI] producers. Our vision is 150 million ton, vertical integration into mining operations, global footprint to capture growth in emerging markets and benefit from low production cost position. We have announced another project in India, Greenfield project. Similarly we want to expand our presence in China. We have, we are the first company to be in China and we believe that they ll go for further participation in China. Definitely we want to be, have the best in operation. We were also able to, since we will have a multiple regional leadership we will be also able to have, spend more money on the product development and process innovation, and since our customers are also becoming global we believe that so we will have a stronger relationship with our customer. There is another type of customer also the global customers are coming which are in the projects area. We have been only talking about the automobile and wire goods supplies and of customers. But we are seeing a lot of large construction companies are also becoming global and they also want to source material from a global company. So there also we believe that we will be able to participate, participate in that. Participate with them. I just

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want to have a quick glance on this, not to read the whole thing, but just read the last [UI] comment. I share Mittal s vision that the industry needs to consolidate. Thank you very much.

Aditya Mittal: Good afternoon. I m gonna talk about why Mittal Steel and Arcelor are the perfect fit. For my perspective, I think it s historic in any industry when you can combine the number one company and the number two company and not create any anti-trust issues and have a complementary set of assets and skills. And then that s what we achieve here. As you heard earlier we both share a common vision of consolidation. So the first item is that the fact is. First aspect of the merger is that the common vision. The second aspect is complementary assets and skills, and the third is we d create the undisputed leader by far in the steel industry. So clearly the deal makes sense. It makes sense for the global steel industry. It makes sense for Arcelor, it makes sense for Mittal. I also want to spend some more time on why it makes more sense for Arcelor than perhaps for Mittal Steel. We believe Arcelor needs Mittal Steel for a couple of reasons. Most important is that 80% of their business is in slow growth areas, primarily Western Europe. Number two, they have had limited success in expanding into the [ph] bricket [ph] economies. Namely Turkey, namely Ukraine, namely Eastern Europe, namely India, and China we still have to see what success they have. Thirdly, in terms of the mentality of the organization we believe they lack an entrepreneurial culture. To succeed in the steel industry you have to have quick decision making, the ability to take risks, the ability to see opportunities, and we believe Arcelor historically has not demonstrated that. They have a stainless steel problem. They ve had that for the last 7, 8 years. They ve not been able to fix their stainless business whether it s in Thailand or in the U.S. and now recently in Western Europe. On the contrary we have the experience of turning around facilities. Lastly we believe they cannot realize their vision of achieving hundred million tons economically. We have seen this year as they ve tried to grow their company they have faced the [UI phrase] and ended up paying we believe values which make the return numbers significantly lower than their threshold, which means to go to a hundred million tons they cannot create value for their shareholders. That s why the deal makes sense for Arcelor. It makes sense for us. It makes sense for the global steel industry. Clearly we d become the undisputed leader. On a 2004 perform [UI] basis, the reason why we use 2004 is because of production cuts in 2005. This provides you with a sense of what the combined entities produced, 160 million tons, and the combined entity [UI] was about 10.9, which is similar to the combined entity [UI] in 2005. The numbers are interesting because they re three and a half times larger on a production basis compared to the competition. It basically, as well as on [UI] basis. It basically implies that this combined entity would have three times the resources in terms of its marketing development, sales force development, management capabilities, purchasing capabilities, research and development capabilities, and lastly M & A capabilities. Quite a competitive advantage vis à vis the rest of the steel industry. In terms of the complementary aspects of the merger, what is interesting is that this merger also eradicates the gap that either steel company has. For example, Mittal Steel we have a weaker position in Western Europe where we do not have automotive capability. Arcelor brings that. We are present in three of the four lowest cost steel manufacturing environments on a global basis, namely the CIS, China, and South Africa. Arcelor brings Brazil to the table. We don t have a distribution model which is successful. We have some distribution capability in Poland, but have not made it into a significant business. Arcelor brings that. On the other hand we clearly have the leadership position in North America. You ll hear about that from Lou. We have operations in high growth economies. We have access to raw materials, [UI] being the fifth largest iron ore company and we clearly have an entrepreneurial culture. The fit of the two companies is quite, quite incredible. When you look on this page it s very impressive as to how complementary we are in terms of region as well. [UI] the merger we would have leading positions in five of the nine major countries, nine major markets, 61 facilities in 27 countries, numerous international partnerships, and joint ventures, and we would have the opportunity to grow in China and India. In all of these markets, by far we d be the market leader not only in terms of size but also in terms of product leadership as well as customer franchise. In terms of R & D leadership, this, this is a critical point. I think for the last ten years I ve heard steel companies talk about a global customer base. The reality is that no one [UI] the capability to service customers on a global basis. Specifically automotive and appliance. And the reason has been, is for example Mittal Steel we are

