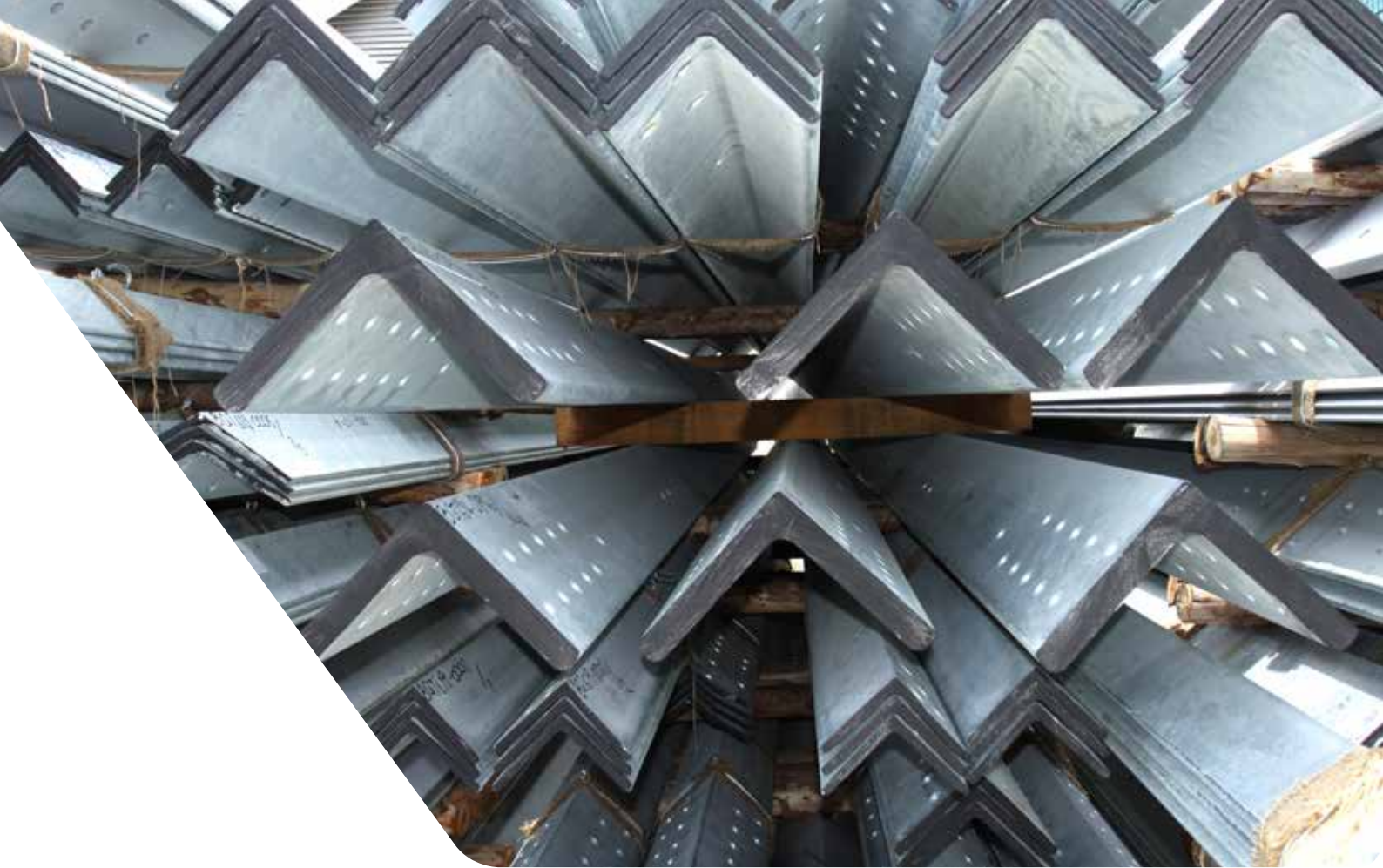




ArcelorMittal

Preliminary reviewed condensed consolidated
financial statements for the year ended
31 December 2019



Salient features

Best annual injury frequency safety metrics ever reported

13% lower liquid steel production of 4,4 million tonnes due to **8%** lower sales volumes of 4,1 million tonnes

Average international steel prices fell by **15%**

9% reduction in revenue to **R41 353 million**

12% increase in the raw material basket (RMB), and the cash cost per tonne of liquid steel

Business transformation programme (BTP) delivered **R1 450 million** (USD24 per tonne) of EBITDA improvements (cumulatively **R2 130 million** or USD36 per tonne)

R999 million (12%) reduction in total fixed costs (including **R458 million** of BTP initiatives)

R632 million EBITDA loss (2018: R3 608 million profit)

Exceptional items and net impairment of **R2 298 million**

Headline loss of **R3 265 million** (2018: R968 million profit)

Large-scale labour reorganisation largely finalised – reduction of more than a thousand own-employees

Strategic asset footprint review

- **Phase 1:** Orderly and commercial wind-down of Saldanha Works progressing according to plan – largely completed by end of the first quarter of 2020
- **Phase 2:** Long steel products:
 - plants to remain operational – targeting mainly domestic and Africa Overland markets
 - reconfiguration of company-wide operating model, while strengthening the balance sheet through corporate actions

The analysis that follows relates to the year ended 31 December 2019 (current period) compared to the year ended 31 December 2018 (prior or comparable period) except where otherwise indicated.

Overview and sustainability

The 2019 financial year represented the most challenging year since the global financial crisis for the world steel industry, and an exceptionally difficult year for the South African economy and ArcelorMittal South Africa.

The downturn in world steel has been faster and deeper than could have ever been anticipated. The correlation between steel prices and raw material costs has broken down. The size of the dislocation between steel prices and raw material cost is very unusual, and although recently, raw material prices have moderated a little, the dislocation continues. Internationally, steel producers are struggling to respond fast enough to the dramatic change in the business environment compared to 2018. Domestically, numerous downstream steel businesses have disclosed being in financial distress.

For ArcelorMittal South Africa, this necessitated an intense focus on cash preservation (having released some R1 940 million from working capital alone) and cost reductions, along with the launching of strategic asset footprint review targeting the establishment of an affordable asset footprint with an enduring competitive advantage, and in so doing, ensuring the long-term sustainability of the company.

