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Forging ahead

Financial results

for the year ended December 2011





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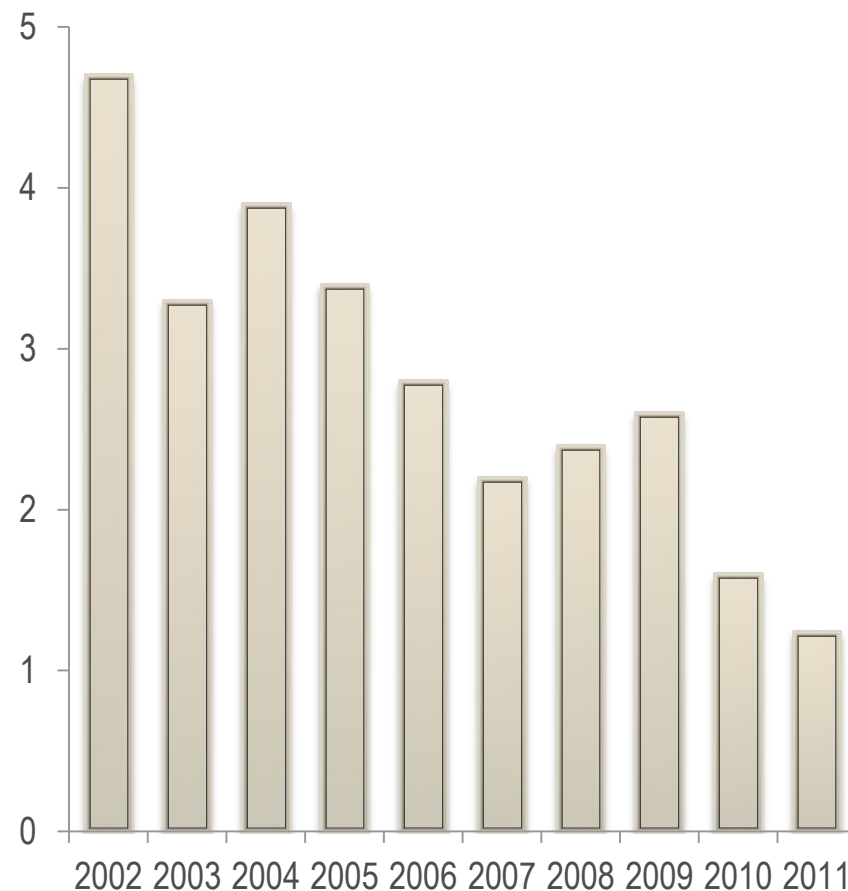
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Overview

CEO

- Five tragic fatalities during the year
- Improvements in all other key safety metrics
 - LTIFR improved to record 1.24 (2010 = 1.64)
 - All sites improved on 2010 LTIFR
 - Annual LTIFR records set at 4 of our sites
 - Annual total injury frequency rate below 20
- The Newcastle Works replacement of the blast furnace dust catcher and the tap-hole repair at Saldanha Works were both completed without injury



Lost Time Injury Frequency Rate
(Employees and Contractors)

EBITDA reduced by 51% culminating in a headline loss of R52m
(2010 = profit of R1 377m) - EBITDA margin 6% (12%)

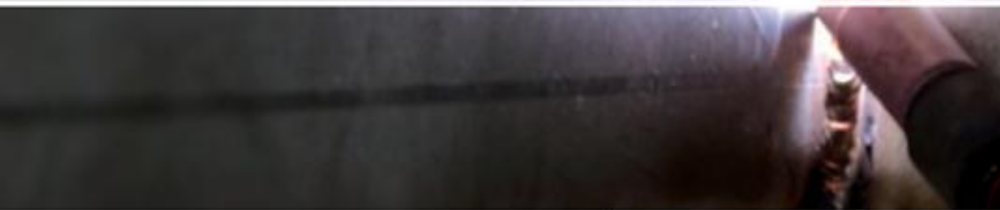
Liquid steel output fell 4% - capacity utilisation = 68% (71%)

Steel shipments decreased 7% with domestic sales up 3% and exports declining by 26%

Cash cost of steel sales per ton increase by 19% due to raw material costs

Market coke sales unchanged at 631kt with EBITDA contribution of R870m

	Q4'11 vs Q4'10	2011 vs 2010
Flat steel product prices in US\$	9%	10%
Long steel product prices in US\$	23%	19%
Liquid steel production	0%	-4%
Total sales volume	-17%	-7%
Export sales volume	-50%	-26%
Domestic sales volume	10%	3%
HRC Rand cash cost per tonne	17%	19%
Billet Rand cash cost per tonne	18%	23%
Labour productivity	-4%	-8%
ZAR movement (average rate)	16%	-1%



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Steel Market Overview

World economic growth grew at an estimated 4% in 2011, down from the 5.1% recorded in 2010

Emerging market economies grew by 6.4% in 2011, while growth is expected to slow to 6.1% in 2012

In the same year, world steel output increased by 6.7% to 1.49 bn mt, from 1.4 bn mt in 2010

China's steel production was up 9% to 683m mt accounting for 45.8% of global output

Global steel demand grew by almost 6% to reach 1.4 bn mt in 2011, with China's share at 44.6%

Global capacity utilisation level was at 78.9% compared to 2010 average of 77%

ArcelorMittal South Africa forecast a GDP growth rate of 2.9% for South Africa in 2012

International iron ore fines prices increased a further 36% (62% Fe) from 2010 to reach a new annual average record of \$172/t - pellet prices increased by 21%

International spot coking coal prices increased by 25% at an average \$262/t and the domestic coal price index (API4) rose by a similar percentage

2011 scrap prices increased on average by 17% relative to 2010 to average \$477/t for the year: this is within 3% of the previous annual record of \$490/t