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dominant in, in the North American market, but not so in Western Europe. Arcelor is strong in Western Europe, not so in North America. If you have a global automotive platform it s very difficult to tell the automotive company we will supply you the same steel in Western Europe as we do in the US if you do not have the facilities. By creating a global research and development capability we can supply the global automotive platforms the same steels in most of the developed markets of the world, which we believe is very powerful. Secondly, there are certain grades that we produce which Arcelor doesn t. We can transfer that technology to Western Europe and vice versa. In terms of the synergies, clearly these are the synergies that we believe will be realized based on our past track record and our experience. We do not have access to Arcelor s insider information and therefore it s, it s based on what we can see in the public domain and based on our own analysis. In terms of purchasing it s quite simple. $600 million, which is 1.25% of the combined cost of [UI] sold of the entities, when we acquired [ph] Inland [ph] in 1998 in three years we achieved a cost saving of 7% in terms of COGS. [UI] ISG we have achieved 1.7%. So we believe 1.25% should be relatively do-able bringing the two entities together. In terms of the marketing and trading distribution, trading savings that s $200 million. That s achieved by two things. There s three to four million tons of cross-product flow in Europe. They re selling from their facilities in France into Poland and vice versa. That s thirty to forty Euros of [UI] per ton that we could save. We sell about 15 million tons of products through distribution. We can use Arcelor s distribution capabilities, giving assuming a profit margin per ton of 5 to 10 dollars, that gets you a significant portion of that synergy as well. And lastly, manufacturing process optimization, which is another $200 million, that s basically two principles. Producing the right product at the right [UI] and larger order sizes. At ISG we have already saved almost two and a half dollars per ton in six months, manufacturing process optimization. Lou can talk more about that, and then clearly on the combined [UI] there s a significant opportunity on that basis as well. We believe we can achieve the billion in annual synergies with minimal implementation costs as there are no restructurings, there are no redundancies, etc. There are other synergies which have not been quantified. In cost clearly the synergy of consolidation, the benefits of that product and process innovation. Interestingly in terms of [ph] Capex [ph] we believe we will be avoiding duplicating Capex in Central Europe. We have an investment program to build automotive capability in central Europe, to build distribution in Central Europe. Now we can use our, we can leverage Arcelor s capabilities and save some Capex. In terms of bidding synergies, earlier on we talked about [ph] Treveristau [ph], the third bidder walked out at $3.5 billion. We bid against each other all the way up to $4.8 billion in $20 million increments. That s $1.5 billion trade, or $1.3 billion, excuse me, in terms of bidding synergies in 2005. In terms of revenue synergies, we talked about the global customer franchise. We have not talked about [UI] impacts, but we do believe there will be some pricing impact in different product segments in certain parts of the world and we intend to

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leverage Arcelor s distribution model onto a global platform with a focus on areas like North America and perhaps Africa. In terms of the value creation and growth potential, it s quite unique. A year and a half ago there was a steel conference and our chairman at lunch talked about creating a hundred million ton steel company. At breakfast Mr. [UI] talked about creating a hundred million ton steel company. Everyone thought they had swapped speeches. But the point is that we believe by combining these two entities we can create a 200 million ton steel company. I ll try and provide you the math of getting to 150 to 200 million as that is the official vision of the company in 2015. On a combined basis you must assume that we had 107 million tons of production in 2004. That is organic growth capability within the two entities of about 15 to 20 million tons. That s primarily in Brazil. In Kazakhstan, in South Africa, and in Ukraine where we intend to grow our primary capabilities. There will also be some growth in Central Europe, and then that total is 15 to 20 million tons. We have a plan to set up a Greenfield venture in India, 10 million tons. And the state of Charkins. And we have an asset in China which is producing 8 million tons, and Arcelor has signed an agreement to acquire another asset which is producing 10 million tons. If you add all of that up you re already at 150 million tons. Absent that, if you assume that the combined growth rate of both of these entities historically has been 14%, for the last five years, and you use that as a rate of growth you achieve 200 million tons in five years. So the ability of our company to achieve 150 to 200 million tons by 2015 is, it s very realistic estimate. More importantly the steel industry is also gonna grow