The business's current BTP initiatives yielded R1 450 million of EBITDA improvements during the year or R2 130 million (USD36 per tonne) cumulatively since the programme launched in August 2018. The programme is targeting at least a USD50 per tonne improvement in real terms to address the controllable elements of the cost gap between its production costs relative to that of subsidised China-sourced steel.

The large-scale labour reorganisation in terms of section 189(3) of the Labour Relations Act, as announced in July 2019, was largely finalised at year-end. Through natural attrition and avoidance of vacancy-filling, it has been possible to reduce the directly affected own-employees, yet still reaching the cost-saving targets. The severance package charge associated with this reorganisation of R234 million has been recognised in full for the 2019 financial year-end. Reducing subcontractor services via a process of price rebasing and rescoping is anticipated to realise further cost saving, with this initiative anticipated to be completed by the end of the first quarter of 2020. The benefits of these interventions will be realised in 2020.

As part of the first phase of the strategic asset footprint review, and despite the technical advantages of the plant, in light of it having lost its competitive cost advantage to effectively compete in the export market, on 11 November 2019, the company took the particularly difficult decision to wind-down the operations of Saldanha Works in an orderly and commercial manner to a state of care and maintenance. This decision was necessary to ensure the sustainability of the broader business, it being the backbone of South Africa's industrial capacity. Consultations in terms of section 189(3) of the Labour Relations Act were completed on 7 January 2020. The orderly and commercial wind-down of operations at Saldanha Works continues to progress according to plan with the process anticipated to be largely completed by the end of the first quarter of 2020. The impairment of the fixed assets amounted to a charge of R294 million for Saldanha Works, while the charge associated with severance packages and onerous contracts of R396 million has been recognised in full for the 2019 financial year-end.

Furthermore, investigations have commenced into the feasibility of relocating all or part of the steel-making meltshop and rolling mills to Vanderbijlpark Works. All serious and variable commercial opportunities for the future of the plant will be considered, especially in support of job creation in the region. Should market conditions change and/or the structural cost disadvantages be solved, a restart could be considered.

The plant was severely impacted by unaffordable increases in regulated input costs – including electricity, rail and port tariffs and raw materials. The decision to wind-down operations was taken after extensive and constructive discussions with key stakeholders including government, organised labour, and key suppliers (including but not limited to Eskom and Transnet). In the absence of sufficient fair and competitive electricity, rail and port tariffs and developmental raw material prices, this is unlikely to change in the hands of future investors.

In November 2019, the second phase of the asset footprint review was announced, focusing on the long steel products business. This phase has now been completed. Although the benefit of a more concentrated operating footprint remains fundamentally important to the longer-term sustainability of the company, this phase of the asset footprint review reached the following conclusions and prioritised these actions:

- The closure of significant long steel product plants is not anticipated in the foreseeable future.
- Primary steel-making operations will continue at Newcastle Works, although now focused primarily on servicing the domestic and Africa Overland markets.

- The company-wide operating model will be reconfigured into a single platform.
- The balance sheet to be strengthened through targeted corporate actions.

Significant organisational configuration opportunities have been identified to improve both operational effectiveness and controllable cost competitiveness of not only the long steel product business, but that of the overall company. Development of this “*One Organisation*” initiative has begun, with an envisaged implementation in 2020. Shareholders will be kept apprised of the outcomes of the process as key decisions are taken.

Importantly, along with these opportunities, ArcelorMittal South Africa will continue to engage with key stakeholders regarding the continuing structural disadvantages faced by the business due to unaffordable regulated tariffs for electricity, port and rail services, and the lack of developmental prices for raw materials.

Despite making a significant capital investment earlier in the decade to improve quality, and the belated imposition of tinplate import duties in the second half of the financial year, the stakeholders in the tinplate value chain were unable to reach agreement on securing sustainable domestic volumes at sensible prices. This necessitated the unfortunate decision to close the loss-making tin plant at Vanderbijlpark Works. The impairment charge associated with the write-off of assets amounted to R99 million and has been recognised in full for the 2019 financial year-end.

In September 2019, the International Trade Administration Commission of South Africa (ITAC) considered whether Russia qualified for exemption from safeguards on hot rolled products. A determination in this regard has been made and the industry still awaits the gazetting and implementation of this decision.

During the fourth quarter of 2019, ArcelorMittal South Africa began to receive the first volumes of recovered stockpile material from the Thabazimbi iron ore mine. Anticipated annual volumes of this and discard material recoveries are estimated at some 360 000 tonnes per year for the next four years. The removal of this material will also aid with the mining area rehabilitation, while options for long-term supply from Thabazimbi are being explored.

In the last quarter of 2019, the company commenced a structured process to identify co-investors for its commercial market coke business. Interested bidders are in the process of submitting their non-binding offers. The shortlisted parties will commence due diligence proceedings in the first quarter of 2020.

The coming financial year will also see ArcelorMittal South Africa focusing on the conclusion of joint venture arrangements with interested parties to cap and reduce its by-product generation and disposal footprint, through monetising by-products such as granulated blast furnace, and steel slag, among others. Disruptive and transformative transactions are possible in this sector.

Allied to the optimisation of the company's asset footprint is the improved management of its core properties and the bringing to book of its non-core properties. A structured disposal process of the non-core properties will commence in 2020.

Good progress is being made on addressing the condition precedents associated with the acquisition of the Highveld structural mill. Discussions have commenced with key stakeholders relating to mainline rail localisation, however, it remains too early to assess the prospects of success.

In 2020, cash, cost, customers, collaboration, climate and communication (6Cs) will be vital enablers for ArcelorMittal South Africa's now familiar strategy of transformation for sustainability and growth. The achievement of BTP targets, the implementation of the “*One Organisation*” initiative, progress on securing cost-linked and developmentally priced raw materials and engaging with key stakeholders relating to regulated prices, all support the focus on cost. Service, quality and differentiation from the competition, characterise the focus on customers. Strategic alliances, product development, platforming and knowledge sharing underpin collaboration initiatives. Straightforward, mature and regular communication with the company's stakeholders, notably its most important resource, its workforce, will be core to creating an engaging work climate which both reassures employees and drives performance in the post-2019 section 189 environment – this will be critical as the company prepares for and executes on the “*One Organisation*” operating model. Responsible steel making supporting sustainable development is suitably aligned to the company's by-products recycling programme. Reducing emissions in a well-considered, structured and yet affordable manner requires a clear roadmap to be agreed with the regulating authorities especially given the challenging economic circumstances. Success in the above initiatives including the disposal of non-core properties, the conclusion of the commercial market coke co-investment, and by-product monetising joint venture arrangements are all aimed at improving cash generation to enable the improvement of the business's net debt position.

