



ArcelorMittal

ArcelorMittal South Africa Limited ("ArcelorMittal South Africa", "the company" or "the group")
Registration number: 1989/002164/06 Share code: ACL ISIN: ZAE 000134961

Safe Sustainable Steel

Short-form announcement: Reviewed group interim financial results for the six months ended 30 June 2013

→ Headline loss of
31 cents

a share for the first half due to fire in Q1

→ Strong recovery of
earnings

in Q2 following the resumption of full production

→ Healthy
cash position

maintained

Key statistics

	Quarter ended			Six months ended		
	30 June 2013 Unaudited	31 March 2013 Unaudited	% change	30 June 2013 Reviewed	30 June 2012 Reviewed	% change
Financials (R million)						
Revenue	8 124	7 766	5	15 890	17 792	(11)
EBITDA	808	169	378	977	1 041	(6)
Profit/(loss) from operations	441	(208)	312	233	260	(10)
Net profit/(loss)	135	(275)	149	(140)	102	(237)
Headline earnings/(loss)	147	(270)	154	(123)	106	(216)
Net cash	1 106	1 114	(1)	1 106	550	101
Net asset value	22 458	22 156	1	22 458	22 782	(1)
Financial ratios (%)						
EBITDA margin	9.9	2.2		6.1	5.9	
Return on ordinary shareholders' equity	2.6	(4.9)		(1.1)	0.9	
Net cash to equity	3.2	3.2		3.2	0.6	
Share statistics (cents)						
Earnings/(loss) per share	34	(69)	149	(35)	25	(240)
Headline earnings/(loss) per share	37	(67)	155	(31)	26	(219)
Dividends per share	0	0		0	0	
Net asset value per share	55.98	55.22	1	55.98	56.78	(1)
Safety (unaudited)						
Lost time injury frequency rate	0.95	0.37	157	0.66	0.60	10
Operational statistics ('000 tonnes) (unaudited)						
Liquid steel production	1 453	1 028	41	2 481	2 727	9
Steel sales	1 038	1 085	(4)	2 123	2 537	(16)
– Local	834	872	(4)	1 706	1 838	(7)
– Export	204	213	(4)	417	699	(40)
Commerical coke sales	125	85	47	210	232	(9)
Segmental performance (R million)						
Flat steel products						
Revenue	5 115	4 929	4	10 044	11 287	(11)
EBITDA	290	(315)	192	(25)	30	(183)
Long steel products						
Revenue	3 084	2 885	7	5 969	6 390	(7)
EBITDA	379	315	20	694	724	(4)
Coke and chemicals						
Revenue	448	380	18	828	948	(13)
EBITDA	120	147	(18)	267	250	7
Corporate and other						
EBITDA	19	22	(14)	41	37	11

Overview

Global steel demand remained subdued throughout the first half of the year. Underlying steel consumption was weak especially in Europe, but did rise marginally in China and the US. After modest improvement during the first quarter, international steel prices declined during the past three months, tracking the downward trend in raw material prices. In South Africa steel demand was mainly driven by restocking. Rather disappointingly, activity relating to infrastructure development remained too low to lift steel demand. On the positive side, the weakening in the rand exchange rate in May provided a strong underpin to our export sales towards the end of the half year although the impact on shipments will only materialise in the third quarter.

Liquid steel production was 246 000 tonnes lower than prior year as a result of the fire in Vanderbijlpark in February. Production was stable in all other plants and returned to normal in Vanderbijlpark during the second half of April. The repairs to the steelmaking plant in Vanderbijlpark were completed in record time, leading to the lifting of the force majeure on 9 May 2013. Steel sales dropped 16% from June last year to a total of 2.1 million tonnes whereas commercial coke sales were down 9%.

Safety performance was satisfactory, ending the first half with a lost time injury frequency rate of 0.66. This does however compare unfavourably with the frequency rate of 0.60 at the same time last year.

ArcelorMittal South Africa recorded a headline loss of R123 million for the first half of the year. Ebitda for the period was R977 million, down 6% from a year earlier. The negative ebitda impact due to the fire is currently estimated at R765 million (unaudited). Overall earnings rebounded strongly after normal operations resumed, with second quarter ebitda of R808 million, substantially up on the R169 million in the first quarter and R224 million in the corresponding period last year.

The net cash position was flat at R1 106 million compared to the first quarter.

Outlook for third quarter 2013 (unaudited)

While international prices appear to have stabilised, lingering weakness in the domestic economy will continue to negatively affect steel demand. Domestic sales are expected to remain flat and any increase in steel prices will be more than offset by increasing costs – in particular, higher winter electricity tariffs and iron ore. Accordingly, earnings are expected to be lower than the preceding quarter.

Short-form announcement

This short-form announcement is the responsibility of the Board of Directors of ArcelorMittal South Africa and is a summarised version of the group's full announcement and as such, it does not contain full or complete details pertaining to the group's results. Any investment decisions by investors and or shareholders should be made after taking into consideration the full announcement. The full announcement has been released on the JSE Stock Exchange News Site ("SENS") and is available for viewing on the group's website (www.arcelormittal.com/southafrica). The full announcement is available for inspection, at no charge, at the registered office of ArcelorMittal South Africa Limited, (Room N3-5, Main Building, Delfos Boulevard, Vanderbijlpark) and the offices of the sponsor (Deutsche Securities (SA) Proprietary Limited, 87 Maude Street, Sandton), from 09:00 to 16:00 on business days. Copies of a full announcement can be requested from the registered office by contacting (016) 889-9111.

N Nyembezi-Heita
Chief Executive Officer
24 July 2013

MJ Wellhausen
Chief Financial Officer

ArcelorMittal South Africa Limited ("ArcelorMittal South Africa", "the company" or "the group")

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Registered office: ArcelorMittal South Africa Limited, Room N3-5, Main Building, Delfos Boulevard, Vanderbijlpark, 1911

Directors: **Non-executive:** PM Makwana* (Chairman), DK Chugh[■], FA du Plessis*, S Maheshwar[■], LP Mondy, DCG Murray*, ND Orley[■], G Urquijo[■]

[■]Citizen of India [●]Citizen of Spain ^{*}Independent non-executive

Executive: N Nyembezi-Heita (Chief Executive Officer), MJ Wellhausen* (Chief Financial Officer)

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Sponsor: Deutsche Securities (SA) Proprietary Limited, 87 Maude Street, Sandton, 2146, Private Bag X9933, Sandton, 2146

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Release date: 1 August 2013