MITTAL STEEL CO N.V.
Form F-4/A
February 03, 2005

Table of Contents

As filed with the Securities and Exchange Commission on February 3, 2005

Registration No. 333-121220

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

Form F-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Mittal Steel Company N.V.

(Exact Name of Registrant as Specified in Its Charter)

The Netherlands	**3312**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Hofplein 20, 15th Floor

3032 AC Rotterdam
The Netherlands
+31 10 217 8800
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Marc R. Jeske

Ispat Inland Inc.
3210 Watling Street
East Chicago, IN 46312
(219) 399-1200
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

John A. Marzulli, Jr., Esq.	**Henk Scheffer, Esq.**	**Robert A. Profusek, Esq.**
Peter J. Rooney, Esq.	**Mittal Steel Company N.V.**	**Marilyn W. Sonnie, Esq.**
Shearman & Sterling LLP	**Hofplein 20, 15th Floor**	**Jones Day**
599 Lexington Avenue	**3032 AC Rotterdam**	**222 East 41st Street**
New York, NY 10022-6069	**The Netherlands**	**New York, NY 10017-6702**
United States	**+31 10 217 8819**	**United States**
(212) 848-4000		**(212) 326-3939**

Approximate date of commencement of proposed sale of the securities to the public: As promptly as practicable after this Registration Statement becomes effective and upon completion of the transactions described in the enclosed proxy statement/prospectus.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Class A Common Shares, par value 0.01 per share	(1)	(1)	$1,962,705,339.00	$231,010.42*

(1) Pursuant to Securities Act Rule 457(o), this information is not included.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(f)(1) and (3) and Rule 457(c) of the Securities Act of 1933, as amended (the Securities Act), based on (i) the product of (a) $40.62, the average of the high and low sales prices of International Steel Group Inc. common stock as reported by the New York Stock Exchange on February 2, 2005 and (b) 100,035,950 shares of International Steel Group Inc. common stock outstanding at the close of business on February 2, 2005 less (ii) $2,100,754,950, the amount of cash to be paid by the Registrant in exchange for shares of International Steel Group Inc. common stock (equal to the product of $42.00 times 50,017,975 shares of International Steel Group Inc. common stock to be converted into cash).

(3) Computed in accordance with Rule 457(f) under the Securities Act to be $231,010.42 which is equal to 0.0001177 multiplied by the proposed maximum aggregate offering price of $1,962,705,339.00.

* Fee has already been paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 3, 2005

February [ ], 2005

To International Steel Group Inc. Stockholders:

I am pleased to invite you to the special stockholders meeting to consider the proposed merger of International Steel Group Inc. and Mittal Steel Company N.V., formerly known as Ispat International N.V. The meeting will be held at [location] on [day], March [ ], 2005 at [time], local time.

In the merger, ISG stockholders will be entitled to receive: (1) $42.00 per share in cash, (2) a number of Mittal Steel class A common shares equal to $42.00 divided by the average closing price of Mittal Steel class A common shares on the New York Stock Exchange during the 20-trading-day period ending on (and including) the trading day that is two days prior to the completion of the merger, up to a maximum of 1.21740 shares and a minimum of 0.95865 shares, or (3) a combination of cash and Mittal Steel class A common shares. ISG stockholders may elect to receive cash, Mittal Steel class A common shares or a combination of the two, but may receive a different proportion of cash and shares because 50% of the shares of ISG common stock will be converted into cash and 50% of the shares of ISG common stock will be converted into Mittal Steel class A common shares.

Mittal Steel class A common shares are listed and traded on the New York Stock Exchange, Mittal Steel s principal U.S. trading market, and outside the United States on Euronext Amsterdam, in each case under the symbol MT .

You should carefully consider the risk factors relating to the proposed merger beginning on page 29.

Whether or not you plan to attend the meeting, please complete and return your proxy card in the envelope enclosed for your convenience. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. Your prompt cooperation will be greatly appreciated.

On behalf of the entire ISG board of directors, thank you for your involvement in ISG. We hope that the next chapter in the ISG story is as exciting and profitable as those that came before.

Sincerely yours,

[INSERT SIGNATURE]
WILBUR L. ROSS
Chairman of the Board

If you have any questions concerning the proposed merger, please call ISG s proxy solicitors, MacKenzie Partners, Inc., toll free at (800) 322-2885. **Please do not send in your stock certificates with your proxy card.**

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE MERGER OR THE MITTAL STEEL CLASS A COMMON SHARES TO BE ISSUED IN THE MERGER OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROXY STATEMENT/ PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/prospectus is dated [February] [ ], 2005, and is first being mailed to ISG stockholders on or about [that date.]

INTERNATIONAL STEEL GROUP INC.

4020 Kinross Lakes Parkway
Richfield, Ohio 44286-9000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On [Day], March [ ], 2005 at [Time]

TO INTERNATIONAL STEEL GROUP INC. STOCKHOLDERS:

Notice is hereby given that a special meeting of stockholders of International Steel Group Inc. relating to the proposed merger of ISG with a subsidiary of Mittal Steel Company N.V., formerly known as Ispat International N.V., will be held on [day], March [ ], 2005, at [time], local time, at [location], to consider and vote upon:

(1) A proposal to adopt the Agreement and Plan of Merger and Reorganization, dated as of October 24, 2004, among Mittal Steel (formerly known as Ispat International N.V.), Park Acquisition Corp, a wholly owned subsidiary of Mittal Steel, and ISG; and

(2) A proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the proposed merger.

Information regarding the merger and related matters is contained in the accompanying proxy statement/prospectus and the annexes to the proxy statement/prospectus. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement/prospectus.

The ISG board of directors has fixed the close of business on [February] [ ], 2005, as the record date for determination of ISG stockholders entitled to notice of, and to vote at, the special meeting. Only the holders of record of shares of ISG common stock on the record date are entitled to have their votes counted at the special meeting. A list of stockholders entitled to vote at the special meeting will be available for examination by any ISG stockholder, for any purpose concerning the meeting, during ordinary business hours at ISG s principal executive offices, located at 4020 Kinross Lakes Parkway, Richfield, Ohio, during the ten days preceding the special meeting.

Adoption of the merger agreement requires the votes represented by a majority of the outstanding shares of ISG common stock entitled to vote to be voted FOR the proposal. **Failure to vote your shares of ISG common stock at the special meeting has the same effect as a vote AGAINST the merger.**

You have the power to revoke your proxy at any time prior to its use at the special meeting. If you attend the special meeting, you may withdraw your proxy and vote in person.

You may attend the special meeting in person. It is important that your shares of ISG common stock are represented at the special meeting regardless of the number of shares that you hold. Your early attention to the proxy card will be greatly appreciated because it will reduce the cost ISG incurs in obtaining voting instructions from its stockholders.

The ISG board of directors has approved and declared advisable the merger agreement and unanimously recommends that you vote or give instructions to vote FOR the proposal to adopt the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

You should not return your ISG common stock certificates with the enclosed proxy card.

By Order of the Board of Directors

[INSERT SIGNATURE]

CARLOS M. HERNANDEZ
Secretary

Richfield, Ohio
February [ ], 2005

Table of Contents

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Mittal Steel and ISG from other documents that are not included in or delivered with this proxy statement/prospectus. See WHERE YOU CAN FIND MORE INFORMATION on page 1 for a listing of documents incorporated by reference. These documents are available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at one of the following addresses:

Mittal Steel Company N.V.
Investor Relations
Mittal Steel Company N.V.
Hofplein 20
15th Floor
3032 AC Rotterdam
The Netherlands
+31 10 217 8800

International Steel Group Inc.
Investor Relations
International Steel Group Inc.
4020 Kinross Lakes Parkway
Richfield, Ohio 44286-9000
(330) 659-9100

If you would like to request any documents, you must do so by [March] [ ], 2005 in order to receive them before the special meeting of ISG stockholders.

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Annexes

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Mittal Steel files Annual Reports on Form 20-F with, and furnishes other information under cover of a Report on Form 6-K to, the U.S. Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Prior to December 17, 2004, Mittal Steel filed with, or furnished to, the SEC documents under its former name Ispat International N.V. As a foreign private issuer, Mittal Steel is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and will not be required to file proxy statements with the SEC, and Mittal Steel s officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. ISG files annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy this information at the SEC s public reference room, located at 450 Fifth Street, N.W. Room 1024 Washington, D.C. 20549.

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at the above address, at prescribed rates.

The SEC also maintains an Internet website that contains reports and other information about issuers, like Mittal Steel and ISG, who file electronically with the SEC. The address of that site is http://www.sec.gov.

You can also inspect reports and other information about Mittal Steel and ISG at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Mittal Steel filed a registration statement on Form F-4 to register with the SEC the issuance of the Mittal Steel class A common shares pursuant to the merger. This proxy statement/ prospectus is a part of that registration statement. This proxy statement/ prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement. You may obtain copies of the registration statement, including the exhibits to the registration statement, on Form F-4 (and any amendments to those documents) in the manner described above.

The SEC allows Mittal Steel and ISG to incorporate by reference information into this proxy statement/ prospectus, which means that Mittal Steel and ISG can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/ prospectus, except for any information superseded by information contained directly in this proxy statement/ prospectus or subsequent filings deemed incorporated by reference herein.

This proxy statement/ prospectus incorporates by reference the documents set forth below that Mittal Steel and ISG have previously filed with the SEC. These documents contain important information about Mittal Steel and ISG and their financial condition.

Table of Contents

MITTAL STEEL SEC FILINGS (File No. 001-14666)	Period
Annual Report on Form 20-F, as amended	Year ended December 31, 2003
The description of Mittal Steel class A common shares set forth in Mittal Steel s registration statement filed by Mittal Steel pursuant to Section 12 of the Exchange Act, including any amendment or report filed for purposes of updating any such description	Filed on July 24, 1997
The Management s Discussion and Analysis of Financial Condition and Results of Operations of Ispat International set forth in Exhibit 1.2 to Ispat International s Form 6-K	Filed on November 18, 2004
Reports on Form 6-K	Filed on: May 6, 2004 August 5, 2004 October 25, 2004 (filing regarding third quarter earnings) December 15, 2004 December 17, 2004 January 6, 2005 January 12, 2005

ISG SEC FILINGS (File No. 001-31926)	Period
Annual Report on Form 10-K	Year ended December 31, 2003
Quarterly Reports on Form 10-Q	Quarters ended: September 30, 2004 June 30, 2004 March 31, 2004
Current Reports on Form 8-K	Filed on: February 23, 2004 April 2, 2004 (filed pursuant to Items 5 and 7) April 13, 2004 May 6, 2004 June 17, 2004 June 23, 2004 October 7, 2004 October 25, 2004 October 28, 2004 December 20, 2004 February 1, 2005

Mittal Steel and ISG also incorporate by reference into this proxy statement/ prospectus additional documents that they may file with or furnish to the SEC from the date of this proxy statement/ prospectus to the date of the special meeting of ISG stockholders. These include reports such as Annual Reports on Form 10-K or Form 20-F, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K filed with (as opposed to furnished to) the SEC, any Reports on Form 6-K designated as being incorporated by reference into this proxy statement/ prospectus, as well as proxy statements filed by ISG.

You should rely only on the information contained in, or incorporated by reference into, this proxy statement/ prospectus in deciding how to vote on the merger. No one has been authorized to provide you with information that is different from what is contained in, or incorporated by reference into, this proxy statement/ prospectus. This proxy statement/ prospectus is dated [February] [ ], 2005. You should not assume that the information contained in, or incorporated by reference into, this proxy statement/ prospectus is accurate as of any date other than that date. Neither the mailing of this proxy statement/ prospectus to ISG stockholders nor the issuance by Mittal Steel of Mittal Steel class A common shares in connection with the merger will create any implication to the contrary.

QUESTIONS AND ANSWERS ABOUT THE ISG SPECIAL MEETING

AND THE PROPOSED MERGER

The following questions and answers briefly address some questions you may have regarding the special meeting of ISG stockholders and the proposed merger. These questions and answers may not address all questions that may be important to you as an ISG stockholder. Please refer to the more detailed information contained in this proxy statement/ prospectus, the annexes to this proxy statement/ prospectus and the documents referred to, or incorporated by reference in, this proxy statement/ prospectus.

Q: What is the proposed transaction for which I am being asked to vote?

A: The proposed transaction is the merger of ISG with a wholly owned subsidiary of Mittal Steel, Park Acquisition Corp. Assuming the closing conditions to the merger agreement are satisfied or waived, it is currently contemplated that ISG will be merged with Park Acquisition Corp., and either Park Acquisition Corp. or ISG will continue as the surviving company and as a wholly owned subsidiary of Mittal Steel.

Q: What will the ISG stockholders receive in the merger?

A: As consideration for each share of ISG common stock exchanged in the merger, ISG stockholders may elect to receive:

$42.00 in cash,

a number of Mittal Steel class A common shares valued at $42.00, subject to a restriction on the maximum and minimum number of Mittal Steel class A common shares to be issued in connection with the merger, or

a combination of cash and Mittal Steel class A common shares.

Q: Will each ISG stockholder receive the specific amount of cash or Mittal Steel class A common shares elected?

A: Not necessarily. The merger agreement requires that, in the aggregate, 50% of the shares of ISG common stock must be converted into cash and 50% of the shares of ISG common stock must be converted into Mittal Steel class A common shares. As such, if there is an oversubscription for cash or Mittal Steel class A common shares, a pro rata adjustment will be made to ensure that 50% of the outstanding shares of ISG common stock are converted into cash and 50% are converted into Mittal Steel class A common shares. As a result, the amounts of cash and Mittal Steel class A common shares that an ISG stockholder will receive may be different from the amounts that such ISG stockholder elects to receive. For example, if ISG stockholders owning more than 50% of the shares of ISG common stock elect to receive all cash, then the number of shares of ISG common stock converted into cash will be less than the number elected. Similarly, if ISG stockholders owning more than 50% of the shares of ISG common stock elect to receive all Mittal Steel class A common shares, then the number of shares of ISG common stock converted into Mittal Steel class A common shares will be less than the number elected.

In addition, Mittal Steel will have the option to increase the amount of Mittal Steel class A common shares to be received by ISG stockholders if necessary to allow the merger to qualify as a reorganization for U.S. federal income tax purposes.

Q: How and when do ISG stockholders make their election?

A: Written instructions for ISG stockholders to make elections to receive cash or Mittal Steel class A common shares or a combination of cash and Mittal Steel class A common shares are being distributed with this proxy statement/prospectus. The form of election will also be posted on ISG s website at www.intlsteel.com. To be effective, a form of election must be received by [ ], the exchange agent for the merger, by 5:00 P.M., New York City time, on or before the third day after the effective time of the merger.

Q: If I make an election, may I change it later?

A: Yes, so long as the subsequent election is received before the election deadline described above. Any subsequent election will automatically cancel a prior election.

Q: What happens if an ISG stockholder fails to make a proper election or misses the election deadline?

A: Mittal Steel or the exchange agent has sole discretion to determine that a form of election was received after the election deadline or was otherwise improperly made. Any shares of ISG common stock subject to such a determination will be treated as if no election has been made with respect to such shares. Mittal Steel may, subject to certain limitations, treat any shares of ISG common stock with respect to which no election has been made (or deemed to have been made) as either cash election shares or stock election shares, in its sole discretion. Accordingly, ISG stockholders are urged to make their elections.

Q: What is Mittal Steel and how does it relate to Ispat International N.V. and LNM Holdings N.V.?

A: Mittal Steel was named Ispat International N.V. when it executed the merger agreement with ISG. Simultaneously with the announcement of the proposed merger with ISG, Ispat International announced that it had entered into an acquisition agreement with The Richmond Investment Holdings Limited (an entity owned by Mr. Lakshmi N. Mittal, the Chairman of the board of directors and Chief Executive Officer of Ispat International, and his wife, Mrs. Usha Mittal, who together were the controlling shareholder of the former Ispat International) to acquire LNM Holdings. Upon the completion of the acquisition of LNM Holdings on December 17, 2004, Ispat International changed its name to Mittal Steel Company N.V. LNM Holdings is now a wholly owned subsidiary of Mittal Steel. ISG stockholders who receive Mittal Steel class A common shares in the proposed merger between Mittal Steel and ISG will become stockholders in Mittal Steel, which will be comprised of Ispat International, its recently acquired subsidiary, LNM Holdings, and ISG.

Q: When do you expect to complete the transaction?

A: Mittal Steel and ISG are working toward completing the merger as quickly as possible, and anticipate that it will be completed before the end of the first quarter of 2005. In order to complete the merger, Mittal Steel and ISG must each obtain stockholder approval and the other closing conditions under the merger agreement must be satisfied or waived.

Q: What vote is required by the ISG stockholders to adopt the merger agreement or adjourn the special meeting, if necessary, to solicit additional proxies?

A: The adoption of the merger agreement and the adjournment of the special meeting, if necessary, to solicit additional proxies require the affirmative vote of a majority of the outstanding shares of ISG common stock entitled to vote and the affirmative vote of a majority of the outstanding shares of ISG common stock present (in person or by proxy) at the meeting and entitled to vote, respectively.

Q: How does the ISG board of directors recommend that I vote?

A: The ISG board of directors recommends that the ISG stockholders vote FOR the adoption of the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies. You should read THE MERGER ISG s Reasons for the Merger beginning on page 52 for a discussion of the factors that the ISG board of directors considered in deciding to recommend to the ISG stockholders the adoption of the merger agreement.

Q: Who is entitled to vote?

A: You can vote at the special meeting if you owned ISG common stock at the close of business on [February] [ ], 2005, the record date. As of the record date, there were 100,035,950 shares of ISG common stock outstanding, all of which are entitled to be voted at the special meeting. At the close of business on the record date, directors and executive officers of ISG beneficially owned, in the aggregate, approximately 9,029,000 shares of ISG common stock, representing approximately 9.0% of the shares of ISG common stock outstanding.

Q: If my shares of ISG common stock are held in street name by my broker, will my broker vote my shares of ISG common stock for me?

A: Yes, but only if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares of ISG common stock. Without those instructions, your shares of ISG common stock will not be voted.

Q: What happens if I do not vote?

A: Because the adoption of the merger agreement requires the affirmative vote of a majority of

Table of Contents

the outstanding shares of ISG common stock entitled to vote at the special meeting, your failure to vote will have the same effect as a vote AGAINST the adoption of the merger agreement.

Q: May I change my vote after I have mailed my proxy card?

A: Yes. You may change your vote at any time before your proxy is voted at the special meeting. You may revoke your proxy by either:

- advising ISG s Secretary in writing or
- delivering a new proxy.

In addition, you may revoke your proxy by attending the special meeting and voting in person. Attendance at the special meeting will not by itself constitute revocation of a proxy.

If you have instructed a broker to vote your shares, the above-described options for changing your vote do not apply and instead you must follow the instructions received from your broker to change your vote.

Q: Am I entitled to exercise any dissenters or appraisal rights in connection with the merger?

A: Yes, under Delaware General Corporation Law, or the DGCL, holders of ISG common stock who do not vote in favor of adopting the merger agreement will have the right to seek appraisal of the fair value of their shares as determined in accordance with the DGCL if the merger is completed, but only if they submit a written demand for an appraisal prior to the vote to adopt the merger agreement and comply with the DGCL procedures explained in this proxy statement/ prospectus. The appraisal amount could be more than, the same as or less than the amount an ISG stockholder would be entitled to receive under the terms of the merger agreement.

Q: As an ISG stockholder, should I send in my stock certificates now?

A: No. After the merger is completed, you will receive written instructions from the exchange agent on how to exchange your ISG stock certificates for the merger consideration. Please DO NOT send in your ISG stock certificates with your proxy or with your form of election.

Q: Where and when is the special meeting?

A: ISG will hold the special meeting at [time], local time, on March [ ], 2005 at [location].

Q: What do I need to do now if I hold shares of ISG common stock?

A: Mittal Steel and ISG urge you to read this proxy statement/ prospectus carefully, including its annexes, and consider how the merger affects you. As soon as possible after you have read this document, please complete, sign and date your proxy card and mail it in the enclosed return envelope.

Q: Will the combined company, Mittal Steel, have a controlling shareholder?

A: Yes, Mr. Lakshmi N. Mittal, the Chairman of the board of directors and Chief Executive Officer of Mittal Steel, and his wife, Mrs. Usha Mittal together the controlling shareholder of Mittal Steel directly and indirectly own, as of the date of this proxy statement/ prospectus, approximately [95.6]% of all Mittal Steel common shares, representing approximately [99.6]% of the combined voting power. Following the completion of the merger with ISG, the controlling shareholder will continue to directly and indirectly own shares representing a comparable percentage of the combined voting power of all the shares of the combined company, Mittal Steel.

Q: Is the approval of Mittal Steel shareholders required for the ISG merger?

A: Yes, Mittal Steel shareholder approval is required in order to complete the ISG merger. Mittal Steel shareholders will receive a separate document in connection with that vote and approval. Mittal Steel S.a.r.l, an entity controlled by the controlling shareholder and the record holder of approximately [83.9]% of the combined voting power of all shares of Mittal Steel s voting stock, has indicated to Mittal Steel that it intends to vote its shares in favor of the merger.

SUMMARY OF THE PROXY STATEMENT/ PROSPECTUS

This summary highlights selected information in this proxy statement/ prospectus and may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which you are referred for a more complete understanding of the merger. In particular, you should read the documents attached to this proxy statement/ prospectus, including the merger agreement, which is attached as Annex A. In addition, we incorporate by reference into this proxy statement/ prospectus important business and financial information about Mittal Steel and ISG, see WHERE YOU CAN FIND MORE INFORMATION on page 1. We have included page references in this summary to direct you to more complete descriptions of the topics presented in this summary.

Unless otherwise indicated, as used in this proxy statement/prospectus:

Ispat International refers to the company formerly known as Ispat International N.V. on a stand alone basis with respect to time periods occurring prior to its recently completed acquisition of LNM Holdings N.V. and the related renaming of Ispat International as Mittal Steel Company N.V.

LNM Holdings refers to LNM Holdings N.V. on a stand alone basis with respect to time periods occurring prior to its acquisition by Ispat International, and as a subsidiary of Mittal Steel Company N.V. with respect to time periods occurring after its recently completed acquisition by Ispat International.

ISG refers to International Steel Group Inc. on a stand alone basis with respect to time periods occurring prior to the effective time of the proposed merger, and as a subsidiary of Mittal Steel Company N.V. with respect to time periods occurring after the effective time of the proposed merger.

Mittal Steel refers to Mittal Steel Company N.V., the company formerly known as Ispat International, on a stand alone basis with respect to time periods occurring prior to its recently completed acquisition of LNM Holdings and related renaming, the combined company of the former Ispat International and LNM Holdings with respect to time periods occurring after the recent completion of the acquisition of LNM Holdings and prior to the effective time of the proposed merger, and the combined company of the former Ispat International, LNM Holdings and ISG with respect to time periods occurring after the effective time of the proposed merger. Mittal Steel (including LNM Holdings) refers to Ispat International and LNM Holdings on a combined basis, including with respect to time periods prior to Ispat International s acquisition of LNM Holdings.

Information about Mittal Steel (Page 135) and Park Acquisition Corp.

Mittal Steel Company N.V.

Hofplein 20, 15th Floor
3032 AC Rotterdam
The Netherlands
+31 10 217 8800

Mittal Steel is one of the world s largest steel producers[1] with steel-making operations in fourteen countries. Mittal Steel s operating philosophy embraces both integrated and mini-mill processes for steel-making. Mittal Steel s steel shipments have increased from 1.5 million tons in 1992 to 27.4 million tons (including LNM Holdings) in 2003. In fiscal year 2003, Mittal Steel (including LNM Holdings) consolidated sales, operating income and net income were $9,567 million, $1,299 million and $1,182 million, respectively. For the nine months ended September 30, 2004, the consolidated sales, operating income and net income of Mittal Steel (including LNM Holdings) were $16,019 million, $4,419 million and $3,147 million, respectively.

---

[1] Source: International Iron and Steel Institute Report, World Steel in Figures 2004.

Table of Contents

Park Acquisition Corp.

c/o Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, Delaware

Park Acquisition Corp. is a Delaware corporation and a wholly owned subsidiary of Mittal Steel created solely for the purpose of entering into the transactions contemplated under the merger agreement. Park Acquisition Corp. has not conducted any activities other than those incidental to its formation and the entering into of the merger agreement.

Information about ISG (Page 161)

International Steel Group Inc.

4020 Kinross Lakes Parkway
Richfield, Ohio 44286-9000
(330) 659-9100

ISG is one of the largest integrated steel producers in North America[2] with annual raw steel production capability of about 23 million net tons. ISG ships a variety of steel products from 13 major steel producing and finishing facilities in eight states. ISG has grown by acquiring out of bankruptcy the steel-making assets of LTV Steel Company Inc., or LTV, Acme Steel Company, or Acme, Bethlehem Steel Corporation, or Bethlehem, Weirton Steel Corporation, or Weirton, and Georgetown Steel Corporation, or Georgetown. For the nine months ended September 30, 2004, net sales, income from operations and net income were $6,462.4 million, $556.4 million and $421.4 million, respectively.

The Merger (Page 47)

In the merger, ISG will merge with Park Acquisition Corp., a wholly owned subsidiary of Mittal Steel, and either Park Acquisition Corp. or ISG will continue as the surviving company and as a wholly owned subsidiary of Mittal Steel.

Merger Consideration (Page 82)

As consideration for each share of ISG common stock exchanged in the merger, ISG stockholders may elect to receive:

- $42.00 in cash;
- a number of Mittal Steel class A common shares valued at $42.00, subject to a restriction on both the maximum and minimum number of Mittal Steel class A common shares to be issued in connection with the merger; or
- a combination of cash and Mittal Steel class A common shares.

The number of Mittal Steel class A common shares to be exchanged for each share of ISG common stock will be based on an exchange ratio equal to the average closing price of Mittal Steel class A common shares during the 20-trading-day period ending on (and including) the trading day that is two days prior to the effective time of the merger. The maximum and minimum number of Mittal Steel class A common shares to be issued in connection with the merger limit the variation in the exchange ratio so that if the average trading price of Mittal Steel class A common shares is:

- equal to or greater than the minimum of approximately $34.50 per share and equal to or less than the maximum of approximately $43.81 per share, then each share of ISG common stock will be exchanged for an amount of Mittal Steel class A common shares equal to $42.00 in average closing prices over the measurement period;

[2] Source: International Iron and Steel Institute Report, World Steel in Figures 2004.

less than the minimum of approximately $34.50 per share, then each share of ISG common stock will be exchanged for 1.21740 Mittal Steel class A common shares, regardless of the value of those shares; or

greater than the maximum of approximately $43.81 per share, then each share of ISG common stock will be exchanged for 0.95865 Mittal Steel class A common shares, regardless of the value of those shares.

Under the merger agreement, 50% of the issued and outstanding shares of ISG common stock must be exchanged for cash, and the other 50% must be exchanged for Mittal Steel class A common shares.

As a result, the number of Mittal Steel class A common shares ISG stockholders receive in the merger will depend on the market prices for Mittal Steel class A common shares during the measurement period prior to the merger. ISG stockholders should therefore review these prices prior to making a decision on the merger or as to which election to make. The portion of the merger consideration payable in cash will not fluctuate from $42.00 per share of ISG common stock.

The total number of Mittal Steel class A common shares that will be issued as merger consideration in the merger, will be between approximately 47,949,732 shares and 60,891,883 shares (assuming that 100,035,950 shares of ISG common stock are issued and outstanding at the effective time of the merger and 50% of such shares are converted into Mittal Steel class A common shares).

The following table illustrates the number of Mittal Steel class A common shares that may be issued in the merger, using a range of illustrative values for the average closing price of Mittal Steel class A common shares during the 20-trading-day period ending on (and including) the trading day that is two days prior to the effective time of the merger. Please refer to MARKET DATA beginning on page 242 for historical data on the share price of Mittal Steel class A common shares.

Illustrative Values for the Average Closing Price of Mittal Steel Class A Common Shares	Indicative Exchange Ratio	Approximate Number of Mittal Steel Class A Common Shares to be Issued in the Merger
Less than $34.50(1)	1.21740(2)	60,891,883(2)
$34.50(1)	1.21740	60,891,883
$36.83	1.140	57,020,492
$39.16	1.073	53,669,287
$41.48	1.013	50,668,209
$42.00	1.000	50,017,975
$43.81(1)	0.95865	47,949,732
Greater than $43.81(1)	0.95865	47,949,732

(1) Rounded to the nearest cent.

(2) Assumes Mittal Steel does not exercise its option in certain circumstance to increase the amount of stock consideration, as further described under THE MERGER AGREEMENT Tax Adjustment and Alternative Structure , beginning on page 83.

Recommendation of the ISG Board of Directors (Page 51)

The ISG board of directors:

has determined unanimously that the merger is fair to, and in the best interests of, ISG and its stockholders;

has approved and declared advisable the merger agreement; and unanimously recommends that you vote or give instructions to vote FOR the proposal to adopt the merger agreement and FOR the proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies.

Opinions of ISG s Financial Advisors (Page 56)

UBS Securities LLC, or UBS, and Goldman, Sachs & Co., or Goldman Sachs, ISG s financial advisors, each rendered its opinion, dated October 24, 2004, to the ISG board of directors that, based upon and subject to the factors, assumptions and procedures set forth therein, it is UBS and Goldman Sachs opinion that as of October 24, 2004, the consideration to be received by the holders of ISG common stock in the merger, taken in the aggregate, is fair from a financial point of view to such holders.

The full text of the written opinions of UBS and Goldman Sachs, each dated October 24, 2004, which set forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each opinion, are attached as Annexes E and F, respectively, to this document. UBS and Goldman Sachs each provided its opinion for the information and assistance of the ISG board of directors in connection with its consideration of the transaction contemplated by the merger agreement. The UBS and Goldman Sachs opinions are not recommendations as to how any holder of shares of ISG common stock should vote or make any election with respect to the transaction contemplated by the merger agreement. ISG stockholders are urged to read these opinions carefully and in their entirety.

Conditions of the Merger (Page 97)

Before the merger can be completed, a number of conditions must be satisfied, including:

- the closing of the acquisition of LNM Holdings;
- the registration statement, of which this proxy statement/ prospectus forms a part, having been declared effective by the SEC;
- the receipt of ISG stockholder approval for the merger;
- the receipt of Mittal Steel shareholder approval for the merger;
- the Mittal Steel class A common shares to be issued in the merger having been authorized for listing on the New York Stock Exchange and Euronext Amsterdam, subject to notice of issuance;
- the absence of any governmental orders that have the effect of making the merger illegal or that otherwise prohibit the closing of the merger;
- that the representations and warranties of each party are true and correct (without regard to materiality or material adverse effect qualifications), except where the failure of the party s representations and warranties to be true and correct (without regard to materiality or material adverse effect qualifications) would not reasonably be expected to have a material adverse effect on the party and its subsidiaries, taken as a whole;
- the performance in all material respects by each party of its covenants and agreements in the merger agreement;
- the receipt by each of ISG and Mittal Steel of an opinion of counsel regarding the tax treatment of the merger if structured as a forward-subsidiary merger or the receipt by ISG of an opinion of counsel regarding the tax treatment of the merger if structured as a reverse-subsidiary merger; and
- the expiration (or termination) of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, and receipt of applicable approvals of any other jurisdictions.

The parties currently believe that all regulatory merger approvals required prior to completing the merger have been received. These include the merger clearance decision required under German Law which has been issued and notice of the early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. In addition, the acquisition of LNM Holdings was completed on December 17, 2004.

Table of Contents

The parties expect to complete the merger shortly after receiving the required approvals of the ISG stockholders at the ISG special meeting and the Mittal Steel shareholders at the Mittal Steel extraordinary meeting, subject to satisfaction or waiver of all remaining conditions of the merger.

Termination of the Merger Agreement (Page 99)

ISG and Mittal Steel may agree in writing to terminate the merger agreement at any time prior to the effective time of the merger without completing the merger, even after the ISG stockholders and /or the Mittal Steel shareholders have adopted the merger agreement. The merger agreement may also be terminated at any time prior to the effective time of the merger in certain other circumstances, including:

by either ISG or Mittal Steel if:

the closing has not occurred on or before April 30, 2005 (which date may be extended at the written request of either ISG or Mittal Steel for up to an additional 60 days to the extent necessary to satisfy the condition to the merger related to antitrust approvals so long as all other conditions have been or are then capable of being satisfied), so long as the failure to complete the merger is not the result of the failure of the terminating party to comply with the terms of the merger agreement;

the merger agreement fails to receive the requisite vote for adoption at the ISG special stockholders meeting or the Mittal Steel shareholders meeting;

there is a breach by the non-terminating party of its representations, warranties, covenants or agreements in the merger agreement such that the closing conditions would not be satisfied, which breach has not been cured within 45 days; or

any governmental authority in the United States or The Netherlands has enacted or entered any injunction or other ruling or takes any other action which has the effect of making the merger illegal or otherwise preventing or prohibiting completion of the merger;

by Mittal Steel if,

the ISG board of directors has (i) recommended a Competing Transaction , as more fully described in THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* beginning on page 92, or entered into an agreement relating to a Competing Transaction , (ii) failed to include its recommendation in favor of the merger in the proxy statement relating to the merger, (iii) failed to reaffirm its recommendation in favor of the merger within five business days after Mittal Steel requests in writing such reaffirmation, or (iv) failed to recommend against or takes no position with respect to a tender offer or exchange offer (if any) for 30% or more of the outstanding shares of ISG capital stock within ten business days after such offer is commenced; or

(i) the parties are unable to complete the forward subsidiary merger in a manner that would qualify as a tax free reorganization within the meaning of Section 368(a) of the Internal Revenue Code or to complete a reverse subsidiary merger , in a manner that would, taken together with the acquisition of LNM Holdings, qualify as transfers of property by The Richmond Investment Holdings Limited and each of the stockholders of ISG within the meaning of Section 351(a) of the Internal Revenue Code, (ii) all conditions to completion of the merger other than the receipt of the required tax opinion(s) related to such tax treatment have been satisfied or waived and (iii) ISG has failed to consent to proceed with completion of the transaction as a taxable reverse subsidiary merger within five business days following notice by Mittal Steel to ISG that it intends to proceed to complete the merger on a taxable basis;

by ISG if,

prior to the ISG special stockholders meeting, ISG received a superior proposal , as more fully described in THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* beginning on page 92, in accordance with the terms of the merger agreement, but only after ISG has provided Mittal Steel a three-business-day period to make an offer that is at least as favorable as the superior proposal.

Table of Contents

Fees and Expenses (Page 101)

Under certain circumstances, in connection with termination of the merger agreement, ISG will be required to pay Mittal Steel a fee of $130 million and, in certain other circumstances, reimburse Mittal Steel for certain expenses incurred in connection with the merger up to $10 million. In certain other circumstances, Mittal Steel is required to reimburse ISG for certain expenses of ISG incurred in connection with the merger up to $10 million.

No Solicitation of Transactions (Page 92)

The merger agreement contains customary restrictions on the ability of ISG to solicit or engage in discussions or negotiations with a third party regarding specified transactions involving ISG. Notwithstanding these restrictions, the ISG board of directors may respond to an unsolicited written bona fide proposal for a competing transaction or terminate the merger agreement and enter into an acquisition agreement with respect to a superior proposal.

Richmond Support Letter Agreement (Page 105)

In connection with Mittal Steel entering into the merger agreement, at the request of ISG, The Richmond Investment Holdings Limited (an entity owned by Mr. Lakshmi Mittal, the Chairman of the board of directors and Chief Executive Officer of Mittal Steel, and his wife, Mrs. Usha Mittal, who together are the controlling shareholder of Mittal Steel), at the time the sole shareholder of LNM Holdings, made certain representations and warranties to ISG as of the date of the Richmond support letter agreement with respect to LNM Holdings and the LNM Holdings acquisition agreement and provided ISG with certain rights to conduct due diligence with respect to LNM Holdings between October 24, 2004 and the effective time of the merger.

In addition, pursuant to the Richmond support letter agreement, The Richmond Investment Holdings Limited agreed that from the date of the Richmond support letter agreement to the earlier of the termination of the merger agreement and the completion of the acquisition of LNM Holdings by Ispat International, The Richmond Investment Holdings Limited will cause LNM Holdings not to declare any dividends or distributions with respect to the shares of LNM Holdings or repurchase any of such shares, except for the payment of dividends permitted or otherwise contemplated by the LNM Holdings acquisition agreement. As described above, the acquisition of LNM Holdings was completed on December 17, 2004. The LNM Holdings acquisition agreement specifically permits LNM Holdings to pay a $2 billion dividend to its then sole shareholder, which dividend was previously declared on October 11, 2004. LNM Holdings made a dividend payment of $350 million in December 2004 to The Richmond Investment Holdings Limited and has indicated that it intends to pay the balance of this dividend to The Richmond Investment Holdings Limited in the first quarter of 2005.

Parent Shareholder Support Agreement (Page 107)

In connection with Mittal Steel entering into the merger agreement, at the request of ISG, Ispat International Investments, S.L. entered into a parent shareholder support agreement with ISG. The parent shareholder support agreement provides, among other things, that Ispat International Investments, S.L. will vote all of its Mittal Steel class A common shares and Mittal Steel class B common shares in favor of approval of the merger agreement. Ispat International Investments, S.L. owns 26,100,000 Mittal Steel class A common shares and 72,150,000 Mittal Steel class B common shares, representing approximately [15.7]% of the combined voting power of all shares of Mittal Steel s voting stock as of the date of this proxy statement/prospectus.

Company Shareholder Support Agreement (Page 109)

In connection with ISG entering into the merger agreement, Wilbur L. Ross, Chairman of the ISG board of directors, and certain affiliates of Mr. Ross and Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, entered into a company shareholder support agreement

Table of Contents

required by Mittal Steel in connection with its entering into the merger agreement. Among other things, this agreement provides that they will each vote all of the shares of ISG common stock they own in favor of the adoption of the merger agreement. Mr. Ross and certain affiliates of Mr. Ross and Mr. Mott beneficially own 6.9% and 1.4%, respectively, of the shares of ISG common stock outstanding as of the record date. This covenant terminates automatically if the merger agreement is terminated, regardless of the circumstances. In addition, the ISG stockholder parties granted an irrevocable option to Mittal Steel to purchase each such stockholder s shares of ISG common stock at $38.50 per share. Mittal Steel paid the grantors of these options $3.50 per option share, which amount will be credited against the merger consideration receivable by the grantors in the merger. The option becomes exercisable under certain circumstances upon the termination of the merger agreement, but expires on April 30, 2005.

Directors and Senior Management Following the Merger (Page 113)

Following the merger, the directors and senior management of Mittal Steel are expected to include (among others) the following individuals:

Mr. Lakshmi N. Mittal will serve as Chairman and Chief Executive Officer;

Mr. Aditya Mittal will serve as President and Group Chief Financial Officer;

Mr. Wilbur L. Ross will join Mittal Steel s board of directors; and

Mr. Rodney B. Mott will become the Chief Executive Officer of Mittal Steel s combined U.S. operations.

The merger agreement and related documentation do not guarantee that Mr. Ross or Mr. Mott will serve in these roles with Mittal Steel as a director of Mittal Steel for any specified period after the merger. It is also expected that Mr. Ross and Mr. Mott will join the board of directors of Mittal Steel s U.S. subsidiary after the merger.

Interest of Certain Persons in the Merger (Page 128)

In considering the recommendation of the ISG board of directors to vote for the adoption of the merger agreement, ISG stockholders should be aware that certain members of the ISG board of directors and executive officers of ISG may have interests in the merger that differ from, or are in addition to, their interests as ISG stockholders. The ISG board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the merger. A summary of these interests, in addition to the interests arising out of the company shareholder support agreement and the expected roles in Mittal Steel s management described in the preceding two sections, is set forth below.

The merger agreement requires the surviving company in the merger to indemnify ISG directors and officers, to honor indemnification in favor of ISG s directors and officers in ISG s Certificate of Incorporation, Bylaws and agreements with directors and officers and to maintain director and officer liability insurance.

The merger agreement provides that all ISG stock options will be cancelled at the effective time of the merger and the holders of ISG stock options, including ISG executive officers, will receive an amount in cash equal to the difference between $42.00 per share and the applicable per share exercise price of the relevant option. As of the date of this proxy statement/ prospectus, executive officers of ISG own options to purchase 3,003,330 shares of ISG common stock, 268,875 of which are currently exercisable. Many of these options were granted during 2002, around the time ISG was founded, at exercise prices that are now substantially below current market prices for shares of ISG common stock.

Table of Contents

The pre-tax amounts payable to ISG s executive officers at the closing of the merger for cancellation of these options are:

ISG Executive Officer	Title	Amount Payable (amounts in millions)
Rodney B. Mott	President, Chief Executive Officer and Director	$60.1
Leonard M. Anthony	Chief Financial Officer and Treasurer	2.4
Lonnie A. Arnett	Vice President, Controller and Chief Accounting Officer	0.5
V. John Goodwin	Chief Operating Officer	2.4
Carlos M. Hernandez	General Counsel and Secretary	0.5
Jerome V. Nelson	Vice President, Sales and Marketing	16.7
Karen A. Smith	Vice President, Human Resources	3.0
Gordon C. Spelich	Vice President, Business Development	15.5

The merger agreement contemplates that on or prior to December 31, 2004, ISG will pay to each participant in the ISG officer cash and stock bonus plan the participant s earned bonus for the fiscal year ending December 31, 2004. The amounts payable under the plan did not change and ISG would have accrued such amounts as compensation expense in 2004 in any event. ISG paid these bonuses on December 20, 2004. In addition, bonuses accrued under the ISG officer cash and stock bonus plan for the period from January 1, 2005 through the merger closing date will be paid at the closing.

The merger agreement provides that, following the completion of the merger, Mittal Steel will cause the surviving corporation of the merger and its subsidiaries to honor all existing ISG contracts, agreements, arrangements, policies, plans and commitments in effect applying to any current or former employees or directors of ISG or its subsidiaries. Messrs. Mott, Goodwin, Anthony and Nelson are each parties to an employment agreement with ISG, and Mr. Hernandez is a party to a letter agreement with ISG, each entered into before the commencement of discussions relating to the possible merger. In connection with such employment agreements:

the employment agreements and Mr. Hernandez s letter agreement provide that, in the case of a termination of employment by ISG without cause or a termination of employment by the ISG executive for good reason, each ISG executive other than Mr. Mott would be entitled to a severance payment equal to two times his usual base salary and bonus compensation (using the average bonus over the past three years or if he was employed for less than three years, such shorter period), or three times his usual base salary and bonus in the case of Mr. Mott;

Messrs. Mott and Hernandez are entitled to gross-up payments in the event that any payments in conjunction with the merger trigger U.S. federal 20% excise taxes imposed in respect of certain change-in-control payments;

Mr. Goodwin s and Mr. Mott s employment agreement each provide, in connection with certain terminations of employment, for the provision of continued medical benefits for each employee and his dependents until Messrs. Goodwin or Mott reach 65 years of age; and

the estimated value of the severance benefits, excluding the value of executive perquisite coverage or the excise tax gross-up payment, payable to Messrs. Anthony, Goodwin, Hernandez, Mott and Nelson, assuming a qualified termination has occurred, would be approximately $1.9 million, $2.0 million, $1.9 million, $6.5 million and $1.4 million, respectively.

ISG s executive severance pay plan provides officers of ISG certain benefits following a termination of employment, consisting of cash payments and continuation of certain benefits for a period of six to twenty-four months. Messrs. Anthony, Goodwin, Hernandez, Mott and Nelson are not participants in the executive severance pay plan. Mr. Arnett, Ms. Smith and Mr. Spelich, among others, are participants in the plan. If the employment of any of these ISG executives is terminated involuntarily without cause, voluntarily for good reason or involuntarily for any reason within six months of a change-in-control and the termination is in connection with the merger, these benefits are enhanced to include a bonus payment equal to the average bonus amounts paid with respect to the previous three calendar years (or, if employed for less than three years, the shorter period) and an additional lump sum cash payment equal to six months of salary. This severance amount may not exceed twice the ISG officer s annual compensation during the year immediately preceding termination of employment with ISG (or, if employed for less than one year, the year of termination).

The estimated value of the severance benefits payable to Mr. Arnett, Ms. Smith and Mr. Spelich, assuming a qualifying termination occurs in connection with the merger, would be approximately $800,000, $700,000 and $900,000, respectively.

Accounting Treatment and Considerations (Page 67)

Mittal Steel will account for the merger as a purchase for financial reporting purposes.

Material U.S. Federal Income Tax Consequences of the Merger to ISG Stockholders (Page 67)

The U.S. federal income tax consequences of the merger to an ISG stockholder will depend on the form of consideration received by such stockholder in the merger. An ISG stockholder that receives solely Mittal Steel class A common shares in exchange for such stockholder s ISG common stock will not recognize any gain or loss for U.S. federal income tax purposes (except with respect to cash received instead of fractional shares). An ISG stockholder who receives part cash and part Mittal Steel class A common shares, and who has an adjusted tax basis in ISG common stock that is less than the sum of the amount of cash and the fair market value (as of the date of the merger) of the Mittal Steel class A common shares received in the merger, will recognize a gain equal to the amount of such difference or, if less, the amount of cash received in the merger. However, if an ISG stockholder s adjusted tax basis in ISG common stock is greater than the sum of the amount of cash and the fair market value (as of the date of the merger) of the Mittal Steel class A common shares received for the ISG common stock, the resulting loss will not currently be allowed for U.S. federal income tax purposes. If an ISG stockholder receives solely cash, gain or loss generally will be recognized by such stockholder to the extent of the difference between the amount of cash received and such stockholder s adjusted tax basis in such stockholder s ISG common stock.

The consequences described above assume that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that Section 367(a)(1) of the Internal Revenue Code does not apply to the receipt of Mittal Steel class A common shares by the ISG stockholders. The same U.S. federal income tax consequences generally will apply to ISG stockholders in the event Mittal Steel effects the merger pursuant to a reverse-subsidiary merger which, together with the recently completed acquisition of the shares of LNM Holdings, qualifies as transfers of property described in Section 351(a) of the Internal Revenue Code. Completion of the merger is conditioned on receipt of certain tax opinions as described below under THE MERGER Material U.S. Federal Income Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares Received by ISG Stockholders beginning on page 67.

THE TAX CONSEQUENCES OF THE MERGER TO AN ISG STOCKHOLDER WILL DEPEND ON EACH STOCKHOLDER S INDIVIDUAL SITUATION. ISG STOCKHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR A FULL UNDERSTANDING OF THE TAX CONSEQUENCES OF THE MERGER.

Table of Contents

Material Dutch Tax Consequences of the Merger to Dutch Resident ISG Stockholders (Page 74)

Under Dutch tax laws the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares will not qualify as a tax free merger. Consequently, any capital gain that may be realized upon the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares by individuals and corporate entities who are resident or deemed to be resident in The Netherlands for Dutch tax purposes, or Dutch resident individuals and Dutch resident entities may be subject to Dutch income or corporate income tax. For Dutch resident individuals any such capital gain will generally not be subject to tax, provided that the Mittal Steel class A common shares are not attributable to an enterprise from which such individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder and such individual does not have an actual or deemed substantial interest (statutorily defined term; see page 77 for a further description) in Mittal Steel. For Dutch resident entities a capital gain will generally not be subject to tax if such entity is a qualifying Dutch pension fund or Dutch resident investment fund (*fiscale beleggingsinstelling*) or if the Dutch participation exemption applies to the Mittal Steel class A common shares. Please see the section THE MERGER Material Dutch Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares to ISG Stockholders beginning on page 74 for a more detailed description of the taxation of Dutch resident individual and corporate shareholders.

THE TAX CONSEQUENCES OF THE MERGER TO A DUTCH RESIDENT ISG STOCKHOLDER WILL DEPEND ON THE STOCKHOLDER S OWN SITUATION. ISG STOCKHOLDERS SHOULD CONSULT THEIR OWN ADVISORS FOR A FULL UNDERSTANDING OF THE TAX CONSEQUENCES OF THE MERGER.

Dissenter s Rights of Appraisal (Page 80 and Annex G)

The DGCL provides ISG stockholders with appraisal rights in connection with the merger. This means that ISG stockholders are entitled to have the value of their common stock determined by the Delaware Chancery Court and to receive payment based on that valuation. The ultimate amount an ISG stockholder receives as a dissenting stockholder in an appraisal proceeding may be more or less than or the same as they would have otherwise received as consideration under the merger agreement.

To exercise appraisal rights, an ISG stockholder must deliver a written objection to the merger to ISG at or before the vote on the adoption of the merger agreement at the special meeting and such ISG stockholder must not vote in favor of the adoption of the merger agreement. Failure to follow exactly the procedures specified under the DGCL will result in the loss of such appraisal rights.

A copy of Section 262 of the DGCL governing the exercise of appraisal rights is attached to this proxy statement/prospectus as Annex G.

Listing of Mittal Steel s Class A Common Shares (Page 80)

Mittal Steel s class A common shares are listed on the New York Stock Exchange, Mittal Steel s principal U.S. trading market, and outside the United States on Euronext Amsterdam, in each case under the symbol MT . In accordance with the terms of the merger agreement, Mittal Steel will make an application to list on the New York Stock Exchange and Euronext Amsterdam the Mittal Steel class A common shares that Mittal Steel will issue as consideration in the merger, subject to notice of issuance.

Comparison of Rights of Shareholders under Delaware Law and Dutch Law (Page 228)

ISG is organized under the laws of the State of Delaware while Mittal Steel is organized under the laws of The Netherlands. Therefore, your rights as a shareholder of Mittal Steel will be governed by Dutch law and by Mittal Steel s Articles of Association. These rights differ in certain respects from the current rights of ISG stockholders, which are governed by Delaware law and by ISG s Certificate of Incorporation and Bylaws. In addition, Mittal Steel class A common shares entitle the holder to one vote per share, while Mittal Steel class B common shares entitle the holder to ten votes per share, on all matters submitted to a vote of Mittal Steel shareholders. Immediately following the completion of the merger, the former ISG stockholders, on a fully diluted basis, will own approximately 7% to 9% of the common shares of Mittal Steel, representing approximately 1% to 1.3% of the combined voting power of Mittal Steel.

Table of Contents

ISPAT INTERNATIONAL SELECTED HISTORICAL FINANCIAL DATA

The following table presents selected consolidated financial information of Ispat International for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and for the nine months ended September 30, 2003 and 2004 derived from Ispat International s consolidated financial statements and related notes. This selected historical financial information should be read in conjunction with the respective audited and unaudited consolidated financial statements of Ispat International, including the notes thereto, beginning on page F-22.

	Year Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
	(All amounts in $ millions except per share and quantity information)						
Statement of Income Data:							
Sales(1)	$4,898	$5,343	$4,486	$4,889	$5,441	$4,032	$6,320
Cost of sales (exclusive of depreciation)	4,270	4,670	4,273	4,356	4,943	3,645	4,794
Gross profit (before deducting depreciation)	628	673	213	533	498	387	1,526
Depreciation	164	177	177	177	183	136	147
Selling, general and administrative expenses	156	181	155	152	164	122	136
Other operating expenses			75	62			
Operating income/(loss)	308	315	(194)	142	151	129	1,243
Other income (expense) net(2)	15	23	13	44	53	32	43
Financing costs:							
Net interest expenses	(184)	(216)	(228)	(203)	(151)	(116)	(130)
Net gain/(loss) from foreign exchange and monetary positions	(11)		(9)	23	4	3	2
Income/(loss) before taxes(2)	128	122	(418)	6	57	48	1,158
Net income/(loss)	85	99	(312)	49	66	55	887
Basic and diluted earnings/(loss) per common share(3)	0.71	0.82	(2.58)	0.40	0.53	0.44	7.51
Cash dividends per common share(4)	0.15	0.15					

	Year Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
			Restated(5)	Restated(5)			
	(All amounts in $ millions except margin and quantity information)						
Other Data:							
Net cash provided by operating activities	$ 599	$ 381	$ 22	$ 138	$ 189	$ 113	$ 686
Net cash used in investing activities	(184)	(195)	(35)	(80)	(124)	(94)	(37)
Net cash used by financing activities	(432)	(139)	(118)	(71)	(63)	(29)	(559)
Capital expenditures	(214)	(184)	(97)	(108)	(164)	(135)	(93)
Gross margin (as percentage of Sales)	12.82%	12.60%	4.75%	10.90%	9.15%	9.60%	24.15%
Operating margin (as percentage of Sales)	6.29%	5.90%	(4.32)%	2.90%	2.78%	3.20%	19.67%
Total production of direct reduced iron (thousand tonnes)	6,353	6,872	4,918	5,893	7,202	5,345	5,995
Total shipments of steel products (thousand tons)	15,430	16,356	14,118	15,037	15,162	11,374	12,389

	At December 31,					At September 30,	
	1999	2000	2001	2002	2003	2003	2004
	(All amounts in $ millions)						
Balance Sheet Data:							
Cash and cash equivalents, including short-term investments	$ 317	$ 292	$ 85	$ 77	$ 80	$ 71	$ 170
Property, plant and equipment net	3,333	3,299	3,109	3,035	3,091	3,087	3,030
Total assets	5,966	5,978	5,313	5,512	5,635	5,523	6,244
Payable to banks and current portion of long-term debt	457	391	338	262	363	391	394
Long-term debt	2,184	2,124	2,041	2,022	1,914	1,901	1,370
Shareholders equity	854	884	338	128	149	210	1,008

(1) In 2001, Ispat International adopted EITF 00-10 (issued by the FASB Emerging Issues Task Force) which requires the inclusion of all shipping and handling fees and costs billed to customers in the Sales figure as well as in Cost of Sales. Ispat International accordingly recast prior period numbers for 1999 and 2000 to reflect the same. In the above, the Sales are inclusive of shipping and handling fees and costs; and Sales and Cost of Sales for 1999, 2000, 2001, 2002 and 2003 are based on the EITF 00-10 methodology. The application of EITF 00-10 does not affect earnings, as it only involves inclusion of shipping and handling fees and costs in both Sales and Cost of Sales.

