

MITTAL STEEL CO N.V.
Form 424B3
June 29, 2006
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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-132642

AMENDED AND RESTATED EXCHANGE OFFER PROSPECTUS

Mittal Steel is offering to acquire all shares of common stock of Arcelor S.A. issued as of February 6, 2006, or issued prior to expiration of the initial acceptance period (or any subsequent offering period, as described herein), upon conversion of Arcelor Convertible Bonds, as defined herein, or upon exercise of Arcelor stock options granted prior to February 6, 2006, or in exchange for Usinor shares issued upon the exercise of Usinor stock options granted prior to February 6, 2006, and such other shares to which Mittal Steel may extend the offer as described herein (all such shares, the Arcelor shares); all Arcelor American Depositary Shares (Arcelor ADSs) (each Arcelor ADS representing one share of common stock of Arcelor) that represent Arcelor Shares; and all convertible bonds, known as OCEANes, of Arcelor issued in June 2002 and maturing on June 27, 2017 outstanding on February 6, 2006 (the Convertible Bonds).

The Offer has been revised pursuant to the execution on June 25, 2006 of a Memorandum of Understanding (the Memorandum of Understanding) between Mittal Steel, Arcelor and the Controlling Shareholder (as defined herein) relating to the terms of the Offer and various other matters. See Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder.

The revised Offer is comprised of both a primary mixed cash and exchange offer (the Primary Offer) and two secondary capped offers, one for cash only and the other for class A common shares of Mittal Steel only (the Secondary Offers).

Mittal Steel is offering to exchange pursuant to the Primary Offer:

13 Mittal Steel class A common shares and 150.60 in cash for every 12 Arcelor shares or Arcelor ADSs tendered; and

13 Mittal Steel class A common shares and 188.42 in cash for every 12 Convertible Bonds tendered.

Mittal Steel is offering to exchange pursuant to the Secondary Offers:

40.40 in cash for each Arcelor share or Arcelor ADS tendered in the secondary cash offer; or

11 Mittal Steel class A common shares for every 7 Arcelor shares or Arcelor ADSs tendered in the secondary exchange offer.

The consideration set out above is subject to adjustment in specific circumstances as set out herein. The cash consideration paid to tendering holders of Arcelor ADSs will be in U.S. dollars, calculated by converting the applicable amount in euros into U.S. dollars using the noon buying rate, as published by the Federal Reserve Bank of New York, on the business day prior to the settlement date. The Completion of the Offer is subject to certain conditions. A detailed description of the terms and conditions of the Offer appears under The Offer Terms and Conditions of the Offer herein.

The Primary Offer and Secondary Offers set out above are collectively referred to in this prospectus as the Offer, and the Arcelor shares, Convertible Bonds and Arcelor ADSs are collectively referred to as the Arcelor securities.

THE BOARD OF DIRECTORS OF ARCELOR HAS UNANIMOUSLY RECOMMENDED THAT ARCELOR SECURITYHOLDERS ACCEPT THE OFFER AND TENDER THEIR SECURITIES PURSUANT TO THE OFFER. ARCELOR WILL PUBLISH A DOCUMENT IN RESPONSE TO MITTAL STEEL'S OFFER IN THE COMING DAYS, WHICH WILL STATE MORE FULLY THE BOARD OF DIRECTOR'S VIEWS. THIS DOCUMENT WILL BE AVAILABLE ON ARCELOR'S WEBSITE AT WWW.ARCELOR.COM.

You are not required to make the same election for all of the Arcelor securities that you tender, and you may make any of these elections for all or some of the Arcelor securities that you tender. If you tender Arcelor shares and/or Arcelor ADSs and fail to make any election, you will be deemed to have elected the Primary Offer. Tenders in the two Secondary Offers, however, are subject to a pro-rata and allocation procedure that will ensure that in the aggregate the portion of the tendered Arcelor shares and Arcelor ADSs that are exchanged for Mittal Steel shares and the portion of the tendered Arcelor shares and Arcelor ADSs that are exchanged for cash (excluding the effect of the treatment of fractional shares that would otherwise be issued and the impact of any adjustment to the Offer

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consideration (as noted above and described herein)) will be 68.9% and 31.1%, respectively.

The maximum number of class A common shares that Mittal Steel will issue in connection with the Offer is 722,235,265.

Mittal Steel is conducting the Offer through two separate offers: an offer open to all holders of Arcelor shares and Convertible Bonds who are U.S. holders (within the meaning of Rule 14d-1(d) under the U.S. Securities Exchange Act of 1934, as amended) and to all holders of Arcelor ADSs, wherever located (the U.S. Offer); and an offer open to (i) holders of Arcelor shares and Convertible Bonds who are located in Belgium, France, Luxembourg and Spain and (ii) holders of Arcelor shares and Convertible Bonds who are located outside of Belgium, France, Luxembourg, Spain, Japan, The Netherlands and the United States to the extent that such holders may participate in such offer pursuant to applicable local laws and regulations (the European Offer).

THE U.S. OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, JULY 13, 2006, UNLESS IT IS EXTENDED OR UNLESS IT LAPSES OR IS WITHDRAWN PRIOR TO THAT TIME PURSUANT TO THE CONDITIONS DESCRIBED IN THIS PROSPECTUS. THIS AMENDED AND RESTATED PROSPECTUS AMENDS AND RESTATES OUR PROSPECTUS DATED JUNE 7, 2006.

Arcelor shares are listed on the Eurolist market of Euronext Brussels S.A./N.V. (Euronext Brussels), on the Eurolist market of Euronext Paris S.A. (Euronext Paris), on the Luxembourg Stock Exchange and on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (the Spanish Stock Exchanges). Convertible Bonds are listed on the Luxembourg Stock Exchange. Arcelor ADSs are traded on the over-the-counter market in the United States but are not traded on any securities exchange.

Mittal Steel's class A common shares are listed on the Eurolist market of Euronext Amsterdam N.V. (Euronext Amsterdam) and on the New York Stock Exchange (the NYSE) under the symbol MT . Mittal Steel will apply to list its class A common shares on these exchanges and on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and on the Spanish Stock Exchanges, subject to the completion of the Offer.

This prospectus contains detailed information concerning the U.S. Offer for Arcelor securities and the proposed combination of Mittal Steel and Arcelor. We recommend that you read this prospectus carefully.

FOR A DISCUSSION OF RISK FACTORS THAT YOU SHOULD CONSIDER IN EVALUATING THE OFFER, SEE RISK FACTORS BEGINNING ON PAGE 54.

This prospectus has not been approved by the French *Autorité des marchés financiers* (the AMF), the Belgian *Commission Bancaire, Financière et des Assurances* (the CBFA), the Luxembourg *Commission de Surveillance du Secteur Financier* (the CSSF) or the Spanish *Comisión Nacional del Mercado de Valores* (the CNMV). Accordingly, this prospectus may not be used to make offers or sales in France, Belgium, Luxembourg or Spain in connection with the Offer.

This prospectus is not an offer to sell securities and it is not soliciting an offer to buy securities, nor shall there be any sale or purchase of securities pursuant hereto, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE U.S. OFFER OR HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The dealer managers for the U.S. Offer are:

The date of this prospectus is June 29, 2006

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Information Incorporated By Reference

This prospectus incorporates important business and financial information about Mittal Steel by reference and, as a result, such information is not included in or delivered with this prospectus. Documents incorporated by reference are available from Mittal Steel without charge upon request in writing or by telephone. You may also obtain documents incorporated by reference into this prospectus by requesting them in writing or by telephone from the information agent:

D.F. King & Co., Inc.

48 Wall Street

New York, New York 10005

Call Toll Free: 1 (800) 347-4857

Banks and Brokers Call: 1 (212) 269-5550

To obtain timely delivery of these documents, you must request them no later than five Business Days before the end of the Offer period. For a list of those documents that are incorporated by reference into this prospectus, see **Incorporation of Certain Documents by Reference.**

In addition, you may obtain additional information on Mittal Steel and Arcelor from various public sources. For a list of such sources, please see **Where You Can Find More Information.**

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SUMMARY

This summary highlights selected information from this prospectus. It does not contain all of the information that is important to evaluate the Offer. You should read carefully the entire prospectus and the additional documents referred to in this prospectus to fully understand the Offer.

The Companies

Mittal Steel

Mittal Steel is the world's largest and most global steel producer with an annual production capacity of approximately 75 million tonnes. The Company is the largest steel producer in the Americas and Africa and the second largest in Europe. The Company has steel-making operations in 15 countries on four continents, including 31 integrated, mini-mill and integrated mini-mill steel-making facilities. At December 31, 2005, we had approximately 224,000 employees.

Mittal Steel produces a broad range of high-quality finished and semi-finished carbon steel products, encompassing the main categories of steel products (flat products, long products and pipes and tubes). Specifically, the Company produces hot-rolled and cold-rolled sheets, plates, electrogalvanized and coated steel, bars, wire rods, wire products, pipes, billets, blooms, slabs, tinplate, structural sections and rails. Mittal Steel sells these products in local markets and through our centralized marketing organization to customers in over 150 countries. The Company's products are used in a diverse range of end-markets, including the automotive, appliance, engineering, construction and machinery industries.

Our steel-making operations have a high degree of geographic diversification. Almost 41% of our steel is produced in the Americas, with the balance being produced in Europe (38%) and in other countries, such as Kazakhstan, Algeria and South Africa (21%). We are further increasing our geographic production diversification. In September 2005, we completed the acquisition of a 36.67% interest (subsequently diluted to 29.49% by the exercise of convertible bonds by other investors) in Hunan Valin, an 8.5 million ton steel producer in China. In October 2005, we signed a memorandum of understanding with the local government to construct a 12 million tonne steel-making operation in Jharkhand, India. In November 2005, we completed the acquisition of a 93% stake in Kryvorizhstal (since renamed Mittal Steel Kryviy Rih), the largest carbon steel long products producer in Ukraine.

We produced approximately 30.1 million, 47.2 million and 53.9 million tons of liquid steel in 2003, 2004 and 2005, respectively and shipped approximately 27.4 million, 42.1 million and 49.2 million tons of steel in such years. Our shipments are well-balanced geographically and are also balanced as between developed and developing markets, which have different characteristics.

We have access to high-quality and low-cost raw materials through our captive sources and long-term contracts. In 2005, on a pro forma basis after giving effect to the acquisition of ISG and Kryvorizhstal, approximately 56% of our iron ore requirements (of which we are one of the world's largest producers) and approximately 42% of our coal requirements were supplied from our own mines or from long-term contracts at many of our operating units. We are actively developing our raw material self-sufficiency, including through recent initiatives to gain access to iron ore deposits in Liberia and Senegal, and expanding our existing iron ore sources in various parts of the world, including Ukraine. We are one of the world's largest producers of coke, a critical raw material derived from coal, and we satisfy approximately 81% of our own coke requirements. We are the world's largest producer of direct reduced iron, or DRI, which is a scrap substitute used in the mini-mill steel-

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making process, with total production capacity of approximately 11 million tonnes. Our DRI production satisfies all of our mini-mill input requirements. Our facilities have good access to shipping facilities, including deep-water port facilities and railway sidings.

In 2004, we generated sales of \$22.2 billion, operating income of \$6.1 billion and net income of \$4.7 billion. In 2005, we generated sales of \$28.1 billion, operating income of \$4.7 billion and net income of \$3.4 billion. At December 31, 2005, we had shareholders' equity of \$10.2 billion, total debt of \$8.3 billion, and cash and cash equivalents, including short-term investments and restricted cash, of \$2.1 billion.

Mittal Steel is a successor to a business founded in 1989 by Mr. Lakshmi N. Mittal, our Chairman and Chief Executive Officer. We have experienced rapid and steady growth since then, largely through the consistent and disciplined execution of a successful consolidation-based strategy. We made our first acquisition in 1989, leasing the Iron & Steel Company of Trinidad & Tobago. Some of the principal acquisitions since then include Sibalsa (Mexico) in 1992, Karmet (Kazakhstan) in 1995, Thyssen Duisburg (Germany) in 1997, Inland Steel (USA) in 1998, Unimétal (France) in 1999, Sidex (Romania) and Annaba (Algeria) in 2001, Nova Hut (Czech Republic) in 2003, BH Steel (Bosnia), Balkan Steel (Macedonia), PHS (Poland) and Iscor (South Africa) in 2004, and ISG (USA), Hunan Valin (China) and Kryvorizhstal (Ukraine) in 2005.

We have proven expertise in acquiring companies and turning around under-performing assets. We believe that we have successfully integrated our previous key acquisitions by implementing a best practice approach in operations and management to enhance profitability. Specifically, our focused capital expenditure programs and implementation of improved management practices at the acquired facilities have resulted in overall increases in production and shipment of steel products, reductions in cash costs of production and increases in productivity. Mittal Steel's aggregate capital expenditures were approximately \$421 million, \$898 million and \$1,181 million in the years ended December 31, 2003, 2004 and 2005, respectively.

The mailing address and telephone number of Mittal Steel's principal executive offices are:

Mittal Steel Company N.V.

Hofplein 20

3032 AC Rotterdam

+31 10 217 8800

Arcelor

Arcelor was created in February 2002 by the combination of three steel-making companies, Aceralia Corporación Siderurgica, Arbed and Usinor. The Arcelor group operates in four market sectors: Flat Carbon Steels, Long Carbon Steels, Stainless Steels and Arcelor Steel Solutions and Services (A3S, formerly Distribution, Transformation and Trading). Arcelor is the second largest steel producer in the world in terms of production, with production of 47 million and 46.7 million tonnes of steel in 2004 and 2005, respectively. It generated revenues of \$30.2 billion in 2004 and \$32.6 billion in 2005. For the same periods, its net result (group share) was \$2.3 billion and \$3.8 billion, respectively. Arcelor recorded capital expenditure of \$1.4 billion in 2004 and \$2.1 billion in 2005.

In 2004, 30% of its production was obtained from scrap used in electric arc furnaces and 70% from iron ore. The Arcelor group is a leading operator in all its key end markets: the automotive industry, construction, household appliances, packaging and general industry. Arcelor is the market

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leader in Western Europe; 71.2% of its sales in 2005 were in the European Union. Arcelor also has a strong position in South America, particularly due to its Brazilian operations; 10.8% of its sales in 2005 were in South America.

Arcelor is a leading producer of flat carbon steels, in terms both of volume and value, having shipped approximately 28.5 million tonnes in 2004 and 28.1 million tonnes in 2005. In 2005, total production of flat carbon steel was 32.9 million tonnes. This sector employed approximately 46,000 people at year-end 2005, generated revenues of approximately 16.1 billion in 2004 and 18.1 billion in 2005 and recorded operating results of 1.7 billion in 2004 and 2.8 billion in 2005. Its product portfolio covers the full range of flat carbon steels, including slabs, heavy plate, hot-rolled coils, cold-rolled coils and metallic and organic coated steel. These products are used in the automotive, household appliance, packaging, construction, civil engineering, mechanical engineering and processing industries.

Arcelor is one of the world's leading producers of long carbon steels, having shipped approximately 13.4 million tonnes in 2004 and 12.3 million tonnes in 2005. In 2005, total long carbon steels production was 11.2 million tonnes. This sector employed over 20,000 people at year-end 2005 and reported revenues of approximately 6.2 billion in 2004 and 6.6 billion in 2005 and operating results of 1.1 billion in 2004 and 1.1 billion in 2005, from sales of products in the following three categories:

commodity products (rolled products): lightweight and medium-weight beams, merchant steel, concrete reinforcing bar and commodity quality wire rod;

specialty products (rolled products): sheet pile, heavy beams, special sections, rails and special quality wire rod; and

wiredrawn products: steelcord, hose wire, saw wire and low carbon steel wire products.

Arcelor is a leading global producer of stainless steels, in both volume and revenues, having shipped 2.1 million tonnes in 2004 and 1.6 million tonnes in 2005. In 2005, total production of stainless steels was 1.7 million tonnes. This sector employed over 13,500 people at year-end 2005 and generated revenues of approximately 4.6 billion in 2004 and 4.0 billion in 2005 and operating results of 127 million in 2004 and 93 million in 2005. Arcelor produces virtually the entire range of stainless steels and stainless steel alloy products.

The A3S sector uses steels produced by the Arcelor group and also purchases steels from third parties. This sector is organized into five operating units that work in specialist but complementary markets. It employed over 11,000 people at year-end 2005 and generated revenues of approximately 8.3 billion in 2004 and 8.7 billion in 2005, corresponding to 15.0 million and 13.7 million tonnes of shipped steel, respectively, 70% in 2004 and 81% in 2005 of which came from the other sectors of the Arcelor group. The A3S sector recorded operating results of 398 million in 2004 and 254 million in 2005.

The mailing address and telephone number of Arcelor's principal executive offices are:

Arcelor S.A.

19, avenue de la Liberté

L-2930 Luxembourg

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Background to and Reasons for the Offer

Mittal Steel is making the Offer to unite the world's two largest steel companies and to offer all shareholders the opportunity to participate in the combined entity's future growth. The combined company would have unrivalled geographic scope, including leadership positions in five of the nine major world markets (South America, NAFTA, Western Europe, Central and Eastern Europe and Africa), and would be the first steel company to produce over 100 million tons of steel annually. Operational cost synergies, primarily in the areas of purchasing, marketing and trading, and manufacturing process optimization, generated by the combination are estimated to reach \$1.6 billion, before tax, by the end of 2009. There is no guarantee, however, that the combined company will be able to recognize these operational cost synergies in full or at all. Mittal Steel's inability, due to its lack of access to non-public Arcelor information, to assess loss contingencies and other items may affect or offset the amount of any potential synergies.

The steel industry remains relatively fragmented and the transaction represents a step change in its consolidation. The combined entity will offer a strengthened range of products and solutions for global customers while maximizing opportunities with a global distribution and trading network. It will benefit from increased efficiency in the combined asset base through investment and operational excellence, with input costs being controlled through the substantial vertical integration of mining and steel making operations.

See The Offer Rationale for the Offer.

Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder

Memorandum of Understanding

As noted above, on June 25, 2006, Mittal Steel, Arcelor and the Controlling Shareholder (as defined in Certain Defined Terms) executed a Memorandum of Understanding relating to the terms of the Offer and various other matters. References herein to the Company refer to each of Mittal Steel and Arcelor pre-integration, and to the top-level company in the Group following the merger of Arcelor and Mittal Steel, as provided below. For a complete description of the Memorandum of Understanding, see Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder.

Revised Offer and Recommendation of the Board of Directors of Arcelor

Pursuant to the Memorandum of Understanding, among other things, Mittal Steel agreed to revise the Offer consideration, as described above, and the Board of Directors of Arcelor agreed to recommend that its security holders accept the revised Offer. Arcelor will publish a document in response to Mittal Steel's revised Offer in the coming days, which will state more fully the Arcelor Board of Directors' views. This document is expected to be available on Arcelor's website at <http://www.arcelor.com>.

The combined entity, to be domiciled and headquartered in Luxembourg, will be named Arcelor-Mittal. As soon as practical following the completion of the revised Offer, the parties will

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seek to merge Mittal Steel into Arcelor. The structure of the combined entity will be determined based upon tax and other considerations. The merger of Mittal Steel into Arcelor is expected to take place during the first half of 2007. This combined entity would retain listings on the NYSE and in Paris, Amsterdam, Brussels, Luxembourg and Madrid, where Mittal Steel shares will be listed upon completion of the Offer.

Corporate Governance

Pursuant to the Memorandum of Understanding, certain special governance mechanisms designed to favor integration of Arcelor and Mittal Steel will be put in place for an initial term of three years (the Initial Term). These mechanisms will apply to both Arcelor and Mittal Steel pending merger of the two entities and then to the resulting combined entity. After the Initial Term, the combined entity's corporate governance will be reviewed in order to reflect the best standards of corporate governance for comparable companies, and in particular the NYSE standards, as applicable to foreign private issuers, and the Luxemburg Code of Governance.

Following completion of the Offer, each Company will be governed by an identical Board of Directors and an identical Management Board. Each Board of Directors will be a non-executive board and the day-to-day management of the group will be entrusted to the relevant Management Board.

Board of Directors

The Board of Directors of each Company will be composed of 18 non-executive members, the majority of whom will be independent.

Six members will be nominated by Mittal Steel, three of whom will be independent.

Six members will be from the existing Arcelor Board.

Three members will be existing Arcelor Board members representing existing Arcelor major shareholders.

A further three members will be employee representatives.

All directors will be elected by the general meeting of shareholders for a period of three years. All shares in the Company will have identical voting and economic rights.

Chairman and President

The Board of Directors of Mittal Steel, Arcelor and the Company will appoint a Chairman and a President. Initially, the Chairman will be Mr. Joseph Kinsch, currently Chairman of Arcelor's Board of Directors, and the President will be Mr. Lakshmi Mittal, currently Chairman of Mittal Steel's Board of Directors. Upon the retirement of Mr. Kinsch, Mr. Mittal will assume the role of Chairman and the successor to the President will be proposed by Mr. Kinsch.

During the Initial Term, the agenda of the Board of Directors' meetings shall be jointly agreed by the Chairman and the President and shall include any matters proposed to be included on the agenda jointly by the Chairman and the President.

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Board Committees

Each Board of Directors will appoint (i) an Audit Committee composed solely of independent directors and (ii) an Appointments and Remuneration Committee composed of 4 members, including the President (for as long as there is a President and thereafter an independent director), the Chairman and two independent directors.

The Audit Committee will be chaired by an independent director. Decisions will be made by a simple majority vote with no member having a casting vote.

The Appointments and Remuneration Committee will be in charge of making recommendations to each Board of Directors relating to the appointment of the members of the Boards of Directors, and the appointment and remuneration of the members of the Management Boards.

Management Board

Each Company Management Board will be comprised of the current four members of the Arcelor management board plus an additional three members nominated by Mittal Steel's current Board of Directors.

During the Initial Term, the appointment and remuneration of CEOs and board members of the main subsidiaries and the heads of the main business units and corporate functions will be decided by each Company Management Board unanimously.

Standstill

The Controlling Shareholder has agreed to a standstill at its level of ownership following completion of the revised Offer and any subsequent offer or compulsory buy-out, or at a ceiling of 45% of the then issued Company shares if and when the Mittal family's holding falls below 45%. The Controlling Shareholder will be entitled to cross such thresholds in certain circumstances, such as with the consent of a majority of the independent directors or in case of passive crossing of such thresholds.

Lock up

The Controlling Shareholder has agreed to a 5-year lock-up, subject to certain exceptions, including the right to dispose of up to 5% of the Company share capital after the second year.

Other provisions

In consideration of the revision of the terms of Mittal Steel's Offer and of the corporate governance rules set forth above, Arcelor has agreed not to solicit or enter into, entertain or pursue any discussion or negotiation with any third party, including Alexey Mordashov or Severstal, relating to any acquisition proposal relating to Arcelor shares, other than in the context of the filing by a third party of a superior offer taking the form of a takeover bid for the entire share capital of Arcelor.

In the event that any Arcelor shares are issued under the Strategic Alliance Agreement announced by Arcelor on May 26, 2006, the corporate governance rules set forth above shall terminate.

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Confirmation of Social Commitments

Consistent with the Arcelor/Mittal model, as described in Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder below, the combined company will respect fully all of Arcelor's social and industrial commitments. There will be no restructuring plan, collective lay offs or other employee reduction plans within Arcelor in the European Union as a result of the integration of the Mittal Steel and Arcelor groups over and above Arcelor's announced restructuring plans and in connection with the implementation of the remedy package agreed upon with the European Union antitrust authorities. Arcelor and Mittal Steel intend to continue promoting employee share ownership in line with best corporate practices for continental European listed companies.

Dofasco

Arcelor and Mittal Steel have not been able to reach agreement as to the ultimate disposition of Dofasco Inc. in the Memorandum of Understanding. Discussion of this question will continue following successful completion of the Offer. Mittal Steel remains committed to selling Dofasco to ThyssenKrupp AG in accordance with its agreements with ThyssenKrupp and the U.S. Department of Justice.

Arcelor Agreement Regarding Severstal

Arcelor announced on May 26, 2006 that it had signed an agreement (the Strategic Alliance Agreement or SAA) with Mr. Alexey Mordashov, the controlling shareholder of OAO Severstal, a steel company organized in Russia, providing for the contribution by Mr. Mordashov to Arcelor of his approximately 89% interest in Severstal (including related mining interests and the Italian steelmaker Lucchini) and 1.25 billion cash in exchange for 295 million newly-issued shares representing an interest of approximately 32% in Arcelor. In addition, the SAA provides certain special management rights and restrictions for Mr. Mordashov, a standstill, a lock-up of his Arcelor shares and various other provisions. On June 12, 2006, Arcelor issued an information document relating to the proposed transaction and describing the terms and conditions of the SAA. Mittal Steel has not had access to the SAA or related documents so the following description is based on the June 12, 2006 information document.

Unless Mittal Steel waives the Minimum Tender Condition and certain other conditions to the Offer (see The Offer - Terms and Conditions of the Offer - Conditions to the Offer; Possible), it will not be possible for both the Offer and the transactions under the SAA to be consummated together. Mittal Steel has no current plan or intention to waive such conditions. Mittal Steel's expectation is that the SAA will be terminated by Arcelor as described below.

According to the information document, Arcelor has the right to terminate the SAA at any time prior to the closing of the transactions contemplated by the SAA: (1) if Mittal Steel or any other person who makes an offer for Arcelor acquires shares representing 50% or more of Arcelor's share capital on a fully diluted basis, including the shares to be issued to Mr. Mordashov, which would be approximately 73% of the shares currently outstanding, (2) if more than 50% of the currently outstanding shares of Arcelor vote against the proposed transaction at a special Arcelor shareholders' meeting convened to consider such transaction, and (3) in certain other limited circumstances. Mr. Mordashov has the right to terminate the SAA prior to the closing thereunder in the foregoing

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circumstances and if Arcelor's Board of Directors publicly approves or recommends an acquisition proposal relating to the Arcelor shares, as it has pursuant to the Memorandum of Understanding.

In addition, during the three-month period following the date of settlement of the Offer, either Arcelor or Mr. Mordashov may terminate the SAA and unwind the transactions thereunder following the closing of such transactions, if Mittal Steel acquires shares representing 50% or more of Arcelor's share capital on a fully-diluted basis.

There is a break-up fee of 140 million payable by Arcelor to Mr. Mordashov if the SAA is terminated in certain circumstances, including those listed in the two preceding paragraphs.

On June 20, 2006, Severstal announced that it and Mr. Mordashov had proposed to Arcelor's Board of Directors revised terms of the SAA, including (1) the exchange of Mr. Mordashov's 89% interest in Severstal for only 210 million newly-issued Arcelor shares, representing approximately 25% of Arcelor's post-completion share capital, (2) elimination of certain special management rights of Mr. Mordashov, subject to the removal of restrictions on his right to vote his shares freely and of certain standstill and lock-up provisions, and (3) elimination of the previously envisaged 1.25 billion cash contribution.

On June 25, 2006, Arcelor's Board of Directors considered Mittal Steel's revised Offer and Mr. Mordashov's revised proposal and determined that Mittal Steel's revised Offer was superior as a whole to Mr. Mordashov's revised proposal and, accordingly, unanimously recommended Mittal Steel's revised Offer. In the Memorandum of Understanding, Arcelor has undertaken to terminate the SAA and all ancillary agreements related thereto as soon as it is entitled to do so under the terms and conditions of the SAA and such ancillary agreements, including in the event that shareholders representing 50% of the issued share capital vote against it at the Arcelor extraordinary shareholders' meeting convened on June 30, 2006 to vote on the transaction envisaged in the SAA.

Mittal Steel will announce the result of the June 30 Arcelor shareholder vote by press release. If that shareholder vote is insufficient to enable Arcelor to terminate the SAA, Mittal Steel intends to seek a level of tenders in the Offer, i.e., more than 50% of the Arcelor shares on a fully-diluted basis, that would permit Arcelor to terminate the SAA. This is the same level of tenders that will satisfy the Minimum Tender Condition for the Offer.

While there can be no assurance of success, it is Mittal Steel's intention and expectation to acquire more than 50% of Arcelor's total issued shares and voting rights, on a fully-diluted basis, pursuant to the Offer. Consequently, Mittal Steel believes that, in accordance with the provisions summarized above, the SAA will be terminated and never consummated or, if consummated, will be unwound. Assuming that it will be due, the 140 million break-up fee will represent an additional cost of the Offer, which Mittal Steel does not consider material and which would be funded from the general financial resources of Arcelor and/or Mittal Steel.

Mittal Steel has no current plan or intention to waive the Minimum Tender Condition (see "The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer Minimum Tender Condition"). If, at some time in the future, Mittal Steel were to decide to waive this Condition, it will publish a press release to this effect (as provided in "The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer Consequences of Failure to Meet Conditions to the Offer") and will provide appropriate disclosure, in light of all the

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facts and circumstances prevailing at the time, as to the potential consequences of Mittal Steel's owning less than 50% of Arcelor if Arcelor in turn owns 89% of Severstal. Such disclosure will be filed with or incorporated into the Registration Statement on Form F-4 of which this prospectus forms a part.

In addition, if consummated, the transactions contemplated between Arcelor and Mr. Mordashov under the SAA would cause the failure of one and possibly two other conditions to the Offer (the absence of shareholder approval for the issuance of Arcelor new securities and the occurrence of an event or action that alters Arcelor's substance), thereby permitting Mittal Steel to withdraw the Offer. See *The Offer Terms and Conditions of the Offer*; *Conditions to the Offer*; *Possible Withdrawal of the Offer*. In the event that one or both of such conditions ultimately fails as a result of the consummation of such transactions and Mittal Steel decides to invoke its right to withdraw the Offer as a result, Mittal Steel will issue a press release as soon as possible after such consummation but in no event later than the scheduled settlement date of the Offer. See *The Offer Terms and Conditions of the Offer*; *Conditions to the Offer*; *Possible Withdrawal of Offer*; *Consequences of Failure to Meet Conditions to the Offer*. As with the Minimum Tender Condition, Mittal Steel currently has no plan or intention to waive such condition(s). Any such decision would depend on an evaluation of the totality of the circumstances prevailing at the time.

According to information published by Arcelor, Severstal is the largest Russian steel producer, with 2005 annual steel production of 17.1 million tonnes. It is the second largest flat steel producer in Russia with annual steel production of 10.9 million tonnes. In addition, Severstal owns Severstal North America, the fifth largest integrated steel maker in the United States with 2005 production of 2.7 million tonnes, and Lucchini, Italy's second largest steel group with 2005 production of 3.5 million tonnes. Severstal-Resource produces coking coal, thermal coal, iron ore pellets and iron ore concentrate, and generated revenues of \$1.12 billion in 2005.

See *Information Relating to Arcelor* Press release announcing Arcelor's agreement to merge with Severstal (released May 26, 2006) in Annex B hereto.

Conduct of the Offer

The U.S. Offer and the European Offer; Documentation

The Offer is being conducted through two separate offers:

the U.S. Offer, open to all holders of Arcelor shares and Convertible Bonds who are U.S. holders (within the meaning of Rule 14d-1(d) under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act")), and to all holders of Arcelor ADSs, wherever located; and

the European Offer, open to (i) holders of Arcelor shares and Convertible Bonds who are located in Belgium, France, Luxembourg and Spain and (ii) holders of Arcelor shares and Convertible Bonds who are located outside of Belgium, France, Luxembourg, Spain, Japan, The Netherlands and the

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United States to the extent that such holders may participate in the European Offer pursuant to applicable local laws and regulations.

The U.S. Offer and the European Offer have identical terms and conditions other than the date of commencement and the duration of the initial acceptance period (see The Offer Terms and Conditions of the Offer Expiration Date).

The U.S. Offer is being made using this prospectus. The European Offer is being made using a European offer document (consisting of an information document and a share prospectus, as supplemented).

See The Offer Conduct of the Offer The U.S. Offer and the European Offer; Documentation.

Applicable Rules

Mittal Steel intends to conduct the Offer in compliance with the applicable regulatory requirements in the jurisdictions in which Arcelor s securities are listed (Belgium, France, Luxembourg and Spain) and in Arcelor s seat of incorporation (Luxembourg), as determined by the regulatory authorities of such jurisdictions, as well as the applicable requirements of the U.S. tender offer rules found in Regulation 14E under the Exchange Act. The European requirements and procedures applicable to the Offer conflict with our ability to comply with Rules 14e-1(c) and 14e-1(d) under the Exchange Act, and Mittal Steel is relying on the so-called Tier II exemption under the Exchange Act with respect to those rules. See The Offer Conduct of the Offer Applicable Rules; Differences from U.S. Requirements.

SEC Relief

In connection with the Offer, Mittal Steel s financial advisors have sought and received from the SEC exemptive relief from the requirements of Rule 14e-5 under the Exchange Act that permits Mittal Steel s financial advisors or their affiliates to make purchases of, or arrangements to purchase, Arcelor securities outside the United States other than pursuant to the Offer. Mittal Steel expressly draws attention to the fact that, subject to applicable regulatory requirements, Mittal Steel s financial advisors and their affiliates or nominees or brokers (acting as agents) have the ability to make certain purchases of, or arrangements to purchase, Arcelor securities outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. In the event they were made, these purchases or arrangements to purchase would only be conducted to the extent permitted by

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the relevant regulators in Belgium, Luxembourg, France and Spain, or by the relevant regulation in these four jurisdictions, and applicable U.S. securities laws (except to the extent of any exemptive relief granted by the SEC).

In addition, Mittal Steel has sought and received from the SEC exemptive relief confirming that the conduct of the European Offer concurrently with the U.S. Offer would not conflict with the requirements of Rule 14e-5 under the Exchange Act.

See The Offer Conduct of the Offer SEC Relief.

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Terms of the Offer

Scope of the Offer

The Offer is made for all Arcelor shares and Convertible Bonds that were outstanding as of the first filing date of the European Offer with certain competent European securities regulatory authorities (*i.e.*, February 6, 2006), namely (and based on then-publicly available Arcelor information):

all issued Arcelor shares as of February 6, 2006, *i.e.*, 620,003,031 shares (excluding 19,771,296 Arcelor shares held as treasury shares that Arcelor has undertaken in the Memorandum of Understanding not to tender in the Offer and including shares represented by ADSs);

all Convertible Bonds outstanding as of February 6, 2006, *i.e.*, 38,961,038 Convertible Bonds;

all Arcelor shares that will be issued prior to the expiration of the initial acceptance period of the Offer (or any subsequent offering period, as described herein) upon the conversion of Convertible Bonds, *i.e.*, up to 41,999,999 shares (based on a conversion ratio of 1.078; on May 29, 2006, Arcelor paid a 1.85 dividend per share in respect of the 2005 fiscal year, upon which, as announced by Arcelor on April 14, 2006, the conversion/exchange ratio of the Convertible Bonds was modified from 1.027 to 1.078); and

all Arcelor shares that will be issued before the end of the initial acceptance period of the Offer (or any subsequent offering period, as described herein) upon the exercise of Arcelor stock subscription options granted prior to February 6, 2006 or in exchange for Usinor shares issued upon the exercise of Usinor stock subscription options granted prior to February 6, 2006, *i.e.*, up to 4,675,676 shares.

