

Arcelor Brazil

The largest steelworks in Latin America is born

Arcelor Brazil is a reality. The result of the union of its Long Steel and Plane Steel businesses, the creation of Arcelor Brazil was announced last Friday, by Arcelor president, Guy Dollé.

The new company was born with the following profile:

- 25 industrial units that produce and benefit the whole range of steels
- 15 thousand employees
- Production annual capacity of 11 million tons of steel
- Presence in carbon, plane and long steels
- Ranks among the six greatest industrial groups in the country
- Market value around 15 billion

Results in 2004:

- Net income of R\$ 12,5 billion
- Operational profit of R\$ 3,7 billion

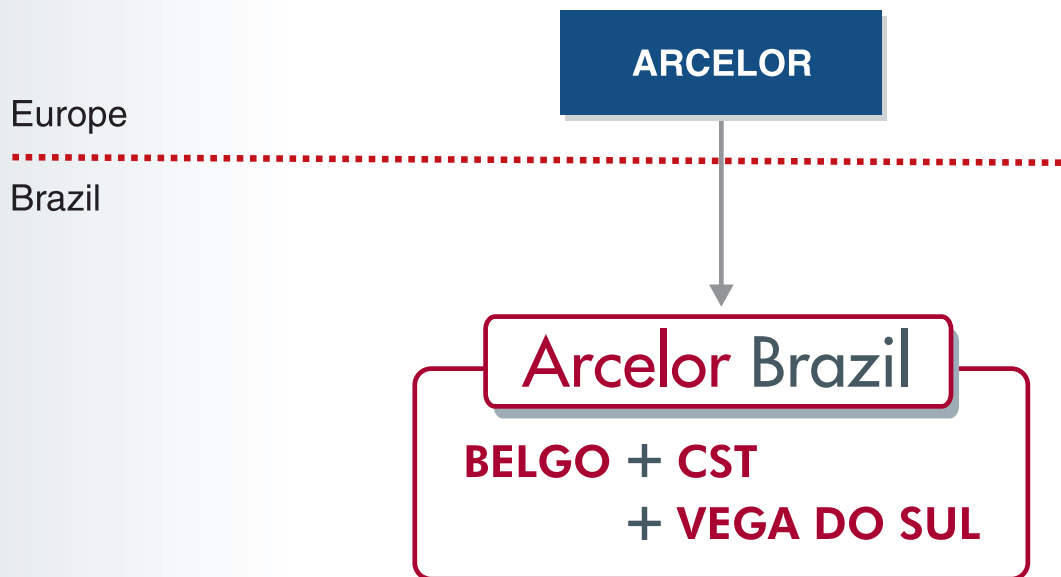
4 billion dollars' investments in the next five years

Arcelor Brazil is here to reinforce the companies' platform of growth and excellence, through new investments and the stimulation of important synergies. The foreseen

synergy gain is of US\$ 70 million /year, as of 2006. Furthermore, it is important to point out what was evidenced by Arcelor's president: the new company will have its shares in the Brazilian market, especially

in Bovespa, for it feels that it is from Brazil that its group will implement its growth outside Europe. Therefore, Brazil is Arcelor's platform for growth in the Americas.

Arcelor Brazil Structure



After the announcement of the transaction, which occurred on July 28th, the Belgo and CST general meetings of shareholders, that had already been called, will be held on September 12th, for the transaction approval. The whole process will be completed around October 13th of this year.

José Armando Campos was chosen for the presidency of Arcelor Brazil, thus accumulating the position of Plan Division director. Carlo Panunzi, president of Belgo, is the vice-president of Arcelor Brazil, accumulating the position of Long Steel and Distribution Division director. Leonardo Horta was

appointed Financial and Investor Relations director to the new Company.

On this first moment, Belgo was defined as the societal vehicle to unite the companies' shares. Such choice was made for the reason that Belgo is already a holding, for tax reasons, and also for societal reasons. Such a vehicle will, occasionally, receive the final name Arcelor Brazil.

The current company structures will be maintained. The growth project is highly ambitious and so, many issues cannot be dealt with only within the corporate center. Therefore, there is no idea of reengineering. The focus now is growth.

Since it was born a winner, the company represents opportunities for competence and excellence potentialization, resulting into a notable employment facilitator to those who are committed to the demands of competition and constant evolution.