A reconciliation of Sales and Net Sales is given below:

	Year Ended December 31,				
	1999	2000	2001	2002	2003
	(All amounts in $ millions)				
Sales	$4,898	$5,343	$4,486	$4,889	$5,441
Less: Freight and handling costs	218	246	208	243	247
Net Sales	4,680	5,097	4,278	4,646	5,194

(2) During the first quarter of 2003, Ispat International purchased $22 million ($39 million in first quarter of 2002) of its own bonds at discounts from face value. As a result of these purchases, Ispat International recognized a gain of $13 million net of tax ($19 million net of tax in 2002) in Other income. In accordance with adoption of Statement of Financial Accounting Standard No. 145, Rescission of FASB Statements 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections (SFAS 145), by Ispat International as of January 1, 2003, gain or loss on extinguishments of debt that was previously classified as an extraordinary item in prior periods was reclassified and included within Other (income) expense, net on Ispat International s income statement.

(3) Earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the periods presented.

(4) Dividends are presented on a cash basis.

Table of Contents

(5) Subsequent to the issuance of the consolidated financial statements for the period ended December 31, 2003, Ispat International determined that it should have eliminated the gains on the early extinguishment of debt in computing 2002 and 2001 Cash flows provided from operating activities rather than being reported as part of Ispat International s Cash flow used by financing activities. Additionally, in 2001, a non-cash equity investment was included in Cash flows from operating activities and investing activities, rather than being excluded from the statement of Cash flows and disclosed as a non-cash investment. A restatement of the consolidated financial statements was reflected in Ispat International s Form 20-F/ A, dated August 9, 2004.

	As Previously Reported	As Restated Year Ended December 31, 2002
	(All amounts in $ millions)	
Year Ended December 31, 2002		
Cash flows provided by operating activities	$ 168	$ 138
Cash flows used in financing activities	(101)	(71)
Year Ended December 31, 2001		
Cash flows provided by operating activities	40	22
Cash flows used in investing activities	(48)	(35)
Cash flows used in financing activities	(123)	(118)

Table of Contents

ISG SELECTED HISTORICAL FINANCIAL DATA

The following selected financial data of ISG presented below under the caption Statement of Operations Data for the period from inception (February 22, 2002) through December 31, 2002, the year ended December 31, 2003 and the nine months ended September 27, 2003 and September 30, 2004, and under the caption Balance Sheet Data as of December 31, 2002, December 31, 2003, September 27, 2003 and September 30, 2004, are derived from ISG s consolidated financial statements and related notes. In each period presented below, ISG completed a substantial acquisition. Period-to-period comparisons have to take these transactions into account. This selected historical financial information should be read in conjunction with the respective audited and unaudited consolidated financial statements of ISG, including the notes thereto, beginning on page F-350.

	Period from Inception (February 22, 2002) Through December 31, 2002	Year Ended December 31, 2003	Nine Months Ended September 27, 2003	Nine Months Ended September 30, 2004
	(All amounts in $ millions except per share information and quantity information)			
Statement of Operations Data:				
Net sales	$933.1	$4,070.0	$2,651.7	$6,462.4
Costs and expenses				
Costs of sales	755.3	3,836.9	2,559.2	5,633.2
Marketing, administrative and other expenses	50.2	153.6	96.7	174.5
Depreciation and amortization	11.0	76.0	45.5	98.3
Total costs and expenses	816.5	4,066.5	2,701.4	5,906.0
Income (loss) from operations	116.6	3.5	(49.7)	556.4
Interest and other financing expense, net	2.6	50.9	30.7	48.1
Income (loss) before income taxes	114.0	(47.4)	(80.4)	508.3
Provision (benefit) for income taxes	45.9	(23.9)	(32.0)	86.9
Net income (loss)	68.1	(23.5)	(48.4)	421.4
Deemed dividend on conversion of Class B common stock(1)		(73.6)		
Net income (loss) applicable to common stock	$ 68.1	$ (97.1)	$ (48.4)	$ 421.4
Income (loss) per common share:				
Basic	$ 1.02	$ (1.26)	$ (0.66)	$ 4.29
Diluted	$ 0.99	$ (1.26)	$ (0.66)	$ 4.15
Weighted average number of shares of common stock outstanding used in calculating income per share				
Basic	66.5	77.1	73.4	98.3
Diluted	68.9	77.1	73.4	101.8
Balance Sheet Data (at end of period):				
Cash and cash equivalents	$ 9.8	$ 193.6	$ 48.3	$ 603.7
Working capital	160.2	875.9	761.6	1,363.3
Property, plant, and equipment, net	244.8	861.9	816.0	1,022.5
Total assets	668.1	2,635.0	2,409.7	3,921.1
Total debt and capital lease obligations (including current portion)	69.5	622.3	983.3	867.9

Total liabilities	363.9	1,685.8	1,981.4	2,523.6
Stockholders equity	304.2	949.2	428.3	1,397.5

(1) Upon completion of ISG s initial public offering in December 2003, all outstanding shares of ISG class B common stock automatically converted into 8,759,929 shares of ISG common stock at the $28.00 per share price of the public offering. The conversion of ISG class B common stock resulted in a one-time non-cash deemed dividend to the holders of ISG class B common stock of $73.6 million.

Table of Contents

SELECTED COMBINED FINANCIAL DATA FOR MITTAL STEEL

The following table presents selected combined financial information of Mittal Steel (including LNM Holdings) for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and for the nine months ended September 30, 2003 and September 30, 2004. This selected combined financial information should be read in conjunction with the respective audited and unaudited combined financial statements of Mittal Steel, including the notes thereto, beginning on page F-201.

	Year Ended December 31,					Nine Months Ended September 30,	Nine Months Ended September 30,
	1999	2000	2001	2002	2003	2003	2004
	(All amounts in $ millions except per share information)						
Statement of Income Data:							
Sales	$5,551	$6,274	$5,423	$7,080	$9,567	$7,119	$16,019
Cost of sales (exclusive of depreciation)	5,746	5,180	4,952	5,752	7,568	5,598	10,677
Gross profit (before deducting depreciation)	805	1,094	471	1,328	1,999	1,521	5,342
Depreciation	214	240	229	266	331	242	411
Selling, general and administrative expenses	200	231	204	298	369	260	512
Other operating expenses			75	62			
Operating income/(loss)	391	623	(37)	702	1,299	1,019	4,419
Other income (expense) net	13	24	20	143	233	140	72
Financing costs:							
Net interest expenses	(216)	(242)	(235)	(222)	(175)	(141)	(137)
Net gain/(loss) from foreign exchange and monetary positions	12	(2)	(18)	15	44	9	9
Income/(loss) before taxes and minority interest	200	403	(270)	638	1,401	1,027	4,363
Net income/(loss)	157	398	(199)	595	1,182	855	3,147
Basic and diluted earnings/(loss) per common share	0.24	0.62	(0.31)	0.92	1.83	1.32	4.89

	Year Ended December 31,					Nine Months Ended September 30,	Nine Months Ended September 30,
	1999	2000	2001	2002	2003	2003	2004
	(All amounts in $ millions except quantity information)						
Other Data:							
Net cash provided by operating activities	$ 715	$ 740	$ 237	$ 539	$ 1,438	$ 935	$ 2,780
Net cash used in investing activities	(260)	(281)	(214)	(360)	(814)	(500)	(480)
Net cash provided (used) by financing activities	(473)	(408)	(92)	16	(282)	(192)	(1,007)
Gross margin (as percentage of Sales)	14.5%	17.4%	8.7%	18.8%	20.9%	21.4%	33.3%
Operating margin (as percentage of Sales)	7.0%	9.9%	(0.7)%	9.9%	13.6%	14.3%	27.6%
	6,353	6,872	4,918	5,893	7,202	5,345	5,995

Total production of direct reduced iron (thousand tonnes)							
Total shipments of steel products (thousand tons)	18,853	20,304	18,634	24,547	27,446	20,431	31,978

Table of Contents

	At December 31,					At September 30,
	1999	2000	2001	2002	2003	2004
	(All amounts in $ millions)					
Assets:						
Current assets						
Cash and cash equivalents and restricted cash	$ 360	$ 339	$ 225	$ 417	$ 900	$ 2,325
Trade accounts receivable, net	731	637	697	768	889	2,228
Inventories	1,130	1,085	1,128	1,301	1,587	3,174
Other current assets	136	140	172	200	307	878
Total current assets	2,357	2,201	2,222	2,686	3,683	8,605
Property, plant and equipment net	3,924	3,914	4,138	4,094	4,654	7,294
Investments in affiliates	305	335	318	517	967	597
Other assets	174	376	483	612	833	802
Total assets	6,760	6,826	7,161	7,909	10,137	17,298
Liabilities and Shareholders Equity:						
Current liabilities						
Payable to banks and current portion of long-term debt	$ 466	$ 403	$ 470	$ 321	$ 540	$ 745
Trade accounts payable	629	670	907	933	1,015	1,733
Accrued expenses and other current liabilities	406	428	418	516	824	1,838
Total current liabilities	1,501	1,501	1,795	1,770	2,379	4,316
Long-term debt including affiliates	2,259	2,187	2,262	2,412	2,527	2,066
Deferred employee benefits	1,252	1,319	1,531	1,909	1,933	1,996
Deferred tax liabilities and other long-term obligations	587	289	315	240	476	1,596
Total liabilities	5,599	5,296	5,903	6,331	7,315	9,974
Minority interest			152	136	261	1,556
Shareholders equity	1,161	1,530	1,106	1,442	2,561	5,768
Total liabilities and shareholders equity	6,760	6,826	7,161	7,909	10,137	17,298

Notes:

(1) Intercompany transactions and balances between Ispat International and LNM Holdings have been eliminated from the combined accounts. The transaction costs relating to the acquisition of LNM Holdings by Ispat International have not been included.

(2) The common shares issued to the sole shareholder of LNM Holdings in the LNM Holdings acquisition have been considered in the combined accounts.

(3) Earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the periods presented considering retroactively the shares issued by Ispat International in connection with the acquisition of LNM Holdings.

Table of Contents

SELECTED PRO FORMA UNAUDITED FINANCIAL DATA FOR MITTAL STEEL AND ISG

The following table presents selected unaudited pro forma consolidated financial information of Mittal Steel and ISG, adjusted to give effect to the acquisition of LNM Holdings and the merger with ISG, for the year ended December 31, 2003 and for the nine months ended September 30, 2004. This selected pro forma unaudited financial information should be read in conjunction with the Ispat International, LNM Holdings and ISG historical financial information, the supplemental combined financial information of Mittal Steel, and the Unaudited Pro Forma Condensed Combined Financial Statements of Mittal Steel and ISG , and the notes thereto beginning on page F-2.

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	(All amounts in $ millions except per share information)	
Statement of Income Data:		
Sales	$15,934	$22,938
Cost of sales (exclusive of depreciation)	13,501	16,381
Gross profit (before deducting depreciation)	2,433	6,557
Depreciation	746	676
Selling, general and administrative expenses	464	692
Other operating expenses	5	
Operating income	1,218	5,189
Other income (expense) net	73	65
Income from equity method investment	159	7
Financing costs:		
Net interest expenses	(271)	(223)
Net gain from foreign exchange and monetary positions	44	9
Income before taxes and minority interest	1,223	5,047
Net income	778	3,666
Basic and diluted earnings per common share	1.11	5.25
Cash dividends per common share		

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	(All amounts in $ millions except quantity information)	
Other Data:		
Net cash provided by operating activities	$ 1,470	$ 3,446
Net cash used in investing activities	(1,581)	(3,194)
Net cash provided (used) by financing activities	498	(1,109)
Gross margin (as percentage of Sales)	15.27%	28.59%
Operating margin (as percentage of Sales)	7.64%	22.62%
Total production of direct reduced iron (thousand tonnes)	8,769	7,076
Total shipments of steel products (thousand tons)	37,852	43,693

Table of Contents

	At September 30, 2004
	(All amounts in $ millions)
Assets	
Current assets:	
Cash and cash equivalents	$ 157
Trade accounts receivable	3,141
Inventories	4,647
Other current assets	1,229
Total current assets	9,174
Property, plant and equipment net	10,507
Investments in affiliates	632
Other assets	1,370
Total assets	21,683
Liabilities and Shareholders Equity	
Current liabilities:	
Payable to banks and current portion of long-term debt	$ 801
Trade accounts payable	2,445
Accrued expenses and other current liabilities	2,535
Total current liabilities	5,781
Long-term debt including affiliates	4,404
Deferred employee benefits	2,117
Deferred tax liabilities and other long-term obligations	1,957
Total liabilities	14,259
Minority interest	1,556
Shareholders equity	5,868
Total liabilities and shareholders equity	21,683

Notes:

(1) Intercompany transactions and balances between Ispat International and LNM Holdings have been eliminated from the combined accounts. The transaction costs relating to the acquisition of LNM Holdings by Ispat International and the merger with ISG have not been included.

(2) The common shares issued to the sole shareholder of LNM Holdings in the LNM Holdings acquisition have been considered in the combined accounts.

(3) Earnings per common share are computed by dividing net income by the weighted average number of common shares outstanding during the periods presented considering the shares issued in connection with the acquisition of LNM Holdings and the merger with ISG.

(4) The dividend of $2,000 million by LNM Holdings, which was declared in October 2004, is included as an accrual in the combined accounts presented above.

Table of Contents

COMPARATIVE AUDITED AND UNAUDITED PER SHARE DATA

The following table presents the per share information for Ispat International, Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings) and ISG on a historical basis, and Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings and the merger with ISG) on an unaudited pro forma combined basis.

The combined data for Mittal Steel gives effect to the acquisition of LNM Holdings, accounted for using common control accounting. The pro forma information for Mittal Steel gives effect to the acquisition of LNM Holdings, accounted for using common control accounting, as if it had occurred on January 1, 2001, as described in audited and unaudited supplemental combined financial statements of Mittal Steel and accompanying notes beginning on page F-201, and the merger with ISG using the purchase method of accounting and is presented as if the merger was completed on January 1, 2003 for purposes of statement of operations and on September 30, 2004 for balance sheet purposes, as described in the Unaudited Pro Forma Condensed Combined Financial Statements and accompanying notes beginning on page F-2. All pro forma information in this proxy statement/ prospectus is unaudited.

The book value per Ispat International common share, per Mittal Steel common share or per share of ISG common stock is computed by dividing shareholders equity by the number of Ispat International common shares, Mittal Steel common shares or shares of ISG common stock outstanding at the end of the period, as the case maybe. The pro forma combined book value per Mittal Steel common share, giving effect to the merger with ISG, is computed by dividing pro forma shareholders equity by the pro forma number of Mittal Steel common shares outstanding at the end of the period, including for shares issued in connection with the merger with ISG. Neither Ispat International nor ISG has declared or paid cash dividends on its common stock.

The information in the following table is based on, and should be read together with, the Ispat International, LNM Holdings and ISG historical financial information, the combined financial information of Mittal Steel, and the Unaudited Pro Forma Condensed Combined Financial Statements and accompanying notes beginning on page F-2.

The Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings) and the unaudited pro forma combined Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings and the merger with ISG) net income per share and book value per share data is presented for informational purposes only. You should not rely on this pro forma combined data as being indicative of the consolidated results or financial condition of Mittal Steel that would have been reported had the acquisition of LNM Holdings and the merger with ISG been completed as of the dates presented, and you should not regard this data as representative of future consolidated results of operations or financial condition of Mittal Steel.

Table of Contents

COMPARATIVE PER SHARE DATA OF MITTAL STEEL, ISPAT INTERNATIONAL AND ISG

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	(Amounts in $ millions except per share and quantity information)	
	(Audited)	(Unaudited)
Ispat International		
Historical		
Net income	$ 66	$ 887
Shareholders equity	149	1,008
Weighted average number of shares (millions)	122	118
Number of shares at period end (millions)	127	127
Net income per share basic	$ 0.53	$ 7.51
Net income per share diluted	0.53	7.51
Book value per share at period end	1.17	7.94
Cash dividend per share		
Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings)		
Historical		
Net income	$ 1,182	$ 3,147
Shareholders equity	2,561	5,768
Weighted average number of shares (millions)	647	643
Number of shares at period end (millions)	652	652
Net income per share basic	$ 1.83	$ 4.89
Net income per share diluted	1.83	4.89
Book value per share at period end	3.93	8.85
Cash dividend per share	0.25	0.64
ISG		
Historical		
Net income (loss) applicable to common stock	$ (97.1)	$ 421.4
Stockholders equity	949.2	1,397.5
Weighted average number of shares Basic (millions)	77.1	98.3
Weighted average number of shares Diluted (millions)	77.1	101.8
Number of shares at period end (millions)	97.5	100.0
Net income per share basic	$ (1.26)	$ 4.29
Net income per share diluted	(1.26)	4.15
Book value per share at period end	9.74	13.97
Cash dividend per share		

Table of Contents

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004
	(Unaudited and amounts in $ millions except per share and quantity information)	
Mittal Steel (adjusted to give effect to the acquisition of LNM Holdings and the merger with ISG)		
Pro forma combined		
Net income	$ 778	$ 3,666
Shareholders equity	3,510	5,868
Weighted average number of shares Basic (millions)	702	698
Weighted average number of shares Diluted (millions)	702	698
Number of shares at period end (millions)	707	707
Net income per share basic	$ 1.11	$ 5.25
Net income per share diluted	1.11	5.25
Book value per share at period end	4.96	8.30
Cash dividend per share	0.23	0.59

Table of Contents

COMPARATIVE PER SHARE MARKET DATA

Mittal Steel class A common shares are listed and traded on the New York Stock Exchange, Mittal Steel s principal U.S. trading market, and outside the United States on Euronext Amsterdam, in each case under the symbol MT . ISG common stock is listed and traded on the New York Stock Exchange under the symbol ISG .

The following table sets forth closing sales prices per share of Mittal Steel class A common shares and ISG common stock as reported on the New York Stock Exchange Composite Tape and on Euronext Amsterdam, on October 22, 2004, the last full trading day before the public announcement of the merger, and on February [ ], 2005, the most recent date for which quotations were available prior to the printing of this proxy statement/ prospectus.

	Mittal Steel Class A Common Shares		ISG Common Stock
	Euronext Amsterdam	New York Stock Exchange	New York Stock Exchange
October 22, 2004	20.35	$25.34	$29.68
February [ ], 2005	[ ]	$ [ ]	$ [ ]

The number of Mittal Steel class A common shares to be exchanged for each share of ISG common stock in the merger will depend on the value of Mittal Steel class A common shares during the 20-trading-day period ending two trading days before the effective time of the merger. Based on the closing price of Mittal Steel class A common shares on October 22, 2004, each share of ISG common stock would be convertible into the right to receive 1.21740 Mittal Steel class A common shares in the merger to the extent the holder of such shares elected to receive stock consideration (subject to proration). Based on the closing price of Mittal Steel class A common shares on February [ ], 2005 (the last day of trading prior to the printing of this proxy statement/ prospectus), each share of ISG common stock would be convertible into the right to receive [ ] Mittal Steel class A common shares to the extent the holder of such shares elected to receive stock consideration (subject to proration).

The market prices of the shares of ISG common stock and Mittal Steel class A common shares are subject to fluctuation. As a result, ISG stockholders are urged to obtain current market quotations.

On February [ ], 2005, there were approximately 46 holders of record of ISG common stock and approximately 60 holders of record of Mittal Steel class A common shares that are registered and traded on the New York Stock Exchange. As further discussed in the section entitled MAJOR SHAREHOLDERS AND NOTIFICATION OBLIGATIONS Major Shareholders of Mittal Steel , Mittal Steel cannot present the number of record holders of Mittal Steel class A common shares held in The Netherlands, because a portion of such shares are held in bearer form.

Table of Contents

RISK FACTORS

You should carefully consider the risks and the risk factors incorporated by reference into this proxy statement/ prospectus including, among others, those disclosed under the heading Risk Factors from ISG s 2003 Annual Report on Form 10-K, together with all of the other information included or incorporated by reference in this proxy statement/ prospectus (including the matters addressed in CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS beginning on page 42), before you decide whether to vote or instruct your vote to be cast to adopt the merger agreement. In addition, you should carefully consider the following risks relating to the merger.

Risks Relating to the Merger

The market value of the Mittal Steel class A common shares that ISG stockholders receive in the transaction may be less than $42.00 per share as a result of fluctuations in the market price of Mittal Steel class A common shares.

Mittal Steel is offering to exchange shares of ISG common stock for cash and Mittal Steel class A common shares at an exchange ratio which is subject to a limitation on both the maximum and minimum number of Mittal Steel class A common shares to be issued in connection with the merger. The cash price per share to be paid for each share of ISG common stock is fixed at $42.00. This cash price will not be adjusted based on changes in market prices of Mittal Steel class A common shares. The value of Mittal Steel class A common shares delivered to ISG stockholders is intended to produce a value equal to $42.00 if the average closing price of a Mittal Steel class A common share over the 20-day trading period ending two trading days before the effective time of the merger is between $34.50 and $43.81. However, if the average trading price of Mittal Steel class A common shares is less than the floor of $34.50 per share, then each share of ISG common stock will be exchanged for 1.21740 Mittal Steel class A common shares, regardless of the value of such shares, and the value of those shares delivered to ISG stockholders in exchange for each share of ISG common stock will be less than $42.00 per share. Additionally, ISG may not be able to terminate the merger in such a scenario and, therefore, some or all of the ISG stockholders would receive less than $42.00 of consideration in exchange for each share of ISG common stock.

ISG stockholders may receive a form of consideration different from what they elect.

The consideration to be received by ISG stockholders in the merger is subject to proration to preserve the contractual limitations on the maximum amount of cash and number of Mittal Steel class A common shares. If you elect all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in Mittal Steel class A common shares. If you elect all Mittal Steel class A common shares and the available shares are oversubscribed, then you will receive a portion of the merger consideration in cash, which generally will be taxable for U.S. federal income tax purposes. Similarly, mixed elections are subject to similar adjustment in the case of oversubscription of cash or shares.

The mix of stock and cash consideration that ISG stockholders receive and the exchange ratio may not be known on the date of the ISG special meeting of stockholders.

Although ISG stockholders will be able to elect to exchange their shares of ISG common stock for either cash or Mittal Steel class A common shares (or a combination of cash and Mittal Steel class A common shares), subject to proration, the exchange ratio may not be determined at the time of the ISG stockholder vote to adopt the merger agreement, as the exchange ratio will not be determinable until the completion of the 20-day trading period ending two trading days before the effective time of the merger. Additionally, the deadline for ISG stockholders to make their election, which will affect proration, will be three days after the effective time of the merger. Therefore, the mix of stock and cash consideration that any individual ISG stockholder receives will not be known on the date of the ISG special meeting.

Table of Contents

Benefits of the recently completed acquisition of LNM Holdings and the proposed merger with ISG may not be realized.

Assuming Mittal Steel completes the proposed merger with ISG, and taking into account the recent completion of the acquisition of LNM Holdings, Mittal Steel will be integrating three companies that have previously operated independently. Integrating Ispat International s operations and personnel with those of ISG and LNM Holdings will be a complex process. Mittal Steel may not be able to integrate the operations of ISG and LNM Holdings with Ispat International s operations rapidly or without encountering difficulties. The successful integration of Ispat International with ISG and LNM Holdings will require, among other things, integration of ISG s, LNM Holdings and Ispat International s products, sales and marketing operations, information and software systems, coordination of employee retention, hiring and training operations and coordination of future research and development efforts. The diversion of the attention of the combined company s management to the integration effort and any difficulties encountered in combining operations could adversely affect the combined company s businesses. Further, the process of combining Ispat International, ISG and LNM Holdings could negatively impact employee morale and the ability of Mittal Steel to retain some of Ispat International s, ISG s and LNM Holdings key personnel after the acquisition of LNM Holdings and the merger.

Some of ISG s directors and executive officers have interests in the merger that are different from yours.

In considering the recommendation of the ISG board of directors to vote for the proposal to adopt the merger agreement, you should be aware that certain members of the ISG board of directors and members of ISG s management team have pre-existing agreements or arrangements that provide them with interests in the merger that differ from, or are in addition to, those of ISG stockholders generally. These interests arise because of positions they may have as directors or officers of Mittal Steel or because pre-existing agreements or arrangements entitle them to payments in certain circumstances to which they would not have been entitled had the merger not occurred. The ISG board of directors was aware of these pre-existing agreements and arrangements during its deliberations on the merits of the merger and in determining to recommend to the ISG stockholders that they vote FOR the proposal to adopt the merger agreement. For a more detailed description of such interests, see INTEREST OF CERTAIN PERSONS IN THE MERGER beginning on page 128.

Mittal Steel is a Dutch corporation, and shareholders of a Dutch corporation have fewer rights and privileges than stockholders of a Delaware corporation in certain respects.

Mittal Steel is governed by the Dutch Civil Code and by its Deed of Incorporation (*akte van oprichting*) and Articles of Association (*statuten*). The Dutch Civil Code extends to shareholders certain rights and privileges that may not exist under the DGCL and, conversely, does not extend certain rights and privileges that stockholders of a company governed by the DGCL may have. Differences between the Dutch Civil Code and the DGCL that could result in stockholders of a Delaware corporation having fewer rights and privileges than shareholders of a Dutch company include, among others, the fact that the Dutch Civil Code does not provide for class action suits. However, the Dutch Civil Code currently authorizes shareholders to form associations which may bring joint actions. Such joint actions can only result in a declaratory judgment (*verklaring voor recht*) on the basis of which each individual person may institute civil proceedings. Legislative proposals pending before the Dutch Parliament may in the future authorize class action suits. For a more detailed comparison of the rights of Mittal Steel shareholders versus the rights of ISG stockholders, see COMPARISON OF RIGHTS OF SHAREHOLDERS UNDER DELAWARE AND DUTCH LAW beginning on page 228.

Following the merger, Mittal Steel will still have a controlling shareholder who can appoint its directors and determine the outcome of shareholder votes.

After the merger, Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal, who together are Mittal Steel s controlling shareholder, will continue to have the power to elect the majority of the members of the Mittal

Table of Contents

Steel board of directors, and to exercise voting control over the decisions adopted at the Mittal Steel general meetings of shareholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, and the incurrence of indebtedness. Circumstances may occur in which the interests of Mittal Steel s controlling shareholder could be in conflict with the interests of other shareholders. In addition, Mittal Steel s controlling shareholder may pursue certain transactions that in its view will enhance its equity investment, even though such transactions may not be in the interest of other Mittal Steel shareholders.

The unaudited condensed combined pro forma financial data included in this proxy statement/ prospectus are preliminary and Mittal Steel s actual financial position and results of operations may differ significantly from the unaudited condensed combined pro forma financial data included in this proxy statement/ prospectus.

Generally accepted accounting principles require Mittal Steel to review periodically its assets, including ISG s assets after the merger is completed, for impairments in value. The unaudited condensed combined pro forma operating data contained in this proxy statement/ prospectus are not necessarily indicative of the results that actually would have been achieved had the merger been completed on January 1, 2003, or that may be achieved in the future. Mittal Steel can provide no assurances as to how the operations and assets of both companies would have been run if they had been combined, or how they will be run in the future, which, together with other factors, could have a significant effect on the results of operations and financial position of the combined company.

Risks Relating to Mittal Steel s Business

Mittal Steel has experienced rapid growth through successful acquisitions in a relatively short period of time. Mittal Steel may not have the management resources or sufficient levels of investment to continue to meet its strategic objectives.

Mittal Steel has experienced rapid growth and development through successful acquisitions in a relatively short period of time and may continue to do so in order to pursue its strategic objectives. Such growth entails significant investment, as well as increased operating costs. Overall growth in Mittal Steel s business also requires greater allocation of management resources from daily operations. In addition, the management of such growth (including management of multiple operating assets) will require, among other things, the continued development of Mittal Steel s financial and information management control systems, the ability to integrate newly acquired assets with existing operations, the ability to attract and retain sufficient numbers of qualified management and other personnel, the continued training of such personnel and the presence of adequate supervision. Failure to manage such growth, while at the same time maintaining adequate focus on the existing assets of Mittal Steel, could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects. In addition, although Mittal Steel has grown through successful acquisitions in the past, no assurance can be given that it will be able to identify, acquire and successfully integrate additional companies in the future.

Mittal Steel relies on economic growth in the countries in which its operating subsidiaries operate, which may not continue. A slowdown in economic growth in such countries may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Mittal Steel s business strategy was developed partly on the assumptions that economic growth in the countries in which it operates and the modernization, restructuring and upgrading of the physical infrastructure in such countries will continue, thus creating an increased demand for its steel products and maintaining a stable level of steel prices in such countries and in other key product markets. While the demand in these countries for steel and steel products has gradually increased, there is no assurance that this trend will continue. Any slowdown in the development of these economies or any reduction in the investment budgets of governmental agencies and companies responsible for the modernization of such physical infrastructure may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Table of Contents

Mittal Steel is subject to political and social uncertainties in some of the developing countries in which it operates. Any disruption or volatility in the political or social environment in those countries may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Mittal Steel operates in a number of developing countries. Approximately 70% of the sales of Mittal Steel (including LNM Holdings) for the nine months ended September 30, 2004 originated in developing countries. Some of the developing countries in which Mittal Steel operates have been undergoing substantial political transformations, from centrally controlled command economies to pluralist market-oriented democracies. There can be no assurance that the political and economic reforms necessary to complete such a transformation will continue. In addition, ethnic, religious, historical and other divisions have, on occasion, given rise to tensions and, in certain cases, military conflict. The political systems in these countries may be vulnerable to the populations dissatisfaction with reforms, social and ethnic unrest and changes in governmental policies, any of which could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects and its ability to continue to do business in these countries or at all.

Mittal Steel is subject to economic risks and uncertainties in the countries in which it operates. Any deterioration or disruption of the economic environment in those countries may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Over the past few years, many of the countries in which Mittal Steel operates have experienced economic growth and improved economic stability in certain sectors. However, there can be no assurance that economic growth will continue in the future and the legal systems in these countries, in particular with respect to bankruptcy proceedings, remains underdeveloped. Although economic conditions have improved in the last two and a half years, the prospect still exists of widespread bankruptcy, mass unemployment and the deterioration of certain sectors of these economies. No assurance can be given that reform policies will continue to be implemented and, if implemented, will be successful, that these countries will remain receptive to foreign trade and investment, or that their economies will improve.

Mittal Steel s high debt level may limit its flexibility in managing its business.

At September 30, 2004, Mittal Steel (including LNM Holdings) had outstanding $2,811 million in aggregate principal amount of indebtedness consisting of $745 million of short-term indebtedness (including current portion of long-term debt) and $2,066 million of long-term indebtedness. A portion of Mittal Steel s working capital financing consists of uncommitted lines of credit, which may be cancelled by the lenders in certain circumstances. In addition, on January 25, 2005, Mittal Steel announced that it had arranged commitments, subject to customary conditions, from a group of arrangers for a $3.2 billion unsecured revolving credit facility, the proceeds from which it expects to utilize to finance the cash portion of the merger with ISG, to refinance existing indebtedness and for general corporate purposes.

The high level of debt outstanding could have important adverse consequences to Mittal Steel, including the following:

- significant cash interest expense and principal repayment obligations;
- impairment of its ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes;
- limitations on its flexibility to adjust to changing market conditions, reduction in its ability to withstand competitive pressures and greater vulnerability to a downturn in general economic conditions; and
- adverse business conditions may lead to difficulties in debt servicing which may limit its ability to make acquisitions, finance capital expenditures and working capital requirements.

Table of Contents

Mittal Steel has guaranteed its subsidiaries debt, which may limit its flexibility in managing its business.

Mittal Steel has provided guarantees for some of the debt and credit lines of its operating subsidiaries. Out of the total debt of $2,811 million at September 30, 2004 of the operating subsidiaries of Mittal Steel (including LNM Holdings), approximately 52%, or $1,469 million, was guaranteed by Mittal Steel. Some of these guarantees have provisions whereby a default in one operating subsidiary could, under certain circumstances, lead to defaults at other operating subsidiaries.

Any possible invocation of any of these guarantees could cause some or all of the other guaranteed debt to accelerate, creating severe liquidity pressures. Further, it may also limit Mittal Steel s ability to raise additional financing and may limit its flexibility in managing its business.

Mittal Steel has made significant capital expenditure commitments and other commitments in connection with certain acquisitions.

In connection with the acquisition of certain of its operating subsidiaries, Mittal Steel has made significant capital expenditures and other commitments with various governmental bodies. Mittal Steel expects to fund such capital expenditure commitments and other commitments primarily through internal sources, but there can be no assurance that Mittal Steel will be able to generate or obtain sufficient funds to meet these requirements in the future or to complete these projects on a timely basis or at all. In addition, completion of these projects may be affected by factors that are beyond the control of Mittal Steel. See MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF MITTAL STEEL Liquidity and Capital Resources Tabular Disclosure of Contractual Obligations. Capital expenditures of Mittal Steel (including LNM Holdings) in 2003 were $421 million, as compared to $264 million in 2002 and $200 million in 2001. Of the total capital expenditures mentioned above, $89 million in 2003 and $12 million in 2002 pertained to the reline of Blast Furnace No. 7 at Ispat Inland Inc., or Inland, and $161 million in 2003 and $51 million in 2002 related to committed capital expenditure by LNM Holdings subsidiaries. Capital expenditures of Mittal Steel (including LNM Holdings) during the second quarter of 2004 were $35 million and for the nine months ended September 30, 2004 were $522 million. Capital expenditures exclude repairs and maintenance, as these costs are expensed as incurred.

Mittal Steel has also made certain commitments relating to employees at certain of its operating subsidiaries. In many of these jurisdictions, it has agreed, in connection with the acquisition of interests in these subsidiaries that it will not make collective dismissals for certain periods. These periods generally extend up to 10 years following the date of acquisition. The inability to make such dismissals may affect the ability of Mittal Steel to coordinate its workforce in response to changing market conditions and may have an effect on its business, financial condition, results of operations or prospects.

Although Mittal Steel has remained in compliance with its obligations under the relevant acquisition agreements, Mittal Steel may not be able to remain in compliance with some or all of these requirements in the future. Failure to remain in compliance may result in forfeiture of part of Mittal Steel s investment and/or the loss of certain tax and regulatory benefits and may therefore have an adverse effect on its business, financial condition, results of operations or prospects.

Pension plan under-funding at some of Mittal Steel s operating subsidiaries and the need to make substantial cash contributions, which may increase in the future, may reduce the cash available for its business.

Mittal Steel s principal operating subsidiaries in Canada, France, Germany, Trinidad, the United States, South Africa and Kazakhstan provide defined benefit pension plans to their employees. Some of these plans are currently under-funded, in particular Inland s pension plan. As at December 31, 2003, the value of Inland s pension plan assets was $1,781.4 million, while the projected benefit obligation was $2,555.9 million, resulting in a deficit of $774.5 million. A large part of Mittal Steel s pension liabilities and funding requirements are at its U.S. operating subsidiary. See Note 12 to Mittal Steel s Consolidated Financial Statements.

The funded status of Inland s pension plan has been adversely affected in the last few years by a number of factors including low interest rates, which have impacted investment returns and discount rate assumptions and weak equity market performance. This also has had an impact on required future cash funding requirements. In addition to its agreement with the Pension Benefit Guaranty Corporation, or the PBGC, Mittal Steel is also required to make significant cash contributions pursuant to Title I of the Employee Retirement Income Security Act of 1974, as amended, or ERISA. Assuming modestly rising interest rates and reasonable market returns, the total of these contribution requirements (including the contributions required under the agreement with the PBGC) could exceed $500 million over the next few years and could be significantly higher depending on future asset performance, the levels of interest rates used to determine ERISA minimum funding requirements, actuarial assumptions and experience, union negotiated changes, future government regulations and the terms of the agreement with PBGC. Total cash contributions made to Inland s pension plan were $313 million from 1998 through December 31, 2003. The contribution required in 2004 is $111 million, of which $97.8 million had been paid as of September 30, 2004.

Mittal Steel s funding obligations depend upon future asset performance, the level of interest rates used to measure ERISA minimum funding levels, actuarial assumptions and experience, union negotiated changes, future government regulation and the terms of the agreement with PBGC. Due to the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for Mittal Steel s pension plans could be significantly higher than amounts currently estimated. These funding requirements could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

The dependence of certain operating subsidiaries of Mittal Steel on either export or domestic markets may limit its flexibility in managing its business.

Some of Mittal Steel s operating subsidiaries are primarily export oriented, as domestic markets are not adequate to support operations, and some of its operating subsidiaries are substantially dependent on the domestic markets of their countries of operation. Any rise in trade barriers or trade related actions in main export markets, or any fall in demand in the export or domestic markets due to weak economic conditions or other reasons, may adversely affect the operations of these subsidiaries and may limit Mittal Steel s flexibility in managing its business. See MITTAL STEEL Government Regulation and MITTAL STEEL Litigation and Note 17 to its Supplemental Combined Financial Statements.

Mittal Steel may be unable to fully utilize its deferred tax asset.

As at September 30, 2004, Mittal Steel (including LNM Holdings) had $125 million recorded as a deferred tax asset on its balance sheet. This asset can only be utilized if, and to the extent that, Mittal Steel s operating subsidiaries generate adequate levels of taxable income in future periods to set off the loss carryforwards and reverse the temporary differences before they expire. Mittal Steel s ability to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. Consequently, Mittal Steel cannot assure you that it will generate sufficient taxable income to realize its deferred tax asset. If Mittal Steel generates lower taxable income than the amount it has assumed in determining the deferred tax asset, then a valuation reserve will be required, with a corresponding charge against income.

Credit rating downgrades or similar triggers may affect Mittal Steel s flexibility in managing its business.

Although Mittal Steel currently enjoys an investment grade credit rating, it has been in the past subject of credit rating downgrades during periods of cyclical downturns in the steel industry. For example, during the

Table of Contents

course of 2002 as a result of developments relating to the restructuring of the debt at Ispat Mexicana, S.A. de C.V., or Imexsa, certain of the credit ratings of Mittal Steel and its subsidiaries were downgraded. Although Mittal Steel does not have negative rating triggers in its debt agreements, any decline in its credit rating may lead to some of its lenders recalling loans, withdrawing credit lines or increasing the cost of borrowing. Any of these actions may adversely affect its business, financial condition, results of operations or prospects.

Mittal Steel may encounter difficulties in enforcing foreign court judgments or arbitral awards in certain countries in which it operates.

Some of the countries in which Mittal Steel operates are not parties to multilateral or bilateral treaties with western jurisdictions for the mutual enforcement of court judgments. Consequently, should a judgment be obtained from a court in any such jurisdictions it is unlikely to be given direct effect in the courts of these countries. However, all of the countries in which Mittal Steel s operating subsidiaries are located are parties to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Accordingly, most of the agreements to which Mittal Steel s operating subsidiaries in such jurisdictions are party contain provisions allowing for arbitration of disputes. A foreign arbitral award obtained in a state that is party to that convention should be recognized and enforced by a court in a signatory country (subject to the qualifications provided for in the convention and requirements established by relevant legislation). Reliance upon international treaties may meet with resistance or a lack of understanding on the part of the applicable court or other officials, thereby introducing delay and unpredictability into the process of enforcing any foreign judgment or any foreign arbitral award in these countries.

Because Mittal Steel is a holding company with no revenue-generating operations, it depends on earnings and cash flows of operating subsidiaries, which may not be sufficient to meet future needs.

Because Mittal Steel is a holding company with no business operations of its own, it is dependent upon the earnings and cash flows of, and dividends and distributions from, operating subsidiaries to pay expenses, meet any future debt obligations and pay any cash dividends or distributions on its common shares. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions or prohibitions on such operating subsidiaries ability to pay dividends.

Since Mittal Steel is incorporated under the laws of The Netherlands it can only pay dividends and other distributions to the extent it receives dividends and other distributions from its operating subsidiaries, recognizes gain from the sale of assets or records share premium as a result of the issuance of common shares. See Notes 9 and 11 to Mittal Steel s Supplemental Combined Financial Statements.

Mittal Steel may encounter supply shortages and increases in the cost of raw materials, energy and transportation.

Steel production requires substantial amounts of raw materials and energy, including iron ore fines, iron ore pellets, scrap, electricity, natural gas, coal and coke. Any prolonged interruption in the supply of raw materials or energy, or substantial increases in their costs, could adversely affect the business, financial condition, results of operations or prospects of steel companies. The availability and prices of raw materials may be negatively affected by:

- new laws or regulations;
- suppliers allocations to other purchasers;
- interruptions in production by suppliers;
- accidents or other similar events at suppliers premises or along the supply chain;

Table of Contents

- changes in exchange rates;
- consolidation in steel-related industries;
- worldwide price fluctuations and other factors; and
- availability and cost of transportation.

In addition, energy costs, including the cost of natural gas and electricity, make up a substantial portion of the cost of goods sold by steel companies. The price of energy has varied significantly in the past and may vary significantly in the future largely as a result of market conditions and other factors beyond the control of steel companies. Because the production of direct reduced iron and steel involves the use of significant amounts of natural gas, steel companies are sensitive to the price of natural gas.

Further, global developments, particularly the dramatic increase in the demand for materials and inputs used in steel manufacturing from China, may cause severe shortages and/or substantial price increases of key raw materials and ocean transportation capacity. Inability to recoup such cost increases from increases in the selling prices of steel companies products, or inability to cater to their customers demands because of non-availability of key raw materials or other inputs, may have a material adverse effect on the business, financial condition, results of operations or prospects of steel companies.

While Mittal Steel has been able to procure sufficient supplies of raw materials to meet its production needs, there can be no assurance that it will be able to procure adequate supplies in the future. In addition, Mittal Steel does not generally procure supplies under long-term contracts; supply contracts typically have terms of one year. Any prolonged interruption, discontinuation or other disruption in the supply of raw materials or energy, or substantial increases in their costs, could adversely affect the business, financial condition, results of operations or prospects of Mittal Steel.

Mittal Steel may face significant price and other forms of competition from other steel producers, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Generally, the markets in which steel companies conduct business are highly competitive. Increased competition could cause Mittal Steel to lose market share, increase expenditures or reduce pricing, any one of which could have a material adverse effect on its business, financial condition, results of operations or prospects. The global steel industry has historically suffered from substantial over-capacity. Excess capacity in some of the products sold by Mittal Steel will intensify price competition for such products. This could require Mittal Steel to reduce the price for its products and, as a result, have a material adverse effect on its business, financial condition, results of operations or prospects. Mittal Steel competes primarily on the basis of quality and the ability to meet customers product specifications, delivery schedules and price. Some of the competitors of Mittal Steel may:

- benefit from greater capital resources;
- have different technologies;
- have lower raw material and energy costs; and
- have lower employee post-retirement benefit costs. See MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR MITTAL STEEL.

In addition, the competitive position of Mittal Steel within the global steel industry may be affected by, among other things:

- the recent trend toward consolidation amongst competitors in the steel industry, particularly in Europe and the United States;

exchange rate fluctuations that may make the products of Mittal Steel less competitive in relation to the products of steel companies based in other countries; and

the development of new technologies for the production of steel and steel-related products.

Competition from other materials may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

In many applications, steel competes with other materials, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Additional substitutes for steel products could adversely affect future market prices and demand for steel products.

The competitive position of Mittal Steel depends on its senior management team and the loss of any member from such senior management team could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

The ability of Mittal Steel to maintain a competitive position and to implement its business strategy is dependent to a large degree on the services of its senior management team and particularly Mr. Lakshmi N. Mittal, Chairman of the board of directors and Chief Executive Officer of Mittal Steel. The loss of or any diminution in Mr. Lakshmi N. Mittal s services or those of the members of the senior management team of Mittal Steel or an inability to attract, retain and maintain additional senior management personnel, could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects. Mittal Steel may not be able to retain its existing senior management personnel or to attract additional qualified senior management personnel in the future. Mittal Steel does not maintain key man life insurance on any members of its senior management.

Mittal Steel may experience currency fluctuations and become subject to exchange controls that could adversely affect its business, financial condition, results of operations or prospects.

Mittal Steel operates and sells products in a number of countries, and as a result, its business, financial condition, results of operations or prospects could be adversely affected by fluctuations in exchange rates. Major changes in exchange rates, particularly changes in the value of the U.S. dollar against the currencies of countries in which Mittal Steel operates, could have an adverse effect on its business, financial condition, results of operations or prospects.

The imposition of exchange controls or other similar restrictions on currency convertibility in the countries in which Mittal Steel operates could adversely affect its business, financial condition, results of operations or prospects. For example, some operations involving South African rand and the Kazakh tenge are subject to limitations imposed by the South African Reserve Bank and National Bank of Kazakhstan, respectively. These restrictions have not historically had a material adverse effect on the business, financial condition, results of operations or prospects of Iscor Ltd. or Ispat Karmet OJSC, respectively. However, in the future these or other restrictions could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Mittal Steel could experience labor disputes that could disrupt operations.

A substantial majority of the employees of Mittal Steel are represented by labor unions and are covered by collective bargaining or similar agreements, which are subject to periodic renegotiation. Strikes or work stoppages could occur prior to, or during the negotiations leading to new collective bargaining agreements, during wage and benefits negotiations or, occasionally, during other periods for other reasons. See MITTAL STEEL Litigation and Note 17 to its Supplemental Combined Financial Statements.

Any such breakdown leading to work stoppage and disruption of operations could have an adverse effect on the operations and financial results of Mittal Steel. Additionally, many of the contractors working at Mittal

Table of Contents

Steel s operating subsidiaries plants employ workers who are represented by various trade unions. Disruptions with these contractors could also have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Equipment downtime or shutdowns could adversely affect Mittal Steel s business, financial condition, results of operations or prospects.

Steel manufacturing processes are dependent on critical steel-making equipment, such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers), and this equipment may incur downtime as a result of unanticipated failures or other events, such as fires or furnace breakdowns. Mittal Steel s manufacturing plants have experienced, and may in the future experience, plant shutdowns or periods of reduced production as a result of such equipment failures or other events. Such disruptions could have an adverse effect on Mittal Steel s operations, customer service levels and financial results.

The income tax liability of Mittal Steel may substantially increase if the tax laws and regulations in countries in which it operates change or are subject to varying interpretations and inconsistent enforcement or if the operating subsidiaries of Mittal Steel are unable to utilize certain tax benefits.

Taxes payable by companies in many of the countries in which Mittal Steel operates are substantial and include value added tax, excise duties, profit taxes, payroll-related taxes, property taxes and other taxes. Historically, the system of tax collection in some of these countries has been relatively ineffective. However, there have been some reforms of the applicable tax systems that have resulted in some improvements.

Tax laws and regulations in some of the countries in which Mittal Steel operates may be subject to frequent change, varying interpretation and inconsistent enforcement. In addition to the usual tax burden imposed on taxpayers, these conditions create uncertainty as to the tax implications of some business decisions. This uncertainty could expose Mittal Steel to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater than expected tax burden. See MITTAL STEEL Government Regulation and MITTAL STEEL Litigation and Note 17 to its Supplemental Combined Financial Statements.

In addition, many of the jurisdictions in which Mittal Steel operates have adopted transfer pricing legislation. While Mittal Steel believes that its operations are conducted in compliance with applicable transfer pricing legislation, if tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, it could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects. Ineffective tax collection systems and continuing budget requirements may increase the likelihood of the imposition of arbitrary or onerous taxes and penalties in the future, which could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Mittal Steel s operating subsidiaries receive certain tax benefits (such as net operating losses), which result in temporary reductions or limitations on the total tax liability of the relevant operating subsidiary. The loss of these benefits on their scheduled expiration or as a result of a failure to comply with conditions imposed in connection with the acquisition of the relevant operating subsidiary may cause a corresponding increase in the tax liability associated with these operations.

It is possible that taxing authorities in the countries in which Mittal Steel operates will introduce additional revenue raising measures. Although it is unclear how these provisions would operate, introduction of any such provisions may affect the overall tax efficiency of Mittal Steel and may result in significant additional taxes becoming payable. Although Mittal Steel will undertake to minimize such exposures, it cannot offer any assurance that additional tax exposure will not arise or that any such additional tax exposure could not have a material adverse effect on its business, financial condition, results of operations or prospects.

Mittal Steel may face a significant increase in its income taxes if tax rates in the jurisdictions in which it operates increase and/or are modified by regulatory authorities in an adverse manner. This may adversely affect Mittal Steel s cash flows, liquidity and ability to pay dividends. See MANAGEMENT S DISCUS-

SION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR MITTAL STEEL Review of Operating Results Year Ended December 31, 2003 compared to Year Ended December 31, 2002 Income Taxes.

Steel companies are subject to stringent environmental regulations, and Mittal Steel may be required to spend considerable amounts of money in order to comply with such regulations.

Steel companies have spent, and can be expected to spend in the future, substantial amounts to comply with environmental laws and regulations, which, over time, have become more stringent. The operations of steel companies are subject to strict environmental laws and regulations in each of the jurisdictions in which they operate. These laws and regulations govern, generally, air and water pollution, the management and disposal of hazardous substances and the remediation of contamination. These requirements, or enforcement of these requirements, may become even more stringent in the future. Failure to comply could result in the assessment of civil and criminal penalties, the suspension of operations and lawsuits by private parties.

EU Directive 2004/35/EC of April 21, 2004 on Environmental Liability with Regard to the Prevention and Remedy of Environmental Damage, or the Environmental Liability Directive, provides for remedies for damage to the environment. While the manner and impact of the implementation of the Environmental Liability Directive is not yet certain, Mittal Steel is closely monitoring the potential impact on its business, financial condition, results of operations or prospects.

EU Directive 2003/87/EC of October 13, 2003, or the Directive, established a program under which member states are allowed to trade greenhouse gas emission allowances within the European Community, subject to certain conditions. Member states must ensure that, from January l, 2005, no installation undertakes certain activities specified in the Directive that results in emissions specified in relation to that activity unless its operator holds a permit issued by a competent authority. The Directive also establishes carbon dioxide emission trading starting from January 1, 2005.

These new rules as well as any new or additional environmental compliance requirements that may arise out of the implementation by different countries of the Kyoto Protocol (United Nations Framework on Climate Change, 1992) may impose new and/or additional rules or more stringent environmental norms that steel companies may have to comply with. Such requirements may require additional capital expenditures or modifications in operating practices, particularly at steel companies operating in countries that have recently joined the European Union or are scheduled to join the European Union in the near future. If any of these new rules, regulations, norms or allocations contain major changes or are introduced very rapidly, there could be a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Inland is involved in various environmental and other administrative or judicial actions initiated by governmental agencies. In 1990, Inland was a party to a lawsuit filed by the U.S. Environmental Protection Agency, or the EPA, under the Resource Conservation and Recovery Act. In 1993, Inland entered into a consent decree, or the EPA Consent Decree, which, among other things, requires the investigation and remediation of the Indiana Harbor Works. Corrective actions relating to the EPA Consent Decree may require significant expenditures over the next several years that may have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects. At September 30, 2004 and December 31, 2003, Inland s reserves for environmental liabilities totaled $36.9 million and $36.8 million, respectively, $22.2 million and $22.1 million of which is related to the sediment remediation under the EPA Consent Decree. See MITTAL STEEL Government Regulation and MITTAL STEEL Litigation, and Notes 9 and 17 to its Supplemental Combined Financial Statements.