The Offer is also made for all outstanding Arcelor ADSs that represent any of the securities listed above.

See The Offer Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer.

Consideration

The Offer is comprised of both a Primary Offer and two Secondary Offers. Pursuant to the Primary Offer, we are offering to exchange:

13 Mittal Steel class A common shares and 150.60 in cash for every 12 Arcelor shares or Arcelor ADS tendered; and

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13 Mittal Steel class A common shares and 188.42 in cash for every 12 Convertible Bonds tendered.

If you hold Arcelor shares or Arcelor ADSs, then, in addition to, or instead of, this mix of Mittal Steel class A common shares and cash, you may elect to tender all or a portion of your Arcelor shares or Arcelor ADSs into one or both of the Secondary Offers. We are offering to exchange:

40.40 in cash for each Arcelor share or Arcelor ADS tendered in the secondary cash offer (the Secondary Cash Offer); or

11 Mittal Steel class A common shares for every 7 Arcelor shares or Arcelor ADSs tendered in the secondary exchange offer (the Secondary Exchange Offer).

The cash consideration paid to tendering holders of Arcelor ADSs will be in U.S. dollars, calculated by converting the applicable amount in euros into U.S. dollars using the noon buying rate, as published by the Federal Reserve Bank of New York, on the business day prior to the settlement date, and will be distributed, less any required withholding taxes and without interest thereon, to such holders.

The consideration set out above in the Primary and Secondary Offers is subject to adjustment if Arcelor makes specified distributions in respect of its share capital, acquires its shares or issues new voting securities or securities conferring the right to subscribe for, acquire or convert into voting securities, as set out in detail herein. Arcelor has undertaken in the Memorandum of Understanding not to take any such actions, other than the possible issuance of shares if and as required by the SAA and the payment of dividends. The Memorandum of Understanding is, however, subject to termination in specified circumstances.

On April 4, 2006, the Board of Directors of Arcelor announced its intention to distribute a total amount of 5 billion to Arcelor shareholders through one or a combination of a share buy-back, an exceptional dividend distribution or a self-tender offer. On May 26, 2006, Arcelor announced its intention to increase this distribution to 6.5 billion. On June 19, Arcelor cancelled an extraordinary meeting of its shareholders scheduled for June 21, 2006 to vote on this distribution. It has now undertaken in the Memorandum of Understanding not to propose any such distribution while the revised Offer is pending. The Memorandum of Understanding is, however, subject to termination in specified circumstances.

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You are not required to make the same election for all of the Arcelor shares and Arcelor ADSs that you tender, and you may make any of these elections for all or some of the Arcelor shares and Arcelor ADSs that you tender. Tenders in the two Secondary Offers set out above, however, are subject to a pro-ration and allocation procedure that will ensure that in the aggregate the portion of the consideration paid in the European Offer and the U.S. Offer, on a combined basis, consisting of New Mittal Steel Shares (the Share Portion of the Offer) and the portion of the consideration paid in the European Offer and the U.S. Offer, on a combined basis, consisting of cash (the Cash Portion of the Offer) (excluding the effect of the treatment of fractional shares that would otherwise be issued) will be 68.9% and 31.1%, respectively, subject to adjustment if the consideration is adjusted as described above.

Any price adjustment could result in the extension of the initial acceptance period of the Offer, depending on its timing.

See The Offer Terms and Conditions of the Offer.

Evolution of Offer Consideration

On January 27, 2006, Mittal Steel issued a press release announcing its intention to launch the Offer. The initial consideration (subject to adjustment following certain actions by Arcelor) offered by Mittal Steel in the Primary Offer was 4 Mittal Steel class A common shares and 35.25 in cash for every 5 Arcelor shares or Arcelor ADSs, and 4 Mittal Steel class A common shares and 40.00 in cash for every 5 Convertible Bonds. The initial consideration offered by Mittal Steel in the Secondary Offers was 28.21 in cash for each Arcelor share or Arcelor ADS, or 16 Mittal Steel class A common shares for every 15 Arcelor shares or Arcelor ADSs.

On May 19, 2006, Mittal Steel issued a press release announcing a revised Offer. The revised consideration (subject to adjustment following certain actions by Arcelor) offered by Mittal Steel in the Primary Offer was 1 Mittal Steel class A common share and 11.10 in cash for each Arcelor share or Arcelor ADS, and 1 Mittal Steel class A common share and 12.12 in cash for each Convertible Bond. The revised consideration in the Secondary Offers was 37.74 in cash for each Arcelor share or Arcelor ADS, or 17 Mittal Steel class A common shares for every 12 Arcelor shares or ADSs.

On May 29, 2006, Arcelor paid its announced dividend of 1.85 per share, which triggered the announced adjustment mechanisms to the Offer consideration. As a result of the

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payment of the 1.85-per-share dividend, the consideration for the Primary Offer was adjusted to 1 Mittal Steel class A common share and 10.05 in cash for each Arcelor share or Arcelor ADS tendered, and 1 Mittal Steel class A common share and 12.92 in cash for each Convertible Bond. The consideration for the Secondary Offers was adjusted to 36.69 in cash for each Arcelor share or Arcelor ADS, or 1.3773 Mittal Steel class A common shares for each Arcelor share or Arcelor ADS. On June 7, 2006, Mittal commenced the U.S. Offer. The original prospectus for the U.S. Offer, dated June 7, 2006 and related forms of acceptance and letter of transmittal provided for this adjusted Offer consideration.

On June 25, 2005, Mittal Steel revised the Offer terms to those set out herein pursuant to the terms of the Memorandum of Understanding.

Conditions

The Offer is subject to the following conditions:

Arcelor securities representing more than 50% of the total share capital and voting rights of Arcelor, on a fully-diluted basis, are tendered in the U.S. Offer and the European Offer, on a combined basis;

(i) Between February 6, 2006 and the end of the initial acceptance period of the Offer, no exceptional event beyond the control of Mittal Steel occurs relating to Arcelor (other than any decision or action taken by competent competition authorities in relation to the currently proposed combination of Mittal Steel and Arcelor), and (ii) between February 6, 2006 and the settlement date of the Offer, Arcelor does not take any action that, in either case, materially alters Arcelor's substance, substantially and adversely affects the economics of the Offer or substantially and adversely affects the ability of Mittal Steel to complete the Offer; and

Any new voting securities or any new securities conferring the right to subscribe for, acquire or convert into voting securities (other than securities specifically covered by the Offer as set out herein), such securities being referred to herein as New Securities, issued by Arcelor between February 6, 2006 and the settlement date of the Offer shall have been issued pursuant to specific authorization by Arcelor shareholders granted after February 6, 2006.

The conditions are for the benefit of Mittal Steel, and Mittal Steel reserves the right to maintain the Offer even if one or more of them is not satisfied. Without prejudice to the generality of the foregoing, Mittal Steel specifically reserves

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the right to waive the first condition summarized above at any time until the announcement of the results of the Offer. In the Memorandum of Understanding, Mittal Steel has agreed not to waive this condition unless it holds (through securities tendered in the Offer and with any person(s) acting in concert with it), after completion of the Offer, at least 215 million shares of Arcelor. The timing of any waiver of this condition could result in the extension of the initial acceptance period of the Offer.

See The Offer Terms and Conditions of the Offer and The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer.

Grounds for Withdrawing the Offer

Mittal Steel may withdraw the Offer if any of the conditions summarized under Conditions above is not satisfied. In addition, in the event that New Securities are issued after February 6, 2006 pursuant to specific authorization of Arcelor shareholders granted after such date, Mittal Steel may withdraw the Offer subject to the prior consent of the French *Autorité des marchés financiers* (the AMF), the Belgian *Commission Bancaire, Financière et des Assurances* (the CBFA), the Luxembourg *Commission de Surveillance du Secteur Financier* (the CSSF) and/or the Spanish *Comisión Nacional del Mercado de Valores* (the CNMV, and, together with the AMF, the CBFA and the CSSF, the European Regulators), insofar as required by applicable law. As an alternative to withdrawal of the Offer in the event of the issuance of New Securities between February 6, 2006 and the settlement date of the Offer, irrespective of whether such issuance is pursuant to specific Arcelor shareholder authorization granted after February 6, 2006, Mittal Steel may extend the Offer to such New Securities, possibly after amending its terms to reflect the changed economics of the Offer resulting from the issuance of the New Securities.

The extension of the Offer to New Securities could result in the extension of the initial acceptance period for the Offer, depending on its timing. See The Offer Terms and Conditions of the Offer Offer Scope and Consideration Issuance of New Securities.

Mittal Steel may also withdraw the Offer within five Business Days following the publication of an offer document relating to a competing or improved competing offer.

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See The Offer Terms and Conditions of the Offer Grounds for Withdrawing the Offer.

Expiration Date

The initial acceptance period for the U.S. Offer began on the date of commencement of the U.S. Offer (June 7, 2006) and will close at 12:00 midnight, New York City time, on Thursday, July 13, 2006, unless it is extended.

The initial acceptance period of the Offer could be extended if a competing bid is made for Arcelor securities, we increase the Offer consideration or make other material changes in the terms and conditions of the Offer, if Arcelor adopts certain defensive measures or to comply with applicable regulatory requirements.

In particular, the initial acceptance period shall be extended such that it is open for ten Business Days after publication of any of (i) or (ii) below or for five Business Days after the publication of (iii) below:

- (i) the first public announcement by Mittal Steel of an adjustment to the consideration offered for Arcelor securities pursuant to The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer and The Offer Terms and Conditions of the Offer Offer for Arcelor Shares Secondary Cash and Exchange Offers;
- (ii) the first public announcement by Mittal Steel of Mittal Steel's extension of the Offer to New Securities issued by Arcelor after amending the terms of the Offer in accordance with The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares and The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer Shareholder Approval of New Securities; or
- (iii) a supplement to this prospectus containing a material change other than those described in (i) and (ii) above.

The initial acceptance period for the European Offer will expire on July 13, 2006. If the initial acceptance period of the European Offer is extended beyond July 13, 2006, Mittal Steel intends to extend the initial acceptance period of the U.S. Offer so that the initial acceptance periods of the European Offer and the U.S. Offer expire on the same date.

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If Mittal Steel decides to extend the initial acceptance period, as described above, it will publish a press release announcing such decision.

See The Offer Terms and Conditions of the Offer Expiration Date.

Subsequent Offering Period

Mittal Steel may elect and reserves the right to provide a subsequent offering period of at least ten Business Days if Mittal Steel acquires at least two-thirds of Arcelor's total share capital and voting rights, or more than 50% if there is a concurrent competing offer for the Arcelor securities. Mittal Steel shall make such election within ten Business Days from the date on which the results of the Offer are published in the manner described in The Offer Acceptance and Return of Arcelor Securities. If it so elects, Mittal Steel will issue a press release to announce the date of opening and duration of such subsequent offering period.

In the event that Mittal Steel acquires 90% or more of Arcelor's shares, it will issue a press release announcing a subsequent offering period of at least 15 Business Days. This subsequent offering period shall start within the month following the date on which the results of the Offer are published in the manner described in The Offer Acceptance and Return of Arcelor Securities. This mandatory offer requirement would also apply in the event that Mittal Steel were to acquire 90% of Arcelor following completion of a subsequent offering period, triggering an additional subsequent offering period.

In addition, pursuant to applicable Luxembourg takeover regulations if Mittal Steel acquires control of Arcelor (which would be the case if Mittal Steel acquires 33 1/3% or more of Arcelor's voting securities), the remaining Arcelor securityholders would be entitled to tender their Arcelor securities in a subsequent 15-day offer period starting on the day of publication of the results of the Offer.

If a subsequent offering period for the European Offer is announced, Mittal Steel intends to announce a corresponding subsequent offering period for the U.S. Offer.

A subsequent offering period, if one is provided, will be an additional period of time beginning after Mittal Steel has acquired Arcelor securities tendered during the Offer, during which holders may tender their Arcelor securities. The terms of such subsequent offering period will differ from those provided

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in subsequent offering periods found in U.S. domestic tender and exchange offers pursuant to Rule 14d-11 under the Exchange Act.

During any subsequent offering period, Mittal Steel shall offer the same consideration as that offered during the initial acceptance period (subject to the same adjustment mechanisms).

The subsequent offering period will be subject to a number of conditions and the right of Mittal Steel to terminate the subsequent offering period. Specifically, the subsequent offering period will be subject to the condition set forth in clause (ii) of the second bullet summarized in

Conditions above (and The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer Events or Actions that Alter Arcelor's Substance herein) and the condition set forth in the third bullet summarized in Conditions above (and The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer Shareholder Approval of New Securities herein). Failure of such conditions during any subsequent offering period will entitle Mittal Steel to terminate the subsequent offering period.

Moreover, the grounds available to Mittal Steel for withdrawing the Offer as described in

Grounds for Withdrawing the Offer will apply to any subsequent offering period. Thus, in the event that New Securities are issued after February 6, 2006 pursuant to Arcelor shareholder authorization, Mittal Steel may terminate the subsequent offering period subject to the prior consent of the relevant European Regulators, and Mittal Steel may also terminate the subsequent offering period within five Business Days following the publication of an offer document relating to a competing or an improved competing offer.

Any termination of the subsequent offering period shall not affect securities tendered during the initial acceptance period, since such securities would have been purchased on the settlement date of the initial acceptance period. If the subsequent offering period is not terminated as a result of the issuance of New Securities, the Offer will be extended to the New Securities, possibly after amendment of its terms.

During any subsequent offering period, withdrawal rights shall apply with respect to tenders made during such subsequent

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offering period; however, holders who previously tendered during the initial offering period will not be able to withdraw their tenders since their securities will have already been purchased.

See The Offer Terms and Conditions of the Offer Subsequent Offering Period.

Procedures for Tendering Arcelor Securities

The procedure for tendering Arcelor securities into the U.S. Offer varies depending on a number of factors, including (i) whether you hold Arcelor shares, Convertible Bonds or Arcelor ADSs, (ii) whether you possess physical certificates or a financial intermediary holds physical certificates for you, and (iii) whether you hold your Arcelor securities through a U.S. custodian or directly through a financial intermediary located in France, Belgium, Luxembourg, Spain or elsewhere. You should read carefully the detailed summary of procedures for tendering the different types of Arcelor securities set forth in The Offer Procedures for Tendering Arcelor Securities.

Withdrawal Rights of Securityholders

Holders of Arcelor securities may withdraw tendered securities at any time during the initial acceptance period for the Offer. Moreover, if the initial acceptance period for the Offer is extended as described in The Offer Terms and Conditions of the Offer Expiration Date, holders of Arcelor securities who have previously tendered their securities may withdraw them until the end of the initial acceptance period so extended.

See The Offer Terms and Conditions of the Offer Withdrawal Rights of Securityholders.

Delivery of Mittal Steel Shares and Cash

The Global Centralizing Agent will deliver New Mittal Steel Shares and cash to local centralizing agents for Arcelor shares and Convertible Bonds held through a European central depository, to Arcelor for Arcelor shares directly registered in the Arcelor share register and to the ADS Centralizing Agent for Arcelor ADSs promptly following the publication of the final results of the Offer. See The Offer Delivery of New Mittal Steel Shares and Cash.

Regulatory Approvals

Antitrust notifications have been made in the European Union pursuant to Council Regulation (EC) 139/2004, in the United States pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and in other jurisdictions around the

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world. The statutory waiting periods have expired in the United States and the transaction has been cleared in Canada and the European Union, subject in the latter case to commitments. In the United States, the Department of Justice's investigation continues with respect to one area of overlap between the parties' North American operations. Mittal and the DOJ have agreed that, if the DOJ were to conclude that a remedy is necessary to resolve a competitive concern in this area, Mittal's proposed sale of Dofasco to ThyssenKrupp would satisfy the Department's concerns. If Mittal is unable to sell Dofasco to ThyssenKrupp, Mittal may instead resolve any competitive concern by selling an identified alternative asset.

See Regulatory Matters.

Listing of Mittal Steel Class A Common Shares Mittal Steel class A common shares are currently listed on the NYSE and Euronext Amsterdam. Mittal Steel will apply to list the shares issued pursuant to the Offer on these exchanges, as well as on Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges. See The Offer Listing of Mittal Steel Shares.

Compulsory Acquisition; Delisting

To the extent permitted under applicable laws and stock exchange regulations, Mittal Steel may petition to cause the delisting of the Arcelor securities from all stock exchanges on which they are currently listed. Furthermore, subject to the completion of the Offer, Mittal Steel intends to cause Arcelor to terminate its deposit agreement with respect to the Arcelor ADR program. Should any of Arcelor's shares remain outstanding after completion of the Offer, Mittal Steel will consider possible options to attain ownership of all of Arcelor's share capital, including through any available compulsory buy-out procedure, merger or other corporate reorganization. As of May 22, 2006, Luxembourg law provides for a compulsory buy-out of minority shareholders, if following an offer the offeror owns 95% of the capital and voting rights of the target company. If Mittal Steel does not hold 95% or more of the capital and the voting rights of Arcelor following the Offer, Mittal Steel would consider other possible options to increase its shareholding in Arcelor. See The Offer Delisting; Termination of Arcelor ADR Program; Possible Redemption of Convertible Bonds, The Offer Compulsory Acquisition and The Offer Intentions of Mittal Steel Regarding Corporate Governance and Corporate Structure Intentions Regarding Minority Buy-Out and Delisting.

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Dividends

The New Mittal Steel Shares issued in connection with the Offer will have the same dividend and other rights as Mittal Steel's other class A common shares. Holders of the New Mittal Steel Shares will be entitled to any dividend declared as from the registration of the capital increase effected in connection with the issuance of such shares.

Early Redemption Rights Relating to Convertible Bonds

Both holders of Convertible Bonds and Arcelor have early redemption rights in certain circumstances. If neither Mittal Steel nor Arcelor provides a fairness opinion with respect to the Offer for Convertible Bonds, bondholders may, during the 60 days following the closing of the Offer, request early redemption at the higher of (i) the principal amount of the Convertible Bonds plus accrued interest, and (ii) the value of the consideration paid in the Offer for Arcelor shares as of the closing date multiplied by the conversion / exchange ratio for the Convertible Bonds then in effect (currently 1.078). If the Arcelor shares are delisted from all regulated markets, bondholders may request redemption at a price equal to the Convertible Bonds principal amount plus accrued interest. If less than 10% of the Convertible Bonds remain outstanding, Arcelor has the right to redeem all of the Convertible Bonds at their principal amount plus accrued interest. Mittal Steel has not provided and does not intend to provide such a fairness opinion. Mittal Steel does not currently know whether Arcelor intends to procure such an opinion.

See The Offer Delisting; Termination of Arcelor ADR Program; Possible Redemption of Convertible Bonds for further information.

Mandatory Offer for Minority Interests in the Brazilian Subsidiaries

Arcelor holds a majority interest in two companies that are listed on the Brazilian stock exchange. Under Brazilian law, Mittal Steel will be required to offer to acquire the minority interests in these companies if it acquires control of Arcelor. The value of the interests and the consideration to be paid in such offer is subject to a number of variables. See The Offer Required Purchase of Minority Shareholdings in Arcelor Brasil S.A. and Acesita S.A., Arcelor's two Brazilian Subsidiaries for further information.

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Comparison Of The Rights Of Arcelor Shareholders And Mittal Steel Shareholders

Depending on the consideration you elect and the results of the pro-ration and allocation procedures, you may receive Mittal Steel class A common shares if you tender your Arcelor securities. There are numerous differences between the rights of a shareholder in Arcelor, a Luxembourg *société anonyme*, and the rights of a shareholder in Mittal Steel, a Dutch *naamloze vennootschap*. For a summary of these differences, please see *Comparison of Rights of Shareholders Under Luxembourg and Dutch Law*. The Memorandum of Understanding provides, however, that following completion of the Offer and further analysis and implementation steps, Mittal Steel should be merged into Arcelor, a Luxembourg company. The exact timing of this merger is uncertain but is estimated to occur approximately nine to 12 months following completion of the Offer. See *Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder Post-Offer Merger*.

Interests of Directors and Executive Officers of Mittal Steel and Arcelor; Post-Offer Shareholding

No Mittal Steel director or executive officer owns any Arcelor securities. Mittal Steel's Controlling Shareholder holds a number of the issued and outstanding Mittal Steel class A common shares and 100% of the issued and outstanding Mittal Steel class B common shares, together representing approximately 98% of the combined voting interest in Mittal Steel. Following the Offer, the Controlling Shareholder will retain at least a substantial minority shareholding.

Based on publicly available information, members of Arcelor's Management Board collectively owned approximately 0.02% of the outstanding shares of Arcelor as of December 31, 2005. No information regarding ownership of Mittal Steel shares by any director or executive officer of Arcelor is publicly available.

Material U.S. Federal and Dutch Income Tax Consequences of the Exchange

The sale of Arcelor securities for cash and the exchange of Arcelor securities for Mittal Steel class A common shares will constitute a taxable disposition under U.S. federal income tax law. See *Taxation United States Taxation*. Dividends

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distributed by Mittal Steel generally will be subject to Dutch withholding tax. See
Taxation Dutch Taxation Withholding Tax.

Requests for Assistance

The information agent:

D.F. King & Co., Inc.

48 Wall Street

New York, New York 10005

1 800 347 4857

Banks and Brokers: 1 212 269 5550

or the dealer managers (solely for the U.S. Offer):

If you have questions or want copies of additional documents, you may contact:

Goldman, Sachs & Co.
1 New York Plaza, 48th Floor
New York, New York 10004
1 800 323 5678;

Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013
1 800 754 1370;

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010
1 800 881 8320;

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, New York 10018
1 800 975 4722; and

SG Americas Securities, LLC
1221 Avenue of the Americas
New York, New York 10020
1 212 278 5595.

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PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Company Names

Unless indicated otherwise, or the context otherwise requires, references in this prospectus to *Mittal Steel*, *we*, *us*, *our* and *the Company* or similar terms are to Mittal Steel Company N.V., formerly known as Ispat International N.V., and its subsidiaries (which include LNM Holdings N.V. and its subsidiaries and International Steel Group Inc. and its subsidiaries). *Ispat International* refers to Ispat International N.V. and its subsidiaries as they existed prior to the business combination with LNM Holdings on December 17, 2004 and to its 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 business combination with Ispat International on December 17, 2004 and to its predecessor companies for the periods prior to the organization of LNM Holdings. On December 20, 2004, LNM Holdings' name was changed to Mittal Steel Holdings N.V. On December 28, 2005, Mittal Steel Holdings N.V. was redomiciled to Switzerland and changed its name to Mittal Steel Holdings A.G.

To the extent that references in this prospectus to *Mittal Steel* are made with respect to time periods occurring before December 17, 2004, *Mittal Steel* means Ispat International and its subsidiaries and their predecessors adjusted after giving effect to the business combination with LNM Holdings and its subsidiaries and their predecessors. *ISG* refers to International Steel Group Inc. and its subsidiaries as it existed prior to its acquisition by Mittal Steel on April 15, 2005. Following the acquisition of ISG by Mittal Steel, ISG's name was changed to *Mittal Steel USA ISG Inc.*, the operations were merged with Ispat Inland on December 31, 2005, and the name of the surviving entity was changed to *Mittal Steel USA Inc.* All references in this prospectus to *Mittal Steel USA* refer to the combined operations of Mittal Steel USA ISG Inc. with Mittal Steel's other U.S. operating subsidiary, Ispat Inland Inc. All references in this prospectus to *Inland* refer to Ispat Inland Inc.

All references in this prospectus to *Mittal Steel Kryviy Rih* refer to the operations of Kryvorizhstal, Ukraine, which was acquired by the Company on November 25, 2005 and subsequently renamed OJSC Mittal Steel Kryviy Rih, or Mittal Steel Kryviy Rih.

All references in this prospectus to *Hunan Valin* refer to Hunan Valin Steel Tube & Wire Company, China.

References to *Arcelor* refer to Arcelor S.A., a *société anonyme* incorporated under Luxembourg law, having its registered office at 19 Avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg, and, where applicable, its consolidated subsidiaries.

Certain Defined Terms

Unless indicated otherwise, or the context otherwise requires, references in this prospectus to:

Articles of Association refers to the amended and restated Articles of Association of Mittal Steel Company N.V., dated June 21, 2005;

Business Day means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is operating and that is not a federal holiday in the

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United States. TARGET as a whole is closed on Saturdays, Sundays, New Year's Day, Good Friday and Easter Monday, May 1, Christmas Day and December 26. For the avoidance of doubt a Business Day shall be deemed to end at 12:00 midnight New York City time;

C\$ or Canadian dollars are to the lawful currency of Canada;

Controlling Shareholder refers to Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal;

euro and are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union of January 1, 1999 pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union;

production capacity are to the annual production capacity of plant and equipment based on existing technical parameters as estimated by management;

steel products are to finished and semi-finished steel products and exclude direct reduced iron, or DRI;

tons or net tons or ST are to short tons and are used in measurements involving steel products, including liquid steel (a short ton is equal to 907.2 kilograms or 2000 pounds);

tonnes or MT are to metric tonnes and are used in measurements involving iron ore, iron ore pellets, DRI, hot metal, coke, coal, pig iron and scrap (a metric tonne is equal to 1,000 kilograms or 2,204.62 pounds); and

USD, US dollars or \$ are to the lawful currency of the United States.
All volume figures for shipments of our steel products include inter-company sales.

Financial Information

The financial information and certain other information presented in a number of tables in this prospectus has been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Mittal Steel

All of the financial statements included in this prospectus for Mittal Steel have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial records of each of the operating subsidiaries are maintained in the currency of the country in which each subsidiary is located and using that country's statutory or generally accepted accounting principles. For consolidation purposes, financial statements have been prepared in conformity with U.S. GAAP and are expressed in U.S. dollars, the reporting currency.

For purposes of its regulatory filings in Europe relating to its listing on Euronext Amsterdam, Mittal Steel also prepares, beginning with the fiscal year ended December 31, 2005, financial statements in accordance with International Financial Reporting Standards as endorsed by the

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European Union (IFRS). In addition, the pro forma financial information included herein to reflect the acquisition of Arcelor by Mittal Steel was prepared on the basis of IFRS. IFRS differs in certain significant respects from U.S. GAAP and therefore our financial statements prepared under IFRS are not comparable with our financial statements prepared under U.S. GAAP that are incorporated by reference herein. See Summary of Certain Differences between IFRS and U.S. GAAP (Unaudited).

Incorporated by reference in this prospectus are: (i) the audited consolidated financial statements of Mittal Steel Company N.V. and its consolidated subsidiaries (adjusted after giving effect to the business combination with LNM Holdings, which has been accounted for on the basis of common control accounting), including the consolidated balance sheets as of December 31, 2004 and 2005, and the consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years ended December 31, 2003, 2004 and 2005; (ii) the audited consolidated financial statements of ISG and its consolidated subsidiaries as of and for the year ended December 31, 2004, and the unaudited condensed consolidated financial statements of ISG for the three months ended March 31, 2005; and (iii) the unaudited pro forma condensed combined statement of operations of Mittal Steel for the year ended December 31, 2005, adjusted after giving effect to the acquisition of ISG using the purchase method of accounting and presented as if the acquisition was completed on January 1, 2005. The ISG annual consolidated financial statements as of and for the year ended December 31, 2004 have not been audited by Mittal Steel's auditors.

On December 17, 2004, Ispat International N.V. completed its acquisition of Mittal Steel Holdings N.V., formerly LNM Holdings N.V. On December 20, 2004, LNM Holdings' name was changed to Mittal Steel Holdings N.V. On December 28, 2005, Mittal Steel Holdings N.V. was redomiciled to Switzerland and changed its name to Mittal Steel Holdings A.G. As Ispat International N.V. and LNM Holdings N.V. were affiliates under common control, the acquisition of LNM Holdings N.V. was accounted for on the basis of common control accounting, which is similar to a previously permitted method of accounting known as pooling-of-interests. Therefore, these consolidated financial statements reflect the financial position and results of operations of Mittal Steel from the accounts of Ispat International N.V. and LNM Holdings N.V. as though Mittal Steel had been a stand-alone legal entity during 2003 and 2004. These consolidated financial statements as of and for the years ended December 31, 2003 and 2004 have been prepared using the historical basis in the assets and liabilities and the historical results of operations relating to Ispat International N.V. and LNM Holdings N.V. based on the separate records maintained for each of these businesses. Inter-company balances and transactions have been eliminated on consolidation.

Arcelor

Annex B to this prospectus includes the following financial information and documents published by Arcelor: (i) consolidated financial statements as of and for the years ended December 31, 2003, 2004 and 2005 and the management reports relating to such years; (ii) unaudited selected consolidated interim financial data as of March 31, 2006, as posted on Arcelor's website on May 12, 2006; and (iii) the press release announcing Arcelor's agreement to merge with Severstal, as posted on Arcelor's website on May 26, 2006. The financial statements and data were prepared in accordance with IFRS. IFRS differs in certain significant respects from U.S. GAAP. For a narrative discussion of certain relevant differences between IFRS and U.S. GAAP, see Summary of Certain Differences between IFRS and U.S. GAAP (Unaudited).

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Market Information

This prospectus includes industry data and projections about our markets obtained from industry surveys, market research, publicly available information and industry publications, including but not limited to, publications of the International Iron and Steel Institute. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. We have not independently verified this data or determined the reasonableness of such assumptions. In addition, in many cases we have made statements in this prospectus regarding our industry and our position in the industry based on internal surveys, industry forecasts, market research, as well as our own experience. While these statements are believed to be reliable, they have not been independently verified.

Internet Sites

Each of Mittal Steel and Arcelor maintains an Internet site. Mittal Steel's Internet address is www.mittalsteel.com. Arcelor's Internet address is www.arcelor.com. Information contained in or otherwise accessible through these Internet sites is not a part of this prospectus unless otherwise incorporated by reference in this prospectus, as described in Incorporation of Certain Documents by Reference. All references in this prospectus to Mittal Steel's and Arcelor's Internet sites are inactive textual references to these URLs and are for your information only.

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NOTE ON ARCELOR INFORMATION

Mittal Steel has included in or annexed to this prospectus information concerning Arcelor insofar as it is known or reasonably available to Mittal Steel. However, Arcelor is not affiliated with Mittal Steel and has not permitted Mittal Steel access to its books and records or any other non-public information about it. Therefore, information concerning Arcelor that has not been made public is not available to Mittal Steel. Although Mittal Steel has no knowledge that would indicate that statements relating to Arcelor contained in this prospectus in reliance on publicly available information are inaccurate or incomplete, Mittal Steel was not involved in the preparation of such information or statements and, for the foregoing reasons, is not in a position to verify any such information or statements. See Risk Factors Risks Relating to the Offer Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor. Therefore, Mittal Steel may be subject to unknown liabilities of Arcelor that may have a material adverse effect on Mittal Steel's profitability and results of operations, and Risk Factors Risks Relating to the Offer Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

Pursuant to Rule 409 under the U.S. Securities Act of 1933, as amended (the Securities Act), Mittal Steel requested in correspondence over the period from February 14 to April 7, 2006 that Arcelor provide Mittal Steel with information required for complete disclosure relating to its business, operations and financial condition in compliance with the requirements of Item 17 of Form F-4, including financial statements prepared in accordance with or reconciled to U.S. GAAP. During this correspondence, Arcelor requested clarification of Mittal Steel's request, which Mittal Steel provided, and confirmation from Mittal Steel that Arcelor's accession to its request would be without prejudice to Arcelor's right to oppose Mittal Steel's hostile offer, which Mittal Steel also provided. The correspondence culminated with Arcelor's provision of an estimate of the time and cost (which Mittal Steel had offered to defray, subject to agreement on a budget) necessary for the preparation by Arcelor of a reconciliation to U.S. GAAP of its financial statements prepared in accordance with IFRS. This estimate led Mittal Steel to conclude that the requested information relating to Arcelor is not reasonably available to it.

The entry into the Memorandum of Understanding on June 25, 2006 does not change the situation discussed above. Although the Memorandum of Understanding requires some limited cooperation on regulatory matters (notably with regard to antitrust and to relief from the Luxembourg mandatory tender offer requirement, if applicable), it does not provide Mittal Steel with the right to perform due diligence with respect to Arcelor, give it access to Arcelor's books and records, or require Arcelor to cooperate in the preparation of Mittal Steel's disclosure in connection with the Offer, and, in response to a request, Arcelor has confirmed that it is not prepared to cooperate in such regard at this time.

Mittal Steel also requested in such correspondence with both Arcelor and Arcelor's independent public accountants that the latter consent in a customary manner to the inclusion of their audit reports with respect to the financial statements of Arcelor included in this prospectus. Arcelor ultimately offered to request its independent public accountants to consider to provide such consent subject to several conditions. Arcelor also stated that its independent public accountants had advised that their ability to issue such consent would be subject to Mittal Steel obtaining from the SEC staff confirmation that the staff would not object to the inclusion of audit reports which relate to audits conducted in accordance with International Standards of Auditing (IAS) rather than the standards promulgated by the Public Company Accounting Oversight Board. Based on Mittal Steel's understanding that an audit report prepared on the basis of IAS would not be acceptable to the SEC, Mittal Steel considers that obtaining such consent is impracticable.

Mittal Steel will provide any and all information that it receives from Arcelor or its independent public accountants at least five Business Days prior to the expiration of the Offer that Mittal Steel deems material, reliable and appropriate in a subsequently prepared amendment or supplement hereto.

Table of Contents**EXCHANGE RATE AND CURRENCY INFORMATION**

Certain financial information contained herein is presented in euro. References herein to euro, EUR and refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. References to \$, U.S.\$ and U.S. dollars are to the lawful currency of the United States.

Mittal Steel publishes its financial statements in U.S. dollars, and Arcelor publishes its financial statements in euro. This prospectus contains translations of some euro amounts into U.S. dollars. These amounts are provided solely for your convenience. Unless otherwise indicated, translations of euro amounts into U.S. dollars were made at the rate of 1.00 = \$1.2214, which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on January 26, 2006.

The following table shows the period-end, average, high and low Noon Buying Rate in New York City for cable transfers in foreign currencies as certified by the Federal Reserve Bank of New York (the Noon Buying Rate) for the euro, expressed in U.S. dollars per one euro, for the periods and dates indicated.