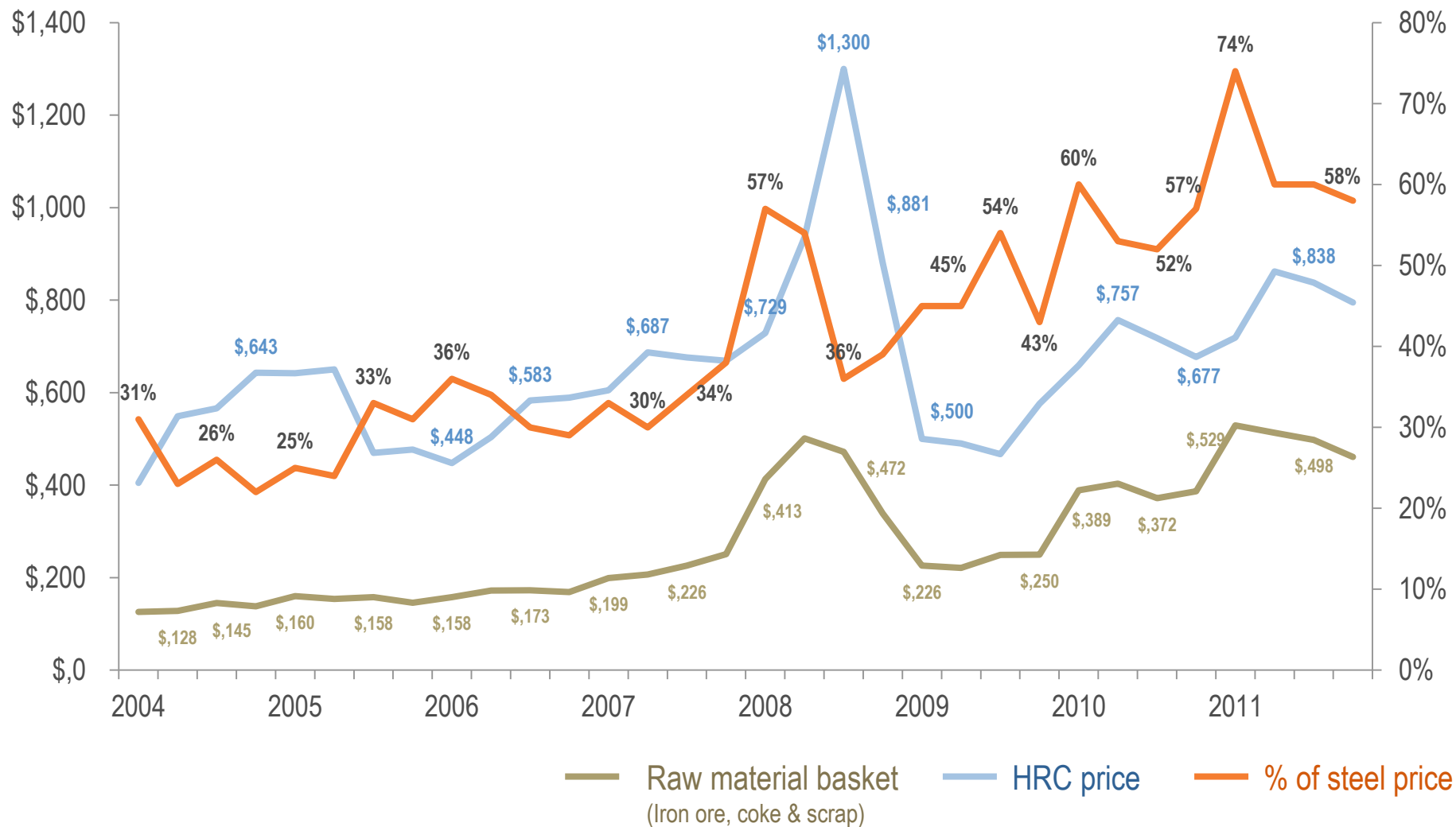
Base metals such as tin and zinc increased by 28% and 2% respectively

Inbound freight increased by 11% and 18% for rail and road respectively

Electricity tariff increase during 2011 was 28%

Sources: Platts Steel Market Daily, Argus Coal Daily, Metal Bulletin, Tex Report and ArcelorMittal South Africa

Global environment – raw material prices

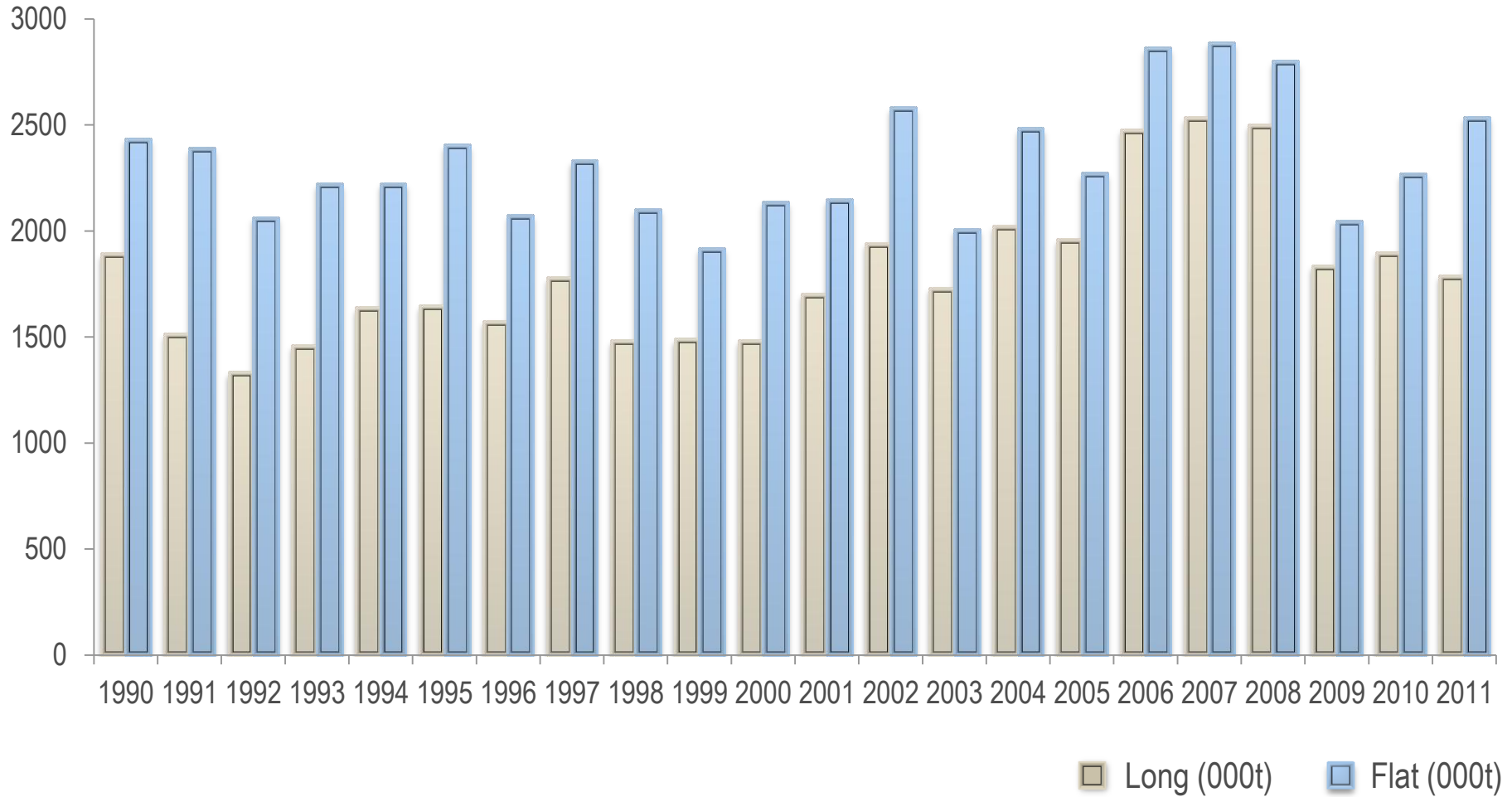


Sources: AME

2011	000t	Backward integrated	Domestic supply	Imported
Iron ore	7 400	88%	12%	0%
Pellets	450	0%	0%	100%
Scrap	1 100	58%*	42%	0%
Coking coal	4 300	12%	53%	35%
Other coal	1 600	0%	100%	0%
Total	14 850	52%	35%	13%