In addition, Mittal Steel has agreed to make certain capital expenditures related to environmental matters in connection with its acquisition of certain of its operating subsidiaries. See MITTAL STEEL Government Regulation and MITTAL STEEL Litigation, and Note 17 to its Supplemental Combined Financial Statements.

Table of Contents

Future sales of Mittal Steel s common shares may affect the market price of its shares.

Sales, or the possibility of sales, of substantial numbers of Mittal Steel s common shares in the public markets, including in The Netherlands and the United States, could have an adverse affect on the market price of its common shares. Any subsequent offering of the common shares of Mittal Steel may have rights, preferences or privileges senior to those of the common shares of Mittal Steel currently outstanding.

Natural disasters could significantly damage Mittal Steel s production facilities.

Natural disasters could significantly damage Mittal Steel s production facilities and general infrastructure. In particular, Imexsa s production facilities are located in Lazaro Cardenas, Michoacan, Mexico and Ispat Karmet is located in the Karaganda region of the Republic of Kazakhstan, both of which are areas that have historically experienced earthquakes of varying magnitude. Extensive damage to either facility, or any other major production complexes, whether as a result of an earthquake or other natural disaster, could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Mittal Steel s insurance policies provide limited coverage, potentially leaving it uninsured against some business risks.

The occurrence of an event that is uninsurable or not fully insured could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects. Mittal Steel maintains comprehensive insurance on all property and equipment in amounts believed to be consistent with industry practices but it may not be fully insured against some business risks. Mittal Steel s insurance policies cover physical loss or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event under the policy. Under these policies, damages and losses caused by certain natural disasters, such as earthquakes, floods and windstorms, are also covered. Each of the operating subsidiaries of Mittal Steel also maintains various other insurances, such as workmen s compensation insurance and marine insurance. Notwithstanding the insurance coverage that Mittal Steel carries, the occurrence of an accident that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect on Mittal Steel s business, financial condition, results of operations or prospects.

Product liability claims could adversely affect Mittal Steel s operations.

Mittal Steel sells products to major manufacturers of a large number of goods. Furthermore, Mittal Steel s products are also sold to, and used in, certain safety-critical applications. If Mittal Steel were to sell steel that is inconsistent with the specifications of the order or the requirements of the application, significant disruptions to the customer s production lines could result. There could also be significant consequential damages resulting from the use of such products. Mittal Steel has a limited amount of product liability insurance coverage and a major claim for damages related to products sold could have a material adverse effect on its business, financial condition, results of operations or prospects.

Cyclicality of the steel industry.

The steel industry is highly cyclical and is affected significantly by general economic conditions and other factors such as worldwide production capacity, fluctuations in steel imports/exports and tariffs. Steel prices are sensitive to a number of supply and demand factors. Steel markets recently have been experiencing larger and more pronounced cyclical fluctuations. This trend, combined with the upward pressure on costs of key inputs, mainly metallics and energy, presents an increasing challenge for steel producers. The key drivers for maintaining a competitive position and good financial performance in this challenging environment are product differentiation, customer service, cost reduction and cash management.

The volatility and the length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse effect on the business, financial condition, results of operations or prospects of many steel companies.

International trade actions or regulations and trade-related legal proceedings may adversely affect sales, revenues and business in general of steel companies.

Mittal Steel is an international operation with sales spanning many countries, and therefore, its businesses have significant exposure to the effects of trade actions and barriers. In the past, various countries, including the United States, have instituted, or are contemplating the institution of, trade actions and barriers.

Mittal Steel cannot predict the timing and nature of similar or other trade actions by the United States or any other country. Because of the international nature of Mittal Steel s operations it may be affected by any trade actions or restrictions introduced by any country in which it sells, or has the potential to sell, its products. Any such trade actions could adversely affect Mittal Steel s business, financial condition, results of operations or prospects and, depending on the timing, nature and jurisdiction of such actions, such adverse effects could be material.

In addition to the more general trade barriers described above, if any steel company were party to a regulatory or trade-related legal proceeding that was decided adversely to such company, or an operating subsidiary thereof, it could adversely affect the business, financial condition, results of operations or prospects of such company. See MITTAL STEEL Government Regulation and MITTAL STEEL Litigation and Note 17 to its Supplemental Combined Financial Statements.

Steel companies are susceptible to changes in governmental policies and international economic conditions.

Governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, social or political instability, diplomatic relations, international conflicts and other factors may adversely affect the business, financial condition, results of operations or prospects of international steel companies. Mittal Steel has not, and currently does not intend to obtain, political risk insurance in any country in which it conducts its business.

Significant expenditures and senior management time may be required with respect to Mittal Steel s internal controls to ensure compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 when the regulations of the U.S. Securities and Exchange Commission thereunder come fully into effect.

Section 404 of the Sarbanes-Oxley Act and the regulations of the U.S. Securities and Exchange Commission thereunder, upon becoming effective, will require senior executive and senior financial officers of Mittal Steel to assess on a regular basis the internal controls for financial reporting, evaluate the effectiveness of such internal controls and disclose any material weaknesses in such internal controls. Mittal Steel s external auditors will also be required to provide an attestation of management s evaluation. In the event that Mittal Steel senior management or independent auditors determine that Mittal Steel internal controls over financial reporting are not effective as defined under Section 404, investor perceptions of Mittal Steel may be adversely affected and could cause a decline in the market price of Mittal Steel stock. The rules regarding management s report on internal controls and attestation will apply to Mittal Steel from the fiscal year ending December 31, 2005.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, and the documents to which you are referred in this proxy statement/prospectus, contain forward-looking statements based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the financial condition, results of operations and the business of Mittal Steel, including its recently acquired subsidiary, LNM Holdings, and ISG, the anticipated financial and other benefits of the recently completed acquisition of LNM Holdings and the proposed merger with ISG and Mittal Steel s plans and objectives following the recently completed acquisition of LNM Holdings and the proposed merger. These statements usually contain the words believes , plans , expects , anticipates , intends , estimates or other similar expressions. For each of these statements, you s be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realized or, even if realized, that they will have the expected effects on the business or operations of the combined company. These forward-looking statements speak only as of the date on which the statements were made and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this proxy statement/ prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. In addition to other factors and matters contained or incorporated by reference in this proxy statement/ prospectus, it is believed the following factors, among others, could cause actual results to differ materially from those discussed in the forward-looking statements:

- cost savings expected to result from the recently completed acquisition of LNM Holdings and the proposed merger may not be fully realized or realized within the expected time frame;
- costs or difficulties related to the integration of the businesses of Mittal Steel, its recently acquired subsidiary LNM Holdings and ISG may be greater than expected;
- the risk of a significant delay in the completion of the proposed merger and/or unexpected consequences resulting from the recently completed acquisition of LNM Holdings and the proposed merger;
- the risk that a government authority may impose unfavorable terms as a condition to the merger;
- operating results following the recently completed acquisition of LNM Holdings and the proposed merger may be lower than expected;
- adverse changes in interest rates may reduce interest margins or adversely affect asset values of Mittal Steel or ISG;
- general economic conditions, whether nationally or in the market areas in which Mittal Steel or ISG conduct business, may be less favorable than expected;
- the risk of disruption or volatility in the economic, political or social environment in those countries in which Mittal Steel or ISG conduct business;
- legislation or regulatory changes may adversely affect the businesses in which Mittal Steel or ISG are engaged;
- adverse changes may occur in the securities markets;
- uncertainty as to the actions of the controlling shareholder of Mittal Steel, who will also be the controlling shareholder of the combined company;
- the combined company s ability to maintain operational flexibility given its high debt level;
- the combined company s ability to attract and retain talented management;
- the risk of reduced efficiencies due to the combined company s limited capital expenditures;

Table of Contents

fluctuations in currency exchange rates;

the combined company s ability to operate within the limitations imposed by financing arrangements;

the combined company s ability to obtain financing on acceptable terms to finance its growth;

uncertainty as to the revenues generated by the combined company s subsidiaries;

the risk of significant supply shortages and increases in the cost of raw materials, energy and transportation;

the risk of labor disputes;

the risk of decreasing prices for the combined company s products and other forms of competition in the steel industry;

increased competition from substitute materials (*e.g.*, aluminum);

the combined company s ability to successfully operate within a cyclical industry; and

the risk that ISG will not be able to effectively integrate and operate the assets that it has acquired from other steel companies.

Table of Contents

ISG SPECIAL MEETING OF STOCKHOLDERS

Proxy Statement/ Prospectus

This proxy statement/ prospectus is being furnished to ISG stockholders as part of the solicitation of proxies by the ISG board of directors for use at the special meeting in connection with the proposed merger. This document provides ISG stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the special meeting.

Date, Time, Place and Purpose of the Special Stockholders Meeting

ISG will hold the special stockholders meeting at [time], local time, on [day], March [ ], 2005 at [location] located at [street address] to consider and vote on the proposal to adopt the merger agreement and the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

ISG does not expect that any matter other than the proposal to adopt the merger agreement and the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, will be brought before the special meeting. If, however, such a matter, which is unknown a reasonable time before the solicitation of proxies in connection with the special meeting, is properly presented at the special meeting or any adjournment or postponement of the special meeting, the persons appointed as proxies will have authority to vote the shares represented by duly executed proxies in accordance with their discretion and judgment.

Record Date; Quorum and Voting Power

The holders of record of ISG common stock at the close of business on February [ ], 2005, the record date for the special meeting, are entitled to receive notice of, and to vote at, the special meeting. As of the record date, there were 100,035,950 shares of ISG common stock outstanding, all of which are entitled to vote at the special meeting. Each share of ISG common stock outstanding on the record date entitles the holder to one vote on each matter submitted to ISG stockholders for approval at the special meeting.

A quorum of shares of ISG common stock is necessary to hold a valid special meeting. The holders of a majority of ISG common stock issued and outstanding and entitled to vote, present in person or represented by proxy, at the special meeting will constitute a quorum for purposes of the special meeting. Once a quorum is present it is not broken by the subsequent withdrawal of any ISG stockholder.

Vote Required

Completion of the merger requires the adoption of the merger agreement by the affirmative vote of the holders of a majority of the shares of ISG common stock outstanding on the record date. At the close of business on the record date, directors and executive officers of ISG beneficially owned, in the aggregate, approximately 9,029,000 shares of ISG common stock, representing approximately 9.0% of the shares of ISG common stock outstanding.

Voting Your Shares

Each share of ISG common stock entitles the holder on the record date of the special meeting to one vote with respect to all matters on which the holders of ISG common stock are entitled to vote at the special meeting.

Table of Contents

If you are a holder of record, there are two ways to vote your shares of ISG common stock at the special meeting and have them included in the vote:

YOU CAN VOTE BY COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD. If you vote by proxy card, your proxy (one of the individuals named on the proxy card) will vote your shares at the special meeting as you instruct on the proxy card.

YOU CAN ATTEND THE SPECIAL MEETING AND VOTE IN PERSON. ISG will give you a ballot when you arrive. However, if your shares of ISG common stock are held in the name of a broker, bank or other nominee, you must have a proxy from the broker, bank or nominee so that ISG can be sure that the broker, bank or other nominee has not already voted your shares.

If your shares are held in street name by your broker, you should instruct your broker how to vote your shares using the instructions provided by your broker. If you have not received such voting instructions or require further information regarding such voting instructions, contact your broker and they can give you directions on how to vote your shares. Under the rules of the New York Stock Exchange, brokers who hold shares in street name for customers may not exercise their voting discretion with respect to the approval of non-routine matters such as the merger proposal, and, therefore, absent specific instructions from the beneficial owner of such shares, brokers are not empowered to vote such shares with respect to the approval of such proposals (*i.e.*, broker non-votes).

Shares of ISG common stock held by persons attending the special meeting but not voting, or shares for which ISG has received proxies with respect to which ISG stockholders have abstained from voting, will be considered abstentions. Abstentions and properly executed broker non-votes will be treated as shares that are present and entitled to vote at the special meeting for purposes of determining whether a quorum exists but will have the same effect as votes AGAINST the adoption of the merger agreement.

Company Shareholder Support Agreement

In connection with ISG entering into the merger agreement, Wilbur L. Ross, Chairman of the ISG board of directors, and certain affiliates of Mr. Ross and Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, entered into a company shareholder support agreement required by Mittal Steel in connection with its entering into the merger agreement. Among other things, the agreement provides that they will each vote all of the shares of ISG common stock that they own in favor of the adoption of the merger agreement. Mr. Ross and certain affiliates of Mr. Ross and Mr. Mott beneficially own 6.9% and 1.4%, respectively, of the ISG common stock outstanding as of the record date. For a more complete summary of the company shareholder support agreement, please see COMPANY SHAREHOLDER SUPPORT AGREEMENT beginning on page 109.

Proxy; Revocation of Proxy

If you vote your shares of ISG common stock by signing a proxy, your shares will be voted at the special meeting in accordance with the instructions given. If no instructions are indicated on your signed proxy card, your shares of ISG common stock will be voted FOR the adoption of the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must advise ISG s Secretary in writing and deliver a new proxy dated after the date of the proxy you wish to revoke, or attend the special meeting and vote your shares in person. Attendance at the special meeting will not by itself constitute revocation of a proxy.

If you have instructed your broker to vote your shares, the above-described options for revoking your proxy do not apply, and instead you must follow the directions provided by your broker to change these instructions.

Table of Contents

Means of Solicitation; Fees and Expenses

Mittal Steel and ISG have agreed to each pay one-half of all expenses and fees relating to the printing, filing and mailing of this proxy statement/ prospectus. All other costs of solicitation of proxies from ISG stockholders will be paid by ISG. ISG has retained MacKenzie Partners, Inc. for a fee of $8,000, plus expenses, to aid in the solicitation of proxies and to verify certain records related to the solicitations. In addition to soliciting proxies by mail, directors, officers and employees of ISG may solicit proxies personally and by telephone, facsimile or other electronic means of communication. These persons will not receive additional or special compensation for such solicitation services. ISG may, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

THE MERGER

General Description of the Merger

The merger agreement provides that ISG will merge with and into Park Acquisition Corp., a wholly owned subsidiary of Mittal Steel, and Park Acquisition Corp. will continue as the surviving company and as a wholly owned subsidiary of Mittal Steel. In the merger, each outstanding share of ISG common stock (other than those shares that are held by ISG as treasury stock, Mittal Steel or a wholly owned subsidiary of Mittal Steel or ISG) will be converted into the right to receive cash or Mittal Steel class A common shares, or a combination of cash and Mittal Steel class A common shares.

Each ISG stockholder may elect the form of consideration he or she would like to receive, but this election is subject to proration as well as a potential adjustment driven by tax considerations. See THE MERGER AGREEMENT Tax Adjustment and Alternative Structure beginning on page 83. Under the merger agreement, 50% of all issued and outstanding shares of ISG common stock must be exchanged for cash, and 50% must be exchanged for Mittal Steel class A common shares. If ISG stockholders owning more than 50% of the ISG common stock elect to receive cash, the number of shares of ISG common stock converted into cash will be less than the number elected. Similarly, if ISG stockholders owning more than 50% of the ISG common stock elect to receive Mittal Steel class A common shares, the number of shares of ISG common stock converted into Mittal Steel class A common shares will be less than the number elected.

For tax reasons that are explained below, Mittal Steel may elect to increase the number of Mittal Steel class A common shares issued to ISG stockholders in the merger. In the alternative, Mittal Steel may elect to have the merger restructured so that Park Acquisition Corp. would merge with and into ISG and ISG would be the surviving company. For a discussion of the U.S. federal income tax consequences of the structure of the merger, please see THE MERGER Material U.S. Federal Tax Consequences of the Merger to Mittal Steel, Park Acquisition Corp. and ISG and THE MERGER Material U.S. Federal Income Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares Received by ISG Stockholders in each case beginning on page 67.

As consideration for each share of ISG common stock exchanged in the merger, ISG stockholders may elect to receive: $42.00 in cash; a number of Mittal Steel class A common shares valued at $42.00, subject to a restriction on the maximum and minimum number of Mittal Steel class A common shares to be issued; or a combination of cash and Mittal Steel class A common shares.

The number of Mittal Steel class A common shares to be exchanged for each share of ISG common stock will be based on an exchange ratio equal to the average closing price of Mittal Steel class A common shares during the 20-trading-day period ending on (and including) the trading day that is two days prior to the effective time of the merger. If the average trading price of Mittal Steel class A common shares is equal to or greater than the minimum of approximately $34.50 per share and equal to or less than the maximum of approximately $43.81 per share, then each share of ISG common stock will be exchanged for an amount of Mittal Steel class A common shares equal to $42.00. If the average trading price of Mittal Steel class A common shares is less than the minimum of approximately $34.50 per share, then each share of ISG common stock will be exchanged for 1.21740 Mittal Steel class A common shares, regardless of the value of those shares. If the average trading price of Mittal Steel class A common shares is greater than the maximum of approximately $43.81 per share, then each share of ISG common stock will be exchanged for 0.95865 Mittal Steel class A common shares, regardless of the value of those shares.

Background of the Merger

From its formation in 2002, ISG has grown through a number of strategic business combination transactions. In 2002, ISG acquired out of bankruptcy proceedings the steel-making assets of LTV and Acme Steel and, in 2003, Bethlehem Steel. After its initial public offering in 2003, ISG acquired substantially all of the assets of Weirton Steel and of Georgetown Steel. ISG also had informal discussions from time to time during this period with other companies regarding other possible strategic transactions.

Table of Contents

In late August 2004, while considering the acquisition of LNM Holdings, Ispat International also began considering, in a meeting chaired by Aditya Mittal, a director and senior executive of Ispat International, acquisition opportunities for expanding Ispat International s operations in the United States to complement its current businesses. On August 24, 2004, Wilbur L. Ross, Chairman of the ISG board of directors, Lakshmi N. Mittal, Ispat International s Chairman and Chief Executive Officer, and Aditya Mittal, attended a meeting that was arranged by representatives of UBS. At the meeting, the parties discussed industry conditions, the two companies and other business matters.

During September 2004, due to potential interest in a transaction indicated by Ispat International and LNM Holdings to UBS representatives, UBS representatives had conversations with Mr. Ross about whether other steel companies might have a similar interest. Mr. Ross conducted exploratory discussions with representatives of one such company. While that company indicated an initial willingness to enter into discussions of a possible transaction, it did not propose specific terms or otherwise pursue a possible transaction.

In mid-September 2004, Messrs. L. Mittal and A. Mittal contacted Mr. Ross to propose a merger of the two companies in a 75% stock, 25% cash transaction. The proposed exchange ratio would be set pursuant to a collar mechanism in which ISG stockholders would receive stock of the combined Mittal Steel company valued at between $41.00 and $43.50 within the collar, but less if the stock traded below the collar and more if it traded above the collar. The cash portion of the merger consideration was proposed to range from $41.00 to $43.50 per share of ISG common stock for 25% of ISG s shares. The proposal also contemplated possible arrangements to provide cash for ISG stockholders for up to one-third of the shares of stock they would receive in the merger.

The Ispat International proposal was reviewed by the ISG board of directors at its regularly scheduled September 23, 2004 board meeting. At the conclusion of that meeting, the ISG board of directors instructed Mr. Ross and Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, to explore the possible transaction and authorized them to take any action they deemed appropriate to facilitate further discussions.

On September 28, 2004, ISG, Ispat International and LNM Holdings entered into exclusivity and confidentiality agreements in which, among other things, ISG, Ispat International and LNM Holdings agreed not to solicit an alternative transaction for a 26-day period and Ispat International and LNM Holdings agreed to a one-year standstill prohibition on unsolicited takeover proposals for ISG. Thereafter, the parties exchanged information about their respective businesses.

The ISG board of directors met on October 8, 2004 to review discussions with Ispat International and LNM Holdings. Mr. Ross reviewed the terms of Ispat International s initial proposal in detail. Among other things, he informed the ISG board of directors that representatives of Ispat International and LNM Holdings had requested that, if the transaction proceeded, Mr. Ross join the boards of the combined company and its U.S. subsidiary and that Mr. Mott lead the combined company s U.S. operations after the merger. The specific terms of Mr. Mott s continuing relationships were not specified in any discussions prior to the merger.

A representative of Jones Day, counsel to ISG, also participated in the October 8 meeting. He reviewed the directors fiduciary obligations in this context, the key issues that normally arise in transactions like that under consideration and questions presented by the preliminary proposal from Ispat International and LNM Holdings. It was the ISG board of directors consensus that alternatives in which more certain value would be received in a merger should be explored. During the October 8 meeting, the ISG board of directors discussed management retention arrangements that companies frequently adopt in transactions like that under consideration, and authorized the ISG compensation committee to study this possibility. The ISG board of directors also authorized ISG to retain UBS and Goldman Sachs as financial advisers if the transaction were to proceed. The ISG board of directors authorized the retention of Goldman Sachs (in addition to UBS, which had been involved from the outset in the discussions between ISG and Ispat International), in light of, among other factors, Goldman Sachs familiarity with ISG and Goldman Sachs, together with UBS, having led ISG s initial public offering. In addition, representatives of Jones Day advised the ISG board that it was not unusual for

Table of Contents

companies in ISG s circumstances to retain more than one financial advisor in an effort to obtain input from multiple perspectives.

Shortly thereafter, Shearman & Sterling LLP, counsel to Ispat International, provided ISG proposed merger documentation, and representatives of Ispat International and ISG, including their respective legal and financial advisors, discussed and negotiated the draft documents on a substantially continuous basis. Issues discussed between the parties included (1) the amount of the merger consideration that would consist of cash instead of stock of Mittal Steel and the arrangements by which the cash would be paid, (2) whether a majority of ISG stockholders would commit to vote their shares in favor of the merger, (3) the maximum and minimum prices for the collar on the exchange ratio applicable to the stock portion of the merger consideration, (4) whether the controlling shareholders of Ispat International and LNM Holdings would enter into agreements to support the merger and the acquisition of LNM Holdings by Ispat International, and (5) the scope of the no-shop and termination provisions that would apply to ISG.

On October 14, 2004, Messrs. Ross and Mott met with representatives of the United Steelworkers of America, or USWA. Under the ISG/USWA union contract, the USWA had a right of first refusal to acquire ISG in the event of any proposed change of control and certain other provisions of the union contract required clarification due to the proposed transaction. In addition, Messrs. Ross and Mott wanted to ensure the union s support of any possible transaction. The union representatives response was generally positive and a meeting with representatives of Ispat International was scheduled.

Later that day, the ISG board of directors reviewed the developments in the negotiations at a meeting. Mr. Ross reported the results of the discussions with union representatives and Ispat International. A representative of Jones Day again reviewed the directors fiduciary issues and the key issues then presented by the negotiation including the issues discussed above. At the conclusion of the meeting, the ISG board of directors authorized management to continue to pursue the possible transaction.

The board of directors of Ispat International met on October 15, 2004. The senior management and Credit Suisse First Boston, Ispat International s financial adviser, presented to the Ispat International board of directors the possibility of an acquisition by Ispat International of a large integrated U.S. steel company, the identity of which was not disclosed to the board.

Thereafter, the parties continued to engage in ongoing discussions and negotiations. The principal issues on which the parties focused were the targeted merger price, the amount of cash that would be included in the merger consideration and the collar mechanism Ispat International had proposed. Representatives of the parties and their legal and financial advisors discussed these issues on numerous occasions during the first three weeks of October. ISG sought from the outset of discussions to obtain a higher price and a greater percentage of cash than the 25% originally proposed by Ispat International. ISG s representatives also indicated on several occasions that ISG would be willing to consider a collar mechanism along the lines originally indicated if the other pricing-related provisions were satisfactorily resolved. After various discussions of these issues, during the third week of October, the parties agreed in concept to a basic structure under which 50% of the ISG shares would be converted into the right to receive the merger consideration in cash at $42.00 per share and 50% of the shares of ISG common stock would be converted into the right to receive Mittal Steel class A common shares at a floating exchange ratio based on a targeted $42.00 per ISG share with a collar mechanism providing for the targeted $42 per share in value if Ispat International trading prices at the time of the merger were within a collar of $34.50 per share and $43.81 per share. Under this mechanism, (1) if the average trading price of Ispat International class A common shares is less than the minimum of approximately $34.50 per share, then each share of ISG common stock will be exchanged for 1.21740 Ispat International class A common shares, regardless of the value of those shares, and (2) if the average trading price of Ispat International class A common shares is greater than the maximum of approximately $43.81 per share, then each share of ISG common stock will be exchanged for 0.95865 Ispat International class A common shares, regardless of the value of those shares. Representatives of the parties also resolved other key transaction issues in these negotiations; including (1) the scope of the no-shop and termination provisions that would apply to ISG, (2) that the controlling shareholders of Ispat International and LNM Holdings would enter into agreements to support the merger and the acquisition of LNM Holdings by Ispat International, and (3) that Messrs. Ross and Mott (but not any other ISG shareholder) would each enter into voting and option agreements with respect to shares under their respective control.

On October 18, 2004, Messrs. Ross, Mott, L. Mittal and A. Mittal met with representatives of the USWA to discuss the transaction. The union representatives indicated that they would sign an agreement to support the transaction.

On October 22, 2004, the ISG board of directors reviewed the possible transaction in detail. At that meeting, management reviewed the discussions to date, including with union representatives, the strategic rationale for a possible transaction, opportunities for synergies and cost savings and the results of the ongoing due diligence process. The financial aspects of the transaction were reviewed in detail by representatives of UBS and Goldman Sachs. Jones Day reviewed the material terms of, and open issues under, the draft merger agreement and shareholder support agreements, Ispat International s corporate governance mechanisms, the legal requirements applicable in the circumstances and due diligence review conducted to date. Among other things, the board determined, upon management s recommendation, not to further pursue at that time a transaction-related retention program for management. As discussed in INTEREST OF CERTAIN PERSONS IN THE MERGER on page 128, the ISG board of directors later determined it advisable to discuss with Mittal Steel the possibility of implementing retention arrangements for certain ISG senior executives.

The merger discussions proceeded from the outset on the assumption that Ispat International s proposed combination with LNM Holdings would be completed prior to the ISG merger, and the ISG merger agreement conditions the parties obligations to close on the completion of the acquisition of LNM Holdings. Among other matters, at its October 22, 2004 meeting, the ISG board of directors considered historical and prospective operational and financial information about Ispat International and LNM Holdings separately and on a combined basis, share trading price analyses of comparable companies, the terms of the proposed acquisition of LNM Holdings and effect thereof on the combined company s equity ownership and pro forma contribution and other financial analyses giving effect to the merger.

The ISG board also considered the fact that trading prices for Ispat International shares at the end of October were below the lower point at the proposed collar range and that, if trading prices for Ispat International shares did not increase, each ISG share to be converted into Ispat International stock in the merger would be converted at a fixed number of shares that would produce a value below the targeted $42.00 per share merger price. The ISG board considered the impact of changes in the trading prices for Ispat International shares on the value to be received by ISG stockholders, as well as possible future trading prices giving effect to the acquisition of LNM Holdings by Ispat International in light of pro forma operating and financial information, trading multiples for other companies and other factors.

On October 23, 2004, the Ispat International board met in New York and received presentations from senior management, and representatives of Credit Suisse First Boston, Shearman & Sterling LLP and NautaDutilh, Ispat International s Dutch counsel, describing a proposed acquisition of ISG by Ispat International. At the meeting, management outlined for the board the strategic basis for the transaction and the financial effects upon Ispat International of the proposed combination with ISG.

The ISG board of directors again reviewed the matter on October 24, 2004. At that meeting, representatives of UBS and Goldman Sachs presented their financial analysis of the transaction, after which each firm orally informed the ISG board of directors (subsequently confirmed in writing), that, as of such date and based upon and subject to the considerations, assumptions and limitations set forth in the opinions, the consideration to be received by ISG stockholders in the merger, taken in the aggregate, is fair from a financial point of view to ISG stockholders. UBS and Goldman Sachs opinions are subject to the various assumptions and limitations described under the heading THE MERGER Opinions of ISG s Financial Advisors on pages 56 to 67.

Representatives of UBS and Goldman Sachs also reviewed ISG s strategic alternatives at the October 24th meeting, including a merger or other strategic transaction and a recapitalization or similar event. Representatives of Jones Day reviewed how the various open issues in the documentation reviewed at the

Table of Contents

October 22nd meeting had been tentatively resolved, the material terms of the merger agreement, including the no-shop and termination provisions of the merger agreement and shareholder support agreements, the legal requirements in these circumstances and the results of its due diligence review. Representatives of Jones Day also specifically reviewed each aspect of the proposed transaction in which it could be said that ISG directors or officers had an interest that was different from or in addition to the interests of shareholders generally. Management reviewed other aspects of the transaction, including discussions with various representatives conducted to date. After discussion, the ISG board of directors unanimously authorized ISG to enter into the merger agreement.

On October 24, 2004 the board of directors of Ispat International resumed their meeting to review with senior management, Credit Suisse First Boston, Shearman & Sterling LLP and NautaDutilh, the terms and conditions of the proposed merger agreement. Following further discussion, the board of directors of Ispat International unanimously authorized Ispat International to enter into the merger agreement and determined to recommend to Ispat International shareholders that they vote for the merger.

On October 24, 2004, ISG entered into an agreement with the USWA in which the union waived its right of first refusal and amended certain other provisions of the union contract. The agreement provides that two union designees would join the board of directors of the surviving company in the merger.

Late in the evening on October 24, 2004, Ispat International and ISG entered into the merger agreement. Simultaneously Ispat International Investments, S.L. (an entity owned by the controlling shareholder of Ispat International) entered into a shareholder support agreement with ISG. The Richmond Investment Holdings Limited (an entity owned by the controlling shareholder of Ispat International and, at the time, the sole shareholder of LNM Holdings) entered into a support letter agreement with ISG related to Ispat International s acquisition of LNM Holdings. Mr. Ross and Mr. Mott also simultaneously entered into a shareholder support agreement with Ispat International. Prior to the opening of financial markets in New York on October 25, 2004, Ispat International and ISG issued a joint press release announcing the transaction.

Recommendation of the ISG Board of Directors

The ISG board of directors unanimously determined that the merger is fair to and in the best interests of ISG and its stockholders. The ISG board of directors unanimously approved and declared advisable the merger agreement and recommends that you vote or give instructions to vote FOR the proposal to adopt the merger agreement and FOR the approval of the adjournment of the special meeting, if necessary, to solicit additional proxies.

In considering the recommendation of the ISG board of directors to vote for the adoption of the merger agreement, you should be aware that certain members of the ISG board of directors and executive officers of ISG may have interests in the merger that differ from, or are in addition to, their interests as ISG stockholders. The ISG board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the merger. Please see the section entitled INTEREST OF CERTAIN PERSONS IN THE MERGER that begins on page 128.

Approval of the Mittal Steel Board of Directors

The Mittal Steel board of directors has unanimously approved the merger agreement and recommended it to Mittal Steel shareholders who will vote on a proposal to approve the merger agreement at a separate extraordinary meeting of Mittal Steel shareholders. The parent shareholder support agreement provides, among other things, that Ispat International Investments, S.L. (an entity owned by the controlling shareholder of Mittal Steel) will vote all of its Mittal Steel class A common shares and all of its Mittal Steel class B common shares (representing as of the date of this proxy statement/ prospectus approximately [15.7%] of the combined voting power of all shares of Mittal Steel s voting stock) in favor of the merger.

Table of Contents

ISG s Reasons for the Merger

In reaching its decision to approve the merger agreement and the merger, the ISG board of directors consulted with legal counsel regarding the ISG board of directors legal duties, the terms of the merger agreement, the U.S. federal income tax consequences of the merger and related issues; with its financial advisors regarding the financial aspects and the fairness of the transaction from a financial point of view; and with senior management of ISG regarding, among other things, the industry, management s plans, ISG s prospects and operational matters, including synergistic aspects of the transaction. The determination by the ISG board of directors to approve the merger agreement and the merger was the result of consideration of numerous factors, including (in addition to the specific factors described in THE MERGER Background of the Merger beginning on page 47):

its understanding of the business, operations, financial condition, earnings and future strategy of each of ISG, Ispat International and LNM Holdings, both separately and on a combined basis (including the report of legal counsel of the results of its due diligence review of Ispat International and LNM Holdings);

its understanding of the current and prospective economy and the steel industry, including the globalization of the steel industry and the effect of that trend on ISG in the absence of the proposed transaction;

the potential for the combined company to use otherwise under-utilized finishing capacity;

the competitive landscape in the steel industry and the need for scale and global capacity in order to remain competitive;

the opportunity for ISG stockholders to participate in the growth of one of the world s largest steel producers based on 2003 steel output[1];

the increased access that ISG would have to raw materials supply, technical resources and research and development capabilities;

the importance of capital resources to fund technology investments, research and development and plant and equipment upgrades and the increased availability of those resources to the combined company;

the fact that the merger consideration represented a premium of 23% of the closing price of ISG common stock on October 22, 2004, the last trading day prior to the announcement of the merger, based on the closing price of Ispat International s shares on the NYSE on that date, and a range from 23% to 50% of the closing price of ISG common stock on October 22, 2004, based on an analysis of potential trading prices for Ispat International s shares giving effect to the LNM Holdings acquisition as discussed in THE MERGER Opinions of ISG s Financial Advisors at page 56;

the potential for cost savings and synergies from combining ISG, Ispat International and LNM Holdings;

the fact that the USWA and the Independent Steelworkers Union were supportive of the proposed transaction;

the reports of ISG management, the financial presentations of UBS and Goldman Sachs and the opinions of UBS and Goldman Sachs that, as of the date of those opinions, the consideration to be received by ISG stockholders in the merger, taken in the aggregate, was fair from a financial point of view to ISG stockholders;

the provisions of the merger agreement which give the ISG board of directors the ability, should ISG receive an unsolicited superior proposal, to furnish information to and conduct negotiations with a third party, and to enter into an agreement for a superior proposal after complying with certain requirements, including payment of either a termination fee or the reimbursement of certain expenses;

---

[1] Source: International Iron and Steel Institute Report, World Steel in Figures 2004.

- the support commitments from Ispat International Investments, S.L. (an entity owned by the controlling shareholder of Mittal Steel) to vote all of its Mittal Steel common shares in favor of approval of the merger agreement, and The Richmond Investment Holdings Limited (an entity owned by the controlling shareholder of Mittal Steel and prior to the acquisition of LNM Holdings by Ispat International, the sole shareholder of LNM Holdings) to make certain representations and warranties and agreements in favor of ISG with respect to LNM Holdings and the LNM Holdings acquisition agreement;

- the shareholder support agreement required by Mittal Steel of Messrs. Ross and Mott, the terms of options they granted and the termination provisions applicable to their undertaking to support the merger;

- the structure of the merger and the terms of the merger agreement, including the fact that the floating exchange ratio provides certainty within the restriction on the maximum and minimum range as to the value of the shares to be received by ISG stockholders in the merger;

- the expectation that the receipt of Ispat International class A common shares in the merger would be tax-free for U.S. federal income tax purposes, including the related provisions of the merger agreement; and

- the likelihood of the merger being approved by appropriate regulatory authorities.

The ISG board of directors also considered and balanced against the potential benefits of the proposed merger the potential risks associated with the merger, including:

- the potential for growth and increased stockholder value if ISG were to remain independent;

- the fact that LNM Holdings was not a publicly traded company and therefore had not been subject to market regulation, including disclosure requirements;

- the fact that the maximum and minimum exchange ratios were determined on the assumption that the trading prices for Ispat International class A common shares after the LNM Holdings acquisition would be higher than prices at which Ispat International class A common shares traded prior to the announcement of the merger;

- the fact that the receipt of cash in the merger would be a taxable event for U.S. federal income tax purposes;

- the fact that the combined company would be controlled by the Mittal family;

- the possibility that expected benefits from the merger might not be fully realized;

- the challenges of integrating the businesses, management teams and workforce of the companies;

- the possible disruption to ISG s business that might result from the announcement of the merger;

- the possibility that the merger might not be completed and the potential adverse consequences; and

- the risk that Mittal Steel class A common shares might trade below $34.50 and that the resulting value of 50% of the merger consideration might be less than $42.00 per share of ISG common stock.

The factors described above include the material factors considered by the ISG board of directors. In view of its many considerations, the ISG board of directors considered these factors as a whole and did not quantify or otherwise assign relative weights to the specific factors considered. In addition, individual members of the ISG board of directors may have given different weights to different factors.

Mittal Steel s Reasons for the Merger

In reaching its decision to approve the merger agreement and to recommend that the Mittal Steel shareholders approve the merger agreement, Mittal Steel consulted with legal counsel regarding the terms of the merger agreement and related issues, with its financial advisors regarding the financial aspects and the

fairness of the transaction from a financial point of view, and with senior management of Mittal Steel regarding, among other things, the industry, management s plans, Mittal Steel s prospects and operational matters. The determination of the Mittal Steel board of directors to approve the merger agreement was the result of careful consideration of numerous factors, including:

- Mittal Steel and ISG bring complementary resources and strengths which the Mittal Steel board believes will result in providing Mittal Steel shareholders with enhanced long-term shareholder value;

- the combined company will encompass all aspects of modern steel making to produce an extensive product portfolio to meet a wide range of customer needs across all steel consuming sectors, including automotive, appliance, machinery and construction;

- the merger will significantly increase Mittal Steel s presence in the North American market; and

- the expectation that the shares of the combined company would have greater liquidity in the stock market as a result of the two-fold to three-fold increase (depending on the final exchange ratio) in the number of Mittal Steel class A common shares held by persons other than the controlling shareholder of Mittal Steel following completion of the merger.

The Mittal Steel board of directors also considered and balanced against the potential benefits of the proposed merger the potential risks associated with the merger, including

- risks associated with ISG s internal and disclosure controls generally, also considering ISG s public disclosures regarding those controls;

- potential environmental liabilities arising out of ISG s operations; and

- the risk that Mittal Steel will be unable to successfully integrate the operations of ISG with Mittal Steel s operations.

The Mittal Steel board of directors did not consider it practical, nor did it try, to rank or weight the importance of each factor, and individual members of the board may have given different weight to different factors.

Prospective Financial Data

During the discussions relating to the negotiation and execution of the merger agreement, ISG furnished Mittal Steel and its representatives certain prospective financial information for the years 2004 and 2005 as shown in the table below.

	Year Ended December 31, 2004	Year Ended December 31, 2005
	(In millions, except per share data)	
Net sales	$9,163	$11,999
Gross profit	$1,246	$ 1,480
Net income	$ 667	$ 605
Earnings per share (diluted)	$ 6.53	$ 5.90

The principal assumptions ISG management used in September 2004 for the preparation of its prospective financial information for the remainder of 2004 assume that then-existing operating levels, prices and costs remained the same.

The principal assumptions ISG management used in September 2004 for the preparation of its 2005 prospective financial information included:

- *Continued stand-alone operation.* The data do not include effects of the proposed merger.

- *Economic trends.* The data assume that current global and U.S. gross domestic product growth will continue, leading to a continued strong demand for steel.

Table of Contents

China and exchange rates. The data assume that China would remain the principal growth engine in the global steel industry, exchange rates will continue to be favorable for U.S. steel manufacturing and continued strong demand should allow steel prices to remain firm.

Disruptions. The data assume that there will be no material disruption caused by geopolitical or external events.

Shipments by major product, market and customer. The data assume that shipments by major product, market and customer will increase modestly to approximately 18 million tons to reflect a full year of operation for all assets acquired in 2004.

Prices by major product, market and customer. The data assume that spot steel prices will decline and average annual contract prices will increase from their 2004 levels.

Production levels. The data take into account the effect of planned maintenance and other potential outages of ISG s production equipment on anticipated production levels and assume that no significant unplanned outages affect production levels.

Productivity levels for labor and equipment. The data assume that future productivity levels for labor and equipment remain consistent with 2004 levels.

Input costs and availability. The data assume that input costs for major raw materials, energy and supplies will be based on existing contracts and market conditions. In addition, the data assume that current economic trends will cause input prices to remain high relative to historical levels. No assumption has been made for significant input shortages. In total, the data assume that input costs will remain approximately the same as 2004 levels.

These prospective financial data referred to above are included in this proxy statement/ prospectus only because they were made available to Mittal Steel. ISG prepares prospective financial data for internal use and for assisting management in capital, budgeting and other management decisions. The prospective financial data are subject to periodic revision based on actual experience, business developments and other external factors. None of these data were prepared with a view toward compliance with SEC published guidelines, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or under generally accepted accounting principles in the United States, commonly referred to as U.S. GAAP. KPMG LLP, ISG s auditors, and PricewaterhouseCoopers LLP, Bethlehem Steel Corporation s auditors, have not compiled, examined or performed any procedures with respect to the prospective financial data included in this proxy statement/ prospectus, nor have they expressed any opinion or given any form of assurance on such data or its achievability. The KPMG reports included elsewhere in this proxy statement/ prospectus relate only to ISG s historical consolidated financial information. The PricewaterhouseCoopers LLP report included in this proxy statement/ prospectus relates to Bethlehem Steel Corporation s historical financial information and does not extend to prospective financial information and should not be read to do so.

The ISG prospective financial data do not guarantee performance. Instead, these data, which were prepared in September 2004, consist of forward-looking statements that are subject to a number of risks, uncertainties and assumptions and should be read with caution. For a discussion of some of the factors that could cause actual results to differ, see CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS on page 42 and RISK FACTORS on page 29 and further incorporated herein by reference to ISG s filings. The ISG prospective financial data are subjective in many respects and thus susceptible to interpretation and periodic revision based on actual experience and recent developments. While presented with numeric specificity, the data reflect numerous assumptions made by ISG management with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of ISG and all of which are difficult to predict. In addition, the ISG prospective financial data do not take into account any of the transactions contemplated by the merger agreement. Actual results can be materially greater or less than the projections. Accordingly, there can be no assurance that the assumptions made in preparing the ISG prospective financial data or the data itself will prove accurate. ISG does not intend to make publicly available any update or other revisions to the projections to reflect circumstances existing before or after the date of the preparation or the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error. The foregoing does not affect Mittal Steel s obligation to disclose information pursuant to the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam, if applicable. You should not regard the inclusion of the ISG prospective financial data in this document as an indication that ISG or Mittal Steel considered or consider the projections to be a reliable prediction of future events, and you should not place undue reliance on the ISG prospective financial data contained in this proxy statement/ prospectus.

Opinions of ISG s Financial Advisors

UBS

The ISG board of directors retained UBS to act as its lead financial advisor in connection with the merger. The ISG board of directors selected UBS to act as its lead financial advisor based on UBS qualifications, expertise and reputation and its knowledge of ISG s business and affairs. At the meeting of the ISG board of directors on October 24, 2004, UBS rendered its oral opinion, subsequently confirmed in writing as of that date, that based upon and subject to the factors, assumptions and procedures set forth therein, it is UBS opinion that as of October 24, 2004, the consideration to be received by the holders of ISG common stock in the merger, taken in the aggregate, is fair from a financial point of view to such holders.

The full text of UBS opinion, dated as of October 24, 2004, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS, is attached as Annex E to this proxy statement/ prospectus. Holders of ISG common stock are urged to read this opinion carefully and in its entirety. This summary is qualified in its entirety by reference to the full text of the opinion.

UBS opinion, which was directed to the ISG board of directors, addressed only the fairness, as of the date of the opinion, and subject to and based on the assumptions made, procedures followed, matters considered and limitations of the review undertaken, in its opinion, from a financial point of view to holders of ISG s outstanding ISG common stock of the consideration to be received by such holders in the merger, taken in the aggregate, and did not address any other aspect of the merger.

UBS opinion did not address the relative merits of the merger as compared to other business strategies or transactions that might be available to ISG or its underlying business decision to proceed with or effect the merger, nor did it constitute a recommendation to any ISG stockholder as to how such ISG stockholder should vote with respect to the merger. In addition, UBS opinion does not address or constitute a recommendation with respect to any particular stockholder election. At the direction of the ISG board of directors, UBS was neither asked to, nor did it, offer any opinion as to the material terms of the merger agreement (other than with respect to the consideration as expressly set forth therein) or the form of the merger. UBS expressed no opinion as to what the value of Mittal Steel class A common shares will be when issued pursuant to the merger agreement or the prices at which they will trade at any time in the future. In rendering its opinion, UBS assumed, with the consent of the ISG board of directors, that each party to the merger agreement would comply in all material respects with all the terms of the merger agreement and that the merger would be completed in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement. UBS also assumed, with the consent of the ISG board of directors, that the acquisition of LNM Holdings would be completed prior to the completion of the merger in accordance with the terms of the LNM Holdings acquisition agreement without waiver, modification or amendment of any material term, condition or agreement.

In arriving at its opinion, UBS, among other things:

- reviewed certain publicly available business and historical financial information and other data relating to ISG, Ispat International and LNM Holdings;

- reviewed the reported prices and trading activity for shares ISG common stock and Mittal Steel class A common shares;

reviewed certain internal financial information and other data, including estimates and financial forecasts provided by ISG, Ispat International and LNM Holdings, that were provided to UBS by ISG, Ispat International and LNM Holdings, respectively, and were not publicly available;

conducted discussions with members of senior management of ISG, Ispat International and LNM Holdings concerning the business and financial prospects of ISG, Ispat International and LNM Holdings, respectively;

compared the financial terms of the merger with the publicly available financial terms of certain other transaction UBS believed to be generally relevant;

reviewed publicly available financial and stock market data with respect to certain other companies in lines of business UBS believed to be generally comparable to ISG, Ispat International and LNM Holdings;

considered certain pro forma effects of the merger on Ispat International financial statements;

reviewed the merger agreement and the LNM Holdings acquisition agreement; and

conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of the ISG board of directors, UBS did not assume any responsibility for independent verification of any of the information reviewed by UBS for the purpose of its opinion and, with the consent of the ISG board of directors, relied on such information being complete and accurate in all material respects. In addition, at the direction of the ISG board of directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of ISG, Park Acquisition Corp. and Ispat International, nor was it furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates and pro forma effects referred to above, UBS was advised by management of ISG, Ispat International and LNM Holdings that they reflect the best currently available estimates and judgments as to the future financial performance of ISG, Ispat International and LNM Holdings. UBS assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transactions contemplated by the merger agreement and the LNM Holdings acquisition agreement would be obtained without any adverse effect on any of ISG, Ispat International, LNM Holdings or on the expected benefits of the transaction contemplated by the merger agreement or the LNM Holdings acquisition agreement in any way meaningful to its analysis. UBS opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to UBS as of, October 24, 2004. UBS assumed no responsibility to update or revise its opinion based upon circumstances or events occurring after October 24, 2004.

In performing its analyses, UBS made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond its control. No company, transaction or business used in the analyses described above is identical to us or the proposed merger. Any estimates contained in UBS analysis are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by these estimates. The analyses performed were prepared solely as a part of UBS analysis of the fairness from a financial point of view, as of the date of the opinion, and subject to and based on the assumptions made, procedures followed, matters considered and limitations of the review undertaken, in its opinion, of the consideration to be received by holders of outstanding ISG common stock pursuant to the merger agreement, taken in the aggregate, to such holders and were conducted in connection with the delivery by UBS of its opinion dated October 24, 2004, to ISG s board. UBS analyses do not purport to be appraisals or to reflect the prices at which Mittal Steel class A common shares might actually trade.

UBS is an internationally recognized investment banking and advisory firm. UBS, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the past, UBS and its predecessors have provided investment banking services to ISG and Ispat International and received compensation for the rendering of such services. In 2003 and 2004, ISG paid to UBS an aggregate of approximately $21.4 million in fees for such investment banking services and reimbursed UBS for any expenses it incurred. In the ordinary course of business, UBS, its successors and affiliates have held or traded, and may in the future hold or trade, securities of ISG and Mittal Steel for their own account and the accounts of their customers, and, accordingly, may at any time hold long or short positions in such securities.

Pursuant to a letter agreement dated October 22, 2004, ISG engaged UBS to act as its lead financial advisor in connection with the contemplated transaction. Pursuant to the terms of this engagement letter, ISG has paid UBS a $250,000 retainer fee and a $2.5 million opinion fee and has agreed to pay UBS, upon the completion of the transaction contemplated by the merger agreement (A) a $1.0 million transaction initiation fee and (B) a transaction success fee equal to the greater of (i) 0.30% of the aggregate consideration paid in such transaction or (ii) $15,000,000 (in each case, including the $2.75 million already paid). Aggregate consideration for purposes of calculating the transaction success fee means (a) the total consideration paid for ISG common stock in the merger (including amounts paid to holders of ISG options, warrants and convertible securities), as well as amounts payable in connection with consulting agreements, non-compete agreements and contingent payments, plus (b) the principal amount of all indebtedness for borrowed money as set forth on ISG s most recent consolidated balance sheet prior to the completion of the merger. The value of the portion of the aggregate consideration paid in Mittal Steel class A common shares will be determined by the average of the last sale prices of the Mittal Steel class A common shares on the five trading days ending five trading days prior to the date of completion of the merger. Aggregate consideration also includes the aggregate amount of any (i) dividends or other distributions declared by ISG with respect to its stock after the date of its most recent consolidated balance sheet (other than normal recurring cash dividends in amounts not materially greater than currently paid), and (ii) amounts paid by ISG to repurchase any securities of ISG outstanding on the date of its most recent consolidated balance sheet. ISG has also agreed to pay UBS a fee equal to 15% of any break-up or similar fee received by ISG in connection with the termination of the merger agreement. In addition, ISG has agreed to reimburse UBS for its expenses, including attorneys fees and disbursements, and to indemnify UBS against various liabilities, including certain liabilities under the federal securities laws.

Goldman Sachs

Goldman Sachs rendered its opinion to the ISG board of directors that, based upon and subject to the factors, assumptions and procedures set forth therein, it is Goldman Sachs opinion that as of October 24, 2004, the consideration to be received by the holders of ISG common stock in the merger, taken in the aggregate, is fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 24, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex F hereto and incorporated herein by reference. ISG stockholders should read the opinion in its entirety. Goldman Sachs provided its opinion for the information and assistance of the ISG board of directors in connection with its consideration of the transaction contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of ISG common stock should vote with respect to the merger or whether to elect to receive the stock consideration or the cash consideration, or both, in connection with the merger.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

the LNM Holdings acquisition agreement;

the annual report to stockholders and Annual Report on Form 10-K of ISG for the fiscal year ended December 31, 2003;

the Registration Statement on Form S-1 of ISG with respect to the initial public offering of ISG common stock, including the prospectus dated December 10, 2003, included therein;

the annual reports to shareholders and Annual Reports on Form 20-F of Ispat International for the three fiscal years ended December 31, 2003;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of ISG;

unaudited consolidated financial statements of Ispat International and its subsidiaries for the six-month period ended June 30, 2004;

certain other communications from ISG and Ispat International to their respective stockholders;

audited consolidated financial statements of LNM Holdings and its subsidiaries for the three fiscal years ended December 31, 2003;

unaudited consolidated financial statements of LNM Holdings and its subsidiaries for the six-month period ended June 30, 2004; and

certain internal financial analyses and forecasts for ISG, Ispat International and LNM Holdings prepared by their respective managements.

Goldman Sachs also held discussions with members of the senior management of ISG, Ispat International and LNM Holdings regarding their assessment of the strategic rationale for, and the potential benefits of, the transactions contemplated by the merger agreement and the LNM Holdings acquisition agreement and the past and current business operations, financial condition and future prospects of their respective companies. In addition, Goldman Sachs reviewed the reported price and trading activity for the shares of ISG common stock and the Mittal Steel class A common shares, compared certain financial and stock market information for ISG and Ispat International with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the steel industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

Goldman Sachs relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it and assumed such accuracy and completeness for purposes of rendering the opinion described above. In that regard, Goldman Sachs assumed, with the consent of the ISG board of directors, that the internal financial forecasts prepared by the managements of ISG, Ispat International and LNM Holdings were reasonably prepared on a basis reflecting the best currently available estimates and judgments of ISG, Ispat International and LNM Holdings, as the case may be. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of ISG, Ispat International or LNM Holdings or any of their respective subsidiaries. No evaluation or appraisal of the assets or liabilities of ISG, Ispat International or LNM Holdings or any of their respective subsidiaries was furnished to Goldman Sachs. Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals necessary for the completion of the transactions contemplated by the merger agreement and the LNM Holdings acquisition agreement would be obtained without any adverse effect on ISG, Ispat International or LNM Holdings or on the expected benefits of the transactions contemplated by the merger agreement and the LNM Holdings acquisition agreement in any way meaningful to the analysis of Goldman Sachs. Goldman Sachs was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of or other business combination with ISG. The opinion of Goldman Sachs did not address the relative merits of the transaction contemplated by the merger agreement as compared to any alternative business transaction that might have been available to ISG, nor did it address the underlying business decision of ISG to engage in the transaction contemplated by the merger agreement. In addition, in the opinion of Goldman Sachs described above, Goldman Sachs did not express an opinion as to the prices at which Mittal Steel class A common shares will trade at any time. Goldman Sachs also assumed, with the consent of the ISG board of directors, that the acquisition of LNM Holdings will be completed prior to the completion of the merger in accordance with the terms of the LNM Holdings acquisition agreement without waiver, modification or amendment of any material term, condition or agreement.

