MEDIA STATEMENT

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ARCELORMITTAL SOUTH AFRICA WELCOMES GOVERNMENT’S SHIFT TO LEVEL 3

Johannesburg, 25 May 2020: ArcelorMittal South Africa welcomes the announcement by President Cyril Ramaphosa that the country will be moving to Level 3 in the risk-adjusted approach to the easing of the nationwide lockdown.

At Level 3, ArcelorMittal South Africa will be able to operate with 100% of its workforce. However, the company will only fully restart operations as the demand for steel becomes visible in the orderbook.

“The health and safety of our employees remains a priority and we used the lockdown period to ensure that the necessary measures are in place, according to national health protocols and World Health Organization (WHO) guidelines, to safeguard our employees as they return to work,” says Kobus Verster, Chief Executive Officer of ArcelorMittal South Africa.

Since returning to work on 4 May, the company has restarted dispatches and most rolling mills are operational again as the focus has been on meeting existing orders. Available finished-stock and work-in-progress are sufficient to support delivery of confirmed orders to the end of June. Beyond that, liquid steel will be produced to service demand.

In the interest of employee safety, most office and support staff will continue to work from home at Level 3, while the following parts of the business are operating again or will soon be restarted:

- Dispatches were restarted on 6 May
- Most rolling mills are operational, though at varying levels of utilisation
- In terms of coke batteries, 45% of capacity is operational
- The electric arc furnace in Vereeniging restarted on 12 May
- In Vanderbijlpark, the process to restart one of the two blast furnaces will begin on 25 May, while the timing of the restart of the second blast furnace will depend on how quickly steel demand and the economy recover.
- The blast furnace in Newcastle will restart at the beginning of June and, given the preparations already made during the initial lockdown period, the restart should be relatively quick.

At Level 3, more of ArcelorMittal South Africa’s customers are expected to reopen which should result in an increase in demand. However, the harsh reality is that no industry has remained untouched by the pandemic and it is likely that it will be many months, if not years, before the economy starts to revive and the demand for steel begins to grow again.
“The ArcelorMittal South Africa management team is continuously reviewing our business plans to ensure that, as far as possible, our decisions on business continuity are a fair balance between the interests of our stakeholders and the long-term sustainability of the company,” concludes Verster.

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