

news release

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Shareholders vote to approve the ArcelorMittal South Africa B-BBEE transaction

Johannesburg 18 November 2016: Shareholders of Africa’s leading steel manufacturer ArcelorMittal South Africa today voted overwhelmingly in favour of the broad-based black economic empowerment transaction, worth an estimated R2.2 billion, that the company signed in September 2016 with Likamva Resources. All the ordinary and special resolutions proposed at the meeting were approved by the requisite majority of votes by shareholders present in person or represented by proxy. The approval was carried by 99.9% of the shares that were eligible to vote.

Likamva Resources is a 100% black-owned and 58% black women-owned company whose principal members are active in the industrial, mining and banking sectors.

The deal will see Likamva initially hold a 17% stake in ArcelorMittal South Africa through notionally funded shares (A1 ordinary shares) issued by ArcelorMittal South Africa to the value of R1.75 billion. Likamva is required, within 24 months, to introduce a broad-based party, whose participants will primarily be the communities in the areas around ArcelorMittal South Africa operations. Following the introduction of the broad-based party, Likamva’s shareholding will be reduced to 12% and the broad-based party will hold 5%.

Furthermore, the newly established ArcelorMittal South Africa (AMSA) Employee Empowerment Share Trust will acquire a 5.1% shareholding in the company through notionally funded shares (A2 ordinary shares) to be issued by ArcelorMittal South Africa to the value of approximately R525 million. This new employee share scheme is in addition to the existing Ikageng Employee Share Option Scheme which was introduced in 2015.

Wim de Klerk, CEO of ArcelorMittal South Africa, said: “We are pleased that our shareholders have voted in favour of our B-BBEE transaction which will help us advance our transformation objectives and will contribute to government’s ambition to create black industrialists.”



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Noluthando Gosa, Chairperson of Likamva Resources, said the overwhelming vote to approve the transaction at today's Special General Meeting is further proof that shareholders believe that, working together, the partners can deliver significant value to the business and the industry.

"We are encouraged that a journey which started a little over a year ago has been concluded. We are, however, aware of the amount of work which is ahead of us but we are in this for the long haul and are confident that the principals within Likamva can make a significant contribution in strategic areas of the business."

De Klerk added: "The fact that our employees and, at a later stage, the communities in which we operate stand to benefit through their participation in this transaction means that it is truly broad-based and inclusive, which is important for the development and strengthening of the local steel industry."

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Contact person:

Themba Sepotokele

Corporate Communications Manager

016 889 2425/083 468 1415

ArcelorMittal South Africa