Goldman Sachs and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions as well as for estate, corporate and other purposes. Goldman Sachs has acted as financial advisor to ISG in connection with, and has participated in certain of the negotiations leading to, the transactions contemplated by the merger agreement.

Goldman Sachs also has provided certain investment banking and other services to ISG from time to time, including having acted as joint bookrunner, joint lead arranger and syndication agent of ISG s $1,000,000,000 aggregate principal amount of senior secured credit facilities in May 2003, having acted as ISG s financial advisor in connection with the acquisition of certain assets of Bethlehem Steel Corporation by ISG in May 2003, having acted as joint bookrunning lead manager of the initial public offering of 18,975,000 shares of ISG common stock in December 2003 and having acted as joint bookrunning lead manager of the offering of $600,000,000 aggregate principal amount of 6.5% senior notes of ISG in April 2004. Goldman Sachs also may provide investment banking and other services to ISG and Mittal Steel and their affiliates in the future. In connection with the above-described services Goldman Sachs has received, and may receive in the future, compensation. In 2003 and 2004, ISG paid to Goldman Sachs an aggregate of approximately $22,413,536 in fees for such investment banking services and reimbursed Goldman Sachs for any expenses it incurred. The ISG board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction contemplated by the merger agreement.

Goldman Sachs is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, risk management, hedging, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Goldman Sachs and its affiliates may actively trade the debt and equity securities (or related derivative securities) of ISG, Mittal Steel and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions of such securities.

Pursuant to a letter agreement dated October 10, 2004, ISG engaged Goldman Sachs to act as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of this engagement letter, ISG has paid Goldman Sachs $2.5 million and has agreed to pay Goldman Sachs a transaction fee of 0.30% of the aggregate consideration paid in the transaction contemplated by the merger agreement (including the $2.5 million already paid), payable upon completion of such transaction. Aggregate consideration for purposes of calculating the transaction fee means the total consideration paid for ISG common stock in the merger (including amounts paid to holders of ISG options, warrants and convertible securities), plus the principal amount of all indebtedness for borrowed money as set forth on ISG s most recent consolidated balance sheet prior to the completion of the merger. The value of the portion of the aggregate consideration paid in Mittal Steel class A common shares will be determined by the average of the last sales prices of the Mittal Steel class A common shares on the five trading days ending five trading days prior to the date of completion of the merger. Aggregate consideration also includes the aggregate amount of any (i) dividends or other distributions declared by ISG with respect to its stock after October 10, 2004 (other than normal recurring cash dividends in amounts not materially greater than currently paid), and (ii) amounts paid by ISG to repurchase any securities of ISG outstanding on October 10, 2004. ISG has also agreed to pay Goldman Sachs a fee equal to 15% of any break-up or similar fee received by ISG in connection with the termination of the merger agreement. In addition, ISG has agreed to reimburse Goldman Sachs for its reasonable expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Financial Analyses Used by UBS and Goldman Sachs

The following is a summary of the material financial analyses used by UBS and Goldman Sachs in connection with rendering the opinions described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by UBS and Goldman Sachs. The order of analyses described does not represent relative importance or weight given to those analyses by UBS and

Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of the financial analyses of UBS and Goldman Sachs. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 24, 2004 and is not necessarily indicative of current market conditions.

Historical Stock Trading and Transaction Premium Analysis. UBS and Goldman Sachs reviewed the historical trading prices and historical trading volumes for the shares of ISG common stock for the period commencing upon the initial public offering of ISG common stock, December 12, 2003, and ending on October 19, 2004 and October 22, 2004, respectively. For the period from December 12, 2003 to October 19, 2004 and for the three-month period ended October 19, 2004, UBS and Goldman Sachs calculated the weighted average price per share of ISG common stock and total shares of ISG common stock traded as a percentage of shares outstanding. The results of this calculation are set forth below:

Trading Period	Weighted Average Price	Total Shares Traded as a Percentage of Shares Outstanding
Daily from December 12, 2003 to October 19, 2004	$33.11	170.9%
Daily for three months ended October 19, 2004	31.77	77.8

In addition, UBS and Goldman Sachs analyzed the consideration to be paid for each share of ISG common stock in the merger, calculated based on various prices per share for Mittal Steel class A common shares, to derive the implied premia based on the following trading prices for the shares of ISG common stock:

- the closing price on October 22, 2004, which was the last trading day before the ISG board of directors meeting at which the board approved the transaction contemplated by the merger agreement; and

- the average trading price over the 20-day period ending October 22, 2004.

For this purpose, UBS and Goldman Sachs calculated the indicative value per share of the ISG common stock based upon the sum of the total cash and stock consideration to be received in respect of each share of ISG common stock, assuming that 50% of each share of ISG common stock were converted into cash consideration and 50% of each share of ISG common stock were converted into stock consideration.

The results of this analysis are set forth below:

	Indicative Price per Mittal Steel Class A Common Share				
	As of October 22, 2004		Collar Range		
			Bottom	Top	
	$25.34	$30.00	$34.50	$43.81	$49.00
Indicative Value Per ISG Share	$36.42	$39.26	$42.00	$42.00	$44.49
Premium to October 22, 2004 Share Price ($29.68)	23%	32%	42%	42%	50%
Premium to 20-day Average Share Price ($32.03)	14%	23%	31%	31%	39%

Implied Transaction Multiples and Ownership. UBS and Goldman Sachs calculated implied multiples of estimated 2005 EBITDA for Mittal Steel after giving effect to the transaction contemplated by the LNM Holdings acquisition agreement based on various prices per share for Mittal Steel class A common shares. This calculation was based on forecasts for Ispat International by its management and for LNM Holdings by its management. UBS and Goldman Sachs also calculated, for each Mittal Steel class A common share price, the percentage of ownership by ISG stockholders in Mittal Steel after giving effect to the transactions contemplated by the LNM Holdings acquisition agreement and the merger. In performing these calculations, UBS and Goldman Sachs assumed that all outstanding ISG stock options were converted into cash consideration pursuant to the terms of the merger agreement.

Table of Contents

In addition, UBS and Goldman Sachs calculated the implied enterprise values of ISG in the merger and on a stand-alone basis as a multiple of the following historical and estimated financial results for ISG:

EBITDA (earnings before interest, taxes, depreciation and amortization) for the 12-month period ended June 30, 2004, referred to as the LTM period;

EBITDA for 2004 and 2005 based on the average estimate of publicly available research reports, referred to as Street estimates;

ISG management s EBITDA estimates for 2004 and 2005;

median estimated earnings per share, or EPS, for 2005 provided by the Institutional Brokerage Estimate System, or IBES, a data service that compiles estimates issued by securities analysts; and

ISG management s estimated EPS for 2005.

The implied enterprise values were derived first by calculating the fully-diluted equity values of ISG utilizing:

the consideration to be paid for each share of ISG common stock in the merger calculated using various prices per share for Mittal Steel class A common shares; and

for the stand-alone case, the price per share of ISG common stock as of October 22, 2004.

For this purpose, UBS and Goldman Sachs calculated the consideration per share for the ISG common stock based upon the sum of the total cash and stock consideration to be received in respect of each share of ISG common stock, assuming that 50% of each share of ISG common stock were converted into cash consideration and 50% of each share of ISG common stock were converted into stock consideration. In calculating the fully diluted equity values of ISG, UBS and Goldman Sachs utilized the number of fully diluted shares of ISG common stock outstanding on October 22, 2004, based on the information provided by ISG s management, and assumed that all outstanding ISG stock options were converted into cash consideration pursuant to the terms of the merger agreement and, in the stand-alone case, utilizing the price per share of ISG common stock as of October 22, 2004. From these equity values UBS and Goldman Sachs subtracted ISG s net cash as of December 31, 2004, as estimated by ISG s management, to arrive at the implied enterprise value. Net cash means cash and cash equivalents less total debt.

The results of these analyses are as follows:

			Indicative Price per Mittal Steel Class A Common Share				
		ISG Common Stock Price per Share as of October 22, 2004	**As of October 22, 2004**		**Collar Range**		
					Bottom	**Top**	
		$29.68	**$25.34**	**$30.00**	**$34.50**	**$43.81**	**$49.00**
Implied Value per Share to ISG Stockholders		$29.68	$36.42	$39.26	$42.00	$42.00	$44.99
Implied Equity Value of ISG (in millions)		$3,058	$3,799	$4,095	$4,381	$4,381	$4,640
Implied Enterprise Value of ISG (in millions)		$3,361	$4,102	$4,398	$4,684	$4,684	$4,943
Implied Multiple of Mittal Steel 2005E EBITDA			2.53x	3.00x	3.44x	4.37x	4.89x
ISG Ownership in Combined Entity			8.6%	8.6%	8.6%	6.9%	6.9%
Transaction Multiple							
LTM EBITDA		7.3x	8.9x	9.5x	10.1x	10.1x	10.7x
Street EBITDA	2004E	4.0x	4.9x	5.3x	5.6x	5.6x	5.9x
	2005E	3.5x	4.3x	4.6x	4.9x	4.9x	5.2x
Management							

EBITDA	2004E	3.3x	4.1x	4.3x	4.6x	4.6x	4.9x
	2005E	2.7x	3.3x	3.5x	3.7x	3.7x	3.9x
Street EPS	2005E	5.4x	6.6x	7.1x	7.6x	7.6x	8.1x
Management EPS	2005E	5.0x	6.2x	6.7x	7.1x	7.1x	7.5x

Table of Contents

Selected Companies Analysis. UBS and Goldman Sachs reviewed and compared certain financial information for ISG to corresponding financial information, ratios and public market multiples for the following selected publicly traded corporations in the steel industry, referred to as the ISG Comparables:

AK Steel Corporation

Dofasco Inc.

IPSCO Inc.

Nucor Corporation

Steel Dynamics Inc.

United States Steel Corporation

In addition, UBS and Goldman Sachs reviewed and compared certain financial information for Ispat International to corresponding financial information and ratios for the following selected publicly traded corporations in the steel industry, referred to as the Mittal Steel Comparables:

Large Market Capitalization	Emerging Market
Nippon Steel Corp.	Eregli Demir ve Çelik Fabrikalari T.A.S. (Erdemir)
JFE Steel Corporation	Companhia Siderúrgica Nacional (CSN)
China Steel Corporation	Usinas Siderúrgicas de Minas Gerais S.A. (Usiminas)
Shanghai Baosteel Group Corporation (Baosteel)	Gerdau S.A.
Arcelor S.A.	Severstal Joint-Stock Company
Pohang Iron & Steel Co. (POSCO)	Iscor
	Companhia Siderúrgica de Tubarão (CST)

Although none of the selected companies is directly comparable to ISG, Ispat International or LNM Holdings, the companies included were chosen because they are publicly traded companies with business, end markets and operations that, for purposes of analysis, may be considered similar to certain business, end markets and operations of ISG, Ispat International or LNM Holdings, as the case may be.

UBS and Goldman Sachs also calculated and compared financial information and various financial multiples and ratios of the selected companies based on information it obtained from SEC filings, publicly available research estimates and IBES median estimates. The multiples and ratios of ISG and Ispat International and of the selected companies were calculated using closing prices on October 22, 2004. With respect to ISG and the ISG Comparables, UBS and Goldman Sachs calculated:

the equity market capitalization based on a fully diluted number of shares outstanding;

the enterprise value;

the enterprise value as a multiple of calendar 2004 and 2005 estimated EBITDA;

the ratio of the price per share to the calendarized estimated 2005 earnings per share based on a fully diluted number of shares outstanding; and

the estimated EBITDA margin for calendar year 2005.

With respect to the Ispat International and the Mittal Steel Comparables, UBS and Goldman Sachs calculated:

- the equity market capitalization based on the fully diluted number of shares outstanding;
- the enterprise value;
- the enterprise value as a multiple of the estimated EBITDA for calendar year 2005; and
- the estimated EBITDA margin for calendar year 2005.

Each company s enterprise value was calculated by adding to its equity market capitalization as of October 22, 2004 the amount of its net debt and minority interests as of the end of its most recently completed

Table of Contents

fiscal quarter. The EBITDA margins for each company were calculated by dividing its estimated 2005 EBITDA by its estimated 2005 sales. Historical financial results utilized by UBS and Goldman Sachs for purposes of this analysis were based upon information contained in the applicable company s latest publicly available financial statements prior to October 22, 2004.

Estimates of future results used by UBS and Goldman Sachs in this analysis were calendarized and based on mean estimates provided by IBES and estimates from ISG management. ISG management estimates were excluded from median calculations.

The results of these analyses are summarized as follows:

ISG Comparables	Enterprise Value Multiples 2004E EBITDA	Enterprise Value Multiples 2005E EBITDA	2005E P/E Multiple	2005E EBITDA Margin
AK Steel Corporation	4.6x	4.9x	8.1x	8.1%
Dofasco Inc.	3.7x	3.5x	8.6x	21.8%
Ipsco Inc.	3.6x	5.6x	7.5x	15.9%
ISG (Street)	4.0x	3.5x	5.4x	11.0%
ISG (Management)	3.3x	2.7x	5.0x	10.3%
Nucor Corporation	3.4x	4.8x	8.4x	13.8%
Steel Dynamics Inc.	3.4x	3.7x	5.9x	25.2%
United States Steel Corporation	3.4x	3.2x	5.6x	12.6%
Median:	3.6x	3.7x	7.5x	13.8%
Integrated Median*	3.9x	3.5x	6.8x	11.8%

* The integrated median represents the median for the following integrated steelmakers: ISG (Street), United States Steel Corporation, AK Steel Corporation and Dofasco Inc.

Mittal Steel Comparables	Enterprise Value as a Multiple of 2005E EBITDA	2005E EBITDA Margin
Large Market Capitalization		
Arcelor	3.8x	12%
Baosteel	5.4x	39%
China Steel	5.9x	34%
JFE Steel	5.9x	21%
Nippon Steel	6.4x	15%
Posco	3.0x	31%
Median	5.7x	
Emerging Market		
CSN	4.3x	42%
CST	2.8x	45%
Erdemir	4.5x	21%
Gerdau	3.9x	24%
Iscor	3.2x	30%
Ispat International (Management)	2.7x	22%
Ispat International (Street)	3.8x	18%
Severstal	3.6x	29%
Usiminas	3.9x	36%
Median	3.8x	

Table of Contents

Selected Transactions Analysis. UBS and Goldman Sachs analyzed certain information relating to the following selected transactions in the steel industry since 1998:

Date Announced	Acquiror	Target
June 2004	Arcelor S.A.(1)	CST
August 2002	LNM Holdings N.V.(2)	Iscor
July 2002	Corus Group plc(3)	CSN
April 2001	Kawasaki Steel Company(4)	NKK Corporation
February 2001	Usinor S.A.	Arbed S.A.
February 2001	Usinor S.A.	Aceralia S.A.
August 1999	Gerdau S.A.(5)	Ameristeel
June 1999	British Steel	Koninklijke Hoogovens N.V.
May 1999	AK Steel Corporation	Armco Steel Corporation
March 1998	Ispat International N.V.	Inland Steel Company

(1) Arcelor acquired 33.75% of CST. The implied enterprise value was calculated based on 100% of CST.

(2) LNM Holdings acquired 12.2% of Iscor. The implied enterprise value was calculated based on 100% of Iscor.

(3) This transaction was not completed.

(4) This transaction was originally announced with no exchange ratio determined. The transaction value and premium were calculated based on the exchange ratio announced on December 21, 2001.

(5) Gerdau acquired 75% of Ameristeel. The implied enterprise value was calculated based on 100% of Ameristeel.

For each of the selected transactions, UBS and Goldman Sachs calculated and compared the resulting (a) enterprise value, (b) enterprise value per tons shipped, (c) enterprise value as a multiple of LTM sales, and (d) enterprise value as a multiple of LTM EBITDA. For purposes of this analysis, enterprise value was calculated by determining each entity s implied equity value and then adding each entity s net debt and minority interests. LTM EBITDA and LTM sales were calculated using each entity s most recent quarterly financial information as of each announcement date.

The following table presents the results of this analysis:

	Mean	Median	Range
Enterprise Value (in millions)	$3,761	$2,284	$541 to $12,943
Enterprise Value/ Tons Shipped (in millions)	$420	$393	$155 to $881
Enterprise Value as a Multiple of LTM Sales	1.0x	0.7x	0.6x to 2.5x
Enterprise Value as a Multiple of LTM EBITDA	5.9x	5.5x	4.6x to 8.2x

Source: Public filings, news releases

Contribution Analysis. UBS and Goldman Sachs analyzed the hypothetical equity ownership of the holders of ISG common stock in the pro forma combined entity resulting from the merger based on the hypothetical relative income statement contributions of ISG and Mittal Steel to the combined entity. Hypothetical equity ownership percentages were determined for various prices per share for Mittal Steel class A common shares and were calculated net of the cash consideration to be received by holders of ISG common stock in the merger. Adjustments were made for differences in capital structure.

UBS and Goldman Sachs compared the following estimated financial results for each of ISG, Mittal Steel and ISG and Mittal Steel combined:

- estimated EBITDA for 2004 and 2005;
- estimated EBITDA less capital expenditures for 2004 and 2005; and
- estimated net income for 2004 and 2005.

In performing this analysis, UBS and Goldman Sachs utilized indicative multiples for each of these items based on various prices per share for Mittal Steel class A common shares, after giving effect to the acquisition of LNM Holdings.

This analysis was based on forecasts provided to UBS and Goldman Sachs for ISG by its management, for Ispat International by its management and for LNM Holdings by its management. The indicative ownership was calculated utilizing net debt as of December 31, 2004 for each entity, as estimated by each of their managements, and valuing minority interests for Mittal Steel based on the same corresponding multiples. The combined net income figures did not incorporate any transaction adjustments.

The results of the calculations by UBS and Goldman Sachs are as follows:

		Indicative Price per Mittal Steel Class A Common Share				
		As of October 22, 2004		Collar Range: Bottom	Collar Range: Top	
		$25.34	$30.00	$34.50	$43.81	$49.00
		Implied ISG Equity Ownership				
EBITDA	2004E	0.7%	3.0%	4.5%	6.7%	7.5%
	2005E	3.7%	5.8%	7.3%	9.4%	10.1%
EBITDA Capex	2004E	(2.3)%	0.1%	1.8%	4.1%	4.9%
	2005E	(0.1)%	2.2%	3.8%	6.0%	6.8%
Net Income	2004E	(1.0)%	0.8%	2.1%	4.1%	4.8%
	2005E	(2.7)%	(0.8)%	0.5%	2.5%	3.3%

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses as a whole, could create an incomplete view of the processes underlying the opinions of UBS and Goldman Sachs. In arriving at their fairness determinations, UBS and Goldman Sachs considered the results of all of their analyses and did not attribute any particular weight to any factor or analysis considered by them. Rather, UBS and Goldman Sachs made their determinations as to fairness on the basis of their experience and professional judgment after considering the results of all of their analyses. No company or transaction used in the analyses described herein as a comparison is directly comparable to ISG or the contemplated transaction.

UBS and Goldman Sachs prepared the analyses described herein for purposes of providing their opinions to the ISG board of directors as to the fairness from a financial point of view of the transaction contemplated by the merger agreement. These analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of ISG, Mittal Steel, UBS, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The summary contained herein does not purport to be a complete description of the analyses performed by UBS and Goldman Sachs in connection with their fairness opinions and is qualified in its entirety by

Table of Contents

reference to the written opinion of UBS and the written opinion of Goldman Sachs, attached as Annex E and Annex F, respectively.

As described above, the opinions of UBS and Goldman Sachs to the ISG board of directors were one of many factors taken into consideration by the ISG board of directors in making its determination to approve the transaction contemplated by the merger agreement. Neither UBS nor Goldman Sachs recommended to ISG the amount of consideration to be paid in the merger.

Accounting Treatment and Considerations

The merger of ISG with Park Acquisition Corp. will be accounted for as a purchase , as such term is used under U.S. GAAP, for accounting and financial reporting purposes. ISG will be treated as the acquired corporation for such purposes. Therefore, the total merger consideration paid by Mittal Steel in connection with the merger, together with the direct costs of the merger, will be allocated to ISG s assets and liabilities based on their estimated fair market values, with any excess being accounted for as goodwill. The parties have prepared the unaudited pro forma condensed combined financial information related to the merger contained in this proxy statement/ prospectus using the purchase accounting method to account for the merger. See Unaudited Pro Forma Condensed Combined Financial Statements on page F-2.

Material U.S. Federal Income Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares Received by ISG Stockholders

The discussion set forth below, subject to the limitations and conditions set forth herein, constitutes the opinion of Shearman & Sterling LLP, counsel to Mittal Steel, and Jones Day, counsel to ISG, as to the material U.S. federal income tax consequences of the merger (whether structured as a forward-subsidiary merger, as currently contemplated, or as a reverse-subsidiary merger) and the ownership of Mittal Steel class A common shares received by ISG stockholders in the merger. This discussion is based upon the provisions of the Internal Revenue Code, Treasury regulations, administrative pronoucements of the Internal Revenue Service and judicial decisions all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion applies only to ISG stockholders who hold their ISG common stock as capital assets within the meaning of Section 1221 of the Internal Revenue Code and does not apply to the following:

- stockholders who received their ISG common stock pursuant to the exercise of employee stock options or similar securities or otherwise as compensation;
- stockholders who hold their ISG common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;
- stockholders (including, without limitation, financial institutions, insurance companies, tax-exempt organizations, dealers or traders in securities and stockholders subject to the alternative minimum tax) who may be subject to special rules;
- stockholders whose functional currency is not the U.S. dollar; or
- stockholders who, for U.S. federal income tax purposes, are non-resident alien individuals, foreign corporations (or entities treated as a corporation for U.S. federal income tax purposes), foreign partnerships, or foreign estates or trusts.

This discussion also does not consider the effect of any foreign, state or local tax laws or any U.S. federal tax laws other than U.S. federal tax laws pertaining to income taxation. Accordingly, ISG stockholders should consult their own tax advisors as to the particular tax consequences to them of the merger and, if applicable, the ownership of Mittal Steel class A common shares, including the application and effect of U.S. federal, state, local and foreign income and other tax laws.

The opinions expressed herein are based upon certain assumptions and representations, including the assumptions that there will be full compliance without waiver with all of the provisions in the merger agreement, that no condition to the merger will be waived or the merger agreement amended and that the

Table of Contents

representations and covenants contained in the merger agreement, this proxy statement/ prospectus and certificates of officers of Mittal Steel, ISG and others are currently true, correct and complete and will remain so, and will be complied with, at all relevant times. No ruling has been or will be sought from the Internal Revenue Service as to the U.S. federal income tax consequences to ISG stockholders of the merger or the ownership of Mittal Steel class A common shares received in the merger. Because opinions of counsel are not binding on the Internal Revenue Service or the courts, there can be no assurance that the Internal Revenue Service will not take a position contrary to the conclusions of Shearman & Sterling LLP and Jones Day or that a court will not agree with a contrary position of the Internal Revenue Service in the event of litigation.

Tax Status of the Merger

Provided that the value, at the time of merger, of the Mittal Steel Class A common shares issued in the merger represents no less than 42.5% of the sum of (a) the value of the total consideration received by all ISG stockholders in the merger and (b) the value of all other amounts, if any, paid to ISG stockholders in connection with the merger (such sum, the Total Consideration), Shearman & Sterling LLP and Jones Day believe that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, that each of Mittal Steel, ISG and Park Acquisition Corp. will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code and that the transfer of ISG common stock by ISG stockholders will not be subject to Section 367(a)(1) of the Code. If, however, Mittal Steel determines prior to completion of the merger that the value of the Mittal Steel class A common shares to be received by ISG stockholders will not constitute at least 42.5% of the value of the Total Consideration received by all ISG stockholders (and elects not to increase the stock consideration to meet that percentage)or otherwise if Mittal Steel or ISG is advised by its counsel that such counsel is unlikely to be able to deliver its opinion that the merger will qualify as a reorganization for U.S. federal income tax purposes, then Mittal Steel will cause Park Acquisition Corp. to merge into ISG in the reverse-subsidiary merger in lieu of the forward-subsidiary merger that is currently contemplated. Shearman & Sterling LLP and Jones Day, believe that such a reverse-subsidiary merger, together with the recently completed acquisition of LNM Holdings by Mittal Steel, will qualify as transfers of property by the transferor of LNM Holdings and each of the stockholders of ISG described in Section 351(a) (subject to Section 351(b)) of the Internal Revenue Code and the transfer of ISG common stock by ISG stockholders will not be subject to Section 367(a)(1) of the Internal Revenue Code.

The completion of the merger is conditioned upon the receipt by:

- Mittal Steel of an opinion from its counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and each of Mittal Steel, Park Acquisition Corp. and ISG will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code (but this requirement will be waived in the case of a reverse-subsidiary merger); and

- ISG of an opinion from its counsel to the effect that:

  - either (a) the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and each of Mittal Steel, Park Acquisition Corp. and ISG will be a party to the reorganization within the meaning of section 368(b) of the Internal Revenue Code, or (b) the reverse subsidiary merger, together with the acquisition of the shares of LNM Holdings, will qualify as transfers of property described in Section 351(a) (subject to Section 351(b)) of the Internal Revenue Code by The Richmond Investment Holdings Limited and each of the stockholders of ISG, and

  - the transfer of shares of ISG common stock by ISG stockholders will not be subject to Section 367(a)(1) of the Internal Revenue Code.

Such opinions will be based on assumptions and representations substantially similar to those described herein, and on the facts and circumstances existing at the time of the merger. Changes in the facts and circumstances arising after the date hereof could affect the ability of Shearman & Sterling LLP and Jones

Day to provide the requisite opinions. Because opinions of counsel are not binding on the Internal Revenue Service or the courts, there can be no assurance that the Internal Revenue Service will not take a position contrary to the conclusions of Shearman & Sterling LLP or Jones Day or that a court will not agree with a contrary position of the Internal Revenue Service in the event of litigation.

Tax Consequences of the Merger to ISG Stockholders

The following discussion of U.S. federal income tax consequences of the merger to ISG stockholders is based in part on the conclusions of Shearman & Sterling LLP and Jones Day that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code or the reverse-subsidiary merger, together with the recently completed acquisition of the shares of LNM Holdings, will qualify as transfers of property by the transferor of LNM Holdings and each of the stockholders of ISG described in Section 351(a) (subject to Section 351(b)) of the Internal Revenue Code, and in either case, the transfer of shares of ISG common stock by ISG stockholders will not be subject to Section 367(a)(1) of the Internal Revenue Code. As discussed below, the U.S. federal income tax consequences of the merger to a particular ISG stockholder will depend on the form of consideration received by the stockholder, and may further depend on whether:

- the stockholder is deemed to constructively own ISG shares under Section 318 of the Internal Revenue Code (which generally deems a person to own stock that is owned by certain family members or related entities or that is the subject of an option or options owned or deemed owned by such person), and
- the stockholder actually or constructively owns any Mittal Steel shares.

The U.S. federal income tax consequences to ISG stockholders generally should be the same in the event Mittal Steel effects the merger pursuant to a forward-subsidiary merger as currently contemplated or as a reverse-subsidiary merger.

Stockholders Who Receive Solely Mittal Steel Class A Common Shares. An ISG stockholder who exchanges ISG common stock solely for Mittal Steel class A common shares (whether in a forward-subsidiary merger, as currently contemplated, or in a reverse-subsidiary merger) will not recognize any gain or loss on that exchange, except to the extent the ISG stockholder receives cash in lieu of fractional shares of Mittal Steel (as discussed below). The aggregate adjusted tax basis of Mittal Steel class A common shares received by an ISG stockholder will equal the ISG stockholder s aggregate adjusted tax basis in the ISG common stock surrendered in the merger (reduced by the tax basis allocable to any fractional shares of Mittal Steel class A common shares received by an ISG stockholder in the merger). The holding period of the Mittal Steel class A common shares received pursuant to the merger will include the holding period of the ISG common stock surrendered in the merger.

Stockholders Who Receive Cash and Mittal Steel Class A Common Shares. If the consideration received in the merger (whether in a forward-subsidiary merger, as currently contemplated, or in a reverse-subsidiary merger) by an ISG stockholder consists of part cash and part Mittal Steel class A common shares and the ISG stockholder s adjusted tax basis in the ISG common stock surrendered in the merger is less than the sum of the fair market value, as of the date of the merger, of the Mittal Steel class A common shares and the amount of cash received by the ISG stockholder, then the ISG stockholder will recognize a gain equal to the lesser of:

- the sum of the amount of cash and the fair market value, as of the date of the merger, of the Mittal Steel class A common shares received by the ISG stockholder, minus the adjusted tax basis of the ISG common stock surrendered in exchange therefor, and
- the amount of cash received by the ISG stockholder in the merger.

However, if an ISG stockholder s adjusted tax basis in the ISG common stock surrendered in the merger is greater than the sum of the amount of cash and the fair market value of the Mittal Steel class A common shares received in the merger, the ISG stockholder will realize a loss that is not currently allowed or recognized for U.S. federal income tax purposes. ISG stockholders who bought shares of ISG at different prices, or otherwise own shares with unequal bases, must make the above calculations separately for each ISG share surrendered in the merger, taking into account the ISG stockholder s adjusted tax basis in each share and a pro rata portion of the aggregate consideration received by the ISG stockholder. A loss realized on one ISG share may not be used to offset a gain realized on another share.

In the case of an ISG stockholder who recognizes gain on the exchange in the forward-subsidiary merger, if the exchange sufficiently reduces the ISG stockholder s proportionate stock interest (as discussed below), the gain will be characterized as a capital gain. Gain recognized by an ISG stockholder in the case of a reverse-subsidiary merger generally will be characterized as capital gain. Such gain will be long-term capital gain if the ISG stockholder s holding period for the ISG common stock surrendered in the merger exceeds one year. In the case of a forward-subsidiary merger, if the exchange does not sufficiently reduce the ISG stockholder s proportionate stock interest, such gain will be taxable as a dividend to the extent of the ISG stockholder s ratable share of available earnings and profits (and the remainder of such recognized gain, if any, will be capital gain).

The determination of whether the exchange sufficiently reduces an ISG stockholder s proportionate stock interest will be made in accordance with Section 302 of the Internal Revenue Code, taking into account the stock ownership attribution rules of Section 318 of the Internal Revenue Code. Under those rules, for purposes of determining whether the exchange sufficiently reduces a stockholder s proportionate stock interest, an ISG stockholder is treated as if:

all of such stockholder s ISG common stock was first exchanged in the merger for Mittal Steel class A common shares; and

a portion of those Mittal Steel class A common shares were then redeemed for the cash actually received in the merger.

The ISG stockholder s hypothetical stock interest in Mittal Steel (both actual and constructive) after the second step is compared to such ISG stockholder s hypothetical stock interest in Mittal Steel (both actual and constructive) after the first step. Dividend treatment will apply unless the stockholder s stock interest in Mittal Steel has been completely terminated, there has been a substantially disproportionate reduction in the stockholder s stock interest in Mittal Steel (*i.e.*, such interest after the second step is less than 80% of the interest after the first step), or the exchange is not essentially equivalent to a dividend. While the determination is based on an ISG stockholder s particular facts and circumstances, the Internal Revenue Service has indicated in published rulings that a distribution is not essentially equivalent to a dividend and will therefore result in capital gain treatment if the distribution results in any actual reduction in the stock interest of an extremely small minority stockholder in a publicly held corporation and the stockholder exercises no control with respect to corporate affairs.

BECAUSE THE DETERMINATION OF WHETHER A PAYMENT WILL BE TREATED AS HAVING THE EFFECT OF THE DISTRIBUTION OF A DIVIDEND GENERALLY WILL DEPEND UPON THE FACTS AND CIRCUMSTANCES OF EACH ISG STOCKHOLDER, ISG STOCKHOLDERS ARE STRONGLY ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF CASH RECEIVED IN THE MERGER, INCLUDING THE APPLICATION OF THE CONSTRUCTIVE OWNERSHIP RULES OF THE INTERNAL REVENUE CODE AND THE EFFECT OF ANY TRANSACTIONS IN MITTAL STEEL CLASS A COMMON SHARES OR ISG COMMON STOCK BY THE ISG STOCKHOLDER.

In the case of an ISG stockholder who receives cash and Mittal Steel class A common shares in the merger, such stockholder s initial tax basis in the Mittal Steel class A common shares will equal the exchanging ISG stockholder s adjusted tax basis in the ISG common stock surrendered in the merger, increased by any gain recognized as a result of the merger and reduced by the amount of cash received in the merger. The holding period of the Mittal Steel class A common shares received in the merger will include the holding period of the ISG common stock surrendered in the merger.

Stockholders Who Receive Solely Cash. The exchange of ISG common stock solely for cash generally will result in recognition of gain or loss by the ISG stockholder in an amount equal to the difference between the amount of cash received in the merger and the ISG stockholder s adjusted tax basis in the ISG common stock surrendered in the merger. The gain or loss recognized by an ISG stockholder will be long-term capital gain or loss if the ISG stockholder s holding period for the ISG common stock surrendered in the merger exceeds one year. An ISG stockholder who receives only cash in exchange for all of such ISG stockholder s common stock and actually or constructively owns Mittal Steel class A common shares after the merger should consult such ISG stockholder s tax advisor, however, to determine the amount and character of any income recognized in connection with the merger. Furthermore, there are limitations on the extent to which any ISG stockholder may deduct capital losses from ordinary income.

Cash Received in Lieu of Fractional Shares. An ISG stockholder who receives cash in lieu of a fractional Mittal Steel class A common share will be treated as having first received such fractional Mittal Steel class A common share in the merger and then as having received cash in exchange for the fractional share interest. Thus, such an ISG stockholder generally will recognize gain or loss in an amount equal to the difference between the amount of cash received in lieu of the fractional Mittal Steel class A common share and the portion of the adjusted tax basis in the ISG common stock allocable to that fractional share interest. The character of the gain or loss, as capital gain or loss or as dividend income (possibly even if such stockholder realizes a loss with respect to the fractional share), will depend on the application of the rules under Section 302 of the Internal Revenue Code as described above.

Backup Withholding and Information Reporting. In general, except in the case of certain exempt recipients such as corporations, backup withholding (currently at a rate of 28%) may apply with respect to the amount of cash, if any, received by an ISG stockholder in the merger (whether structured as the forward-subsidiary, as currently contemplated, or as the reverse-subsidiary merger), including cash received in lieu of fractional shares, if such stockholder fails to provide an accurate tax identification number, to certify that such stockholder is not subject to backup withholding, or to otherwise comply with the applicable backup withholding rules. Backup withholding is not an additional tax. The amount of backup withholding imposed upon a payment to an ISG stockholder will be allowed as a credit against the holder s U.S. federal income tax liability provided that the required information is properly furnished to the Internal Revenue Service.

Under Section 6043A of the Internal Revenue Code, Mittal Steel or Park Acquisition Corp. may be required, under regulations and forms to be promulgated by the U.S. Treasury and the Internal Revenue Service, to report certain information to the Internal Revenue Service and to ISG stockholders regarding the merger, the consideration and the stockholders receiving non-stock consideration.

Tax Consequences of the Merger to Mittal Steel, ISG and Park Acquisition Corp.

Provided that the merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code, as described above, none of Mittal Steel, ISG or Park Acquisition Corp. will recognize taxable gain or loss solely as a result of the merger. Furthermore, the result will be the same if the merger is restructured as a reverse-subsidiary merger that, together with the recently completed acquisition by Mittal Steel of the shares of LNM Holdings, qualifies as a transfer of property by the transferor of LNM Holdings and each of the stockholders of ISG described in Section 351(a) of the Internal Revenue Code (subject to Section 351(b) of the Internal Revenue Code).

Tax Consequences of the Ownership of Mittal Steel Class A Common Shares Received in the Merger

The following discussion applies to ISG stockholders who receive Mittal Steel class A common shares in the merger.

Taxation of Dividends. Subject to the passive foreign investment company rules discussed below, under U.S. federal income tax law, the gross amount of any distribution made by Mittal Steel in respect of Mittal Steel class A common shares (including the amount of any applicable withholding tax in The Netherlands) will constitute a taxable dividend to the extent paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. The U.S. dollar amount of such a dividend generally will be included in the gross income of stockholders as ordinary income derived from sources outside the United States for U.S. foreign tax credit purposes. Dividends paid by Mittal Steel will not be eligible for the dividends received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Subject to certain exceptions for short-term and hedged positions, and provided that Mittal Steel is not a passive foreign investment company (as discussed below), dividends received by certain stockholders (including individuals) prior to January 1, 2009 with respect to the Mittal Steel class A common shares will be subject to U.S. federal income taxation at a maximum rate of 15%. ISG stockholders should be aware that the U.S. Treasury Department has announced its intention to promulgate rules in proposed form pursuant to which shareholders (and intermediaries) will be permitted to rely on certifications from issuers to establish that dividends qualify for the reduced rate of U.S. federal income taxation. Because proposed certification procedures have not yet been issued, Mittal Steel is uncertain that it will be able to comply with them. ISG stockholders who acquire Mittal Steel class A common shares should consult their own tax advisors regarding the availability of the reduced rate of U.S. federal income tax on dividends in light of their own particular circumstances.

To the extent, if any, that the amount of any distribution received by a stockholder in respect of Mittal Steel class A common shares exceeds the current and accumulated earnings and profits of Mittal Steel, as determined under U.S. federal income tax principles, the distribution first will be treated as a tax-free return of such stockholder s adjusted tax basis in those Mittal Steel class A common shares, and thereafter as U.S. source capital gain. Distributions of additional Mittal Steel class A common shares that are made to stockholders with respect to their Mittal Steel class A common shares and that are part of a pro rata distribution to all the stockholders of Mittal Steel generally will not be subject to U.S. federal income tax.

Subject to the limitations and conditions provided in the Internal Revenue Code, a stockholder holding Mittal Steel class A common shares may deduct from its U.S. federal taxable income, or claim as a credit against its U.S. federal income tax liability, the amount of any Dutch taxes withheld from a dividend paid by Mittal Steel to such stockholder. As discussed below in THE MERGER Material Dutch Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares to ISG Stockholders *Material Dutch Tax Consequences of the acquisition, holding and disposal of Mittal Steel Class A Common Shares by both Dutch residents and non-Dutch residents* beginning on page 74, the rate of withholding tax on dividends paid by Dutch companies to residents of the United States is reduced by treaty to 15% in most cases. The rules with respect to foreign tax credits are complex, involve the application of rules that depend on a stockholder s particular circumstances and have been amended by recently enacted legislation that is effective for taxable years beginning after December 31, 2006. Accordingly, ISG stockholders are urged to consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances, including the U.S. federal income tax treatment of any reduction in the amount of the dividend withholding tax in the Netherlands that is required to be remitted by Mittal Steel to the tax authorities in the Netherlands, as discussed below in THE MERGER Material Dutch Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares to ISG Stockholders *Material Dutch Tax Consequences of the acquisition, holding and disposal of Mittal Steel Class A Common Shares by both Dutch residents and non-Dutch residents* beginning on page 74.

Taxation of Capital Gains and Losses. In general, upon a sale, exchange or other taxable disposition of Mittal Steel class A common shares, a stockholder will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized on the sale, exchange or other taxable disposition and the stockholder s adjusted tax basis in those Mittal Steel class A common shares, as determined above in the discussion of the tax consequences of the merger to ISG stockholders. In general, subject to the passive foreign investment company rules discussed below, such gain or loss recognized on a sale, exchange or other taxable disposition of Mittal Steel class A common shares will be capital gain or loss and, if the stockholder s holding period for those Mittal Steel class A common shares exceeds one year, will be long-term capital gain or loss. Certain stockholders, including individuals, are eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. Under U.S. federal income tax law, the deduction of capital losses is subject to limitations. Any gain or loss recognized by a stockholder in respect of

Table of Contents

the sale, exchange or other taxable disposition of Mittal Steel class A common shares generally will be treated as derived from U.S. sources for U.S. foreign tax credit purposes.

Passive Foreign Investment Companies. Based on current estimates of Mittal Steel s income and assets, Mittal Steel does not believe that it was classified for its most recently ended taxable year, or will be classified for its current taxable year, as a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes, and Mittal Steel intends to continue its operations in such a manner that it does not expect that it would become a PFIC in the future. However, there can be no assurance in this regard, because the PFIC determination is made annually and is based on the portion of Mittal Steel s assets (including goodwill) and income that is characterized as passive under the PFIC rules. If Mittal Steel is or becomes a PFIC, unless a former ISG stockholder elects to be taxed annually on a mark-to-market basis with respect to its Mittal Steel class A common shares, any gain realized on a sale, exchange or other taxable disposition of Mittal Steel class A common shares and certain excess distributions (generally distributions in excess of 125% of the average distribution over a three-year period or shorter holding period for the Mittal Steel class A common shares) would be treated as realized ratably over the stockholder s holding period for its Mittal Steel class A common shares, and amounts allocated to prior years while Mittal Steel is a PFIC would be taxed at the highest tax rate in effect for each such year. In addition, an interest charge may apply to the portion of the U.S. federal income tax liability on such gains or distributions treated under the PFIC rules as having been deferred by the ISG stockholder.

If a mark-to-market election were made, a former ISG stockholder would take into account each year the appreciation or depreciation in value of such ISG stockholder s Mittal Steel class A common shares, which would be treated as ordinary income or (subject to limitations) ordinary loss, as would gains or losses on actual dispositions of Mittal Steel class A common shares. Any former ISG stockholder who owns Mittal Steel class A common shares during any year that Mittal Steel is a PFIC would be required to file Internal Revenue Service Form 8621. ISG stockholders should consult their own tax advisors regarding the application of the PFIC rules to the Mittal Steel class A common shares and the availability and advisability of making an election to avoid the adverse tax consequences of the PFIC rules should Mittal Steel be considered a PFIC for any taxable year. Moreover, dividends that a former ISG stockholder receives from Mittal Steel will not be eligible for the reduced U.S. federal income tax rates described above if Mittal Steel is a PFIC either in the taxable year of the distribution or the preceding taxable year (and instead will be taxable at rates applicable to ordinary income).

Backup Withholding and Information Reporting. In general, except in the case of certain exempt recipients such as corporations, information reporting requirements will apply to dividends on Mittal Steel class A common shares paid to stockholders in the United States or through certain U.S. related financial intermediaries and to the proceeds received upon the sale, exchange or redemption of Mittal Steel class A common shares by stockholders within the United States or through certain U.S. related financial intermediaries. Furthermore, backup withholding (currently at a rate of 28%) may apply to those amounts if a stockholder fails to provide an accurate tax identification number, to certify that such stockholder is not subject to backup withholding or to otherwise comply with the applicable backup withholding rules.

Backup Withholding is Not an Additional Tax. The amount of backup withholding imposed on a payment to a stockholder will be allowed as a credit against the stockholder s U.S. federal income tax liability provided that the required information is properly furnished to the Internal Revenue Service.

THE TAX CONSEQUENCES OF THE MERGER AND THE OWNERSHIP OF MITTAL STEEL CLASS A COMMON SHARES COULD BE AFFECTED BY THE PERSONAL CIRCUMSTANCES OF AN ISG STOCKHOLDER. ACCORDINGLY, EACH ISG STOCKHOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES OF THE MERGER AND OF THE OWNERSHIP OF MITTAL STEEL CLASS A COMMON SHARES BASED ON THE STOCKHOLDER S PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICATION AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

Table of Contents

Material Dutch Tax Consequences of the Merger and the Ownership of Mittal Steel Class A Common Shares to ISG Stockholders

The following is a summary of certain Dutch tax consequences of (i) the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares by Dutch resident holders of shares of ISG common stock and (ii) of the acquisition, holding and disposal of Mittal Steel class A common shares by both Dutch residents and non-Dutch residents. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder of ISG common stock or a holder or prospective holder of Mittal Steel class A common shares and particularly it does not purport to describe the tax consequences of the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares by non-Dutch resident holders of shares of ISG common stock, even if such non-Dutch holders have a taxable basis in The Netherlands. In view of its general nature, it should be treated with corresponding caution. Each Dutch holder of ISG common stock should consult with a tax advisor with regard to the tax consequences of the exchange of ISG common stock for cash and/or Mittal Steel class A common shares and in general each holder or prospective holder of Mittal Steel class A common shares should consult with a tax adviser with regard to the Dutch tax consequences of its investment in Mittal Steel class A common shares.

Except as otherwise indicated, this summary only addresses The Netherlands tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Material Dutch Tax Consequences of the Exchange of Shares of ISG Common Stock for Cash and/or Mittal Steel Class A Common Shares by Dutch Resident Holders of Shares of ISG Common Stock

Under Dutch tax laws the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares does not qualify as a tax free merger. Consequently, any capital gain that may be realised upon the exchange of shares of ISG common stock for cash and/or Mittal Steel class A common shares by individuals and corporate entities who are resident or deemed to be resident in The Netherlands for Dutch tax purposes, or Dutch resident individuals and Dutch resident entities, may be subject to Dutch income or corporate income tax. For Dutch resident individuals any such capital gain will generally not be subject to tax, provided that the Mittal Steel class A common shares are not attributable to an enterprise from which such individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder and such individual does not have an actual or deemed substantial interest in Mittal Steel. For Dutch resident entities a capital gain will generally not be subject to tax if such entity is a qualifying Dutch pension fund or Dutch resident investment fund (*fiscale beleggingsinstelling*) or if the Dutch participation exemption applies to the Mittal Steel class A common shares. Please see further below for the taxation of income and capital gains for Dutch resident individuals and Dutch resident entities.

Material Dutch Tax Consequences of the acquisition, holding and disposal of Mittal Steel Class A Common Shares by both Dutch residents and non-Dutch residents

Withholding Tax. Dividends distributed by Mittal Steel generally are subject to a withholding tax imposed by The Netherlands at a rate of 25%. The expression dividends distributed includes, among other things:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital not recognized for Netherlands dividend withholding tax purposes (In general, paid-in capital may not be recognized for Netherlands dividend withholding tax purposes if it arises from mergers or reorganizations);

- liquidation proceeds, proceeds of redemption of shares or consideration for the repurchase of shares by Mittal Steel, or one of its subsidiaries, to the extent such proceeds or consideration exceeds the average paid-in capital recognized on these shares for Netherlands dividend withholding tax purposes;

the par value of shares issued to a holder of shares or an increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Netherlands dividend withholding tax purposes, has been made or will be made; and

partial repayment of paid-in capital, recognized for Netherlands dividend withholding tax purposes, if and to the extent that Mittal Steel has net profits (*zuivere winst*), unless the general meeting of shareholders has resolved in advance to make such repayment and provided that the par value of the shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association.

If a holder of shares is resident in a country other than The Netherlands and if a double taxation convention is in effect between The Netherlands and such other country, such holder of shares may, depending on the terms of that double taxation convention, be eligible for a full or partial exemption from, or refund of, Netherlands dividend withholding tax. Under the terms of the double taxation convention currently in force between the United States and The Netherlands, dividends paid by a Dutch company to a U.S. shareholder are generally subject to Dutch withholding tax at a rate of 15%.

Dutch resident individuals and Dutch resident entities can generally credit the withholding tax against their income tax or corporate income tax liability. Dutch resident entities may be eligible for a full exemption from Dutch dividend withholding tax if the Dutch participation exemption applies on their shares in Mittal Steel.

Pursuant to legislation to counteract dividend stripping , a reduction, exemption, credit or refund of dividend withholding tax is denied if the recipient of the dividend is not the beneficial owner. This legislation generally targets situations, commonly referred to as dividend stripping , in which a shareholder retains its economic interest in shares, but reduces the withholding tax cost on dividends by a transaction with another party. It is not required for these rules to apply that the recipient of the dividends is aware that a dividend stripping transaction took place. However, the Dutch state secretary of finance published its view that the rules should not be applicable to an unsuspecting recipient who purchased the shares on the stock exchange whereby he indicated that the larger the amounts involved, the less likely the recipient of the dividends is an unsuspecting recipient who purchased the shares on the stock exchange . Furthermore, the state secretary of finance takes the position that the definition of beneficial ownership introduced by this legislation will also be applied in the context of a double taxation convention.

In general, upon making a distribution to shareholders, Mittal Steel is required to remit all amounts withheld as Dutch dividend withholding tax to the tax authorities. However, under certain circumstances Mittal Steel may be allowed to reduce the amount of Dutch dividend withholding tax that is required to be remitted to the Dutch tax authorities by the lesser of:

3% of the portion of the gross amount of the dividend paid by Mittal Steel that is subject to Dutch dividend withholding tax; and

3% of the gross amount of the dividends and profit distributions received by Mittal Steel from qualifying non-Netherlands subsidiaries in the current calendar year (up to the date of the distribution) and the two preceding calendar years, to the extent that these dividends and profit distributions have not yet been taken into account for the purposes of establishing the foregoing reduction.

Although this credit reduces the amount of dividend withholding tax that Mittal Steel is required to pay to the Dutch authorities, it does not reduce the amount of tax Mittal Steel is required to withhold from dividends. In these circumstances, to the extent that Mittal Steel is not required to remit the amount withheld as Dutch dividend withholding tax to the Dutch tax authorities, the withholding tax may not qualify as a creditable tax for foreign tax credit purposes.

Taxes on Income and Capital Gains

Dutch Resident Individuals. As a general rule, Dutch resident individuals will be taxed annually on a deemed income of 4% of their net investment assets at an income tax rate of 30%. The net investment assets for the year are the average of the investment assets less the attributable liabilities at the beginning and at the end of the relevant year. The value of the Mittal Steel class A common shares is included in the calculation of the net investment assets. A tax-free allowance for the first 19,252 (38,504 for partners (statutorily defined term)) of the net investment assets may be available. Actual benefits derived from the Mittal Steel class A common shares, including any capital gains realised upon the disposal thereof, are not as such subject to Dutch income tax.

However, if the Mittal Steel class A common shares are attributable to an enterprise from which a Dutch resident individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise without being a shareholder, any benefit derived or deemed to be derived from the Mittal Steel class A common shares, including any capital gain realised on the disposal or exercise thereof, are generally subject to income tax at a progressive rate with a maximum of 52%. Subject to the same progressive rate are benefits derived from the Mittal Steel class A common shares in case a Dutch resident individual carries out activities that exceed regular portfolio asset management.

Furthermore, if a Dutch resident individual has an actual or deemed substantial interest in Ispat International, any benefit derived or deemed to be derived from the Mittal Steel class A common shares, including any capital gains realised on the disposal or exercise thereof, are subject to income tax at a rate of 25%. Please see below for the further clarification of the term substantial interest .

Dutch Resident Entities. Any benefit derived or deemed to be derived from the Mittal Steel class A common shares held by Dutch resident entities, including any capital gains realised on the disposal or exercise thereof, is generally subject to corporate income tax at a general rate of 34.5%[9], unless the participation exemption is applicable. Under the participation exemption Dutch resident companies are exempt from corporate income tax with respect to dividends and capital gains (and losses) derived from or realised on the disposal of a qualifying shareholding. Generally, the participation exemption applies if a Dutch resident entity holds an interest of at least 5% in the issued and paid up share capital of Mittal Steel.

A Dutch qualifying pension fund is not subject to corporate income tax with respect to any benefits derived from the Mittal Steel class A common shares (except to the extent it generates benefits from activities that are considered not to be directly related with certain qualifying pension arrangements). A qualifying Dutch resident investment fund (*fiscale beleggingsinstelling*) is subject to corporate income tax at a special rate of 0%.

Non-resident Holders. A holder of Mittal Steel class A common shares will not be subject to Dutch taxes on income or capital gains in respect of any distribution or other payment in respect of the Mittal Steel class A common shares or in respect of any gain realised on the disposal or deemed disposal of the Mittal Steel class A common shares, provided that:

- such holder is neither resident nor deemed to be resident of The Netherlands nor, if such holder is an individual, has made an election for the application of the rules of the Dutch income tax act 2001 as they apply to residents of The Netherlands; and

- such holder does not have, or is not deemed to have, an enterprise or an interest in an enterprise which is, in whole or in part, effectively managed in The Netherlands and/or carried on through a permanent establishment, a deemed permanent establishment, or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the Mittal Steel class A common shares are attributable; and

- such holder does not carry out any activities in The Netherlands that exceed regular asset management to which the Mittal Steel class A common shares are attributable; and

- such holder, and if such holder is an individual, individuals relating to such holder and certain of their relatives by blood or marriage in the direct line (including foster children) do not have a substantial

---

[9] Please note that in the recently published Tax Bill 2005 it has been proposed to decrease the corporate income tax rate to 31.5% as from January 1, 2005, to 30.5% as from January 1, 2006 and to 30% as from January 1, 2007.