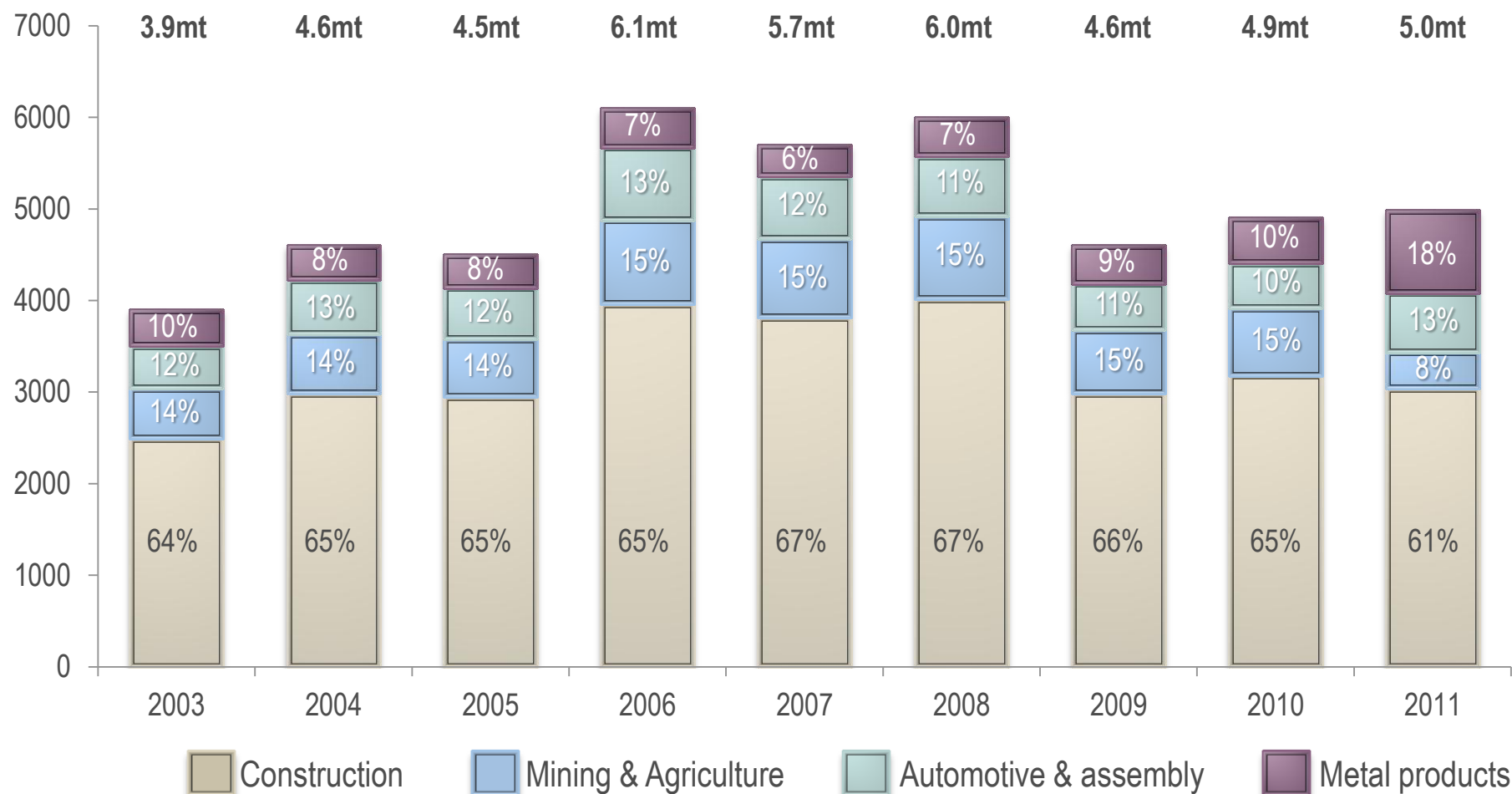
*Internally generated

Total Domestic Market – Shipments



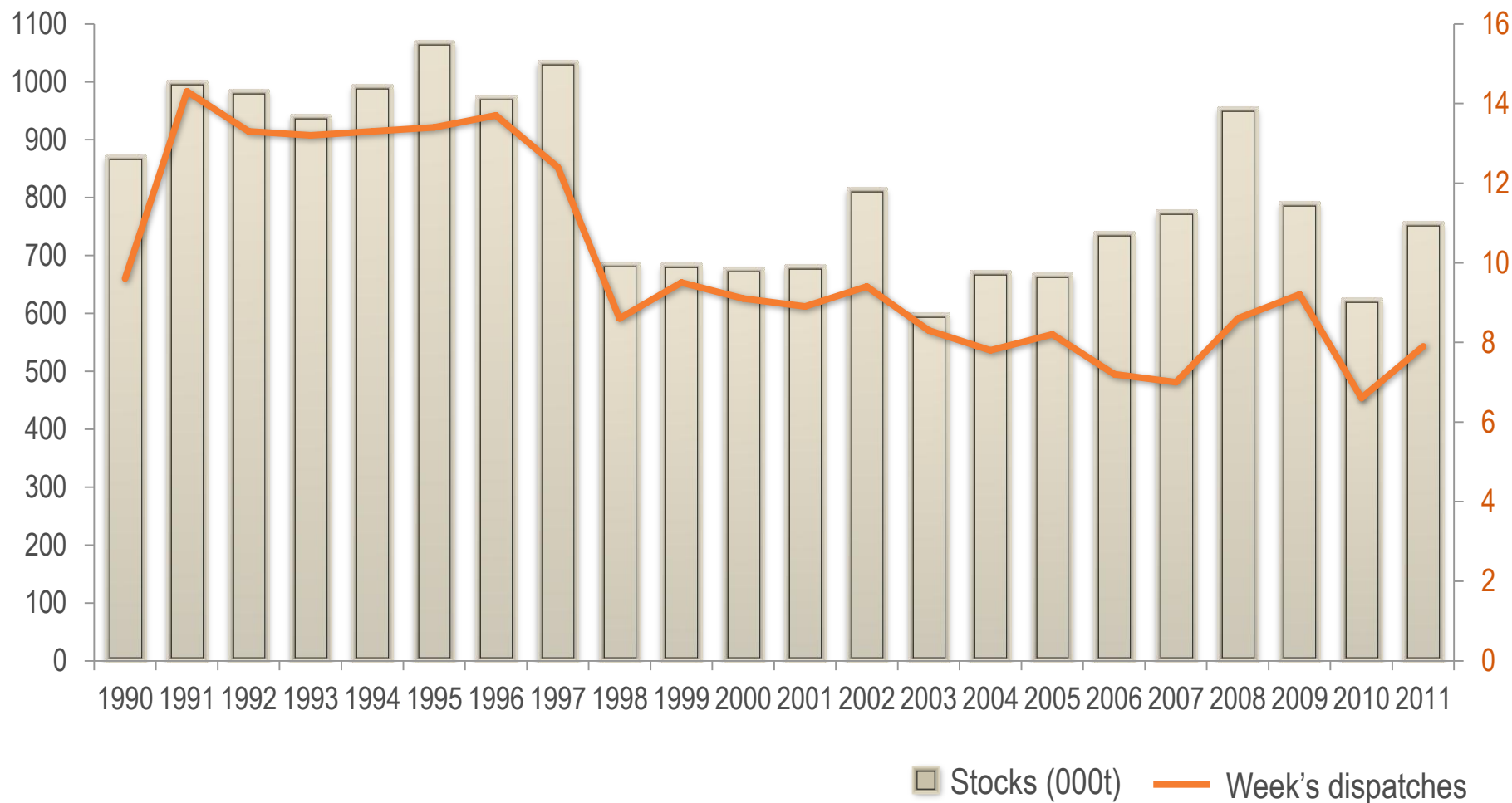
Source : SAISI actuals up to Q3'11, Q4'11 AMSA estimates