Month	Period	Average	High	Low
U.S. dollar/Euro	End	rate⁽¹⁾		
Month to June 26, 2006	1.26	1.27	1.30	1.25
May 2006	1.28	1.28	1.29	1.26
April 2006	1.26	1.23	1.26	1.21
March 2006	1.21	1.20	1.22	1.19
February 2006	1.19	1.19	1.21	1.19
January 2006	1.22	1.21	1.23	1.20
December 2005	1.18	1.19	1.20	1.17
November 2005	1.18	1.18	1.21	1.17
October 2005	1.20	1.20	1.21	1.19
September 2005	1.21	1.22	1.25	1.20
August 2005	1.23	1.23	1.24	1.21
First Half 2005	1.21	1.28	1.35	1.20
Year				
U.S. dollar/Euro				
2005	1.18	1.24	1.35	1.17
2004	1.35	1.25	1.36	1.18
2003	1.26	1.14	1.26	1.04
2002	1.05	0.95	1.05	0.86
2001	0.89	0.89	0.95	0.84
2000	0.94	0.92	1.03	0.83

Source: Federal Reserve Bank of New York

(1) The average of the Bloomberg EURUSD exchange rates on the last business day of each month (or portion thereof) during the relevant period for annual and semi-annual averages; on each business day of the month (or portion thereof) for monthly average.

Fluctuations in exchange rates that have occurred in the past are not necessarily indicative of fluctuations in exchange rates that may occur at any time in the future. No representations are made herein that the euro or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or euro, as the case may be, at any particular rate.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION FOR MITTAL STEEL**

The following table presents selected consolidated historical financial information for Mittal Steel for the years ended December 31, 2001, 2002, 2003, 2004 and 2005. This selected consolidated financial information is derived from and should be read in conjunction with the audited consolidated financial statements of Mittal Steel for the years ended December 31, 2003, 2004 and 2005, including the notes thereto, incorporated by reference herein.

	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(All amounts in \$ millions except per share data and percentages)				
Statement of Income Data					
Sales	\$ 5,423	\$ 7,080	\$ 9,567	\$ 22,197	\$ 28,132
Cost of sales (exclusive of depreciation)	4,952	5,752	7,568	14,694	21,495
Depreciation	229	266	331	553	829
Selling, general and administrative expenses	204	298	369	804	1,062
Other operating expenses	75	62			
Operating income / (loss)	(37)	702	1,299	6,146	4,746
Operating margin as a percentage of sales	(0.7)%	9.9%	13.6%	27.7%	16.9%
Other income (expense) net	22	32	70	128	77
Income from equity investments	(2)	111	162	66	69
Financing costs:					
Net interest expense	(235)	(222)	(175)	(187)	(229)
Net gain / (loss) from foreign exchange	(18)	15	44	(20)	40
Income / (loss) before taxes, minority interest and cumulative effect of change in accounting principle	(270)	638	1,400	6,133	4,703
Net income / (loss)	(199)	595	1,182	4,701	3,365
Basic earnings / (loss) per common share after cumulative effect of change in accounting principle ⁽¹⁾	\$ (0.31)	\$ 0.92	\$ 1.83	\$ 7.31	\$ 4.90
Diluted earnings / (loss) per common share after cumulative effect of change in accounting principle ⁽¹⁾	\$ (0.31)	\$ 0.92	\$ 1.83	\$ 7.31	\$ 4.89
Dividends declared per share ⁽²⁾					0.30

	At December 31,				
	2001	2002	2003	2004	2005
	(All amounts in \$ millions except number of shares)				
Balance Sheet Data					
Cash and cash equivalents, including short-term investments and restricted cash	\$ 225	\$ 417	\$ 900	\$ 2,634	\$ 2,149
Property, plant and equipment net	4,138	4,094	4,654	7,562	15,539
Total assets	7,161	7,909	10,137	19,153	31,042
Payable to banks and current portion of long-term debt	470	546	780	341	334
Long-term debt (including affiliates)	2,262	2,187	2,287	1,639	7,974
Net Assets	1,106	1,442	2,561	5,846	10,150
Share capital ⁽³⁾	539	541	533	488	2,405
Weighted average common shares outstanding (millions)	646	648	647	643	687

	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(All amounts in \$ millions except quantity information)				
Other Financial and Operating Data:					
Net cash provided by operating activities	\$ 237	\$ 539	\$ 1,438	\$ 4,611	\$ 3,974
Net cash (used in) investing activities	(214)	(360)	(814)	(801)	(7,612)
Net cash (used in) provided by financing activities	(92)	16	(282)	(2,329)	3,349
Total production of DRI (thousands of tonnes)	4,918	5,893	7,202	9,664	8,321
Total shipments of steel products (thousands of tons) ⁽⁴⁾	18,634	24,547	27,446	42,071	49,178

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- (1) 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 Mittal Steel in connection with the acquisition of LNM Holdings.
- (2) This does not include the dividends declared by LNM Holdings to its shareholder prior to its acquisition by Ispat International.
- (3) Comprised of common shares and additional paid-in capital less treasury stock.
- (4) Includes all inter-company shipments.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION FOR ARCELOR**

The following table presents selected consolidated financial information of Arcelor for the years ended December 31, 2002, 2003, 2004, 2005, as set forth in (except as otherwise indicated) Arcelor's annual reports for such years as posted on Arcelor's web site. This selected consolidated financial information is derived from and should be read in conjunction with the respective consolidated financial statements of Arcelor for the years ended December 31, 2003, 2004 and 2005, including the notes thereto, annexed to this prospectus. In order to facilitate meaningful year-on-year comparisons, the financial statements as of and for the year ended December 31, 2004 have been adjusted to conform to the presentation in Arcelor's 2005 annual report. See "Note on Arcelor Information" and "Risk Factors - Risks Relating to the Offer" Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

Mittal Steel prepares its financial statements under U.S. GAAP. Arcelor prepares its financial statements under IFRS, which differs in certain significant respects from U.S. GAAP. These differences, as they relate to Arcelor, cannot be quantified based solely on the publicly available financial information of Arcelor and may be significant. For a narrative discussion of certain relevant differences between IFRS and U.S. GAAP, see "Summary of Certain Differences between IFRS and U.S. GAAP (Unaudited)."

	As at and for the Year Ended December 31,			
	2002⁽¹⁾	2003	2004	2005
	(All amounts in millions, except per share data)			
Income statement data				
<i>Amounts in accordance with IFRS</i>				
Revenue	24,533	25,923	30,176	32,611
Operating result	680	738	3,314	4,376
Operating margin ⁽²⁾	2.8%	2.8%	11.0%	13.4%
Net financing costs	(434)	(321)	(521)	(254)
Share of results in companies accounted for using the equity method	102	140	413	317
Result before tax	348	557	3,206	4,439
Taxation	(488)	(141)	(513)	(161)
Result after tax	(140)	416	2,693	4,278
Minority interests	(46)	(159)	(403)	(432)
Net result - group share	(186)	257	2,290	3,846
Basic earnings per share	(0.38)	0.54	4.21 ⁽³⁾	6.26 ⁽⁴⁾
Diluted earnings per share	(0.38)	0.54	3.80	5.90
Balance sheet data (at period end)				
<i>Amounts in accordance with IFRS</i>				
Total shareholders' equity	6,732	6,733	10,812	15,109
Minority interests	661	730	1,415	2,524
Total assets	25,836	24,608	31,238	35,916
Total non-current assets	12,853	12,590	15,265	18,196
Total non-current liabilities	8,178	8,757	8,624	8,279
Cash Flow Data				
<i>Amounts in accordance with IFRS</i>				
Cash flows from operating activities	1,946 ⁽⁵⁾	2,502 ⁽⁵⁾	3,205 ⁽⁵⁾	4,464 ⁽⁵⁾
Cash flows from (used in) investing activities	(591)	(1,109)	(1,382)	(1,606)
Cash flows from (used in) financing activities	(1,251)	(686)	354	(2,389)

(1) Includes the results of operations for the entire fiscal year for Usinor and from March 1, 2002 for Aceralia Corporación Siderurgica and Arbed, each of which was acquired on February 28, 2002 and has been accounted for under the purchase method of accounting in accordance with International Accounting Standards 22.

(2) Calculated by Mittal Steel as operating result divided by revenue.

(3) Including 106,629,054 new shares issued on July 27, 2004, and excluding treasury shares.

(4) Excluding treasury shares.

(5) Including taxes paid in the amount of \$82 million in 2002, \$29 million in 2003, \$199 million in 2004 and \$405 million in 2005, and net interest paid in the amount of \$387 million in 2002, \$261 million in 2003, \$151 million in 2004 and \$107 million in 2005.

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**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AND
INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2005**

The following unaudited condensed combined balance sheet and income statement (Unaudited Pro Forma Condensed Combined Financial Information) were prepared to illustrate the estimated effects of the acquisition of ISG and the estimated effects of the proposed acquisition of Arcelor as if such acquisitions had occurred on January 1, 2005.

The Unaudited Pro Forma Condensed Combined Financial Information has not been prepared in accordance with Article 11 of Regulation S-X under the Securities Act. It is therefore not consistent in terms of content and presentation with pro forma financial information typically included in prospectuses for the public offering of securities in the United States. It is included in this prospectus because it is required to be included in the prospectus for the European Offer and is considered to provide important information in the context of the U.S. Offer as well. A principal difference from pro forma information prepared in accordance with Article 11 of Regulation S-X is that the Unaudited Pro Forma Condensed Combined Financial Information has been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS) rather than US GAAP. Other differences include, without limitation, the fact that the Unaudited Pro Forma Condensed Combined Financial Information does not give effect to (i) Arcelor's acquisition of Dofasco, for a total consideration of approximately C\$5.5 billion (approximately \$5.1 billion), since such acquisition was not reflected in the historical financial statements of Arcelor as of and for the year ended December 31, 2005 and financial statements of Dofasco, prepared in accordance with IFRS, are not available (see Note 6.N hereto for further information on the Dofasco transaction) or (ii) the planned post-acquisition sale of Dofasco by Mittal Steel. As a result of the inconsistencies described above between the Unaudited Pro Forma Condensed Combined Financial Information and pro forma financial information prepared in accordance with Article 11 of Regulation S-X, the pro forma balance sheet, income statement and earnings per share presented herein could materially differ from those determined in accordance with Article 11 of Regulation S-X.

The Unaudited Pro Forma Condensed Combined Financial Information was prepared in accordance with IFRS because both Mittal Steel and Arcelor prepared and published audited consolidated financial statements as of and for the year ended December 31, 2005 in accordance with IFRS. Conversely, while Mittal Steel also prepared and published such financial statements in accordance with US GAAP, Arcelor did not prepare audited consolidated financial statements in accordance with US GAAP, and such financial statements or a quantitative reconciliation to US GAAP of Arcelor's financial statements as of and for the year ended December 31, 2005 prepared in accordance with IFRS are not reasonably available to Mittal Steel. See Note on Arcelor Information . The historical information presented for ISG has been prepared in accordance with IFRS. The historical information presented for ISG does not materially differ from that prepared in accordance with US GAAP. The audited consolidated financial statements of Mittal Steel, incorporated by reference in this prospectus, were prepared in accordance with US GAAP. The audited consolidated balance sheet as of December 31, 2005 and the audited consolidated income statement for the year then-ended of Mittal Steel used as the basis of preparation for the Unaudited Pro Forma Condensed Combined Financial Information were prepared in accordance with IFRS. To assist in understanding the Unaudited Pro Forma Condensed Combined Financial Information, a quantitative and qualitative reconciliation of Mittal Steel's shareholders' equity as of December 31, 2005 and net income for the year then-ended, as reported in accordance with US GAAP and IFRS, is included in Note 7 hereto.

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On April 15, 2005, Mittal Steel acquired all of the issued and outstanding shares of ISG common stock in exchange for approximately \$2.1 billion in cash and 60,891,883 Mittal Steel class A common shares. The acquisition of ISG has been accounted for using the purchase method of accounting and, accordingly, the assets acquired and liabilities assumed were recorded at their fair values as of the date of completion of the acquisition. As ISG is included in the historical balance sheet of Mittal Steel as of December 31, 2005, the estimated effects of this acquisition are only shown for the income statement.

Mittal Steel is proposing to acquire all of the issued and outstanding shares of Arcelor in exchange for Mittal Steel class A common shares and cash. The number of Mittal Steel class A common shares is based on certain assumptions about the value of Mittal Steel class A common shares and Arcelor common stock. Under the terms of the revised Offer, Arcelor shareholders will receive 13 Mittal Steel shares and 150.60 for every 12 Arcelor shares. In addition, Mittal Steel will be required to make an offer for the minority interests in Arcelor's two Brazilian subsidiaries (Acesita and Arcelor Brasil) following its acquisition of control of Arcelor. The Unaudited Pro Forma Condensed Combined Financial Information assumes that Mittal Steel will offer the minority shareholders of Acesita and Arcelor Brasil the same mix of Mittal Steel shares (approximately 69%) and cash (approximately 31%) in the Offer (before adjusting for the 1.85 dividend paid on May 29, 2006), and that the minority interests are valued at approximately 2.8 billion (approximately \$3.5 billion), resulting in the issuance of 74 million Mittal Steel class A common shares and the payment of 0.9 billion (approximately \$1.1 billion) in cash. These amounts are themselves based on a number of assumptions as to, among other things, Arcelor's shareholding in these companies, the valuation methodology and the reference market price of their shares. See The Offer Required Purchase of Minority Shareholdings in Arcelor Brasil S.A. and Acesita S.A., Arcelor's two Brazilian Subsidiaries.

The maximum amount of cash to be paid by Mittal Steel will be approximately 9.3 billion (approximately \$11.7 billion) and the maximum number of Mittal Steel shares to be issued will be approximately 797 million, assuming tender of all of the outstanding Arcelor shares as a result of the conversion of Arcelor Convertible Bonds, and the conversion of all of the outstanding Arcelor and Usinor stock options and the tender of the underlying shares and the buyout of the minority interests in Acesita and Arcelor Brasil, based on the assumptions set out above. For purposes of the Unaudited Pro Forma Condensed Combined Financial Information it is assumed that the holders of Arcelor Convertible Bonds will directly convert their bonds into Mittal Steel class A common shares. Further no tender of the Arcelor treasury stock is assumed. As a result, 793 million Mittal Steel class A common shares, million Mittal Steel class A common shares issued in exchange for Arcelor shares held in treasury that, will be issued. The acquisition of Arcelor will be accounted for using the purchase method of accounting and, accordingly, the assets acquired and liabilities assumed will be recorded at their fair values as of the date of the acquisition. The pro forma effect of the acquisition is shown as of and for the year ended December 31, 2005. The Arcelor historical consolidated financial statements have been translated from euros into US dollars, using an average exchange rate for 2005 of 1 to \$1.2454 for the income statement and the closing exchange rate at December 31, 2005 of 1 to \$1.1844 for the balance sheet.

On May 26, 2006 Arcelor announced that it had entered into an agreement with the controlling shareholder of OAO Severstal (Severstal). (See Information about Arcelor Recent Developments Relating to Arcelor - Proposed Transaction with Severstal for a description of such proposed transaction). The Unaudited Pro Forma Condensed Combined Financial Information does not give effect to this proposed transaction since, as disclosed by Arcelor, the agreement between the Severstal controlling shareholder and Arcelor terminates if more than 50% of Arcelor's shares are tendered into

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the Offer or the agreement between Arcelor and Severstal's controlling shareholder is rejected by more than 50% of Arcelor's capital at a shareholders' meeting. Mittal Steel believes that these conditions coupled with the 50% minimum tender condition of the Offer render highly unlikely a scenario where the Offer is consummated with Severstal consolidated by Arcelor or Mittal Steel.

The Unaudited Pro Forma Condensed Combined Financial Information is presented for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had these acquisitions been completed at the beginning of the period presented, nor is it indicative of the results of operations in future periods or the future financial position of the combined businesses. The pro forma adjustments are based upon available information and certain assumptions that Mittal Steel believes to be reasonable. These adjustments could materially change during the course of an independent valuation of Arcelor's assets and liabilities. In addition, as explained in more detail in the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information, the allocation of the purchase price for Arcelor reflected therein is subject to adjustment. The purchase price allocation presented will vary from the actual purchase price allocation that will be recorded upon the completion of the acquisition of Arcelor based upon access to detailed information enabling an assessment of the fair value of Arcelor's assets and liabilities.

The Unaudited Pro Forma Condensed Combined Financial Information should be read in conjunction with the notes thereto, the audited consolidated financial statements and the notes thereto of Mittal Steel as of and for the year ended December 31, 2005 prepared in accordance with US GAAP, incorporated by reference herein, and the audited consolidated financial statements and the notes thereto of Arcelor as of and for the year ended December 31, 2005, included herein.

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As of December 31, 2005

(in millions of U.S. dollars, except per share data)

					Pro Forma Combined
	Mittal Steel Historical	Arcelor Historical	Pro Forma Adjustments		Mittal Steel and Arcelor
Current Assets					
Cash and cash equivalents, restricted cash and short term investment	\$ 2,149	\$ 5,502	\$ 275	A	\$ 7,376
Trade accounts receivable	2,287	4,401			6,688
Inventories	5,994	8,978			14,972
Prepaid expenses and other current assets	1,040	2,107			3,147
Total Current Assets	11,470	20,988	275		32,183
Goodwill and intangible assets	1,706	229	16,563	B	18,498
Property, plant and equipment, net	18,651	16,306	(54)	Q	34,903
Investments	1,204	2,524			3,728
Other assets	414	898	(103)	Q	1,209
Deferred tax asset, net	314	1,595			1,909
Total Assets	\$ 33,759	\$ 42,540	\$ 16,131		\$ 92,430
Current Liabilities					
Payable to banks and current portion of long-term debt	\$ 334	\$ 1,922	\$ 2,750		\$ 5,006
Trade accounts payable	2,504	6,192			8,696
Accrued expenses and other liabilities	2,661	3,734	(23)		6,372
Total Current Liabilities	5,499	11,848	2,727		20,074
Long-term debt, net of current portion	7,974	5,141	8,903	A	22,018
Deferred employee benefits	1,054	2,704			3,758
Deferred tax liabilities	2,253	676	(61)	Q	2,868
Other long-term obligations	1,395	1,284	53	Q	2,732
Total Liabilities	18,175	21,653	11,622		51,450
Equity attributable to the equity holders of the parent	13,423	17,898	7,498	C/Q	38,819
Minority Interest	2,161	2,989	(2,989)		2,161
Total Equity	15,584	20,887	4,509		40,980
Total Liabilities and Shareholders Equity	\$ 33,759	\$ 42,540	\$ 16,131		\$ 92,430

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Information, which is not prepared in accordance with Article 11 of Regulation S-X (see introductory statement)

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(in millions of U.S. dollars, except per share data)

	Mittal Steel Historical	ISG Historical			Pro Forma Adjustments	Pro Forma Combined Mittal Steel	Arcelor Historical	Pro Forma Adjustments		Pro Forma Combined Mittal Steel and Arcelor
	(including ISG from April 15, 2005)	(January 1, 2005 to April 15, 2005)								
Sales	\$ 28,132	\$ 3,128	\$			\$ 31,260	\$ 40,613	\$		\$ 71,873
Depreciation and amortization	1,101	54	19	F		1,174	1,575		B	2,749
Operating income	4,728	299	108	D,E,F, G, and H		5,135	5,450			10,585
Other income net	344		(130)	P		214				214
Income from equity method investments	86					86	395			481
Gain on sale of assets		9				9				9
Interest and other financing costs, net	(353)	(18)	(17)	I, J		(388)	(317)	(453)	L	(1,158)
Income before taxes	4,805	290	(39)			5,056	5,528	(453)		10,131
Income tax expense	(881)	(116)	(35)	K		(1,032)	(201)	92	M	(1,141)
Net Income (including minority interest)	\$ 3,924	\$ 174	(74)			4,024	5,327	(361)		8,990
Attributable to										
Minority interest	\$ (494)	\$	\$			\$ (494)	\$ (538)	\$ 538		\$ (494)
Equity holders of the parent	3,430	174	(74)			3,530	4,789	177		8,496
Basic earnings per common share	\$ 4.99					\$ 5.01				\$ 5.68
Diluted earnings per common share	4.98					5.00				5.67
Weighted average shares outstanding in millions:										
Basic	687					704				1,497
Diluted	689					706				1,499
Shares issued in connection with ISG acquisition			17							
Shares to be issued in connection with the Arcelor acquisition (excluding treasury shares)								793		

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Information, which is not prepared in accordance with Article 11 of Regulation S-X (see introductory statement).

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Mittal Steel Company N.V. and Subsidiaries

Notes to Unaudited Pro Forma Condensed

Combined Financial Information as of and for the

Year Ended December 31, 2005

1. Basis of Pro Forma Presentation

The Unaudited Pro Forma Condensed Combined Financial Information has not been prepared in accordance with Article 11 of Regulation S-X under the Securities Act. It is therefore not consistent in terms of content and presentation with pro forma financial information typically included in prospectuses for the public offering of securities in the United States. It is included in this prospectus because it is required to be included in the prospectus for the European Offer and is considered to provide important information in the context of the U.S. Offer as well. A principal difference from pro forma information prepared in accordance with Article 11 of Regulation S-X is that the Unaudited Pro Forma Condensed Combined Financial Information has been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS) rather than US GAAP. Other differences include, without limitation, the fact that the Unaudited Pro Forma Condensed Combined Financial Information does not give effect to (i) Arcelor's acquisition of Dofasco, for a total consideration of approximately C\$5.6 billion (approximately \$5.1 billion), since such acquisition was not reflected in the historical financial statements of Arcelor as of and for the year ended December 31, 2005, and financial statements prepared in accordance with IFRS are not available (see also Note 6.N hereto for further information on the Dofasco transaction) and (ii) the planned post-acquisition sale of Dofasco by Mittal Steel. As a result of the inconsistencies described above between the Unaudited Pro Forma Condensed Combined Financial Information and pro forma financial information prepared in accordance with Article 11 of Regulation S-X, the pro forma balance sheet, income statement and earnings per share presented herein could materially differ from those determined in accordance with Article 11 of Regulation S-X. See the introduction to the Unaudited Pro Forma Condensed Combined Financial Information for further information.

The Unaudited Pro Forma Condensed Combined Income Statement for the year ended December 31, 2005 reflects adjustments as if the acquisition of ISG, accounted for using the purchase method of accounting, had occurred on January 1, 2005. The Unaudited Pro Forma Condensed Combined Financial Information reflects adjustments for the finalization of purchase accounting in connection with the acquisition of ISG.

The Unaudited Pro Forma Condensed Combined Balance Sheet reflects adjustments as if the acquisition of Arcelor, accounted for using the purchase method of accounting, had occurred on December 31, 2005. The Unaudited Pro Forma Condensed Combined Income Statement for the year ended December 31, 2005 reflects adjustments as if the acquisition of Arcelor, accounted for using the purchase method of accounting, had occurred on January 1, 2005.

The Unaudited Pro Forma Condensed Combined Financial Information are not necessarily indicative of the historical results that would have occurred had Mittal Steel, ISG and Arcelor been combined for the full year ended December 31, 2005 or the future results that may be achieved after the acquisition of ISG and Arcelor. In addition, they do not reflect cost savings or other synergies resulting from the acquisitions that may be realized in future periods.

The Unaudited Pro Forma Condensed Combined Financial Information should be read in conjunction with the Mittal Steel Consolidated Financial Statements and the Arcelor Consolidated Financial Statements as of and for the year ended December 31, 2005.

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Intercompany sales between ISG and Mittal Steel, ISG and Arcelor and Arcelor and Mittal Steel are not material and have been excluded from the Unaudited Pro Forma Condensed Combined Information.

The pro forma combined provision for income taxes and the pro forma combined balances of deferred taxes may not represent the amounts that would have resulted had Mittal Steel, ISG and Arcelor filed consolidated income tax returns during the periods presented.

On May 26, 2006 Arcelor announced that it had entered into an agreement with the controlling shareholder of Severstal (see Information about Arcelor Recent Developments Relating to Arcelor Proposed Transaction with Severstal for a description of such proposed transaction). The Unaudited Pro Forma Condensed Combined Financial Information does not give effect to this proposed transaction since, as disclosed by Arcelor, the agreement between the Severstal controlling shareholder and Arcelor terminates if more than 50% of Arcelor's shares are tendered into the Offer or agreement between Arcelor and Severstal's controlling shareholder is rejected by more than 50% of Arcelor's capital at a shareholders' meeting. Mittal Steel believes that these conditions coupled with the 50% minimum tender condition of the Offer render highly unlikely a scenario where the Offer is consummated with Severstal consolidated by Arcelor or Mittal Steel. The agreement reportedly provides for payment of a break fee of 140 million (approximately \$175 million) upon termination. Assuming that this fee would be paid by Arcelor to Severstal, the Unaudited Pro Forma Condensed Combined Financial Information gives effect to the payment thereof by a reduction in cash and a corresponding increase in goodwill of \$175 million.

2. Purchase Price for ISG

In connection with the purchase, former ISG stockholders received in the aggregate approximately \$2.1 billion in cash and 60,891,883 Mittal Steel Class A common shares valued at \$28 per share, the published price of such shares on the NYSE on the close of April 15, 2005, for a total of approximately \$3.8 billion (\$3.2 billion net of cash acquired). The total purchase price is summarized below.

	Preliminary purchase price allocation * (in millions)	Final purchase price allocation (in millions)
Cash paid to stockholders	\$ 2,072	\$ 2,072
Bankers' fees and other transaction costs	52	56
Cash acquired	(600)	(600)
Cash paid, net	1,524	1,528
Value of Mittal Steel shares issued	1,705	1,705
Total purchase price, net of cash acquired	\$ 3,229	\$ 3,233

* As reflected in the historical IFRS financial information of Mittal Steel.

3. ISG Purchase Price Allocation

The acquisition has been accounted for as a purchase business combination. Under the purchase method of accounting, the assets acquired and liabilities assumed are recorded at the date of the acquisition, at their respective fair values.

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The following table presents the amounts recorded for the net assets, as a result of the acquisition:

	Preliminary purchase price allocation* (in millions)	Final purchase price allocation (in millions)	Adjustment to Pro Forma Information (in millions)
Assets:			
Current assets	\$ 3,024	\$ 3,024	\$
Property, plant and equipment	4,066	4,012	(54)
Other non-current assets	598	495	(103)
Liabilities:			
Current liabilities	1,613	1,590	(23)
Debt and capital lease obligations	844	844	
Other long term liabilities	1,560	1,613	53
Deferred taxes	165	104	(61)
 Net assets acquired	 \$ 3,506	 \$ 3,380	 \$ (126)

* As reflected in the historical IFRS financial information of Mittal Steel.

The preliminary purchase price allocation, which was recorded in the 2005 historical IFRS financial statements, has been allocated based on the fair value of assets acquired and liabilities assumed, resulting in the recognition of \$277 million of negative goodwill, which has been recorded as a component of other income- net. Intangible assets consist of \$4 million assigned to patents and \$499 million assigned to favorable supply and sales contracts that are being amortized over the term of the associated contracts ranging from one to six years. Intangible liabilities consist of \$1,060 million assigned to unfavorable supply and sales contracts that are being amortized over the term of the associated contracts ranging from one to 15 years. These values were assigned based on the fair value of the contracts on the date of completion of the acquisition of ISG on April 15, 2005 and not on the date of acquisition deemed for this pro forma financial information presentation which is January 1, 2005. Mittal Steel recognized \$139 million of income during the period from April 15, 2005 through December 31, 2005 related to the net amortization of these intangibles.

Subsequent to the issuance of Mittal Steel's 2005 consolidated financial statements and the March 31, 2006 unaudited condensed consolidated financial data, purchase price accounting for ISG was finalized, which resulted in differences to the preliminary estimates recorded in the 2005 financial statements. Net assets decreased by \$126 million and the purchase price consideration increased by \$4 million, resulting in decreased negative goodwill of \$130 million to \$147 million. The value of intangibles acquired decreased by \$124 million to \$375 million and the fair value assigned to unfavorable supply contracts increased by \$35 million to \$1,095 million.

4. Preliminary Purchase Price for Arcelor

Mittal Steel is proposing to acquire all the issued and outstanding shares of Arcelor in exchange for Mittal Steel class A common shares and cash. The number of Mittal Steel class A common shares is based on certain assumptions about the value of Mittal Steel class A common shares and Arcelor common stock. Under the terms of the Offer, Arcelor shareholders will receive 13 Mittal Steel shares and 150.60 for every 12 Arcelor shares. In addition, Mittal Steel will be required to make an offer for the minority interests in Arcelor's two Brazilian subsidiaries (Acesita and Arcelor Brasil) following its acquisition of control of Arcelor. The Unaudited Pro Forma Condensed Combined Financial Information assumes that Mittal Steel will offer the minority shareholders of Acesita and Arcelor Brasil the same mix of Mittal Steel shares (approximately 69%) and cash (approximately 31%) in the

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Offer, and that the minority interests are valued at approximately 2.8 billion (approximately \$3.5 billion), resulting in the issuance of 74 million Mittal Steel class A common shares and the payment of 0.9 billion (approximately \$1.1 billion) in cash. These amounts are themselves based on a number of assumptions as to, among other things, Arcelor's shareholding in these companies, the valuation methodology and the reference market price of their shares. See The Offer Required Purchase of Minority Shareholdings in Arcelor Brasil S.A. and Acesita S.A., Arcelor's two Brazilian Subsidiaries.

The maximum amount of cash to be paid by Mittal Steel will be approximately 9.3 billion (approximately \$11.7 billion) and the maximum number of Mittal Steel shares to be issued will be approximately 797 million, assuming tender of all of the outstanding Arcelor shares as a result of the conversion of Arcelor Convertible Bonds, and the conversion of all of the outstanding Arcelor and Usinor stock options and the tender of the underlying shares and the buyout of the minority interests in Acesita and Arcelor Brasil, based on the assumptions set out above.

For the purposes of the Unaudited Pro Forma Condensed Combined Financial Information it is assumed that the holders of Arcelor Convertible Bonds will directly convert their bonds into Mittal Steel class A common shares. Further no tender of the Arcelor treasury stock is assumed.

As a result, 793 million Mittal Steel class A common shares, will be issued. For purposes of this Pro Forma Condensed Combined Financial Information, the share price used to estimate the value of the Mittal Steel class A common shares, is \$32.17, the closing price as of the last trading day prior to the public announcement of the revised Offer.

The estimated total purchase price for the acquisition is as follows:

	(in millions)
Preliminary estimated value of Mittal Steel shares issued	\$ 25,522
Estimated banker's fees and other transaction costs	100
Cash paid to security holders	11,653
 Total purchase price	 \$ 37,275

IFRS requires the use of the published price of Mittal Steel class A common shares as of the date of the exchange and accordingly the purchase price may differ from that which results from applying the published price of \$32.17 at June 23, 2006, the last trading day prior to the announcement of the revised Offer. For US GAAP purposes, the purchase price may differ since, in accordance with paragraph 4 of Emerging Issues Task Force (EITF) 99-12: Determination of the Measurement Date for the Market Price of Acquirer Securities Issued in a Purchase Business Combination, the measurement date for the fair value of the Mittal Steel class A common shares is when the proposed transaction is announced and sufficient shares have been tendered to make the Offer binding or when Arcelor agrees to the purchase price. If the published price of Mittal Steel class A common shares at the date of the acquisition were \$3 higher or lower than the June 23, 2006 reference price currently assumed, the total purchase price would be \$39,655 million and \$34,895 million, respectively.

5. Preliminary Arcelor Purchase Price Allocation

The Unaudited Pro Forma Condensed Combined Financial Information has been prepared on the basis of assumptions described in these notes, including assumptions related to the calculation of the purchase price. The purchase price allocation does not comply with paragraphs 51 through 55 of IFRS 3 since Mittal Steel does not have access to the books and records of Arcelor. For the allocation of the total purchase price it is assumed therefore that the excess of the purchase price over the historical

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book value of the net assets of Arcelor as of December 31, 2005 is goodwill. The actual allocation may materially differ from this assumption after valuations and other procedures are completed. During the actual allocation process Mittal Steel expects to identify the following intangible assets:

patents;

customer relationships / customer lists; and

favorable and unfavorable long-term contracts.

Mittal Steel expects that upon completion of the acquisition or shortly thereafter, it will engage an independent third-party to assist the Company in developing a definitive allocation of the purchase price. Such allocation may be materially different from the preliminary assessment.

In addition to the receipt of the final valuation, the impact of ongoing integration activities, the timing of completion of the acquisition and other changes in Arcelor's net tangible and intangible assets which occur prior to completion of the acquisition could cause material differences between actual and pro forma results in the information presented.

6. Pro Forma Adjustments

- A. Mittal Steel entered into agreements on January 30, 2006 (subsequently amended) and May 23, 2006 with certain financial institutions for credit facilities totaling 7.8 billion (approximately \$10.0 billion). These facilities together with available borrowing capacity under other existing facilities will be utilized towards the cash settlement of \$11.6 billion of the purchase consideration of the Arcelor acquisition and the assumed cash payment in the buyout of the minority in Acesita and Arcelor Brasil. The cash is reduced for estimated transaction costs of \$100 million and a \$175 (140 million) million break fee, assumed to be paid by Arcelor upon the termination of the transaction between Arcelor and Severstal.
- B. Reflects the estimated excess of purchase price over the historical net assets of Arcelor. As the fair value of the assets acquired and liabilities assumed has not yet been determined, the excess of the purchase price over the historical net assets of Arcelor as of December 31, 2005 of \$16,563 has been allocated to goodwill.

If the result of the determination of the fair value of the net assets acquired indicate that the excess of the purchase price over the historical net assets of Arcelor should have been fully allocated to acquired property, plant and equipment, which, as disclosed in the Arcelor financial statements, have an estimated useful life of between 5 and 25 years, and assuming the excess, currently allocated to goodwill, is allocated to property, plant and equipment with a weighted average remaining useful life that ranges from 10 to 25 years, the pro forma depreciation for 2005 would have been \$1,656 million to \$663 million higher and net income would have been \$1,325 million to \$530 million lower. The range of 10-25 years rather than 5-25 years has been used as the basis of the above sensitivity analysis due to Mittal Steel's assumption based on Arcelor's public disclosure of the relative allocation by Arcelor of depreciation periods to its assets (i.e. that only a small percentage are of a nature that would be depreciated over 5 years and that the bulk of the assets would be depreciated over 10 to 25 years).

