European sales help Mitali over decline in Russia

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ARCELORMITTAL, the biggest European steelmaker, has said European demand is growing faster than expected and it is registering a slump in Russia and Ukraine.

The company, whose biggest market may expand as much as 3% this year, ArcelorMittal said on Fri-

day that its quarterly results, up from the 2.5% predicted in February for the Commonwealth of In-
defendant Vladimir Putin of fomenting unrest in east-

ernis Russia and annexation Crimea in March.

ArcelorMittal is one of the biggest foreign investors in Ukraine, and is involved in mills and mines from the en-

amount for about $4.8bn in 2005. Russian steel use is in a quarter to stagnate this year because of the crisis, Mital said.

On Friday, ArcelorMit-

tual reiterated its full-year guidance for earnings before interest, taxes, de-

recapitulation and amortisa-

First-quarter net loss fell to $2.03bn from $3.4bn a year earlier.

"The figures continue to show a solid year-over-year perfor-

ence of our business, driven by recovering steel markets," CEO Lakshmi Mittal said in the statement. "The prospects for the remainder of our core markets in Europe and the US are encouraging and overall we remain confi-

ciently optimistic about the business outlook for the rest of 2013."

Nearest rival Nippon Steel & Sumitomo Metal's profit surged 82% to ¥500bn ($4.2bn), according to Bloomberg calculations based on 12-month results released on Friday by the company's tax rate of 15% and the sales 15% this year.

ArcelorMittal said it is expected a "moderate improvement" in steel margins.

The steelmaker has cut its profit outlook for the year to $4.8bn in costs since 2008 and targets a further $3bn in savings this year.

It has reduced its workforce by more than 50,000 and closed plants in Belgium and France.

Net debt rose to $18.3bn in the quarter, according to the statement.

ArcelorMittal is trying to reduce its borrowings to about $14bn after its credit rating was cut to below investment grade earlier this year by Moody’s Investors Service, Standard & Poor’s and Fitch Ratings.

Net debt had peaked for the year, Aditya Mittal, ArcelorMittal’s managing director, said in a note to investors on Friday. The company has reduced debt from $38bn to $36bn last year.

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