Domestic Market – Consumption by major sector

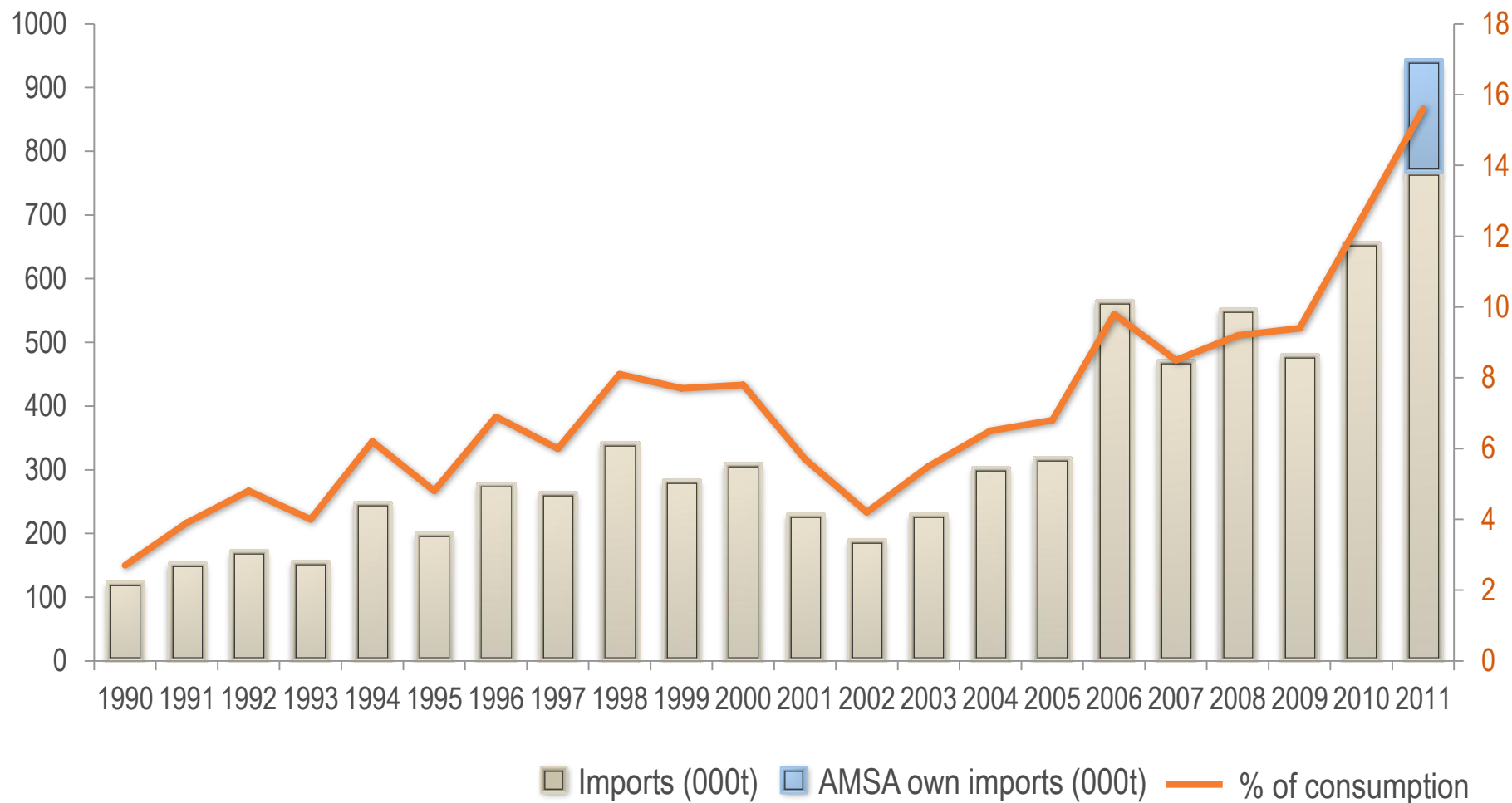


Source : SAISI actuals up to Q3'11, Q4'11 AMSA estimates

Domestic Market – Inventory Levels



Source : SAISI actuals up to Q3'11, Q4'11 AMSA estimates



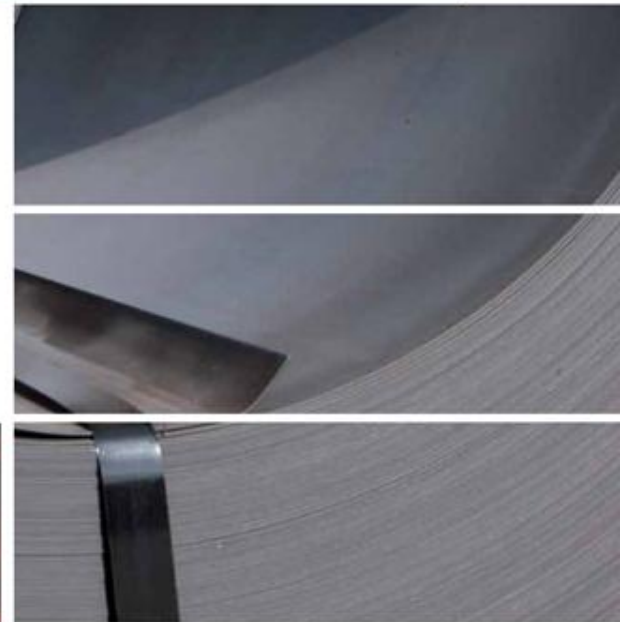