- C. Represents the net effect of the issuance of 793 million Mittal Steel class A common shares as part of the purchase price consideration, the net effect of the pro forma adjustments and the elimination of

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the shareholders' equity of Arcelor. In addition, Mittal Steel will be required to make an offer for the minority interests in Arcelor's two Brazilian subsidiaries (Acesita and Arcelor Brasil) following its acquisition of control of Arcelor. The Unaudited Pro Forma Condensed Combined Financial Information assumes that Mittal Steel will offer the minority shareholders of Acesita and Arcelor Brasil the same mix of Mittal Steel shares (approximately 69%) and cash (approximately 31%) in the Offer and that the minority interests are valued at approximately 2.8 billion (approximately \$3.5 billion), resulting in the issuance of 74 million Mittal Steel class A common shares and the payment of 0.9 billion (approximately \$1.1 billion) in cash. These amounts are themselves based on a number of assumptions as to, among other things, Arcelor's shareholding in these companies, the valuation methodology and the reference market price of their shares. See "The Offer - Required Purchase of Minority Shareholdings in Arcelor Brasil S.A. and Acesita S.A., Arcelor's two Brazilian Subsidiaries." Furthermore, Mittal Steel, in the absence of a detailed break down of minority interest by Arcelor in its 2005 annual report, has assumed that the historical book value of the minority interest is fully allocated to the minority interest in Acesita and Arcelor Brasil and the majority of the minority interest income relates to these Brazilian subsidiaries.

	(in millions)
Preliminary estimated value of Mittal Steel shares issued	\$ 25,522
Historical book value of net assets of Arcelor as of December 31, 2005	(17,898)
Pro forma effect on shareholders' equity from Arcelor's acquisition	7,624
Final ISG purchase price allocation adjustment	(126)
Total pro forma effect on equity attributable to the equity holders of the parent	7,498
Historical book value of minority interest in Acesita and Arcelor Brasil	(2,989)
Total pro forma effect on total equity	\$ 4,509

- D. Represents the net decrease in other post-employment healthcare expense of \$2 million resulting primarily from the elimination of previously unrecognized prior service cost as of the acquisition date.
- E. Represents amortization of unfavorable and favorable contracts. The Mittal Steel audited consolidated financial statements for the year ended December 31, 2005 reflected \$139 million of income related to the net amortization of these intangibles. The following pro forma adjustments have been made for the net amortization for the year ended December 31, 2005. These adjustments are based on the following assumptions:

The amortization will follow the same pattern as the actual amortization reflected in the Mittal Steel audited consolidated financial statements for the period from April 15, 2005 to December 31, 2005.

The contracts which are now reflected in the purchase price allocation may have been designated as such on January 1, 2005. This assumption ignores the impact of the cyclicity of the steel industry during 2004 and 2005 and its impact on the valuation of such contracts.

For the year ended December 31, 2005, incremental pro forma adjustment is \$57 million since \$139 million is reflected in the Mittal Steel audited consolidated financial statements for the year ended December 31, 2005.

- F. Reflects the increase in depreciation expense of \$19 million resulting from the step-up of property, plant and equipment depreciated on a straight-line basis over an average period of

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- 22 years. This increase in depreciation was partially offset by the change in average useful lives to those used by Mittal Steel. Prior to the acquisition, the average useful lives of property, plant and equipment at ISG was ten years.
- G. Represents the elimination of \$23 million for the increase in value of the ISG stock option expense and the acceleration of vesting which was a result of the acquisition and previously recognized by ISG during the period. The ISG stock options were cancelled at the date of the acquisition.
- H. Represents the elimination of \$45 million of costs directly attributable to the acquisition that were charged to results during the period. The costs are primarily comprised of legal and other professional fees paid to complete the transaction and severance payments made to former ISG executives as a result of the acquisition. Assuming the acquisition occurred on January 1, 2005 these costs would not have been expensed in 2005.
- I. Represents the incremental interest expense of \$20 million resulting from the \$1,700 million of additional borrowings incurred to complete the acquisition. Interest is calculated based on a six month LIBOR rate plus 60 basis points and a facility maintenance fee. Mittal Steel has assumed an interest rate of 3.941% for the year ended December 31, 2005.
- J. Represents the elimination of \$3 million of expenses related to the write-off of remaining deferred debt fees on the previous ISG credit facility that was terminated as a result of the acquisition. Assuming the acquisition occurred on January 1, 2005 these costs would not have been expensed in 2005.
- K. Assumes an effective tax rate of 39%.
- L. Represents the incremental interest expense resulting from the borrowings discussed in A above. Interest is calculated based on EURIBOR plus a margin. The interest rate has been estimated at 3.8875% or \$453 million per annum. A 0.5% or 50 basis point change in the interest rate would increase or decrease net income by \$58 million, before tax.
- M. Assumes an effective tax rate of 20%.
- N. Subject to the successful completion of the Offer for Arcelor, Mittal Steel has agreed to sell the Dofasco shares acquired by Arcelor during 2006 to ThyssenKrupp for consideration of 68 Canadian dollars per share. In the Memorandum of understanding dated June 25, 2006, Mittal Steel and Arcelor agreed that the proposed sale of Dofasco would be decided upon by Arcelor's Board of Directors following completion of the Offer. As the acquisition of Dofasco by Arcelor is not reflected in the historical financial statements of Arcelor as of and for the year ended December 31, 2005, and no financial statements of Dofasco prepared on the basis of IFRS are available to Mittal Steel, the effects of the disposition of Dofasco have not been reflected in the Unaudited Pro Forma Condensed Combined Financial Information. If the agreement with ThyssenKrupp is not consummated and Mittal Steel does not sell Dofasco for any reason, Mittal Steel has agreed with the U.S. Department of Justice that, if asserted by the relevant authorities, any antitrust issues arising in the United States as a result of Mittal Steel's existing North American operations can be satisfactorily resolved by the disposition of an alternative Mittal Steel asset. Mittal Steel currently expects that consideration of such issues by the relevant authorities will be completed before the end of the Offer period. Mittal Steel also expects that any necessary

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disposition of such alternative asset would not be material and would have no adverse effect on Mittal Steel's sales or operations, particularly in light of the related retention of Dofasco. Accordingly, the effect of disposition of such alternative asset has not been reflected in the Unaudited Pro Forma Condensed Combined Financial Information.

- O. Subject to the successful completion of its Offer for Arcelor, Mittal Steel envisions adopting a dividend policy to distribute 30% of the combined group's annual net income. Had this policy been in effect as of January 1, 2005, the pro forma dividend per share of Mittal Steel and Arcelor combined would have been \$1.70 on a basic and diluted basis.

- P. Adjustments resulting from the final purchase price allocation for ISG. See note 2 and 3 for further explanation.

- Q. Adjustment to reflect the offer for repayment of the 2005 Credit Facility (\$2.8 billion outstanding as of December 31, 2005) and the \$800 million letter of credit facility (\$0 outstanding as of December 31, 2005), that would be required under their terms were the Mittal family to own less than 50% of Mittal Steel's voting shares following completion of the Offer. Mittal Steel does not expect that by that time and under those circumstances a significant number of its lenders would accept such repayment offer. Should the repayment offer nonetheless be accepted by any lenders, the Company would seek refinancing for similar amounts and on similar terms.

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The audited consolidated financial statements of Mittal Steel, incorporated by reference in this prospectus, were prepared in accordance with US GAAP. The audited consolidated balance sheet as of December 31, 2005 and the audited consolidated income statement for the year then-ended of Mittal Steel used as the basis of preparation for the Unaudited Pro Forma Condensed Combined Financial Information were prepared in accordance with IFRS. The following tables set out a reconciliation of Mittal Steel's shareholders' equity as of December 31, 2005 and net income for the year then-ended, each as reported in accordance with US GAAP and IFRS.

	December 31, 2005
Shareholders' equity as reported in accordance with US GAAP	\$ 10,150
Minority interest as reported in accordance with US GAAP	1,834
	11,984
Adjustments recorded to reconcile to IFRS	
Employee benefits	1,322
Business combinations	3,481
Other	3
Tax effect on the above	(1,206)
Total increase	3,600
Total equity as reported in accordance with IFRS	\$ 15,584
	Year ended December 31, 2005
Net income as reported in accordance with US GAAP	\$ 3,365
Minority interest as reported in accordance with US GAAP	520
	3,885
Adjustments recorded to reconcile to IFRS	
Employee benefits	232
Business combinations	(110)
Other	(20)
Tax effect on the above	(63)
Total increase	39
Net income as reported in accordance with IFRS	\$ 3,924

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As of December 31, 2005	Mittal Steel Historical	Employee Benefits ⁽¹⁾	IFRS Adjustments				Reclass ⁽⁵⁾	Mittal Steel Historical
	US GAAP		Business Combination ⁽²⁾	Other ⁽³⁾	Tax Effect ⁽⁴⁾	IFRS		
(Millions of U.S. Dollars)								
Current Assets								
Cash and cash equivalents, restricted cash and short term investment	\$ 2,149						\$ 2,149	
Trade accounts receivable	2,287						2,287	
Inventories	6,036			7		(49)	5,994	
Prepaid expenses and other current assets	1,040						1,040	
Deferred tax assets	200					(200)		
Total Current Assets	11,712			7		(249)	11,470	
Goodwill and intangible assets	1,439	(123)				390	1,706	
Property, plant and equipment, net	15,539		3,481	26		(395)	18,651	
Investments	1,187	14		3			1,204	
Other assets	380					34	414	
Deferred tax asset, net	785				(671)	200	314	
Total Assets	\$ 31,042	\$ (109)	\$ 3,481	\$ 36	\$ (671)	\$ (20)	\$ 33,759	
Current Liabilities								
Payable to banks and current portion of long-term debt	\$ 334						\$ 334	
Trade accounts payable	2,504						2,504	
Accrued expenses and other liabilities	2,661						2,661	
Deferred tax liabilities	116					(116)		
Total Current Liabilities	5,615					(116)	5,499	
Long-term debt, net of current portion	7,974						7,974	
Deferred employee benefits	2,506	(1,431)		(1)		(20)	1,054	
Deferred tax liabilities	1,602				535	116	2,253	
Other long-term obligations	1,361			34			1,395	
Total Liabilities	19,058	(1,431)		33	535	(20)	18,175	
Minority Interest	1,834		390	(14)	(49)		2,161	
Equity attributable to the equity holders of the parent	10,150	1,322	3,091	17	(1,157)		13,423	
Total	11,984	1,322	3,481	3	(1,206)		15,584	
Total Liabilities and Shareholders Equity	\$ 31,042	\$ (109)	\$ 3,481	\$ 36	\$ (671)	\$ (20)	\$ 33,759	

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For the year ended December 31, 2005	Mittal Steel Historical		IFRS Adjustments				Mittal Steel Historical
	(including ISG from April 15, 2005)		Business		Tax		(including ISG from April 15, 2005)
	US GAAP	Employee Benefits ⁽¹⁾	Combinations ⁽²⁾	Other ⁽³⁾	Effect ⁽⁴⁾	Reclass ⁽⁵⁾	IFRS
	(Millions of U.S. Dollars, except share data and per share data)						
Sales	\$ 28,132	\$	\$	\$	\$	\$	\$ 28,132
Depreciation and amortization	829		277			(5)	1,101
Operating income	4,746	226	(377)	9		124	4,728
Other income net	77		267	2		(2)	344
Income from equity method investments	69	6		4		7	86
Interest and other financing costs, net	(189)			(35)		(129)	(353)
Income before taxes	4,703	232	(110)	(20)			4,805
Income tax expense	(818)				(63)		(881)
Net Income (including minority interest)	\$ 3,885	\$ 232	\$ (110)	\$ (20)	\$ (63)	\$	\$ 3,924
Attributable to							
Minority interest	\$ 520	\$	\$ (14)	\$ (12)	\$	\$	\$ 494
Equity holders of the parent	3,365	232	(96)	(8)	(63)		3,430
Basic earnings per common share	\$ 4.90						\$ 4.99
Diluted earnings per common share	4.89						4.98
Basic weighted average common share outstanding (in millions)	687						687
Diluted weighted average common share outstanding (in millions)	689						689

The following tables further explain and quantify the effect on equity and net income as of and for the year ended December 31, 2005 resulting from the differences between US GAAP and IFRS noted in the table above (all amounts in millions of U.S. Dollars).

	Impact on Equity	Impact on Net Income
1. Employee benefits		
Ø Under US GAAP prior service cost is amortized over the remaining working lives for both vested and unvested rights, whereas under IFRS only unvested rights remain unrecognized.	\$ 205	\$ 226
Ø Under US GAAP a company is required to recognize a minimum pension liability if certain conditions have been met. IFRS does not require such a minimum pension liability.	1,103	
Ø Effect of the above on equity investments	14	6
	\$ 1,322	\$ 232

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	Impact on Equity	Impact on Net Income
2. Business combinations		
Ø Under US GAAP, negative goodwill is deducted, on a pro-rata basis, from the value of the non-current assets acquired, primarily property, plant and equipment (\$3,269), including \$178 million negative goodwill for minority interest. The higher carrying amount results in higher depreciation (\$277).	\$ 3,269	\$ (277)
Furthermore under US GAAP, fair values are assigned only to the parent company's share of the net assets acquired. Minority interest is valued at its historical book value. Under IFRS fair values are assigned to 100% of the net assets acquired. Minority interest is therefore measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.	212	
Under IFRS the acquirer may only recognize a restructuring provision when the acquiree at the acquisition date has an existing liability for restructuring in accordance with IAS 37. Under US GAAP the requirements are less stringent. In IFRS a restructuring provision was recognized in December 2005.		(100)
Sub total	3,481	(377)
Ø Under US GAAP the fair value of equity instruments issued in a business combination should be measured considering the market price for a reasonable period before and after the date that the terms of the acquisition are agreed to and announced. Under IFRS the fair value of equity instruments issued in a business combination is measured at the published price as of the date of acquisition. The resulting adjustment decreased the purchase price and resulted in negative goodwill. Under IFRS negative goodwill is directly recognized in the income statement		217
The effect on equity is \$217 decrease in paid in capital and (through the income statement) an increase in retained earnings to the same amount (net effect nil).		
Ø Under IFRS the acquirer may only recognize a restructuring provision when the acquiree at the acquisition date has an existing liability for restructuring in accordance with IAS 37. Under US GAAP the requirements are less stringent. This resulted in an increase in negative goodwill, net of tax.		60
Ø Other		(10)
Sub total		267
	\$ 3,481	\$ (110)
3. Other includes:		
Ø Difference in accounting for hyper-inflationary economies	\$ 26	\$ (1)
Ø Difference in accounting for inventory valuation	10	10
Ø Difference in accounting for changes in discount rate for asset retirement obligations	(34)	(34)
Ø Others	1	5
	\$ 3	\$ (20)
4. Deferred income tax		
Ø Business combinations Under US GAAP, negative goodwill is deducted, on a pro-rata basis, from the value of the non-current assets acquired, primarily property, plant and equipment. A corresponding tax asset for the temporary difference thus created is recorded, less a valuation allowance if applicable. As under IFRS negative goodwill is directly recognized in the income statement such tax asset is not recorded under IFRS.	\$ (627)	\$ 20
Ø Employee benefits	(522)	(89)
Ø Other	(57)	6
	\$ (1,206)	\$ (63)

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5. Reclassifications

The major reclassifications, adjusting the US GAAP presentation to confirm with IFRS, are as follows:

- Ø Current deferred tax assets and current deferred tax liability are under IFRS presented as non-current.

- Ø Major spare parts and stand-by equipment as well as spare parts that can be used in connection with an item of property, plant and equipment are accounted for under IFRS as property, plant and equipment.

- Ø Under IFRS, certain software and ground rent are classified as intangible assets, while under US GAAP these items are presented as part of property, plant and equipment.

- Ø Under US GAAP the interest component of discounted obligations is presented as part of cost of sales. Under IFRS the interest component of discounted obligations is presented as part of interest.

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Mittal Steel's class A common shares are listed on the NYSE and on Euronext Amsterdam under the symbol MT. Arcelor's common shares are listed on Euronext Brussels under the symbol LORB and on Euronext Paris, the Luxembourg Stock Exchange and on the Spanish Stock Exchanges under the symbol LOR, and the Convertible Bonds are listed on the Luxembourg Stock Exchange under the symbol LORFP. The following table presents the closing market prices per share for Mittal Steel class A common shares, Arcelor common shares and the Convertible Bonds, in euro and in U.S. dollars, as the case may be, as reported on:

the NYSE for Mittal Steel class A common shares (including euro equivalent value);

Euronext Amsterdam for Mittal Steel class A common shares;

Euronext Paris for Arcelor common shares; and

the Luxembourg Stock Exchange for the Convertible Bonds.

The following table presents the implied equivalent closing market prices for Arcelor common shares and the Convertible Bonds in euro and in U.S. dollars. The prices for the Arcelor common shares were calculated by multiplying the closing market prices per share of Mittal Steel class A common shares by the exchange ratio of 13 Mittal Steel class A common shares for every 12 Arcelor common shares, and then adding to those amounts the cash portion of the exchange consideration of 12.55 (or the U.S. dollar equivalent, as the case may be) for each Arcelor common share. The prices for the Convertible Bonds were calculated by multiplying the closing market prices per share of Mittal Steel class A common shares by the exchange ratio of 13 Mittal Steel class A common shares for every 12 Convertible Bonds, and then adding to those amounts the cash portion of the exchange consideration of approximately 15.70 (or the U.S. dollar equivalent, as the case may be) for each Convertible Bond. Certain of the amounts set forth in U.S. dollars were originally in euro, and have been translated into U.S. dollars for January 26, 2006, at a rate of 1.00 = \$1.2214, which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on that day; for June 23, 2006, at a rate of 1.00 = \$1.2512, which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on that day; and, for June 26, 2006, a rate of 1.00 = \$1.2581, which was the Bloomberg EURUSD exchange rate at the close of trading in Mittal Steel class A common shares on NYSE on that day.

The prices given are first, as of January 26, 2006, which was the last full trading day prior to the public announcement of the proposed Offer, second, as of June 23, 2006, the last full trading day prior to the public announcement of the revised offer and, finally as of June 2, 2006, the most recent practicable trading day prior to the date of this prospectus. See Market Price and Dividend Data for further information about the historical market prices and average daily trading volumes of these securities.

	Mittal Steel (NYSE)		Mittal Steel (Euronext Amsterdam)	Arcelor		Implied Equivalent Value per Arcelor Security			
	Class A common shares (\$)	(€)	Class A common shares (€)	Common shares (€)	Convertible bonds (€)	Common shares (\$)	Common shares (€)	Convertible bonds (\$)	Convertible bonds (€)
January 26, 2006	\$ 32.30	26.45	26.03	22.22	24.49	\$ 50.33	41.20	\$ 54.18	44.36
June 23, 2006	\$ 32.17	25.71	25.32	35.02	37.50	\$ 50.55	40.40	\$ 54.50	43.56
June 26, 2006	\$ 31.40	24.96	24.38	37.80	40.11	\$ 49.81	39.59	\$ 53.77	42.74

(1) The trading in Arcelor shares was suspended on June 23, 2006, so these figures reflect Arcelor trading information from June 21, 2006.

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The market prices of Mittal Steel class A common shares, Arcelor common shares and Convertible Bonds are likely to fluctuate prior to the expiration date of the Offer and cannot be predicted. We urge you to obtain current market information regarding Mittal Steel class A common shares, Arcelor common shares and Convertible Bonds.

The following tables present unaudited comparative per share income, dividends and book value data for the twelve months ended December 31, 2005 for (i) Mittal Steel ordinary shares on a historical basis calculated in accordance with IFRS, (ii) Arcelor ordinary shares on a historical basis calculated in accordance with IFRS, (iii) Mittal Steel class A common shares on a pro forma basis reflecting the acquisition of ISG and Arcelor, calculated in accordance with IFRS and (iv) Arcelor ordinary shares on an equivalent pro forma basis calculated in accordance with IFRS.

The unaudited pro forma per share information has been derived from the Unaudited Pro Forma Condensed Combined Financial Information included elsewhere in this prospectus. The data presented below should be read together with the historical annual consolidated financial statements of Mittal Steel and Arcelor, and the unaudited pro forma consolidated financial information appearing elsewhere in or incorporated by reference into this prospectus. Mittal Steel prepares its financial statements in accordance with U.S. GAAP, while Arcelor prepares its financial statements in accordance with IFRS. See Summary of Certain Differences between IFRS and U.S. GAAP (Unaudited). For the purposes of the Unaudited Pro Forma Condensed Combined Financial Information included herein, Mittal Steel has provided a reconciliation of its shareholders' equity and net income as of and for the year ended December 31, 2005 from U.S. GAAP to IFRS. See Unaudited Pro Forma Condensed Combined Balance Sheet and Income Statement for the Year Ended December 31, 2005.

The weighted average number of ordinary shares outstanding during the year ended December 31, 2005 for the combined entity is based on the equivalent weighted average number of ordinary shares for Mittal Steel and Arcelor. For illustrative purposes, earnings per share are presented below as if the exchange of Arcelor ordinary shares for Mittal Steel equivalent class A common shares, including class A common shares underlying the ADSs, had occurred on January 1, 2005. For these purposes, the exchange ratio in the Primary Offer (*i.e.*, 13 Mittal Steel class A common shares for 12 Arcelor shares) has been used. One Arcelor ADS equals one Arcelor ordinary share.

	Pro Forma Combined Mittal Steel /ISG	Arcelor	Pro Forma Combined
Average number of basic shares outstanding during the year ended December 31, 2005 (in millions)	687	614	1,497
Average number of diluted shares outstanding during the year ended December 31, 2005 (in millions)	689	655	1,499

The following pro forma per share data for Mittal Steel class A common shares and equivalent pro forma per share data for Arcelor ordinary shares and ADSs has been calculated assuming that 100% of Arcelor ordinary shares are tendered in the Offer, including ordinary shares underlying (i) ADSs, (ii) all Arcelor and Usinor stock options outstanding as of February 6, 2006 and (iii) all Convertible Bonds outstanding as of February 6, 2006. The equivalent pro forma per share data for Arcelor ordinary shares has been calculated by multiplying the applicable pro forma per share amounts for Mittal Steel class A common shares by approximately 1.0833, the exchange ratio for each Arcelor ordinary share in the Primary Offer. Because of the pro-ration and allocation procedures applicable to the Offer (see The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Pro-Ration and Allocation Procedures), the calculation remains constant

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regardless of whether the Arcelor ordinary shares are tendered into the Primary Offer or either of the Secondary Offers (see The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Tenders in Primary Offer or Secondary Offers).

	Historical Mittal Steel IFRS	For the year ended December 31, 2005		
		Historical Arcelor IFRS	Mittal Steel pro forma IFRS ⁽¹⁾	Arcelor equivalent pro forma IFRS ⁽¹⁾
	(\$ in millions, except per share amounts) ⁽²⁾			
Net income	3,430	4,789	8,496	
Basic EPS	4.99	7.80	5.68	6.15
Diluted EPS	4.98	7.31	5.67	6.14
Dividends declared⁽³⁾	213	1,428	1,641 ⁽⁵⁾	
Dividends declared per basic share⁽³⁾	0.31	2.33	1.10 ⁽⁵⁾	1.19 ⁽⁵⁾
Book value at period end⁽⁴⁾	13,423	17,898	38,819	
Book value per basic share⁽⁴⁾	19.54	29.15	25.93	28.09

- (1) The pro forma data presented in these columns is derived from the Unaudited Pro Forma Condensed Combined Financial Information included herein, not prepared in accordance with the content and presentation requirements of Article 11 of Regulation S-X under the Securities Act. See the second paragraph in Unaudited Pro Forma Condensed Combined Balance Sheet and Income Statement for the Year Ended December 31, 2005.
- (2) All Arcelor amounts converted to dollars at the average euro-to-dollar exchange rate for 2005 of 1.2454 except for book value amounts, which have been converted at the euro-to-dollar exchange rate at December 31, 2005 of 1.1844.
- (3) Historical dividends not giving effect to envisioned combined group dividend policy.
- (4) Book value per share is calculated by dividing capital and reserves attributable to the equity holders of the company by the number of shares outstanding at the end of the period.
- (5) Calculation of Mittal Steel pro forma and Arcelor equivalent pro forma dividend data takes account of the Arcelor dividend of 1.85 per share approved by Arcelor shareholders on April 28, 2006.

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RISK FACTORS

You should carefully consider the following risks, together with the other information contained in this prospectus, before making any decision concerning the terms of the Offer or whether to accept the Offer. Any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn affect the price of our shares.

Risks Relating to the Offer

The consideration offered for Arcelor shares may be adjusted at any time prior to settlement in the event of certain actions taken in relation to Arcelor's net equity.

The consideration offered for Arcelor shares is subject to adjustment if, between February 6, 2006 and the day before the settlement date of the Offer, Arcelor makes specified distributions in respect of its share capital, acquires its shares, or issues new voting securities or securities conferring the right to subscribe for, acquire or convert into voting securities, as set out in detail herein. Depending on the event triggering the adjustment, consent of the relevant European Regulators may be required and, in each case, securityholders who have previously tendered their Arcelor securities will be entitled to withdraw such tenders at any time during the initial acceptance period or any subsequent offering period, including any extension of the initial acceptance period or subsequent offering period, following the publication of such adjustment. Nonetheless, such adjustments to the consideration offered in the Offer could reduce its absolute value and reduce the aggregate relative percentage of cash received by tendering shareholders to below 31.1% as provided in the terms of Mittal Steel's improved Offer announced on June 26, 2006.

On April 4, 2006, the Board of Directors of Arcelor announced its intention to distribute a total amount of 5 billion to Arcelor shareholders through one or a combination of a share buy-back, an exceptional dividend distribution or a self-tender offer. On May 12, 2006, Arcelor's Board of Directors called an extraordinary shareholders' meeting for May 19, 2006 and, since the required quorum was not met, called a second extraordinary shareholders' meeting for June 21, 2006, with an agenda including a proposal to reduce Arcelor's share capital through a self-tender offer for, and subsequent cancellation of, up to a maximum of 150 million shares at a maximum price of 50 per share. On June 19, 2006, Arcelor's Board of Directors announced the withdrawal of the June 21 shareholders' meeting but confirmed its intention to distribute 6.5 billion in the future. If such distribution is in fact completed before the settlement date of the Offer, this would result in an adjustment of the Offer consideration as set out in The Offer Terms and Conditions of the Offer Offer Scope and Consideration Offer for Arcelor Shares Primary Mixed Cash and Exchange Offer or Secondary Cash and Exchange Offers below. In the Memorandum of Understanding, Arcelor has undertaken not to effect any self-tender offer, share buyback or market purchases of its own shares during the pendency of the Offer. This undertaking would no longer apply, however, were the Memorandum of Understanding to be terminated in accordance with its terms.

The fixed exchange ratio will not reflect market fluctuations.

Arcelor securityholders are being offered a fixed number of Mittal Steel shares in the Offer, rather than Mittal Steel shares with a fixed market value. The market values of Mittal Steel shares and the Arcelor securities at the time of the completion of the Offer may vary significantly from their values at the date of this prospectus or the date that you tender your Arcelor securities.

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Even if Mittal Steel consummates the Offer, there may be a delay before Mittal Steel can obtain management control of Arcelor.

In order for Mittal Steel to take management control of Arcelor following completion of the Offer, Mittal Steel will need to take control of Arcelor's Board of Directors. In order to do so, Mittal Steel must, under Luxembourg law, request Arcelor's Board of Directors to convene a shareholders' meeting with an agenda that will provide for the removal and election of directors. Pursuant to Luxembourg law, Mittal Steel would be permitted to make such a request once it holds 20% or more of the issued capital of Arcelor. Arcelor's Board of Directors is obliged to convene such meeting within a period of one month after such request. In such a case, Arcelor's Board of Directors could not refuse to convene a shareholders' meeting. If, however, the Arcelor Board of Directors fails to convene such meeting, the only option open to Mittal Steel is to apply to the court to have the meeting convened, which would entail further delay. According to the Articles of Association of Arcelor, at the shareholders' meeting, the removal and nomination of directors must be approved by a majority of the shareholders present and represented at the meeting. There is no quorum requirement for such meeting. In addition, there are no restrictions on Mittal Steel's ability to vote the shares it acquired in the Offer at such meeting.

Regulatory approvals of the Offer may not be obtained or may impose adverse conditions and obligations.

Although Mittal Steel does not anticipate that there will be any investigations or proceedings in any jurisdiction that would have a material impact on the operations of Mittal Steel or Arcelor, it is not certain that all necessary approvals will be granted or, if granted, that they will be granted on favorable terms. In particular, a number of countries have jurisdiction to review the transaction under their competition or antitrust laws. It is possible that certain regulatory approvals will be subject to conditions and obligations, which could include the divestiture of certain assets or business divisions or the imposition of obligations on Mittal Steel that restrict the manner in which it operates. Any such divestitures or obligations could reduce the anticipated benefits of the combination of Mittal Steel and Arcelor, including the expected synergies. Furthermore, Mittal Steel may decide that significant amounts of additional assets should be disposed of in connection with such divestitures for various business reasons. Any divestitures required for regulatory reasons, or any related divestitures, may adversely affect Mittal Steel's business or profitability.

Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor. Therefore, Mittal Steel may be subject to unknown liabilities of Arcelor that may have a material adverse effect on Mittal Steel's profitability and results of operations.

In commencing the Offer and determining its terms and conditions, Mittal Steel has relied solely and exclusively upon publicly available information relating to Arcelor, including periodic and other reports of Arcelor posted on its website. Mittal Steel has not conducted an independent due diligence review of any non-public information about Arcelor. As of the date of this prospectus, Mittal Steel has not had access to due diligence materials or the management or independent public accountants of Arcelor. The Memorandum of Understanding does not grant Mittal Steel access to such materials or personnel or agents for due diligence purposes. As a result, after the consummation of the Offer, Mittal Steel may be subject to unknown liabilities of Arcelor, which may have a material adverse effect on Mittal Steel's profitability, results of operations and financial position, which Mittal Steel might have otherwise discovered if it had been permitted by Arcelor to conduct a complete due diligence review.

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The integration of the operations of Arcelor and Mittal Steel may not be fully successful and the integration process may disrupt operations.

The anticipated benefits and synergies expected to result from the Offer will depend in part upon whether the operations of Arcelor can be integrated in an efficient and effective manner with those of Mittal Steel. Successful integration will require the integration of various aspects of each company's business. There may be delays in achieving the anticipated benefits expected to result from this integration. The fact that the Offer was long opposed by Arcelor management may complicate the integration process. The integration of the operations of Mittal Steel and Arcelor could interfere with the activities of one or more of the businesses of the companies, and may involve a number of other risks, including the diversion of management's attention from the day-to-day operations of each company's business.

Factors affecting the pace, extent and effectiveness of integration will include, inter alia, our ability to elicit the willing cooperation of existing Arcelor management and employees at numerous levels, our success in communicating our own business model and corporate culture to Arcelor and in aligning existing business methods and practices, and our ability to foster a sense of common enterprise.

Consummation of the Offer could trigger change of control payments in the employment agreements of certain members of Arcelor's senior management, as well as change of control provisions in other contracts of Arcelor.

The employment agreements of certain members of Arcelor's senior management and other employees may contain change of control clauses providing for compensation to be granted in the event the employment of these employees is terminated, following the consummation of the Offer, either by Arcelor or by those employees. If completed, the Offer would result in such a change of control, thereby giving rise to potential change of control payments, which could be substantial and which could reduce Mittal Steel's results of operations in the period they become payable.

In addition, other contracts to which Arcelor is a party may contain change of control provisions that could be triggered by the completion of the Offer, possibly resulting in termination of those contracts or increased obligations or loss of benefits to Arcelor. Because Mittal Steel has not been given the opportunity to conduct a due diligence review of the non-public records of Arcelor, Mittal Steel is unable to provide accurate details of, or to determine the possible risks relating to, such arrangements.

Consummation of the Offer may negatively impact Mittal Steel's or Arcelor's corporate tax position.

Mittal Steel has not had access to information concerning Arcelor's tax position. It is possible that the consummation of the Offer negatively impacts Mittal Steel's or Arcelor's corporate tax position. The tax consequences of a change of ownership of a corporation can lead to an inability to carry over certain tax attributes, including, but not limited to, tax losses, tax credits and/or tax basis of assets. In addition, the change of ownership may result in other tax costs not normally associated with the ordinary course of business. Such other tax costs include, but are not limited to, stamp duties, land transfer taxes, franchise taxes and other levies.

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Mittal Steel is a Dutch company, and being a shareholder of a Dutch company involves different rights and privileges than being a shareholder of a Luxembourg company.

The rights of Mittal Steel's shareholders are governed by Dutch law and by Mittal Steel's Articles of Association. Dutch law extends to shareholders certain rights and privileges that may not exist under Luxembourg law and, conversely, does not extend certain rights and privileges that shareholders of a company governed by Luxembourg law may have. For example, Arcelor has one class of shares, each of which is entitled to one vote, while Mittal Steel has two classes of shares, with the class A common shares carrying one vote each and the class B common shares, which are exclusively held by the Controlling Shareholder, carrying ten votes each (to be reduced to one vote each). Pursuant to Luxembourg law, shareholders representing at least 20% of the issued capital can convene a shareholders' meeting, while pursuant to Dutch law, shareholders representing at least 10% of the issued share capital can convene such a meeting. Mittal Steel shareholders are required to vote on major transactions involving a significant change in the identity or character of the company, while no such shareholder approval is required under Arcelor's Articles of Association or Luxembourg law. Arcelor's shareholders can appoint, suspend and dismiss directors by a simple majority vote. Mittal Steel's shareholders can also appoint, suspend and dismiss directors, but the holder of the class B common shares may make a binding nomination for the appointment of directors, which nomination can be set aside by an absolute majority of votes cast provided that such majority represents at least one-third of the issued capital; Mittal Steel's shareholders may suspend and remove directors by a two-thirds majority, provided that such qualified majority represents at least one-half of the issued capital, unless upon proposal of the holder of the class B common shares in which case a simple majority suffices. For a detailed description of the principal differences between the rights of shareholders under Luxembourg and Dutch law and Arcelor and Mittal Steel's Articles of Association, see *Comparison of Rights of Shareholders Under Luxembourg and Dutch Law*.

