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COMP/M.4137 – Mittal/Arcelor

SECTION 1.2

Description of the concentration

This notification relates to a public bid that Netherlands-based Mittal Steel Company N.V. (“Mittal Steel”) proposes to launch for the entire issued share capital and convertible bonds of Luxembourg-based Arcelor S.A. (“Arcelor”) (the “Transaction”). The bid was announced on January 27, 2006, and is valued at approximately € 18.6 billion on a fully diluted basis.

The public bid will be formally launched as soon as the competent financial regulators in Belgium, Luxemburg, France, the Netherlands, and Spain have approved the necessary offer documentation and listing prospectus. Mittal Steel’s offer is subject, *inter alia*, to Arcelor shareholders’ tendering more than 50% of Arcelor’s total issued share capital and voting rights on a fully diluted basis, although Mittal Steel has the right to waive this condition at its discretion. As a result, if the bid is consummated and if the condition is not waived, Mittal Steel will acquire sole control over Arcelor.

The steel sector is a fragmented and largely regional industry that is widely recognised to need global consolidation to ensure its sustainability over the long term. This Transaction represents a step change in consolidation. It will combine 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, the Transaction will lead to lower costs, enhanced R&D, better service to a globalising customer base, better resistance to business cycles, and improved access to growth opportunities in emerging economies. At the same time, the combined entity will continue to be subject to strong competition from a large number of global and regional players. The Transaction will therefore not significantly impede effective competition within the meaning of Council Regulation 139/2004.