Table of Contents

interest or deemed substantial interest in Mittal Steel or, if such holder does have such an interest, such interest forms part of its business assets.

Generally, (a resident or non-resident) holder of shares will have a substantial interest if he, his partner, certain other relatives (including foster children) or certain persons sharing his household, alone or together, directly or indirectly:

- hold shares representing 5% or more of Mittal Steel s total issued and outstanding capital (or the issued and outstanding capital of any class of shares);

- hold or have rights to acquire shares, whether or not already issued, that represent at any time (and from time to time) 5% or more of Mittal Steel s total issued and outstanding capital (or the issued and outstanding capital of any class of shares); or

- hold or have the ownership of certain profit participating rights that relate to 5% or more of Mittal Steel s annual profit and/or to 5% or more of Mittal Steel s liquidation proceeds.

A deemed substantial interest arises if a substantial interest (or part thereof) has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Gift, Estate and Inheritance Tax

Dutch Residents. Gift, estate and inheritance taxes will arise in The Netherlands with respect to an acquisition of Mittal Steel class A common shares by way of a gift by, or on the death of, a holder of Mittal Steel class A common shares who is resident or deemed to be resident in The Netherlands at the time of the gift or his death.

Non-residents. No Dutch gift, estate or inheritance taxes will arise on the transfer of Mittal Steel class A common shares by way of gift by, or on the death of, a holder of Mittal Steel class A common shares who is neither resident nor deemed to be resident in The Netherlands, unless:

- such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, effectively managed in The Netherlands and/or carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise the Mittal Steel class A common shares are or were attributable; or

- in the case of a gift of Mittal Steel class A common shares by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

For purposes of Dutch gift, estate and inheritance taxes, amongst others, a person that holds Dutch nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding The Netherlands nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Other Taxes and Duties. No Dutch registration tax, customs duty, stamp duty or any other similar documentary tax or duty other than court fees, will be payable by a holder of Mittal Steel class A common shares in respect of or in connection with the issuance, grant, exercise or disposal of Mittal Steel class A common shares or with respect of any payment of dividends by Mittal Steel thereon.

Regulatory Matters

The merger agreement contemplates that ISG and Mittal Steel will use their reasonable best efforts to complete the merger, including by obtaining required regulatory approvals (including antitrust approvals), but Mittal Steel will not be required to divest assets or take other actions requested by regulators that would have a material adverse effect on ISG or the equivalent of a material adverse effect on ISG. For a more detailed description, please refer to THE MERGER AGREEMENT Additional Agreements *Further Action;*

Reasonable Best Efforts beginning on page 95. ISG and Mittal Steel currently believe that they have obtained all regulatory merger approvals required to complete the merger.

United States Antitrust Laws

Under the Hart-Scott-Rodino Antitrust Improvements Act and the rules that have been promulgated thereunder by the Federal Trade Commission, certain acquisition transactions may not be completed unless information has been furnished to the Antitrust Division of the U.S. Department of Justice and the Federal Trade Commission and a waiting period expires. The merger is subject to these requirements.

Pursuant to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act, Mittal Steel, on behalf of the controlling shareholder, and ISG filed premerger notification and report forms with respect to the merger with the Antitrust Division of the U.S. Department of Justice and the Federal Trade Commission on November 22, 2004.

Under the provisions of the Hart-Scott-Rodino Antitrust Improvements Act applicable to the merger, the parties may not complete the merger of ISG and Park Acquisition Corp. until the expiration of a 30 calendar-day waiting period following the submission of the Hart-Scott-Rodino Antitrust Improvements Act filing made by Mittal Steel, on behalf of the controlling shareholder, and ISG. Pursuant to the Hart-Scott-Rodino Antitrust Improvements Act, the parties requested early termination of the 30-day Hart-Scott-Rodino Antitrust Improvements Act waiting period applicable to the merger. On December 17, 2004, the Federal Trade Commission notified Mittal Steel and ISG that it had granted early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. Expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act is a condition to completing the merger. See THE MERGER AGREEMENT Conditions of the Merger on page 97.

The Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice frequently scrutinize the legality under the antitrust laws of business combinations. At any time before or after the merger, the Federal Trade Commission or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the merger or seeking the divestiture of substantial assets of Mittal Steel, ISG or their respective subsidiaries. Private parties and state attorneys general may also bring legal action under federal or state antitrust laws under certain circumstances. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, what the result would be. See THE MERGER AGREEMENT Conditions of the Merger beginning on page 97 for certain conditions to the offer, including conditions with respect to litigation.

German Merger Control

Under the German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbesbeschränkungen*), the merger cannot be completed until the Federal Cartel Office, or the FCO, has given its clearance to complete the merger or the prescribed waiting period has elapsed. The filing for the clearance was made with the FCO on November 30, 2004. On December 17, 2004, the FCO issued the clearance decision required under German law to complete the merger.

Italian Merger Control

Under Italy s Law No. 287 of October 10, 1990, as amended, prior to the completion of the merger a merger control notification must be submitted to the *Autorità Garante della Concorrenza e del Mercato,* or the IAA. The filing for the clearance decision was made with the IAA on January 20, 2005. The merger may be completed prior to receiving the consent of the IAA.

Chinese Merger Control

Pursuant to Article 21 of the Provisional Regulations on the Acquisitions of Domestic Enterprises by Foreign Investors, effective as of April 12, 2003, prior to the completion of the merger, a merger control

Table of Contents

notification is being submitted on a voluntary basis to the Ministry of Commerce, or MOFCOM, and the State Administration for Industry and Commerce, or SAIC, of the People s Republic of China. The filing for the clearance decision was made to MOFCOM and the SAIC on January 26, 2005. The merger may be completed prior to receiving the consent of MOFCOM or the SAIC.

Delaware Anti-Takeover Law

ISG is incorporated under the laws of the State of Delaware. In general, Section 203 of the DGCL prevents an interested stockholder (generally a person who owns or has the right to acquire 15% or more of a corporation s outstanding voting stock, or an affiliate or associate thereof) from engaging in a business combination (defined to include mergers and certain other transactions) with a Delaware corporation for a period of three years following the date such person became an interested stockholder unless, among other things, prior to such date the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder. **On October 24, 2004, prior to the execution of the merger agreement, the ISG board of directors approved the merger agreement. Accordingly, Section 203 is inapplicable to the merger.**

Exon-Florio

The provisions of the Exon-Florio Amendment to the Defense Production Act of 1950 authorize the President of the United States to review and, when appropriate for national security reasons, investigate and block acquisitions of and mergers with U.S. companies by foreign interests. The President of the United States has delegated his authority to conduct reviews to the Committee on Foreign Investment in the United States, or CFIUS, an interagency committee chaired by the Secretary of the Treasury.

A party or parties to a transaction may, but are not required to, submit to CFIUS a voluntary notice of the transaction. CFIUS has 30 calendar days from the date of submission to decide whether to initiate a formal investigation. If CFIUS declines to investigate, it sends a no action letter, and the review process is complete.

Under the terms of the merger agreement, Mittal Steel is required to submit an Exon-Florio notice. Accordingly, on December 23, 2004, Mittal Steel and ISG submitted a notice to CFIUS, in accordance with the regulations implementing the Exon-Florio Amendment. On January 24, 2005, CFIUS delivered a no action letter to Mittal Steel through its counsel stating that CFIUS had determined that there are no issues of national security with respect to the merger sufficient to warrant an investigation under the Exon-Florio Amendment and thus action under the Exon-Florio Amendment is concluded.

Other Laws

Mittal Steel intends to file a notice of exemption with the Surface Transportation Board, or STB, at least seven days prior to the completion of the merger in connection with ISG s three common carrier railroad companies, which Mittal Steel will acquire as a result of the merger. Pursuant to the STB s authority to exempt certain classes of rail transactions from STB approval, this exemption filing will permit Mittal Steel to acquire ISG s railroad companies without obtaining the otherwise required affirmative approval of the STB. Apart from the transfer of ISG s railroad companies to Mittal Steel, the merger may be completed prior to filing or effectiveness of the notice of exemption with the STB.

Federal Securities Law Consequences; Resale Restrictions

All of the shares of Mittal Steel issued to ISG stockholders will be freely transferable under U.S. federal securities laws, except for restrictions applicable to affiliates of ISG under the Securities Act of 1933, as amended, or the Securities Act. Affiliates may resell those shares they receive only in transactions permitted by Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of ISG for these purposes generally include individuals or entities that control, are controlled by, or are under common control with, ISG, and would not generally include stockholders who are not executive officers, directors or significant stockholders of ISG. The merger agreement requires ISG to

Table of Contents

deliver a list of all those persons who ISG believes may be deemed to be affiliates of ISG. ISG is also required, pursuant to the merger agreement, to use its reasonable best efforts to cause each person it identifies on the list as a potential affiliate of ISG to deliver to Mittal Steel, at or prior to the effective time of the merger, a written agreement that the affiliate will not sell, transfer or otherwise dispose of any Mittal Steel class A common shares issued to the affiliate pursuant to the merger unless the sale, transfer or other disposition meets one of the following criteria:

- it is made pursuant to an effective registration statement filed under the Securities Act;
- it is in conformity with the volume and other limitations of Rule 145 promulgated by the SEC under the Securities Act (or Rule 144 promulgated by the SEC under the Securities Act in the case of persons who become affiliates of Mittal Steel); or
- it is otherwise exempt from registration under the Securities Act as indicated in an opinion of counsel reasonably acceptable to Mittal Steel.

This proxy statement/ prospectus does not cover any resales of Mittal Steel class A common shares, and no person is authorized to make any use of this proxy statement/ prospectus in connection with any resale.

Dissenter s Rights of Appraisal

Mittal Steel

Mittal Steel shareholders do not have any rights of appraisal in connection with the merger under Dutch law.

ISG

Record holders of shares of ISG common stock at the time of the merger will have the right under Section 262 of the DGCL to dissent and demand appraisal of their shares of ISG common stock in certain circumstances. All references in Section 262 of the DGCL, in this paragraph, and in Annex G to stockholder are to the record holder of the shares of ISG common stock as to which appraisal rights are asserted. **A person having a beneficial interest in shares of ISG common stock held of record in the name of another person, such as a broker or nominee, must act promptly to cause the record holder to follow the proper steps summarized in Annex G and described in Section 262 of the DGCL in a timely manner to perfect appraisal rights.** Under Section 262 of the DGCL, dissenting ISG stockholders who comply with the applicable statutory procedures will be entitled to receive a judicial determination of the fair value of their shares of ISG common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, and to receive payment of this fair value in cash, together with a fair rate of interest, if any. The methodology a court would use to determine fair value or how a court would select which of the elements of value are to be included in such a determination cannot be assured.

The foregoing discussion is not a complete statement of the law relating to appraisal rights and is qualified in its entirety by the summary of procedures for seeking appraisal rights, which is set out in Annex G to this proxy statement/ prospectus, and the full text of Section 262 of the DGCL, which is reprinted in its entirety after the summary in Annex G to this proxy statement/ prospectus.

Stock Exchange Listing

Mittal Steel class A common shares are listed on the New York Stock Exchange, Mittal Steel s principal U.S. trading market, and outside the United States on Euronext Amsterdam, in each case under the symbol MT . In accordance with the terms of the merger agreement, Mittal Steel will make an application to list on the New York Stock Exchange and on Euronext Amsterdam the Mittal Steel class A common shares that Mittal Steel will issue as consideration in the merger.

Table of Contents

Delisting and Deregistration of ISG Common Stock after the Merger

Following completion of the merger, ISG common stock will be delisted from the New York Stock Exchange and will be deregistered under the Exchange Act.

Letter of Understanding with the United Steelworkers of America

In connection with the merger, on October 24, 2004 the LNM Group (consisting of Ispat International and LNM Holdings), ISG and the USWA, executed a letter of understanding in which the USWA agreed to support the merger and to waive its right of first refusal under the ISG collective bargaining agreement. The parties also agreed, among other things, that:

LNM Holdings, Ispat International and ISG will fully consult with and solicit the advice and involvement of the USWA regarding the acquisition of LNM Holdings and the merger;

subject to the reasonable and timely approval of the USWA (such approval not to be unreasonably withheld) and the company s board of directors, the company would aggressively pursue acquisitions in certain strategic areas;

to facilitate such growth, a strategic committee would be established, such committee to be comprised of the Chairman of the company and two individuals designated by the Chairman of the company which may include the Vice Chairman of LNM Holdings and the senior official responsible for U.S. operations, the USWA s International President and two individuals designated by the USWA s International President;

two USWA designees would join the board of directors of the company in the merger;

upon completion of the acquisition of LNM Holdings and the merger, the ISG collective bargaining agreement with the USWA will be adapted, subject to ratification, to the Inland plants and the Inland employees will be covered under the ISG collective bargaining agreement with the USWA, as amended to include the terms agreed to pursuant to such letter of understanding and any other adjustments regarding Inland employees negotiated by the parties and consistent with the principles set forth under ISG s current collective bargaining agreement; and

during the term of the collective bargaining agreement, the company will maintain substantially all of the current steelmaking capacity at Inland Indiana Harbor Works.

THE MERGER AGREEMENT

The following is a summary description of the material provisions of the merger agreement among Mittal Steel, Park Acquisition Corp. and ISG. This summary is qualified in its entirety by reference to the complete text of the merger agreement, which is attached as Annex A to this proxy statement/ prospectus and incorporated herein by reference. We urge you to read the full text of the merger agreement in its entirety for a more complete description of the terms and conditions of the merger agreement as it is the legal document that governs the merger.

Structure of the Merger

Unless the alternative structure described below under THE MERGER AGREEMENT Tax Adjustment and Alternative Structure beginning on page 83 is implemented, at the effective time of the merger, ISG will be merged with and into Park Acquisition Corp. Park Acquisition Corp. will continue as the surviving company and as a wholly owned subsidiary of Mittal Steel.

Closing and Effective Time of the Merger

The closing of the merger will take place as promptly as practicable after all the conditions to the merger described below under THE MERGER AGREEMENT Conditions of the Merger beginning on page 97 are satisfied or waived. The merger will become effective at the time Mittal Steel and ISG file a certificate of merger with the Secretary of State of the State of Delaware.

Merger Consideration

Pursuant to the merger agreement, as of the effective time of the merger, each issued and outstanding share of ISG common stock not owned by Park Acquisition Corp., Mittal Steel, or any direct or indirect wholly owned subsidiary of Mittal Steel or ISG or held in the treasury of ISG, will be cancelled and converted automatically into the right to receive the merger consideration. Each ISG stockholder shall have a right to make an election to receive the merger consideration in the form of cash consideration, stock consideration or a combination of cash consideration and stock consideration, in each case, subject to proration or adjustment based on tax considerations as explained below under THE MERGER AGREEMENT Oversubscription for Cash or Stock beginning on page 83 and THE MERGER AGREEMENT Tax Adjustment and Alternative Structure beginning on page 83.

The cash consideration is $42.00, without interest, per share of ISG common stock. The stock consideration is a fraction of Mittal Steel class A common shares, based on an exchange ratio, that will vary, and is subject to a collar setting both a floor and a ceiling on the number of Mittal Steel class A common shares into which each share of ISG common stock will be converted. The exchange ratio is equal to the quotient determined by dividing $42.00 by the average of the per share closing prices of Mittal Steel class A common shares on the New York Stock Exchange during the 20 consecutive trading days ending on (and including) the trading day that is two days prior to the date of the effective time of the merger. The exchange ratio is subject to a collar such that, if the average trading price of Mittal Steel class A common shares is equal to or greater than the floor of approximately $34.50 per share and equal to or less than the ceiling of approximately $43.81 per share, then each share of ISG common stock will be exchanged for an amount of Mittal Steel class A shares equal to $42.00. However, if the average trading price of Mittal Steel class A common shares is less than the floor of approximately $34.50 per share, then each share of ISG common stock will be exchanged for 1.21740 Mittal Steel class A common shares, regardless of the value of those shares. If the average trading price of Mittal Steel class A common shares is greater than the ceiling of approximately $43.81 per share, then each share of ISG common stock will be exchanged for 0.95865 Mittal Steel class A common shares, regardless of the value of those shares. If an ISG stockholder elects to receive a combination of cash consideration and stock consideration, a mixed consideration election, such ISG stockholder must designate the number of such stockholder s shares of ISG common stock that such ISG stockholder would like to convert into the cash consideration and into the stock consideration. Any shares of ISG common stock designated as cash consideration and stock consideration pursuant to an election of mixed consideration will be

Table of Contents

treated under the relevant conversion mechanisms described for cash consideration and stock consideration described above in this paragraph.

Oversubscription for Cash or Stock

Pursuant to the merger agreement and subject to any adjustments for tax reasons (as described below under THE MERGER AGREEMENT Tax Adjustment and Alternative Structure), as of the effective time 50% of all outstanding shares of ISG common stock will be converted into cash and 50% of all outstanding shares of ISG common stock will be converted into Mittal Steel class A common shares. However, despite such terms set forth in the merger agreement, it is possible that ISG stockholders, as a group, either may submit elections to convert more than 50% of the outstanding shares of ISG common stock into cash or to convert more than 50% of the outstanding shares of ISG common stock into Mittal Steel class A common shares. Therefore, the merger agreement also provides that, if either the cash portion or the stock portion of the merger consideration is oversubscribed, then an equitable pro rata adjustment will be made to ensure that 50% of the outstanding shares of ISG common stock are converted into cash and 50% are converted into Mittal Steel class A common shares.

For example, if the aggregate number of shares of ISG common stock for which an election is made to receive cash consideration amounts to more than 50% of the total merger consideration, then each share of ISG common stock as to which an election was submitted to be converted into $42.00 in cash will, instead, be converted into an amount of cash that is equal to less than $42.00 plus a number of Mittal Steel class A common shares, each as calculated in accordance with the formula set forth in section 2.01(e) of the merger agreement. Similarly, if the aggregate number of shares of ISG common stock for which an election is made to receive stock consideration amounts to more than 50% of the total merger consideration, then each share of ISG common stock as to which an election was submitted to be converted into Mittal Steel class A common shares will, instead, be converted into a smaller number of Mittal Steel class A common shares plus an amount of cash, each as calculated in accordance with the formula set forth in section 2.01(g) of the merger agreement.

Tax Adjustment and Alternative Structure

It is intended for the merger to qualify as a reorganization within the meaning of the Internal Revenue Code and, therefore, be tax free for ISG stockholders except to the extent of any cash received in the merger. Under the Internal Revenue Code, however, the merger might not qualify as such a reorganization if, among other things, on the closing date of the merger, the total value of Mittal Steel class A common shares that ISG stockholders receive does not represent at least 42.5% of the value of the Total Consideration including Mittal Steel class A common shares, cash and any other amounts treated as consideration in connection with the merger for purposes of the Internal Revenue Code that ISG stockholders receive in connection with the merger. Assuming that there are 100,035,950 shares of ISG common stock outstanding at the effective time of the merger and thus 50% of such shares are converted into Mittal Steel class A common shares, this condition would not be met if the share price of Mittal Steel class A common shares as measured at the effective time of the merger falls below approximately US$ 25.50.(1)

To prevent this from happening, if the value of the Mittal Steel class A common shares received by ISG stockholders would otherwise be less than 42.5% of the value of the Total Consideration, Mittal Steel in its sole and absolute discretion may increase the amount of stock consideration so that the total value of Mittal Steel class A common shares that ISG stockholders receive represents at least 42.5% of the value of the Total Consideration. Any increase in stock consideration would effectively result in an increase in the exchange ratio reflecting the fraction of Mittal Steel class A common shares that one share of ISG common stock would

---

1 This calculation further assumes that there is no other consideration received by ISG stockholders as consideration in connection with the merger other than as described under THE MERGER, AGREEMENT Merger Consideration that would be included in Total Consideration as such term is defined under the Internal Revenue Code.

otherwise convert into. The increase in stock consideration would thus be allocated on a pro rata basis among ISG stockholders receiving stock consideration (based on the number of shares of ISG common stock being converted into Mittal Steel class A common shares). Mittal Steel would make any such determination no later than the date of the effective time of the merger, which is three days prior to the deadline for ISG stockholders to make the election as to the form of consideration that they wish to receive, as further described in THE MERGER AGREEMENT Election Procedures beginning on page 84.

If taking into account any such aforementioned increase, the value of the Mittal Steel class A common shares received by ISG stockholders would be less than 42.5% of the value of the Total Consideration on the closing date or either Mittal Steel or ISG fails to receive the applicable tax opinions from its outside counsel regarding the qualification of the merger under certain provisions of the Internal Revenue Code, as further described under THE MERGER AGREEMENT Conditions of the Merger beginning on page 97, Mittal Steel will effect the acquisition of ISG pursuant to a reverse-subsidiary merger structure in which Park Acquisition Corp. will instead merge with and into ISG and ISG will continue as the surviving company of the merger and as a wholly owned subsidiary of Mittal Steel.

Election Procedures

Copies of the form of election will be mailed to record holders of shares of ISG common stock not less than 30 days prior to the effective time of the merger and made available to persons who become record holders after the date of such mailing but not later than the close of business on the seventh business day prior to the effective time of the merger. The form of election will also be posted on ISG s website at www.intlsteel.com. To be effective, a form of election must be received by the exchange agent by the election deadline which is 5:00 p.m., New York City time, on the third day after the effective time of the merger. A record holder of ISG common stock who holds such shares as nominee or trustee or in another representative capacity may submit multiple forms of election; provided that such representative certifies that each such form of election covers all the shares of ISG common stock held by such representative for a particular beneficial owner. All elections made by an ISG stockholder may be revoked in writing until the election deadline specified above.

Upon a determination by Mittal Steel or the exchange agent that a form of election was received after the election deadline or otherwise improperly made, any shares subject to such an untimely or improperly made election will be treated as if no election has been made with respect to such shares. Mittal Steel may treat any shares of ISG common stock with respect to which either no election has been made or an election has been deemed not to have been made, as either cash election shares or stock election shares, in its sole discretion, unless the treatment would impact the tax consequences of the merger.

Cancellation of Shares

As of the effective time of the merger, each share of ISG common stock will be automatically cancelled and no shares of ISG common stock will be outstanding. Each share of ISG common stock held by ISG in treasury, or held by Park Acquisition Corp., Mittal Steel or any wholly owned subsidiary of Mittal Steel or ISG, immediately prior to the effective time will cease to have any stockholder rights and such shares will not be exchangeable for cash, Mittal Steel class A shares or any other consideration. Each share of ISG common stock held by any other ISG stockholder will cease to have any stockholder rights, except for the right to receive the merger consideration of cash, Mittal Steel class A common shares or a combination of cash and Mittal Steel class A common shares.

Exchange Agent

Mittal Steel will deposit with an exchange agent, designated by Mittal Steel and reasonably satisfactory to ISG, cash and certificates representing Mittal Steel class A common shares to be issued as merger consideration, from time to time, as required to make payments in respect of the cash consideration and payments in lieu of any fractional shares and the stock consideration (as further described below under THE MERGER AGREEMENT Procedures for Exchange of Certificates; No Fractional Shares).

Table of Contents

Procedures for Exchange of Certificates; No Fractional Shares

As promptly as practicable after the effective time of the merger, the exchange agent will mail a transmittal letter to each former record holder of ISG common stock. The transmittal letter will contain instructions with respect to the surrender of certificates previously representing shares of ISG common stock to be exchanged for certificates representing Mittal Steel class A common shares, cash in respect of any cash consideration the ISG stockholder is entitled to receive in the merger and any cash the ISG stockholder is entitled to receive in place of fractional Mittal Steel class A common shares to which the stockholder would otherwise have been entitled to receive under the merger agreement.

ISG STOCKHOLDERS SHOULD NOT FORWARD ISG STOCK CERTIFICATES TO THE EXCHANGE AGENT UNTIL THEY HAVE RECEIVED TRANSMITTAL LETTERS. ISG STOCKHOLDERS SHOULD NOT RETURN THEIR STOCK CERTIFICATES WITH THE ENCLOSED PROXY CARD OR WITH THE ENCLOSED FORM OF ELECTION.

ISG stockholders who surrender their ISG stock certificates to the exchange agent, together with a properly completed and validly executed letter of transmittal and such other documents as may be required, will be entitled to receive a certificate representing the number of whole Mittal Steel class A common shares into which their shares of ISG common stock have been converted in the merger, cash in respect of any cash consideration the ISG stockholder is entitled to receive in the merger and any cash the ISG stockholder is entitled to receive in place of fractional Mittal Steel class A common shares to which the ISG stockholder would otherwise have been entitled to receive under the merger agreement.

Mittal Steel will not issue fractional Mittal Steel class A common shares in the merger and fractional share interests will not entitle the owner of such fractional interest to vote or to any other rights of a shareholder of Mittal Steel. Instead, each holder of a fractional share interest will receive from Mittal Steel an amount in cash (without interest and subject to applicable withholding taxes) equal to the product obtained by multiplying the fractional share interest to which such holder would otherwise be entitled, by the average of the per share closing prices of Mittal Steel class A common shares on the New York Stock Exchange during the 20 consecutive trading days ending on (and including) the trading day that is two days prior to the date of the effective time of the merger. However, if this procedure would have an adverse effect on the qualification of the merger as a reorganization, an alternative procedure will be adopted under which fractional shares will be distributed and sold.

Mittal Steel will not pay any dividends or other distributions to any holder of an ISG common stock certificate in respect of Mittal Steel class A common shares into which the shares of ISG common stock represented by such ISG stock certificate has been converted until such ISG stock certificate has been properly surrendered to the exchange agent. At the time of surrender, the new Mittal Steel shareholder will be paid the amount of any cash payable with respect to the fractional Mittal Steel class A common shares to which such holder is entitled and the amount of dividends or other distributions that have been paid with respect to such shares since the effective time of the merger.

Treatment of ISG Stock Options and Stock Appreciation Rights

At the effective time of the merger, each option to acquire shares of ISG common stock then outstanding under ISG s 2002 stock option plan (whether or not exercisable and whether or not vested) will be, in settlement of such option, converted into an amount (subject to any applicable withholding tax) in cash equal to the difference between $42.00 and the exercise price per share of ISG common stock, to the extent such difference is a positive number. Under the terms of the merger agreement, at the effective time of the merger, following the cash settlement of each ISG option, each outstanding and unexercised stock option under the ISG 2002 stock option plan will be cancelled and the holder of such option will have no further rights in respect of any such options.

Under the terms of the merger agreement, each stock appreciation right granted by ISG under ISG s managers incentive plan which is outstanding or unsatisfied immediately prior to the effective time of the merger will be converted at the effective time of the merger into a right or award measured by the value of a number of shares of Mittal Steel class A common shares, on the same terms and conditions as were applicable under the ISG stock appreciation rights, except that:

- the terms and conditions of the converted right will take into account any adjustments provided for in ISG s managers incentive plan or in any related award agreement that are triggered by the merger agreement or the transactions contemplated by the merger agreement;
- each converted stock appreciation right will be measured by the number of shares of ISG common stock by which such ISG stock appreciation right would have otherwise been measured multiplied by the number of whole Mittal Steel class A common shares an ISG stockholder would be entitled to receive for one share of ISG common stock as stock consideration in the merger; and
- the exercise price by which each converted stock appreciation right is measured will be equal to the exercise price by which such stock appreciation right would have been otherwise measured divided by the number of Mittal Steel class A common shares an ISG stockholder would be entitled to receive for one share of ISG common stock as stock consideration in the merger; provided that the maximum value of each such converted stock appreciation right will not exceed the maximum value of the related unconverted ISG stock appreciation right.

Representations and Warranties

Representations and Warranties of ISG

The merger agreement contains a number of customary representations and warranties relating to each of the parties and its ability to complete the merger. Among others, ISG made representations and warranties to Mittal Steel and Park Acquisition Corp. regarding:

- organization and qualification to do business,
- subsidiaries,
- certificate of incorporation and by-laws,
- capitalization,
- corporate authority to enter into the merger agreement,
- absence of a breach of ISG s Certificate of Incorporation and Bylaws, applicable laws or other agreements entered into by ISG as a result of entering into the merger agreement or the transactions contemplated by the merger agreement,
- governmental consents, approvals, authorizations, permits, filings and notifications required in connection with the transactions contemplated by the merger agreement,
- possession of franchises, grants, authorizations, licenses, permits, easements, approvals and orders required to operate ISG s business,
- compliance with laws,
- SEC filings, financial statements and internal controls and procedures,
- absence of certain changes and events since December 10, 2003,
- absence of litigation,
- employee benefit plans,
- labor and employment matters,
- real property and leases,

intellectual property,

tax matters,

environmental matters,

inventories,

material contracts,

insurance,

approval of the ISG board of directors and the required ISG stockholder vote,

certain unlawful business practices,

absence of interested party transactions since December 10, 2003,

opinion of financial advisors, and

brokers.

The representations and warranties contained in the merger agreement do not survive the effective time of the merger.

Representations and Warranties of Mittal Steel and Park Acquisition Corp.

Among others, Mittal Steel and Park Acquisition Corp., where applicable, made representations and warranties to ISG regarding:

organization and qualification to do business,

subsidiaries,

organizational documents,

capitalization,

corporate authority to enter into the merger agreement,

absence of a breach of Mittal Steel s Deed of Incorporation or Articles of Association, Park Acquisition Corp. s Certificate of Incorporation or By-laws, applicable laws or other agreements entered into by Mittal Steel as a result of entering into the merger agreement or the transactions contemplated by the merger agreement,

governmental consents, approvals, authorizations, permits, filings and notifications required in connection with the transactions contemplated by the merger agreement,

possession of franchises, grants, authorizations, licenses, permits, easements, approvals and orders required to operate Mittal Steel s business,

compliance with laws,

SEC filings, financial statements and internal controls and procedures,

absence of certain changes and events since December 31, 2003,

absence of litigation,

the acquisition agreement between Ispat International and The Richmond Investment Holdings Limited related to the acquisition of the shares of LNM Holdings,

labor and employment matters,

operations of Park Acquisition Corp.,

tax matters,

approval of the Mittal Steel board of directors and the required Mittal Steel shareholder vote,

certain unlawful business practices,

- absence of interested party transactions since December 31, 2003, and
- brokers.

The representations and warranties contained in the merger agreement do not survive the effective time of the merger.

Material Adverse Effect

Certain of the representations and warranties of each party are qualified by a material adverse effect standard.

ISG Material Adverse Effect

With respect to ISG, a material adverse effect is any event, circumstance, change or effect that, individually or in the aggregate with all other events, circumstances, changes and effects, is or could reasonably be expected to be materially adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of ISG and its subsidiaries taken as a whole or prevent or materially delay the completion of any of the transactions contemplated by the merger agreement or otherwise prevent or materially delay ISG from performing its obligations under the merger agreement, subject to certain exceptions for:

- changes in general economic conditions, or
- general changes in the industry of manufacturing, processing, selling, marketing and distributing steel in which ISG and its subsidiaries operate, in each case, that do not have a disproportionate effect (relative to other industry participants) on ISG and its subsidiaries, taken as a whole.

Mittal Steel Material Adverse Effect

With respect to Mittal Steel, a material adverse effect is any event, circumstance, change or effect that, individually or in the aggregate with all other events, circumstances, changes and effects, is or is reasonably likely to (i) be materially adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of Mittal Steel and its subsidiaries (including LNM Holdings following the closing of the transactions contemplated by the LNM Holdings acquisition agreement) taken as a whole or (ii) prevent or materially delay the completion of any of the transactions contemplated by the merger agreement or otherwise prevent or materially delay Mittal Steel from performing its obligations under the merger agreement, subject to certain exceptions for:

- changes in general economic conditions, or
- general changes in the industry of manufacturing, processing, selling, marketing and distributing steel in which Mittal Steel and its subsidiaries operate, in each case, that do not have a disproportionate effect (relative to other industry participants) on Mittal Steel and its subsidiaries, taken as a whole.

Conduct of Business Pending the Merger

Conduct of Business of ISG Pending the Merger

ISG has agreed that, between October 24, 2004 and the effective time of the merger, except as set forth in ISG s disclosure schedule to the merger agreement, or as expressly contemplated by any other provision of the merger agreement, unless Mittal Steel consents in writing, which consent may not be unreasonably withheld or delayed:

- the businesses of ISG and its subsidiaries will be conducted only in, and ISG and its subsidiaries will not take any action except in, the ordinary course of business and in a manner consistent with past practice; and

ISG will use its reasonable best efforts to preserve substantially intact the business organization of ISG and its subsidiaries, to keep available the services of the key current officers, employees and consultants of ISG and its subsidiaries and to preserve the current relationships of ISG and its subsidiaries with material customers, suppliers and other persons with which ISG or any of its subsidiaries has significant material business relations.

More specifically, except as expressly contemplated by any other provision of the merger agreement or as set forth in ISG s disclosure schedule to the merger agreement, neither ISG nor any of its subsidiaries will, between October 24, 2004 and the effective time of the merger, directly or indirectly, do, or propose to do, any of the following without the prior written consent of Mittal Steel, which may not be unreasonably withheld or delayed:

amend or otherwise change its certificate of incorporation or by-laws;

issue, sell, pledge, dispose of, grant or encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of,

any shares of any class of capital stock of ISG or any of its material subsidiaries, or any options (except upon exercise of existing stock options), warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of ISG or any of its material subsidiaries or

any assets of ISG or any of its material subsidiaries, except for (w) granting of permitted liens in the ordinary course of business and in a manner consistent with past practice, (x) sales, pledges, disposals or encumbrances of assets not involving $25 million in the aggregate, (y) sales of inventory in the ordinary course of business, and (z) sales of certain assets listed on ISG s disclosure schedule to the merger agreement after written notice to, and reasonable consultation with, Mittal Steel;

declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of ISG s capital stock;

reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of ISG s capital stock;

(A) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or other assets or other business combination) any corporation, partnership, other business organization or any division thereof or, except as permitted by sub-clause (C) of this provision, any amount of assets in excess of $25 million in the aggregate, (B) incur any indebtedness for borrowed money or issue any debt securities in excess of $25 million in the aggregate or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person other than any subsidiary of ISG, or make any loans or advances, or grant any security interest in any of its assets except in the ordinary course of business and consistent with past practice, or (C) authorize, or make any commitment with respect to any individual capital expenditure in excess of $5 million, other than authorizations and commitments with respect to capital expenditures that are made or entered into after written notice to, and reasonable consultation with, Mittal Steel;

hire any additional employees except in the ordinary course of business and consistent with past practices or increase the compensation payable or to become payable or the benefits provided to its directors or officers, except as required by law or existing agreement, or increase the compensation payable or to become payable or the benefits to be provided to its employees, except for an increase as set forth in ISG s disclosure schedule to the merger agreement in salaries or wages of employees of ISG or any of its subsidiaries who are not directors or officers of ISG or any material subsidiary of ISG, or, except as required by law or any existing agreement or plan, grant any severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or, except in the ordinary course of business, any employee of ISG or of any of its subsidiaries, or establish, adopt, enter into or amend any collective bargaining, bonus, profit-sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or group of employees;

(A) exercise its discretion with respect to or otherwise voluntarily accelerate the vesting of any options under ISG s 2002 stock option plan as a result of the merger, any other change of control of ISG (as defined in such stock option plan) or otherwise or (B) exercise its discretion with respect to or otherwise amend, modify or supplement ISG s stock purchase plan;

take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures, except as required by U.S. GAAP or applicable law;

except in the ordinary course of business consistent with past practice, make, change or revoke any material tax election, settle or compromise any material tax liability, consent to any claim or assessment relating to a material amount of taxes or any waiver of the statute of limitations, change any method of tax accounting, or file any amended tax return or claim for refund of material taxes;

commence, settle, pay, discharge or satisfy any actions, claims, liabilities or obligations in excess of $20 million in the aggregate, other than the payment, discharge or satisfaction of obligations other than actions in the ordinary course of business and consistent with past practice;

enter into, amend, modify or consent to the termination of any material contract, or amend, waive, modify or consent to the termination of ISG s or any of its subsidiaries material rights under any such contract, other than in the ordinary course of business and consistent with past practice;

fail to make in a timely manner any filings with the SEC required under the Securities Act or the Exchange Act or the rules and regulations promulgated thereunder; or

enter into any binding agreement or otherwise make a commitment to do any of the foregoing.

Conduct of Business of Mittal Steel Pending the Merger

Mittal Steel has agreed that, between October 24, 2004 and the effective time of the merger, except as set forth in Mittal Steel s disclosure schedule to the merger agreement, or as expressly contemplated by any other provision of the merger agreement, unless ISG consents in writing, which may not be unreasonably withheld or delayed:

the businesses of Mittal Steel and its subsidiaries will be conducted only in, and Mittal Steel and its subsidiaries will not take any action except in, the ordinary course of business and in a manner consistent with past practice; and

Mittal Steel will use its reasonable best efforts to preserve substantially intact the business organization of Mittal Steel and its subsidiaries, to keep available the services of the key current officers, employees and consultants of Mittal Steel and its subsidiaries and to preserve the current relationships of Mittal Steel and its subsidiaries with material customers, suppliers and other persons with which Mittal Steel or any of its subsidiaries has material business relations.

More specifically, except as expressly contemplated by any other provision of the merger agreement or as set forth in Mittal Steel s disclosure schedule to the merger agreement, between October 24, 2004 and the earlier of the termination of the merger agreement and the effective time of the merger, neither Mittal Steel nor any of its subsidiaries will, directly or indirectly, without the prior written consent of ISG, which may not be unreasonably withheld or delayed:

issue, sell, dispose of or grant, or authorize the issuance, sale, disposition or grant of, any shares of any class of capital stock of Mittal Steel, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest of Mittal Steel except pursuant to the terms of the LNM Holdings acquisition agreement or in exchange for fair market value;

declare, set aside, make or pay any dividend or other distribution payable in cash, stock, property or otherwise, with respect to any of Mittal Steel s capital stock other than as set forth on Mittal Steel s disclosure schedule (such disclosure schedule includes an exception for a declared and at the time unpaid dividend of LNM Holdings in the amount of $2 billion), reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of Mittal Steel s capital stock;

acquire (including, without limitation, by merger, consolidation, or acquisition of stock or other assets or other business combination) any corporations, partnerships, other business organizations or any divisions thereof or any material amount of assets in one or more transactions involving consideration in excess of $1.5 billion in the aggregate;

directly or indirectly take, or propose to take, without ISG s prior written consent, any action with the intent to cause Mittal Steel s representations and warranties described above under THE MERGER AGREEMENT Representations and Warranties beginning on page 86 to be untrue in any material respect;

amend, modify or waive any closing condition or financial term of the LNM Holdings acquisition agreement in a manner that would adversely affect Ispat International s rights thereunder;

incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances, or grant any security interest in any of its assets in excess of $1.5 billion in the aggregate;

amend or otherwise change Mittal Steel s Deed of Incorporation (*akte van oprichting*) or Articles of Association (*statuten*) except as required by the transactions contemplated by the LNM Holdings acquisition agreement or the actions authorized pursuant to the shareholder vote to be taken in connection with such agreement; or

enter into any formal binding agreement or otherwise make a commitment to do any of the foregoing.

Additional Agreements

Registration Statement on Form F-4; Proxy Statement/ Prospectus

The merger agreement requires Mittal Steel and ISG to prepare and file with the SEC as promptly as practicable after the execution of the merger agreement a proxy statement to be sent to the stockholders of ISG relating to the meeting of the ISG stockholders to be held to consider approval and adoption of the merger agreement. In addition, the merger agreement requires Mittal Steel to prepare and file with the SEC a registration statement on Form F-4 in which the ISG proxy statement will be included as a prospectus, in connection with the registration under the Securities Act of the Mittal Steel class A common shares to be issued to the ISG stockholders pursuant to the merger.

Mittal Steel and ISG each must use its reasonable best efforts to cause the registration statement on Form F-4 to become effective as promptly as practicable. As promptly as practicable after the registration statement on Form F-4 becomes effective, ISG is required to mail the proxy statement related to the merger to its stockholders. Pursuant to the merger agreement, Mittal Steel and ISG each makes certain representations and warranties to the other concerning the accuracy of the information supplied in connection with the preparation of the proxy statement and the registration statement on Form F-4 to be filed with the SEC as of the date on which the document becomes effective and is mailed to the ISG stockholders, in each case related to the merger. Each party has also agreed to inform the other of any changes in the information provided to the other that would require an amendment or supplement to such filings.

Shareholder Circular/ Prospectus

As promptly as practicable after the execution of the merger agreement and prior to the effective time, Mittal Steel will also prepare a shareholder circular in connection with the approval of the transactions contemplated by the merger agreement by its shareholders and will prepare a prospectus to be made available by Mittal Steel after clearance is received from Euronext Amsterdam in connection with such transactions in addition to the prospectus that was filed with Euronext Amsterdam on November 18, 2004 in conjunction with the acquisition of LNM Holdings. Mittal Steel will use its reasonable best efforts to cause the prospectus to be cleared as promptly as practicable by Euronext Amsterdam. Mittal Steel and ISG each makes certain representations and warranties to the other concerning the accuracy of the information supplied in connection with the preparation of the shareholder circular and the prospectus. Each party has also agreed to inform the other of any changes in the information provided to the other that would require an amendment or supplement to such filings.

ISG Stockholders Meeting

ISG has agreed to call and hold a meeting of the holders of ISG common stock for the purpose of voting upon the adoption of the merger agreement and must use its reasonable best efforts to hold such meeting as soon as practicable after the date on which the F-4 registration statement becomes effective. However, under the terms of the merger agreement, ISG is specifically not required to hold such stockholders meeting prior to December 23, 2004. Subject to the terms of the merger agreement, ISG must use its reasonable best efforts to solicit from the ISG stockholders proxies in favor of the adoption of the merger agreement and take all other action necessary or advisable to secure the required stockholder vote except in the case where the ISG board of directors withdraws or modifies its recommendation subject to the conditions to such withdrawal or modification described below under THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* .

Mittal Steel Shareholders Meeting

Mittal Steel must also call and hold a general meeting of its shareholders for the purpose of voting upon the approval of the merger agreement and must use its reasonable best efforts to hold such meeting as promptly as practicable after the date on which the prospectus is approved by Euronext Amsterdam.

No Solicitation of Transactions; Fiduciary Termination Right

Pursuant to the merger agreement, neither ISG nor any of its subsidiaries nor any of their respective directors, officers or employees will, nor will ISG authorize or permit either its or its subsidiaries agents, advisors and other representatives, to directly or indirectly:

- solicit (including by way of furnishing nonpublic information), or take any other action intended or reasonably likely to facilitate, any inquiries or the making of any proposal or offer (including, without limitation, any proposal or offer to the ISG stockholders) that constitutes, or may reasonably be expected to lead to, any Competing Transaction (as defined in the merger agreement and described below), or

- enter into or maintain or continue discussions or negotiations with any person or entity in furtherance of such inquiries or to obtain a proposal or offer for a Competing Transaction , or

- agree to, approve, endorse or recommend any Competing Transaction or enter into any letter of intent or other contract, agreement or commitment contemplating or otherwise relating to any Competing Transaction , or

- authorize or permit any of the officers, directors or employees of ISG or any of its subsidiaries, or any investment banker, financial advisor, attorney, accountant or other representative retained by ISG or any of its subsidiaries, to take any such action.

In addition, ISG will notify Mittal Steel as promptly as practicable (and in any event within one day after an executive officer of ISG attains knowledge thereof), orally and promptly thereafter in writing, if any proposal or offer, or any inquiry or contact with any person with respect thereto, regarding a Competing Transaction is made, specifying the material terms and conditions thereof and the identity of the party making such proposal or offer or inquiry or contact. ISG will provide Mittal Steel with forty-eight hours prior notice (or such lesser prior notice as is provided to the members of the ISG board of directors) of any meeting of the ISG board of directors at which the board is expected to discuss any Competing Transaction .

Table of Contents

Fiduciary Termination Right. However, the merger agreement provides that the ISG board of directors may furnish information to, and enter into discussions with, a person who has made an unsolicited, written proposal or offer regarding a Competing Transaction , if the ISG board of directors has:

determined, in its good faith judgment (after consultation with a financial advisor), that such proposal or offer constitutes a Superior Proposal (as defined in the merger agreement and described below),

provided written notice to Mittal Steel of its intent to furnish information to or enter into discussions with such person at least three business days prior to taking any such action, and

obtained from such person an executed confidentiality agreement on terms not substantially less favorable to ISG in the aggregate than those contained in the confidentiality agreement, dated September 28, 2004, between Mittal Steel and ISG.

A Competing Transaction is defined in the merger agreement as any of the following (other than the transactions contemplated by the merger agreement):

any merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction involving ISG or any of its material subsidiaries;

any sale, lease, exchange, transfer or other disposition (including a disposition of stock of one or more of ISG s subsidiaries) of 15% or more of the assets of ISG and its subsidiaries taken as a whole;

any sale, exchange, transfer or other disposition of 15% or more of any class of equity securities of ISG or any of its material subsidiaries;

any tender offer or exchange offer that, if consummated, would result in any person beneficially owning 15% or more of any class of ISG s equity securities;

any solicitation in opposition to adoption of the merger agreement by the ISG stockholders; or

any other transaction the completion of which would reasonably be expected to prevent or materially delay any of the transactions contemplated by the merger agreement.

In addition, under the terms of the merger agreement, ISG will use its reasonable best efforts to keep Mittal Steel informed on a reasonably prompt basis of the status of any negotiations it enters into regarding a Superior Proposal , including any material amendments or proposed material amendments to such a proposal. ISG will also provide Mittal Steel with all information regarding ISG that is provided to any person making a Superior Proposal to the extent such information has not previously been provided to Mittal Steel.

A Superior Proposal is defined in the merger agreement as an unsolicited written proposal or offer made by a third party to consummate any of the following transactions:

a merger, consolidation, share exchange, business combination or other similar transaction involving ISG pursuant to which the ISG stockholders immediately preceding such transaction would hold less than 50% of the equity interest in the surviving or resulting entity of such transaction, or

the acquisition by any person or group (including by means of a tender offer or an exchange offer or a two-step transaction involving a tender offer followed with reasonable promptness by a cash-out merger involving ISG), directly or indirectly, of ownership of more than 50% of the then outstanding shares of ISG voting stock,

in each case on pricing and other terms (including conditions to completion of such contemplated transaction) that the ISG board of directors determines, in its good faith judgment (after consultation with a financial advisor), to be more favorable to the ISG stockholders than the merger being contemplated pursuant to the merger agreement.

Except as otherwise permitted by the merger agreement as described above, the ISG board of directors may not withdraw or modify, or propose to withdraw or modify, in a manner adverse to Mittal Steel or Park Acquisition Corp., its recommendation in favor of the merger, or approve or recommend, or cause or permit ISG to enter into any letter of intent, agreement or obligation with respect to, any Competing Transaction .

Table of Contents

However, if the ISG board of directors determines, in its good faith judgment prior to an ISG stockholders meeting required to adopt the merger agreement and after consultation with legal counsel, that it is required to change its recommendation to comply with its fiduciary obligations to ISG and its stockholders under applicable law, the ISG board of directors may change its recommendation or terminate the merger agreement to accept a Superior Proposal , but only, in the case of termination of the merger agreement, to accept a Superior Proposal :

after providing written notice to Mittal Steel of the Superior Proposal specifying the material terms and conditions of such proposal and the identity of the person making such proposal and indicating that the ISG board of directors intends to consider whether to change its recommendation regarding the merger; and

if Mittal Steel does not make an offer within three business days of its receipt of notice of a Superior Proposal that the ISG board of directors determines in its good faith judgment (after consultation with a financial advisor) to be at least as favorable to the ISG stockholders as the Superior Proposal .

In addition, under the merger agreement, ISG is prohibited from submitting to the vote of the ISG stockholders any Competing Transaction , or proposing to do so, except as expressly permitted in the merger agreement.

Directors and Officers Indemnification and Insurance. The merger agreement requires the certificate of incorporation and bylaws of the surviving company of the merger to contain indemnity provisions at least as favorable as those of ISG s Certificate of Incorporation prior to the merger. These indemnity provisions may not be amended, repealed or otherwise modified for six years following the merger s closing in any way, except as required by law, that may adversely affect the rights of individuals who were directors, officers, employees, fiduciaries, or agents of ISG at the time of the merger s closing.

After the merger s closing, in the event of any threatened or actual civil, criminal or administrative claim, action, suit, proceeding or investigation, including in which any individual who is now, or has been at any time prior to the date of the merger agreement, or whom becomes prior to the merger s closing, a director, officer or employee of ISG or any of ISG s subsidiaries or who is or was serving at the request of ISG or any of ISG s subsidiaries as a director, officer or employee of another person, is, or is threatened to be, made a party based in whole or in part on, or arising in whole or in part out of, or pertaining to, (i) the fact that the individual is or was a director, officer or employee of ISG or any of ISG s subsidiaries or, (ii) this merger agreement or any of the transactions contemplated by this merger agreement, whether asserted or arising before or after the merger s closing, the surviving company of the merger will indemnify, defend and hold harmless, those individuals against those claims, actions or suits or proceedings, to the fullest extent that would be permitted under the DGCL (including reimbursement for reasonable fees and expenses incurred in advance of the final disposition of any claim, action, suit, proceeding or investigation to each indemnified party) (assuming for purposes of applying any applicable limitations on indemnification under the DGCL that they were directors, officers or employees of the surviving company of the merger at the time of the relevant action or inaction). From and after the merger closing, the surviving company of the merger will fulfill and honor in all material respects the obligations of ISG to indemnify, defend and hold harmless, the individuals to be indemnified as provided in ISG s Certificate of Incorporation and Bylaws in effect on the date of the merger agreement, and any indemnification agreement listed in Section 6.07(b) of the ISG disclosure schedule to the merger agreement; *provided, however,* to the extent any such matter arises out of service by any individual such as a director or officer of Mittal Steel or any Mittal Steel subsidiary as of or after the merger s closing, the indemnity will be provided in accordance with Mittal Steel s Deed of Incorporation and Articles of Association, as in effect from time to time, and any director and officer indemnification agreements between Mittal Steel and such person.

In addition, the merger agreement provides that the surviving company of the merger must use its reasonable best efforts to maintain in effect for six years from the merger s closing, if available, the directors and officers liability insurance policies maintained by ISG (or substitute policies of at least the same coverage containing terms and conditions that are not materially less favorable) with respect to matters occurring prior to merger s closing; *provided, however,* the surviving company of the merger is not required to expend more than an amount per year equal to 250% of current annual premiums paid by ISG for the insurance. If this insurance coverage cannot be obtained at all, or can only be obtained at an annual premium in excess of the maximum premium, Mittal Steel is required to maintain policies of directors and officers insurance obtainable for an annual premium equal to the maximum premium.

In the event that Mittal Steel or the surviving company of the merger or their respective successors or assigns

consolidates with or merges into any other person and is not the continuing or surviving company or entity in the consolidation or merger, or

transfers all or substantially all of its properties and assets to any person,

then, proper provision must be made so that the successor and assign of Mittal Steel or the surviving company of the merger, as the case may be, assumes responsibility and liability for the obligations set forth with respect to Mittal Steel or the surviving company of the merger, as the case may be.

Further Action; Reasonable Best Efforts

The merger agreement contemplates that prior to the closing of the merger, ISG and Mittal Steel will use their reasonable best efforts to take all appropriate action necessary under applicable laws or otherwise to complete and make effective the merger, including using their reasonable best efforts to obtain all permits, consents and approvals of governmental authorities and parties to contracts with ISG as are necessary for the completion of the merger and to fulfill the conditions to the merger; provided that Mittal Steel will not be required to take any action, including entering into any consent decree, hold separate order or other arrangement, that:

requires the divestiture of any assets of any of Mittal Steel or any of its subsidiaries or limits Mittal Steel s freedom of action with respect to, or its ability to retain, any of Mittal Steel s or its affiliates assets or businesses, that, in any such case, if such action were to be taken with respect to a comparable amount of assets or businesses of ISG, would have a material adverse effect on ISG; or

requires the divestiture of any assets of any of ISG or any of its subsidiaries or limits Mittal Steel s freedom of action with respect to, or its ability to retain, ISG and its subsidiaries or any of ISG and its subsidiaries assets or businesses that, in any such case, would have a material adverse effect of ISG.