The above summary as it relates to Mittal Steel is subject to change. As announced by Mittal Steel on May 19, 2006, Mittal Steel will propose to its shareholders to amend Mittal Steel's Articles of Association to eliminate all differences between the rights attached to Mittal Steel's class A common shares and class B common shares (except for the right of the holders of the class B common shares to convert their class B common shares on a share-per-share basis into class A common shares). All shareholders will hold shares carrying the same voting and economic rights; each share will have one vote, irrespective of the time it has been held. As a result of the amendment, the holders of class B common shares will no longer have the right to make a binding nomination for the appointment of class A, B or C directors to Mittal Steel's Board of Directors. All directors will be elected by the general meeting of shareholders to serve three-year terms, by a simple majority of the votes cast. In addition, as a result of the amendment, directors can be removed and suspended by the general meeting of shareholders by a simple majority of the votes cast. Finally, as a result of the amendment, the approval of the holders of the class B common shares will no longer be required for a resolution to dissolve the Company. The amendment to Mittal Steel's Articles of Association will be discussed and put to a vote at the extraordinary shareholders meeting of Mittal Steel to be held on June 30, 2006. A notice for this extraordinary meeting of shareholders, to be held in Rotterdam, The Netherlands, on June 30, 2006, was published on June 6, 2006. The Controlling Shareholder has committed to vote in favor of the amendment. Once approved, the amendment will come into effect as soon as legally possible.

Finally, it is noted that the Memorandum of Understanding provides that, until Mittal Steel is merged into Arcelor as described below, the composition and operation of Mittal Steel's Board of Directors will be identical to those of Arcelor. (See *Memorandum of Understanding between Mittal*

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Steel, Arcelor and the Controlling Shareholder (Corporate Governance). In addition, the Memorandum of Understanding provides that, upon completion of the Offer and any related subsequent offer or compulsory buy-out, Mittal Steel and Arcelor will use their best efforts to ensure that Mittal Steel is merged into Arcelor with Arcelor continuing to be incorporated, domiciled and headquartered in Luxembourg. Accordingly, the rights and privileges of Arcelor shareholders who tender their shares in the Offer for Mittal Steel shares may, following completion of such merger, again be governed by Luxembourg law. Subject to further legal and tax analysis, the merger is expected to take the form of a cross-border merger governed by Dutch and Luxembourg law. Further discussions will be held with the Luxembourg authorities to seek to obtain from them the appropriate comfort with respect to the location of the headquarters of the Company in Luxembourg. The timing of such merger is uncertain at this stage and will depend in large part on the outcome of such further analysis and discussions.

Mittal Steel must make a mandatory tender offer for minority interests in Arcelor's listed Brazilian subsidiaries at a price determined by independent experts, which may be higher than expected.

Arcelor Brasil S.A. and Acesita S.A. are two Brazilian companies listed on the Bolsa de Valores de São Paulo (BOVESPA). Arcelor holds approximately 66% of the outstanding voting stock of Arcelor Brasil S.A. Based on publicly available information Arcelor currently holds, directly or indirectly, approximately 56% of the share capital (consisting of voting common shares and non-voting preferred shares) and approximately 91% of the voting stock in Acesita S.A. Article 254-A of the Brazilian corporation law requires that, in the event of a direct or indirect acquisition of control of a company listed in Brazil, the acquiror must make an offer for all voting shares not already controlled.

Assuming that acquisition of control of Arcelor would constitute a change of control of its Brazilian subsidiaries, tender offers for all minority voting shares must be launched within 30 days following the acquisition of control of Arcelor. The offer price must be at least 80% of the part of the overall acquisition consideration, including premium that is fairly attributable to the Brazilian companies. In the case of Arcelor Brasil S.A., its by-laws increase this percentage to 100%. The determination of the price for Arcelor Brasil and Acesita will be made by an independent expert designated by the company and is subject to judicial review at the request of the minority shareholders.

Mittal Steel may offer the Brazilian shareholders the same mix of shares and cash as in the Offer or it may offer all cash. These offers would be financed out of one or a combination of existing resources, cash flow and proceeds of new financings. Mittal Steel does not expect to make this decision before the Offer is completed. For purposes of example only, based on (i) the current Arcelor shareholding in the two companies (as set out above), (ii) the respective closing market prices of Acesita S.A. and Arcelor Brasil S.A. voting shares on June 23, 2006 as per Bloomberg (which prices may differ from the fair values of such shares as finally determined in the manner described above), (iii) an offer price equal to 80% and 100%, respectively, of such current market prices, in each case without assigning any premium value related to the Offer, and (iv) the Mittal Steel Reference Share Price of 25.71 (\$32.17) used for purposes of calculations in the context of the Offer, the minority interests in these companies would have an aggregate value of approximately 2.8 billion (\$3.5 billion), requiring the issuance of approximately 74 million shares and the payment of 0.9 billion (\$1.1 billion) in cash if Mittal Steel offers the same mix (*i.e.*, 68.9% and 31.1%) of shares and cash as in the Offer.

The issuance of Mittal Steel shares in such an offer would result in dilution of existing shareholders in proportion to their economic interests, and Mittal Steel cannot predict with certainty

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the values that the independent experts will ultimately assign to the shares of Arcelor Brasil and Acesita. If such values are higher than expected, Mittal Steel will have to finance a higher cash purchase price and possibly issue more shares, resulting in greater dilution.

In certain limited circumstances, Mittal Steel has the right to withdraw and terminate the Offer at any time until the settlement date of the Offer, including during the period between the end of the initial acceptance period and the settlement date. In this case, the value of Arcelor securities may decrease during the period between your tender of such securities in the Offer and the return of such securities to you.

Mittal Steel has the right to withdraw and terminate the Offer upon the failure of any of the three conditions to the Offer (see The Offer Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer):

in the event that the Minimum Tender Condition is not satisfied or waived, at any time until (and including) the announcement of the results of the Offer;

subject to the prior consent of the European Regulators (insofar as required by applicable law), (i) in the event that certain events beyond the control of Mittal Steel occur or (ii) if Arcelor takes certain actions, that, in either case, materially alter Arcelor's substance, substantially and adversely affect the economics of the Offer or substantially and adversely affect the ability of Mittal Steel to complete the Offer, at any time prior to the end of the initial acceptance period of the offer (with respect to (i)) and to the settlement date of the Offer (with respect to (ii)); or

in the event that any New Securities (defined below) are issued by Arcelor on or after February 6, 2006 without specific authorization by Arcelor's shareholders (other than issuances pursuant to the exercise of Convertible Bonds or outstanding options and ordinary course issuances pursuant to existing management or employee incentive plans), at any time prior to the settlement date of the Offer. Whether the Minimum Tender Condition is satisfied and any decision to invoke or waive this condition will be announced by press release and, at the latest, in the press release publishing the results of the Offer. Any decision to withdraw the Offer due to the failure of either of the other two conditions will be announced by press release as soon as possible following the relevant event or action. See Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder Limitation on Mittal Steel's Minimum Tender Condition for a discussion of certain limitations on Mittal Steel's ability to invoke the Minimum Tender Condition.

In addition, Mittal Steel has the right to withdraw and terminate the Offer at any time up to the settlement date of the Offer, with the prior consent of the European Regulators (insofar as required by applicable law), in the event that any New Securities are issued by Arcelor on or after February 6, 2006, even with the specific authorization of Arcelor's shareholders. (See The Offer Terms and Conditions of the Offer Offer Scope and Consideration Securities Covered by the Offer.)

Upon Mittal Steel's termination of the Offer, any Arcelor securities tendered in the Offer will be promptly returned to their holders; they will be credited to the relevant financial intermediaries' accounts with the relevant common security depositories within three Business Days from the date of publication of the above-mentioned press release. However, the value of your Arcelor securities may decrease between the time you tender them into the Offer and the time they are returned to you

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following any such termination of the Offer. In particular, you will not be able to withdraw tendered securities following the expiration of the initial acceptance period of the Offer unless and until Mittal Steel terminates the Offer as described above; during this period, you will not be able to dispose of such securities. You will bear the risk of any decrease in value during this time. Mittal Steel will not compensate or indemnify you for any such losses or reduction in value of your securities or your inability to sell your securities.

If the Offer is completed, the liquidity and market value of Arcelor securities not tendered in the Offer may be significantly reduced.

If the Offer is completed, the liquidity and market value of the remaining Arcelor securities held by the public could be significantly reduced by the fact that they will be held by a smaller number of holders.

Depending upon the number of Arcelor securities acquired pursuant to the Offer, following the completion of the Offer, the Arcelor shares and Convertible Bonds may no longer meet the requirements for continued listing on the security exchanges on which they are currently listed. Moreover, to the extent permitted under applicable law and stock exchange regulations, Mittal Steel may seek to cause the delisting of the Arcelor shares and Convertible Bonds on any exchanges on which they are admitted to trading.

If any of the stock exchanges on which Arcelor securities are listed were to delist the Arcelor shares or Convertible Bonds, the market for these securities would be limited. Although it is possible that the Arcelor shares and Convertible Bonds would be traded on other stock exchanges or in the over-the-counter market, and the price quotations would be reported by such exchanges or by other sources, Mittal Steel cannot guarantee that any such trading quotations will occur.

In addition, the extent of the public market for the Arcelor shares and Convertible Bonds and the availability of such quotations would depend upon the number of holders and/or the aggregate market value of the Arcelor shares and Convertible Bonds, as the case may be, remaining at such time, and the interest in maintaining a market in the Arcelor shares and Convertible Bonds, as the case may be, on the part of securities firms. To the extent the availability of such listings or quotations depends on steps taken by Mittal Steel or Arcelor, Mittal Steel or Arcelor may or may not take such steps. Arcelor securityholders should therefore not rely on any such listing or quotation being available.

Historically, the value of the average volume of trading in Mittal Steel shares has been lower than the value of the average volume of trading in Arcelor shares; the post-Offer volume of trading in Mittal Steel shares will depend on the level of acceptances in the Offer and other factors and may be lower than the historical volume of trading in Arcelor shares.

Historically, the free float, representing the shares available to public shareholders to trade compared to the total outstanding shares, has been lower for Mittal Steel than for Arcelor. As of January 26, 2006, the day prior to the announcement of the Offer, the free float of Mittal Steel was 11.4% (or \$2.6 billion) and the free float of Arcelor was 85.9% (or \$14.3 billion).

Historically, the value of the average daily trading volume of Mittal Steel has been lower than the value of the average daily trading volume of Arcelor. During the six- and twelve-month periods prior to announcement of the Offer, the value of the average daily trading volume was 23.2 million (\$28.0 million) and 21.5 million (\$26.6 million), respectively, for Mittal Steel (representing 1.3% and 1.2% of the free float, respectively) and 90.2 million (\$108.7 million) and 92.1 million (\$114.0 million),

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respectively, for Arcelor (representing 0.9% and 1.0% of the free float, respectively). Mittal Steel shares are listed for trading on Euronext Amsterdam and the NYSE and have therefore satisfied the liquidity criteria set out in Article 48 of EU Directive 2001/34/EC of May 28, 2001 relating to the admission of securities to trading on a regulated market in the European Union. Mittal Steel expects that its shares will be listed following the Offer on the European exchanges on which Arcelor shares are currently listed, in addition to Euronext Amsterdam and the NYSE.

Post-Offer, the size of the free float and trading volume of Mittal Steel shares will depend on the number of Arcelor securities actually tendered in the Offer and, as to trading volume, other factors common to all listed securities (*e.g.*, the general volatility of financial markets, changes in prevailing interest rates, general economic conditions and the overall political and social situation in the financial markets where the shares are listed). Depending on these factors, such post-Offer free float and trading volume may be smaller than those of Arcelor pre-Offer. For further information regarding the prospective free float of Mittal Steel shares at various levels of acceptance of the Offer, see *The Offer Intentions of Mittal Steel Regarding the Business of the Group* Capital Markets Position of the Group.

Mittal Steel has not verified the reliability of the Arcelor information included in this prospectus.

In respect of information relating to Arcelor presented in this prospectus, including all Arcelor financial information, we have relied exclusively upon publicly available information. Although we have no knowledge that would indicate that any statements contained herein based upon such reports and documents are inaccurate, incomplete or untrue, we were not involved in the preparation of such information and statements and therefore cannot verify the accuracy, completeness or truth of such information or any failure by Arcelor to disclose events that may have occurred, but that are unknown to us, that may affect the significance or accuracy of any such information. Arcelor has not provided representatives of Mittal Steel access to Arcelor's accounting records and has not permitted its independent public accountants to provide us with any information, including an independent public accountant's consent. The entry into the Memorandum of Understanding on June 25, 2006 does not change this situation, since it does not provide Mittal Steel with the right to perform due diligence with respect to Arcelor, give it access to Arcelor's books and records, or require Arcelor to cooperate in the preparation of Mittal Steel's disclosure in connection with the Offer.

Risks Relating to Mittal Steel

Mittal Steel has experienced rapid growth through acquisitions in a relatively short period of time. The failure to manage such growth could significantly harm Mittal Steel's future results and require significant expenditures to address the additional operational and control requirements of this growth.

Mittal Steel has experienced rapid growth and development through acquisitions in a relatively short period of time and may continue, following the contemplated acquisition of Arcelor, to pursue acquisitions in order to meet 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 away 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 and supervision of such

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personnel and the ability to manage the risks and liabilities associated with the acquired businesses. 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.

Mr. Lakshmi N. Mittal currently can appoint Mittal Steel's directors and determine the outcome of shareholder votes. If the Offer is completed, Mr. Lakshmi N. Mittal will maintain a substantial minority shareholding and may be able as a practical matter to determine the outcome of shareholder votes with respect to significant corporate events.

Mr. Lakshmi N. Mittal currently has the power to elect the members of the Mittal 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, issuances of equity and the incurrence of indebtedness. In particular, Mr. Lakshmi N. Mittal currently has the ability to prevent or cause a change of control of Mittal Steel. Mr. Lakshmi N. Mittal and two of his relatives currently constitute three of the nine members of Mittal Steel's Board of Directors.

Mr. Lakshmi N. Mittal's proportionate voting rights will decrease following the completion of the Offer, both as a result of dilution as well as of the proposed elimination of all differences between the rights attached to Mittal Steel's class A common shares and class B common shares (except for the right of the holders of the class B common shares to convert their class B common shares on a share-per-share basis into class A common shares). Assuming 100% acceptance of the Offer, upon its completion Mr. Lakshmi N. Mittal will have 43.6% of the voting rights in Mittal Steel, and the top-level company in the group resulting from any post-Offer reorganization. As described in The Offer Intentions of Mittal Steel Regarding Corporate Governance and Corporate Structure Intentions Regarding Corporate Governance for the Group Board of Directors of the Group, Mr. Lakshmi N. Mittal has committed, subject to certain conditions, to limit the voting power that this substantial shareholding could carry in the general meeting of shareholders of Mittal Steel, Arcelor or the top-level company of the Group during a three-year period following the settlement date of the Offer. However, notwithstanding these limitations during this three-year period, Mr. Lakshmi N. Mittal will have the right to subject decisions of the Board of Directors of Mittal Steel, Arcelor and/or the top-level company of the Group opposed by him to the prior approval of the general meeting of shareholders in which Mr. Lakshmi N. Mittal will have the right to vote as he sees fit.

Mittal Steel may not achieve the expected synergies from its recent significant acquisitions, including the acquisitions of ISG (now Mittal Steel USA) and Kryvorizhstal (now Mittal Steel Kryviy Rih).

Mittal Steel expects to achieve synergies from its acquisitions by integrating the acquired companies with its operations. Integrating the operations of acquired businesses is a complex and ongoing process. Successful integration and the achievement of synergies require, among other things, the satisfactory coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations and information and software systems. The diversion of the attention of the combined company's management to the integration effort and any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected.

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Mittal Steel announced at the time of the acquisition of ISG that it expected to achieve cost synergies of approximately \$250 million per annum by 2007 relating to purchasing, manufacturing, operating and other improvements, including inventory reduction, reduced capital expenditures and contract-related improvements in productivity. Through the fourth quarter of 2005, Mittal Steel had achieved \$120 million of synergies on an annualized basis. In connection with its acquisition of Kryvorizhstal, Mittal Steel announced that it expected to achieve cost synergies of up to approximately \$200 million by the end of 2006, relating to sales, marketing and procurement. The announced synergies from either or both of these acquisitions may not be achieved to the fullest extent or within the expected timeframe, which could significantly harm Mittal Steel's results of operations.

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, may 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-employment benefit costs.

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 among Mittal Steel's competitors, 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.

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 harm the operations of these subsidiaries and may limit Mittal Steel's flexibility in managing its business. See Note 17 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel could experience labor disputes that could disrupt its operations and its relationships with its customers.

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

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bargaining agreements, during wage and benefits negotiations or, occasionally, during other periods for other reasons. For example, steel workers at Mittal Steel's Lázaro Cárdenas production facilities went on strike on two occasions in the period of February to April of 2006 following the removal of the steel workers' union leader by the Mexican government. See Note 17 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Any such breakdown leading to work stoppage could significantly disrupt the operations and harm the financial results of Mittal Steel and its relationships with its customers. Additionally, many of the contractors working at Mittal Steel's operating subsidiaries' plants employ workers who are represented by various trade unions. Disruptions with these contractors could also significantly disrupt Mittal Steel's operations and harm its financial results and its relationships with its customers.

Representatives of various unions representing Arcelor employees have made statements critical of the Offer. Following the acquisition of Arcelor, the combined group may be subject to strikes and other labor actions by former Arcelor employees that would disrupt Mittal Steel's operations and prevent it from achieving the anticipated synergies and efficiencies arising from the acquisition.

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, 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; wars, natural disasters and other similar events; changes in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers; worldwide price fluctuations and other factors; and the availability and cost of transportation.

In addition, energy costs, including the cost of electricity and natural gas, make up a substantial portion of the cost of goods sold by steel companies. The price of energy has varied significantly in the past several years and may vary significantly in the future largely as a result of market conditions and other factors beyond the control of steel companies, including significant increases in oil prices. In addition, natural gas prices in North America reached \$15 per mmbtu in 2005 versus a high of \$9 per mmbtu in 2004. Because the production of direct reduced iron and the re-heating of steel involve 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 significantly harm the business, financial condition, results of operations or prospects of steel companies.

There can be no assurance that Mittal Steel will be able to procure adequate supplies in the future. In addition, a substantial portion of Mittal Steel's raw materials are procured under contracts that are either short-term or are subject to periodic price negotiations. Any prolonged interruption,

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discontinuation or other disruption in the supply of raw materials or energy, or substantial increases in their costs, could significantly harm Mittal Steel's business, financial condition, results of operations or prospects.

Mittal Steel will substantially increase its outstanding debt in connection with the acquisition of Arcelor, which may lower its credit rating. Cyclical downturns in the steel industry could also lead to credit rating downgrades. Credit rating downgrades could significantly harm Mittal Steel's refinancing capacity, increase its cost of funding and limit its flexibility in managing its business.

At December 31, 2005, Mittal Steel had outstanding \$8.3 billion in aggregate principal amount of debt consisting of \$334 million of short-term indebtedness (including the current portion of long-term debt) and \$8.0 billion of long-term indebtedness. At December 31, 2005, Mittal Steel also had \$2.1 billion of cash and cash equivalents, including short-term investments and restricted cash, and for the year ended December 31, 2005 it recorded operating income of \$4.7 billion. A significant portion of such indebtedness consists of funds that were drawn down under a \$3.2 billion term and revolving credit facility that Mittal Steel entered into in April 2005 (the 2005 Credit Facility). On October 19, 2005, Mittal Steel entered into a \$3.0 billion bridge term facility to finance part of the acquisition of 93% of the issued share capital of Kryvorizhstal (the 2005 Bridge Finance Facility). The amount of the 2005 Bridge Finance Facility was increased to \$3.5 billion in November 2005. Part of the Kryvorizhstal acquisition was also funded through further drawdowns under the 2005 Credit Facility. As of December 31, 2005, the 2005 Bridge Finance Facility was fully drawn (*i.e.*, \$3.5 billion). In December 2005, Mittal Steel entered into an \$800 million committed multi-currency letter of credit and guarantee facility to support its day-to-day business.

In connection with the Offer, Mittal Steel has entered into three new credit facilities, a \$5 billion (approximately \$6.1 billion) credit facility and a \$2.8 billion (approximately \$3.4 billion) credit facility to finance part of the Cash Portion of the Offer, and a separate \$3 billion (approximately \$3.7 billion) credit facility to refinance the 2005 Bridge Finance Facility (the New Credit Facilities). It is also possible that some of Arcelor's outstanding debt may require refinancing, although Mittal Steel has not had access to all the information it needs to assess whether change-of-control provisions exist or would be triggered.

As a result of the Offer and its increased level of indebtedness, including a significant increase in its short-term debt, Mittal Steel could suffer credit rating downgrades. Following Mittal Steel's initial announcement of the proposed Offer on January 27, 2006, Moody's Investors Service placed Mittal Steel's Baa3 Corporate Family Rating as well as the Ba1 ratings of its subsidiaries' debt on credit review for possible downgrade, and Standard & Poor's Rating Services placed its BBB+ long-term credit rating for Mittal Steel on credit watch with negative implications. Fitch has also placed Mittal Steel's credit rating on negative ratings watch. Both Moody's Investors Service and Standard & Poor's Rating Services issued releases following Mittal Steel's announcement of a revised offer on May 19, 2006 stating that the revised terms put increased pressure on Mittal Steel's ability to maintain its current ratings. Subsequent to the second increase in the Offer consideration as announced on June 25, 2006, Fitch maintained its rating watch negative, and added that the ratings of MS could either be affirmed at the current BBB or lowered by a maximum of one level. Standard & Poor's stated in a press release issued on June 26, 2006 that the prospect of the rating being affirmed at BBB+ remains possible, if unlikely. It is more likely that the rating on Mittal will be lowered by one notch. There remains a smaller possibility, however, that the rating could be lowered by two notches. On the same date, Moody's issued a press release stating that the rating of Mittal Steel remains under review for possible downgrade, without an indication of the size or likelihood of such potential downgrade.

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Credit rating downgrades could also result from a cyclical downturn in the steel industry, as Mittal Steel has experienced in the past. Any decline in its credit rating would increase Mittal Steel's cost of borrowing and may significantly harm its financial condition, results of operations and profitability, including its ability to refinance its existing indebtedness. In addition, any downgrade of Arcelor's credit rating, if it remains a separate subsidiary of Mittal Steel following the completion of the Offer, could significantly harm its financial condition, results of operations and profitability.

Mittal Steel's level of indebtedness and its guarantees of the debt of its subsidiaries may limit its flexibility in managing its business.

The 2005 Credit Facility and the New Credit Facilities contain provisions that limit Mittal Steel's ability to encumber its assets and incur debt and require compliance with maximum leverage and minimum interest coverage ratios. Limitations arising from these credit facilities could adversely affect Mittal Steel's ability to maintain its current dividend policy and make additional strategic acquisitions.

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. The level of debt outstanding could have important adverse consequences to Mittal Steel, including impairing its ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes, and limiting its flexibility to adjust to changing market conditions or withstand competitive pressures, resulting in greater vulnerability to a downturn in general economic conditions.

Mittal Steel has, as of December 31, 2005, also guaranteed \$0.9 billion of debt of its operating subsidiaries and some of these guarantees have provisions whereby a default by 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 liquidity pressures. In addition, the Company has, as of December 31, 2005, guaranteed approximately \$76 million of certain debts at its joint ventures I/N Tek and I/N Kote.

Furthermore, most of Mittal Steel's current borrowings are at variable rates of interest and expose Mittal Steel to interest rate risk. Generally, Mittal Steel does not use financial instruments to hedge a significant portion of its interest rate exposure. If interest rates rise, Mittal Steel's debt service obligations on its variable rate indebtedness would increase even if the amount borrowed remained the same, resulting in higher interest costs.

Following completion of the Offer, a substantial portion of Mittal Steel's debt may be denominated in euro. Accordingly, Mittal Steel could be exposed to fluctuations in the exchange rates between the U.S. dollar and the euro. Any such fluctuations could harm Mittal Steel's cash flow and profitability and make its operating results highly unpredictable.

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

As 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, its operating subsidiaries to pay expenses, meet its debt service 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.

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Since Mittal Steel is incorporated under the laws of The Netherlands, it can only pay dividends or distributions to the extent it is entitled to receive cash dividend distributions from its operating subsidiaries, recognizes gains from the sale of its assets or records share premium as a result of the issuance of common shares. See Note 11 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

Mittal Steel's mining operations are subject to mining risks.

Mittal Steel's mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could result in production shortfalls or damage to persons or property. In particular, hazards associated with open-pit mining operations include, among others: flooding of the open pit; collapses of the open-pit wall; accidents associated with the operation of large open-pit mining and rock transportation equipment; accidents associated with the preparation and ignition of large-scale open-pit blasting operations; production disruptions due to weather; and hazards associated with the disposal of mineralized waste water, such as groundwater and waterway contamination. Hazards associated with underground mining operations include, among others: underground fires and explosions, including those caused by flammable gas; cave-ins or ground falls; discharges of gases and toxic chemicals; flooding; sinkhole formation and ground subsidence; and other accidents and conditions resulting from drilling, blasting and removing, and processing material from an underground mine.

Mittal Steel is at risk of experiencing any or all of these hazards. The occurrence of any of these hazards could delay production, increase production costs and result in injury to persons and damage to property, as well as liability for Mittal Steel, all or some of which may not be covered by insurance.

Mittal Steel's Chairman and Chief Executive Officer has for over a quarter of a century contributed significantly to the shaping and implementation of its business strategy and the loss or diminution of his services could have a material adverse effect on Mittal Steel's business and prospects.

Mittal Steel's Chairman and Chief Executive Officer has for over a quarter of a century contributed significantly to the shaping and implementation of its business strategy. His strategic vision was instrumental in the creation of the world's largest and most global steel group. The loss or any diminution of the services of the Chairman and Chief Executive Officer could have a material adverse effect on Mittal Steel's business and prospects. Mittal Steel does not maintain key man life insurance on its Chairman and Chief Executive Officer.

Under-funding of pension and other post-retirement benefit plans at some of Mittal Steel's, as well as potentially Arcelor's, operating subsidiaries, and the need to make substantial cash contributions to pension plans, which may increase in the future, may reduce the cash available for Mittal Steel's business.

Mittal Steel's principal operating subsidiaries in Canada, France, Germany, Trinidad, the United States, South Africa and Ukraine provide defined benefit pension plans to their employees. Some of these plans are currently under-funded. At December 31, 2005, the value of Mittal Steel USA's pension plan assets with respect to former Ispat Inland pension plans was \$2.2 billion, while the projected benefit obligation was \$3.0 billion, resulting in a deficit of \$795 million. A large part of Mittal Steel's pension liabilities and funding requirements are at Mittal Steel USA. Mittal Steel USA also has an under-funded post-retirement benefit obligation of \$951 million relating to life insurance and medical benefits as of December 31, 2005. See Note 12 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

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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 the Pension Benefit Guaranty Corporation (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 and other post-employment benefit 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.

Arcelor's 2005 annual report discloses that, as of December 31, 2005, the present value of its unfunded pension obligations was 1.0 billion. The acquisition of Arcelor would therefore substantially increase Mittal Steel's exposure to the risks identified above relating to unfunded pension obligations.

Mittal Steel is subject to economic risks and uncertainties in the countries in which its operating subsidiaries are present. 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, or proposes to operate, have experienced economic growth and improved economic stability. For example, Eastern European countries, such as Poland, the Czech Republic and Romania, have initiated free-market economic reforms in connection with or in anticipation of their accession to the European Union. Others, such as Algeria and South Africa, have attempted to reinforce political stability and improve economic performance after recent periods of political instability. Ukraine and Kazakhstan have implemented free-market economic reforms. Mittal Steel's business strategy was developed partly on the assumption that such economic growth and the modernization, restructuring and upgrading of the physical infrastructure in these countries will continue, thus creating an increased demand for its steel products and maintaining a stable level of steel prices both in these countries and in other key product markets. While the demand in these countries for steel and steel products has gradually increased, this trend may not continue. In addition, the legal systems in some of the countries in which Mittal Steel operates remain underdeveloped, particularly with respect to bankruptcy proceedings, and the prospect of widespread bankruptcy, mass unemployment and the deterioration of certain sectors of these economies still exists. Reform policies may not continue to be implemented and, if implemented, they may not be successful. In addition, these countries may not remain receptive to foreign trade and investment. Furthermore, 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.

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. Some of these countries, such as Poland, the Czech Republic, Romania, Ukraine and Kazakhstan, have been undergoing substantial political transformations from centrally controlled command economies to pluralist market-oriented

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democracies. Political and economic reforms necessary to complete such transformation may not continue. On occasion, ethnic, religious, historical and other divisions have given rise to tensions and, in certain cases, widescale civil disturbances and military conflict, as in Algeria, Bosnia-Herzegovina, Liberia and South Africa. 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.

In addition, Mittal Steel may encounter difficulties in enforcing court judgments or arbitral awards in certain countries in which it operates because these countries may not be parties to treaties that recognize the mutual enforcement of court judgments.

Mittal Steel may not generate or obtain sufficient funds to meet the significant capital expenditure commitments and other commitments it has made in connection with certain acquisitions.

In connection with the acquisition of certain of its operating subsidiaries, Mittal Steel has made significant capital expenditure commitments and other commitments with various governmental bodies involving expenditures required to be made over the next few years. In 2005, capital expenditure rose to \$1.2 billion. As at December 31, 2005, Mittal Steel and its subsidiaries had capital commitments outstanding of \$1.5 billion under privatization contracts and \$144 million under other major contracts. 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 Note 16 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

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 several years following the date of acquisition. The inability to make such dismissals may affect Mittal Steel's ability to coordinate its workforce and efficiently manage its business in response to changing market conditions.

Although Mittal Steel has remained in compliance with its obligations under the relevant acquisition agreements and restructuring programs, 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.

In addition, Arcelor has announced a number of significant capital projects. Mittal Steel is not currently in a position to assess fully the potential financial impact on it of such projects were the Offer to be completed.

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Certain Mittal Steel subsidiaries benefited from state aid granted prior to, or in connection with, their respective privatizations, the granting of which is subject to transitional arrangements under the respective treaties concerning the accession of these countries to the European Union. Non-fulfillment or breach of the transitional arrangements and related rules may result in the recovery of aid granted pursuant to the transitional arrangements.

Mittal Steel has acquired formerly state-owned companies in the Czech Republic, Poland and Romania, some of which benefited from state aid granted prior to, or in connection with, their respective privatization and restructuring. Moreover, the restructuring of the steel industries in each of the Czech Republic, Poland and Romania is subject to certain transitional arrangements and related rules, which determine the legality of restructuring aid. The transitional arrangements form part of the respective treaties concerning the accession of the Czech Republic, Poland and Romania to the European Union.

Non-fulfillment or breach of the transitional arrangements and related rules may nullify the effect of the transitional arrangements and may result in the recovery of aid granted in accordance with the transitional arrangements that have been breached.

Mittal Steel is susceptible to the cyclical nature of the steel industry, making its results of operations unpredictable.

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 have historically experienced pronounced cyclical fluctuations, driven recently by the substantial increase in production and consumption of steel in China. This trend, combined with rising costs of key inputs, mainly metallics, energy, as well as transportation and logistics, presents an increasing challenge for steel producers.

The volatility and the length and nature of business cycles affecting the steel industry have historically been unpredictable, and the recurrence of another major downturn in the industry may negatively impact the operating results and profitability of Mittal Steel.

Rapidly growing demand and supply of steel products in China and other developing economies may result in additional excess worldwide capacity and falling steel prices.

Over the last several years, steel consumption in China and other developing economies such as India has increased at a rapid pace. Steel companies have responded by developing steel production capabilities in these countries. Steel production, especially in China, has been expanding significantly and could be well in excess of Chinese demand depending on continuing demand growth rates. Because China is now the largest worldwide steel producer by a significant margin, any significant excess Chinese capacity could have a major negative impact on world steel trade and prices if excess production is exported to other markets.

Mittal Steel is susceptible to changes in governmental policies and international economic conditions that could limit its operating flexibility and reduce its profitability.

Mittal Steel is susceptible to governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, trade regulations, social or political instability,

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diplomatic relations, international conflicts and other factors that could limit its operating flexibility and reduce its profitability. Mittal Steel has not obtained, and currently does not intend to obtain, political risk insurance in any country in which it conducts its business.

Competition from other materials could significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

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 significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

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 the South African rand and the Kazakh tenge are subject to limitations imposed by the South African Reserve Bank and National Bank of Kazakhstan, respectively.

Disruptions to Mittal Steel's operations 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 such 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 become subject to adverse interpretations or 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.

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. Ineffective tax collection systems and continuing budget requirements may increase the likelihood of the imposition of arbitrary

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or onerous taxes and penalties in the future, which could significantly reduce Mittal Steel's cash flow and profitability. 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 Note 13 to the Mittal Steel consolidated financial statements, incorporated by reference herein.

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 significantly reduce Mittal Steel's cash flow and profitability.

It is possible that taxing authorities in the countries in which Mittal Steel operates will introduce additional revenue-raising measures. The introduction of any such provisions may affect the overall tax efficiency of Mittal Steel and may result in significant additional taxes becoming payable. Mittal Steel cannot offer any assurance that additional tax exposure will not arise or that any such additional tax exposure will not significantly reduce its cash flow and profitability.

Mittal Steel may face a significant increase in its income taxes if tax rates and tax laws and regulations in the jurisdictions and treaties between 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.

If Mittal Steel were unable to fully utilize its deferred tax assets, its profitability could be reduced.

At December 31, 2005, Mittal Steel had \$985 million recorded as deferred tax assets on its balance sheet. These assets 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 offset the tax loss carryforwards and reverse the temporary differences before they expire. At December 31, 2005, the amount of future income required to recover Mittal Steel's deferred tax assets is approximately \$4.0 billion at certain operating subsidiaries. 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. If Mittal Steel generates lower taxable income than the amount it has assumed in determining the deferred tax assets, then additional valuation reserves will be required, with a corresponding charge against income.

Mittal Steel is subject to stringent environmental regulations that give rise to significant environmental costs and liabilities, including those arising from environmental remediation programs.

Each of Mittal Steel and Arcelor is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination. For example, EU Directives, 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

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rules or more stringent environmental norms with which steel companies may have to comply. Compliance with these obligations 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. The costs of complying with environmental regulatory or remediation obligations, including participation in the assessment and remediation of contaminated sites, could be significant and failure to comply could result in the assessment of civil and criminal penalties, the suspension of permits or operations, and lawsuits by third parties. In addition to the impact on current facilities and operations, these standards can give rise to substantial environmental liabilities with respect to divested assets and past activities.