Safety

Safety remains the number one priority. Notwithstanding the intention to achieve zero fatalities and injuries, the company regrettably experienced one fatal incident at Newcastle Works on 27 October 2019. The board and management extend their deepest condolences to the family and colleagues of the deceased. Creating a consistent safety culture with clear accountability is sacrosanct for the coming

financial year. Encouraging, however, lost time injury frequency rate (LTIFR) improving from 0.53 to 0.44 and a total injury frequency rate (TIFR) improved from 6.91 to 6.57. These represent the best annual frequency metrics ever reported by the company.

Markets

Compared to 2018, weak global steel demand in 2019 presented an extremely challenging situation, especially against the backdrop of escalating geopolitical and trade tensions throughout the year. This was broadly reflected in a slower global economic growth, than anticipated at the beginning of 2019.

However, global crude steel production¹ increased to 1.8 billion tonnes (mainly due to growth in Chinese output, increasing in excess of 7% to 991 million tonnes), which is 3% higher than the previous year. China's market share in global crude steel output increased from 51% to 54% in 2019. The European Union's (EU's) crude steel output declined by some 4.5% due to weakening economic fundamentals while the United States remained fairly constant year-on-year.

Brazil saw a weaker economy. Safeguard duties in the EU were adjusted in 2019 to enhance the effectiveness of the existing measures previously imposed². Turkey and India have significantly increased their levels of exports. Africa's output decreased by 6% due to lower production in South Africa and Egypt.

Turning to South Africa, 2019 real gross domestic product (GDP) growth is anticipated to reach only 0.3%. Unsurprisingly, the apparent steel consumption decreased by 6% to 4.5 million tonnes for the year. Muted or negative growth in key steel-consuming sectors, a limited number of infrastructure projects, electricity supply constraints, and low business confidence were some of the aspects contributing to this outcome. This situation was compounded by reduced credit availability with some credit line insurers exiting the steel market. As noted earlier, an increased number of steel-consuming companies entered business rescue or were merging operations in order to survive.

Total steel imports for the year were 918 000 tonnes³ which constitute some 20% of South Africa's apparent steel consumption compared to 16% in the previous year. The increase was largely a consequence of hot rolled coil imports which were diverted from those countries with high trade protection measures (implement as a consequence of the global trade disputes) to those with lower trade protection measures. Further, continued imports of tinplate through 2019 ultimately led to the decision to end tin plant in South Africa.

¹ Worldsteel (27 January 2020) ² European Commission (1 February 2019) ³ SARS November 2019 import statistics, December estimated

Markets continued

The company's total sales volumes fell by 8% (or 379 000 tonnes) to 4.1 million tonnes mainly due to an 11% reduction in domestic sales. Flat steel products decreased by 439 000 tonnes while that of long steel products increased by 60 000 tonnes. Export sales, comprising Africa Overland and seaborne volumes, decreased marginally against 2018 with significantly lower prices in international export markets.

Benchmark China export hot rolled coil and rebar steel prices fell by 13% and 10% respectively⁴, while for the company its overall realised steel price in dollar fell by 9%. In rand terms, realised steel prices remained stable as the average dollar/rand exchange rates weakened 9% year-on-year. Despite contending with extremely difficult operating conditions with lower volumes and prices, the company provided R233 million in value-added export assistance to the downstream industry (2018: R249 million).

⁴ Metal Bulletin full year data

We produce three types of products:



Flat steel products



Long steel products



Coke and Chemicals

Operational

The company's capacity utilisation reduced from 84% in 2018 to 68%. Liquid steel production fell by 13% or 681 000 tonnes, from 5.1 million tonnes to 4.4 million tonnes in 2019. These metrics reflect the planned repair outages affecting mainly flat products, electricity load-shedding and dramatically weaker domestic trading conditions.

Flat products' liquid steel production decreased by 664 000 tonnes reflecting its lower plant utilisation of 69% against 85% in the comparative period. Long products' liquid steel production was marginally lower by 17 000 tonnes, which included the restart of the Vereeniging Works' electric arc furnace. Similarly, long products utilisation fell to 66%, taking into account the aforementioned restart.

The successful interim repair of blast furnace D at Vanderbijlpark Works extended the life of the furnace by 10 years.

Weak market conditions, and the resultant lower steel-making utilisation, allowed for the redirection of metallurgical coke-making capacity at Newcastle Works to supplement the commercial market coke production at Pretoria. This resulted in a 4% increase in commercial market coke production from 184 000 tonnes in 2018 to 191 000 tonnes in 2019. Commercial market coke sales volumes, however, decreased by 4% to 152 000 tonnes as ferrochrome smelters were, among other factors, negatively impacted by electricity load-shedding.

Financial results

ArcelorMittal South Africa's EBITDA decreased from a profit of R3 608 million to a loss of R632 million, while operating profit decreased from a R2 777 million profit to a loss of R2 359 million. The headline loss of R3 265 million compared to headline earnings of R968 million for the comparative period.

Revenue

Revenue decreased by 9% to R41 353 million due to an 8% reduction in sales volumes. Net realised prices in rand terms remained flat against that of the comparative period. Revenue from the Coke and Chemicals business decreased due to lower selling prices.

Operating expenses

The company's raw material basket (iron ore, coking coal and scrap), which represents 51% (2018: 50%) of costs, increased by 12% in rand terms, driven by sharp increases in iron ore.

Consumables and auxiliaries, which represented approximately 29% of costs (2018: 29%), increased by 13%.

Increases in electricity, port and rail tariffs had a detrimental impact on the company's international competitiveness. These unaffordable increases, off an already inflated base, resulted in R439 million of additional costs against the comparable period.

Despite a significant saving from the BTP initiatives, because of the high raw material prices and uncompetitive regulated tariffs, the company's cash cost per tonne of liquid steel produced increased by 12% to R8 615 per tonne.