Certain Post-Closing Matters

Following the effective time of the merger, Mittal Steel will cause the surviving company of the merger and its subsidiaries to honor in accordance with their terms, all contracts, agreements, arrangements, policies, plans and commitments of ISG and its subsidiaries as in effect immediately prior to the effective time of the merger that are applicable to any current or former employees or directors of ISG or any of its subsidiaries.

Certain Employee Benefits and Other Matters

Promptly after the effective time of the merger, Mittal Steel will cause:

a member of the ISG board of directors designated by such board prior to the completion of the merger, after consultation with Mittal Steel, or, if no such individual is so designated, the chairman of the ISG board of directors, to be elected to the Mittal Steel board of directors; and

ISG s Chief Executive Officer, to be made the chief executive officer for all of Mittal Steel s U.S. operations;

provided, that if ISG s then-current Chief Executive Officer no longer holds that position at the time of the closing, then Mittal Steel s obligation will be solely to consult with the ISG board of directors prior to the closing before making any substitute appointment.

Table of Contents

In addition, the merger agreement provides that, on or prior to December 31, 2004, ISG will pay to each participant in ISG s officer cash and stock bonus plan and the return on equity bonus program the participant s bonus for the fiscal year ending December 31, 2004.

ISG Affiliates

Pursuant to the terms of the merger agreement, ISG delivered to Mittal Steel a list of persons who were, in ISG s judgment, affiliates of ISG within the meaning of Rule 145 of the Securities Act. ISG will use its reasonable best efforts to deliver to Mittal Steel prior to the effective time of the merger an affiliate letter executed by each ISG affiliate. ISG affiliates will not be entitled to receive the stock portion of the merger consideration until the ISG affiliate has executed and delivered to Mittal Steel an affiliate letter.

Reorganization

The merger agreement is intended to constitute a plan of reorganization within the meaning of the Internal Revenue Code and, therefore to be tax free for ISG stockholders except to the extent of any cash received. Until the effective time of the merger, the parties to the merger agreement will use their reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of the Internal Revenue Code. In addition, the parties to the merger agreement acknowledge and agree that Mittal Steel will have the sole and absolute discretion to exercise its rights to increase the amount of stock consideration received by ISG stockholders in the merger or to effect the acquisition of ISG pursuant to a reverse-subsidiary merger structure, as further described under THE MERGER AGREEMENT Tax Adjustment and Alternative Structure beginning on page 83.

Sale and Charter

Prior to the closing of the merger, ISG is required to consummate a transaction in which it transfers ownership of two shipping vessels used for shipping in the Great Lakes region of the United States to a third party approved by the U.S. Maritime Administration, and charters such vessels from the approved third party.

Access to Information; Confidentiality

Except as required pursuant to any confidentiality agreement or similar agreement or arrangement to which Mittal Steel or ISG or any of their respective subsidiaries is a party or pursuant to applicable law, from the date of the merger agreement until the effective time of the merger, ISG has agreed to (and to cause its subsidiaries to):

- provide to Mittal Steel and its representatives access at reasonable times upon prior notice to the officers, employees, agents, properties, offices and other facilities of ISG and its subsidiaries and to the books and records thereof, including access to conduct any reasonable environmental assessment; and

- furnish promptly to Mittal Steel such information concerning the business, properties, contracts, assets, liabilities, personnel and other aspects of ISG and its subsidiaries as Mittal Steel or its representatives may reasonably request;

and Mittal Steel has agreed to (and will cause its subsidiaries to):

- provide to ISG and its representatives access at reasonable times upon prior notice to the officers, employees, agents, properties, offices and other facilities of Mittal Steel and its subsidiaries and to such entities books and records; and

- furnish promptly to Mittal Steel such information concerning the business, properties, contracts, assets, liabilities, personnel and other aspects of Mittal Steel and its subsidiaries as is reasonably necessary in order for ISG to perform a due diligence review with respect to the representations, warranties and covenants provided to ISG pursuant to the merger agreement.

All information obtained by Mittal Steel or ISG pursuant to this provision must be kept confidential in accordance with the confidentiality agreement, dated September 28, 2004, between Mittal Steel and ISG.

Conditions of the Merger

Conditions to the Obligations of ISG, Mittal Steel and Park Acquisition Corp.

The obligations of ISG, Mittal Steel and Park Acquisition Corp. to complete the merger are subject to the satisfaction or waiver (where permissible) of the following conditions:

- the transactions contemplated by the LNM Holdings acquisition agreement will have been completed on the terms set forth in such agreement, with such amendments as have been entered into with the approval of the parties to the acquisition agreement and ISG;
- the registration statement on Form F-4 relating to the merger will have been declared effective by the SEC and no stop order suspending its effectiveness will have been issued by the SEC and no proceeding for that purpose will have been initiated by the SEC;
- the merger agreement will have been adopted by the requisite affirmative vote of the stockholders of ISG in accordance with DGCL and ISG s Certificate of Incorporation;
- the merger agreement will have been adopted by the requisite affirmative vote of the shareholders of Mittal Steel in accordance with Section 2:107A of the Dutch Civil Code;
- no governmental authority will have enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, executive order or award that will make the merger illegal or otherwise prohibit completion of the merger;
- any waiting period (and any extension of such period) applicable to the completion of the merger under the Hart-Scott-Rodino Antitrust Improvements Act will have expired or been terminated;
- the Mittal Steel class A common shares to be issued in the merger will have been authorized for listing on the New York Stock Exchange and Euronext Amsterdam, subject to official notice of issuance; and
- all applicable approvals to the extent required to be obtained from the European Commission, the member states of such commission, or any other country in which Mittal Steel or ISG operate which has jurisdiction over the merger or the transactions contemplated by the merger agreement will have been obtained.

The parties currently expect that the only non-U.S. regulatory approval required for completion of the merger is approval under German law.

Conditions to the Obligations of Mittal Steel and Park Acquisition Corp.

In addition, the obligations of Mittal Steel and Park Acquisition Corp. to complete the merger are subject to the satisfaction or waiver (where permissible) of the following additional conditions:

- the representations and warranties of ISG contained in the merger agreement will have been true and correct when made and will be true and correct as of the effective time of the merger, with the same force and effect as if made as of the effective time (other than such representations and warranties as are made as of another date which will be true and correct as of such date), except where the failure to be so true and correct (without giving effect to any limitations or qualification as to materially (including the word material) or Company Material Adverse Effect) would not, individually or in the aggregate, have a material adverse effect with respect to ISG (as such term is summarized with respect to ISG under THE MERGER AGREEMENT Material Adverse Effect beginning on page 88);
- ISG will have performed or complied in all material respects with all agreements and covenants required by the merger agreement to be performed or complied with by it on or prior to the effective time of the merger;

ISG will have delivered to Mittal Steel a certificate, dated the date of the closing of the merger, certifying as to the satisfaction of the conditions related to its representations and warranties and covenants described directly above;

no event, circumstance, change or effect will have occurred since the date of the merger agreement that, individually or in the aggregate with all other events, circumstances, changes and effects, is or could reasonably be expected to be materially adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of ISG and its subsidiaries taken as a whole; provided, however, that the scope of this condition will not include any event, circumstance, change or effect resulting from changes in general economic conditions, or general changes in the industry of manufacturing, processing, selling, marketing and distributing steel in which ISG and its subsidiaries operate that do not have a disproportionate effect (relative to other industry participants) on ISG and its subsidiaries, taken as a whole; and

Mittal Steel will have received the opinion of Shearman & Sterling LLP, counsel to Mittal Steel, based upon customary or reasonable representations and subject to customary or reasonable limitations and assumptions, to the effect that, for U.S. federal income tax purposes, the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and each of Mittal Steel, Park Acquisition Corp. and ISG will be a party to the reorganization within the meaning of Section 368(b) of the Internal Revenue Code, which opinion will not have been withdrawn or modified in any material respect. The representations upon which the opinion is based will be provided in representation letters signed and dated the date of such opinion by an authorized officer of the representing entity, and will not have been withdrawn or modified in any material respect as of the effective time of the merger.

Conditions to the Obligations of ISG

The obligations of ISG to complete the merger are subject to the satisfaction or waiver (where permissible) of the following additional conditions:

the representations and warranties of Mittal Steel and Park Acquisition Corp. contained in the merger agreement will have been true and correct when made and will be true and correct as of the effective time of the merger, with the same force and effect as if made as of the effective time (other than such representations and warranties as are made as of another date which will be true and correct as of such date), except where the failure to be so true and correct (without giving effect to any limitations or qualification as to materially (including the word material) or Parent Material Adverse Effect) would not, individually or in the aggregate, have a material adverse effect with respect to Ispat International (as such term is summarized with respect to Mittal Steel under THE MERGER AGREEMENT Material Adverse Effect);

Mittal Steel and Park Acquisition Corp. will have performed or complied in all material respects with all agreements and covenants required by the merger agreement to be performed or complied with by it on or prior to the effective time of the merger;

Mittal Steel will have delivered to ISG a certificate, dated the date of the closing of the merger, certifying as to the satisfaction of the conditions related to its representations and warranties and covenants described directly above;

ISG will have received the opinion of Jones Day, counsel to ISG, based upon customary or reasonable representations and subject to customary or reasonable limitations and assumptions, to the effect that, for U.S. federal income tax purposes,

either the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and each of Mittal Steel, Park Acquisition Corp. and ISG will be a party to the reorganization within the meaning of section 368(b) of the Internal Revenue Code, or the Reverse-Subsidiary Merger structure referred to under THE MERGER AGREEMENT Tax Adjustment and Alternative Structure beginning on page 83, together with the acquisition of the shares of LNM Holdings, will qualify as transfers of property described in Section 351(a) (subject to Section 351(b)) of the Internal Revenue Code by The Richmond Investment Holdings Limited and each of ISG s stockholders, and

the transfer of shares of ISG common stock by its stockholders will not be subject to Section 367(a)(1) of the Internal Revenue Code,

and such opinion will not have been withdrawn or modified in any material respect. The representations upon which the opinion is based will be provided in representation letters signed and dated the date of such opinion by an appropriate officer of the representing entity, and will not have been withdrawn or modified in any material respect as of the effective time of the merger; and

no event, circumstance, change or effect will have occurred since the date of the merger agreement that, individually or in the aggregate with all other events, circumstances, changes and effects, is or could reasonably be expected to be materially adverse to the business, condition (financial or otherwise), assets, liabilities or results of operations of Mittal Steel and its subsidiaries taken as a whole, giving effect to the acquisition of LNM Holdings as if it had closed on the date of the merger agreement; provided, however that the foregoing provision will not include any event, circumstance, change or effect resulting from changes in general economic conditions, or general changes in the industry of manufacturing, processing, selling, marketing and distributing steel in which Mittal Steel and its subsidiaries operate that do not have a disproportionate effect (relative to other industry participants) on Mittal Steel and its subsidiaries taken as a whole.

Termination

Termination by Mutual Agreement

The merger agreement may be terminated and the merger and the other transactions contemplated by the parties may be abandoned at any time prior to the effective time of the merger, despite any requisite adoption of the merger agreement by the stockholders of ISG or Mittal Steel by mutual written consent of ISG and Mittal Steel duly authorized by their respective boards of directors.

Termination by Either ISG or Mittal Steel

The merger agreement may be terminated and the merger and the other transactions contemplated by the parties may be abandoned by either ISG or Mittal Steel at any time prior to the effective time of the merger, notwithstanding any requisite adoption of the merger agreement by the stockholders of ISG or Mittal Steel:

if the effective time of the merger has not occurred on or before April 30, 2005 (which date may be extended at the written request of either Mittal Steel or ISG for up to an additional sixty calendar days to the extent necessary to satisfy the conditions to the merger related to antitrust approvals specified in the merger agreement and described under THE MERGER AGREEMENT Conditions of the Merger *Conditions to the Obligations of ISG, Mittal Steel and Park Acquisition Corp.* beginning on page 97 and so long as all other conditions have been satisfied or will be capable of being satisfied); provided, however, that the right to terminate the merger agreement under this provision will not be available to any party whose failure to fulfill any obligation under the merger agreement has been the cause of, or resulted in, the failure of the effective time of the merger to occur on or before such date; or

if any governmental authority in the United States or The Netherlands has enacted, issued, promulgated, enforced or entered any injunction, order, decree or ruling (whether temporary, preliminary or permanent) which has become final and nonappealable and has the effect of making completion of the merger or the transaction related to the acquisition of LNM Holdings illegal or otherwise preventing or prohibiting completion of the merger or such acquisition; or

if the merger agreement fails to receive the requisite vote for adoption at an ISG stockholders meeting or the Mittal Steel shareholders meeting, in each case related to the merger.

Termination by Mittal Steel

The merger agreement may be terminated and the merger and the other transactions contemplated by the parties may be abandoned by Mittal Steel at any time prior to the effective time of the merger, notwithstanding any requisite adoption of the merger agreement by the stockholders of ISG or Mittal Steel:

if a Company Triggering Event (as defined below) has occurred; or

if the ISG board of directors withdraws, modifies or changes its recommendation relating to the merger in a manner adverse to Mittal Steel; or

upon a breach of any representation, warranty, covenant or agreement on the part of ISG contained in the merger agreement, or if any representation or warranty of ISG has become untrue, in either case such that the conditions to the merger related to ISG confirming the accuracy of ISG s representations and warranties and its compliance with the covenants in the merger agreement described under THE MERGER AGREEMENT Conditions of the Merger *Conditions to the Obligations of Mittal Steel and Park Acquisition Corp.* beginning on page 97 would not be satisfied; provided, however, that, if such breach is curable by ISG, Mittal Steel may not terminate the merger agreement under this provision as long as ISG continues to exercise its reasonable best efforts to cure such breach, unless such breach is not cured within 45 days after notice of such breach is provided by Mittal Steel to ISG; or

if

either condition related to the receipt of the tax opinions as described under THE MERGER AGREEMENT Conditions of the Merger beginning on page 97 have not been satisfied or waived,

all other conditions have been satisfied, and

five business days have elapsed after Mittal Steel has provided written notice to ISG of its intention to terminate the merger agreement pursuant to this provision without ISG having consented to the completion of the merger by employing the alternative Reverse-Subsidiary Merger structure described under THE MERGER Tax Adjustment and Alternative Structure beginning on page 83.

Termination by ISG

In addition, the merger agreement may be terminated and the merger and the other transactions contemplated by the parties may be abandoned by ISG at any time prior to the effective time of the merger, notwithstanding any requisite adoption of the merger agreement by the stockholders of ISG or Mittal Steel:

upon a breach of any representation, warranty, covenant or agreement on the part of Mittal Steel and Park Acquisition Corp., contained in the merger agreement, or if any representation or warranty of Mittal Steel and Park Acquisition Corp. has become untrue, in either case such that the conditions to the merger related to Mittal Steel and Park Acquisition Corp. and the accuracy of their representations and warranties and their compliance with the covenants in the merger agreement described under THE MERGER AGREEMENT Conditions of the Merger *Conditions to the Obligations of Mittal Steel and Park Acquisition Corp.* beginning on page 97 would not be satisfied; provided, however, that, if such breach is curable by Mittal Steel and Park Acquisition Corp., ISG may not terminate the merger agreement under this provision as long as Mittal Steel and Park Acquisition Corp. continue to exercise their reasonable best efforts to cure such breach, unless such breach is not cured within 45 days after notice of such breach is provided by ISG to Mittal Steel; or

if the LNM Holdings acquisition agreement has been terminated prior to completion of the transactions contemplated by such acquisition agreement, whether or not in accordance with its terms, or any of the conditions to completion in the LNM Holdings acquisition agreement will have become incapable of being fulfilled; or

Table of Contents

in order for ISG to accept a Superior Proposal ; provided that in order for the termination of the merger agreement pursuant to this provision to be effected, ISG must have complied with its obligations precedent to exercising its fiduciary termination right as described under THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right Fiduciary Termination Right* beginning on page 93, and its obligations (including payment of any required termination fee) described under THE MERGER AGREEMENT Fees and Expenses *Termination Fees and Expenses Paid by ISG* beginning on page 102.

For purposes of the merger agreement, a Company Triggering Event will be deemed to have occurred if:

the ISG board has recommended to its stockholders a Competing Transaction or has authorized ISG to enter into any letter of intent or similar document or any agreement, contract or commitment accepting any Competing Transaction ;

ISG has failed to include the recommendation of the ISG board of directors in favor of the merger in the proxy statement to be filed with the SEC in connection with the merger;

the ISG board of directors fails to reaffirm its recommendation in favor of the merger (which may include a reservation of the right to withdraw or change such recommendation in the future) within five business days after Mittal Steel requests in writing that such recommendation be reaffirmed; or

a tender offer or exchange offer for 30% or more of the outstanding shares of capital stock of ISG is commenced, and the ISG board of directors fails to recommend against or takes no position with respect to acceptance of such tender offer or exchange offer by the ISG stockholders within ten business days after such tender offer or exchange offer is commenced.

Effect of Termination

In the event of the termination of the merger agreement pursuant to the provisions described under THE MERGER AGREEMENT Termination beginning on page 99, the merger agreement will become void, and there will be no liability under the merger agreement on the part of any party to the merger agreement, except that:

the provisions regarding fees and expenses summarized under THE MERGER AGREEMENT Fees and Expenses beginning on page 101, amendment and waiver summarized under THE MERGER AGREEMENT Amendment and Waiver beginning on page 103, and the general provisions contained in Article IX of the merger agreement will survive such a termination;

termination of the merger agreement will not relieve any party from liability for any willful breach of any of its representations, warranties, covenants or agreements contained in the merger agreement prior to such termination; and

the confidentiality agreement between Mittal Steel and ISG, dated September 28, 2004, will survive any termination of the merger agreement.

Fees and Expenses

General Expenses. Except as provided below, all expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring such expenses, whether or not the merger or any other transaction is completed, provided that Mittal Steel and ISG will share certain expenses related to notifications and filings related to the merger with the SEC, Euronext Amsterdam and with various antitrust and competition law authorities.

Termination Fees and Expenses Paid by ISG. In addition, ISG has agreed to pay a termination fee to Mittal Steel of $130,000,000:

upon termination of the merger agreement:

by Mittal Steel upon a Company Triggering Event (as described above under THE MERGER AGREEMENT Termination beginning on page 99);

by Mittal Steel if the ISG board of directors withdraws, modifies or changes its recommendation regarding the merger in a manner adverse to Mittal Steel and prior to the time of such termination a Competing Transaction (as described above) regarding ISG has been communicated to the ISG board of directors and not withdrawn; or

by ISG in order to accept a Superior Proposal ; provided that ISG has complied with its obligations precedent to accepting a Superior Proposal set forth in the merger agreement and described under THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right Fiduciary Termination Right* beginning on page 93; and

upon ISG entering into an agreement for a Third Party Acquisition :

if either Mittal Steel or ISG terminates the merger agreement because the merger has not become effective on or before April 30, 2005 (or such date as extended in accordance with the merger agreement), as further described under the first bullet of THE MERGER AGREEMENT Termination *Termination by Either ISG or Mittal Steel* beginning on page 99 and prior to the time of such termination a Competing Transaction (as described above) regarding ISG has been communicated to the ISG board of directors and not withdrawn, and ISG enters into an agreement for a Third Party Acquisition within 12 months after the date of such termination; or

if either Mittal Steel or ISG terminates the merger agreement because the merger agreement is not adopted by the ISG stockholders at their meeting related to the merger and, prior to the time of such failure to so approve the merger agreement, a Competing Transaction (as described above) regarding ISG has been publicly announced and not withdrawn, and ISG enters into an agreement for a Third Party Acquisition within 12 months after the date of such termination;

Expense Reimbursement by ISG

In addition, ISG has agreed to reimburse Mittal Steel for certain expenses related to the merger up to a maximum amount of $10,000,000, provided that no break up fee described above has been paid by ISG, if Mittal Steel terminates the merger agreement:

because it is not adopted by the ISG stockholders at their meeting related to the merger and prior to the time of such termination, no Competing Transaction (as described above) with respect to ISG has been publicly announced and not withdrawn, and neither Mittal Steel nor Park Acquisition Corp. is in material breach of its covenants and agreements or its representations and warranties contained in the merger agreement;

because the ISG board of directors withdraws, modifies or changes its recommendation regarding the merger in a manner adverse to Mittal Steel and prior to the time of such termination no Competing Transaction (as described above) has been communicated to the ISG board of directors and not withdrawn, and neither Mittal Steel nor Park Acquisition Corp. is in material breach of its covenants and agreements or its representations and warranties contained in the merger agreement; or

because ISG has breached or failed to perform its covenants, representations and warranties as further described under THE MERGER AGREEMENT Termination *Termination by Mittal Steel* beginning on page 100.

Table of Contents

Termination Fees and Expenses Paid by Mittal Steel

In addition, Mittal Steel has agreed to pay to ISG a break up fee of $130,000,000 in the event ISG terminates the merger agreement because the LNM Holdings acquisition agreement has been terminated prior to completion of the transactions contemplated under such agreement, whether or not in accordance with its terms, or any of the conditions to completion in the LNM Holdings acquisition agreement shall have become incapable of being fulfilled.

Expense Reimbursement by Mittal Steel

In addition, Mittal Steel has agreed to reimburse ISG for certain expenses related to the merger up to a maximum amount of $10,000,000, provided that no break-up fee described above has been paid by Mittal Steel and ISG is not in material breach of its covenants and agreements or its representations and warranties contained in the merger agreement, if ISG terminates the merger agreement because:

Mittal Steel has breached its representations or warranties or any of its or Park Acquisition Corp. s representations or warranties have become untrue such that the conditions related to the accuracy and correctness of its representations and warranties or its compliance with covenants required by the merger agreement would not be satisfied; or

the merger agreement is not adopted by Mittal Steel s shareholders at their meeting related to the merger.

A Third Party Acquisition means any of the following transactions (other than the transactions contemplated by the merger agreement):

a merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving ISG pursuant to which the ISG stockholders immediately preceding such transaction hold less than 50% of the aggregate equity interests in the surviving or resulting entity of such transaction or of any direct or indirect parent of such entity;

a sale or other disposition by ISG of assets representing in excess of 50% of the aggregate fair market value of its business immediately prior to such sale or other disposition;

an acquisition by any person or group (including by way of a tender offer or an exchange offer or an issuance of capital stock by ISG), directly or indirectly, of beneficial ownership of 50% or more of the voting power of the then outstanding shares of ISG s capital stock;

the adoption by ISG of a plan of liquidation or the recapitalization of ISG by means of the payment of an extraordinary dividend involving more than $1.0 billion; or

the repurchase by ISG or any of its subsidiaries of 50% or more of the outstanding shares of ISG common stock.

Amendment and Waiver

The merger agreement may not be amended, except by an instrument in writing signed by each of Mittal Steel, Park Acquisition Corp. and ISG. The parties to the merger agreement may amend the merger agreement at any time prior to the effective time of the merger by action taken by or on behalf of their respective boards of directors. However, after the adoption of the merger agreement by the ISG stockholders, no amendment may be made that would reduce the amount or change the type of consideration into which each share of ISG common stock will be converted upon completion of the merger.

In addition, prior to the effective time of the merger, any party to the merger agreement may through a signed written instrument:

extend the time for the performance of any obligation or other act of any other party to the merger agreement;

Table of Contents

waive any inaccuracy in the representations and warranties of any other party to the merger agreement contained in the merger agreement or in any document delivered pursuant to the merger agreement; and

waive compliance with any agreement of any other party or any condition to its own obligations contained in the merger agreement.

Parties in Interest

The merger agreement will be binding upon and inure solely to the benefit of each party thereto, and nothing in the merger agreement, express or implied, is intended to or will confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of the merger agreement, other than the provisions described above under THE MERGER AGREEMENT Certain Employee Benefits and Other Matters beginning on page 95 (which is intended to be for the benefit of the persons covered thereby and may be enforced by such persons).

Governing Law

The merger agreement is governed by the laws of the State of New York applicable to contracts executed in and to be performed in New York (other than those provisions set forth therein that are required to be governed by the DGCL). The parties to the merger agreement also submitted to the exclusive jurisdiction of any New York state or federal court sitting in the Borough of Manhattan of the City of New York and waived the right to a trial by jury in connection with the merger agreement.

Table of Contents

RICHMOND SUPPORT LETTER AGREEMENT

The following summary of the material provisions of the Richmond support letter agreement between The Richmond Investment Holdings Limited and ISG is qualified in its entirety by reference to the complete text of the Richmond support letter agreement, which is incorporated by reference and attached as Annex B to this proxy statement/ prospectus. You are urged to read the full text of the Richmond support letter agreement in its entirety for a more complete description of the terms and conditions of the agreement.

The Richmond Investment Holdings Limited entered into the Richmond support letter agreement with ISG. On October 24, 2004, the date of the execution of the merger agreement and the Richmond support letter agreement, The Richmond Investment Holdings Limited was, at the time, the sole shareholder of LNM Holdings. The transactions contemplated by the LNM Holdings acquisition agreement were completed on December 17, 2004 and, as a result, LNM Holdings is a wholly owned subsidiary of Mittal Steel.

Representations and Warranties

In the Richmond support letter agreement, The Richmond Investment Holdings Limited represented and warranted, as of the date of the Richmond support letter agreement, that:

The Richmond Investment Holdings Limited is the sole stockholder of LNM Holdings and has entered into the LNM Holdings acquisition agreement;

the LNM Holdings acquisition agreement is a valid and binding agreement of Richmond Investment Holdings Limited and is not in default by its terms, nor has the LNM Holdings acquisition agreement been canceled;

the representations and warranties of The Richmond Investment Holdings Limited contained in the LNM Holdings acquisition agreement are true and correct in all material respects;

The Richmond Investment Holdings Limited is not in breach or violation of, or default under, the LNM Holdings acquisition agreement in any material respect;

to The Richmond Investment Holdings Limited s knowledge, Mittal Steel is not in breach or violation of, or default under, the LNM Holdings acquisition agreement;

The Richmond Investment Holdings Limited has not received any claim of default under the LNM Holdings acquisition agreement;

neither the execution of the LNM Holdings acquisition agreement or the merger agreement nor the completion of any transactions contemplated thereby will constitute a default under, give rise to cancellation rights under, or otherwise adversely affect the rights of Mittal Steel for indemnification under, the LNM Holdings acquisition agreement;

the execution and delivery of the Richmond support letter agreement by Richmond Investment Holdings Limited has been duly authorized;

the Richmond support letter agreement has been duly executed and delivered by The Richmond Investment Holdings Limited and constitutes the valid and binding obligation of The Richmond Investment Holdings Limited enforceable against The Richmond Investment Holdings Limited in accordance with its terms; and

the execution and delivery of the Richmond support letter agreement by The Richmond Investment Holdings Limited does not, and the performance of the Richmond support letter agreement by The Richmond Investment Holdings Limited will not, conflict with or violate the certificate of incorporation, by-laws or similar organizational documents of The Richmond Investment Holdings Limited.

Covenants

In the Richmond support letter agreement, The Richmond Investment Holdings Limited agrees that, except as permitted or contemplated by the LNM Holdings acquisition agreement from the date of the

Table of Contents

Richmond support letter agreement to the earlier of the termination of the merger agreement and the completion of Ispat International s purchase of all of the issued and outstanding capital stock of LNM Holdings, The Richmond Investment Holdings Limited will cause LNM Holdings not to declare, set aside, make or pay any dividend or other distribution payable in cash, stock, property or otherwise, with respect to any of the capital stock of LNM Holdings or repurchase or otherwise acquire, directly or indirectly, any of LNM Holdings capital stock or enter into any binding agreement to do any of the foregoing.

The Richmond support letter agreement also provides that from the date of the Richmond support letter agreement until the earlier of the termination of the merger agreement and the effective time of the merger, The Richmond Investment Holdings Limited will cause LNM Holdings to:

provide to ISG and its representatives access (at reasonable times and upon prior notice) to the officers, employees, agents, properties, offices and other facilities of LNM Holdings and its subsidiaries and to such companies books and records; and

promptly furnish to ISG such information concerning the business, properties, contracts, assets, liabilities, personnel and other aspects of LNM Holdings and its subsidiaries as is reasonably necessary in order for ISG to perform a due diligence review with respect to representations, warranties and covenants provided to ISG pursuant to the merger agreement.

Table of Contents

PARENT SHAREHOLDER SUPPORT AGREEMENT

The following summary of the material provisions of the parent shareholder support agreement between Ispat International Investments, S.L., and ISG is qualified in its entirety by reference to the complete text of the parent shareholder support agreement, which is incorporated by reference and attached as Annex C to this proxy statement/ prospectus. You are urged to read the full text of the parent shareholder support agreement in its entirety for a more complete description of the terms and conditions of the parent shareholder support agreement.

Ispat International Investments, S.L., a company owned by the controlling shareholder of Mittal Steel, entered into a parent shareholder support agreement with ISG. On October 24, 2004, the date of the execution of the merger agreement and the parent shareholder support agreement, the number of Mittal Steel class A common shares and Mittal Steel class B common shares beneficially owned and of record by Ispat International Investments, S.L., were 26,100,000 and 72,150,000, respectively.

Voting Agreement

The parent shareholder support agreement provides that Ispat International Investments, S.L., will vote all of its Mittal Steel class A common shares and Mittal Steel class B common shares:

- in favor of the approval of the merger agreement, the merger and all other transactions contemplated by the merger agreement;

- in favor of the approval of the LNM Holdings acquisition agreement pursuant to which Ispat International agreed to purchase all of the issued and outstanding capital stock of LNM Holdings and all other transactions contemplated by such agreement;

- against any action, agreement or transaction (other than the merger agreement, the LNM Holdings acquisition agreement or the transactions contemplated thereby) or proposal (including any proposal or offer involving Mittal Steel or LNM Holdings that Ispat International Investments, S.L., knows would be an alternative to, or would prevent or materially delay, the transactions contemplated by the merger agreement) that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Mittal Steel under the merger agreement or the LNM Holdings acquisition agreement or that could result in any of the conditions to Mittal Steel s obligations under the merger agreement or the LNM Holdings acquisition agreement not being fulfilled; and

- in favor of any other matter necessary to the completion of the transactions contemplated by the merger agreement and the LNM Holdings acquisition agreement that are considered and voted upon by the shareholders of Mittal Steel.

Covenants

The parent shareholder support agreement provides, among other things, that Ispat International Investments, S.L., subject to the terms of the parent shareholder support agreement, will not:

- directly or indirectly sell, assign, dispose of, or transfer (including by operation of law) any of its Mittal Steel class A common shares or Mittal Steel class B common shares or otherwise agree to do any of the foregoing; deposit any of its Mittal Steel class A common shares or Mittal Steel class B common shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with the parent shareholder support agreement; enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect acquisition or sale, assignment, transfer (including by operation of law) or other disposition of any of its Mittal Steel class A common shares or Mittal Steel class B common shares that would prevent Ispat International Investments, S.L. from voting as provided in PARENT SHAREHOLDER SUPPORT AGREEMENT Voting Agreement or take any action that would make any representation or warranty of Ispat International Investments, S.L. in the parent shareholder support agreement untrue or incorrect in any material respect or have the effect of preventing or disabling Ispat International Investments, S.L. from performing its obligations under the parent shareholder support agreement; and

directly or indirectly, through any officer, director, agent or otherwise, enter into any contract, agreement or commitment contemplating or otherwise relating to any proposal or offer involving Ispat International or LNM Holdings that Ispat International Investments, S.L. knows would be an alternative to, or would prevent or materially delay, the transactions contemplated by the merger agreement.

Termination

The obligations of Ispat International Investments, S.L. under the parent shareholder support agreement terminate upon the earlier of the effective time of the merger and the termination of the merger agreement as described in MERGER AGREEMENT Termination beginning on page 99.

Table of Contents

COMPANY SHAREHOLDER SUPPORT AGREEMENT

The following summary of the material provisions of the company shareholder support agreement among Ispat International, Wilbur L. Ross, Chairman of the ISG board of directors and certain affiliates of Mr. Ross and Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, is qualified in its entirety by reference to the complete text of the company shareholder support agreement, which is incorporated by reference and attached as Annex D to this proxy statement/ prospectus. You are urged to read the full text of the company shareholder support agreement in its entirety for a more complete description of the terms and conditions of the agreement.

Mr. Ross, certain affiliates of Mr. Ross and Mr. Mott each entered into a company shareholder support agreement with Mittal Steel. On October 24, 2004, the date of the execution of the merger agreement and the company shareholder support agreement, the number of shares of ISG common stock owned beneficially and of record by Mr. Ross and certain affiliates of Mr. Ross and Mr. Mott were 6,936,786 and 1,381,059, respectively.

Voting Agreement

Grant of Proxy

Pursuant to the company shareholder support agreement, each ISG stockholder party thereto granted an irrevocable proxy to Mittal Steel to vote all of their shares of ISG common stock and any shares they may acquire prior to the termination of the company shareholder support agreement:

- in favor of the approval and adoption of the merger agreement and approval of the merger and all other transactions contemplated by the merger agreement and the company shareholder support agreement;

- against any action, agreement or transaction (other than the merger agreement or the transactions contemplated thereby) or proposal (including any Competing Transaction , as defined in MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* beginning on page 92) that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of ISG under the merger agreement or that could result in any of the conditions to ISG s obligations under the merger agreement not being fulfilled; and

- in favor of any other matter necessary to the completion of the transactions contemplated by the merger agreement that is considered and voted upon by the ISG stockholders.

In addition, each ISG stockholder who is a party to the company shareholder support agreement agreed to cause their shares of ISG common stock (and such other shares that each may acquire prior to the termination thereof) to be voted in accordance with the foregoing and to promptly notify Mittal Steel and ISG of the number of any new shares of ISG common stock or any other securities of ISG they acquire, if any, after the date of the company shareholder support agreement.

Termination of Proxy

The company shareholder support agreement provides that, upon the earlier to occur of the effective time of the merger and the termination of the merger agreement (regardless of the circumstances (including whether or not there is a dispute as to whether such termination was in accordance with the merger agreement)), the proxy will terminate automatically and without further action.

The Option

Grant of Option

Pursuant to the company shareholder support agreement, each ISG stockholder who is a party thereto granted Mittal Steel an irrevocable option to purchase each such stockholder s shares of ISG common stock at a price per share equal to $38.50 payable in cash, which is exercisable under certain conditions described below.

Table of Contents

Option Premium Payment

Mittal Steel has paid to each ISG stockholder that is a party to the company shareholder support agreement an amount in cash equal to $3.50, or the Option Premium, multiplied by the number of shares of ISG common stock held by each such stockholder.

Upon termination of the merger agreement by Mittal Steel resulting solely from a failure of ISG s representations and warranties made in the merger agreement to be true and correct or a failure of ISG to comply with or perform its agreements and covenants set forth in the merger agreement, each ISG stockholder party thereto has agreed to refund each such stockholder s Aggregate Option Premium to Mittal Steel.

Upon the completion of the merger, the Option Premium will be credited against the per share merger consideration to which a stockholder would be entitled upon conversion as set forth in THE MERGER AGREEMENT Merger Consideration beginning on page 82, but in no event will Mittal Steel be entitled to any other portion of the merger consideration to which each relevant ISG stockholder is entitled upon conversion of each such stockholder s shares of ISG common stock.

Exercisability of Option

The option granted under the company shareholder support agreement becomes exercisable upon the termination of the merger agreement under circumstances in which Mittal Steel is immediately entitled, or, in the case of certain termination events, entitled at a future date, to a termination fee of $130,000,000 as described in THE MERGER AGREEMENT Fees and Expenses *Termination Fees and Expenses Paid by ISG* beginning on page 102.

Mittal Steel may exercise its option at any time and from time to time, with respect to any or all of the shares of ISG common stock under option only following the termination of the merger agreement and until April 30, 2005.

Expiration of Option

The option granted under the company shareholder support agreement will expire if not exercised on or before April 30, 2005. If the merger agreement is terminated under certain circumstances, as a result of the failure to close on or before April 30, 2005 (as such date may be extended pursuant to the merger agreement), and a termination fee is, or could be, payable by ISG, the expiration of the option may be postponed for a period of two business days.

Option Closing

Pursuant to the company shareholder support agreement, the option closing must occur within ten business days after the date of the notice of exercise, provided that:

- to the extent necessary, with respect to the exercise of the option, any applicable waiting periods, and any extension thereof, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, will have expired or been terminated; and

- no preliminary or permanent injunction or other final non-appealable order, decree or ruling issued by any governmental authority preventing or prohibiting the exercise of the option or the delivery of shares of ISG common stock subject to the option may be in effect.

The company shareholder support agreement provides that, at the option closing, each ISG stockholder party thereto will deliver good and valid title to each such stockholder s shares of ISG common stock, subject to the provisions set forth below in COMPANY SHAREHOLDER SUPPORT AGREEMENT Covenants *Restrictions on Transfer of Shares* , free and clear of any liens, other than pursuant to the company shareholder support agreement. Upon delivery of each such stockholder s shares of ISG common stock and payment of the aggregate exercise price, Mittal Steel will receive good, valid and marketable title to each such stockholder s shares of ISG common stock, subject to the provisions set forth below in

Table of Contents

COMPANY SHAREHOLDER SUPPORT AGREEMENT Covenants *Restrictions on Transfer of Shares* , free and clear of any liens.

For purposes of the company shareholder support agreement, aggregate exercise price means the $38.50 price per share of ISG common stock multiplied by the number of shares held by such stockholder.

Covenants

Restrictions on Transfer of Shares

The company shareholder support agreement provides that from the date of the company shareholder support agreement to the earliest to occur of: (i) the effective time of the merger, (ii) a rescission of the option premium as described in COMPANY SHAREHOLDER SUPPORT AGREEMENT The Option *Option Premium Payment* beginning on page 110, (iii) termination of the merger agreement under circumstances pursuant to which, at the time of the termination of the merger agreement, Mittal Steel is not entitled or potentially entitled, depending upon future events, to receive the termination fee of $130,000,000 as set forth in THE MERGER AGREEMENT Fees and Expenses *Termination Fees and Expenses Paid by ISG* beginning on page 102, and (iv) April 30, 2005, each ISG stockholder party thereto agrees that each stockholder shall not, directly or indirectly:

- sell, assign, transfer (including by operation of law), lien, pledge, dispose of or otherwise encumber any of the shares of ISG common stock or otherwise agree to do any of the foregoing;
- deposit any shares of ISG common stock into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with the company shareholder support agreement;
- enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect acquisition or sale, assignment, transfer (including by operation of law) or other disposition of any shares of ISG common stock; or
- take any action that would make any representation or warranty of each such ISG stockholder in the company shareholder support agreement untrue or incorrect in any material respect or have the effect of preventing or disabling each such ISG stockholder from performing such ISG stockholder s obligations under the company shareholder support agreement.

The company shareholder support agreement also provides that the parties recognize that certain of the shares of ISG common stock have previously been pledged to secure certain indebtedness and the liens arising therefrom will not constitute a breach of the provisions set forth above. In addition, upon any exercise of the option with respect to any such shares of ISG common stock, the parties agree to cooperate to cause the release of such shares of ISG common stock upon application of a portion of the proceeds from the option proceeds related to the obligations.

No Solicitation of Transactions

From the date of the company shareholder support agreement until the earlier to occur of the effective time of the merger and the termination of the merger agreement for any reason (regardless of the circumstances (whether or not there is a dispute as to whether such termination was in accordance with the merger agreement)), each ISG stockholder party thereto agrees that it will not, directly or indirectly, through any officer, director, agent or otherwise:

- solicit (including by way of furnishing nonpublic information), or take any other action to facilitate, any inquiries or the making of any proposal or offer that constitutes, or may reasonably be expected to lead to, any Competing Transaction (as defined in THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* beginning on page 92);
- enter into or maintain or continue discussions or negotiations with any person or entity in furtherance of such inquiries or to obtain a proposal or offer for a Competing Transaction ;

Table of Contents

agree to, approve, endorse or recommend any Competing Transaction or enter into any letter of intent or other contract, agreement or commitment contemplating or otherwise relating to any Competing Transaction ; or

authorize or permit any agent of the Mr. Ross, certain affiliates of Mr. Ross or Mr. Mott or any of their affiliates, or any investment banker, financial advisor, attorney, accountant or other representative retained by such stockholder or any of its affiliates, to take any such action.

The company shareholder support agreement provides the foregoing will not prevent each ISG stockholder party thereto or each such ISG stockholder s representatives or agents, in any such person s capacity as a director or executive officer of ISG from engaging in any activity permitted pursuant to THE MERGER AGREEMENT Additional Agreements *No Solicitation of Transactions; Fiduciary Termination Right* beginning on page 92.

The company shareholder support agreement further provides that, unless the no solicitation provision of the company shareholder support agreement has expired as described above, each ISG stockholder party thereto will, and will direct or cause each such ISG stockholder s representatives and agents to, immediately cease and cause to be terminated all existing discussions or negotiations with any parties that may be ongoing with respect to any Competing Transaction . From the date of the company shareholder support agreement to the earlier to occur of the effective time of the merger and the termination of the merger agreement for any reason, each ISG stockholder party thereto will notify Mittal Steel orally or in writing as promptly as practicable and in any event within one day after such ISG stockholder attains knowledge thereof, if any proposal, offer, inquiry or contact with any person regarding a Competing Transaction is made. The notice should specify the material terms and conditions (including material or proposed material amendments) thereof and the identity of the party making such proposal, offer, inquiry or contact.

Termination

Pursuant to the company shareholder support agreement, the company shareholder support agreement and the option granted under the company shareholder support agreement terminate on April 30, 2005. If the option is exercised on or prior April 30, 2005, however, the option and the restrictions set forth above in COMPANY SHAREHOLDER SUPPORT AGREEMENT Covenants *Restriction on Transfer of Shares* survive until the expiration of the period for closing of the option.

DIRECTORS AND SENIOR MANAGEMENT FOLLOWING MERGER

Announced Changes of Directors and Senior Management

Assuming completion of the merger, Mr. Lakshmi N. Mittal will remain Chairman and Chief Executive Officer of Mittal Steel. Mr. Wilbur L. Ross, Chairman of the ISG board of directors, is expected to become a member of Mittal Steel s board of directors. Mr. Aditya Mittal will remain President and Group Chief Financial Officer and remain a member of Mittal Steel s board of directors. Mr. Malay Mukherjee will remain Chief Operating Officer. Mr. Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, is expected to become Chief Executive Officer of Mittal Steel s combined U.S. operations. The merger agreement and related documentation do not guarantee that Mr. Ross will serve as a director of Mittal Steel for any specified period after the merger. As of the date of this proxy statement/ prospectus, Mr. Mott has not entered into an agreement with respect to his post-merger employment and, accordingly, there can be no assurance that Mr. Mott will assume that role.

Wilbur L. Ross

Mr. Ross has served as the Chairman of the ISG board of directors since ISG s inception. Mr. Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC, a merchant banking firm, a position he has held since April 2000. Mr. Ross is also the Chairman and Chief Executive Officer of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., Asia Recovery Fund, Asia Recovery Fund Co-Investment, Nippon Investment Partners and Absolute Recovery Hedge Fund. Mr. Ross is also the general partner of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., Asia Recovery Fund, and Absolute Recovery Hedge Fund. Mr. Ross is also Chairman of Ohizumi Manufacturing Company in Japan, Burlington Industries and Cone Mills Corporation in the United States, and Insuratex, Ltd. in Bermuda. Mr. Ross is a board member of the Turnaround Management Association, Nikko Electric Co. in Japan, Tong Yang Life Insurance Co. in Korea, and of Syms Corp., Clarent Hospital Corp., 360 Networks Corp. and News Communications Inc. in the United States. Mr. Ross is also a member of the Business Roundtable. Previously, Mr. Ross served as the Executive Managing Director at Rothschild Inc., an investment banking firm, from October 1974 to March 2000. Mr. Ross was also formerly Chairman of the Smithsonian Institution National Board.

Rodney B. Mott

Mr. Mott has served as ISG s President and Chief Executive Officer and a member of the ISG board of directors since April 2002. Mr. Mott has over 30 years of management experience in the metals industry. He served as President and Chief Executive Officer of Pechiney Rolled Products, an aluminum rolling company and a division of Pechiney SA from January 2000 to August 2001. From 1987 to 2000 Mr. Mott held various positions with Nucor Corporation, a mini-mill steel producer, including Vice President/ General Manager of Nucor Steel, a division of Nucor Corporation, at the Blytheville, Arkansas and Berkley, South Carolina facilities. Prior to joining Nucor, Mr. Mott was Superintendent of Operations at Lone Star Steel from 1986 to 1987. He began his metals management career at U.S. Steel s Fairless Hills operation, where he held positions of increasing responsibility during a 14-year career from 1971 to 1986.

Current Directors and Senior Management

Management of Mittal Steel s business is vested in its board of directors. Mr. Lakshmi N. Mittal is Chairman of the board of directors and Chief Executive Officer of Mittal Steel. In establishing Mittal Steel s strategic direction and corporate policies, Mr. Lakshmi N. Mittal is supported by members of Mittal Steel s senior management team with substantial professional and worldwide steel industry experience.

It is Mittal Steel s intention, and its controlling shareholder has confirmed to Mittal Steel that it intends, to maintain on the Mittal Steel board of directors at all times at least two directors who are not and have not been senior managers or employees of any of Mittal Steel s subsidiaries or affiliates.

Mittal Steel continues to have a strong emphasis on corporate governance. Mittal Steel has five independent directors on its board of directors. See DIRECTORS AND SENIOR MANAGEMENT

FOLLOWING MERGER Mittal Steel Board Practices Corporate Governance Director Independence on page 123. Mittal Steel s Audit Committee, Nomination Committee and Remuneration Committee are comprised exclusively of three independent members each.

As of the date of this proxy statement/prospectus, the members of the Mittal Steel board of directors are as set forth below:

Name	Age	Date Joined Board	Class/Term	Position within Mittal Steel
Lakshmi N. Mittal	54	May 1997	Class A- 2008	Chairman of Mittal Steel s Board of Directors and Chief Executive Officer
Aditya Mittal	28	May 2000	Class A- 2008	Member of Mittal Steel s Board of Directors, President and Group Chief Financial Officer
Malay Mukherjee	56	July 1997	Class B- 2005	Member of Mittal Steel s Board of Directors and Chief Operating Officer
Narayanan Vaghul(1)(2)(3)(4)	68	July 1997	Class C- 2005	Member of Mittal Steel s Board of Directors
Ambassador Andrés Rozental(1)(2)(3)(4)	59	July 1997	Class C- 2005	Member of Mittal Steel s Board of Directors
Fernando Ruiz Sahagun(4)	61	July 1997	Class C- 2005	Member of Mittal Steel s Board of Directors
René Lopez(3)(4)	59	November 2002	Class C- 2005	Member of Mittal Steel s Board of Directors
Muni Krishna T. Reddy(1)(2)(4)	59	November 2002	Class C- 2005	Member of Mittal Steel s Board of Directors
Vanisha Mittal Bhatia(4)	23	December 2004	Class A- 2008	Member of Mittal Steel s Board of Directors

(1) Audit Committee

(2) Nomination Committee

(3) Remuneration Committee

(4) Non-Executive

The business address of each of the members of Mittal Steel s board of directors is Mittal Steel s offices at 15th Floor, Hofplein 20, 3032 AC Rotterdam, The Netherlands.

Board of Directors

Lakshmi N. Mittal

Mr. Lakshmi N. Mittal is the Chairman of the board of directors of Mittal Steel, and is the Chief Executive Officer of Mittal Steel. In addition, Mr. Lakshmi N. Mittal is the founder of Ispat International and The LNM Group and was responsible for the strategic direction and development of both companies. He is also a non-executive director of Iscor, an executive committee member of the International Iron and Steel Institute and a director of ICICI Bank Ltd. Mr. Lakshmi N. Mittal was named Steel Maker of the Year in 1996 by New Steel, a leading industry publication. He was also awarded the 8th honorary Willy Korf Steel Vision Award, the highest recognition for worldwide achievement in the steel industry. The award was presented by American Metal Market and World Steel Dynamics.

Table of Contents

Aditya Mittal

Mr. Aditya Mittal joined Mittal Steel in January 1997, where he is now the President and Group Chief Financial Officer. Mr. Aditya Mittal was also the Vice-Chairman of the Board of Directors and Head of Mergers and Acquisitions of LNM Holdings and has been responsible for all its acquisitions since the year 2000. From 1997 to 2000, he served as Head of Mergers and Acquisitions at Mittal Steel. Mr. Aditya Mittal also serves on Mittal Steel s board of directors and the board of directors of Iscor. From 1996 to 1997, Mr. Aditya Mittal worked at Credit Suisse First Boston in the mergers and acquisitions area. He holds a bachelor s degree in economics from the Wharton School in Pennsylvania, United States with specialization in strategic management and corporate finance, from which he graduated magna cum laude. He is the son of Mr. Lakshmi N. Mittal.

Malay Mukherjee

Mr. Mukherjee is the Chief Operating Officer of Mittal Steel and has over 32 years of experience in a range of technical, commercial and general management roles in the steel industry. Mr. Mukherjee has held various senior management positions within Mittal Steel, including Managing Director of Imexsa and President and Chief Executive Officer of Ispat Europe Group S.A., or IEG. He has also served as Managing Director of Ispat Karmet, a subsidiary of LNM Holdings.

Narayanan Vaghul

Mr. Vaghul has 49 years of experience in the financial sector and has been the Chairman of Industrial Credit and Investment Corporation of India Limited for 16 years and of ICICI Bank for the last two years. Prior to this, he was Chairman of the Bank of India and Executive Director of the Central Bank of India. He was chosen as the Businessman of the Year in 1992 by Business India, a leading Indian publication, and has served as a consultant to the World Bank, the International Finance Corporation and the Asian Development Bank. Mr. Vaghul was also a visiting Professor at the Stern Business School at New York University. Mr. Vaghul is Chairman of the Indian Institute of Finance Management & Research and is also a board member of various other companies, including Wipro Limited, Mahindra & Mahindra Limited, Nicholas Piramal India Limited, Apollo Hospitals Limited and Himatsingka Seide Limited.

Ambassador Andrés Rozental

Ambassador Andrés Rozental has a long and distinguished career in the Mexican Diplomatic Service. Over the past 36 years, he has held various senior government and diplomatic posts including Ambassador of Mexico to the United Kingdom, Ambassador of Mexico to the Kingdom of Sweden, Ambassador, Permanent Representative to the United Nations in Geneva, as well as Deputy Foreign Minister of Mexico. From December 2000 to January 2002, he was Ambassador-at-Large and Special Presidential Envoy for President Fox of Mexico. Ambassador Rozental has received several awards, including the Grand Cross of the Polar Star (Sweden) and the Grand Cross of the Civil Merit Order (Spain). He is also an officer of the National Order of Merit (France). Ambassador Rozental is currently a member of the board of managing directors of New India Investment Trust Ltd., Aeroplazas de Mexico and Inmobiliaria Fumisa. He is Chairman of the Board of Latinoamericana de Duty Free and the President of his own consulting firm, Rozental & Asociados in Mexico City. He is President of the Mexican Council on Foreign Relations and a trustee of the Universidad de las Américas, his alma mater.

Fernando Ruiz Sahagun

Mr. Ruiz has approximately 31 years of experience in the field of accounting, finance and tax and is currently a partner at Chevez, Ruiz, Zamarripa y Cia., S.C., a leading tax consulting firm in Mexico. Mr. Ruiz is a member of several professional associations, including the Instituto Mexicano de Ejecutivos de Finanzas, Colegio de Contadores Publicos de Mexico, Instituto de Contadores Publicos and Academia de Estudios Fiscales de la Contaduria Publica. He is the President of the Business Coordinator Counsel s Tax Committee (CCE) and a board member of various companies including Kimberly Clark de Mexico, S.A. de C.V., Accel, S.A. de C.V., Grupo Financiero Santander Serfin, S.A. de C.V., Corporacion San Luis, S.A. de C.V., Grupo Palacio de Hierro, S.A. de C.V., Grupo Camesa, S.A. de C.V., BASF Mexicana, S.A. de C.V. (a subsidiary of BASF AG), Bacardi, S.A. de C.V. (a subsidiary of Bacardi International Ltd.), Grupo México, S.A. de C.V. and Innova, S. de. R.L. de C.V.

René Lopez

Mr. Lopez has approximately 37 years of experience in international finance, manufacturing and marketing with multinational corporations including Alcatel-Alsthom and GEC Alsthom, where he has worked since 1966. He was President and General Manager of Alcatel-Alsthom and GEC Alsthom Canada. Currently Mr. Lopez is owner and President of Gesterel Inc. in Canada, a consultancy services boutique specializing in mergers and acquisitions, finance and technology transfer management.