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quite dramatically. So even if we achieve a level of 150 to 200 million tons, that s still only 12 to 15% of the global steel industry capacity. So that s, that s basically how we believe we will create a unique platform for further growth in value creation. In terms of the combined performer financials, it provides you with a good picture of the financial strength in terms of margin, of the combined entities as well as size of the combined entities relative to the steel industry. These pro formas are basically simple addition simply because Arcelor is IFRS, we are US GAAP, and it s using an exchange rate [UI] 14 Euros. Let me just spend one minute on stainless before I hand over to Julien and Tom. I talked about the stainless steel problem that Arcelor has had for the last ten years. They were not successful in the U.S. and they had to sell GNL to Allegheny Technologies. They sold [ph] Tinox [ph] as well to their local partner. If you look at their margin it s very interesting. They have underperformed the other three European stainless players by quite a significant percentage in terms of [UI] margin. Almost a third if you look at [UI]. It s, the data is 2004, but if you look back over the last ten years we can see we can see consistent underperformance vis a vis the market leader in stainless. Yes there are issues with the way their assets are configured. There are certain structural issues that they have versus [UI], but we do believe that we can bridge this gap quite significantly. [UI] just provides you with the history of JNL and what ended up happening, provides you with a history of Tinox, and lastly provides you with an example of [ph] Unimetal [ph]. Unimetal was another business which Mr. Dollé was managing

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before he managed the stainless business, and in 1998 Arcelor decided that long products was a non-core business. They decided to sell Unimetal and as we, we saw future in the stainless, in the long products in Western Europe in 1995, we acquired it. Clearly, Unimetal has been turned around. Safety performance has improved, margin has dramatically changed. The bidder potential of the company is clearly there. So clearly by the application of our model, Unimetal not only survived, but also has become consistently profitable. [UI] the creation of Arcelor in 2002, long products has once again become one of its core areas, as when they merged with [UI] they realized long products actually makes business sense. We had consolidated that sector and they had begun to invest in it. We believe we can leverage our turnaround expertise in stainless. We clearly have a tremendous track record globally in terms of improving businesses. We can leverage our global skills. We can drive knowledge transfer and change management processes across, across the stainless business at Arcelor, and therefore we would hold off on examining strategic options on the stainless business given our turnaround expertise and potential. With that I ll hand it over to Julien and Tom to talk about unlocking the value. Thank you.

Julien Onillon: Thank you Aditya. I would love to talk a lot about valuation and so on, but it s, I will [UI] easy things. Just to remind how the market has reacted the offer. And [UI] most of the time when you have an offer like that you see one company is going down, the guy which makes the offer and of course the company which is trying to be acquired is going up. Here the two companies

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went up and that was quite amazing. To be fair, it means that also Arcelor did good work, good job to explain the deal [UI] in the past. As I say, we need more consolidation in the industry, we need to move in East Europe and we need to move in North America. We need to go in mining in [UI], in Africa, in Asia. So basically they do all the jobs for us in some extent. This rising performance has created a lot of value for shareholders, 7 billion Euro already and obviously we believe it s just the beginning and more value can be done in the future. Here are some quotes from analysts which are around here, not everybody is here but a lot are here. And you have to say that all the [UI] to ride before the [UI] before have been very positive on the deal at least [UI] the rationale of the deal. Why so much positive is obviously because everybody understands this merger will create a lot of value, [UI] at the end of the day, and more importantly, it will [UI] returns and margins. We have seen [UI] consolidation of the [UI] in 2004 and 2005. [UI] created value. And obviously [UI] today the industry has done very well and the analysts, [UI] say [UI] very well how it can create value in the future if there is more consolidation to come. And obviously when you see the [UI] makers today, ourself in particular, you see that there is a huge potential of recovery in terms of the rating if you re looking at how the other materials sectors is, it s also [UI] the materials leaders. This [UI] well [UI] by again the analysts, which you understand very well how much value can [UI] this operation and how much [UI] company [UI] this operation happened. I ll turn now to Tom to explain you why will be the investment of choice as a new company.