Total fixed cost for the company decreased by a substantial R999 million or 12%.

Loss for the period

The loss for the year amounted to R4 676 million compared to a profit of R1 370 million for the comparative period. The 2018 profit included the profit on the disposal of the investment in Macsteel of R415 million.

Net impairment charges for the year amounted to R1 401 million against R10 million for 2018. The amount consisted largely of R1 087 for the impairment of the property, plant and equipment at Newcastle Works, R294 million for Saldanha Works and R99 million towards the closure of the tin plant at the Vanderbijlpark Works.

Net finance charges reduced by 52% or R1 044 million to R969 million due to a lower foreign exchange loss of R1 240 million.

Income from equity-accounted investments decreased by R155 million largely due to the sale of the Macsteel investment in the second half of 2018.

Headline (loss)/earnings

After adjusting for the net impairment and loss on disposal of assets of R1 401 million (2018: net gain of R402 million), headline earnings decreased from a profit of R968 million to a loss of R3 265 million, amounting to a 299 cents per share loss against an 89 cents per share profit.

Cash flow and borrowing position

Cash generated from operations of R423 million was R1 859 million lower than in 2018.

Critically, R1 940 million of cash was released by the reduction in working capital levels (against a R1 123 million cash absorption in the comparative period). This reflects the intensity of cash management initiatives to operate the business at levels not last seen since the global financial crisis.

Net financing expenses paid reduced by 49% or R237 million to R244 million.

Despite the challenging financial environment, notable projects such as the blast furnace D interim repair of R215 million and coke oven battery of R56 million were undertaken. The net capex outflow was R1 491 million against R1 256 million in 2018. Compared to international peers that avoid capex outlays when EBITDA turns negative, again the company demonstrates its commitment to appropriately maintaining and modernising its asset base.

The net borrowing position of R475 million in the comparable period weakened to R3 370 million at 31 December 2019. This increase is due to the capitalisation of interest and group payables of R1 508 million to the loan of ArcelorMittal Holdings AG.

Legal and regulatory matters

- The company has been engaging the Competition Commission regarding the payment of the administrative penalty that was due in November 2019. A proposal in this regard has been submitted to the Commission and the company is awaiting a decision in this regard. The matter has been held in abeyance by the Commission pending the finalisation of the decision. The interest expense on this amount has however been paid.
- On 3 June 2019 shareholders were notified that the summons instituting criminal proceedings against the group on account of three alleged transgressions of its atmospheric emissions licence at its Vanderbijlpark Works, was served on 30 May 2019. The matter was postponed on 23 January 2020 to 29 April 2020. Management assessment of any financial exposure in terms of a fine remains at R15 million.

Changes to the board of directors and company secretary

No changes to the board of directors for the year ended 31 December 2019.

As previously announced, Ms NB Bam resigned as company secretary effective 10 January 2020. In terms of paragraph 3.59 (a) of the JSE Limited Listings Requirements, shareholders are advised that FluidRock Co Sec (Pty) Ltd has been appointed as the company secretary of the company as from 1 March 2020.

The board of directors considers that FluidRock Co Sec (Pty) Ltd has the requisite knowledge and experience for the position and the board looks forward to their contribution.

Dividends

No dividends were declared for the year ended 31 December 2019.

Outlook for the first half of 2020

Internationally, margins have been tightly squeezed though elements of normalisation are becoming evident. Expected low domestic growth will require immediate interventions. As ArcelorMittal South Africa heads into 2020, it will continue to vigorously focus on the business transformation programme, the “One Organisation” implementation and other strategic cost-reduction initiatives; and unaffordable regulated tariffs and developmentally priced raw materials. In so doing, the company will be better prepared for the upturn.

The volatility of ZAR/USD exchange rate is also likely to continue to have an impact on the company's results.

On behalf of the board of directors

HJ Verster
Chief executive officer
6 February 2020

AD Maharaj
Chief financial officer

Key statistics

	Year ended	
	31 December 2019	31 December 2018
Unreviewed/unaudited information		
Operational		
Liquid steel production	4 411	5 092
Total steel sales (000 tonnes)	4 112	4 491
Local steel sales (000 tonnes)	2 967	3 337
Export steel sales (000 tonnes)	1 145	1 154
Capacity utilisation (%)	68	84
Commercial coke sales (000 tonnes)	152	158
Average net realised price (R/t)	9 259	9 301
Safety		
Lost time injury frequency rate	0.44	0.53
Reviewed/audited information		
Financial		
Revenue (R million)	41 353	45 274
(Loss)/profit from operations (R million)	(2 359)	2 777
Net (loss)/profit (R million)	(4 676)	1 370
(Loss)/profit per share (cents)	(428)	125
Headline (loss)/earnings (R million)	(3 265)	968
Headline (loss)/earnings per share (cents)	(299)	89
Net borrowings (R million)	(3 370)	(475)
Ratios		
Return on ordinary shareholders' equity per annum:		
– Attributable earnings (%)	(82.2)	17.1
– Headline earnings (%)	(57.5)	12.1
– Net borrowings to equity (%)	(99.0)	(6.0)
Share statistics		
Ordinary shares (thousands):		
– in issue	1 138 060	1 138 060
– outstanding	1 093 510	1 093 510
– weighted average number of shares	1 093 510	1 093 510
– diluted weighted average number of shares	1 093 510	1 093 510
Share price (closing) (Rand)	1.19	3.39
Market capitalisation (R million)	1 354	3 858
Net asset value per share (Rand)	3.11	7.28

Reconciliation of earnings before interest, taxation, depreciation, amortisation and exceptional items

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
(Loss)/profit from operations	(2 359)	2 777
Adjusted for:		
– Depreciation	819	817
– Amortisation of intangible assets	11	14
– Saldanha Works wind-down cost	396	–
– Restructuring cost	234	–
– Inventory adjusted to net realisable value	267	–
Earnings before interest, taxation, depreciation, amortisation and exceptional items	(632)	3 608

Independent auditor's review report on condensed consolidated financial statements

TO THE SHAREHOLDERS OF ARCELORMITTAL SOUTH AFRICA LIMITED

We have reviewed the condensed consolidated financial statements of ArcelorMittal South Africa Limited, contained in the accompanying preliminary report, which comprise the condensed consolidated statement of financial position as at 31 December 2019 and the condensed consolidated statements of comprehensive income and other comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require condensed consolidated financial statements contained in a preliminary report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

Independent auditor's review report on condensed consolidated financial statements continued

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of ArcelorMittal South Africa Limited for the year ended 31 December 2019 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa.