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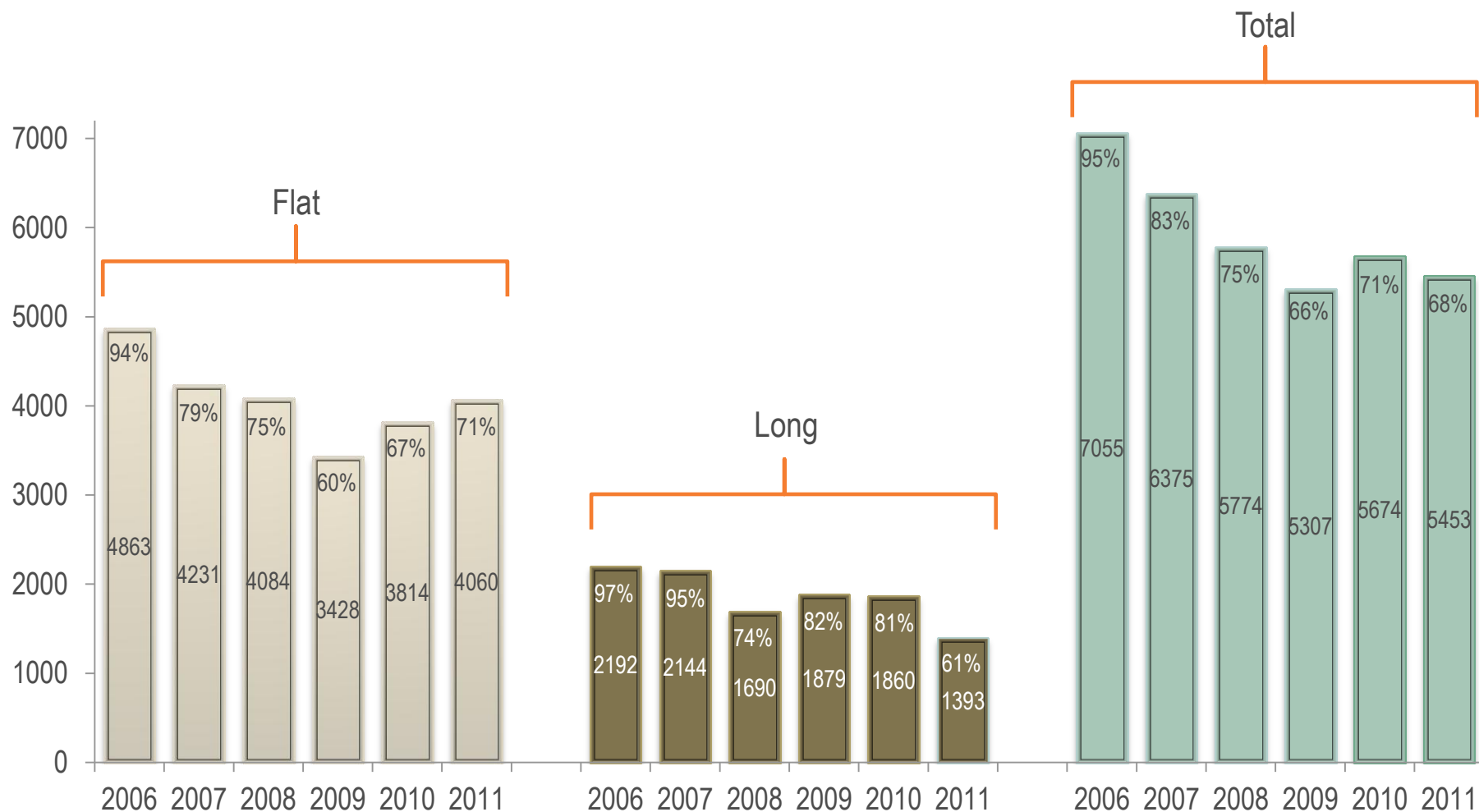


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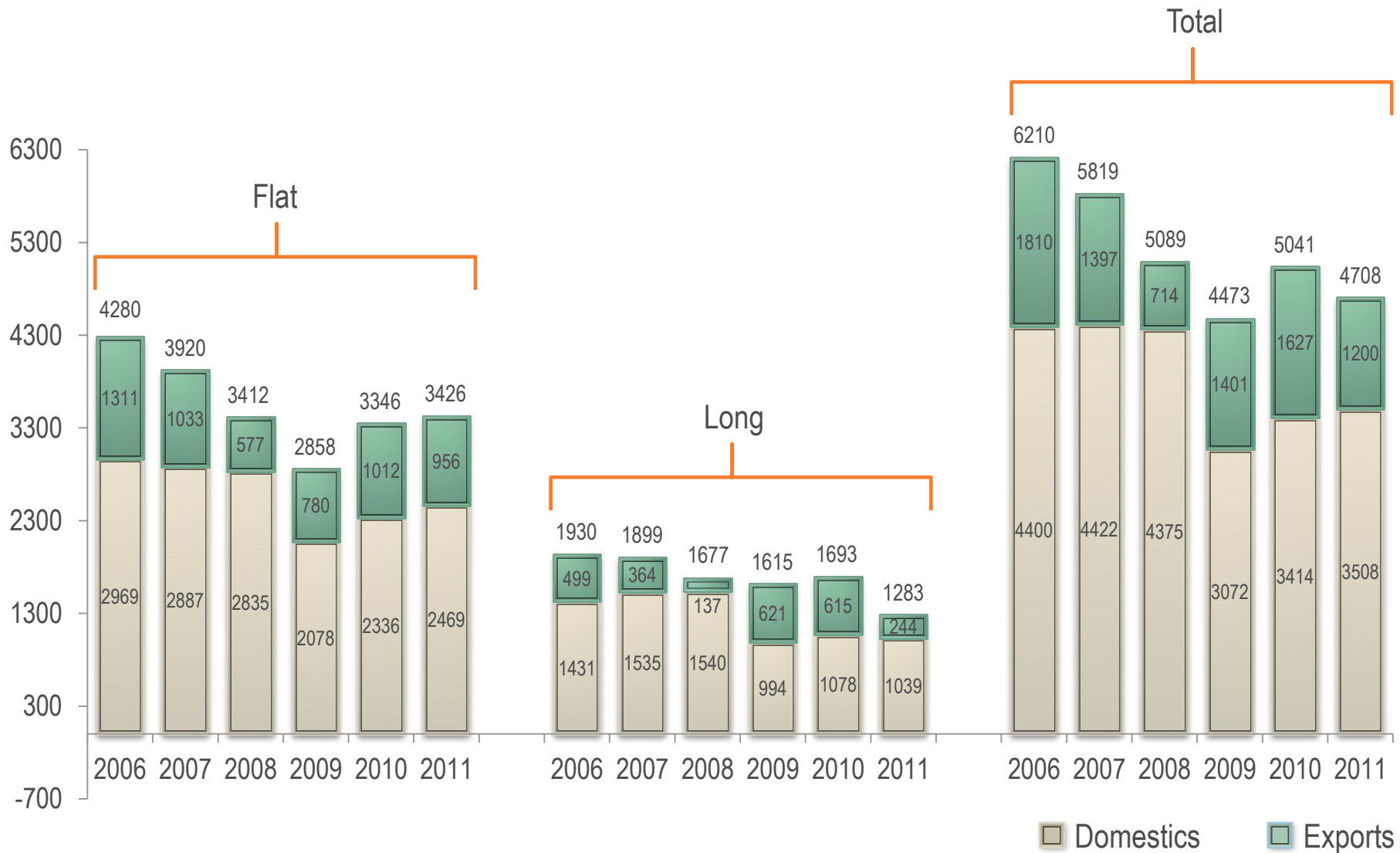


Operating Results

Liquid Steel Production (000t) & Capacity Utilisation (%)