Tom McCue: Good morning. In this slide you can see where we think it s obvious we would be the premier investment choice in the steel industry, our market cap would be in excess of $40 billion. The next is three Asian guys in the $20 billion kind of range, and then it tapers off from there. Size is important in these kinds of selections when you re picking a leader for an industry and we think this gets us there. The next schedule shows enhanced market capital, capital markets profile is the title will be listed in six exchanges, we think will be a likely member of the CAC 40 index in France and others as well. What the transaction brings us as well would be greater research coverage. We think we ve got great coverage now given we ve just really been a very public entity in the last year. But this will take it to a new level. And increased investor visibility. Remember we have not been around that long. A transaction like this and size like this will make us even more visible than we are right now and we think we ve done, we ve made good inroads in that and we think we ll do even better with this transaction. You can see the household names that we would be compared with in size spread along the bottom of this schedule. It s very impressive when you see people that we ve heard of most our lives like a Caterpillar or a Dow Chemical and we re, and we re right in the midst of that. I think global industrial benchmark is a good phrase there. The next schedule we talk about here are the indices. And this is subjective so you really don t know with any certainty, but we do feel the CAC 40 is very likely. We d be weighted about 1.8% of this index. We also think the SBF 120 in France as well is, is very likely. The IBX in Spain and even the EuroSax 50 is something that we think is somewhere between likely and something we can aspire to. On the next schedule, just quickly here we show some of the things that I know you people and others have mentioned to us over the last year, trading liquidity. What we re doing here, free float has been a huge issue. We think we ve been nicked in terms of a discount in the market in terms of our share price because of the free float issue. This transaction takes care of that we think in spades. It increases our free float from about 11% of the stock up to about 44% of the stock. In terms of dollars that takes us up in excess of $20 billion of free float. 15 billion of Euros. As you see some of the comparables on the bottom, you can see our market cap and our average daily trading volume will be very comparable to the CAC 40 and the Eurostock Index average. And on the free float front it would be very material. It would be somewhat short of these but still extremely material. Just to summarize our financial policy here, in our view the kind of the fundamental plan here in everything we do is to come up with an efficient capital structure and have a reasonable return of excess cash flow to shareholders. In order to do that, we ve announced a 25% dividend payout ratio. We told stock holders a year ago when we announced an initial modest dividend that we would be reviewing it in a year. We d be looking at the market acceptance. We d be understanding the markets better. We d be looking at our performance and projecting our performance. Based on all that, we did come up with what we think is a more reasonable longer term policy of a 25% dividend payout over the cycle. We ve also made a long term

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commitment to remain an investment [UI] company. We will take no actions that would jeopardize that. And we will maintain high returns on capital and obviously the way we do that, one of the key ways we do that is to invest wisely and don t pay too much for the things that we buy. We think all this leads us to an unparalleled financial flexibility for our industry, allows us to pursue internal and external growth opportunities which should make shareholders even more happy. With that, I would turn it back over to Mr. Mittal for the conclusion to this segment of our program.

Lakshmi Mittal: Thank you Tom. Mittal Steel anyway offers a very good value for the shareholders. And with this transaction the value goes up substantially because this transaction will lead for more consolidation in the industry. Already we start hearing a lot of rumors from market. I m sure that once this transaction is done we will hear more transactions, more consolidation, and more companies moving towards the globalization. Clearly combination of Mittal Steel Arcelor will create undisputed leader in the steel industry, will have growth opportunities. We have more than what is quantified synergies. We have a very strong balance sheet. We will continue to be a leader in research and development. They re also addressing lot of issues what, which shareholders have been saying to us during our various meetings. We have reduced our [UI] We will have improved the liquidity of the stock. We are improving our dividend payout policy and we are following all the corporate governance of stocks for 04 by end of this year. So we will be addressing all these comments which we used to hear during our various meetings, and plus

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this transaction offers a lot of values for the shareholders going forward because the steel industry would need to be re-rated once these kinds of transactions are in place. So I think this transaction is definitely very positive for the stakeholders because Mittal Steel offers great value and this transaction offers much more value as a combined entity. Thank you very much. Now we will [UI] questions.

[UI background comment]

UM1:	[UI] I have two questions if I may. [UI] talk about the [UI] nature of the client base and obviously the [UI] numbers [UI] increase market share [UI] actually [UI] ... The second question is what was your initial reaction to the [UI] ... [UI] ... Thank you.
UM3:	In terms of the global customer accounts we believe it s primarily gaining market share. And if you look at the high end customers it s, these are profitable accounts, and therefore as you gain market share you clearly are improving your margins. Why would we gain market share? I think we become the preferred supplier of choice. We have a capability here in the U.S. where we by far are the number one automotive franchise. Arcelor represents that they are the number one automotive franchise in Western Europe and now we can provide them with a global product base. We can participate with them as we develop global cars, i.e. the [UI] car for the Western European market and the US market. And participate much more with them in terms of researching how better we can use steel five to ten years from now in terms of safety critical applications for the automotive market.