Mr. Lopez had received the commemorative medal at the 125th anniversary of the Canadian Confederation.

Muni Krishna T. Reddy

Mr. Reddy has over 34 years of experience in financial services and he is presently the Chairman of State Bank of Mauritius Ltd (SBM Group), Chairman of Bank SBM Madagascar, Chairman of SBM Nedbank International ltd. and Deputy Chairman of Global Financial Services PLC Malta. He holds the following directorships: Director on the Boards of Air Mauritius Ltd; British American (Holdings) Ltd; British American Insurance Company of the Bahamas Ltd; British American International Corporation Ltd; British American (UK) Ltd; India Growth Fund Inc, New York; Intercommercial Bank Ltd, Trinidad; Intercommercial Trust & Merchant Bank Ltd; Mauritius Telecom Ltd; Overseas Telecommunication Services Ltd and South East Asia Regional Fund Ltd. Mr. Reddy has taken over as Chairman of SBM Group in October 2003, after having been the Chief Executive Officer of SBM Group for more than 16 years. Prior to taking over as Chief Executive Officer of SBM Group in 1987, Mr. Reddy worked in Singapore and India. Mr. Reddy was conferred in 1993 with the title Grand Officer of the Order of the Star and Key of the Indian Ocean (GOSK) by the government of the Republic of Mauritius for distinguished services in Banking.

Vanisha Mittal Bhatia

Ms. Vanisha Mittal Bhatia was appointed as a member of the LNM Holdings board of directors in June 2004. Ms. Vanisha Mittal Bhatia was appointed to Mittal Steel s board of directors in December 2004. She has a Bachelor of Arts degree in Business Administration from the European Business School, and has completed corporate internships at Ispat Shipping Limited, Ispat Hamburger Stahlwerke GmbH, or Ispat Hamburg, and with an internet-based venture capital fund. She is the daughter of Mr. Lakshmi N. Mittal.

Senior Management

Bhikam C. Agarwal

Mr. Agarwal is the Chief Financial Officer Americas of Mittal Steel and has over 29 years of experience in steel and related industries. He has held various senior executive positions within Mittal Steel and has been Chief Financial Officer since its formation as Ispat International in 1989. He has been responsible for the financial strategy of Mittal Steel and has been a coordinator of its prior activities in the capital markets, two of which received deal of the year awards from International Financing Review, a leading global financial publication. Mr. Agarwal has also led the finance and accounting functions of Ispat International across all its operating subsidiaries.

Roeland Baan

Mr. Baan, 47, was appointed Chief Executive Officer for Mittal Steel Central and Eastern Europe in August, 2004. He joined Mittal Steel from the global conglomerate SHV Holdings, which lists metals recycling amongst its non-core activities. He spent eight years as a member of the Energy Divisions Executive

Table of Contents

Committee and was responsible for developing and executing the Group s strategy across a number of key regions including Europe, South America and the Mediterranean rim. Prior to this, Mr. Baan spent 16 years with Shell, where he held a number of positions worldwide. He holds a Masters Degree in Economics from Vrije Universiteit in Amsterdam.

Narendra Chaudhary

Mr. Chaudhary is the Chief Executive Officer of Ispat Sidex S.A., a position he has held since December 2001. Prior to joining Ispat Sidex, he was Chief Executive Officer of Ispat Karmet. Mr. Chaudhary possesses over 39 years of experience in a variety of technical and managerial functions in the steel industry. Mr. Chaudhary joined Imexsa in Mexico, a subsidiary of Ispat International, in 1993 as Director, Operations, and became Executive Director in 1996. He worked at various Steel Authority of India Limited, or SAIL, plants in various capacities for 28 years. Mr. Chaudhary has a Bachelor s Degree in Engineering from Bihar Institute of Technology, India.

N.K. Choudhary

Dr. Choudhary is the General Director and Chief Executive Officer of Mittal Steel Temirtau, a position he has held since January 2002. Dr. Choudhary started his career as a mining engineer in the Bhilai Steel Plant, India, in 1964. In 1984 he moved to India s largest public sector aluminium company, National Aluminium Company ltd (Nalco). In 1992 he joined Indian Aluminium Company Ltd, or INDAL, as Chief Engineer New Projects, to lead the Utkal Alumina Project a World Class Mega Project. From 1992 to 1998 he worked in various senior positions like the Director and Chief Executive of Utkal Alumina India Ltd and Director and Group President Smelter, Chemicals & Power. In December 1997 Dr. Choudhary was appointed as a Director of the INDAL Board and Chief Operating Officer of the Company. In October 1998 he assumed the position of Managing Director Operations of INDAL. In April 1999 Dr. Choudhary was also appointed as independent Chairman of the Board of Directors of Utkal Alumina International Limited a joint venture project undertaken by INDAL, Norsk Hydro of Norway and Alcan Aluminium of Canada.

Frantisek Chowaniec

Mr. Chowaniec is the Chief Executive Officer of Ispat Nova Hut a.s. and Ispat Polska Stal S.A., or Ispat Polska, in Czeck Republic and Poland, the recent acquisition of Mittal Steel. Mr. Chowaniec has over 35 years experience in the running and management of the steel industry. He graduated from the Metallurgical Faculty of VSB Ostrava and graduated from a Post-graduate Manager Course at the University of North Florida.

Davinder Chugh

Mr. Chugh is the Chief Executive Officer of Iscor in South Africa and has over 25 years experience in the steel industry, in particular materials purchasing, logistics, warehousing and shipping. Prior to being appointed Chief Executive, Mr. Chugh held the position of Commercial Director at Iscor since May 2002. Before joining Iscor he was vice president of purchasing at IEG. Mr. Chugh has been with the LNM Group since 1995 and successfully integrated the materials management functions at newly acquired Ispat plants in Hamburg, Duisburg, France, Romania and Algeria. Prior to this, he held several senior positions at the Steel Authority India Limited in New Delhi, India. He holds degrees in science and law and has a master s degree in business administration.

Simon Evans

Mr. Evans joined Mittal Steel in September 2001 as General Counsel. He has over 16 years of experience in corporate and commercial law in both industry and private practice. Formerly, Mr. Evans was European Counsel at Rohm and Haas and prior to that he worked at the law firm Taylor Joynson Garrett, London. Mr. Evans is a graduate of Oxford University in Oxford, England and the College of Law, Guildford in Surrey, England.

Table of Contents

Richard Leblanc

Mr. Leblanc is the President and Chief Executive Officer of Ispat Sidbec Inc., or Sidbec and has approximately 36 years of experience in the steel industry. Mr. Leblanc spent 18 years in various senior management positions at Stelco Inc. before joining Sidbec in 1987 as Vice-President, Production. He became President and Chief Executive Officer in 1996. Mr. Leblanc is a Director of the American Iron and Steel Institute and the Canadian Steel Producers Association. He holds a bachelor s degree in electrical engineering from Laval University in Quebec, Canada.

Sudhir Maheshwari

Mr. Maheshwari, is the Chief Financial Officer Europe and Rest of World of Mittal Steel and has over 16 years of experience in steel and related industries. He was previously the Chief Financial Officer of LNM Holdings since January 2002. He has played an integral and key role in all the recent acquisitions by LNM Holdings. Having worked for Ispat International for 13 years, Mr. Maheshwari held the positions of Chief Financial Officer, IEG, Ispat Germany and Caribbean Ispat Limited, or CIL, and Director of Finance and M&A for Ispat International. He has also played a key role in various corporate finance and capital market projects including the IPO in 1997. Mr. Maheshwari is an Honours Graduate in Accounting and Commerce and a member of The Institute of Chartered Accountants and The Institute of Company Secretaries in India.

Gerhard Renz

Mr. Renz is the President and Chief Operating Officer of Mittal Steel Europe and has over 31 years of experience in the steel industry. Mr. Renz formerly worked as the Managing Director of Mittal Steel Hamburg. Mr. Renz is a board member of Verein Deutsche Eisenhuttenleute, Wirtschaftsvereinigung Stahl and the European Iron and Steel Institute. He holds a German (bachelor s) degree in engineering.

Henk Scheffer

Mr. Scheffer joined Mittal Steel in March 2003 as Company Secretary, and he is responsible for compliance with corporate legal requirements and supporting and facilitating Mittal Steel s board of directors. Previously, Mr. Scheffer worked at Canon for 13 years in various legal and general management positions. Mr. Scheffer holds a law degree from Rijks Universiteit Groningen (RUG).

Louis Schorsch

Dr. Schorsch is the President and Chief Executive Officer of Inland and has over 26 years of experience in consulting and managerial roles predominantly relating to the steel industry. Prior to joining Inland in October 2003, Dr. Schorsch held various senior positions in the consulting and e-commerce sectors. His immediate previous assignments have been as President and Chief Executive Officer of GSX.Com Inc. and Principal at McKinsey & Company, where he worked from 1985 until 2000. While at McKinsey, he was a co-leader of the firm s metals practice practice. Dr. Schorsch has published numerous articles in such publications as Business Week and Challenge and has also co-authored a book on steel titled Upheaval in a Basic Industry .

Table of Contents

Compensation

The total annual remuneration of the members of Mittal Steel s board of directors for 2003 and the nine months ended September 30, 2004 was as follows:

	2003	Through Sept. 30, 2004
	(All amounts in $ thousand except option information)	
Base salary	3,826	2,537
Short-term performance-related bonus	1,962	1,696
Long-term incentives (number of options)		

The annual remuneration of the members of Mittal Steel s board of directors was as follows:

	2003	Through Sept. 30, 2004	2003 Short-term Performance Related Bonus	Through Sept. 30, 2004 Short-term Performance Related Bonus	2003 Long-term Number of Options	Through Sept. 30, 2004 Long-term Number of Options
	(All amounts in $ thousand except option information)					
Lakshmi N. Mittal	1,247	850	429	596		
Aditya Mittal	910	777	1,327	550		
Vanisha Mittal Bhatia*						
Malay Mukherjee	870	600	206	550		
Dr. Peter Southwick**	420					
Narayanan Vaghul	84	75				
Ambassador Andrés Rozental	86	70				
Fernando Ruiz Sahagun	60	51				
Muni Krishna T. Reddy	84	65				
René Lopez	65	49				
	3,826	2,537	1,962	1,696		

* Ms. Vanisha Mittal Bhatia was elected to Mittal Steel s board of directors on December 15, 2004.

** Dr. Peter Southwick resigned from Mittal Steel s board of directors on October 1, 2003.

The amount outstanding at December 31, 2004 in respect of loans and advances to members of Mittal Steel s board of directors was $0 (December 31, 2003: $0 and December 31, 2002: $0). In 2004 $0 was accrued by Mittal Steel to provide pension benefits to the directors. In addition, Mittal Steel has not given any guarantees for the benefit of the members of Mittal Steel s board of directors.

The following table provides summarized information on the options outstanding and the movements on the options granted to Mittal Steel s board of directors (in 2001, 2003 and 2004 no options were granted to members of Mittal Steel s board of directors):

	Granted in 1999	Granted in 2000	Granted in 2002	Total(1)	Weighted Average Exercise Price
Lakshmi N. Mittal	80,000	80,000	80,000	240,000	$7.59
Aditya Mittal	7,500	7,500	25,000	40,000	5.26
Vanisha Mittal Bhatia(2)					
Malay Mukherjee	40,000	40,000	50,000	130,000	7.18
Dr. Peter Southwick(3)	30,000	30,000	45,000	105,000	6.83
Narayanan Vaghul	2,000	5,000	10,000	17,000	5.25
Ambassador Andrés Rozental		5,000	10,000	15,000	4.36
Fernando Ruiz Sahagun		5,000	10,000	15,000	4.36
Muni Krishna T. Reddy					
René Lopez					
	159,500	172,500	230,000	562,000	
Exercise Price(4)	$11.94	$8.57	$2.26		
Term (in years)	10	10	10		
Expiration Date	September 14, 2009	June 1, 2010	April 5, 2012		

(1) None of the options has been exercised, except for 90,000 options granted to Dr. Peter Southwick. Dr. Southwick exercised all his vested options in 2004 and currently retains 15,000 non-vested options.

(2) Ms. Vanisha Mittal Bhatia was elected to Mittal Steel s board of directors on December 15, 2004.

(3) Dr. Peter Southwick resigned from Mittal Steel s board of directors on October 1, 2003.

(4) All options were granted at an exercise price equal to the market value on the date of grant.

The total annual remuneration of the senior management of Mittal Steel (including amounts paid by LNM Holdings prior to its December 17, 2004 acquisition by Ispat International to any such senior manager in his capacity as a senior manager of LNM Holdings) for the nine months ended September 30, 2004 was as follows: $3 million in base salary, and $2 million in short-term performance related bonus. For the nine months ended September 30, 2004, $1 million was accrued by Mittal Steel to provide pension benefits to its senior management. No options were granted to senior management for 2004.

Stock Option Plan

In 1999, Mittal Steel established the Ispat Stock Option Plan, which is described more fully in Note 11 to Mittal Steel s Supplemental Combined Financial Statements. Under the terms of the Ispat Stock Option Plan, Mittal Steel may grant options to senior management of Mittal Steel and its affiliates for up to six million Mittal Steel class A common shares (increased up to a maximum of 10 million Mittal Steel class A common shares in 2003). The exercise price of each option equals not less than the fair market value of Mittal Steel class A common shares on the date of grant, with a maximum term of 10 years. Options are granted at the discretion of Mittal Steel s board of directors or its delegate. The options vest either ratably upon each of the first three anniversaries of the grant date or, in total, upon the death, disability or retirement of the participant. All outstanding option rights exercisable in at least the current and next financial year under the Ispat Stock Option Plan can be satisfied by the Mittal Steel class A common shares currently held in treasury.

Prior to 2003, Mittal Steel accounted for those plans under the recognition and measurement provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations, or Opinion

120

Table of Contents

25. No stock-based employee compensation cost is reflected in 2001 and 2002 net income, as all options granted under those plans had an exercise price equal to the market value of the underlying common shares on the date of grant.

Effective January 1, 2003, Mittal Steel adopted the fair value recognition provisions of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, or SFAS 123, prospectively to all employee awards granted, modified, or settled after January 1, 2003. This prospective adoption of the fair value provisions of SFAS 123 is in accordance with the transitional provisions of SFAS No. 148, Accounting for Stock-Based Compensation, or SFAS 148, issued in December 2002 for recognizing compensation cost of stock options. There were no stock options granted, modified or settled during 2003 and accordingly, no compensation expense has been recognized in 2003.

SFAS 148 also requires that if awards of stock-based employee compensation were outstanding and accounted for under the intrinsic value method of Opinion 25 for any period in which an income statement is presented, a tabular presentation is required as follows for Mittal Steel (including LNM Holdings) (the income statement of Mittal Steel for the year ended December 31, 2004 is not yet available):

	Year Ended December 31,			Nine Months Ended September 30,	
	2001	2002	2003	2003	2004
	(All amounts in $ million except per share information)				
Net income, as reported	$ (199)	$ 595	$1,182	$ 855	$3,147
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects					
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	3	3	1	2	1
Pro forma net income	(202)	592	1,181	853	3,146
Earnings per share:					
Basic and diluted as reported	(0.31)	0.92	1.83	1.32	4.89
Basic and diluted pro forma	(0.31)	0.91	1.83	1.32	4.89

The fair value of each option grant of Mittal Steel class A common shares is estimated on the date of grant using Black-Scholes Model Method with the following weighted-average assumptions used:

	Years of Grant,		
	2001	2002	2003
Dividend Yield	0	0	0
Expected annualized volatility	0	83%	0
Discount rate Bond equivalent yield	0	5.03%	0
Expected life in years	0	8	0

121

Table of Contents

The status of the Ispat Stock Option Plan with respect to Mittal Steel is summarized below at December 31, 2004:

	Number of Shares	Weighted Average Exercise Price
Opening balance as of January 1, 2002	2,202,000	$ 10.17
Granted during 2002	1,349,500	2.26
Exercised	0	0
Forfeitures	(160,000)	7.95
Outstanding at December 31, 2002	3,391,500	7.13
Granted during 2003	0	0
Exercised	(91,166)	7.08
Forfeitures/restoration	39,000	11.72
Outstanding at December 31, 2003	3,339,334	7.32
Granted during 2004	0	0
Exercised	(1,384,118)	7.76
Forfeitures/restoration	(244,000)	9.07
Outstanding at December 31, 2004	1,711,216	6.72

At December 31, 2004 the stock options granted under the Ispat Stock Option Plan are exercisable as follows:

Year	Options	Average Exercise Price(1)
2005	1,711,216	6.72
2006	1,711,216	6.72
2007	1,711,216	6.72
2008	1,711,216	6.72
2009	1,711,216	6.72

(1) Based on Exercise Price of $11.94, $8.57 and $2.26 for 1999, 2000 and 2002, the respective years of the grant date.

Mittal Steel Board Practices

Article 18, paragraph 1 of Mittal Steel s Articles of Association provides that its board of directors shall consist of five or more class A, class B and class C directors (and comprised at all times of one class A director and at least two class C directors). Article 18, paragraph 3 stipulates that class A directors are appointed for a period of four years starting on the day after the day of the annual general meeting of shareholders on which they are appointed and ending on the day of the annual general meeting of shareholders that will be held in the fourth year after their appointment. The same paragraph sets out that class B and class C directors are appointed for a period of one year starting on the day after the annual general meeting of shareholders on which they are appointed and ending on the day of the annual general meeting of shareholders that will be held in the next year.

Corporate Governance

In June 2001, Mittal Steel adopted Corporate Governance guidelines in line with best practices on corporate governance. Mittal Steel will continue to monitor diligently new, proposed and final U.S. and Dutch corporate regulatory requirements and will make adjustments to its corporate governance controls and procedures to stay in compliance with these requirements on a timely basis. Mittal Steel is committed to meeting the corporate governance mandates and requirements under applicable current and proposed SEC and NYSE listing standards and the laws of The Netherlands. There are no significant differences between

Mittal Steel s current corporate governance practices and those currently required to be followed by U.S. domestic companies under the NYSE listing standards.

The new Dutch Corporate Governance Code was published on December 9, 2003. During the Mittal Steel annual general meeting of shareholders held on May 5, 2004, the implications of the new Dutch Corporate Governance Code were discussed with its shareholders and certain proposed changes to Mittal Steel s Articles of Association to bring them in line with the requirements of the Dutch Corporate Governance Code were approved by the shareholders. The changes to Mittal Steel s Articles of Association lowered the number of votes required to overrule a binding nomination for the appointment of a member of Mittal Steel s board of directors made by the holders of Mittal Steel class B common shares from a majority of at least two thirds of votes cast representing more than half of the issued share capital of Mittal Steel to an absolute majority of votes cast representing at least one third of the issued share capital of Mittal Steel. In addition, Mittal Steel s Articles of Association now provide that a class A director can be appointed for a maximum term of four years and cannot be appointed indefinitely as was previously permitted. Accordingly, Mittal Steel is materially in line with the requirements of the provisions of the Dutch Corporate Governance Code, in accordance with the implementation provisions. However, Mittal Steel s annual general meeting of shareholders also approved that Mittal Steel will differ from the Dutch Corporate Governance Code with regard to the separation of the posts of Chairman and Chief Executive Officer. Mittal Steel s Chairman and Chief Executive Officer will continue to be Mr. Lakshmi N. Mittal.

Role of Mittal Steel s Board of Directors and Management

Mittal Steel s business is conducted through operating subsidiaries, which are managed by their board of directors and headed by the subsidiary s CEO/President. Mittal Steel s board of directors and the senior corporate management provide the oversight to enhance the value to the stakeholders.

Director Independence

As per the criteria laid down by Mittal Steel s board of directors, directors will be considered independent if they do not have a material relationship with Mittal Steel. Mittal Steel s board of directors currently consists of nine directors, of whom Messrs. René Lopez, Fernando Ruiz Sahagun, Muni Krishna T. Reddy and Narayanan Vaghul and Ambassador Andrés Rozental are independent under Mittal Steel s independence criteria and the NYSE listing standards. These directors constitute a majority of Mittal Steel s board of directors. A firm of tax lawyers, of which Mr. Fernando Ruiz Sahagun is a partner, renders advice to Mittal Steel and some of its group companies. On the basis of Dutch corporate governance rules Mr. Fernando Ruiz Sahagun would as a result not be considered as independent . However, the board of directors has determined that this relationship would not impede Mr. Fernando Ruiz Sahagun s ability to act as an independent director. Mr. Fernando Ruiz Sahagun does not serve on any committees of Mittal Steel s board of directors.

Function of Mittal Steel s Board of Directors

As per Mittal Steel s Corporate Governance guidelines, Mittal Steel s board of directors are responsible for the stewardship of Mittal Steel and assume responsibility for the adoption of a corporate strategy; monitoring of risk and control; succession planning including appointing, training and monitoring of senior management personnel; maintaining an investor relations program for Mittal Steel; ensuring the integrity of Mittal Steel s internal control and management information system; and setting a remuneration policy that incorporates appropriate performance hurdles. Mittal Steel s board of directors and each of its committees also have the power to hire independent advisors as they deem necessary.

Qualification

Directors should possess the highest personal and professional ethics and integrity, and be committed to representing the interests of the stakeholders. Mittal Steel s directors possess experience in managing large companies and contribute towards the protection of the stakeholders interests in Mittal Steel through expertise in their respective fields. All directors bring an independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

Size of Mittal Steel s Board of Directors and Selection Process

All directors are subject to election by the shareholders. The names of directors submitted for election shall be accompanied by sufficient biographical details to enable shareholders to make an informed decision on their election. Each time a member of Mittal Steel s board of directors is to be appointed, the meeting of holders of Mittal Steel class B common shares may make a binding nomination. A binding nomination can be overruled by a shareholders resolution passed by an absolute majority of votes cast representing at least one third of the issued share capital of Mittal Steel. Mittal Steel s board of directors currently consists of nine members, which is considered reasonable given the size of Mittal Steel. All members of Mittal Steel s board of directors, except for Messrs. Lakshmi N. Mittal and Aditya Mittal and Ms. Vanisha Mittal Bhatia (who as class A directors only stand for re-election once every four years), will next be considered for re-appointment at the annual general shareholders meeting in 2005.

During 2003, Dr. Peter Southwick, one of the class B directors, resigned from Mittal Steel s board of directors. Dr. Southwick continues to be employed by one of Mittal Steel s subsidiaries.

Board Committees

Mittal Steel s board of directors has established the following committees to assist the board of directors in discharging its responsibilities: (i) Audit; (ii) Remuneration; and (iii) Nomination.

Board Agenda

The items placed before Mittal Steel s board of directors include, among others, strategic plans of Mittal Steel; annual operating plans and budgets and any updates; capital budgets and any updates; quarterly results for Mittal Steel and its strategic business units; minutes of Audit Committee and other committee meetings; the information on recruitment and remuneration of senior management; environment, health and safety related matters; risk management policy of the group and such other matters considered important for the oversight of Mittal Steel s board of directors.

Ethics and Conflict of Interest

Ethics and conflicts of interest are governed by the Code of Business Conduct adopted by Mittal Steel. The Code of Business Conduct sets out standards for ethical behavior, which are to be followed by all employees and directors of Mittal Steel in the discharge of their duties. They must always act in the best interests of Mittal Steel and must avoid any situation where their personal interests conflict, or could conflict with their obligations toward Mittal Steel. As employees, they must not acquire any financial or other interest in any business or participate in any activity that could deprive Mittal Steel of the time or the scrupulous attention that they need to devote to the performance of their duties. Any behavior that deviates from Mittal Steel s Code of Business Conduct is to be reported to the employee s supervisor, a member of the management, the head of the legal department or the head of the internal audit/ internal assurance department.

Mittal Steel s Code of Business Conduct is available on Mittal Steel s website at http://www.mittalsteel.com.

Separate Meeting of Non-Executive Directors

The non-executive directors of Mittal Steel regularly schedule meetings without the presence of management. There is no minimum number of meetings that the non-executive directors must hold per year. During 2004, the non-executive directors of Mittal Steel held four meetings separate from the executive directors. The presiding independent director at each of these meetings is chosen at the meeting.

Table of Contents

Communications with the Board

Mittal Steel s board of directors has established a process through Mittal Steel s website at http://www.mittalsteel.com by which a shareholder or any other person may send communications directly to the board of directors.

Mittal Steel Audit Committee

The primary function of the Mittal Steel Audit Committee is to assist Mittal Steel s board of directors in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by Mittal Steel to any governmental body or the public; Mittal Steel s system of internal control regarding finance, accounting, legal compliance and ethics that the management and Mittal Steel s board of directors have established and Mittal Steel s auditing, accounting and financial reporting processes generally.

The Audit Committee s primary duties and responsibilities are to serve as an independent and objective party to monitor Mittal Steel s financial reporting process and internal controls system; review and appraise the audit efforts of Mittal Steel s independent accountants and internal auditing department; provide an open avenue of communication among the independent accountants, financial and senior management, the internal auditing department and Mittal Steel s board of directors. It is responsible for approving the appointment and fees of the independent auditors. It is also responsible for monitoring the independence of the external auditors.

Audit Committee Members

The Audit Committee consists of three directors: Messrs. Narayanan Vaghul and Muni Krishna T. Reddy and Ambassador Andrés Rozental, all of whom are independent under Mittal Steel s Corporate Governance guidelines, the New York Stock Exchange standards as well as the Dutch Corporate Governance Code. The Chairman of the Audit Committee is Mr. Narayanan Vaghul, who has significant experience and financial expertise. Mr. Vaghul is the Chairman of ICICI Bank, a company that is listed on the New York Stock Exchange and the Mumbai Stock Exchange. Both Mr. Reddy and Ambassador Andrés Rozental have considerable experience in managing companies affairs.

Charter and Meetings

Mittal Steel s Audit Committee charter is available on Mittal Steel s website at http://www.mittalsteel.com. The Audit Committee, which is required to meet at least four times a year, met nine times during 2004. Of these meetings, six were physical meetings and three were teleconference meetings.

Process for Handling Complaints about Accounting Matters

As part of the procedures of Mittal Steel s board of directors for receiving and handling complaints or concerns about Mittal Steel s financial accounting, internal controls and auditing issues, Mittal Steel s Code of Business Conduct encourages all employees to bring such issues to the Audit Committee s attention. Concerns relating to accounting or auditing matters may be communicated through the Mittal Steel website at http://www.mittalsteel.com. Employees reported no significant complaints of this nature during 2004.

Internal Audit/ Internal Assurance

Mittal Steel has an Internal Audit function. The function is under the responsibility of the Director Internal Assurance, who reports to the Audit Committee. The function is staffed by full time professional staff located at each of the principal operating subsidiaries and at the corporate level. Recommendations and matters relating to internal control and processes are made by the Internal Audit function, and their implementation is regularly reviewed by the Audit Committee.

Table of Contents

External Auditors   Independence

The appointment and determination of fees of the external auditors is the direct responsibility of the Audit Committee. The Audit Committee is further responsible for obtaining annually a written statement from the external auditors that their independence has not been impaired. Mittal Steel s current external auditors have informed Mittal Steel of their intention to rotate their lead and engagement partners in line with the new U.S. regulatory requirements in 2004 and 2005, respectively. The Audit Committee has obtained a confirmation from the external auditors that none of their former employees are in a position with Mittal Steel, which may impair their independence.

Mittal Steel Remuneration Committee

Charter and Meetings

The Mittal Steel Remuneration Committee is comprised of three independent directors. The purpose of having a Remuneration Committee consisting exclusively of directors who are independent of management is to have members who are free of any business or other relationship, which could interfere with the exercise of their independent judgment. Mittal Steel s board of directors has established the Remuneration Committee to determine on their behalf and on behalf of the shareholders within agreed terms of reference, Mittal Steel s framework of remuneration and compensation, including stock options for executive members of Mittal Steel s board of directors, the Chief Financial Officers, and the Chief Executive Officers of operating subsidiaries and designated senior management at the corporate level. The Remuneration Committee is required to meet at least twice a year and met three times in 2004.

The charter of the Remuneration Committee is available on Mittal Steel s website at http://www.mittalsteel.com.

Remuneration Committee Members

The Mittal Steel Remuneration Committee consists of three directors: Mr. Narayanan Vaghul, Ambassador Andrés Rozental and Mr. René Lopez, all of whom are independent. The Chairman of the Remuneration Committee is Ambassador Andrés Rozental.

Remuneration Principles

The Mittal Steel Remuneration Committee s principal responsibility in compensating executives is to encourage and reward performance that will lead to long-term enhancement of shareholder value. None of the members of Mittal Steel s board of directors currently has entered into any contracts with Mittal Steel or any of its subsidiaries that provide benefits upon termination of employment. The Remuneration Committee reviews the remuneration of executive members of Mittal Steel s board of directors, the Chief Financial Officers, and the Chief Executive Officers of operating subsidiaries and designated senior management at the corporate level.

Mittal Steel Nomination Committee

Charter and Meetings

Mittal Steel has a Nomination Committee comprised exclusively of three independent directors. The Nomination Committee elects its Chairman and members of the Nomination Committee are appointed and can be removed by Mittal Steel s board of directors. The Nomination Committee is required to meet at least twice a year and met three times in 2004.

The charter of the Nomination Committee is available on Mittal Steel s website at http://www.mittalsteel.com.

Table of Contents

Nomination Committee Members

The Mittal Steel Nomination Committee consists of three directors: Narayanan Vaghul, Muni Krishna T. Reddy and Ambassador Andrés Rozental, all of whom are independent. Ambassador Andrés Rozental is the Chairman of the Nomination Committee.

Function of the Nomination Committee

The Mittal Steel Nomination Committee will at the request of Mittal Steel s board of directors, consider any appointment or reappointment to Mittal Steel s board of directors. It will provide advice and recommendations to Mittal Steel s board of directors on such appointment. The Nomination Committee is also responsible for developing, monitoring and reviewing Corporate Governance principles applicable to Mittal Steel.

Employees

Mittal Steel had approximately 161,000 employees as of December 31, 2004 (as of December 31, 2002: 15,640; as of December 31, 2003: 14,811). The increase in the number of employees as of year-end 2004 as compared to year-end 2003 was due primarily to the acquisition of LNM Holdings on December 17, 2004.

The table below sets forth the breakdown of the total year-end number of employees by geographical area for the past three years.

	As of December 31,		
	2002	2003	2004
Americas	10,971	10,414	9,676
Europe	4,669	4,397	77,438
Rest of World			74,193
Total	15,640	14,811	161,307

In general, Mittal Steel has a good relationship with its employees and with the labor unions.

Share Ownership

As of December 31, 2004, the aggregate beneficial share ownership of Mittal Steel directors and senior management (19 individuals) is 403,268 Mittal Steel class A common shares (excluding shares owned by Mittal Steel s controlling shareholder and including options to acquire 299,668 Mittal Steel class A common shares that are exercisable within 60 days of December 31, 2004), being 0.06% of the total issued share capital of Mittal Steel. Excluding options to acquire Mittal Steel class A common shares, these 19 individuals own 103,600 Mittal Steel class A common shares. See Major Shareholders of Mittal Steel and Notification Obligations Major Shareholders of Mittal Steel. The number of options granted to directors and senior management in 2002 was 596,500 at an exercise price of $2.26. No options were granted during 2001, 2003 and 2004. These options vest either ratably upon each of the first three anniversaries of the grant date, or, in total, upon the death, disability or retirement of the participant. The option term expires 10 years after the grant date.

In accordance with the new Dutch Corporate Governance Code, non-executive members of Mittal Steel s board of directors will no longer receive any share options.

INTEREST OF CERTAIN PERSONS IN THE MERGER

In considering the recommendation of the ISG board of directors to vote for the adoption of the merger agreement, you should be aware that certain members of the ISG board of directors and executive officers of ISG may have interests in the merger that differ from, or are in addition to, their interests as ISG stockholders. The ISG board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the merger. These interests are described below.

Mittal Steel Board of Directors and Management

The merger agreement contemplates that Wilbur L. Ross, Chairman of the ISG board of directors, will join the Mittal Steel board of directors. In addition, the merger agreement contemplates that Rodney B. Mott, ISG s President and Chief Executive Officer and a member of the ISG board of directors, will become the Chief Executive Officer of Mittal Steel s U.S. operations. The merger agreement and related documentation do not guarantee that Mr. Ross or Mr. Mott will serve in these roles with Mittal Steel for any specified period after the merger. It is also expected that Mr. Ross and Mr. Mott will join the board of directors of Mittal Steel s U.S. subsidiary after the merger.

Company Shareholder Support Agreement

In connection with the merger agreement, Mittal Steel required that each of Messrs. Ross and Mott and their respective affiliates enter into the company shareholder support agreement in which, among other things, they each severally:

- agreed to vote in favor of the merger, unless the merger agreement is terminated by the ISG board of directors, and

- in exchange for an option payment of $3.50 per share, granted an option to purchase their ISG shares in certain circumstances involving a termination of the merger agreement for $38.50. The $3.50 per share option payment will be credited against any merger consideration payable with respect to the shares.

Messrs. Ross and Mott beneficially own 6.9% and 1.4%, respectively, of the shares of ISG common stock outstanding as of the record date. For a more detailed description of this agreement, see COMPANY SHAREHOLDER SUPPORT AGREEMENT beginning on page 109.

Director and Officer Indemnification

The merger agreement requires the surviving company in the merger to indemnify ISG directors and officers, to honor indemnification in favor of ISG s directors and officers in ISG s Certificate of Incorporation, Bylaws and agreements with directors and officers and to maintain director and officer liability insurance. Please see THE MERGER AGREEMENT Additional Agreements *Directors and Officers Indemnification and Insurance* on page 94. Mittal Steel has also agreed to indemnify Mr. Ross to the same extent that Mittal Steel directors are indemnified for claims related to being named as a director of Mittal Steel in this proxy statement/ prospectus.

ISG Stock Options

The merger agreement provides that all ISG stock options will be cancelled at the effective time of the merger and the holders of ISG stock options, including ISG executive officers, will receive an amount in cash equal to the difference between $42.00 per share and the applicable per share exercise price of the option. Executive officers of ISG own options to purchase 3,003,330 shares of ISG common stock, 268,875 of which are currently exercisable.

Table of Contents

Many of these options were granted during 2002, around the time ISG was founded, at exercise prices that are now substantially below current market prices for shares of ISG common stock. The pre-tax amounts payable to ISG s executive officers at the closing of the merger for cancellation of these options are:

Executive Officer	Title	Amount Payable
		(amounts in millions)
Rodney B. Mott	President, Chief Executive Officer and director	$60.1
Leonard M. Anthony	Chief Financial Officer and Treasurer	2.4
Lonnie A. Arnett	Vice President, Controller and Chief Accounting Officer	0.5
V. John Goodwin	Chief Operating Officer	2.4
Carlos M. Hernandez	General Counsel and Secretary	0.5
Jerome V. Nelson	Vice President, Sales and Marketing	16.7
Karen A. Smith	Vice President, Human Resources	3.0
Gordon C. Spelich	Vice President, Business Development	15.5

ISG Officers Cash and Stock Bonus Plan

The merger agreement contemplates that, on or prior to December 31, 2004, ISG will pay to each participant in the ISG officer cash and stock bonus plan, the participant s earned bonus for the fiscal year ending December 31, 2004. The amounts payable under the plan did not change and ISG would have accrued such amounts as compensation expense in 2004 in any event. ISG paid these bonuses on December 20, 2004. In addition, bonuses accrued under the ISG officer cash and stock bonus plan for the period from January 1, 2005 through the merger closing date will be paid at the closing.

Employment Agreements with ISG Executive Officers

The merger agreement provides that, following the merger, Mittal Steel will cause the surviving company in the merger and its subsidiaries to honor all existing ISG contracts, agreements, arrangements, policies, plans and commitments in effect applying to any current or former employees or directors of ISG or its subsidiaries. Messrs. Mott, Goodwin, Anthony and Nelson, are each parties to an employment agreement with ISG, and Mr. Hernandez is party to a letter agreement with ISG, each entered into before the commencement of discussions relating to the possible merger. In this section Employment Agreements with ISG Executive Officers , these executives are referred to as the ISG Executives.

The agreements with the ISG Executives provide that, in the case of a termination of employment by ISG without cause or a termination of employment by the ISG Executive for good reason , each ISG Executive other than Mr. Mott would be entitled to a severance payment equal to two times his usual base salary and bonus compensation (using the average bonus over the past three years or if he was employed for less than three years, such shorter period), or three times his usual base salary and bonus in the case of Mr. Mott. Good Reason means the termination of the ISG Executive s employment by the ISG Executive for any of the following reasons:

an involuntary reduction in the ISG Executive s base salary unless such reduction occurs simultaneously with a company-wide reduction in officers salaries;

an involuntary discontinuance or reduction in bonus award opportunities for the ISG Executive under ISG s officer cash and stock bonus plan unless a company-wide reduction of all officers bonus awards occurs simultaneously with such discontinuance or reduction;

an involuntary discontinuance of the ISG Executive s participation in any employee benefit plans maintained by ISG unless such plans are discontinued by reason of law or loss of tax deductibility to ISG with respect to contributions to such plans, or are discontinued as a matter of ISG policy applied equally to all participants in such plans; and

- ISG s failure to obtain an assumption of ISG s obligations under the employment agreement by any successor to ISG, regardless of whether such entity becomes a successor to ISG as a result of a merger, consolidation, sale of assets of ISG, or other form of reorganization.

In addition, Mr. Mott s employment agreement contains the following additional reasons under the definition of Good Reason :

- a significant reduction in Mr. Mott s responsibilities and status within the ISG organization, or a change in his title or office without Mr. Mott s written consent;
- a termination of Mr. Mott s employment which is not effected pursuant to a notice of termination satisfying the requirements set forth in Mr. Mott s employment agreement;
- a failure of Mr. Mott to be elected to the ISG board of directors; or
- a material breach of Mr. Mott s employment agreement by ISG, which breach is not corrected by ISG within ten calendar days after receipt by ISG of written notice from Mr. Mott of such breach.

In that event, the ISG Executives are also entitled to health care and major medical coverage for two years, in the case of Messrs. Anthony, Goodwin, Hernandez and Nelson, or for three years, in the case of Mr. Mott, following a qualifying termination. Mr. Mott s employment agreement entitles Mr. Mott to a gross-up payment in the event that payments made under his agreement trigger U.S. federal 20% excise taxes imposed in respect of change-in-control payments.

Mr. Goodwin s and Mr. Mott s employment agreements, each provide, in connection with certain terminations of employment, for the provision of continued medical benefits for each employee and his dependents until Messrs. Goodwin or Mott reach 65 years of age.

Mr. Hernandez s letter agreement with ISG provides that, in the event that ISG and the ISG board of directors adopt a severance policy for senior executive officers and that policy provides severance and termination benefits greater than those provided under Mr. Hernandez s letter agreement, then that severance policy will govern the severance and termination benefits to which Mr. Hernandez is entitled.

The estimated value of the severance benefits, excluding the value of executive perquisite coverage or the excise tax gross-up payment, payable to Messrs. Anthony, Goodwin, Hernandez, Mott and Nelson, assuming a qualifying termination has occurred, would be approximately $1.9 million, $2.0 million, $1.9 million, $6.5 million, and $1.4 million, respectively.

The employment agreements also include non-competition, non-solicitation and confidentiality obligations on the part of the ISG Executives. The letter agreement with Mr. Hernandez does not contain such obligations.

ISG Executive Severance Pay Plan

ISG maintains an executive severance pay plan effective August 1, 2003 that covers officers and general managers of ISG, other than those officers who have separate agreements that provide for severance benefits upon termination of employment. The executive severance pay plan provides severance benefits to participating officers in the case of a termination by ISG. Messrs. Anthony, Goodwin, Hernandez, Mott and Nelson are not participants in the executive severance pay plan. Mr. Arnett, Ms. Smith and Mr. Spelich, among others, are participants in the plan.

If the termination of the employee is in connection with a change in control of ISG, the officer is entitled to additional benefits of (i) an amount equal to the average of the bonus amounts paid to the officer under ISG s cash and stock bonus plan with respect to the three calendar years (or, if employed for less than three years, the shorter period) ending prior to termination and (ii) a lump sum cash payment equal to six months salary. These severance benefits, however, will not be more than twice the officer s annual compensation during the year immediately preceding termination of employment with ISG (or, if employed for less than one year, the year of such termination). Completion of the merger will be a change in control under the executive severance pay plan.

Table of Contents

A qualifying termination under the severance pay plan includes:

the involuntary dismissal of the officer by ISG without cause ;

the involuntary dismissal of the officer by ISG within six months following a change in control ; or

the voluntary withdrawal from employment by the officer for good reason .

Good reason means a material adverse change in the employee s title, position or responsibilities that has not been cured during the thirty day period following written notice to ISG by the employee.

The estimated value of the severance benefits payable to Mr. Arnett, Ms. Smith and Mr. Spelich, assuming a qualifying termination occurs immediately following the closing of the merger, would be approximately $800,000, $700,000 and $900,000, respectively.

Supplemental Retention Arrangements

On December 16, 2004, ISG s compensation committee approved the adoption of supplemental retention arrangements for ISG s eight executive officers, subject to obtaining the consent of Mittal Steel. The compensation committee did not approve any specific arrangements because the terms of any such arrangements would first need to be consented to by Mittal Steel pursuant to the terms of the merger agreement. As of the date of this proxy statement/prospectus no supplemental arrangements have been consented to by Mittal Steel. There can be no assurances as to when or whether Mittal Steel will consent to the adoption of any supplemental arrangements for ISG s eight executive officers, but any such arrangements, if consented to and adopted, will result in such executive officers having an additional interest in the merger that differs from, or is in addition to, their interests as ISG stockholders.

Tax Gross-up Agreement

In January 2005, ISG entered into a tax gross-up agreement with Mr. Hernandez. In the event that any payments or benefits resulting from the transaction would subject Mr. Hernandez to an excise tax because such payments or benefits are deemed to be excess parachute payments within the meaning of Section 280G of the Internal Revenue Code, then Mr. Hernandez will be entitled to a tax gross-up payment to restore him to the same tax position that he would have been in if the excise tax had not been imposed. The estimated value of the tax gross-up payment would be $1.0 million.

Table of Contents

INDUSTRY OVERVIEW

Steel-Making Process

Historically, primary steel producers have been divided into integrated and mini-mill producers. Over the past few decades, a third type of steel producer has emerged that combines the strengths of both the integrated and the mini-mill processes and they are referred to as integrated mini-mill producers .

Integrated Steel Making

In integrated steel production, coal is converted to coke in a coke oven, and then combined in a blast furnace with iron ore and limestone to produce pig iron, which is subsequently combined with scrap in a converter, which is generally a basic oxygen or tandem furnace, to produce raw or liquid steel. Once produced, the liquid steel is metallurgically refined and then transported to a continuous caster for casting into a slab, which is then further shaped or rolled into its final form. Various finishing or coating processes may follow this casting and rolling. Recent modernization efforts by integrated steel producers have focused on cutting costs through eliminating unnecessary production steps, reducing manning levels through automation, and decreasing waste generated by the process. In recent years, integrated steel production has declined as a proportion of total steel production due to the high costs of building, operating and maintaining integrated steel operations, including lost production time associated with periodic blast furnace relinings. This reduction in integrated production capacity has increased the market share of the remaining producers of the highest value-added products that require the cleanest steel.

Mini-Mills

A mini-mill employs an electric arc furnace to directly melt scrap and/or scrap substitutes such as direct reduced iron, thus entirely replacing all of the steps up to and including the energy-intensive blast furnace. A mini-mill incorporates the melt shop, ladle metallurgical station, casting, and rolling into a unified continuous flow. Mini-mills are generally characterized by lower costs of production and higher productivity than integrated steel makers. These attributes are due in part to the lower capital costs and lower operating costs resulting from the streamlined melting process and more efficient plant layouts of mini-mills. The quality of steel produced by mini-mills is primarily limited by the quality of the metallic raw materials used in liquid steel making, which is affected by the limited availability of high-quality scrap or virgin ore-based metallics for use in the electric arc furnaces. Mini-mills are substantially dependent on scrap, which in recent years has been characterized by price volatility, generally rising prices and limited availability from time to time.

Integrated Mini-Mills

Integrated mini-mills are mini-mills that produce their own metallic raw materials consisting of high quality scrap substitutes, such as direct reduced iron. Unlike most mini-mills, integrated mini-mills are able to produce steel with the quality of an integrated producer, since scrap substitutes such as direct reduced iron are derived from virgin iron ore, which has fewer impurities. The internal production of scrap substitutes as the primary metallic feedstock provides integrated mini-mills with a competitive advantage over traditional scrap-based mini-mills by insulating the integrated mini-mills from their dependence on scrap, which is generally more expensive and has been subject to price volatility, generally rising prices and limited availability from time to time. The internal production of metallic feedstock also enables integrated mini-mills to reduce handling and transportation costs. The high percentage use of scrap substitutes such as direct reduced iron also allows the integrated mini-mills to take advantage of periods of low scrap prices by procuring a wide variety of lower-cost scrap grades, which can be blended with the higher-purity direct reduced iron charge. Because the production of direct reduced iron involves the use of significant amounts of natural gas, integrated mini-mills are more sensitive to the price of natural gas than mini-mills using scrap.

Table of Contents

Products

Steelmakers primarily produce two types of steel products, flat-rolled and long. Flat-rolled products, such as sheet or plate, are produced from semi-finished slabs. Long products, such as bars, rods and structural shapes, are rolled from blooms and/or billets.

Flat Products

Slab. A slab is a semi-finished steel product obtained by rolling ingots on a rolling mill or processing them through a continuous caster and cutting them into various lengths. A slab has a rectangular cross section and is used as a starting material in the production process of other flat products (*e.g.*, hot rolled sheet).

Hot-Rolled Sheet. Hot-rolled sheet is minimally processed steel that is used in the manufacture of various non-surface critical applications, such as automobile suspension arms, frames, wheels, and other unexposed parts in auto and truck bodies, agricultural equipment, construction products, machinery, tubing, pipe and guard rails. All flat-rolled steel sheet is initially hot-rolled, a process that consists of passing a cast slab through a multi-stand rolling mill to reduce its thickness to less than 12 millimeters. Flat-rolled steel sheet that has been wound is referred to as coiled .

Cold-Rolled Sheet. Cold-rolled sheet is hot-rolled sheet that has been further processed through a pickle line, which is an acid bath that removes scaling from steel s surface, and then successively passed through a rolling mill without reheating until the desired gauge, or thickness, and other physical properties have been achieved. Cold rolling reduces gauge and hardens the steel and, when further processed through an annealing furnace and a temper mill, improves uniformity, ductility and formability. Cold rolling can also impart various surface finishes and textures. Cold-rolled steel is among other things used in steel applications that demand higher surface quality or finish, such as exposed automobile and appliance panels. As a result, the prices of cold-rolled sheet are higher than the prices of hot-rolled sheet. Typically, cold-rolled sheet is coated or painted prior to sale to an end-user.

Coated Sheet. Coated sheet is generally cold-rolled steel that has been coated with zinc, aluminum or a combination thereof to render it corrosion-resistant and to improve its paintability. Hot-dipped galvanized, electro-galvanized and aluminized products are types of coated sheet. These are also the highest value-added sheet products because they require the greatest degree of processing and tend to have the strictest quality requirements. Coated sheet is used for many applications, often where exposed to the elements, such as automobile exteriors, major household appliances, roofing and siding, heating and air conditioning equipment, air ducts and switch boxes, as well as in certain packaging applications, such as food containers.

Long Products

Bars. Bars are long steel products that are rolled from billets. Merchant bar and reinforcing bar (rebar) are two common categories of bars. Merchant bars include rounds, flats, angles, squares, and channels that are used by fabricators to manufacture a wide variety of products such as furniture, stair railings, and farm equipment. Rebar is used to strengthen concrete in highways, bridges and buildings.

Billets/ Blooms. Billets and blooms are semi-finished steel products. Billets generally have square cross sections up to 155 millimeters x 155 millimeters, and blooms have square cross sections generally greater than 155 millimeters x 155 millimeters. These products are either rolled or continuously cast and is used for further processing by rolling to produce finished products like wire rod, bars and other sections.

Special Bar Quality (SBQ). SBQ steel is the highest quality steel long product, and is typically used in safety-critical applications by manufacturers of engineered products. SBQ steel must meet specific applications needs for strength, toughness, fatigue life and other engineering parameters. SBQ steel is the only bar product that typically requires customer qualification, and is generally sold under contract to long-term customers. End-markets are principally the automotive, heavy truck and agricultural sectors, and products made with SBQ steel include axles, crankshafts, transmission gears, bearings and seamless tubes.

Wire Rods. Wire rod is ring-shaped coiled steel with diameters ranging from 5.5 to 42 millimeters. Wire rod is used in the automotive, construction, welding and engineering sectors.

Wire Products. Wire products include a broad range of products produced by cold reducing wire rod through a series of dies to improve surface finish, dimensional accuracy and physical properties. Wire products are used in a variety of applications such as springs, concrete wire, electrical conductors and structural cables.

Seamless Tube. Seamless tubes have outer dimensions of approximately 25 to 508 millimeters. They are produced by piercing solid steel cylinders in a forging operation in which the metal is worked from both the inside as well as the outside. The final product is a tube with uniform properties from the surface through the wall and from one end to the other.

Welded Pipes and Tubes. Welded pipes and tubes are manufactured from steel sheet that is bent into a cylinder and welded either longitudinally or helically.

Direct Reduced Iron

Direct reduced iron is iron produced by a direct reduction process that removes the oxygen from the iron ore without melting it. Direct reduced iron is used as feedstock for electric arc furnaces and is a high quality substitute for scrap.

Table of Contents

MITTAL STEEL

Unless otherwise indicated, for purposes of this section, MITTAL STEEL :

Ispat International refers to Ispat International N.V. and its subsidiaries as they existed prior to the acquisition of LNM Holdings on December 17, 2004 and to their predecessor companies for periods prior to the organization of Ispat International in 1997.

LNM Holdings refers to LNM Holdings N.V. and its subsidiaries as they existed prior to their acquisition by Ispat International on December 17, 2004 and to their predecessor companies for the periods prior to the organization of LNM Holdings.

Mittal Steel refers to (x) with respect to time periods occurring on or after December 17, 2004, Mittal Steel Company N.V., formerly known as Ispat International N.V., and its subsidiaries (which include LNM Holdings and its subsidiaries) and (y) with respect to time periods occurring before December 17, 2004, Ispat International and its subsidiaries and their predecessors adjusted to give effect to the acquisition of LNM Holdings and its subsidiaries and their predecessors.

History and Development of Mittal Steel

Mittal Steel Company N.V. is a public limited liability company that was incorporated in 1997 under the laws of The Netherlands under the name Ispat International N.V. On December 15, 2004, Ispat International s shareholders approved the acquisition of LNM Holdings and, in connection with the acquisition, changed its name to Mittal Steel Company N.V. The acquisition of LNM Holdings was closed on December 17, 2004.

The registered offices of Mittal Steel are located at 15th Floor, Hofplein 20, 3032 AC Rotterdam, The Netherlands. The telephone number of the registered offices is +31 10 217 8800. Mittal Steel is registered at the Commercial Register in Rotterdam under number 24275428.

Ispat International

Ispat International was incorporated under the laws of The Netherlands on May 27, 1997, to hold various steel and steel-related companies that were contributed or transferred to Ispat International by its controlling shareholder in July 1997. The controlling shareholder of Ispat International began acquiring assets in the steel industry in the early 1990s. Ispat International completed its initial public offering of its class A common shares in August 1997.

Ispat International was the world s eleventh largest steel producer based on 2003 shipments, with steel-making operations in Canada, Trinidad and Tobago, France, Germany, Mexico and the United States. Ispat International s steel shipments increased from 1.5 million tons in 1992 to 15.2 million tons in 2003. In 2003, Ispat International s consolidated sales, operating income and net income were $5,441 million, $151 million and $66 million, respectively. For the nine months ended September 30, 2004, Ispat International s consolidated sales, operating income and net income were $6,320 million, $1,243 million and $887 million, respectively.

Ispat International grew through a series of acquisitions, focused capital expenditure programs and implementation of improved management practices, resulting in increases in production and shipment of steel products, reduction in cash costs of production and increases in productivity. Ispat International s aggregate capital expenditures were approximately $164 million, $108 million and $97 million during 2003, 2002 and 2001, respectively.