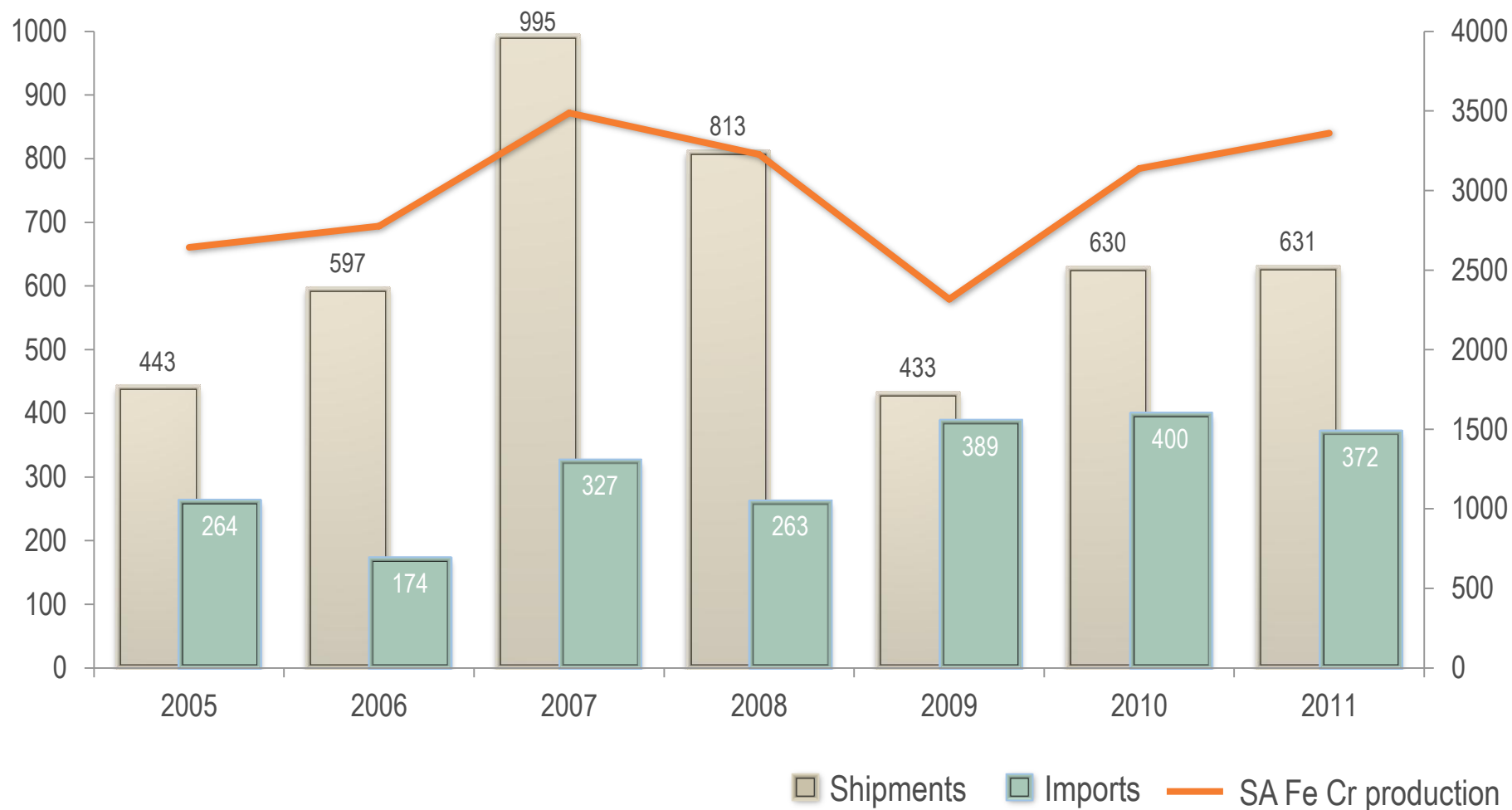


Shipment Volumes (000t)



Commercial coke

Shipment and import volumes compared to South African FeCr production (000t)



Source : Core Consultants

	2010	2011
Safety	137	97
Growth	154	22
Environment	331	79
Sustainable maintenance	1 092	992
Total expenditure	1 714	1 190

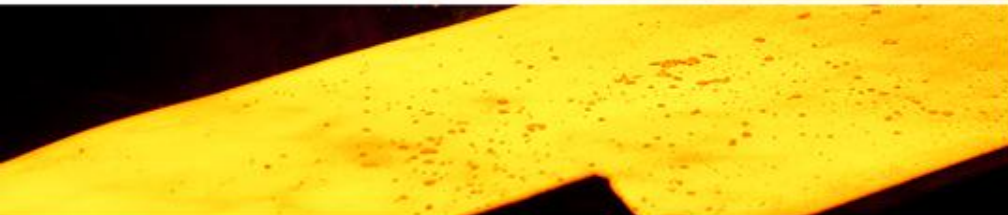
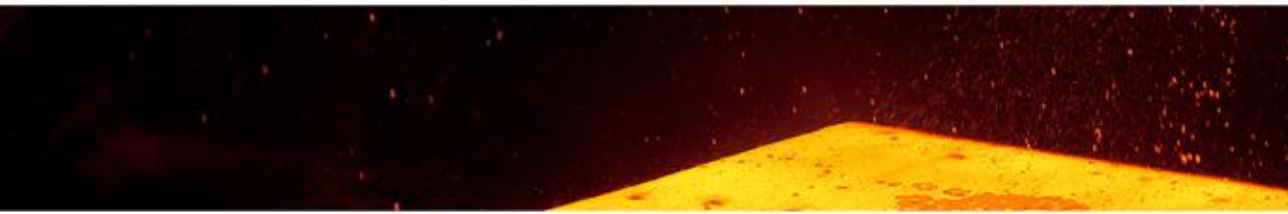
	2006	2007	2008	2009	2010	2011	Total
Environmental	R102m	R123m	R221m	R293m	R331m	R79m	R1 149m
Large projects	<ul style="list-style-type: none"> Emergency dams VDBP New ambient air quality station VDBP Reduce sinter plant emissions VDBP 	<ul style="list-style-type: none"> Waste Disposal Site (WDS) prep VDBP Dam 10 clean up VDBP 	<ul style="list-style-type: none"> Upgrade of WDS Ground water study VDBP Fugitive dust suppression 	<ul style="list-style-type: none"> Maturation ponds VDBP Dam 10 and 1 to 4 rehab VDBP New coke storage area VDBP 	<ul style="list-style-type: none"> Remed of Dam 10 VDBP New & old WDS activities VDBP Storm water improvements 	<ul style="list-style-type: none"> Newcastle de-sulphur project Sinter clean gas at VDBP 	
Important milestones	<ul style="list-style-type: none"> Reduced the dust emissions by 45% from VDBP 			<ul style="list-style-type: none"> Shut down of coke bat #1 at VDBP 	<ul style="list-style-type: none"> Reduced total SO₂ by 35% at VDBP Cease use of all unlined facilities at VDBP Vereeniging EAF Dust extraction system 	<ul style="list-style-type: none"> Sinter plant emission abatement system Completion of Ph 1 of rehabilitation of VDBP Slag disposal site 	



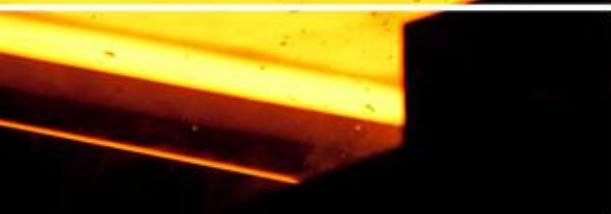
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Finance

Rudolph Torlage

CFO

Headline Earnings (Rm)