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UM3:	[UI] example [UI] chamber of commerce. And nothing that has been decided. But we believe that legitimate government will not take any decision of this kind which could seem to be frustrating this transaction. This is our belief, because we also believe that Japan [UI] believes in open European economy. He believes in open [UI]. So we, the [UI] which you are referring is only the previous comment from Prime Minister [UI]. I don t think that he has made any comment this morning. Anything special relating to this transaction. They are all aware about this proposal from Chamber of Commerce and we are addressing those issues by writing to, by talking to these comments.
Daniel Altman:	Thanks. Daniel Altman from Bear-Sterns. Two questions. First of all, so the trading action of Arcelor Mittal is very interesting. We now see Arcelor trading at a high single digit premium to Mittal. Mittal s offer. How do you interpret that premium and what, do you think it s a sustainable premium? How do you react to that is the first question? The second question is that you mentioned that you thought that mergers were, may be a better corporate action than acquisitions if I understood that correctly. Looking at Ukraine as a specific example, do you maybe have some regret now that you bought Ukraine given, is this a reflection on the move you made in Ukraine?
Aditya Mittal:	In terms of the premium you have to be careful, because a lot of the premium calculations that I see exclude the dividend potential of both the stocks. And Arcelor has announced a one Euro twenty dividend. And if you exclude that and the premium is almost half. The, the focus of our presentation has been that our shares are significantly undervalued. There is a liquidity discount.

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There is a discount for other reasons. And there is tremendous growth potential that we have and we should be creating, creating also this process. We believe as we educate our investor base and as the offer document becomes effective our shareholders will begin to realize the value that is inherent in our stock versus Arcelor s stock. And then that should take care of this anomaly. In terms of Ukraine, I mean we do not regret that acquisition at all. It is performing based on [UI] transactionals. We actually achieved the synergy numbers much faster. I do believe though that if we were to rewind and be back in Kiev on that day in October, we would realize that Arcelor would bid more than 4.8. And because they are now realize that growth opportunities are limited around the world. They saw what they had to do with the [UI] and suddenly they are realizing that to grow they do have to pay substantial premiums. And in such an environment perhaps you will not be the ones who would buy Ukraine for, for a lower number. And that s what we see as happening in 2006 and 2007. So from that perspective it makes sense for both of our companies to combine together so we can actually achieve our growth objectives without destroying shareholder value.

Lakshmi Mittal: Anyways it s...Arcelor is following us in the growth [UI]. And like in China we were the first in China now they are acquiring China. We are looking at more opportunities in China. They will also, they said they want to look at more opportunities for this would only create increased costs for both the companies, and [UI] this kind of merger they are looking at India, we are looking at India. So all the opportunities, we are already in Algeria for example, they have signed an agreement with [UI] in Morocco. So you can [UI] we are following, Arcelor is basically following us in those growth areas where we already exist. And if they want to expand in those areas they are only helping the sellers to increase cost and only increasing competition among Arcelor.

Wayne Atwell: Wayne Atwell, Morgan Stanley. Could you talk a little bit more about your plans for R & D, how many people you re gonna have. Do you plan to be a leader in developing products, anything in particular that you have in mind? Maybe I m mistaken, but I don t think of your company historically as being a leader in R & D. Maybe I m wrong on that. Maybe you could just expand that a little bit.

Aditya Mittal: Yeah I think Lou should focus on answering that, but we have Greg Ludkovsky as our Chief Technology Officer here and he is going to make a presentation on R & D. And he s gonna talk about what we have been doing and, and clearly that s an unfortunate misconception that you might have.

Lou Schorsch: Yeah, I ll comment briefly, anticipating Greg s remarks, mainly with a focus on the United States. We have between 180 and 200 people in the R & D department within Mittal Steel USA, and by that I mean people that are out in the laboratories, out working in the equipment at the R & D Center, and obviously they, they re also drawn on quite a bit when we have operating problems or what have you. In addition, a lot of the people that in the past might have worked in the R & D silo let s say, are out as operating technology people out in the plants. But again, it s around, between 180 and 200 people.

We made a commitment when we bought ISG that we would make an offer to every one of the people that was with their R & D Group which we ve done, and that we d keep that complement of people. I think by US standards you know, that s quite a capable group and I think that s reflected in our position with our customers. Mr. Mittal mentioned Ford and GM. There s some other awards that will be granted later this month even with some of the transplant companies and we re pretty optimistic about that, we ll see how that plays out. But I think the record here, we certainly have a good compliment and a good track record in terms of the products we ve been able to develop and the support we ve been able to give our customer base.