Currently, Mittal Steel is involved in a range of compliance actions and legal proceedings concerning environmental matters, all of which relate to legacy obligations arising from acquisitions. Mittal Steel understands that Arcelor is also involved in proceedings relating to alleged environmental liabilities. Mittal Steel is also conducting significant remedial activities at various facilities to address environmental liabilities as part of the settlement of these actions and, in some cases, in the absence of any governmental action. See Note 17 to the Mittal Steel consolidated financial statements. Mittal Steel has established reserves for environmental remediation activities and liabilities. However, environmental matters cannot be predicted with certainty, and the reserved amounts may not be adequate, especially in light of the potential for change in environmental conditions or the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out additional activities not initially included in the remediation estimates, and the potential for Mittal Steel to be liable for remediation of other sites for which provisions have not been previously established. Such future developments could result in significantly higher environmental costs and liabilities.

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. Failure to comply with its commitments under these agreements could result in significant monetary penalties.

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, Mittal Steel Lázaro Cárdenas's production facilities are located in Lázaro Cárdenas, Michoacan, Mexico and Mittal Steel Temirtau 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 severely affect our ability to conduct business operations and, as a result, reduce our future operating results.

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 insurance on 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 policies. Under these policies, damages and losses caused by certain natural disasters, such as earthquakes, floods and windstorms, are also covered. Each of the

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operating subsidiaries of Mittal Steel also maintains various other types of insurance, such as workmen's compensation insurance and marine insurance. Notwithstanding the insurance coverage that Mittal Steel and its subsidiaries carry, the occurrence of an accident that causes losses in excess of limits specified under the policy, or losses arising from events not covered by their insurance policies, could materially harm Mittal Steel's financial condition and future operating results.

Product liability claims could adversely affect Mittal Steel's operations.

Mittal Steel sells products to major manufacturers who are engaged to sell a wide range of end products. 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 leave Mittal Steel uninsured against a portion or all of the award and, as a result, materially harm its financial condition and future operating results.

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 profit margins and, as a result, its 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 materially disrupt its ability to conduct 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.

Section 404 of the Sarbanes-Oxley Act and the regulations of the SEC thereunder require senior executive and senior financial officers of Mittal Steel to assess on a regular basis the internal controls over 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, including with respect to entities acquired by Mittal Steel (such as Arcelor), some of which may not be subject to Section 404 or may have internal control weaknesses or deficiencies. In the event that Mittal Steel's senior management or independent accountants determine that Mittal Steel's internal controls over financial reporting are not effective as defined under Section 404, we could incur significant additional costs to remedy our internal controls.

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and our reputation among investors may be harmed. The rules regarding management's report on internal controls and attestation will apply to Mittal Steel from the fiscal year ending December 31, 2006.

Mittal Steel's results of operations may differ significantly from the unaudited pro forma condensed combined financial information included in this prospectus.

The prospectus includes unaudited pro forma condensed combined financial information giving effect to our acquisition of Arcelor and to our acquisition of ISG as if they had occurred as of January 1, 2005. This pro forma financial information is presented for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had these acquisitions been completed at the beginning of the period presented, nor is it indicative of the results of operations in future periods or the future financial position of the combined businesses. In particular, it does not reflect benefits of expected cost savings or revenue opportunities with respect to Arcelor nor does it reflect a detailed allocation of the purchase price to Arcelor assets and liabilities, as such exercise can only be performed with access to detailed and non-publicly available information. Accordingly, Mittal Steel's results and financial condition may differ significantly from those portrayed by the unaudited pro forma condensed combined financial information included herein.

The reconciliation of Arcelor's financial statements to U.S. GAAP could result in a decrease of the reported financial results of the combined entity.

Arcelor has prepared its historical financial statements in accordance with IFRS. If the Offer is completed, it will be necessary to reconcile Arcelor's financial results to U.S. GAAP to comply with Mittal Steel's U.S. reporting obligations in the future. It is not possible to quantify the impact that this reconciliation will have on Mittal Steel's financial statements, although Arcelor's U.S. GAAP reported results could be lower than Mittal Steel's U.S. GAAP reported results.

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 could have an adverse effect on the market price of its common shares. Assuming 100% acceptance of the Offer, upon its completion the Controlling Shareholder will own approximately 45% of Mittal Steel's common shares after the Offer and will not be subject to resale restrictions.

U.S. investors may have difficulty in enforcing civil liabilities against Mittal Steel and its directors and senior management.

Mittal Steel is organized under the laws of The Netherlands with its principal executive offices and corporate seat in Rotterdam, The Netherlands. The majority of Mittal Steel's directors and senior management and some of the experts named in this prospectus are residents of jurisdictions outside the United States. The majority of Mittal Steel's assets and the assets of these persons are located outside the United States. As a result, U.S. investors may find it difficult to effect service of process within the United States upon Mittal Steel or these persons or to enforce outside the United States judgments obtained against Mittal Steel or these persons in U.S. courts, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. Likewise, it may also be difficult for an investor to enforce in U.S. courts judgments obtained against Mittal Steel or these persons in courts in jurisdictions outside the United States, including actions predicated upon the civil liability provisions of the U.S. federal securities laws.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking statements based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the financial condition, the results of operations and the business of Mittal Steel, including its acquired subsidiaries, the anticipated financial and other benefits resulting from Mittal Steel's acquisitions and the proposed acquisition of Arcelor, and Mittal Steel's plans and objectives following these transactions. These statements usually contain the words believes, plans, expects, anticipates, intends, estimates or other similar expressions. For each of these statements, you should 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, financial condition, results of operations or prospects of Mittal Steel. These forward-looking statements speak only as of the date on which the statements were made and no obligation has been undertaken to update publicly or revise any forward-looking statements made in this registration statement 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 prospectus, it is believed the following factors, among others, could cause actual results to differ materially from those discussed in the forward-looking statements:

Mittal Steel's ability to obtain regulatory approvals for the proposed acquisition of Arcelor without materially onerous conditions;

costs or difficulties related to the integration of acquisitions, including the proposed acquisition of Arcelor, may be greater than expected;

the risk of unexpected consequences resulting from acquisitions, including the proposed acquisition of Arcelor;

operating results following acquisitions, including the proposed acquisition of Arcelor, may be lower than expected;

any change-of-control provisions in Arcelor's agreements which might be triggered by the transaction;

Mittal Steel's ability to manage its growth;

uncertainty as to the actions of the Controlling Shareholder of Mittal Steel;

the timing of realization of cost savings expected to result from Mittal Steel's acquisitions, including the proposed acquisition of Arcelor;

the risk of decreasing prices for Mittal Steel's and Arcelor's products and other forms of competition in the steel industry;

the risk of labor disputes, including as a result of the proposed acquisition of Arcelor;

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

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any downgrade of Mittal Steel's credit rating as a result, among other things, of a downturn in the steel industry cycle, the debt to be incurred in connection with the proposed acquisition of Arcelor or any possible refinancing of Arcelor debt thereafter, as well as any downgrade of Arcelor's credit rating if it remains a separate subsidiary of Mittal Steel following the completion of the Offer;

Mittal Steel's ability to refinance existing debt and obtain new financing on acceptable terms to finance its growth;

Mittal Steel's ability to operate within the limitations imposed by financing arrangements;

Adverse changes in interest rates;

Mittal Steel's and Arcelor's ability to attract and retain talented management;

Mittal Steel's ability to fund under-funded pension liabilities;

general economic conditions, whether globally, nationally or in the market areas in which Mittal Steel and Arcelor conduct business;

the risk of disruption or volatility in the economic, political or social environment in the countries in which Mittal Steel and Arcelor conduct business;

Mittal Steel's and Arcelor's ability to operate successfully within a cyclical industry;

increased competition from substitute materials, such as aluminum;

fluctuations in currency exchange and interest rates;

legislative or regulatory changes, including those relating to protection of the environment and health and safety, and those resulting from international agreements and treaties related to trade, accession to the European Union or otherwise, may adversely affect the businesses in which Mittal Steel and Arcelor are engaged; and

the threat, institution or adverse determination of claims against Mittal Steel and Arcelor.

Some of these factors are discussed in more detail in this prospectus, including under the section Risk Factors.

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MEMORANDUM OF UNDERSTANDING BETWEEN MITTAL STEEL, ARCELOR AND THE CONTROLLING SHAREHOLDER

On June 25, 2006, after unanimous approval by the respective Boards of Directors of Mittal Steel and Arcelor, Arcelor, Mittal Steel and the Controlling Shareholder (collectively, the Parties) signed the Memorandum of Understanding. References to the Company refer to each of Mittal Steel and Arcelor pre-merger, and to the top-level company in the Group following the merger of Arcelor and Mittal Steel, as provided below.

The terms of the revised Offer under the Memorandum of Understanding are provided in The Offer Terms and Conditions of the Offer Offer Scope and Consideration.

The following is a summary of the material provisions of the Memorandum of Understanding.

Arcelor/Mittal Steel Model

The Parties have agreed to develop and embrace the following business model (the Arcelor/Mittal Steel Model) for Arcelor, Mittal Steel and the Company. The Arcelor/Mittal Steel Model will aspire to achieve the highest standards of sustainable development in the steel industry, *i.e.*, for the Company to be the global leader in high quality steel solutions and the best steel company for customers, shareholders and employees. The Arcelor/Mittal Steel model is consistent with Mittal Steel s current business plans and practices.

This will require the achievement of:

- (i) industrial excellence through state of the art assets sustained by sound capital expenditure levels and best in class R&D;
- (ii) commercial leadership based on strong distribution channels, one face to the customer and placing margin optimization before volume optimization;
- (iii) people management and social responsibility through appropriate incentive schemes, development of entrepreneurship, social dialogue, social responsibility in case of restructuring decisions and high ethical standards;
- (iv) high profitability targets including a 30% dividend payout target and a sound capital structure; and
- (v) management organization and high corporate governance standards, including the separation of the board of directors and the management board, a majority of independent directors, and a management structure along three dimensions (business units, corporate and transversal functions and regions).

Post-Offer Merger

The Parties have agreed to use their best efforts to procure, as soon as practicable following completion of the Offer and any related subsequent offer or compulsory buy-out, the merger of Mittal Steel into Arcelor, with Arcelor continuing to be incorporated, domiciled and headquartered in Luxembourg. The completion of the post-Offer Merger will be subject to the Controlling Shareholder having obtained an exemption from the mandatory tender offer requirement set forth in Article 5 of the

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Luxembourg law of May 22, 2006 on takeover for possibly crossing the one-third threshold in Arcelor through the merger of Mittal Steel into Arcelor, which shall not have been successfully challenged before competent jurisdictions. The merger will take the form of a cross border merger governed by Dutch and Luxembourg law. Accordingly, the rights and privileges of Arcelor shareholders who tender their shares in the Offer for Mittal Steel shares may, following completion of such merger, again be governed by Luxembourg law. Further discussions will be held with the Luxembourg authorities to seek to obtain from them the appropriate comfort with respect to the location of the headquarters of the Company in Luxembourg. The structure of the merged entity is to be determined based upon tax and other considerations. The merger of Mittal Steel into Arcelor, resulting in a combined entity Arcelor Mittal, is expected to take place during the first half of 2007. This merged entity would retain listings on the NYSE and in Paris, Amsterdam, Brussels, Luxembourg and Madrid, where Mittal Steel shares will be listed upon completion of the Offer.

Limitation on Mittal Steel's Minimum Tender Condition

Mittal Steel has agreed not to waive the Minimum Tender Condition, (as defined in the Offer Terms and Condition of the Offer Conditions to the Offer; Possible Withdrawal of Offer Minimum Tender Condition herein) unless it holds, after completion of the Offer (through securities tendered in the Offer and with any person(s) acting in concert with it), at least 215 million shares of Arcelor. Mittal Steel will be under no obligation to waive the Minimum Tender Condition.

Terms of the Arcelor Board Recommendation of the Revised Offer

In the context of the recommended offer, the Arcelor Board has agreed to the following conditions:

the Arcelor Board shall be permitted to modify or withdraw its recommendation only upon the occurrence of any of the following: (i) receipt of a Superior Offer (as defined below), (ii) the occurrence of a Material Adverse Change affecting Mittal Steel (as defined below); or (iii) a material breach of representations and warranties of Mittal Steel.

Arcelor shall publicly recommend the revised Offer and encourage all of its shareholders and Convertible Bond holders to tender into the revised Offer.

The Parties shall use their best efforts to obtain the public undertaking of the Luxembourg State, Walloon Region and the employee funds to tender their Arcelor shares into the revised Offer.

Arcelor will not reschedule nor announce a public repurchase of its own shares, nor proceed with any stock buyback or market purchase during the pendency of the revised Offer;

The Arcelor Board will exercise its right to terminate the Strategic Alliance Agreement, dated May 25, 2006, between Arcelor, Severstal and Mr. Mordashov and all ancillary agreements related thereto (collectively, the SAA) as soon as it is entitled to do so under the terms and conditions of the SAA. In addition, Arcelor shall:

encourage Arcelor shareholders to attend, in person or by proxy, the Extraordinary General Meeting of its shareholders called for June 30, 2006 to vote on the SAA and related transactions (see Summary Arcelor Transactions Relating to Severstal);

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cause the Chairman to act consistently with the Memorandum of Understanding and the Board's recommendation of the revised Offer, including at the Extraordinary General Meeting of its shareholders called for June 30, 2006;

participate in joint marketing efforts, including roadshows and investors' presentations along with Mittal Steel;

not agree to any modification of the SAA or any other agreement with Mr. Mordashov, Severstal or any of their affiliates. Except to the extent specifically required by the SAA as of the date of the Memorandum of Understanding, for so long as the revised Offer, including any modification, extension, renewal or refiling thereof, is pending, Arcelor has agreed that its Board of Directors will not utilize the power granted by Article 5 of its Articles of Association to issue any new equity securities of Arcelor (or any securities or right to acquire any new equity securities) without specific shareholder approval, and that it will not issue new equity securities or sell any equity securities (or any securities or right to acquire any new equity securities) except pursuant to the affirmative vote of the shareholders in the manner provided for amendments of its Articles of Association (*i.e.* a majority vote at a duly convened shareholders' meeting having the required quorum under Luxembourg law).

Arcelor has agreed that for so long as the revised Offer, including any modification, extension, renewal or refiling thereof is outstanding, it will not, other than in performance of obligations outstanding under the current SAA, enter into any transaction or action not in the ordinary course without the affirmative vote of shareholders in the manner provided for amendments of Arcelor's Articles of Association, or without the prior written consent of Mittal Steel. The Memorandum of Understanding provides that such agreement of Arcelor will not prevent Arcelor's Board of Directors from recommending a Superior Offer.

Arcelor has agreed that it will not withdraw or modify its recommendation for the revised Offer or approve or recommend any Acquisition Proposal, unless it is a Superior Offer.

Acquisition Proposal means any proposal or offer from any person other than Mittal Steel relating to any (i) tender or exchange offer involving shares of Arcelor, (ii) merger, consolidation or other business combination involving Arcelor, (iii) direct or indirect acquisition or purchase of a significant proportion of the assets of Arcelor, (iv) recapitalization or restructuring of Arcelor, or (v) the acquisition of any Arcelor securities, or beneficial interest in any Arcelor securities, or rights convertible into or exchangeable for any such securities, whether by way of tender, exchange, new issuance or otherwise.

Material Adverse Change means any exceptional event that occurs relating to Mittal Steel or any action taken by Mittal Steel (in either case other than as a result of the terms hereof or any actions taken by Arcelor) that, in either case, materially alters Mittal Steel's substance or substantially and adversely affects the economics of the Offer or substantially and adversely affects the ability of Mittal Steel to complete the revised Offer.

A Superior Proposal means any (i) unsolicited, complete and fully committed offer, (ii) accompanied by the required evidence of its full financing, (iii) subject only to the recommendation of the Board of Directors of Arcelor, (iv) that has been publicly announced and officially filed with all competent EU regulatory stock market authorities, (v) that contemplates a Superior Offer and (vi) that the Board of Directors of Arcelor (having consulted its financial and legal advisors) has validly determined to result in a Superior Offer from a bidder capable of completing such a Superior Offer.

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Superior Offer means any Acquisition Proposal taking the form of a public offer (*offre publique d acquisition*) for all equity securities of Arcelor, regulated by the Luxembourg law dated May 22, 2006 on takeover bids, that the Arcelor Board determines, in its good faith judgment, after due consideration of its fiduciary duties and based on a fairness opinion issued by a bank of international reputation, to be superior for Arcelor's stakeholders when compared as a whole with the revised Offer.

Confirmation of Social Commitments

Mittal Steel will respect fully all of Arcelor's commitments with respect to employment and other social and human relations policies. Under the Memorandum of Understanding, Mittal Steel and Arcelor have agreed that there will be no restructuring plan, collective lay-offs or other employee reduction plan within Arcelor in the European Union as a result of the integration of the Mittal Steel and Arcelor groups, other than in connection with (i) Arcelor's announced restructuring plans and (ii) the remedy package agreed by Mittal Steel with the European Commission. In general, Mittal Steel intends to implement such Arcelor restructuring plans as announced.

Employee Share Ownership

Mittal Steel and Arcelor have agreed to continue promoting employee share ownership in line with best corporate practices for continental European listed companies and that Arcelor's AESOPE plan will be implemented in accordance with its terms.

Corporate Governance

Pursuant to the Memorandum of Understanding, certain special governance mechanisms designed to promote the integration of Arcelor and Mittal Steel will be put in place for an initial transitional period of three years following the settlement date of the Offer (the Initial Term). Arcelor and Mittal Steel have agreed to change and unify their respective corporate governance structure and rules as soon as possible after completion of the Offer until such time as the two companies are integrated or merged into one Company. Until Mittal Steel is merged into Arcelor, the composition and operation of Mittal Steel's Board of Directors will be identical to those of Arcelor.

Until the earlier of the completion of the revised Offer or the termination of the Memorandum of Understanding, each of Mittal Steel and Arcelor will operate their respective business in the ordinary course, consistent with past practice.

Board of Directors and Management Board

Each of Mittal Steel, Arcelor and the Company will be governed by a Board of Directors and a Management Board. Each Board of Directors will comprise solely non-executive directors. The day-to-day management of the Company will be entrusted to the Management Board.

The initial Management Board will include the four current members of the Arcelor Management Board, the current Arcelor CEO becoming the Chief Executive Officer of the Company, and three members to be nominated by the current Mittal Steel Board of Directors, *i.e.*, in total seven members. If the current Arcelor CEO withdraws or resigns; the new Company CEO would be appointed further to a proposal made by Mr. Joseph Kinsch and approved by Mr. Lakshmi N. Mittal.

No decision has yet been made with respect to the allocation of management responsibilities within the Group and the exact composition of the management team, including the top management

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and the Management Board in particular. Mittal Steel and Arcelor will allocate management responsibilities on the basis of the best available talent within Mittal Steel and Arcelor for each position. The new organizational structure will be developed with senior management of both companies. During the Initial Term, the appointment and remuneration of persons appointed to serve as the CEOs and board members of the Company's main subsidiaries and the heads of the main business units and corporate functions of the Company will be decided by the Management Board acting unanimously.

Board of Directors of the Group

(i) Composition of the Board of Directors

The Memorandum of Understanding provides that during the Initial Term, the Board of Directors of the Company (which means each of Arcelor and Mittal Steel until the post-Offer Merger and then the post-Offer merged entity) will have the following characteristics:

Each initial Board of Directors will be composed of 18 non-executive members, the majority of whom will be independent.

Six members will be nominated by Mittal Steel, three of whom will be independent.

Six members will be from the existing Arcelor Board of Directors.

Three members will be from the existing Arcelor Board of Directors representing existing Arcelor major shareholders.

A further three members will be employee representatives.

All directors will be non-executive and a majority of the Company Board of Directors will be constituted by directors who are (i) independent within the meaning of the definition thereof in the NYSE listing standards as applied to non-U.S. companies (*i.e.*, foreign private issuers), and (ii) unaffiliated with any shareholders owning or controlling more than 2% of the shares of the Company (post-completion of the Offer).

During the Initial Term, the Board of Directors will appoint one director as Chairman and one director as President of the Board of Directors. Mr. Joseph Kinsch shall be the first Chairman of the Board of Directors of Arcelor and Mr. Lakshmi Mittal (in his capacity as representative of the Controlling Shareholder) shall be the first President of the Board of Directors. Upon the retirement of Mr. Joseph Kinsch, Mr. Lakshmi Mittal (in his capacity as representative of the Controlling Shareholder) shall become Chairman and Mr. Joseph Kinsch shall propose the successor President, who shall be an independent director or a former employee of Arcelor. Mr. Lakshmi Mittal (in his capacity as representative of the Controlling Shareholder) shall be the Chairman of the Board of Directors of Mittal Steel until the post-Offer merger and Mr. Joseph Kinsch shall be the President. The proposed successor President will serve as President for so long as he or she is a director and the Controlling Shareholder has agreed to vote for his or her renewal as director, except in case of gross negligence or willful misconduct in the exercise of his or her functions as director or in the event that the Appointments and Remuneration Committee vetoes his or her nomination. Moreover, upon retirement, death or incapacity of Mr. Lakshmi Mittal, he shall be replaced by any other representative designated by the Controlling Shareholder from time to time.

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The directors will be elected and removed by the general meeting of shareholders, by a simple majority of votes cast. Except as specifically described, no shareholder will have special rights to nominate, elect or remove directors. All directors will be elected by the general meeting of shareholders for three-year terms.

Following the Initial Term, and subject to the provisions of Mittal Steel's Articles of Association, the Controlling Shareholder will be entitled to representation on the Company Board of Directors in proportion to its shareholding.

During the Initial Term, and subject to the Controlling Shareholder owning or controlling at least 15% of the outstanding share capital of the Company (post-completion of the Offer), the Controlling Shareholder will be entitled to elect to the Company's Board of Directors up to (and not more than) six directors, including three directors who are affiliated (directly or indirectly) with the Controlling Shareholder and three independent directors.

Finally, upon expiration of the Initial Term, the Parties will review the Company's corporate governance rules described above in order to reflect the best standards of corporate governance for comparable companies, and in particular have them conform with the corporate governance aspects of the NYSE listing standards applied to non-U.S. companies and the Luxembourg Code of Governance. Moreover, the Chairman and the President shall consult in the year prior to the end of the Initial Term with a view to determining the identity of the directors that could be recommended to the Appointments and Remuneration Committee.

(ii) Operation of the Board of Directors

The required quorum for meetings of the Board of Directors will be a majority of the directors, including at least the Chairman, the President and a majority of the independent directors being present or represented.

During the Initial Term, the agenda of each Board of Directors meeting shall be jointly agreed by the Chairman and the President of the Board of Directors and shall include any matters proposed to be included on the agenda jointly by the Chairman and the President. In the event of a disagreement, the Chairman and the President will work together to try to resolve any such disagreement. After the expiration of the Initial Term, the Chairman and the President will seek to agree the agenda on a reasonable efforts basis.

For so long as there is a Chairman and a President of the Board of Directors, the Chairman and the President will meet at regular intervals, or more often if and when required at the request of either the Chairman or the President, to discuss and evaluate the principal strategic business decisions for the Company and prepare the related board meetings.

Each director will have one vote and no director will have a casting vote. Board decisions will be taken by a majority of the directors present and represented at a quorate meeting, except as otherwise required by Luxembourg or Dutch law, as the case may be.

The authorized capital will be reduced to the number of shares outstanding after completion of the revised Offer (including any shares to be issued pursuant to outstanding stock options and OCEANES due 2017), so that any further capital increase will have to be approved by a shareholders' meeting in accordance with applicable law.

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(iii) Controlling Shareholder Right of Opposition

During the Initial Term, with respect to Board of Directors' decisions that require shareholders' approval, the Controlling Shareholder shall vote in accordance with the position expressed by the Board of Directors, unless Mr. Lakshmi Mittal opposes any such position, in which case the Controlling Shareholder can vote as it wishes. During the Initial Term, if Mr. Lakshmi Mittal opposes any decision of the Board of Directors on a matter that does not require shareholders' approval and that was not proposed by him, Mr. Lakshmi Mittal shall have the right to request such action to be first approved by a shareholders' meeting and the Controlling Shareholder shall have the right to vote at such meeting as it sees fit. The Board of Directors shall not approve any action that has been rejected by such shareholders' meeting.

(iv) Board of Directors' Committees

The Board of Directors shall have two committees: an Audit Committee and an Appointments and Remuneration Committee.

The Audit Committee will be composed of four independent directors, with independence defined as set out above and also under Rule 10A-3 under the Exchange Act. The four members will be appointed by the Board of Directors. The Audit Committee shall make decisions by a simple majority with no member having a casting vote.

The Appointments and Remuneration Committee will be composed of four directors: the President (for so long as there is a President and thereafter an independent director), the Chairman and two independent directors, one of whom will be nominated by Mittal Steel's current Board of Directors and one of whom will be nominated by Arcelor's current Board of Directors. The Appointments and Remuneration Committee will be chaired by an independent director. The four members will be appointed by the Board of Directors. The Appointments and Remuneration Committee shall make decisions by a simple majority vote with no member having a casting vote. The Appointments and Remuneration Committee will be in charge of making recommendations to the Board of Directors relating to the appointment of the members of the Board of Directors, the appointment and remuneration of the members of the Management Board and the principles of remuneration for other senior or top executives of the Group.

Issuance of Shares to Mr. Mordashov

If shares of Arcelor are issued (i) to the benefit of Mr. Mordashov or any entity affiliated to Mr. Mordashov in accordance with the SAA or otherwise or (ii) to any other party having made an Acquisition Proposal pursuant to an agreement with such other party, without Mittal Steel and the Controlling Shareholder having agreed in writing to such issuance of shares prior to its implementation, the provisions under the caption Corporate Governance and Independence of the Company herein, shall immediately terminate. In the event that (i) Mr. Mordashov or any entity affiliated with Mr. Mordashov has acquired Arcelor shares in accordance with the SAA, (ii) has exercised the unwind provision of the SAA and (iii) as a result, no longer holds, directly or indirectly, any such shares in Arcelor, the provisions under the caption Corporate Governance and Independence of the Company herein, shall immediately be reinstated and applied.

During the pendency of the revised Offer, any agreement between Mr. Mordashov or any entity affiliated to Mr. Mordashov on the one hand, and Mittal Steel or the Controlling Shareholder or any

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entity affiliated with either of them on the other hand, will require the prior approval of at least a simple majority of the Independent Directors of Arcelor. After the completion of the revised Offer, if Mr. Mordashov or any entity affiliated with Mr. Mordashov has acquired Arcelor shares, the Controlling Shareholder may enter into discussions with Mr. Mordashov with a view to resolving the situation. Independent Directors appointed on the Company Board of Directors shall be informed and consulted in respect of the solutions envisaged by the Controlling Shareholder and the Controlling Shareholder shall be free to implement such solutions, unless two thirds of the Company Independent Directors vote against such solutions.

Independence of the Company

The Parties agreed that during the Initial Term, the Controlling Shareholder will not increase its representation on the Company Board of Directors to attempt to remove a company director (other than a director appointed by it) or attempt to make any change to the composition or size of the Company Board of Directors.

After the end of the Initial Term, and subject to the provisions of the Articles of Association, the Controlling Shareholder will be entitled to representation on the Company Board of Directors proportional to its shareholding.

Related-Party Transactions

The Parties have agreed that any transaction between the Company (including any of its subsidiaries) and its directors or any of its affiliates will be conducted on an arms length basis and, if material, require approval of the independent directors.

The Company Board of Directors will be entitled to request the assistance of expert advisers as it deems necessary and appropriate from time to time in connection with any key strategic decision.

Standstill

Mittal Steel has agreed that, during the pendency of the revised Offer, it will not discuss or negotiate with any third party any direct or indirect participation by such third party in any bid or acquisition for Arcelor or any merger or contribution of assets or recapitalization or participation in a proposed equity transaction relating to Arcelor, without the prior written consent of the Arcelor Board. Mittal Steel shall be free to acquire Arcelor shares, through market purchases or otherwise, after the settlement and delivery of the revised Offer.

The Controlling Shareholder has agreed not to acquire, directly or indirectly, ownership or control of an amount of shares in the capital stock of the Company exceeding the percentage of shares in the Company that it will own or control following completion of the Offer and any subsequent offer or compulsory buy-out, except with the prior written consent of a majority of the independent directors on the Company's Board of Directors. Any shares acquired in violation of this restriction will be deprived of voting rights and shall be promptly sold by the Controlling Shareholder.

Notwithstanding the above, if (and whenever) the Controlling Shareholder holds, directly and indirectly, less than 45% of the then-issued Company shares, the Controlling Shareholder may purchase (in the open market or otherwise) Company shares up to such 45% limit. In addition, the Controlling Shareholder is also permitted to own and vote shares in excess of the threshold mentioned

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in the immediately preceding paragraph or the 45% limit mentioned above, if such ownership results from (a) subscription for shares or rights in proportion to its existing shareholding in the Company where other shareholders have not exercised the entirety of their rights or (b) a reduction of the number of Company shares (*e.g.*, through self-tender offers or share buy-backs) if the decisions to implement such measures were taken at a shareholders meeting in which the Controlling Shareholder did not vote or by the Company Board with a majority of independent directors voting in favor. Finally, the Controlling Shareholder is also permitted to own and vote shares in excess of the threshold mentioned in the immediately preceding paragraph or the 45% limit mentioned above if it acquires the excess shares in the context of a takeover bid by a third party and (i) a majority of the independent directors of the Company Board of Directors consents in writing to such acquisition by the Controlling Shareholder or (ii) the Controlling Shareholder acquires such shares in an offer for all of the shares of the Company.

Lock-up

During the five-year period following the settlement date of the Offer, the Controlling Shareholder has agreed not to transfer (and to cause its affiliates not to transfer) directly or indirectly any of the shares in the Company that it holds without the approval of a majority of the independent directors of the Company, other than in connection with (i) an acquisition proposal by a third party recommended by the majority of the independent directors of the Company or (ii) the tender of shares by the Controlling Shareholder in a self-tender offer by the Company. As an exception to the foregoing, during the period from the second anniversary of the settlement date of the Offer until the end of the above-referenced five-year lock-up period, the Controlling Shareholder may sell an amount of shares not exceeding 5% of the Company's then-outstanding share capital without the consent of a majority of the Company's independent directors.

The above standstill and lock-up undertakings will cease to have effect if the Controlling Shareholder no longer owns or controls at least 15% of the Company's outstanding share capital.

Non-compete

For so long as the Controlling Shareholder holds at least 15% of the outstanding shares of the Company or has representatives on the Company's Board of Directors or Management Board, the Controlling Shareholder and its affiliates will not be permitted to invest in, or carry on, any business competing with the Company, except for ISPAT Indonesia.

Non-solicitation

As an essential condition to Mittal Steel's entering into this transaction, Arcelor has agreed that during the pendency of the Offer it will not solicit or enter into, entertain or pursue any discussion or negotiation with any third party (including Mr. Mordashov, Severstal, any affiliate of Mr. Mordashov or Severstal, or any persons acting with either of them or on their behalf) relating to any proposal to acquire Arcelor shares directly or indirectly. The only exception to these above restrictions is in connection with the public announcement and filing by a third party with all competent European Union regulatory stock market authorities of an unsolicited fully-financed Superior Offer for the entire share capital of Arcelor, subject only to the recommendation of the Board of Directors of Arcelor, taking the form of a public offer (*offre publique d'acquisition*) for all equity securities of Arcelor, regulated by the Luxembourg law dated May 22, 2006 on takeover bids.

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Treatment of Stock Options

In the Memorandum of Understanding, Arcelor has reserved the right to accelerate the vesting of outstanding options to acquire its shares in connection with the Offer, subject to its reasonable efforts to limit the social security and tax costs to Arcelor resulting from such acceleration and related exercise of stock options. If the Offer is consummated, the existing options to acquire shares of Arcelor will be maintained so that option holders will continue to benefit from such options after the merger discussed above. In the event that such merger is not completed by June 30, 2007, Mittal Steel has agreed to put in place a liquidity mechanism that will allow the option holders, after the lapsing of applicable holding periods under tax laws and regulations, to exchange Arcelor shares resulting from the exercise of their stock options into Mittal Steel shares on the basis of the exchange ratio in the secondary exchange offer of the Offer.

Dofasco

The Parties were unable to reach agreement as to the retention or disposal of Dofasco. In the Memorandum of Understanding, the Parties noted their respective positions on this issue. Mittal Steel stressed the undertakings that it has made to the U.S. Department of Justice and ThyssenKrupp relating to the sale of Dofasco and its view that Dofasco is not strategically necessary or important for the combined entity given Mittal Steel's existing activities in North America. Arcelor strongly stated that it considers Dofasco a highly valuable and strategically important investment for both Arcelor and the combined entity notwithstanding Mittal Steel's existing North American activities, that it considers the retention of Dofasco to be in the corporate interest of Arcelor, that it does not in fact control the Dutch foundation that actually owns Dofasco, and that it could not and would not agree to cause the foundation's dissolution to sell Dofasco. (See The Offer Agreement between Mittal Steel and ThyssenKrupp regarding Dofasco.)

In light of this serious disagreement and in order to permit the revised Offer to proceed for the benefit of their respective shareholders, the Parties agreed that, if the revised Offer is consummated, Mittal Steel will once again submit the question of the sale of Dofasco to Arcelor's Board of Directors (which shortly following settlement of the Offer will have the same composition as Mittal Steel's Board of Directors) for further consideration and decision. Any decision to dissolve the foundation and sell Dofasco is (1) subject to approval of Arcelor's Board of Directors, which, as an essential condition of Arcelor's entering into the Memorandum of Understanding, will consider the matter solely in light of the corporate interest of Arcelor, and (2) subject to the unanimous approval of the foundation.

Mittal Steel remains firmly committed to compliance with its agreements with the Department of Justice and with ThyssenKrupp. Although there can be no assurance, Mittal Steel believes that, when the new Arcelor Board of Directors considers all of the circumstances, including these agreements, it will conclude that sale of Dofasco is in the corporate interest of Arcelor. In any event, however, Mittal Steel believes that, if it acquires a majority of the shares of Arcelor and if the Department of Justice decides that an antitrust remedy is necessary, (1) the agreement with the Department of Justice will apply to Arcelor and any successor Company, and (2) Arcelor will have to comply with the agreements to divest Dofasco, including by using its best efforts to cause the dissolution of the Dutch foundation.

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Extraordinary Meetings of Shareholders

The Parties have agreed that upon completion of the Offer, each of Arcelor and Mittal Steel will convene an extraordinary meeting of shareholders (EGM) at the earliest practicable date to adopt the following corporate governance and other changes:

- (i) the Board of Directors will consist of up to 18 members;
 - (ii) all members of the Board of Directors will be non-executives;
 - (iii) at least one-half of the Board of Directors will be composed of independent directors;
 - (iv) the Audit Committee will consist only of independent directors;
 - (v) the Controlling Shareholder will be entitled to representation on the Board of Directors proportional to its shareholding (subject to the provisions of the Memorandum of Understanding);
 - (vi) the Articles of Association may be amended from time to time by a general meeting of shareholders subject to the quorum and majority requirements provided for by applicable law, except the provisions of the Articles of Association relating to the matters set out in (i) (v) above, which may only be amended by a vote of shareholders representing two-thirds of the relevant company's voting rights; and
 - (vii) the election of the initial Board of Directors as nominated in the manner set forth above.
- In addition, the agenda of Arcelor's EGM shall also include the reduction of Arcelor's authorised capital to the amount of issued share capital immediately upon completion of the Offer.