Emphasis of matter – going concern

We draw attention to note 18 of the condensed consolidated financial statements which sets out the directors' initiatives. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte & Touche
Registered Auditor

Per: SI Rajcoomar
Partner

6 February 2020

Deloitte & Touche
Deloitte Place,
Building 1, The Woodlands
20 Woodlands Drive,
Woodmead, 2052, South

Telephone: + 27 (0) 11 806 5000
Facsimile: + 27 (0) 11 806 5118

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer *AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal TP Pillay Consulting *JK Mazzocco Talent & Transformation MG Dicks Risk Independence & Legal *KL Hodson Financial Advisory *B Nyembe Responsible Business & Public Policy *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

*Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Consolidated statement of comprehensive income and other comprehensive income

In millions of rand	Notes	Year ended	
		31 December 2019 Reviewed	31 December 2018 Audited
Revenue		41 353	45 274
Raw materials and consumables used		(24 475)	(25 965)
Employee costs		(4 773)	(4 493)
Energy		(4 699)	(4 262)
Movement in inventories of finished goods and work in progress		(2 242)	574
Depreciation		(819)	(817)
Amortisation of intangible assets		(11)	(14)
Impairment of trade and other receivables		(15)	(25)
Other operating expenses		(6 678)	(7 495)
(Loss)/profit from operations		(2 359)	2 777
Impairment reversal/(impairment) of other assets		79	(10)
Impairment of property, plant and equipment and intangible assets	5	(1 480)	–
Profit on disposal of investment		–	415
Finance and investment income	6	101	387
Finance costs	7	(1 070)	(2 400)
(Loss)/income from equity-accounted investments (net of tax)		(17)	138
(Loss)/profit before tax		(4 746)	1 307
Income tax credit	9	70	63
(Loss)/profit for the year		(4 676)	1 370

Consolidated statement of comprehensive income and other comprehensive income continued

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Other comprehensive (loss)/profit		
<i>Items that will not be reclassified to profit or loss:</i>		
Equity investments at FVOCI – net change in fair value (net of tax)	(26)	11
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	–	513
Reclassification of foreign currency differences on sale of foreign investment	–	(2 067)
Cash flow hedge – effective portion of changes in fair value (net of tax)	120	92
Cash flow hedges – reclassified to profit or loss (net of tax)	(27)	(49)
Share of other comprehensive income of equity-accounted investments	–	25
Other comprehensive income/(loss) for the year	67	(1 475)
Total comprehensive loss for the year	(4 609)	(105)
(Loss)/profit attributable to:		
Owners of the company	(4 676)	1 370
Total comprehensive loss attributable to:		
Owners of the company	(4 609)	(105)
Attributable (loss)/profit per share (cents)		
– basic	(428)	125
– diluted	(428)	125

Condensed consolidated statement of financial position

In millions of rand	Notes	As at	
		31 December 2019 Reviewed	31 December 2018 Audited
ASSETS			
Non-current assets		8 722	9 696
Property, plant and equipment	5	7 974	8 995
Intangible assets		70	73
Equity-accounted investments		268	220
Investment held by environmental trust		348	332
Non-current receivable		22	10
Other financial assets		40	66
Current assets		13 739	18 864
Inventories		8 700	12 179
Trade and other receivables		2 837	3 972
Taxation		21	132
Other financial assets		193	56
Cash, bank balances and restricted cash	11	1 988	2 525
Total assets		22 461	28 560
EQUITY AND LIABILITIES			
Shareholders' equity		3 405	7 961
Stated capital		4 537	4 537
Non-distributable reserves		(3 568)	(3 659)
Retained income		2 436	7 083
Non-current liabilities		6 716	5 636
Borrowings	12	4 208	2 700
Other payables		373	572
Finance lease obligations		74	46
Provisions		1 761	1 774
Other financial liabilities		300	544
Current liabilities		12 340	14 963
Trade payables		8 935	12 304
Borrowings	12	1 150	300
Finance lease obligations		26	15
Current provisions		1 080	406
Other payables		456	1 475
Taxation payable		93	91
Other financial liabilities		600	372
Total equity and liabilities		22 461	28 560

Condensed consolidated statement of cash flows

In millions of rand	Note	Year ended	
		31 December 2019 Reviewed	31 December 2018 Audited
Cash flows from operating activities		129	887
Cash generated from operations	13	423	2 282
Interest income		101	93
Finance cost		(345)	(574)
Income tax received/(paid)		130	(2)
Realised foreign exchange movement		(180)	(912)
Cash flows from investing activities		(1 479)	1 984
Investment to maintain and expand operations		(1 491)	(1 256)
Proceeds on disposal of investment in associates and joint ventures		–	3 221
Proceeds on disposal or scrapping of assets		–	12
Dividend income from investment		12	7
Cash flows from financing activities		810	(3 487)
Borrowings raised/(repaid)		850	(3 400)
Finance lease obligation repaid		(37)	(85)
Cash settlement on management share trust/long-term incentive plan		(3)	(2)
Decrease in cash, cash equivalents and restricted cash		(540)	(616)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash		3	3
Cash, cash equivalents and restricted cash at beginning of the year		2 525	3 138
Cash, cash equivalents and restricted cash at end of the year		1 988	2 525

Condensed consolidated statement of changes in equity

In millions of rand	Stated capital	Treasury share equity reserve	Other reserves	Retained earnings	Total
Balance as at 1 January 2018	4 537	(3 918)	4 281	3 158	8 058
Total comprehensive loss	–	–	(1 475)	1 370	(105)
Cash settlement on management share trust/long-term incentive plan	–	–	(2)	–	(2)
Share-based payment expense	–	–	10	–	10
Transfer between reserves		(1)	(2 554)	2 555	
Balance as at 31 December 2018 (Audited)	4 537	(3 919)	260	7 083	7 961
Balance as at 1 January 2019	4 537	(3 919)	260	7 083	7 961
Total comprehensive loss	–	–	67	(4 676)	(4 609)
Cash settlement on management share trust/long-term incentive plan	–	–	(3)	–	(3)
Share-based payment expense	–	–	56	–	56
Transfer of equity-accounted earnings	–	–	(29)	29	–
Balance as at 31 December 2019 (Reviewed)	4 537	(3 919)	351	2 436	3 405

Notes to the preliminary reviewed condensed consolidated financial statements

1. Corporate information

ArcelorMittal South Africa Limited is a public company incorporated and domiciled in the Republic of South Africa and listed on the JSE Limited. These condensed consolidated financial statements for the year ended 31 December 2019 comprise the company and its subsidiaries (together referred to as the group). The group is one of the largest steel producers on the African continent.