Chip Bradford: Chip Bradford from Bradford Research. Can you talk a bit about your benchmarking. The steel industry is not noted for doing much benchmarking either internationally or even domestically. Yet you do a lot. Can you describe what you do and what benefits you ve gotten from the benchmarking?

UM4: You know, I m just thinking about it, it s a combination of exhilarating and painful depending on where you are, which side of the benchmark you re on. But we re [UI] about speaking in those terms we have a very active benchmarking process that works on a global basis at what the best performance is and we do segregate that to a very granular level in terms of thinking what s the best working ratio performance, the best quality performance, the best usage of refractories, you name it, down to a very granular level. The perfect principle we use for any business planning process is pick the best quarter of the past, depends on the year, the period you re looking at. It s a bit awkward at Mittal Steel obviously because the ISG facilities don t have that history. In the past [UI] we d look at kind of a five year history at Mittal USA, now we re trying to go back three years to say, let s pick the best quarter, let s understand how we performed in the quarter. Tell us why we can t do the best quarter over a year. Now typically that s a pretty ambitious goal. We typically don t get there but I think it s a driver, a pull factor let s say for pretty active aggressive continuous improvement process.

Michelle Applebaum:	Hi. Michelle Applebaum, Michelle Applebaum Research. In the presentation, Aditya you made some comments about upside that wasn t in your model on pricing that you felt that there would be some benefits in pricing certain products in certain regions. Can you elaborate a little bit on that?
Aditya Mittal:	It s very difficult for me to elaborate on that. There is some product overlap that exists. We talked about the global product such as automotive and appliance and catering to the global customer. There is product overlap in terms of long products in Western Europe. We are very strong Eastern Europe. They are very strong in Western Europe. So clearly in terms of that environment we could see some benefits. There is generally the steel industry as you have seen has been moving to an environment in which we are adjusting demand, adjusting supply based on the demand environment. And [UI] significantly strengthened through this merger. And lastly, I do believe it

will have a knock on effect on the rest of the steel industry in terms of more consolidation, and so the ability for the steel industry to take care of the inventory overhang situation will improve, enabling a better pricing environment.

Michelle Applebaum:	So I guess your bottom line is that in terms of the downturns, the discipline that you get out of the multi-facilities and the overlap would allow more pricing leverage in the declines [UI] market.
Aditya Mittal:	Yeah. And the best example is [UI] ISG. It was a very difficult environment in 2005. We had significant inventory overhang both in the US and in Europe. We just acquired ISG. We had a commitment to grow that company with a union, with its employees. We sat down and realized the best decision was actually to reduce production quite dramatically. We operated [UI] rate of 50% in July and still had positive [UI] and that allowed the global steel industry to turn around in 2005. We did the same production cuts in Europe, an 18% production cut which was followed by the other European players and we could see sustainability arrive in the steel industry. And proof in the pudding from our perspective is the aggressiveness of the bidders in trying to buy steel companies in the Fall of 2005 both in Turkey and Ukraine and in Canada.
UM5:	[UI] couple of questions. There was some commentary in the press that Doray had mentioned that some of the managers would be willing to speak to your management team. [UI] proposal and there was a I guess some [UI]

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press speculation that you had submitted 100 page proposal to Luxemburg. I m just curious whether you plan on giving that to Arcelor management.

Aditya Mittal:	The Arcelor management has always said that please send us the industrial plan. We just don t believe the postal service will make this transaction friendly. We believe a meeting in which we can sit down and discuss ideas, discuss on why this transaction makes sense and [UI] industrial plan is what is required. And then that has been our position from Day 1. There is no change in our position from Day 1.
UM5:	And so have you approached them at all on any level? I mean have you attempted to have conversations with them?
Lakshmi Mittal:	There is no conversation. We were together in a couple of weeks back in [UI] committee for the whole day, but there was no conversation on this transaction but we had a lot of conversations on other global issues of the steel industry.
UM5:	One last if I may. Any color on your conversations with Arcelor shareholders, because when you speak to Arcelor management they obviously seem to think that their shareholders are obviously [UI]. I was just curious on, any color there?
Aditya Mittal:	We, we have to be careful as to what we say in terms of Arcelor shareholders are suggesting simply because we might be accused of influencing the bid or the tender from a regulatory point of view. All we can say is that we have met 60% of our Arcelor shareholder base so far, explained to them the transaction rationale.

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UM6: [UI] react to the offer [UI]...