

ArcelorMittal SA nearly doubles CEO's pay

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ARCELORMITTAL SA, a unit of the world's largest steel maker, paid its CEO Nonkululeko Nyembezi-Heita R8m last year, almost double her remuneration in 2010, when no share options were awarded, Bloomberg reported yesterday.

Ms Nyembezi-Heita's pay included a salary of R4,4m, short-term incentives of R1,9m and equity incentives of R1,7m, the Vanderbijlpark-based company said in its annual report.

She earned R4,1m in 2010. The short-term incentive payment of R1,9m related to the 2010 financial year, while the equity options also included share options that related to 2010.

Ms Nyembezi-Heita's share options were issued at prices ranging from R67 to R186,50.

Former chief operating officer Johan Fourie, who left the company after 31 years in December, was paid R7,6m, compared with R2,8m in 2010.

Africa's largest steel maker posted a profit of R318m in the

year through December, down from R1,26bn in 2010. Its share price slid 13% in Johannesburg trading last year, compared with the FTSE/JSE Africa all share index's 0,4% decline.

The company, whose shares are down 20% this year, is facing a fine of 10% of its 2008 sales for colluding on prices in the flat-steel market with Evraz Highveld Steel and Vanadium.

ArcelorMittal SA is also embroiled in a legal dispute over mineral rights at Kumba Iron Ore's Sishen mine and the

reinstatement of an iron-ore supply agreement at 3% above production costs.

This led the company to cancel a black economic empowerment deal involving Imperial Crown Trading, which is part of a court case over mining rights at Sishen, one of the world's largest and richest iron-ore mines.

ArcelorMittal SA also suffered two blast furnace outages last year. This led to production losses of R1,1bn and subsequent insurance claims. *Bloomberg with Sapa, Reuters*