	2010	2011
Revenue	30 224	31 453
Profits from operations	2 151	297
Finance and investment income	71	31
(Losses)/profit on forex and financial instruments	-150	124
Finance costs	-357	-292
Tax	-492	-118
Equity earnings*	122	-34
Loss/(profit) on disposal/scrapping of assets	32	-60
Headline earnings/(loss)	1 377	-52
- In US\$m	188	-7

*After tax

EBITDA from Segments (Rm)

	2010	2011
Flat steel products	1 442	597
Long steel products	1 090	500
Coke and Chemicals	1 029	870
Corporate and other	-39	-247
Total EBITDA	3 522	1 720
EBITDA margin	12%	6%

Main Cost Drivers (R/t)

	2010	2011	% change
Iron ore and pellets	886	1 062	20%
Scrap / DRI / HBI	212	367	73%
Coking coal and other fuels	1 456	1 824	25%
Energy	386	507	31%
Manpower	606	695	15%
Maintenance	336	405	21%
Alloys, fluxes and coating materials	552	603	9%
Refractories, electrodes and consumables	318	376	18%
Outside services	220	224	1%
General expenses, professional fees, IS/IT and insurance premiums	201	281	40%
Total	5 173	6 344	23%

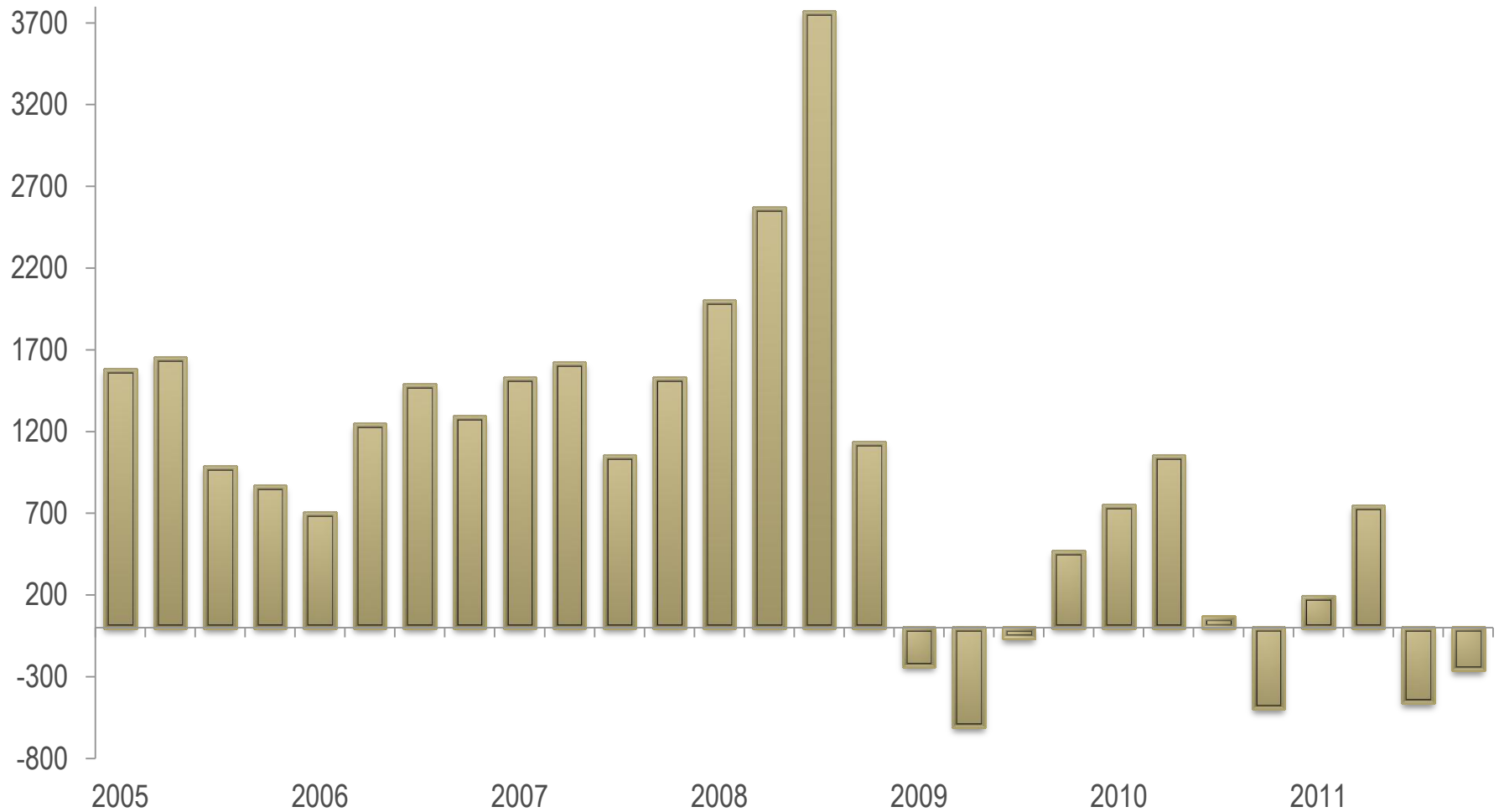
	2010	2011
Cash generated from operations	3 766	1 985
Working capital	-1 100	-2 821
Capex	-1 714	-1 190
Interest and investment income	197	81
Finance cost	-143	-97
Investments	-120	-180
Tax	-653	-243
Dividends	-602	-221
Repayment of borrowings and finance lease	-374	-529
Net cash flow	-743	-3 215
Effect of forex rate changes on cash	-99	148
Net cash flow	-842	-3 067
Cash	3 506	439

Working Capital Movement (Rm)

