

# Material costs hurt steelmaker

ARCELORMITTAL SA, a unit of the world's top steelmaker, has reported a full-year headline loss, hit by higher raw material costs and weaker sales, but says it expects a better first quarter.

The firm's production was hit by structural problems last year, including a furnace failure at its Newcastle plant, a

steel sector strike and a shut-down at its Saldanha Works operation.

Globally, steel producers are expected to report a weak fourth quarter on destocking and squeezed margins.

Africa's largest steelmaker reported a diluted full-year headline loss per share of 13c, compared with diluted head-

line EPS of 343c the previous year. Headline EPS are the main profit gauge in SA and strip out certain one-time items.

The company, which sells 90 percent of its steel in Africa, said sales had fallen 7 percent to 4.7 million tons in the year, while revenue was up 4 percent to R31.5 billion. - Reuters