Termination of the Memorandum of Understanding

The Memorandum of Understanding may be terminated pending completion of the Offer as follows:

by mutual written consent of the Parties;

by either Mittal Steel or Arcelor, if Mittal Steel withdraws the Offer based on a failure of any of the Offer conditions to be satisfied or waived;

by either Mittal Steel or Arcelor, upon a material breach of the representations and warranties made by the other;

by Arcelor, if either Mittal Steel or the Controlling Shareholder materially breaches the Memorandum of Understanding and such breach is not cured promptly;

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by Mittal Steel, if Arcelor materially breaches the Memorandum of Understanding and such breach is not cured promptly;

by the Controlling Shareholder, if the Company materially breaches the Memorandum of Understanding and such breach is not cured promptly;

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by Arcelor, upon the occurrence of a material adverse change relating to Mittal Steel;

by Mittal Steel, if the condition as to the absence of a material adverse change concerning Arcelor is not met; or

by Mittal Steel, if the Arcelor Board withdraws its recommendation of the Offer as a result of a Superior Offer.

Miscellaneous

Enforcement

The Memorandum of Understanding provides that in the event of a breach by the Controlling Shareholder of covenants benefiting the Company or Arcelor or Arcelor's stakeholders following completion of the revised Offer, the Memorandum of Understanding shall be capable of being enforced by the independent directors acting through the Company.

Governing Law

The Memorandum of Understanding is governed by and construed in accordance with the laws of Luxembourg without giving effect to the principles of conflicts of law thereof.

Jurisdiction

Any dispute relating to the conclusion and performance of the obligations contained in Memorandum of Understanding, its interpretation and validity is subject to arbitration under the rules of the International Chamber of Commerce. The language of any arbitration will be English and the seat will be Brussels.

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THE OFFER

Rationale for the Offer

Introduction

Mittal Steel believes that further consolidation in the global steel industry is both highly desirable and inevitable. Despite a trend toward increasing consolidation over the past several years, the industry remains too regional and fragmented in relation to the many challenges that it faces, including increased globalization and concentration of end-market customers and raw material suppliers, the need to expand energetically into emerging markets where future growth will be highest, the drive for greater economies of scale in plant utilization and research and development (R&D), and the overall objectives of reducing earnings volatility and creating sustainable returns on capital. Arcelor's senior management has similarly noted the need and desirability of industry rationalization and consolidation.

In this light, Mittal Steel considers that the combination of Mittal Steel and Arcelor (together, the Group) has a strong strategic and economic rationale. It represents a step change in consolidation, which will bring together two largely complementary businesses both in terms of geographic presence and product offerings, to create a European-based, leading global steel supplier with approximately 10% of worldwide crude steel production. In doing so, Mittal Steel believes that the combination will lead to better service to a globalizing customer base, more effective purchasing from concentrated suppliers, lower production costs, enhanced R&D, better resistance to volatility in what traditionally has been a highly cyclical industry, and improved access to growth opportunities in emerging economies.

Mittal Steel expects the combination to generate cost synergies in the range of \$1.6 billion (1.3 billion) on an annualized basis by 2009 (approximately 2.2% of the Group's sales in 2005) from a combination of purchasing savings and (\$560 million), manufacturing and process optimization (\$470 million), and marketing and trading (\$570 million).

Moreover, because there is very limited overlap between the two companies' existing facilities and operations and because Arcelor is already performing well overall, Mittal Steel sees no need for significant restructuring programs or other changes in Arcelor's existing business beyond what has already been announced by Arcelor's management. Indeed, the impact of the combination on Arcelor's European operations will be positive. Mittal Steel plans to respect fully all of Arcelor's social commitments, to maintain and possibly expand the role of European R&D in a more global company, to continue to partner with public laboratories and universities, and to continue investments to maintain the high performance levels of existing facilities.

If less than 50% of the total issued share capital and voting rights of Arcelor is tendered in the Offer as required to satisfy the Minimum Tender Condition described in Terms and Conditions of the Offer Conditions to the Offer; Possible Withdrawal of Offer below, Mittal Steel has the right to waive this condition and purchase the tendered securities anyway. Any such decision would depend on an evaluation of all the circumstances prevailing at the time. In any such case, however, Mittal Steel would be an important shareholder of Arcelor, and there would be a substantial basis for cooperation between the two companies, allowing each of them to realize a significant portion of the mutual benefits described herein.

This section includes forward-looking statements. Please see in this regard the section entitled Cautionary Statement Concerning Forward-Looking Statements included elsewhere in this prospectus.

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Factors Driving Consolidation in the Steel Industry

As evidenced by numerous statements by both Mittal Steel and Arcelor, both companies see industry consolidation as an important strategic objective. The proposed combination would turn both companies' vision into reality for the benefit of all stakeholders.

The steel industry remains fragmented despite gradual consolidation over the past decade. From 1993 to 2004, the top ten producers' global production share grew from 20% in volume (with production of roughly 140 million tonnes) to 28% (approximately 300 million tonnes). The top five steel producers commanded a 19% share of the global market in 2004 by tonnes of steel produced. Market leader Mittal Steel accounted for only 5.6% of the global production, while Arcelor, the second-largest producer, had a 4.4% share. Nippon Steel (Japan), Posco (Korea) and JFE Holding (Japan) each had shares of approximately 3%, by volume. (Source: Metal Bulletin Magazine, *Top Steelmakers of 2004*, dated March 21, 2005).

Compared to other asset intensive industries, steel is far behind in the consolidation process. The top five steel producers account for roughly 20% of the global production, versus roughly 70% for the top five automotive manufacturers and about 35 to 40% in aluminum or copper. (Sources: AME Mineral Economics, quoted in PricewaterhouseCoopers, *Forging Ahead: Mergers and Acquisitions Activity in the Global Metals Industry*, 2005; Citigroup, *M/Metals Prospects*, March 2006.)

Today, most of the large steel companies are 20 to 50 million ton regional producers that are seeking to become increasingly multi-regional. Mittal Steel is the most global producer, with a presence in four regions and customers in over 150 countries. Mittal Steel's sales are balanced across regions, while those of other leaders tend to be concentrated in specific regions, such as Asia, North America or Europe. Arcelor, the second-largest producer, operates primarily in Western Europe and South America (Brazil and Argentina). Arcelor's acquisition of the Canadian company Dofasco is an attempt to develop a position in North America. Arcelor currently has limited exposure to Eastern Europe, Africa and Asia, which offer promising growth opportunities to steel producers.

In Mittal Steel's view, there are five powerful forces driving consolidation.

1. Globalizing and Consolidating Customer Industries.

The emergence of clear global industry leaders will create benefits for globalizing customer industries: global products, seamless service capabilities, global quality assurance and processes, and critical mass in R&D for faster new product and solution development. The automotive industry, a major purchaser of steel (around 20% to 25% of total steel output in mature markets—source: GIA, *Steel: A Global Strategic Business Report*, January 2006), has seen increasing consolidation, as manufacturers seek to achieve economies of scale, expand and globalize model lines, diversify risk, and optimize costs. In 1970, there were 57 independent car manufacturers; in 2000, only 13 major producers. It is Mittal Steel's expectation that, by 2015, only six to eight such producers will remain. Automotive manufacturers are also pursuing global strategies. Volkswagen and Toyota, for example, produce 60% to 70% of their vehicles outside their home market, and international production is growing faster than their domestic production. The share of global producers (present in more than two regions, e.g., Toyota, Daimler-Chrysler, Renault-Nissan) has been rising. In 2000, they produced 45% of all vehicles; they produced 62% in 2005. That percentage is expected to reach nearly 90% in 2020 (Source: JD Power, *Global Car and Truck Forecast*, Q2 2005).

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Automotive manufacturers' tendency to locate their production sites in emerging countries is also significant. This is due in part to stronger demand than in mature markets. For instance, Renault's fastest growth in 2005 took place in Eastern Europe, where its volume increased by about 50% (source: Renault press release, January 2006), spurred by the popularity of its cars in Romania and the launch of the Logan in Russia. In June 2005, Toyota and PSA jointly established a plant in the Czech Republic.

Global customers increasingly require suppliers to follow them into new regions in order to limit transportation costs, inventory, and risk, and to allow them increased flexibility, lower production costs and consistent quality. For example, Bosch, like many other automotive component suppliers, is investing in Central and Eastern Europe to gear up for the manufacturing expansion taking place there.

Similar changes are taking place in the white-goods industry (which consumes around 15% to 20% of total steel output in mature markets Source: GIA, Steel: A Global Strategic Business Report, January 2006). In the 1980s, 350 white-goods manufacturers competed in Europe. By 2000, only about 15 remained (source: Lambert & Gillan, University of Western Australia and Nichols & Cam, The World of White Goods, 2005; companies' annual reports). Global producers accounted for about 30% of the goods in 1990 (Source: Lambert & Gillan, University of Australia and Nichols & Cam, The World of White Goods, 2005; companies' annual reports); by 2015, they are expected to produce more than one-half of global supply. Manufacturers' trend toward off-shoring in emerging countries is also very clear: Electrolux currently operates plants in eight low-cost countries, one-half of which are in Eastern Europe. Whirlpool already manufactures around 50% of its output in emerging markets and has increased its investment to levels not seen since the late 1990s, expanding in Mexico and Poland.

Global customers increasingly require global framework contracts, demanding consistency of products and services across different regions to achieve the same quality standards on a global basis. At present, both Arcelor and Mittal Steel negotiate long-term contracts with their customers in industries such as automotive or white goods, and set up international coordination and partnerships to achieve global reach. The possibility and desirability of entering into long-term supply contracts depends upon a number of factors, including the maturity of the market, the role of steel in the customers' procurement mix and the relative importance of price versus other factors in the buying decision. Long-term contracts are more commonly used in developed markets, such as North America and Western Europe, and in sectors requiring uniformly high quality, such as automotive and appliances, than in other markets.

Thus, in fiscal 2005, Mittal Steel realized approximately 45% by volume of its sales in the Americas (primarily the United States) under long-term contracts (defined for internal record-keeping purposes as contracts having a term of six months or greater), while Arcelor realized approximately 52% by volume of comparable flat carbon sales in Western Europe under long-term price contracts (defined by Arcelor as contracts having a term of 12 months or greater). Overall, approximately one-third by volume of each of Mittal Steel's and Arcelor's worldwide shipments of flat and long carbon steel in 2005 were under such respective contracts as described above.

2. Consolidation Provides Greater Bargaining Power with Highly Concentrated Supplier Industries.

Several suppliers to the steel industry have disproportionate negotiating power over raw materials. Raw materials represent approximately 50% of steel producers' purchasing expense. The markets for these materials, meanwhile, are often consolidated. In sea-borne iron ore trade, which represents 20% of raw materials costs for steel producers, three companies (CVRD, Rio Tinto, BHP Billiton) together control more than 70% of the market. In coking coal, which accounts for about 15% of raw materials costs, nearly 60% of exports are controlled by only five companies (including Rio Tinto and BHP

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Billiton). The picture is similar for other metals representing about 20% of raw materials costs: the top ten producers of zinc control over 50% of sales (source: RBC Capital Markets, *Metal Prospects: 2006 Zinc Market Outlook*, December 2005; Citigroup, *Zinc and Lead Market Outlook*, February 2004). And 50% of nickel is sold by four producers (Norilsk, BHP Billiton, Inco & Falconbridge sources: RBC Capital Markets, *Metal Prospects: 2006 Nickel Market Outlook*, December 2005; companies annual reports). By contrast, Mittal Steel and Arcelor together represent only about 10% of total steel production.

The disproportionate bargaining power wielded by suppliers enables them to obtain price increases from steel producers (*e.g.*, in 2005, prices of coking coal and iron ore increased by 111% and 71%, respectively) even against a backdrop of falling steel prices. (Source: Morgan Stanley, *Basic Materials: Global Supply/Demand Outlook Through 2009*, December 2005)

In addition, beyond pure commercial relationships, a more consolidated steel industry will be in a better position to establish true partnerships and therefore develop more integrated relationships with raw materials suppliers (*e.g.*, joint process improvement for logistics optimization).

3. Growth Prospects Differ Significantly from Region to Region and Large Producers in Mature Regions Need to Pursue New Growth Opportunities.

Mature regions (North America, Western Europe, Japan) are expected to experience relatively slow growth in coming years. In these regions, volume growth from 2005 to 2015 is expected to be about 1.8% annually in North America, 1.9% annually in Europe (excluding CIS and Russia) and 1.0% in Japan (source: Dexia Report, September 29, 2005). The mature regions are less fragmented than the developing regions.

Production in many developing countries is fragmented, in particular the BRICET countries Brazil, Russia, India, China, Eastern Europe and Turkey. For example, the top ten Chinese steel producers together represent barely 30% of the Chinese steel market, with the top producer, Baosteel, accounting for only 7% of the market.

In addition, the BRICET countries are expected to contribute most of the growth in the steel industry (over 5% per year) over the next decade. For example, from 2005 to 2015 the Chinese steel market is expected to grow at a rate just under 7% per year, and India at a rate just over 7% per year. (source: Dexia Report, September 2005)

In order to pursue new growth opportunities, large producers in mature regions seem to be following two approaches: filling their gaps in developed countries and expanding in developing countries (particularly BRICET countries). The recent competitive bidding for the same companies, such as Ukrainian Kryvorizhstal (eventually acquired by Mittal Steel) and Turkish Erdemir (eventually acquired by OYAK, a Turkish industrial conglomerate), is illustrative of the growing importance of increasing presence in the BRICET countries.

As noted above, most large producers operate in developed mature regions, where growth opportunities will remain limited in the next decade. The exception is Mittal Steel, which has invested in emerging countries for many years: starting in Latin America in Mexico in 1992, in Kazakhstan in 1995, in Africa in 2001, in Central and Eastern Europe from 2001 onwards (up to its recent acquisition of Kryvorizhstal in Ukraine). Most recently Mittal Steel has entered China through a shareholding in

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Hunan Valin, and Mittal Steel also signed a memorandum of understanding with the Government of Jharkhand in India to develop a 12 million tonnes per year steel plant and an iron ore mine. Mittal Steel is currently preparing a detailed project report (DPR), the estimated duration of which is 18 months, to identify the location of the steel plant, iron ore and coal mines and water sources. It is expected that the first phase of the project would be completed within 48 months once the DPR is completed and found acceptable to both Mittal Steel and the Government of Jharkhand, and the second phase within a further 54 months after completion of the first phase. Arcelor has followed a similar track: it acquired a significant stake in CST in Brazil in 1998, Acindar in Argentina in 2004 (through Belgo Mineira) and Huta Warszawa in Poland in 2005, three transactions which underscore Arcelor's announced intention of expanding as well in the BRICET countries.

4. Consolidation Fosters Economies of Scale, Better Returns, and Greater Ability to Sustain R&D Investments.

Large steel producers can specialize their plants on certain types of products and thus create more value from their assets. Plants dedicated to either high-end or commodity products, for instance, generally perform better than generalist plants making both, because they can eliminate costs of switching equipment to handle the different kinds of output. Large producers are also better equipped to improve manufacturing excellence, because they can share best practices and perform internal benchmarking across a wider number of sites. In addition, with large networks of plants, it is easier to cost-effectively manage the supply chain, because increased scale helps companies improve product flow, lower logistics costs and manage inventory better. Investments in innovative products, technologies and additional R&D can be amortized on a larger scale.

5. Consolidation Reduces Volatility and Creates a More Stable Industry.

The steel industry has suffered considerable volatility for many years. Larger producers, having better visibility into their end-markets, are better able to balance supply and demand.

New Industry Configuration

As a result of the above factors, Mittal Steel believes that the global steel industry will reconfigure during the course of the next decade into a three-tier structure comprised of (1) a small number of large global manufacturers operating in both mature markets and throughout the BRICET countries and producing over 150 million tons per year, (2) a number of mid-size regional manufacturers that are primarily focused on their regional markets and producing up to 100 million tons per year, and (3) smaller local producers focusing on one or a few countries and very specific product lines.

Mittal Steel believes that the large global producers will have a number of common characteristics:

Global production in excess of 150 million tonnes. Mittal Steel believes that growth rates combined with consolidation trends will move the leadership threshold closer to 150-200 million tonnes by 2015. This target represents 12 to 15% of the global steel market expected by 2015.

Strong business relationships with increasingly global customers. Customers of large steel companies are also globalizing and consolidating. That makes global key account management, including services through state-of-the-art downstream operations, distribution and global product capabilities, even more crucial. As an example, Renault and Nissan have merged their purchasing organizations into RNPO (Renault-Nissan Purchasing Organization) and are rationalizing their common suppliers' panel. For each product category, their objective is to have a restricted number

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of suppliers (between three and five). RNPO wants most suppliers to be global so they can work closely with them to develop products and have those products made by the same supplier in all Renault-Nissan production locations. (Source: Financial Times, March 2005; Automotive News, June 2002 and March 2005)

Multi-regional operations to capitalize on R&D and process innovations. Innovation will become critical, as customers increasingly demand higher product quality, sophistication, and even customization. Approximately 40% of the steels which will exist in five years do not exist yet, and 40% of steels which exist today will have disappeared in five years. And steels of tomorrow will undoubtedly be composite steels, predicts Michel Lahousse, head of Arcelor Research, in Lorraine (source: Les Echos, October 2005). The most successful companies will be those that develop and keep introducing innovative products.

Global footprint to capture BRICET countries' growth and benefit from low-cost operations. As described above, future growth in demand for steel is expected to be highest in the BRICET countries, spurred by the increasing local need for steel-based products (construction and infrastructure, cars, appliances, etc.). Leading producers will also need to reduce their production costs to meet competition from emerging countries by tapping into these currently low-cost production areas, including for semi-finished products such as slabs.

Integration into mining operations. Raw materials represent a large portion of the industry's cost structure, and integrating upstream will reduce raw material price volatility (hedging). This has been one of the key elements of Mittal Steel's strategy over the last 15 years. More recently, other large competitors have adopted this strategy. Nippon Steel acquired 28% of Beasley River iron ore mines in Australia, which it will operate jointly with Rio Tinto, one of the world's largest iron ore producers (source: JCN Newswire, April 2004). It also acquired an 8% stake in Hail Creek Joint Venture, which operates a new mine that produces high-grade coking coal. Following the same strategy, Posco will have access to 600 million tonnes of iron ore reserves for captive consumption in its future Indian steel plant in Orissa (source: The Press Trust of India, October 2005).

World-class sustainable development practices and operational excellence. Knowledge sharing and technology transfer will improve operational performance. A significant part of Mittal Steel's success has stemmed from its ability to share experiences and best practices across the whole group between units spread around the world (*e.g.*, Kazakhstan, Romania, South Africa, Algeria, USA, Western Europe, Trinidad). Continuous improvement is a key driver within Mittal Steel and it is supported by a knowledge management program, detailed benchmarking, process development and inter-plant visits of technical experts. Meanwhile, emerging countries' top producers are quickly catching up with the technological advances made by leaders in developed countries. Sustainable development practices will be essential to equip the organization to respond most effectively to the needs and priorities of all its stakeholders, including their communities.

Mittal Steel believes that large transactions, such as the combination with Arcelor, can create a global leadership position faster, more efficiently and with less risk than a series of medium-sized acquisitions and organic growth. With ongoing consolidation in the steel industry, attractive acquisition targets are becoming more scarce, which has inevitably led to greater competition for a decreasing number of companies. Organic growth combined with small acquisitions will not be sufficient to reach truly global size. Therefore large acquisitions are imperative. Dofasco represents a significant acquisition for Arcelor and yet only contributes an additional 5 million tonnes to Arcelor's annual production. Similarly, Mittal Steel's recent acquisition of Mittal Steel Kryviy Rih (Ukraine) added just

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7 million tonnes, although with scope for expansion. Reaching the size of between 150 and 200 million tonnes will require larger transactions.

Mittal Steel and Arcelor are Highly Complementary

For a summary of the respective businesses and operations of Mittal Steel and Arcelor, see [Information about Mittal Steel](#) and [Information About Arcelor](#).

1. Arcelor and Mittal Steel have been Following a Similar Strategy in Recent Years with Respect to Growth by Acquisitions, Particularly in Emerging Markets.

From a strong foundation in mature markets (Western Europe and North America for Arcelor and Mittal Steel, respectively), and some existing operations in selected BRICET regions (Latin America and Eastern Europe for Arcelor and Mittal Steel, respectively), both companies are aiming to expand into other BRICET countries. For example, both bid for the same companies on several occasions: Ukrainian Kryvorizhstal and Turkish Erdemir (eventually acquired by OYAK, a Turkish industrial conglomerate).

In terms of growth by consolidation and expansion in developing regions, Mittal Steel has been a pioneer, acquiring over 20 companies of various sizes and activities, and in a variety of world regions, over the last 15 years (see details in [Item 4D Information on the Company Property, Plant and Equipment](#) of Mittal Steel's Annual Report on Form 20-F, incorporated by reference herein, for a summary of Mittal Steel's existing operations in various countries). As a result of these acquisitions, Mittal Steel has a strong presence in the United States, Central and Eastern Europe, Central Asia and Africa, and has now oriented its development towards Asia.

Similarly, Arcelor has grown significantly through major acquisitions from 1984 to 2002, mainly in the European region (where it generates 77% of its revenues as the leading producer of crude steel, with a 16% market share in 2004). Recently, Arcelor demonstrated its desire to grow in developed countries by acquiring Dofasco in February 2006 for C\$5.6 billion, and has indicated a commitment to growth and consolidation in developing markets, particularly the BRICET countries. Arcelor's senior management recently stated the goal of increasing its crude steel production to 80 million tonnes over the next ten years, emphasizing that growth would be targeted at lower-cost regions abroad.

2. Mittal Steel and Arcelor are Committed to Substantial Levels of Capital Investment.

Conscious of the capital intensity of the steel industry, Mittal Steel practices disciplined capital management. It seeks to make prudent and focused capital investments to enable operational improvements and to move up the value chain. This investment represents a commitment to maintaining its existing asset base at a competitive level of productivity and quality while growing capabilities in important geographic and market segments. Capital expenditure has increased with the company's growth from \$898 million in 2004 to \$1.2 billion in 2005 and a budgeted \$1.7 billion in 2006. The bulk of the capital expenditure in 2004 and 2005 was directed at sustaining maintenance and upgrading and modernizing plant and equipment. See [Item 5B Operations and Financial Review Liquidity and Capital Resources](#) of Mittal Steel's Annual Report on Form 20-F, incorporated by reference herein, for details of Mittal Steel's capital expenditures in 2004 and 2005 and projected in 2006.

Arcelor's capital expenditures amounted to 1.4 billion in 2004 and 2.1 billion in 2005. The increase from 2004 to 2005 can mainly be attributed to a 600 million development capital expenditure

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in Brazil (capacity expansion of 2.5 million tonnes per year). Other identified projects include capital projects to sustain operations as well as capacity expansions and investments to enable the industrial restructuring plans in Belgium.

In the main areas of carbon steel production, flat products and long products, capital investment rates in the two companies were \$21 per ton for Mittal Steel and \$25.6 per ton for Arcelor in 2004 source: Mittal Steel and Arcelor 2004 annual reports. Much of the difference on a per ton basis is explained by the different geographies in which the capital was spent. Arcelor's investments were concentrated in the developed world, where a larger proportion of the capital expenditure goes to labor. For example, Mittal Steel's reline of Blast Furnace #7 in the USA cost \$100 million, of which 55% was directly attributable to the labor and professional services component. In comparison, a similar reline of Mittal Steel's Blast Furnace #4 in Kazakhstan cost \$40 million, of which only 24% was directly attributable to labor. The direct difference in labor was therefore almost \$40 million on a \$100 million blast furnace reline.

3. The Combination of Mittal Steel and Arcelor will be Highly Beneficial for Both Parties.

The Group will have a clear leadership role in serving global automotive customers.

A global footprint will be required to be a successful leader for global customers. The automotive industry, which represents 20% to 25% of steel output in mature markets, is the main end market for high-end products. Automotive manufacturers in the United States, Japan and Europe are becoming increasingly global and require their suppliers to provide them with the same quality standard products on a global basis.

The complementary footprint and product offering of Mittal Steel and Arcelor will give the Group a clear leadership position in the automotive industry. The Group will be an industry leader better able to serve US and European auto manufacturers, and will enable the Group to match the more global offerings of leading suppliers of alternative materials such as aluminum and plastics. The respective businesses of Mittal Steel and Arcelor show a high degree of complementarity in that they are focused on similar customers and similar products but in different geographical markets. Both Mittal Steel and Arcelor have similar overall growth plans for developing markets but have started in different locations, and both companies favor greater vertical integration but Mittal Steel is more developed upstream while Arcelor is more developed downstream.

Flat carbon steel products. Mittal Steel is the leading steel supplier to the North American automotive industry, providing a portfolio of sophisticated high-end products, including Ultra High Strength Steels (UHSS) and Advanced High Strength Steels (AHSS). Approximately 67% of Mittal Steel's US production is classed as value-added (*i.e.*, products other than simple hot-rolled coil). In the United States, Mittal Steel sells roughly 50% of its steel under term contracts (*i.e.*, contracts with a term of six months or longer). Arcelor enjoys an equivalent leading position in the Western European automotive market, with similar levels of value-added business and 52% of sales under term contracts (*i.e.*, contracts with a term of twelve months or longer). In addition, Mittal Steel has a strong presence in the higher growth markets of Central and Eastern Europe, Central Asia and Africa, while Arcelor has a strong presence in South America (Brazil). Mittal Steel believes that there are numerous possibilities for successful collaboration. For example, Arcelor's announced Apollo restructuring plan envisages supplying low-cost slab from

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Brazil to its Western European mills. Mittal Steel's plants in Eastern Europe (including Mittal Steel Kryviy Rih in the future) and Africa could offer a more diverse and potentially lower cost option to fulfill this requirement. (This may be one reason that Arcelor also bid in the October 2005 auction of Kryvorizhstal, the predecessor of Mittal Steel Kryviy Rih.) Further, Mittal Steel's and Arcelor's respective plants across Europe can complement each other to provide a full range of products to the growing market in Central and Eastern Europe.

Long carbon steel products. Mittal Steel and Arcelor have complementary footprints, with limited geographical overlap, in long carbon steel products. Mittal Steel is present in North America and Africa, while Arcelor is present in South America. In Europe, both companies have a presence, but with limited overlap. The complementary footprints provide opportunities for better market coverage. For example, in wire rod, Arcelor has operations in Spain and Poland, while Mittal Steel has operations in France, Germany, Poland and the Czech Republic. In sections, Arcelor has operations in Spain, Italy, France, Luxembourg and Germany, while Mittal Steel has operations in Poland, the Czech Republic, Romania and Bosnia.

Along the value chain, the two companies have complementary positions. Mittal Steel is more vertically integrated upstream, providing access to raw materials supply, while Arcelor is more integrated downstream. Arcelor has stated a goal to develop its downstream business in Eastern Europe, where Mittal Steel has the upstream operational presence to complement this objective; downstream distribution businesses would be strengthened by such close proximity to production plants.

Mittal Steel's production presence in higher growth countries of Central and Eastern Europe, Africa and Asia, where construction is a major driver of growth, offers a complementary position to enhance the international growth prospects of Arcelor. Arcelor's stated strategy is to attempt to grow in the BRICET countries. In a number of these countries, Mittal Steel already has a leading presence, providing operational experience in those markets.

R&D and product offerings are complementary.

Both Arcelor and Mittal Steel have the capabilities to produce innovative high-end products in partnership with customers. High-end products are steel products that require advanced and refined processes to match clients' specifications. They usually involve licensed processes and significant R&D investments. Since the most demanding clients are the automotive original equipment manufacturers (OEMs) and suppliers, steelmakers must be able to cooperate with auto manufacturers at the early stage of vehicle design to be competitive.

Steelmakers must have R&D capabilities to drive innovation and growth. This is especially true in the automotive segment, where Mittal Steel has a leading position in the United States and Arcelor has a leading position in Western Europe. Steel once represented up to 75% of the car body structure, but has now fallen to 50%. Already, steelmakers have introduced lighter and more resistant steels (High Strength Steel), Ultra High Strength Steels (UHSS) and Advanced High Strength Steels (AHSS). UHSS and AHSS prices per sheet are higher than those of ordinary steel, but these steels actually help to reduce automobile manufacturing costs. For example, product development has helped the steel industry in the United States to regain lost market share for steel wheels at the expense of aluminum. In construction, product development and marketing efforts should capture latent demand given the different intensity of steel usage in construction around the world.

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Arcelor has five R&D centers focused on flat carbon steel and four on stainless steel. Arcelor flat carbon steel research centers are addressing the industrial, packaging and automotive end markets' challenges, and also investigating how to decrease OEM's manufacturing costs. The two R&D centers in Metz, France, and Asturias, Spain, are core knowledge centers dedicated to the development of fundamental metallurgical processes and product knowledge, as well as to cutting edge topics such as artificial intelligence and nanotechnology.

Mittal Steel has R&D expertise in both product development and manufacturing processes. Mittal Steel currently employs over 500 professionals devoted to R&D activities and is actively recruiting additional professionals. It operates two primary R&D centers. One, located in East Chicago in the United States, focuses on steelmaking and flat products. The other, in Gandrange, France, focuses on long products. The centers' activities include process technology development, the development of steels with special properties, and product research and application development. Mittal Steel is currently working on establishing a third R&D hub in the near future: the Central and Eastern European technical center, in Poland. This new facility will be focused on process research.

In Mittal Steel's vision, R&D centers have a dual role, acting as centers of excellence dedicated to specific products and processes, and supporting business units located in the same regions. This allows for specialization while maintaining close proximity between R&D centers and production units.

R&D synergy between Mittal Steel and Arcelor. The expertise of both groups in the various applications and end-markets, along with the large R&D divisions of the Group in Europe and North America, can be combined to generate new leverage and market opportunities from the cross-sharing of experience. For example, production of Ultra High Strength Steels with low elongation developed in North America could be transferred to the Arcelor operations in Western Europe. Serving the needs of a larger, more diverse group of global customers would enhance the role of all the R&D centers. And the increased scale and diversity of technologies used and products made would provide additional opportunities for knowledge transfer. Here, the scale and diversity of operations would add impetus to efforts to improve energy efficiency, as well as the environmental profile of steel operations. Finally, fundamental product and process research would have a better return on investment as it would be applied across more operations. Centers of excellence, which would specialize in unique kinds of expertise, would generate intellectual property that all R&D centers and business units could use. Both Mittal Steel and Arcelor R&D have partnerships with public institutions and universities. Mittal Steel expects that these partnerships will be enhanced in the future.

Mittal Steel believes that its position in raw materials would be an asset for the Group, enabling it to better absorb cyclical fluctuations in demand and to reduce volatility. Economic performance varies along the value chain. Extraction activity benefits from a consolidated market on the one hand and raw materials' increasing scarcity on the other. As a consequence, leading ore miners have enjoyed higher margins than leading steel producers in recent years (source: leading mining and steel companies' 2004 annual reports).

Extraction operations' performance depends on demand for raw materials, which has grown with China's economic expansion. At the second stage of the value chain, steelmakers confront two major risks, increased raw material costs and tightening of supply.

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Arcelor would benefit from Mittal Steel's proprietary access to raw materials and ability to optimize costs. Mittal Steel is one of the world's most self-sufficient steelmakers. In 2005, on a pro-forma basis after giving effect to Mittal Steel's acquisition of ISG, approximately 56% of its iron ore requirements and approximately 42% of its coal requirements were supplied from its own mines or from long-term contracts at many of its operating units. Moreover, Mittal Steel is actively developing its raw material self-sufficiency, including through recent initiatives to gain access to iron ore deposits in Liberia and Senegal, and expanding its existing iron ore sources in various parts of the world including Ukraine. Production is expected to grow following recent acquisitions of mines. Mittal Steel satisfies approximately 81% of its own coke requirements. Moreover, in 2004 Mittal Steel produced more DRI and coke than it consumed (1.7 million tonnes of excess DRI and 1.1 million tonnes of excess coke).

Arcelor has recently bid (unsuccessfully) for Kryvorizhstal (Ukraine) and acquired Dofasco (Canada). Both of these companies own major raw material assets.

The Group could improve regional raw material supply and will enhance Arcelor's sourcing strategy. Mittal Steel believes the combination of Mittal Steel's and Arcelor's operations would lead to improved, internally purchased raw material supply. Arcelor's coastal upstream plants could be cost-effectively supplied by Mittal Steel's Liberian mines.

Arcelor's strong position in downstream distribution (A3S) would create benefits for both groups:

Arcelor's A3S distribution operations currently source externally 30% of the products it distributes, mainly in low-end products. Through its distribution and services capabilities, Arcelor sells steel produced by its own plants (70%) and steel bought from outside sources (30%). These external products are not available within Arcelor's group or are cheaper to source locally (compared with transporting them from Arcelor's plants).

Mittal Steel would be able to distribute its products through Arcelor's A3S division and to increase A3S intra-group sourcing, because its product lines and geographic footprint complement Arcelor's. That complementary footprint would enable the Group to source more internally, thereby reducing overall costs and increasing margins.

In addition, Arcelor has developed a strong expertise in custom steel solutions for the construction of major civil engineering, public works, and offshore projects through its subsidiaries Arcelor Projects and Paul Wurth. These subsidiaries would benefit from an extended portfolio of solutions and products, from the Group's increased R&D support and from an expanded network across the world.

The geographical range of the two groups is highly complementary:

The Group will operate 61 plants in over 27 countries. Arcelor is a leading producer in the Western European market, and has a strong position in South America. Mittal Steel's locations are complementary, with a leading position in the North American region, and strong footprints in Eastern Europe and Africa.

The combination will enable each group to fill its respective geographical gaps, and to join forces to develop in Asia (China and India), which is their shared future strategy. On top of this, both groups will benefit from their respective alliances.

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The combination of Mittal Steel and Arcelor will create a Group with a unique global footprint

The combination will redefine the industry.

The Group will be a global leader with a capacity of approximately 130 million tonnes, a production of 106 million tonnes and shipments of 97 million tonnes on a 2005 pro forma basis (including ISG and Mittal Steel Kryviy Rih on a full year basis but excluding synergies).