2. Basis of preparation

The condensed consolidated financial statements were prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports as well as the requirements of the Companies Act of South Africa. The condensed consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. It also contains, at a minimum, the information required by IAS 34 *Interim Financial Reporting*.

The condensed consolidated financial statements were prepared under the supervision of Mr AD Maharaj CA(SA), the chief financial officer.

The auditor's conclusion, which contains a paragraph on material uncertainty relating to going concern, does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should read the auditor's conclusion together with the accompanying financial information contained in this announcement.

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except as disclosed below.

IFRS 16 *Leases*, which became effective for the year which commenced on 1 January 2019, were adopted by the group. IFRS 16 *Leases*, replaces IAS 17 *Leases*, and sets out updated requirements on recognition and measurement of leases. The company adopted IFRS 16 using the cumulative catch-up approach and measuring assets at an amount equal to the liability. Comparatives for the 2018 reporting periods were not restated.

Adjustments recognised on adoption of IFRS 16 *Leases*

On adoption of IFRS 16 *Leases*, the group recognised lease liabilities and right-of-use assets in relation to leases which were previously classified as operating leases under the principles of IAS 17 *Leases*. These liabilities and assets were measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate used to measure the lease liabilities on 1 January 2019 was 8.2%.

The impact of the change in the accounting policy on the statement of financial position on 1 January 2019 was as follows:

- Increase in right-of-use assets by R62 million.
- Increase in lease liabilities by R62 million.

In applying IFRS 16 for the first time, the group used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases shorter than 12 months. Low value assets are assets that are below the group's capitalisation threshold.

Notes to the preliminary reviewed condensed consolidated financial statements continued

4. Segment report

Flat steel products

	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Revenue (R million)	27 709	31 919
– External	26 927	31 012
– Internal	782	907
EBITDA (R million) (unreviewed/unaudited)	(574)	2 670
EBITDA margin %(unreviewed/unaudited)	(2.1)	8.4
Average net realised price (R/t) (unreviewed/unaudited)	9 620	9 514
Exceptional items	(665)	–
Depreciation and amortisation (R million)	(435)	(393)
(Loss)/profit from operations (R million)	(1 674)	2 277
Unreviewed/unaudited information		
Liquid steel production (000 tonnes)	2 897	3 561
Steel sales (000 tonnes)	2 659	3 098
– Local	2 065	2 242
– Export	594	856
Capacity utilisation (%)	69	85

4. Segment report

Long steel products

	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Revenue (R million)	14 599	14 905
– External	13 179	12 919
– Internal	1 420	1 986
EBITDA (R million) (unreviewed/unaudited)	(369)	808
EBITDA margin (%) (unreviewed/unaudited)	(2.5)	5.4
Average net realised price (R/t) (unreviewed/unaudited)	8 598	8 828
Exceptional items	(169)	–
Depreciation and amortisation (R million)	(297)	(334)
(Loss)/profit from operations (R million)	(835)	474
Unreviewed/unaudited information		
Liquid steel production (000 tonnes)	1 514	1 531
Steel sales (000 tonnes)	1 453	1 393
– Local	902	1 095
– Export	551	298
Capacity utilisation (%)	66	81

Notes to the preliminary reviewed condensed consolidated financial statements continued

4. Segment report

Coke and Chemicals

	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Revenue (R million)	1 310	1 376
– External	1 247	1 343
– Internal	63	33
EBITDA (R million) (unreviewed/unaudited)	250	370
EBITDA margin (%) (unreviewed/unaudited)	19.1	26.9
Exceptional items	(1)	–
Depreciation and amortisation (R million)	(70)	(82)
Profit from operations (R million)	179	288
Unreviewed/unaudited information		
Commercial coke produced (000 tonnes)	191	184
Commercial coke sales (000 tonnes)	152	158
Tar sales (000 tonnes)	77	81

Corporate and other

	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
EBITDA (R million) (unreviewed/unaudited)	61	(240)
Exceptional items	(62)	–
Depreciation and amortisation credit (R million)	(28)	(22)
Loss from operations (R million)	(29)	(262)

5. Impairment

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Impairment of property, plant and equipment	1 480	–

The company performed a review for indications of impairment of its property, plant and equipment at 31 December 2019. Following this review it was necessary to perform an impairment test and the results of the impairment test concluded the impairment of Newcastle Works amounting to R1 087 million. The impairment of Newcastle was as a result of the strengthening of the rand against the US dollar (USD) to USD/ZAR 14.12 at year-end and lower domestic volumes.

In November 2019 the decision was taken to wind-down steel operations at Saldanha Works and placing the operation on care and maintenance. Saldanha Works was fully impaired to the value of R294 million.

The tin plant at Vanderbijlpark Works was also impaired to the value of R99 million.

Basis of the impairment model

A discounted cash flow model is used with an explicit forecast period for five years. These cash flows are USD based. To determine the terminal value, the Gordon growth model is used and year five is taken in perpetuity.