Ispat International was a holding company with no business operations of its own. All of its significant subsidiaries were wholly owned by Ispat International, indirectly through intermediate holding companies. Since 1992, Ispat International has acquired numerous steel making assets, which currently constitute its major operating subsidiaries. Other than the acquisition of LNM Holdings, Ispat International has not made any significant acquisitions since 2000.

Table of Contents

Acquisition of LNM Holdings. In December 2004, Ispat International acquired LNM Holdings from Mittal Steel S.à.r.l., a wholly owned subsidiary of The Richmond Investment Holdings Limited (an entity controlled by the controlling shareholder of Mittal Steel and, at the time, the sole shareholder of LNM Holdings). Mittal Steel S.à.r.l. received 0.27931958 Ispat International class A common shares and 0.77068042 Ispat International class B common shares, for each LNM Holdings common share, or, in the aggregate, 139,659,790 Ispat International class A common shares and 385,340,210 Ispat International class B common shares.

LNM Holdings was incorporated under the laws of The Netherlands Antilles to hold certain companies involved in steel manufacturing activities. Prior to its acquisition by Ispat International, LNM Holdings was controlled by the controlling shareholder of Ispat International.

LNM Holdings operates steel-making and processing facilities in seven countries: Algeria, the Czech Republic, the Republic of Kazakhstan, Macedonia, Poland, Romania and South Africa. LNM Holdings has in recent years significantly increased its production and shipments of steel products, primarily through the acquisition of several steel making assets. LNM Holdings shipped a total of 12.3 million tons of steel and steel products in 2003. In 2003, its consolidated sales, operating income and net income were $4,167 million, $1,136 million and $1,116 million, respectively. For the nine months ended September 30, 2004, its consolidated sales, operating income and net income were $9,942 million, $3,160 million and $2,266 million, respectively.

LNM Holdings is a holding company with no business operations of its own. All of its principal operating subsidiaries are wholly owned by LNM Holdings, either directly or indirectly through intermediate holding companies.

Since 1995, LNM Holdings has acquired formerly state-owned steel making assets, which currently constitute its major operating subsidiaries:

In November 1995, LNM Holdings acquired Ispat Karmet s steel plant and subsequently in 1996 a power plant and coal mines. Ispat Karmet, located in the Republic of Kazakhstan, is one of the largest single site steel production facilities in the twelve former-Soviet republics that now comprise the Commonwealth of Independent States, or CIS.

In October 2001, LNM Holdings acquired a 70% interest in Ispat Annaba. Ispat Annaba, located in Algeria, is one of the largest steel producers in Northern Africa.

In October 2001, LNM Holdings acquired a 70% interest in Ispat Tebessa. Ispat Tebessa, located in Algeria, owns iron ore mines.

In November 2001, LNM Holdings acquired a 91.6% interest, which increased to 99.4% in September 2003, in Ispat Sidex. Ispat Sidex, located in Romania, is one of the largest single site steel producers in Central and Eastern Europe.

In November 2001, LNM Holdings concluded a Business Assistance Agreement with Iscor, pursuant to which it agreed to provide Iscor with business, technical, purchasing and marketing assistance for a three-year period and also undertook to acquire a strategic shareholding in Iscor by March 2003. In 2001, LNM Holdings acquired a 8.3% interest, which increased to over 50%, in Iscor. Iscor, located in South Africa, is the largest steel producer in Africa.

In January 2003, LNM Holdings acquired a 69.7% interest, which increased to approximately 84.3%, in Ispat Nova Hut. Ispat Nova Hut is the largest steel producer in the Czech Republic.

In July 2003, LNM Holdings acquired a 70.8% interest in SC Ispat Tepro S.A., or Ispat Tepro. Ispat Tepro, located in Romania, is a downstream steel products manufacturer.

In December 2003, LNM Holdings acquired a 69.8% interest in Petrotub Roman S.A., or Ispat Petrotub. Ispat Petrotub, located in Romania, is a downstream steel products manufacturer.

In January 2004, LNM Holdings announced that it had reached an agreement with the administration of the Yingkou Economic and Technical Development Zone to establish a cold rolling and coating plant in Yingkou, Liaoning Province, Peoples Republic of China. The facility, when completed, will have an annual production capacity of approximately 440,000 tons of cold-rolled and coated steel.

In March 2004, LNM Holdings acquired a 69% interest in Ispat Polska, which increased to 70.5%, and a commitment to purchase a 25% interest by December 2007. Ispat Polska, located in Poland, is one of the largest steel producers in Central and Eastern Europe.

In April 2004, LNM Holdings acquired an 80.9% interest in Ispat Siderurgica. Ispat Siderurgica, located in Romania, is a downstream steel products manufacturer.

In April 2004, LNM Holdings entered into a joint venture with RZR Ljubija a.d., pursuant to which LNM Holdings acquired a 51% interest in the Ljubija iron ore mines in Bosnia and Herzegovina. These mines have been non-operational since the early 1990s.

In May 2004, LNM Holdings acquired a 44.5% interest, subsequently increased to an 88.3% interest, in RZ Ladna Valavnica AD. RZ Ladna Valavnica AD, located near Skopje, Macedonia, was non-operational from late 2003 through December 2004 but became operational in January 2005.

In May 2004, LNM Holdings acquired a 56.8% interest, subsequently increased to a 77.3% interest, in RZ Valavnica za Lenti AD. RZ Valavnica za Lenti AD, located near Skopje, Macedonia, was non-operational from late 2003 through December 2004 but became operational in January 2005. RZ Ladna Valavnica AD and RZ Valavnica za Lenti AD are collectively known as Ispat Skopje.

In December 2004, LNM Holdings acquired a 51% interest in BH Steel in Bosnia.

Mittal Steel

Mittal Steel is one of the world s largest steel producers(1), with steel making operations in 14 countries. Mittal Steel s operating philosophy embraces mini mill, integrated mini mill and blast furnace processes for steel making. Mittal Steel s steel shipments have increased from 1.5 million tons in 1992 to 27,446 million tons in 2003. In 2003, its consolidated sales, operating income and net income were $9,567 million, $1,299 million and $1,182 million, respectively. For the nine months ended September 30, 2004, its consolidated sales, operating income and net income were $16,019 million, $4,419 million and $3,147 million, respectively. Mittal Steel has grown through a series of acquisitions and by improving the operating performance of each acquired facility, through focused capital expenditure programs and implementation of improved management practices, resulting in increases in production and shipment of steel products, reduction in cash costs of production and increases in productivity. Mittal Steel s aggregate capital expenditures were approximately $421 million, $264 million and $220 million during 2003, 2002 and 2001, respectively.

Recent Developments

On February 1, 2005, Moody s Investor Services Ltd. assigned a Baa3 senior implied rating to Mittal Steel and upgraded Mittal Steel s senior unsecured issuer rating to Ba1 . In addition, Moody s Investor Services Ltd. upgraded the senior notes of IEG and Inland to Ba1 .

On January 25, 2005, Mittal Steel announced that it had arranged commitments, subject to customary conditions, from a group of arrangers for a $3.2 billion unsecured revolving credit facility, the proceeds from which it expects to utilize to finance the cash portion of the merger with ISG, to refinance certain existing indebtedness and for general corporate purposes.

On January 24, 2005, Standard & Poor s Ratings Services raised its long-term corporate credit and senior secured debt ratings on Inland to BBB- from BB- . In addition, Standard & Poor s Ratings Services assigned a BB+ rating to Inland s senior unsecured debt.

---

1 Source: International Iron and Steel Institute Report, World Steel in Figures 2004.

On January 14, 2005, Mittal Steel signed a share purchase agreement with Hunan Valin Iron & Steel Group Co., Ltd., or the Valin Group, to acquire 37.17% of the outstanding shares of Hunan Valin Steel Tube & Wire Co., Ltd., or Valin, a listed subsidiary of the Valin Group. Under the terms of the share purchase agreement, Mittal Steel will acquire 656,250,000 legal person shares from the Valin Group at a price of Renminbi, or RMB, 3.96 per share, for a total consideration of RMB 2,599 million, approximately $314 million. The consideration is subject to adjustment based on the net asset value of Valin as at December 31, 2004. Subject to the receipt of all necessary approvals and waivers from the regulatory authorities in the Peoples Republic of China, the transaction is expected to close in the second quarter of 2005.

On December 30, 2004, Inland, a wholly owned subsidiary of Mittal Steel, redeemed $227,500,000 principal amount of its 9 3/4% senior secured notes due 2014, at a redemption price equal to 109 3/4% of the outstanding principal amount redeemed, plus accrued and unpaid interest on such amount to, but excluding, December 30, 2004. Prior to the redemption of the notes by Ispat Inland ULC, Mittal Steel purchased $256,000,000 of capital stock of Inland. Consistent with the terms of the indenture with respect to the notes, the cash proceeds from the stock offering were used to redeem the notes. After giving effect to this redemption, $422,500,000 principal amount of the 9 3/4% senior secured notes due 2014 remain outstanding.

On December 15, 2004, the shareholders of Mittal Steel approved the acquisition of LNM Holdings and resolved to amend Mittal Steel s articles of association, which included the change of name of the company from Ispat International N.V. to Mittal Steel Company N.V. On December 17, 2004 the acquisition of LNM Holdings was completed. Under the terms of the LNM Holdings acquisition agreement, The Richmond Investment Holdings Limited (an entity controlled by the controlling shareholder of Mittal Steel and, at the time, the sole shareholder of LNM Holdings), received 0.27931958 Mittal Steel class A common shares and 0.77068042 Mittal Steel class B common shares, for each LNM Holdings common share, or, in the aggregate, 139,659,790 Mittal Steel class A common shares and 385,340,210 Mittal Steel class B common shares.

In October 2004, Mittal Steel announced that its board of directors had approved a transaction pursuant to which ISG will be merged with a wholly owned subsidiary of Mittal Steel.

On November 15, 2004, Standard & Poor s Ratings Services raised its long-term corporate credit ratings for Mittal Steel to BBB from BB- , with a positive outlook. At the same time Standard & Poor s raised the debt ratings on debt guaranteed by Mittal Steel for Inland and IEG to BBB from BB- , with a positive outlook.

In connection with the merger, on October 24, 2004 the LNM Group (consisting of Mittal Steel and LNM Holdings), ISG and the USWA executed a letter of understanding in which the USWA agreed to support the merger and to waive its right of first refusal under the ISG collective bargaining agreement. See THE MERGER Letter of Understanding with the United Steelworkers of America on page 81.

In connection with changing its corporate name from Ispat International N.V. to Mittal Steel Company N.V., Mittal Steel is also changing the corporate names of certain of its subsidiaries. Set forth below are certain of Mittal Steel s subsidiaries, listed by jurisdiction of organization, indicating the historic corporate name of the subsidiary and the contemplated new corporate name of the subsidiary. Certain of the name changes have been effected but Mittal Steel anticipates completing this process in the second quarter of 2005. All references herein are to each subsidiary s historic corporate name.

Table of Contents

Country	Historic Corporate Name of Subsidiary	Contemplated New Corporate Name of Subsidiary
Algeria	Ispat Annaba	Mittal Steel Annaba
Bosnia	BH Steel	Mittal Steel Zenica
Canada	Sidbec	Mittal Canada Inc.
Czech Republic	Ispat Nova Hut	Mittal Steel Ostrava
	Valcovni Plechu	Mittal Steel Frydek
	Ispat Jakl Karvina	Mittal Steel Karvina
France	Unimétal	Mittal Steel Gandrange
Germany	Ispat Hamburger	Mittal Steel Hamburg
	Ispat Stahlwerk Ruhort	Mittal Steel Ruhrort
	Ispat Walzdraht Hochfeld	Mittal Steel Hochfeld
Kazakhstan	Ispat Karmet	Mittal Steel Temirtau
Luxembourg	IEG	Mittal Steel Europe
Macedonia	Ispat Skopje	Mittal Steel Skopje
Mexico	Imexsa	Mittal Steel Lazaro Cardenas
Poland	Ispat Polska	Mittal Steel Poland
Romania	Ispat Sidex	Mittal Steel Galati
	Ispat Petrotub	Mital Steel Roman
	Ispat Tepro	Mittal Steel Iasi
	Ispat Siderurgica	Mittal Steel Hunedoara
South Africa	Iscor	Mittal Steel South Africa
Trinidad	CIL	Mittal Steel Point Lisas

Business Overview

Mittal Steel has a high degree of both product and geographic diversification. It produces a broad range of finished and semi-finished steel products that include hot-rolled sheet, cold-rolled, electro-galvanized and coated steel, bars, wire-rods, wire-products, pipes, billets, blooms and slabs. Mittal Steel s plants manufacture steel products to various specifications, including many difficult and technically sophisticated products; and they sell these products to customers for use in a number of high-end applications. During 2004, Mittal Steel shipped its products to customers in over 90 countries worldwide, with its largest markets in North America and Europe. See MITTAL STEEL Products beginning on page 140. Mittal Steel conducts its business through its subsidiaries operating in 14 countries. Most of these operations are strategically located with access to on-site deep water port facilities, which allow for cost-efficient import of raw materials and export of steel products. As at December 31, 2004, Mittal Steel had approximately 161,000 employees.

The following tables set forth the operations in Mittal Steel s geographic areas:

Region	Product Category	Production Process
Americas	Flat/ Long	Mini-mill, integrated mini-mill, basic oxygen furnace
Europe	Flat/ Long	Mini-mill, integrated mini-mill, basic oxygen furnace
Rest of World	Flat/ Long	Mini-mill, integrated mini-mill, basic oxygen furnace

	Americas	Europe	Rest of World	Others & Eliminations	Consolidated
	(All amounts in $ millions)				
Year Ended December 31, 2001					
Sales to unaffiliated customers	3,299	1,293	865	(34)	5,423
Net Sales	3,168	1,215	784	(34)	5,133
Operating income	(209)	21	172	(21)	(37)
Depreciation	187	(1)	45	(2)	229
Capital expenditures	(86)	(30)	(98)	14	(200)
Total assets at December 31, 2001 (year end)	7,307	6,823	1,690	(8,659)	7,161
Year Ended December 31, 2002					
Sales to unaffiliated customers	3,796	2,152	1,483	(351)	7,080
Net Sales	3,648	2,031	1,398	(351)	6,725
Operating income	141	64	476	21	702
Depreciation	162	34	71	(1)	266
Capital expenditures	(81)	(54)	(130)		(265)
Total assets at December 31, 2002 (year end)	7,029	7,800	2,181	(9,101)	7,909
Year Ended December 31, 2003					
Sales to unaffiliated customers	4,072	3,800	2,275	(580)	9,567
Net Sales	3,917	3,646	2,172	(580)	9,155
Operating income	136	317	707	139	1,299
Depreciation	165	116	85	(35)	331
Capital expenditures	(142)	(131)	(222)	74	(421)
Total assets at December 31, 2003 (year end)	7,349	9,654	3,225	(10,091)	10,137

Products

Mittal Steel has a high degree of product diversification. Its plants produce a broad range of finished and semi finished steel products that include hot-rolled sheet, cold-rolled, electro-galvanized and coated steel, bars, wire-rods, wire-products, pipes, billets, blooms and slabs. Its plants manufacture steel products of different specifications, including many difficult and technically sophisticated products, and they sell these products to demanding customers for use in a number of high-end applications.

Mittal Steel s principal products currently include:

direct reduced iron;

semi-finished flat products such as slabs;

finished flat products such as hot and cold-rolled and hot-dipped and electro-galvanized steel;

semi-finished long products such as blooms and billets; and

finished long products such as bars, wire-rods and wire-products.

In 2003, Mittal Steel was one of the world s largest producers of direct reduced iron with total production of 7.2 million tonnes. Direct reduced iron enables it to control the quality and consistency of its metallic input, which is essential to ensure uniform high quality of the finished products. Direct reduced iron has historically given Mittal Steel a cost advantage compared to scrap.

The following table sets forth Mittal Steel s total production of direct reduced iron, and its total shipments(1) of flat and long products for the nine months ended September 30, 2004 by major product category:

	Americas	Europe	Rest of World	Total
Direct reduced iron production (thousand tonnes)	5,514	481	1,083	7,078
Flat products shipments (thousand tons)				
Semi-finished	3,227	1,215	437	4,879
Finished	4,322	5,073	6,702	16,097
Long products shipments (thousand tons)				
Semi-finished		226		226
Finished	1,743	6,992	2,041	10,776
Total steel products	9,292	13,506	9,180	31,978

Raw Materials

Mittal Steel s principal raw materials are iron ore, coal, coke, scrap, hot metal, alloys, natural gas and electricity.

Mittal Steel secures iron ore supplies from its own mines and through long-term and short-term purchase agreements with certain iron ore suppliers. Its mines are located in Kazakhstan, the United States, South Africa, Algeria and Mexico and account for approximately 45% of its iron ore requirements. Mittal Steel has entered into long-term contracts with the Sishen iron ore mine and the Thabazimbi iron ore mine in South Africa and long-term contracts with iron ore suppliers in the United States. These long term contracts collectively account for approximately 20% of its iron ore requirements. The remaining quantities of iron ore are procured through long-term and short-term contracts with both international and local suppliers. Mittal Steel s principal international suppliers include Companhia Vale do Rio Doce and MineraAoes Brasileiras Reunidas S.A. in Brazil, Shougang Hierro Peru S.A. in Peru, Corporacion Venezolana de Guyana in Venezuela and Quebec Cartier Mining Co. in Canada.

Approximately 40% of Mittal Steel s coal requirements are produced primarily at Ispat Karmet in Kazakhstan. The balance of its coal requirements are purchased.

Mittal Steel secures most of its coke requirements through its own coke making subsidiaries in Poland, Kazakhstan, South Africa, Romania and the Czech republic and through a joint venture agreement between Sun Coal Company and Primary Energy LLC and Inland. Certain of Mittal Steel s operating subsidiaries buy coke from local sources to optimize cost savings from transport efficiencies.

Mittal Steel procures the majority of its scrap requirements internally due to its integrated steel making facilities and direct reduced iron facilities. In addition, scrap is sourced through hot metal supply contracts entered into by its European operating subsidiaries. Scrap is typically procured locally, to optimize savings from transport efficiencies.

Mittal Steel procures its electricity requirements from local, regulated utility companies at prices fixed by either contract or tariff, except at its locations in the United States where a significant portion of its electricity requirements are purchased from onsite generation owned by third parties.

Mittal Steel procures most of its natural gas requirements from the natural gas spot market or through short-term contracts entered into with local suppliers of natural gas with prices fixed by either contract or tariff based on spot market prices.

1 All references herein to shipments are to shipments of steel products and include certain intercompany quantities, unless otherwise noted.

Table of Contents

Management

The Chairman and Chief Executive Officer of Mittal Steel is Mr. Lakshmi N. Mittal. Mr. Mittal s vision and his ability to guide Mittal Steel in its formulation and execution of appropriate business strategies to meet the challenges of an increasingly dynamic industry and business environment, have helped it to emerge as a world leader in the steel industry, with a global manufacturing and marketing presence.

For the purposes of global strategy formulation, planning and central functions, the global operations of Mittal Steel are divided into three regions: the Americas, Europe and Rest of World. Operating subsidiaries at each of the regions have their own manufacturing, engineering and commercial organizations and operate as profit centers within the framework of Mittal Steel s global and regional business strategies.

Within corporate and, where appropriate, regional management there are specialized and experienced executives in fields such as finance, marketing, purchasing, operations, shipping, human resources, communications, internal assurance, strategic planning, technology and law.

Mittal Steel implements a Knowledge Management Program, or KMP. KMP is intended to develop, share and utilize the knowledge and experience of Mittal Steel in order to accelerate improvements in business performance. KMP are quality, cost and efficiency improvement programs designed to allow each subsidiary to benefit from the best practices of Mittal Steel. KMP includes meetings between senior and middle level managers at Mittal Steel to share technical and operating experiences and expertise, coordinate activities and to receive updates as to technical and commercial developments and company-wide practices, as well as focused technical efficiency programs, undertaken on a centralized basis. Mittal Steel believes that KMP contributes to reducing procurement and conversion costs through bulk purchasing and improving overall profitability and operating efficiencies through mutual assistance.

Marketing and Sales

Mittal Steel s marketing strategy is to work with its customers on product development to meet their present and future requirements while utilizing its assets in the most efficient and profitable manner. Mittal Steel focuses its efforts on providing solutions to its customers to reduce their costs and becoming their preferred supplier of high quality steel products.

The large majority of Mittal Steel s products are sold directly to customers through its own sales force. A small portion of its products are sold to intermediate international traders.

Organizational Structure

Mittal Steel is a holding company with no business operations of its own. All of Mittal Steel s significant operating subsidiaries are substantially owned by Mittal Steel, indirectly through intermediate holding companies. The following chart represents the current operational structure, and not the legal or ownership structure, of Mittal Steel.

---

* Each of these companies, directly or indirectly, accounts for 10% or more of the net sales of Mittal Steel.

Table of Contents

The following table sets forth the registered office of each significant operating subsidiary of Mittal Steel.

Subsidiary	Registered Office
Americas	
Ispat Inland Inc.	3210 Watling Street East Chicago, IN 46312 U.S.A.
Ispat Mexicana, S.A. de C.V.	Fco. J. Mújica No. 1-B Apartado Postal No. 19-A Cd. Lázaro Cárdenas, Mich C.P. 60950 México
Ispat Sidbec Inc.	4000 route des Acieries Contrecoeur (Québec) J0L 1C0 Canada
Caribbean Ispat Limited	Mediterranean Drive Point Lisas Couva Trinidad and Tobago
Europe	
Ispat Europe Group S.A.	34-38 Avenue de la Liberté L-1930 Luxembourg Luxembourg
Ispat Polska Stahl SA	Ul Chorzowska 50, 40-121 Katowice, Poland
Ispat Sidex SA	Strada Smardan nr. 1 800.698, judetal Galati Romania
Ispat Nova Hut	Vratimovska 689, Ostrava 7, Ostrava-Kuncice, Czech Republic
Rest of World	
Ispat Karmet OJSC	472319 Termitau City, Lenin Avenue 1, Kazakhstan
Ispat Annaba Spa	Sidi Amar, El-Hadjar Complex B.P. 2055, Annaba 2300, Algeria
Iscor Ltd	Ispat Corporate Centre, Roger Dyason Road, Pretoria South Africa/P.O. Box 450, Pretoria 001, South Africa

Property, Plant and Equipment

Mittal Steel s principal operating subsidiaries in the Americas are Inland, Imexsa, Sidbec and CIL; in Europe are Polska, Sidex, Ispat Nova Hut and IEG; and in the Rest of World are Ispat Karmet, Ispat Annaba and Iscor. In addition, Mittal Steel conducts operations through other subsidiaries and affiliates. All of its operating subsidiaries are substantially owned by Mittal Steel through intermediate holding companies.

Table of Contents

Certain of Mittal Steel s assets are encumbered in favor of its lenders. See Note 9 to Mittal Steel s Supplemental Combined Financial Statements.

Americas

Ispat Inland Inc.

General. Ispat Inland Inc., or Inland, is the fourth largest integrated producer of steel in the United States, with shipments of 5.3 million tons in 2003. Inland was established in 1893, and all raw steel made by Inland is produced at its Indiana Harbor Works located in East Chicago, Indiana. The property on which this plant is located, consisting of approximately 1,900 acres, is held by Inland in fee. The basic production facilities of Inland at its Indiana Harbor Works consist of blast furnaces for making iron; basic oxygen and electric furnaces for making steel; a continuous billet caster, a continuous combination slab/bloom caster and two continuous slab casters; and a variety of rolling mills and processing lines that produce finished steel mill products. A continuous annealing line and slitting equipment are leased by Inland. Inland has granted the PBGC a lien upon the caster facility to secure the payment of future pension funding obligations. Substantially all of the remaining property, plant and equipment at the Indiana Harbor Works, other than the caster facility and leased equipment, is subject to the lien of the First Mortgage of Inland dated April 1, 1928, as amended and supplemented. The Indiana Harbor Works is also subject to a second lien in favor of the USWA to secure a post-retirement health benefit.

I/N Tek, a partnership in which a subsidiary of Inland owns a 60% interest, has constructed a 1.7 million ton annual production capacity cold-rolling mill on approximately 200 acres of land, which it owns in fee, located near New Carlisle, Indiana. Substantially all of the property, plant and equipment owned by I/N Tek is subject to a lien securing related indebtedness. The I/N Tek facility is adequate to serve the present and anticipated needs of Inland planned for such facility.

I/N Kote, a partnership in which a subsidiary of Inland owns a 50% interest, has constructed a one million ton annual production capacity steel galvanizing facility on approximately 25 acres of land, which it owns in fee, located adjacent to the I/N Tek site. Substantially all of the property, plant and equipment owned by I/N Kote is subject to a lien securing related indebtedness. The I/N Kote facility is adequate to serve the present and anticipated needs for galvanized products of Inland planned for such facility.

PCI Associates, or PCI, a partnership in which a subsidiary of Inland owns a 50% interest, has constructed a pulverized coal injection facility on land located within the Indiana Harbor Works. Inland leases PCI Associates the land upon which the facility is located. A 50% undivided interest in substantially all of the property, plant and equipment at the PCI facility is subject to a long-term lease, with the balance of the PCI facility owned by PCI Associates. The PCI facility is adequate to serve the present and anticipated needs of Inland planned for such facility.

Inland owns property at the Indiana Harbor Works used in connection with a joint coke and energy production project with Sun Coal Company and Primary Energy LLC.

A subsidiary of Inland owns a fleet of 350 coal hopper cars (100-ton capacity each) used in unit trains to move coal and coke to the Indiana Harbor Works. Inland time-charters three vessels for the transportation of iron ore and limestone on the Great Lakes. During 1998, Inland transferred ownership of such vessels to a third party subject to a lien in favor of the PBGC on the vessels to secure the payment of future pension funding obligations. Such equipment is adequate, when combined with purchases of transportation services from independent sources, to meet the present and anticipated transportation needs of Inland.

Inland also owns and maintains research and development laboratories in East Chicago, Indiana. These facilities are adequate to serve its present and anticipated needs.

Production Facilities. The following table sets forth a general description of Inland s principal production units at the Indiana Harbor Works.

Facility	Capacity (per year)	Production (2003)(1)
3 blast furnaces	5.7 million tons of hot metal	4.2 million tons
2 basic oxygen furnaces	5.9 million tons of liquid steel	4.7 million tons
3 slab and bloom casters	5.6 million tons	4.6 million tons
80 Hot strip mill	6.0 million tons	5.1 million tons
Cold rolling mill:		
2 continuous pickle lines	3.1 million tons	2.4 million tons
56 and 80 tandem mill	3.7 million tons	2.4 million tons
Continuous annealing facilities	457,000 tons	304,000 tons
Batch annealing facility	1.7 million tons	1.6 million tons
3 temper rolling mills	2.9 million tons	2.1 million tons
5 finishing lines	2.1 million tons	1.7 million tons
3 coating lines	928,000 tons	750,000 tons
1 electric arc furnace	610,000 tons of liquid steel	372,000 tons
1 continuous billet caster	800,000 tons	359,000 tons
12 bar mill	700,000 tons	522,000 tons

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

Products. Inland produces and sells a wide range of steel products, largely carbon and high-strength low-alloy steel grades, in flat-rolled and bar forms. Flat products generated 89% of Inland s 2003 revenue. This division manufactures and sells hot-rolled, cold-rolled, coated and galvanized steel sheets used in various applications including automotive, steel service center, appliance, office furniture and electrical motor markets. Inland s flat products division also manages Inland s iron ore and iron-making operations, and produces the major portion of its raw steel requirements. Inland is one of the leading producers in the United States of automotive sheet, the highest value-added flat-rolled carbon steel product, and one of the largest suppliers of steel to the appliance market. Over 80% of Inland s flat-rolled steel revenues are generated by value-added cold-rolled or coated steels. Nearly all of Inland s steel products are made to fill specific orders due to the unique chemistry, surface quality, and width and gauge requirements of our customers.

Inland s bar division generated 11% of Inland s 2003 revenue, and manufactures and sells a variety of bar products, including SBQ to the automotive industry directly, as well as to forgers and cold finishers, and also to heavy equipment manufacturers and steel service centers. SBQ steel is used by our customers in the automotive, agricultural and transportation industries, among others, to manufacture products such as axles and bearings.

Ispat Mexicana, S.A. de C.V.

General. Ispat Mexicana, S.A. de C.V., or Imexsa, is the largest steel producer in Mexico. Imexsa operates a pelletizer plant, two direct reduced iron plants, an electric arc furnace-based steel making plant and continuous casting facilities. Imexsa has advanced secondary metallurgical capabilities, including ladle refining, vacuum degassing and calcium silicon injection, which permit it to produce higher quality slabs that are used for specialized steel applications in the automotive, line pipe manufacturing, shipbuilding and appliance industries.

Imexsa s production facilities are located on 1,075 acres adjacent to a major deep water port in Lazaro Cardenas, Michoacan, Mexico, through which most of its slabs are shipped for export and its raw materials are received. The port is the largest bulk material handling port in Mexico and the second largest bulk material handling port in Latin America. The port includes a metals and minerals wharf with three berths, operated by our joint venture, Corporacion del Balsas, S.A. de C.V., or Corporacion del Balsas, under a concession from the Mexican government, which expires in 2014, and a multipurpose terminal berth operated by Imexsa, which currently accepts vessels up to Handymax size. Imexsa operates the multipurpose terminal berth under a concession from the Mexican government, which expires in 2010.

During 2003, Imexsa received re-certification for QS 9000 through 2006 (previously obtained in 1999 and valid through 2003) and holds several certifications for manufacturing customer specific shipbuilding grades of steel. Some of the value-added products developed in 2003 were heat-treatment grades for plate manufacturing, oil country tubular goods, high chromium grade for oil exploration applications and also for the gas transportation industry. As part of moving up the value chain, Imexsa has invested $13.6 million in a Ruhrstahl Heraeus Top Lance, or RHTL, plant. The new plant, which commenced operations in October 2004, will enable it to produce up to 1.0 million tons of ultra low carbon interstitial free steel mainly for the automobile segment. Imexsa (through an affiliate) is also constructing an oxygen gas plant, in which it is investing $10.5 million and which is expected to be operational by the end of March 2005. Since its inception, Imexsa has been an export-focused company. In 2003, approximately 71% of Imexsa s slabs were exported to finished steel product manufacturers in China, Germany, Korea, Thailand and the United States.

In addition to its core steel-making facilities, Imexsa holds a 50% equity interest in Pena Colorada, an iron ore mining and pelletizing company which has the capacity to produce 4.0 million tonnes of pellets, of which Imexsa s share is 50%. Imexsa also has strategic interests in several other ancillary companies, which provide significant benefits. These include:

a 50% interest in Corporacion del Balsas, which manages captive port facilities for handling raw materials;

a 50% interest in Servicios Siderurgicos Integrados, S.A. de C.V., which provides various products such as industrial gas and services to Imexsa, at its cost of producing these services; and

a 50% interest in Cal del Balsas, S.A. de C.V., which produces lime products.

Production Facilities. The following table sets forth a general description of Imexsa s principal production units:

Facility	Capacity (per year)	Production (2003)(1)
Pelletizer plant	4.0 million tonnes of pellets	3.2 million tonnes
Direct reduced iron plant	2.4 million tonnes of direct reduced iron	2.0 million tonnes
Direct reduced iron plant	1.7 million tonnes of direct reduced iron	1.5 million tonnes
4 electric arc furnaces	4.0 million tons of liquid steel	3.3 million tons
2 continuous casters	3.8 million tons of slabs	3.1 million tons
Thermal power station	40 megawatts (two 20-megawatt units)	88.24 million kwh

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

Products. Imexsa is the world s largest supplier of slabs to the merchant market. Slabs are purchased both by steel manufacturers without primary steel-making facilities and by steel manufacturers with either a temporary or permanent reliance on external sources for a portion or all of their needs. Imexsa s product line mainly caters to high-end applications of its customers.

Imexsa utilizes direct reduced iron as its primary metallic input for virtually all of its production.

Table of Contents

Ispat Sidbec Inc.

General. Ispat Sidbec Inc., or Sidbec, is the fourth largest steelmaker in Canada, based on 2003 shipments of approximately 1.6 million tons of finished steel products. Sidbec is currently the only Canadian steelmaker utilizing internally produced direct reduced iron as the primary raw material for steel making.

Production Facilities. Sidbec s facilities are located in the Province of Quebec on approximately 1,050 acres of land in Contrecoeur, 100 acres in Longueuil and 23 acres in Montreal. The following table sets forth a general description of Sidbec s principal production facilities.

Facility	Capacity (per year)	Production (2003)(1)
2 direct reduced iron plants	1.5 million tonnes of direct reduced iron	503,000 tonnes
2 electric arc furnaces	1.8 million tons of liquid steel	1.7 million tons
1 continuous slab caster	900,000 tons of slabs	800,000 tons
1 six-strand billet caster	900,000 tons of billets	800,000 tons
Hot strip mill	683,000 tons of hot bands	640,000 tons
Cold rolling mill:		
Pickling line	470,000 tons	430,000 tons
2 cold-rolling mills	470,000 tons	379,000 tons
19 annealing furnaces	330,000 tons	261,000 tons
1 temper mill	330,000 tons	261,000 tons
2 rod and bar mills	860,000 tons of rods and bars	718,000 tons
1 pipe mill	109,000 tons of pipe	76,000 tons

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

Products. Sidbec manufactures a wide range of steel products, including hot, cold and galvanized sheet, wire rods, bar and pipe products, and markets these products primarily in Canada and the United States.

Caribbean Ispat Limited

General. Caribbean Ispat Limited, or CIL, located in Trinidad and Tobago, is the largest steelmaker in the Caribbean, based on 2003 shipments of one million tons of steel products. CIL operates direct reduced iron plants, an electric arc furnace-based steel-making plant, continuous casting facilities and a high-speed rolling mill.

Production Facilities. CIL s facilities are located on approximately 260 acres at the Point Lisas Industrial Complex in Point Lisas, Couva, Trinidad and Tobago. CIL leases the property on which the facilities are located from Point Lisas Industrial Port Development Company, or PLIPDECO. On February 12, 1996, CIL and PLIPDECO entered into a lease agreement extending the terms of the lease of such property until April 10, 2038. The following table and discussion set forth a general description of CIL s principal production facilities.

Facility	Capacity (per year)	Production (2003)(1)
2 direct reduced iron plants	1.3 million tonnes of direct reduced iron	965,000 tonnes
	1.4 million tonnes of direct reduced iron	1,310,000 tonnes
2 electric arc furnaces	1.2 million tons of liquid steel	1,029,000 tons
2 continuous casters	1.1 million tons of billets	988,000 tons
1 rod mill	810,000 tons of wire rods	706,000 tons

Table of Contents

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

CIL s production facilities are located adjacent to a dedicated deep water dock facility near the waterfront of the Gulf of Paria. CIL operates the facility, which is leased from National Energy Corporation of Trinidad and Tobago Limited through 2015, for the receipt and dispatch of various raw materials, consumables and finished products. The berth of the dock facility has a service length of about 450 yards and a depth of 45 feet. The primary imported materials received at the dock are iron ore pellets and limestone.

Products. CIL produces wire rods for use in a wide range of industrial applications, including the manufacture of welding electrodes, cables, chains, springs, fasteners, wire strands and wire ropes, pre-stressed concrete strands, tire beads, as well as in the construction industry. In 2003, substantially all of CIL s wire rod shipments were exported, primarily to steel fabricators in South and Central America, the Caribbean and the United States. CIL is also a significant producer, exporter, and user of direct reduced iron.

Europe

Ispat Europe Group S.A.

General. Ispat Europe Group S.A., or IEG, is the holding company of all our operating subsidiaries in Germany and France. The principal steel-making operations are in Hamburg, Germany, Duisburg, Germany, Unimétal, France. In addition, it has a number of downstream facilities in Belgium, France, Germany, Italy and the United Kingdom. The downstream business is one of the largest in Europe.

Production Facilities. The following table sets forth a general description of IEG s principal production units.

Facility	Capacity (per year)	Production (2003)(1)
1 direct reduced iron plant	600,000 tonnes	565,000 tonnes
2 electric arc furnaces	2,800,000 tons of liquid steel	2,200,000 tons
4 continuous casters	6,300,000 tons of billets/blooms	3,525,000 tons
2 billet rolling mills	2,000,000 tons of billets	1,147,600 tons
3 wire rod mills	2,992,000 tons of wire rods	2,098,200 tons

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

Products. IEG s principal products are wire rods, bars, billets and blooms, and IEG s subsidiaries are the largest producers of high quality wire rods in Europe. In addition, IEG s downstream facilities produce wires for various applications, including springs, elevator ropes, hoisting ropes, wire mesh and bright drawing bars.

Ispat Polska

General. Mittal Steel currently holds a 70.5% interest in Ispat Polska, as well as the irrevocable right, as agreed by Mittal Steel and the Polish state authorities, to purchase an additional 25% interest in Ispat Polska from Polish state authorities.

Ispat Polska, formerly Polski Huty Stali S.A., or PHS, took control of the businesses of four steel companies in 2003: Huta Katowice S.A., Huta T. Sendzimira S.A., Huta Florian S.A. and Huta Cedler S.A., all of which were then Polish state-owned enterprises. Ispat Polska is the largest steel producer in Poland, with an annual production capacity of approximately 8.3 million tons of crude steel. The agreement for the acquisition of Ispat Polska by Mittal Steel was concluded in October 2003 and the acquisition was completed in March 2004. The major operations of Ispat Polska are based in Dabrowa Gornicza, Krakow, Sosnowiec and Swietochlowice, Poland.

Ispat Polska produces a wide range of steel products, including both long products (including billets, blooms, sections, rails, and wire-rods and tubes) and flat products (including slabs, hot-rolled products, cold-rolled products and galvanized and coated coils).

The sale of Ispat Polska by the government of Poland was part of its initiative to restructure its national steel industry. Pursuant to the acquisition agreement, Mittal Steel committed to make capital expenditures of $623 million through December 2009, as well as to comply with the PHS restructuring plan that the government of Poland agreed with the European Commission as part of the European Union accession process, including the shutdown of some rolling and finishing facilities and minimum employment levels. Approximately $515 million of the required capital investment is expected to be completed by the end of 2006, including construction of a continuous slab caster, modernization of rolling mills at Krakow and Sosnowiec and construction of a color coating line.

In connection with the combination of four steel companies into Ispat Polska, Ispat Polska also became the owner of shares in a number of related companies. Some of these subsidiaries operate rolling mills that engage in converting billets, slabs and other semi-finished products into a range of finished products.

Production Facilities. The following are the principal production facilities of Ispat Polska:

Facility	Capacity (per year)	Production (2003)(3)
	(Thousand tons, except as noted)	
13 coke oven batteries(1)	5,340 thousand tonnes	5,191 thousand tonnes
2 sintering plants	8,200 thousand tonnes	7,732 thousand tonnes
5 blast furnaces (four operational)	7,385	6,133
2 converter plants with six basic oxygen furnaces	8,377	6,797
2 continuous steel casters (for billets and blooms)	3,307	2,937
1 continuous steel caster (for slabs)	1,984	1,919
Breakdown mill	2,646	1,789
Continuous billet mill	1,102	827
Hot rolling mill	2,205	1,823
Cold rolling mill	1,929	945
Heavy-section mill	1,047	1,059(2)
Medium-section mill	937	941(2)
Galvanizing line	300	258
Wire rod mill	606	541
Tube mill	276	116
Cold rolled strip plant	88	88
Wire plants	120	115

(1) Includes coke production of Zaklady Koksownicze Zdzieszowice, a subsidiary of Ispat Polska.

(2) Production in excess of the stated capacity is possible by adjusting the facility loading and product mix.

(3) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production number will not give the quantity of saleable finished steel products.

Products. Ispat Polska s product range includes slabs, billets, blooms, sections, hot-rolled sheets and strips, cold-rolled sheets and strips, galvanized sheets, welded tubes, wire-rods and other wire products and coated sheets.

Table of Contents

More than 50% of Ispat Polska s products are sold in the domestic market, while the remainder are exported, primarily to customers located in other member states of the European Union. Ispat Polska ships its products primarily to customers in the construction, engineering, transport, mining and automotive industries.

Ispat Sidex

General. Mittal Steel acquired 91.6% of Combinatul Siderurgica Sidex S.A. Galati, now Ispat Sidex, from the Authority for Privatization and Management of State Ownership of Romania in November 2001, and increased its interest to 99.4% in September 2003. Ispat Sidex operates the largest integrated steel plant in Romania and is among the largest producers of steel in Central and Eastern Europe.

According to its own estimates, Ispat Sidex produces over 75% of the total steel consumption in Romania. Ispat Sidex enters into long-term agreements with domestic customers in the shipbuilding, construction, automotive and appliance sectors.

In connection with its acquisition by Mittal Steel, Ispat Sidex agreed with the Romanian government to make capital expenditures of approximately $251 million from November 2001 through December 2006, of which $76 million is to be used for environmental projects, as well as a further $100 million in capital expenditures from 2007 through 2011. These investments are secured by a pledge of a portion of Mittal Steel s shares in Ispat Sidex. These investments, which have totaled $143 million through December 2003, have included modernizing a slab caster, pickling line, tandem mill and re-heating furnaces in the hot-rolling and plate mill; reconstructing a coke oven battery; implementing new computer software; and investments in equipment for desulphurizing coke oven gas.

Mittal Steel has provided employment commitments for a five-year period from the date of its acquisition of Ispat Sidex during which it agreed not to engage in any collective dismissals of employees at Ispat Sidex. Pursuant to the acquisition agreement, Ispat Sidex is also exempt from enforcement of certain Romanian fiscal and environmental laws until such time as Romania joins the European Union and exempt from certain taxes and duties.

Production Facilities. Ispat Sidex has a total annual production capacity of approximately 7.0 million tons of crude steel. The following table sets forth a general description of Ispat Sidex s principal production facilities:

Facility	Capacity (per year)	Production (2003)(1)
	(Thousand tons, except as noted)	
6 coke ovens	2,212 thousand tonnes	1,637 thousand tonnes
3 sintering plants	8,150 thousand tonnes	5,670 thousand tonnes
5 blast furnaces	6,750	4,493
6 basic oxygen furnaces	7,055	5,006
4 continuous slab casters	3,913	4,356(2)
5 continuous bloom casters	596	398
1 billet mill	661	371
2 heavy plate mills	2,315	1,689
1 hot strip mill	3,527	2,256
Cold rolling mill	1,742	826
Hot dip galvanizing line	220	187
Welded pipe plant	49	22

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

(2) Production in excess of the design capacity is achieved by improved control and production parameters.

Table of Contents

Products. Ispat Sidex produces and markets a large variety of products, including slabs, billets, plates, hot rolled, cold rolled and galvanized sheet and large diameter longitudinally welded pipes. Approximately 25% of its products are sold domestically. Sales outside the domestic market, Europe, Canada and the United States are made by LNM Marketing.

Ispat Nova Hut

General. In January 2003, Mittal Steel acquired a 69.7% interest, which increased to approximately 84.3% voting interest, in Ispat Nova Hut, the largest steel producer in the Czech Republic. This includes voting rights due to 13.9% of Ispat Nova Hut s shares that Mittal Steel does not own but are to be transferred to it following the resolution of a dispute between the government of the Czech Republic and another party. The sale of Ispat Nova Hut by the government of the Czech Republic was part of an initiative to restructure the Czech steel industry. Mittal Steel made capital expenditure commitments totaling $243 million over 10 years, including $135 million from 2003 through 2007 and $20 million for environmental improvements. Upon acquisition, Mittal Steel rescheduled the debt obligations of the Nova Hut Group with a consortium of Czech and international banks and led by the International Finance Corporation.

Ispat Nova Hut has an annual production capacity of over 3.6 million tons of crude steel.

In connection with the acquisition, Ispat Nova Hut also committed to follow the medium term restructuring plan approved by the European Commission. This plan includes reductions in capacity and employment levels and contributions for developments in the surrounding region.

Production Facilities. Ispat Nova Hut s production facilities are located in Ostrava, Czech Republic. The sinter plant and blast furnaces, although located on the same site as the remainder of the production facilities, are owned and operated by Vysoké Pece Ostrava, a.s., in which Mittal Steel has a total interest of 83%. The following table sets forth a general description of Ispat Nova Hut s principal production facilities:

Facility	Capacity (per year)	Production (2003)(2)
	(Thousand tons, except as noted)	
3 coke ovens	1,500 thousand tonnes	1,493 thousand tonnes
2 sinter plants(1)	3,640 thousand tonnes	3,380 thousand tonnes
4 blast furnaces(1)	3,789	3,675
Steel mill with 4 open hearth tandem furnaces	3,638	3,404
3 continuous casters	3,667	3,345
Hot strip mill	1,217	1,007
2 section mills	1,400	1,306
Wire rod mill	675	649
2 seamless tube mills	315	303
Spiral welding shop	50	46
Power plant	201 MW	1,507 GWh

(1) Owned and operated by Vysoké Pece Ostrava, a.s.

(2) Production facility details include the production numbers for each step in the steel making process. Output from one step in the process is used as input in the next process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

Ispat Nova Hut also has a controlling ownership share in several other small operating companies, including cold-rolling mills, hot-rolling mills and a welded tube manufacturer.

Products. Ispat Nova Hut produces mostly long products. Over 40% of Ispat Nova Hut s production is sold in the domestic market, and the remainder is sold primarily to customers in other European countries. Ispat Nova Hut sells most of its production directly to end users, primarily in the engineering, automotive and construction industries, as well as to stockists (small-lot resellers).

Rest of World

Ispat Annaba SPA

General. Ispat Annaba, located in Algeria, is a joint venture entered into in October 2001 between Mittal Steel and Groupe Sider, or Sider, an agency of the government of the Republic of Algeria, pursuant to which Mittal Steel acquired a 70% ownership in Ispat Annaba. Mittal Steel simultaneously acquired a 70% interest in Ispat Tebessa, an iron ore producer that supplies Ispat Annaba, from Enterprise Publique Economique du Fer et du Phosphate, or Ferphos. Mittal Steel also has a right of first refusal on the purchase of the remaining 30% of Ispat Annaba and Ispat Tebessa should either Sider or Ferphos, respectively, sell its remaining interest. Ispat Annaba is the only integrated steel plant in Algeria, with an annual production capacity of approximately 2.0 million tons of crude steel. Ispat Annaba also owns port facilities at Annaba, which is located approximately 17 km away from its steel producing operations, for handling exports of steel products and imports of raw materials.

In connection with its acquisition, Mittal Steel provided capital expenditure commitments for Ispat Annaba of $140 million (of which environmental investment commitments amount to $25 million) over 10 years from the date of acquisition, including minimum investment of $80 million and a minimum shipping level of 1.3 million tons per year by October 2006. Mittal Steel also provided employment commitments extending through October 2005 during which it agreed that it would not undertake any collective dismissals and agreed to provide a working capital facility of $15 million for five years. Mittal Steel also agreed to make capital expenditures of $30 million at Ispat Tebessa, $20 million of which is to be invested through 2006.

Production Facilities. Ispat Annaba s production facilities consist of six basic oxygen furnaces and one electric arc furnace. Ispat Annaba completed the modernization of its hot strip mill in 2002, and completed construction in March 2004 of a new bar mill with an annual production capacity of 400,000 tons.

The following table sets forth a general description of Ispat Annaba s principal production facilities:

Facility	Capacity (per year)	Production (2003)(1)
	(Thousand tons, except as noted)	
2 coke making batteries (1 operational)	565 thousand tonnes	574 thousand tonnes(2)
1 sintering plant	3,170 thousand tonnes	1,865 thousand tonnes
2 blast furnaces	1,896	1,048
6 basic oxygen furnaces and one electric arc furnace	1,989	1,157
Hot rolling mill	1,984	563
Cold rolling mill	992	310
2 bar and rod mills	896	331(3)

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

(2) Production in excess of capacity is achieved by adjusting the coal blend.

(3) New bar mill completed in March 2004.

Products. Ispat Annaba produces both long and flat products. The flat product range includes slabs, hot rolled and cold-rolled coils and sheets, hot-dipped galvanized products and tin plates, and the long product range includes billets, wire-rods, rebars and seamless tubes. Ispat Annaba supplies products primarily to the construction, housing, engineering, packaging and petrochemical industries.

Approximately two-thirds of Ispat Annaba s products are sold domestically, with large quantities exported to customers in Europe and the Maghreb region of northern Africa.

Table of Contents

Ispat Karmet OJSC

General. Mittal Steel acquired steel manufacturing facilities in the Karaganda region of the Republic of Kazakhstan in November 1995 from the government of the Republic of Kazakhstan. Mittal Steel subsequently acquired a nearby power plant and coal and iron ore mines. These facilities are now all held by Ispat Karmet and its subsidiaries. Since its acquisition by Mittal Steel, Ispat Karmet s annual shipments of finished products have increased from the pre-acquisition level of 2.5 million tons to 4.1 million tons in 2003. This increase has been accomplished primarily by investment in Ispat Karmet s operating equipment and through application of the operating, financial, procurement and marketing strategies and strengths of Mittal Steel. The share of Ispat Karmet s value-added products, primarily cold-rolled and coated products, in its total output has increased from 6% in 1995 to over 55% in 2003.

In December 2001, Ispat Karmet signed an investment agreement with the government of the Republic of Kazakhstan, pursuant to which Ispat Karmet agreed to make capital expenditures of approximately $580 million. Total related capital expenditures through the six months ended June 30, 2004 were $318 million. These capital expenditures have included reconstructing blast furnaces, constructing a continuous caster, constructing a coke oven battery, constructing a tin plate rolling mill and establishing a galvanizing line. Ispat Karmet is also constructing two twin strand slab casters and conducting a major overhaul of a blast furnace. Ispat Karmet plans to construct a color coating line, an additional cold rolling mill, a coke oven battery and a tinning line in 2005 and 2006.

Mittal Steel has also agreed not to undertake collective dismissals with respect to Ispat Karmet employees. In connection with the acquisition of Ispat Karmet, Mittal Steel was also exempted from compliance with certain changes in environmental laws for 10 years from the date of acquisition.

Production Facilities. Ispat Karmet s integrated steel plant consists of three basic oxygen furnace and four blast furnaces, with a total annual production capacity of 6.6 million tons of crude steel. Ispat Karmet s rolled steel is shipped to customers in coil, strip or sheet form. In 2002, Ispat Karmet obtained EN ISO 9001-2000 certification for one of its galvanizing lines and in 2003 it obtained this certification for its rolling mills.

Over 90% of Ispat Karmet s production is exported, and the production that is sold domestically accounts for nearly all domestic steel consumption.

The following table sets forth a general description of Ispat Karmet s principal production facilities:

Facility	Capacity (per year)	Production (2003)(1)
	(Thousand tons, except as noted)	
5 coke oven batteries	2,470 thousand tonnes	2,483(2) thousand tonnes
1 sintering plant	6,500 thousand tonnes	6,378 thousand tonnes
4 blast furnaces	4,768	4,560
3 basic oxygen furnaces	5,732	5,410
2 slab mills	6,614	4,755
1 hot strip mill	5,071	4,329
2 cold rolling mills	2,632	2,369
3 electrolytic tinning lines	413	297
2 hot-dip galvanizing and aluminum-zinc coating lines	883	794

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Hence, the summation of production numbers will not give the quantity of saleable finished steel products.

(2) Production in excess of the stated capacity is possible by adjusting the facility loading and product mix.

Products. Ispat Karmet s product range of flat steel products includes pig-iron, slabs, hot and cold-rolled coils and sheets, black-plates, covers, tin-plates, hot-dipped galvanized products and pipes.

Table of Contents

Ispat Karmet sells steel products to a range of industries, including the tube and pipe making sectors, and manufacturers of consumer goods and appliances. Export sales of products manufactured by Ispat Karmet other than to customers in Europe, the Russian Federation and other CIS countries are conducted by LNM Marketing. LNM Marketing purchases steel products from Ispat Karmet pursuant to an agreement that extends through 2009, according to which prices are based on historical averages, increased annually at a fixed rate.

A significant percentage of Ispat Karmet s production is exported to China and other countries in West, Central and Southeast Asia.

Iscor Ltd.

General. Iscor Ltd. is the largest steel producer in Africa, and has an installed annual production capacity of 9.2 million tons of crude steel. In 2001, Mittal Steel acquired 8.26% of the shares in Iscor, and increased its interest to 34.8% through additional purchases during 2002. In December 2002, Mittal Steel made an offer to Iscor shareholders to acquire up to an additional 12.19% of Iscor s issued share capital. This offer was fully subscribed, and acquisition of these shares was completed in February 2003, as a result of which Mittal Steel s ownership of Iscor increased to 47%. In return for the offer, the shareholders agreed to