

STEEL: MORE LOSSES, WARNS ARCELORMITTAL

JOHANNESBURG — ArcelorMittal South Africa, a unit of the world's top steelmaker, yesterday posted a third-quarter headline loss and expects an even worse fourth quarter due to lower domestic demand and production losses.

Africa's biggest steelmaker reported a headline loss per share of 42 cents, compared with a headline loss of 115 cents the previous year and 44 cents in the preceding three months. "Domestic steel demand remained weak, especially from the building and construction industry, the main steel consuming sector in South Africa," the company said in a statement.

Revenue fell 12% to R7,6 billion. The company said the fourth quarter loss would be "substantially" higher than in the previous three months due to a seasonal drop in demand during December and production losses following extended blast furnace repairs at its Newcastle plant.

The impact would be partially offset by lower prices for raw materials such as coal and pellets as well as a weaker rand-dollar exchange rate. The company declared no dividend.

Shares opened more than two percent lower on the Johannesburg bourse yesterday.

Shares in the company are down nearly 50% in the year to date, compared with a 15,7% rise in the JSE All-Share index.

— Reuters.