In millions of rand	Vanderbijlpark 2019	Newcastle 2019	Gauteng operations 2019	Coke and Chemicals 2019
Major assumptions				
Total post-tax WACC/discount rate (% USD based)	11.94%	12.25%	11.47%	11.94%
Growth rate (% USD based)	2	2	2	2
Exchange rate range (R/USD)	14.65 – 16.32	14.65 – 16.32	14.65 – 16.32	14.65 – 16.32
Steel sales price range (average USD/t)	620 – 637	535 – 573	789 – 818	236 – 270
Sales volume range (kt)	2 346 – 2 497	1 016 – 1 469	193 – 198	290 – 469
Capex accumulated (2020 – 2024) USDm	372	81	10	14

Notes to the preliminary reviewed condensed consolidated financial statements continued

6. Finance and investment income

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Finance income		
Bank deposits and other interest income	101	93
Discount rate adjustment of the provisions	–	285
Investment income		
Interest received from jointly controlled entities	–	9
Total	101	387

7. Finance cost

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Interest expense on bank overdrafts and loans	863	976
Interest expense on finance lease obligations	13	15
Net foreign exchange (gains)/losses on financing activities	(128)	1 112
Discount rate adjustment of the non-current provisions	1	–
Unwinding of discounting effect on non-current provisions	321	297
Total	1 070	2 400

8. Fair value measurements

Certain of the group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, particularly the valuation techniques and inputs used:

Financial instruments

Financial instruments		Fair values as at period ended		Fair value hierarchy
		31 December 2019 Reviewed	31 December 2018 Audited	
In millions of rand	Classification under IFRS 9			
Financial assets				
Equity securities	Equity instruments – FVTPL	348	332	Level 1
Equity securities	Equity instruments – FVOCI	40	66	Level 1
Forward exchange contracts used for hedging	Fair value – hedging instrument	189	53	Level 2
Other forward exchange contracts	Mandatorily at FVTPL	4	3	Level 2
Financial liabilities				
Forward exchange contracts used for hedging	Fair value – hedging instrument	–	10	Level 2
Other forward exchange contracts	Mandatorily at FVTPL	–	6	Level 2

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

9. Taxation

Although the corporate tax rate is 28%, the actual average tax rate for the group was positive 15%. The positive tax rate was as a result of an income tax receivable due to various positive settlement with the South African Revenue Services during 2019. The settlements relates to disputes in respect of 2007, 2010, 2011 and 2012 years of assessments.

The group only recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences. However, based on the considerations presented, management believes it is premature to conclude at this stage that it is more likely than not for sufficient future taxable profits to be available against which the full proposed deferred tax asset can be utilised.

Notes to the preliminary reviewed condensed consolidated financial statements continued

10. Headline (loss)/earnings

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
(Loss)/profit for the year	(4 676)	1 370
Adjusted for:		
– Impairment reversal	(79)	–
– Impairment charge	1 480	10
– Loss on disposal or scrapping of assets	14	4
– Profit on disposal of investment	–	(415)
– Tax effect	(4)	(1)
Headline (loss)/earnings for the year	(3 265)	968
Headline (loss)/earnings per share (cents)		
– basic	(299)	89
– diluted	(299)	89

11. Cash, bank balances and restricted cash

At 31 December 2019, the group had restricted cash of R1 134 million (2018: R1 485 million). This consists of R823 million (2018: R883 million) regarding the true sales receivables (TSR) facility and R311 million (2018: R602 million) for the environmental rehabilitation obligations.

Eligible inventories and receivables are provided as securities for the borrowing based facility to the extent of the drawdown. At 31 December 2019 the balance of the borrowing-based facility was R1 150 million (2018: R300 million) with R3 350 million (2018: R4 200 million) still available.

Bank accounts of R600 million (2018: R282 million) were ceded in favour of the borrowing-based facility and TSR facilities.

12. Borrowings

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Banks	1 150	300
Loan from holding company	4 208	2 700
Total	5 358	3 000
Non-current	4 208	2 700
Current	1 150	300
Total	5 358	3 000

The bank loan relates to the borrowing-based facility with various financial institutions. The loan from the holding company increased by R1 508 million as a result of capitalised accrued interest of R478 million and the capitalisation of intercompany payables of R1 030 million. The loan from the holding company is subordinated to the borrowing-based facility. Interest is payable on the initial loan of R2 700 million and the capitalised interest of R478 million at a market-related rate. No interest will be charged on the amount of R1 030 million that was capitalised.

Notes to the preliminary reviewed condensed consolidated financial statements continued

13. Cash generated from operations

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
(Loss)/profit from operations	(2 359)	2 777
Adjusted for:	830	831
– Depreciation and amortisation of intangible assets	1	(3)
– Unrealised profit on sales to joint ventures	56	10
– Share option and participation costs	(173)	(125)
– Non-cash movement in provisions and financial liabilities	94	(140)
– Write-down/(reversal of write-down) of inventory to net realisable value		
– Movement in trade and other receivable allowances	36	46
– Reconditionable spares usage	–	5
– Loss on disposal or scrapping of property	14	4
– Fair value adjustment on environmental trust	(16)	–
– Other cash movements		
– Decrease/(increase) in inventories	3 415	(520)
– Decrease/(increase) in trade and other receivables	1 208	(1 005)
– (Decrease)/increase in trade and other payables	(2 876)	497
– Utilisation of provisions	219	(35)
– Changes in financial liabilities or assets	(84)	(142)
– Other payables raised, released and utilised relating to employees	58	82
Cash generated from operations	423	2 282

14. Commitments

In millions of rand	Year ended	
	31 December 2019 Reviewed	31 December 2018 Audited
Capital expenditure commitments on property, plant and equipment		
Capital expenditure authorised and contracted for	1 099	655
Capital expenditure authorised but not contracted for	2 727	2 459

In accordance with the Competition Commission settlement agreement concluded in 2016, ArcelorMittal South Africa is committed to spend additional capital expenditure on qualifying projects of R4 600 million over five years subject to affordability and feasibility. In total, R2 716 million (2018: R2 171 million) has been invested in various projects to date.

Included in the capital expenditure above is an amount of R977 million to address emissions at Vanderbijlpark over the next two years.

15. Related party transactions

The group is controlled by ArcelorMittal Holdings AG, which effectively owns 69% (December 2018: 69%) of the group's shares. At 31 December 2019, the outstanding ArcelorMittal Holdings AG loan amounted to R4 208 million (2018: R2 700 million). The loan increased by R1 508 million as a result of the capitalisation of accrued interest of R478 million and the capitalisation of intercompany payables of R1 030 million. Interest is The interest expense for the year was R287 million (2018: R272 million).

The company and its subsidiaries entered into sale and purchase transactions with joint ventures in the ordinary course of business. These transactions were concluded at arm's length.

