

ArcelorMittal SA posts first-quarter loss

Bloomberg and Reuters

ARCELORMITTAL South Africa expects to return to profit in the second quarter after reporting a loss in the previous three months to March following a fire that halted the continent's biggest steelmaking plant.

The headline loss came in at R270 million in the first quarter compared with a profit of R283m a year earlier, the company said on Friday. Revenue dropped

15 percent to R7.8 billion.

Operations at the company's Vanderbijlpark plant came to a halt after a February 9 blaze, with ArcelorMittal SA declaring *force majeure* and using existing stocks to mitigate the effect on customers. Full operations resumed in the second week of April. The company lost an estimated 361 000 tons of output.

Liquid steel production fell 26 percent to 1.03 million tons in the quarter from a year earlier.

ArcelorMittal SA said in a worst-case scenario the impact from a proposed carbon tax on its operations would amount to more than R600m a year from 2015.

Chief executive Nonkululeko Nyembezi-Heita said the company hoped to reduce that figure by trying to qualify for higher exemptions and would further engage with the government.

ArcelorMittal SA's share price rose 5.64 percent to close at R26.69 on Friday.