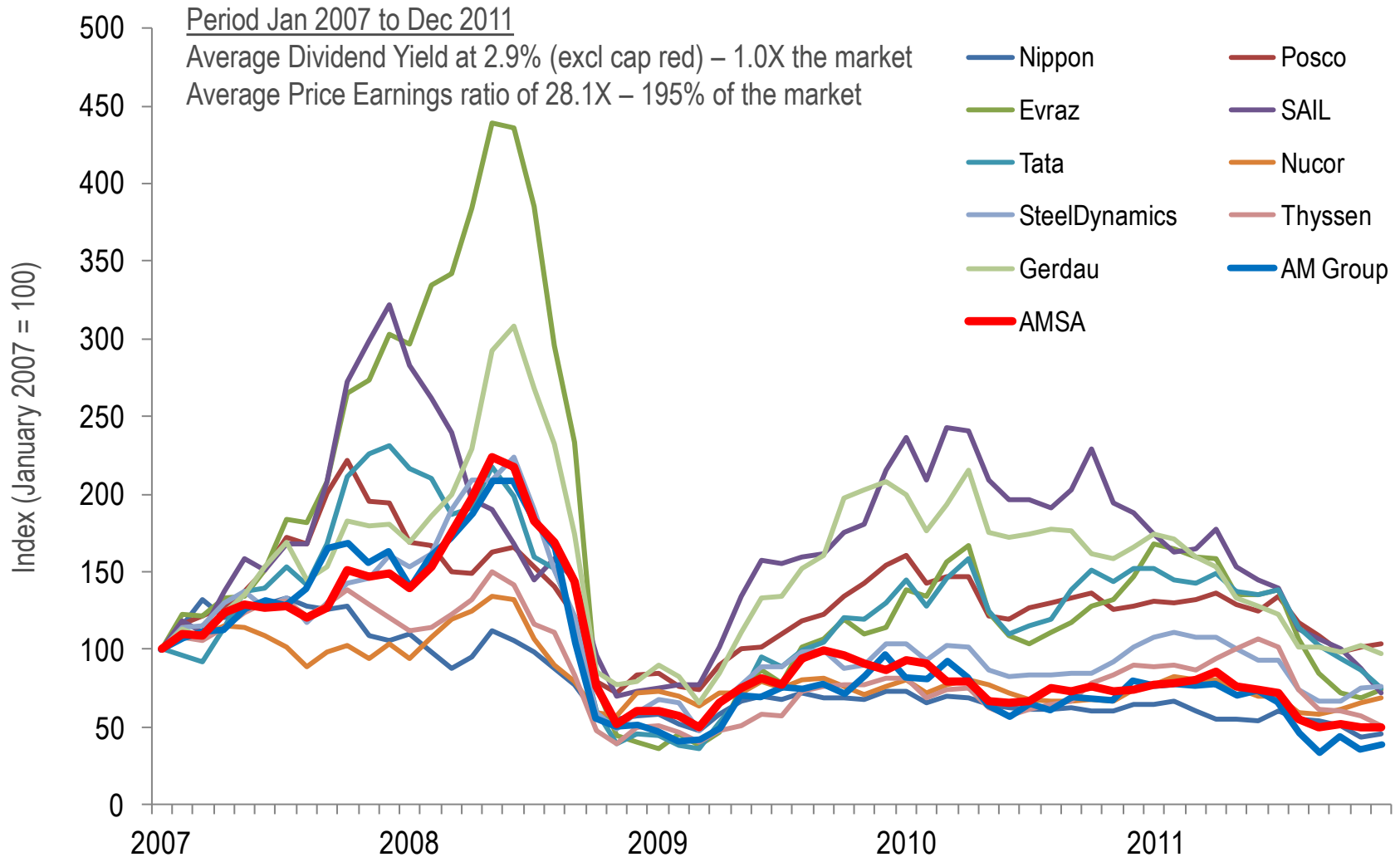
	2010	2011
Inventories	-1 544	-2 633
Finished products	-524	-112
Work-in-progress	-106	-1 721
Raw materials	-875	-755
Plant spares and stores	-39	-45
Receivables	303	-555
Payables	524	655
Utilisation of provisions	-383	-288
Working capital movement	-1 100	-2 821

	2010	2011
Operating margin	7.1%	0.9%
EBITDA margin	11.7%	5.5%
Revenue / invested capital (times)	1.3	1.2
Return on equity	6.2%	-0.2%
Net cash / equity	14.2%	0.4%

Quarterly Headline Earnings Trend (Rm)



Share Performance in US\$



- Dividend policy
 - Distributing one third of headline earnings every six months
 - Dividends
 - Interim dividend declared and paid of 55cps
 - No final dividend



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Investment Program and other developments

Nonkululeko Nyembezi-Heita

Backward integration programme

Investment programme

Sishen iron ore pricing arbitration

Anti-trust and competition matters

500 pupils attend science centers in the Vaal Triangle, Saldanha and Newcastle

Currently constructing Nelson Mandela Primary school in Mthata as part of our school building program

Social Grants for NGO's mostly involved in health related activities

13 houses in Orange Farm were built by employees and 2 houses are being built in Newcastle

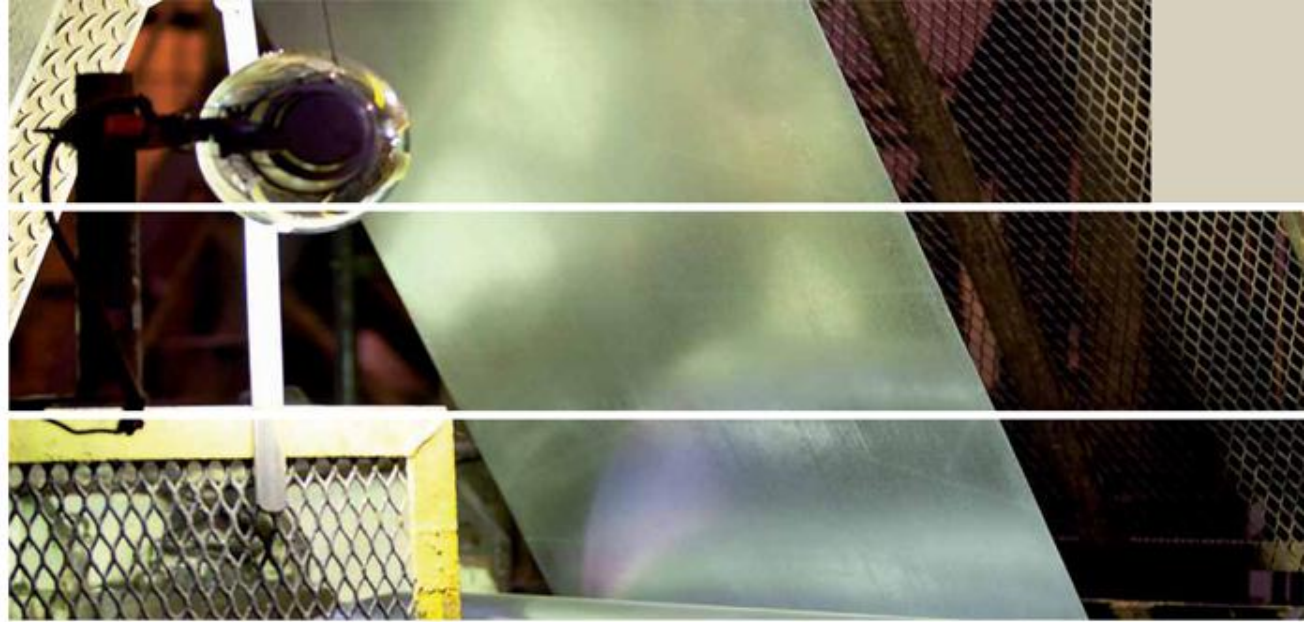
TB/ARV health centre is under construction at the Sebokeng Hospital while support is given for NGOs such as NOAH Foundation in Newcastle and the Ndlovu Group in Mpumalanga

AMSA scholarship programme

Apprentices	396
Candidate Artisans (completed their apprenticeship and are undergoing 1 year internship)	161
Engineering bursars studying Engineering at University	49
Candidate Engineers (completed their university studies and are undergoing 2 year internship)	34
Learner Technicians (completed their academic studies and are undergoing practical year to get diploma)	100
Candidate Technicians (completed 1 year practical and achieved diploma - undergoing 18 mnths internship)	43
Graduates in training for staff divisions (completed their academic studies and undergoing 2 year internship)	19
Production learners trained to take up positions in 4 th team to address aging workforce	553



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Outlook

- Business environment
 - Domestic sales expected to improve
 - Increased production stability
 - Lower international steel prices
- Earnings
 - Significant improvement compared to Q4 2011
 - Impacted by Rand/US Dollar exchange rate movements



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