Notes to the preliminary reviewed condensed consolidated financial statements continued

16. Wind-down of Saldanha Works

The accounting impact of Saldanha Works that are being wind-down to a state of care and maintenance are as follows:

Income and expenses

In millions of rand	Year ended	
	31 December 2019 Unreviewed	31 December 2018 Unreviewed
Revenue	7 598	8 654
Expenses	(8 486)	(8 092)
(Loss)/profit from operations before impairment and other expenses	(888)	562
Impairment	(294)	–
Wind-down cost	(396)	–
(Loss)/profit from operations	(1 578)	562
Finance and investment income	1	1
Finance cost	(40)	(50)
(Loss)/profit before taxation	(1 617)	513
Income taxation expense	–	(9)
Net (loss)/profit for the year	(1 617)	504

16. Wind-down of Saldanha Works continued

Assets and liabilities

In millions of rand	Year ended	
	31 December 2019 Unreviewed	31 December 2018 Unreviewed
Assets		
Property, plant and equipment	–	224
Holding company variable loan	2 552	3 108
Inventories	679	1 269
Trade and other receivable	147	592
Liabilities		
Holding company fixed loan	(7 654)	(7 654)
Finance lease obligation	(46)	(59)
Provisions	(434)	(25)
Trade and other payables	(1 924)	(1 448)
Taxation	(95)	(95)

Notes to the preliminary reviewed condensed consolidated financial statements continued

17. Subsequent events

The directors are not aware of any matter or circumstances arising since 31 December 2019 to the date of this report that would significantly affect the operations, the results or financial position of the group.

18. Going concern

The 2019 financial year represented the most challenging year since the global financial crisis for the world steel industry, and an exceptionally difficult year for the South African economy and the group. The correlation between steel prices and raw material costs have broken down. The size of the dislocation between steel prices and raw material cost is very unusual, and although recently, raw material prices have moderated a little, the dislocation continues.

Despite the cash preservation initiatives and the cost reduction projects, the group recognised a net loss after tax of R4 676 million (2018: profit of R1 370 million) for the year ended 31 December 2019 and, as at that date, current assets exceed current liabilities by R1 399 million (2018: R3 901 million). Furthermore, the group continued to invest in key priority capital projects that appropriately maintain and modernise the production asset base.

As stated previously, the group is very vulnerable to the exchange rate and the strengthening of the rand against the US dollar had a negative impact on financial performance. Further, the valuation of property, plant and equipment resulted in an impairment of R1 480 million which had no cash flow impact. As required by IFRS the impairment assessment is performed at spot rate as at the end of the financial year which specifically impacted the Newcastle cash-generating unit.

The directors have prepared cash flow forecasts for a period of 12 months after year-end based on the most recent forecast. The forecast takes into account the continued business transformation programme that has proved to realise cost savings over the past two years of R2 300 million.

The borrowing-based facility was successfully renewed, and further following the orderly wind-down of Saldanha Works the level of the tangible net worth covenant was reset. As at 31 December 2019, the group is in compliance with all covenants. At 31 December 2019 the balance of the borrowing-based facility was R1 550 million (2018: R300 million) drawn. The group continues to work closely with all lenders to ensure the required facilities remain in place.

18. Going concern continued

ArcelorMittal Holdings AG continues to demonstrate their support by increasing the loan by R1 508 million with the capitalisation of accrued interest and intercompany payables. The capitalised interest, intercompany payables and the intercompany loan have been fully subordinated.

The directors are not aware of any other matters or circumstances that the group faces and concluded that there are no other matters that may impact the group's ability to continue as a going concern.

Based on the group's 12-month funding plan and taking banking facilities into consideration, together with the continued support from the holding company ArcelorMittal Holdings AG, the board believes that the group has sufficient funds to pay debts as they become due over the next 12 months, and therefore will remain a going concern.

Shareholders are advised that factors which are outside the control of management have a significant impact on the business, specifically market demand, volatility in the rand/US dollar exchange rate as well as commodity and steel prices. Should the cash flows be negatively impacted by the above, there remains a material uncertainty that may cast significant doubt regarding the ability of ArcelorMittal South Africa to continue as a going concern, without appropriate intervention such as business transformation focus areas, which have been identified to reduce controllable costs even further and the continued support from the holding company. The areas that have been identified in the business transformation programme are the reduction of subcontractor services and the reconfiguration of the operating model of the business by (i) simplifying and decluttering management mechanism, (ii) adopting common planning, scheduling and production systems, and information technology infrastructure, and (iii) improving the customer service experience by a more flexible sales and marketing organisation.

Forward looking statements

Statements in this announcement that are neither reported financial results nor other historical information, are forward looking statements, including but not limited to statements that are predictions of or indicate future earnings, savings, synergies, events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to risks and uncertainties which could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward looking statements (or from past results). Any reference to future financial performance included in this announcement has not been reviewed or reported on by the group's auditors.

Corporate information

ArcelorMittal South Africa Limited

(Incorporated in the Republic of South Africa)

Registration number: 1989/002164/06

Share code: ACL

ISIN: ZAE 000134961

(ArcelorMittal South Africa, the company or the group)

Registered office: ArcelorMittal South Africa Limited, Room N3-7, Main Building, Delfos Boulevard, Vanderbijlpark, 1911

Company secretary

FluidRock Co Sec (Pty) Ltd

Registration number: 2016/093836/07

Registered address: Monument Office Park, Suite 5-201,
79 Steenbok Avenue, Monument Park, 0181

Appointment with effect from 1 March 2020

Directors

Non-executive directors

PM Makwana* (chairman), BE Aranha#, LC Cele*, GS Gouws, NP Gosa, R Karol+, NP Mnxasana*, JRD Modise*, KMM Musonda*^, NF Nicolau*

#Citizen of Canada +Citizen of India ^Citizen of Zambia *Independent non-executive

Executive directors

HJ Verster (chief executive officer), AD Maharaj (chief financial officer)

Sponsor

Absa Bank Limited (acting through its corporate and investment banking division)
15 Alice Lane, Sandton, 2196. Private Bag X10056, Sandton, 2146

Release date: 6 February 2020



ArcelorMittal

www.arcelormittal.com/southafrica/