On an actual 2005 basis (*i.e.*, including ISG since April 15, 2005 and Mittal Steel Kryviy Rih since November 26, 2005), the production is 95 million tonnes and shipments are 87 million tonnes.

On a pro forma basis (*i.e.*, as if ISG and Arcelor had been acquired on January 1, 2005), 2005 revenues amount to roughly \$72 billion.

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The Group will have a production 2.9 times that of its nearest competitor, which comparatively provides the Mittal Steel-Arcelor combination with financial strength and ample resources.

2005 Shipments Breakdown per Region

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2005 Shipments Breakdown per Product Type

Within the 2005 pro forma shipments of 87 million tonnes, flat products account for 68%, long products for approximately 27%, while stainless products and pipes and tubes represent only 2% and 3%, respectively.

On a 2005 pro forma basis, the Group will count approximately 320,000 employees, of which 65% will be located in Europe, 13% in the Americas and 22% in Asia and Africa.

Mittal Steel believes that the Group will be well placed to benefit from further external growth opportunities. Mittal Steel believes that the proposed combination represents a unique opportunity for Arcelor to achieve such a large size and substantial synergies in a single transaction. In Mittal Steel's view, potential targets in Europe and North America lack a strong presence in emerging markets, and those in Asia and other regions lack global reach.

In sum, Mittal Steel believes that the combination will create a global industry leader, with unprecedented scale and growth opportunities and the opportunity to increase its technological advantage by strengthening its R&D to better focus on its customers' needs. Mittal Steel-Arcelor will be a leader in the automotive and domestic appliances industries. The Group will be able to bolster this strong product offering by deepening business relationships with its customers through a state-of-the-art global distribution network.

On the cost side, the global presence will allow further optimization of industrial operations. Mittal Steel believes that its access to low-cost production sites, as well as to mining assets, will afford some protection against fluctuations in raw material costs. In addition, the Group can realize significant synergies without major disruptions (see Intentions of Mittal Steel Regarding the Business of the Group Synergies below).

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Finally, as a result of Mittal Steel's strong presence in emerging countries, Arcelor's position in South America and the Group's prospective ability to invest heavily in China and India (funded both by prospective internal cash flows and by external financing), Mittal Steel believes that the Group will be able to take advantage of many of the world's strongest growth opportunities.

Intentions of Mittal Steel regarding the Business of the Group

Mittal Steel's Strategy for the Group

Mittal Steel's strategy for the Group is based on the following objectives:

Use a strong position in high-end products in mature economies (in the automotive, electrical appliance and packaging sectors) to build a global customer platform and capture future growth in BRICET countries.

Achieve cost leadership.

Maintain a high level of vertical integration along the entire value chain to hedge against raw material price fluctuations and to manage distribution in selected geographic regions.

Accelerate growth in BRICET countries to build a strong market position in developing economies worldwide, with the goal of significantly increasing global market share over the next ten years.

1. Use of a Strong Position in High-End Products in Mature Economies (in the Automotive, Electrical Appliance, and Packaging Sectors) to Build a Global Customer Platform and Capture Future Growth in BRICET Countries.

Mittal Steel believes that, together, Mittal Steel and Arcelor will have a very strong position with high-end customers. As noted above, customers for high-end applications, which are primarily based in mature economies, are becoming increasingly global and value suppliers' ability to deliver the same products everywhere. Automotive manufacturers, for example, can significantly reduce the cost of developing moulds if they can use the same grades of steel in all of their plants. Mittal Steel and Arcelor are well positioned to capture market share in mature economies through their presence in North America and Western Europe and their scale in R&D, which will allow them to invest and innovate faster to meet customer needs.

Mittal Steel and Arcelor must accompany their customers in emerging markets. Automotive, electrical and appliance manufacturers are expanding capacities in developing countries to serve rising local demand. The quality and service requirements of these customers in developing economies will quickly catch up with their current standards in mature economies. Mittal Steel and Arcelor are well positioned to serve this market. Their current combined presence in Brazil, in Eastern Europe, in Africa and Central Asia, as well as their prospective presence in China and India, make the Group the natural partner of automotive and electrical appliances manufacturers growing in emerging economies.

Mittal Steel believes that no other steel company in the world will have a similar reach. Steel companies in developing economies generally do not possess the know-how and technology to serve sophisticated customers such as automotive manufacturers. Other steel companies in developed economies lack a truly global footprint in mature economies combined with a growing presence in

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developing economies. The Group will be well positioned to leverage Mittal Steel's and Arcelor's developed-world product capabilities with its operations in the developing economies as the market needs develop.

In terms of industrial implications for the Group, Mittal Steel will remain committed to high-end products and will therefore maintain and reinforce the advanced R&D capabilities of both groups. In line with Arcelor's plans, European R&D centers will become global centers of excellence. Furthermore, Mittal Steel expects that the Group will maintain, and indeed strengthen, its R&D links with research institutes and universities located near these European centers of excellence. The objective is to generate growth for the Group on a global basis. This is quite different from the previous European mergers, which aimed primarily at reducing overcapacity in Europe.

2. Achieve Cost Leadership

Cost leadership is essential to ensure profitability throughout the economic cycle. Mittal Steel and Arcelor both pursue the goal of continental or global cost leadership. This will continue to be a driving force for the Group. Mittal Steel believes that the combination of Mittal Steel and Arcelor will result in synergies that will improve the overall cost position of both groups.

The Group will also benefit from the purchasing, marketing and trading synergies referred to in *Synergies*.

Mittal Steel expects capital expenditure to be more efficient in the Group. Some capital expenditure duplication will be avoided. This will liberate resources to fund other investments. Examples of capital expenditure optimization opportunities include the development of a distribution and service center network in Central and Eastern Europe.

The industrial implications of cost leadership will not be disruptive and will complement the existing improvement plans of each organization. Mittal Steel expects to implement Arcelor's existing restructuring plans in Europe. Mittal Steel is aware of four rationalization initiatives that Arcelor is pursuing or intends to pursue in Western Europe (carbon steel only) and subscribes to each of them. Mittal Steel will broadly follow the current plans, honoring all of Arcelor's social commitments. Mittal Steel does not see a need for further restructuring in Europe beyond the current Arcelor plans.

Mittal Steel's own cost improvement plans will continue. These include implementation of strategic investments and productivity improvements in Central and Eastern Europe, Asia and Africa, capturing of synergies from the ISG merger in the United States, and improvements at Kryviy Rih. These improvements will be supported by the Group's growing access to raw materials.

With respect to Arcelor's stainless steel facilities, Mittal Steel will review a range of options based on their structural cost-competitiveness. In general, Mittal Steel's strategy with all of its product lines is to become the world's leading producer. In the case of flat stainless steel, Mittal Steel will review whether Arcelor's assets provide the right platform for this objective. In its review of this sector, Mittal Steel will assess a wide range of options and believes that under Mittal Steel's ownership, the range of options open to the stainless sector will be enlarged. For example, when Mittal Steel purchased Unimetal, a long products company that was not profitable, from Usinor in 1999, Mittal Steel was able to make selective investments, improve performance and return it to profitability.

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Mittal Steel plans to continue to invest in Western European carbon steel plant productivity, in order to ensure long-term cost competitiveness through sustained investment, consistent with Arcelor's past practices. Examples of planned investment projects that Mittal Steel plans to continue include:

Strengthening the costal plants at Fos-sur-Mer and Dunkerque, France, to increase capacity and productivity;

Zaragoza, Spain, where Arcelor intends to double production in a new facility by 2007.

In general, Mittal Steel expects the Group to continue to invest in world-class low cost slab capacity. Both groups have plans to expand low-cost slab making facilities. Arcelor intends to increase slab capacity in Brazil in order to cover a slab short fall in Europe following a restructuring. Mittal Steel intends to increase its slab capacity in Mittal Steel Kryviy Rih (Ukraine), South Africa and Kazakhstan. These plants are already very competitive as a result of direct access to raw materials and low energy and labor costs. The combined entity will continue this strategy to the benefit of its plants in Europe, all of which will have access to low cost slabs.

3. Maintain a High Level of Vertical Integration along the Entire Value Chain to Hedge against Raw Material Price Fluctuations and to Manage Distribution in Selected Geographic Regions. Mittal Steel Believes that Integration Brings Numerous Benefits.

Upstream integration allows steel companies to hedge against raw material price fluctuations. Mittal Steel's strategy is to be highly vertically integrated through captive access to iron ore mining, coke production and DRI production.

Downstream integration allows steel companies to capture a greater share of value-added activities, particularly for high-end customers (such as automotive manufacturers) that tend to outsource more and more operations. It also puts steelmakers more in touch with their end markets and allows them to benefit from better marketing intelligence. Finally, in the downswing of an economic cycle, captive distribution channels provide a buffer against volume decreases. This is particularly true in Europe, where steelmakers tend to own distribution channels.

The Group will follow a strategy of upstream and downstream integration, where market conditions make that an attractive option. Mittal Steel expects to pursue a strategy of upstream integration, which will benefit Arcelor.

In Eastern Europe, Mittal Steel expects the Group to aggressively expand its distribution and steel service network, but with a higher capital efficiency due to avoidance of duplication of investment. In other parts of the world, Mittal Steel will carefully review the benefits of being present in distribution and leverage Arcelor's experience in distribution to make selective acquisitions and pursue organic growth.

4. Accelerate Growth in BRICET Countries to Build a Strong Market Position in Developing Economies Worldwide, with the Goal of Significantly Increasing Global Market Share over the Next Ten Years.

Mittal Steel expects that worldwide growth in steel demand will be driven largely by developing economies, and particularly the BRICET countries. The combined operations of Mittal Steel and Arcelor will give the Group a strong presence in Brazil, Eastern Europe and Africa. These countries and Turkey are a key area for growth for the Group.

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The Group will not yet, however, have a significant presence in India or China. In 2010, it is estimated that India and China will account for close to 40% of total world steel consumption (source: World Steel Dynamics, Global Steel Products Matrix forecasts to 2015, March 2005). It is therefore a priority for the Group, as it is for each group individually, to establish a strong presence in these two countries.

The combination of Mittal Steel and Arcelor will facilitate and accelerate growth in BRICET countries. Each company already has stand-alone plans to grow in developing countries and would also likely pursue additional growth opportunities in BRICET countries in the coming years (through acquisitions, joint ventures and start-up, greenfield projects). Joint development, however, will be faster and yield greater returns. Arcelor's track record of growth outside Europe is limited to Brazil (and, in 2006, North America). By contrast, Mittal Steel has grown chiefly through acquisitions and has developed significant capabilities in evaluating, planning, negotiating and executing large international projects. Arcelor could greatly benefit from this expertise.

Moreover, by uniting to bid for the same assets, Mittal Steel and Arcelor will improve their chances of success. With a larger presence in individual BRICET countries, the Group would also reap the benefits in distribution and customer service, and also better optimize logistics. Given the larger size and more global geographic footprint of the Group, geographic expansion would present a lower degree of risk. It is uncertain whether each group individually could achieve a significant presence in BRICET countries. Together, this goal is much more likely to be achieved.

In order to implement its strategy Mittal Steel aims to build a world-class organization, relying heavily on Arcelor's existing organization and employees in addition to its own.

Implications of Mittal Steel's Strategy for Arcelor

Employment

Mittal Steel anticipates no negative impact on the overall level of employment in Western Europe as a result of the combination. Unlike most acquisitions where there are significant overlaps in operations and the realization of synergies depends on reducing or eliminating such overlaps, in this case there are virtually no overlaps. The two organizations are almost entirely complementary.

Mittal Steel has publicly stated that it will respect all of Arcelor's commitments with respect to employment and other social and human relations policies. Mittal Steel intends to maintain existing Arcelor operations and employment in all current locations and, under the Memorandum of Understanding, Mittal Steel and Arcelor have agreed that there will be no restructuring plan, collective lay-offs or other employee reduction plan within Arcelor in the EU as a result of the integration of Mittal Steel and Arcelor, other than in connection with (i) Arcelor's announced restructuring plans and (ii) the remedy package agreed by Mittal Steel with the European Commission. Mittal Steel intends to implement such Arcelor restructuring plans as announced.

It is possible, moreover, that a detailed review of Arcelor's current plans may lead to increased employment in key R&D and management functions, as well as to possible delays in the implementation of selected upstream site closures. In particular, Mittal Steel anticipates that employment in R&D will increase as a result of the growth of the Group and the growing role of R&D within the Group. European R&D centers of excellence will become the R&D focus for the Group.

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R&D efforts will be a key element of the service strategy for global customers. It is expected that the deeper and broader application of R&D across a more diverse group of businesses in different regions will lead to enhanced employment opportunities.

Further, Mittal Steel believes that the overall growth of the Group will likely lead to increased employment in managerial positions in Europe, as has occurred following prior acquisitions in Central and Eastern Europe in the marked expansion of its Rotterdam corporate office. Finally, Mittal Steel has indicated that it would carefully review Arcelor's announced plan to close a mill in Liège, Belgium, in order to determine whether this closure might be delayed by linking the Liège mill to Mittal Steel's Central and Eastern European operations so as to facilitate specialization, and to use capital more efficiently.

The Memorandum of Understanding provides for employee representation on the Board of Directors of the Group (see *Intentions of Mittal Steel Regarding Corporate Governance and Corporate Structure* *Intentions Regarding Corporate Governance for the Group Board of Directors of the Group*). The practice of European works council will also be maintained.

Finally, in the Memorandum of Understanding, Mittal Steel and Arcelor have agreed to continue promoting employee share ownership in line with best corporate practices for continental European listed companies and to implement Arcelor's AESOPE plan in accordance with its terms.

R&D

The role of R&D will be enhanced, with European centers becoming global centers of excellence, which will then be able to leverage their experience over a larger organization. The current level of R&D spending will be maintained, and possibly raised as the overall size and scope of the business increases. Existing links with local universities and research institutes will also benefit from the increased role of European R&D centers as global centers of excellence.

Investments

Mittal Steel will continue to invest to maintain the high level of performance of current facilities. Duplication of capital expenditure in Central and Eastern Europe distribution and steel service centers will be avoided. This will lead to greater capital efficiency, with savings to be re-invested in other value-creation activities. Mittal Steel expects overall investment to be consistent with the combined levels of current expenditure on maintenance capital.

Aside from Arcelor's previously announced restructuring plans and the announced agreement to sell Arcelor's shareholdings in Dofasco to ThyssenKrupp if Mittal Steel acquires effective control of Arcelor (see *Agreement between Mittal Steel and ThyssenKrupp Regarding Dofasco* below), Mittal Steel does not intend to close, sell or discontinue any existing locations, activities, product lines or geographic areas. Mittal Steel's external growth policy will be to continue to make targeted investments and acquisitions, particularly in the higher growth BRICET countries.

Treatment of Arcelor Indebtedness

Mittal Steel will evaluate the external debt of Arcelor as soon as it has access to the details thereof. At this stage and based on public information, Mittal Steel has only limited knowledge of the financing structure and the terms and conditions of Arcelor's debt. If economically attractive, certain debts may be refinanced by a mix of external and inter-company financings. The eventual overall debt structure will also depend on whether and when Mittal Steel and Arcelor are merged.

Table of Contents***Synergies***

Mittal Steel expects to realize synergies of approximately \$1.6 billion (approximately \$1.3 billion) before taxes (2.2% of combined pro forma sales in 2005) on an annualized basis within three years of the combination from three sources: purchasing: about \$560 million (approximately \$455 million); marketing and trading: about \$570 million (approximately \$465 million) and manufacturing and process optimization: about \$470 million (approximately \$380 million). The magnitude of the expected synergies is in line with Mittal Steel's recent experience in the acquisition of ISG, is in line with the synergies reported by Arcelor following the merger of Usinor, Arbed and Aceralia, and is consistent with Arcelor's announced expectations for synergies with regard to its acquisition of Dofasco. There is no guarantee, however, that the Group will be able to realize these operational cost synergies in full or at all. Mittal Steel's inability, due to its lack of access to non-public Arcelor information, to assess loss contingencies and other items may affect or offset the amount of any potential synergies. Unrealized losses may diminish the benefits of the transaction even if no synergies are realized.

These synergies are in addition to the savings that are expected under the companies' respective existing plans to reduce costs.

Purchasing savings should amount to \$560 million (\$455 million) per year by 2009. They will be achieved through leveraging the combined size of the Group to negotiate better prices and reduced expenditures. Mittal Steel estimates that the total annual purchasing expense of the Group is currently approximately \$48 billion, including raw materials (scrap, various metals, and iron ore), maintenance, repairs and operations (MRO) (maintenance services, production subcontracting, spare parts, and steel consumables), logistics, energy, investment, semi-finished goods and general expenses. Synergies are expected in the categories of expenses where Arcelor and Mittal Steel could potentially share suppliers. This excludes very local categories (*e.g.*, energy, general expenses, some logistics and MRO costs) and categories in which Mittal Steel does not purchase significant quantities (*e.g.*, nickel and chrome that Arcelor purchases to make stainless steel). The \$560 million (\$455 million) savings estimate is based on a category-by-category review of such potentially shared suppliers. Where necessary for purposes of this review, Mittal Steel made good faith estimates of Arcelor information based on Mittal Steel's experience in the steel industry and Arcelor's public information.

Marketing and trading synergies should generate \$570 million (\$465 million) per year within three years. This is expected to be achieved by cross-selling through the companies' respective distribution networks and by optimizing the flow of semi-finished products, so as to reduce shipping and handling costs via shorter supply routes. This will allow the Group to absorb unused capacities, free-up other capacities and remove bottle-necks in its overall supply chain. The main sources of these synergies are savings on distribution costs, better capacity utilization of each company's distribution network via additional volumes, cross product flows between the two companies and substitution of products currently sourced from third parties. Savings will come from lower logistics costs due to shorter supply routes arising from the elimination of cross-product-flows within the Group, currently estimated to be on the order of three to four million tonnes per annum. Further, Mittal Steel estimates that approximately 50% of its volumes that are currently sold through third parties could be sold through Arcelor's distribution and trading network, saving fees on the order of 3% on the value of the trade. Substitution of material purchased from third parties will improve mill utilization and capture additional variable margin within the Group.

The estimated savings of \$470 million (\$380 million) from manufacturing and process optimization are expected to result from manufacturing process improvements and yield gains, which

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will provide savings on raw materials and energy consumption, and productivity gains relating to higher throughput rates and better sequencing rates, which will improve asset utilization. On a production of approximately 106 million tonnes, this implies a cost savings of approximately \$4.40 per tonne on a \$400/tonne cost base. Based on its experience with other combinations, most recently the integration of ISG, Mittal Steel expects these benefits to result from a sharing of knowledge and experience between the organizations and from increased specialization of production facilities within the Group.

With regard to the timing of realization of the synergies discussed above, Mittal Steel expects to realize on an annualized basis approximately \$650 million in synergies (consisting of the majority of the estimated procurement synergies, plus approximately 15% of each of the estimated manufacturing and process optimization synergies and of the estimated marketing and trading synergies) by the end of the first year following the acquisition; approximately \$1.1 billion in synergies (consisting of the synergies noted above plus the full amount of the estimated procurement synergies, approximately 60% of the estimated manufacturing and process optimization synergies, and 50% of the estimated marketing and trading synergies) by the end of the second year following the acquisition; and approximately \$1.6 billion in synergies (consisting of the synergies noted above plus the remainder of the estimated manufacturing and process optimization synergies and of the estimated marketing and trading synergies) by the end of the third year following the acquisition.

The costs of implementing these synergies are estimated to be insignificant, since they require no restructuring or redundancies. As these synergies are not from restructuring or redundancy, the normal cost of capturing such synergies (*i.e.*, closure and clean-up) are not required. The processes that would be used to capture the synergies in this case are already a part of the day-to-day management approach of Mittal Steel. These synergies come from benchmarking and knowledge management processes. The costs required are only for the travel and meeting time of Mittal Steel and Arcelor management.

Regarding the prospective resale of Dofasco to ThyssenKrupp, there are not currently any particular costs of resale, as Mittal Steel has already entered into a binding agreement for such resale. Following consummation of the resale, Mittal Steel will compensate Arcelor for the difference between the price paid by Arcelor for Dofasco's shares (C\$71 per share) on the one hand and the price agreed by ThyssenKrupp (the euro equivalent of C\$68 per share) plus earnings received by Arcelor, on the other hand.

In addition to the above synergies, Mittal Steel's upstream integration in iron-ore mining, coal mining and coke production will provide natural hedging for the entire Group. Because steel producers cannot fully adjust their prices to reflect their costs, their margins suffer from volatility. Mittal Steel's upstream integration and access to iron-ore and coal mining, coke and DRI production, and shipping would provide a natural hedge against this risk.

Finally, in the medium term, Mittal Steel expects further benefits, which have not yet been quantified, to accrue through ongoing knowledge sharing. These will arise from general economies of scale, further cost savings, improved productivity, accelerated product and process development, better distribution, more efficient use of capital, increased investment in R&D and faster innovation, and other factors.

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Governance and Management

Principles

Mittal Steel's vision is to build the world's most admired steel institution. Mittal Steel's corporate culture is based on a spirit of entrepreneurship, diversity and, most importantly, respect for employees, and seeks to promote the qualities of openness, expertise, reliability and innovation. Mittal Steel has a non-hierarchical structure, especially designed to encourage managers at all levels to think entrepreneurially, to make decisions in the best interests of the company, to take responsibility and to support one another in all efforts to continually improve the company. Mittal Steel believes that Arcelor shares these values and that the strength of the Group will arise from the culture and principles that will unify all employees.

As noted above, the operational overlap between Arcelor and Mittal Steel is limited, which creates a unique opportunity to build upon the strengths of both organizations. Accordingly, the combination is not expected to result in a reduction in employment levels. Rather, the combination will provide a strong platform for growth, which will provide ongoing employment opportunities globally. The specifics of a new organizational structure for the Group will need to be developed with senior management of both groups, taking time to ensure that the outcome respects the principles above, delivers the utmost level of service to customers, and deploys the Group's talent and facilities to their fullest.

Management

In the Memorandum of Understanding, Arcelor and Mittal Steel have agreed to change and unify their respective corporate governance structures and rules as soon as possible after completion of the Offer until such time as the two companies are integrated or merged into one company. Unless specified otherwise below, references to "Company" in this section refer to each of Mittal Steel and Arcelor pre-merger and to the top-level company in the Group following the merger of Arcelor and Mittal Steel.

The Company will be managed by a Board of Directors and a Management Board. The members of the Board of Directors will be appointed by the general meeting of shareholders, while members of the Management Board will be appointed by the Board of Directors. The Board of Directors will comprise solely non-executive directors. The day-to-day management of the Company will be entrusted to Management Board. The Management Board is not a "management board" in the sense of a two-tiered board structure as exists under Dutch and Luxembourg law, but rather a committee of senior Company officers. The Memorandum of Understanding provides that the initial Management Board will have seven members comprising the four current members of the Arcelor Management Board, with the current Arcelor Chief Executive Officer ("CEO"), Mr. Guy Dollé, becoming the CEO of the Company, and three members to be nominated by the current Mittal Steel Board of Directors. It is intended that one of the latter three members will be Mr. Aditya Mittal. Arcelor has indicated that Mr. Guy Dollé may not wish to serve as CEO following completion of the Offer, but will remain available to facilitate the integration. If Mr. Dollé withdraws or resigns as CEO, the new Company CEO will be appointed by the Board of Directors further to a proposal made by Mr. Joseph Kinsch and approved by Mr. Lakshmi N. Mittal.

No decision has yet been made with respect to the allocation of management responsibilities within the Group and the exact composition of the management team, including the top management and the Management Board in particular. Mittal Steel and Arcelor will allocate management

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responsibilities on the basis of the best available talent within Mittal Steel and Arcelor for each position. The new organizational structure will be developed with senior management of both companies. During the Initial Term (as defined in Memorandum of Understanding between Mittal Steel, Arcelor and the Controlling Shareholder Corporate Governance), the appointment and remuneration of persons appointed to serve as the CEOs and board members of the Company's main subsidiaries and the heads of the main business units and corporate functions of the Company will be decided by the Management Board acting unanimously.

Both in general and in relation to the workforce, Mittal Steel and Arcelor will continue to employ best practices across the organization designed to meet the highest standards in health and safety, social responsibility, cultural diversity and respect for the environment. Mittal Steel is convinced that its employees make up the heart of the organization and it is only by stimulating and harnessing the talents of each and every individual towards the common goals of the business that success will be created. Mittal Steel's distinctiveness and success results in part from the bringing together of teams of people with diverse backgrounds, skills and abilities. The combination with Arcelor substantially enlarges and deepens the talent pool and new and innovative ways of conducting business. The Group will have a sustainable future and therefore sustainable employment in the competitive world of steel.

Capital Markets Position of the Group

The combination of Mittal Steel and Arcelor will form the largest company in the steel industry by market capitalization. The pro forma market capitalization of the Group will be approximately 36.7 billion (approximately \$45.9 billion) (based on the respective closing stock prices on June 23, 2006 and excluding the Cash Portion of the Offer financed through a credit facility. See Source and Amount of Funds below). (The pro forma market capitalization of the Group is calculated by applying a share price of 25.71 per Mittal Steel share (based on the closing Mittal Steel share price of \$32.17 on June 23, 2006 on the NYSE (the Mittal Steel Reference Share Price) and an exchange rate of \$1.2512 per 1.0) to the aggregate of the fully diluted number of Mittal Steel shares of 705.6 million as of March 31, 2006 and the diluted number of Arcelor shares of 624.7 million (excluding treasury shares and including stock options) and 39.0 million Convertible Bonds.)

Pro forma Mittal Steel and Arcelor vs. other steel companies

The Group will form the largest group

in the steel industry in terms of market capitalization

Equity market capitalization (billions)

Source: Datastream (June 23, 2006)

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With a pro forma market capitalization of about 36.7 billion, the Group will become one of the flagship industrial companies in Europe. Ranked by market capitalization, it will be the 14th largest company on Euronext Paris.

Pro forma Mittal Steel /Arcelor vs. other leading industrial companies

The Group will rank among the largest industrial companies

in terms of market capitalization

Equity market capitalization (billions)

Source: Datastream (June 23, 2006)

The Group will be listed on five of the leading stock exchanges in Europe: Euronext Amsterdam, Euronext Brussels, Euronext Paris, the Luxembourg Stock Exchange and the Spanish Stock Exchanges, as well as on the NYSE. Mittal Steel believes that this will provide good access to the capital markets, enhanced profile with investors and a high level of liquidity for trading of the Company's shares.

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The following table presents an analysis of the liquidity of Mittal Steel shares both prior to the announcement of the Offer and after completion of the Offer. It is provided for illustrative purposes and the actual future liquidity of Mittal Steel shares may be different from that shown in the table. Four scenarios are presented based on different assumed Offer acceptance levels: 100%, 50%, 33% and 25% (the latter two assuming a waiver of the Minimum Tender Condition).

	Arcelor (pre-offer)	Mittal (pre-offer)	New Mittal (post-offer)	New Mittal (post-offer)	New Mittal (post-offer)	New Mittal (post-offer)
Overall level of acceptances from Arcelor shareholders			100%	50%	33%	25%
Number of Shares (in millions of shares)						
Total shares outstanding	620.0	704.1 ⁽⁶⁾	1,426.4	1,065.3	942.5	884.7
Free float shares	539.9	80.9	716.3	398.6	290.6	239.7
ADTV*(in millions of shares)⁽¹⁾						
1-month ADTV ⁽²⁾	3.99	1.23	6.92	3.58	2.78	2.40
3-month ADTV ⁽³⁾	4.31	1.17	6.24	3.70	2.84	2.43
6-month ADTV ⁽⁴⁾	4.68	1.05	6.57	3.81	2.87	2.43
12-month ADTV ⁽⁵⁾	5.15	0.97	7.04	4.01	2.98	2.49
ADTV* as a percentage of total shares outstanding						
1-month ADTV ⁽²⁾	0.64%	0.17%	0.42%	0.34%	0.29%	0.27%
3-month ADTV ⁽³⁾	0.70%	0.17%	0.44%	0.35%	0.30%	0.28%
6-month ADTV ⁽⁴⁾	0.76%	0.15%	0.46%	0.36%	0.30%	0.27%
12-month ADTV ⁽⁵⁾	0.83%	0.14%	0.49%	0.38%	0.32%	0.28%
ADTV* as a percentage of free float						
1-month ADTV ⁽²⁾	0.74%	1.52%	0.83%	0.90%	0.96%	1.00%
3-month ADTV ⁽³⁾	0.80%	1.44%	0.87%	0.93%	0.98%	1.02%
6-month ADTV ⁽⁴⁾	0.87%	1.30%	0.92%	0.96%	0.99%	1.01%
12-month ADTV ⁽⁵⁾	0.95%	1.21%	0.98%	1.01%	1.02%	1.04%

* Average daily trading volume based on data from Bloomberg for Arcelor (pre-offer) and Mittal (pre-offer). New Mittal (post-offer) is a result of calculations.

(1) Includes all listings with available volume information

(2) December 26, 2005 to January 26, 2006 (inclusive)

(3) October 26, 2005 to January 26, 2006 (inclusive)

(4) July 26, 2005 to January 26, 2006 (inclusive)

(5) January 26, 2005 to January 26, 2006 (inclusive)

(6) As of March 31, 2006

The analysis of post-Offer liquidity is based on the following assumptions:

- (i) Arcelor treasury shares are not tendered in the Offer;
- (ii) all Convertible Bonds and all Arcelor and Usinor stock options (granted prior to February 6, 2006) are exchanged for Arcelor newly issued shares resulting in a fully-diluted Arcelor free float of 586.6 million shares (based on the total number of outstanding Arcelor shares as of February 6, 2006 of 620.0 million (excluding 19.8 million treasury shares) and 666.7 million shares on a fully-diluted basis (taking into account Arcelor shares underlying the outstanding Convertible Bonds on February 6, 2006 and the Arcelor and Usinor stock options granted prior to February 6, 2006, *i.e.*, 42 million shares and 4.7 million shares, respectively, and excluding 19.8 million treasury shares), with the Grand Duchy of Luxembourg holding 36.0 million shares, Corporacion JMAC B.V. holding 22.7 million shares, the Walloon Region (through Sogepa S.A.) holding 15.4 million shares and Arcelor employees holding 6.0 million shares);

(iii)

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Mittal Steel's free float represents 80.9 million shares (based on the total number of outstanding Mittal Steel shares (excluding shares held in treasury by Mittal Steel) of 704.1 million shares as of

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March 31, 2006 (including 246.7 million outstanding Mittal Steel class A common shares and 457.5 million outstanding Mittal Steel class B common shares), with the Controlling Shareholder holding 623.3 million shares);

(iv) former Arcelor shareholders trade Mittal Steel shares at the same level (in terms of number of shares per day) as they traded Arcelor shares prior to January 27, 2006, the date of the announcement of the Offer; and

(v) Mittal Steel shareholders trade at the same level (in terms of number of shares per day) as they did prior to January 27, 2006. The prospective average daily trading volumes (ADTV) are calculated based on the ADTV for Mittal Steel pre-Offer increased by the ADTV for Arcelor pre-Offer pro-rata for the offered exchange ratio of 13 Mittal Steel shares for 12 Arcelor shares and the assumed acceptances from Arcelor shareholders. The prospective free float is calculated based on the Mittal Steel free float pre-Offer and increased by the Arcelor free float pre-Offer pro-rata for the offered exchange ratio of 13 Mittal Steel shares for 12 Arcelor shares and the assumed acceptances from Arcelor shareholders.

ITEM 1. LEGAL PROCEEDINGS

The material set forth in Note 14 of the Notes to Condensed Consolidated Financial Statements is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Information about our risk factors is contained in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015. We believe that at September 30, 2016, there has been no material change to this information.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
August 1-31, 2016	889,700	\$ 50.90	889,700	21,468,191
September 1-30, 2016	110,300	\$ 52.34	110,300	21,357,891
		\$ 51.06	1,000,000	21,357,891

On February 4, 2016, our Board of Directors authorized an additional 20 million shares for repurchase. During the third quarter of 2016, we repurchased 1,000,000 of our equity securities in the open market at an average purchase price of \$51.06 per share. As of September 30, 2016, under authority granted by the Board of Directors, we have remaining authorization to repurchase an additional 21,357,891 shares of our common stock.

ITEM 6. EXHIBITS

The Exhibit Index is incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BEMIS COMPANY, INC.

Date October 28, 2016 /s/ Michael B. Clauer
Michael B. Clauer, Vice President and Chief Financial Officer

Exhibit Index

Pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), we have filed certain agreements as exhibits to this Quarterly Report on Form 10-Q. These agreements may contain representations and warranties by the parties thereto. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in our public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe our actual state of affairs at the date hereof and should not be relied upon.

Exhibit	Description	Form of Filing
3(a)	Restated Articles of Incorporation of the Registrant, as amended. (1)	Incorporated by Reference
3(b)	By-Laws of the Registrant, as amended through October 7, 2016. (2)	Incorporated by Reference
4(a)	Form of Indenture dated as of June 15, 1995, between the Registrant and U.S. Bank Trust National Association (formerly known as First Trust National Association), as Trustee. Copies of constituent instruments defining rights of holders of long-term debt of the Company and Subsidiaries, other than the Indenture specified herein, are not filed herewith, pursuant to Instruction (b)(4)(iii)(A) to Item 601 of Regulation S-K, because the total amount of securities Authorized under any such instrument does not exceed 10% of the total assets of the Company and Subsidiaries on a consolidated basis. The registrant hereby agrees that it will, upon request by the SEC, furnish to the SEC a copy of each such instrument. (3)	Incorporated by Reference
4(b)	Form of 3.100% Note due 2026. (5)	Incorporated by Reference
10(a)	Amendment No. 2 to Third Amended and Restated Credit Agreement, dated as of July 22, 2016, by and among the Company, the Borrowing Subsidiaries party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, National Association, as Syndication Agent, and various financial institutions. (4)	Incorporated by Reference
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO.	Filed Electronically
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO.	Filed Electronically
32	Section 1350 Certification of CEO and CFO.	Filed Electronically
101	Interactive data files.	Filed Electronically

(1) Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 (File No. 1-5277).

(2) Incorporated by reference to the Registrant's Current Report on Form 8-K dated October 7, 2016 (File No. 1-5277).

(3) Incorporated by reference to the Registrant's Current Report on Form 8-K dated June 30, 1995 (File No. 1-5277).

(4) Incorporated by reference to the Registrant's Current Report on Form 8-K dated July 22, 2016 (File No. 1-5277).

(5) Incorporated by reference to the Registrant's Current Report on Form 8-K dated September 15, 2016 (File No. 1-5277).

