



# ArcelorMittal

Notice of annual general meeting 2018



# Content

- 1 Notice of annual general meeting
- 6 Board of directors' CVs
- 11 Form of proxy
- 13 Instructions and notes to the form of proxy
- 14 Analysis of ordinary shareholders
- 16 Independent auditor's report on summarised consolidated financial statements
- 17 Summarised consolidated financial statements
- IBC** Corporate information

# Notice of annual general meeting

Important information regarding attendance at the annual general meeting.

## Notice of annual general meeting

Notice is hereby given that the thirty-first annual general meeting (AGM) of the company will be held at ArcelorMittal South Africa Limited, Boardroom C/14, third floor, Vanderbijlpark Works, Delfos Boulevard, Vanderbijlpark, South Africa on Thursday, 23 May 2019 at 09:00 to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions set out on the following pages and to deal with such other business as may be lawfully dealt with at the meeting.

## Electronic participation

Shareholders or their proxies may participate in the meeting by way of a conference call and, if they wish to do so:

- must contact the company secretary (by email at the address: [nomonde.bam@arcelormittal.com](mailto:nomonde.bam@arcelormittal.com)) by no later than 09:00 on Tuesday, 21 May 2019 in order to obtain a PIN and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

## Record date of meeting, attendance and voting

The date on which an individual must be registered as a shareholder in the company's register for purposes of being entitled to attend, participate in and vote at the AGM is Friday, 17 May 2019 (meeting record date). Therefore, the last day to trade to be registered as a shareholder in the company's register is Tuesday, 14 May 2019. If you are a registered shareholder as at the meeting record date, you may attend the meeting in person. Alternatively, you may appoint a proxy (who need not be a shareholder of the company) to represent you at the meeting. Any appointment of a proxy may be effected by using the attached proxy form and, in order for the proxy to be effective and valid, must be completed and delivered in accordance with the instructions

contained therein. If you are a beneficial shareholder and not a registered shareholder as at the record date:

- and wish to attend the meeting, you must obtain the necessary letter of authority to represent the registered holder of your shares from your Central Securities Depository Participant (CSDP) or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered holder of your shares through your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached proxy form.

## Attendance and representation at the annual general meeting

In accordance with the mandate between yourself and your CSDP or broker, you must advise your CSDP or broker of your intention to attend the AGM in person, or, if you wish to send a proxy to represent you at the AGM, your CSDP or broker will issue the necessary letter of representation to you or your proxy to attend the AGM.

## Identification

All participants at the meeting will be required to provide identification reasonably satisfactory to the chairman of the meeting before any person may attend or participate in the AGM. Forms of identification include the presentation of a valid identity document, driver's licence or passport.

## Notice of percentage of voting rights

In order for an ordinary resolution and a special resolution to be approved by shareholders, it must be supported by more than 50% and 75%, respectively, of the voting rights exercised on the resolution by shareholders present or represented by proxy at the meeting.

## Purpose of the annual general meeting

The purpose of this annual general meeting is to:

- present the directors' report and the audited annual financial statements of the group for the year ended 31 December 2018;
- present the audit and risk committee report;

# Notice of annual general meeting continued

- present the human resources, remuneration and nomination committee report;
- present the transformation, social and ethics committee report; and
- consider any matters raised by shareholders.

This notice of meeting includes the attached proxy form.

## **Directions for obtaining a copy of the complete annual financial statements and documents supporting the AGM notice**

The complete annual financial statements for the year ended 31 December 2018 may be obtained from the website <http://southafrica.arcelormittal.com> or a request may be sent to the company secretary (by email at the address: [nomonde.bam@arcelormittal.com](mailto:nomonde.bam@arcelormittal.com)). The reports set out below are available on <http://www.arcelormittal-reports.com/reports/integrated-2018/downloads.php>

### **1. Presentation to shareholders of:**

- 1.1 The consolidated annual financial statements of the company and its subsidiaries.
- 1.2 The directors' report.
- 1.3 The independent auditors' report.
- 1.4 The audit and risk committee chairman's report.
- 1.5 The human resources, remuneration and nomination committee chairman's report.
- 1.6 The transformation, social and ethics committee chairman's report.

### **Ordinary resolution number 1: Reappointment of auditors**

'Resolved, as an ordinary resolution, that Deloitte & Touche be, and is hereby appointed, as the independent registered auditor of the company and that Mr Sudheer Rajcoomar be noted as the individual determined by Deloitte & Touche to be responsible for performing the functions of the auditor and who will undertake the audit of the company for the ensuing year.'

### **Rotation of directors by retirement**

The abridged curricula vitae for all the directors in terms of ordinary resolutions number 2 to 17 is set out on pages 6 to 10.

### **Ordinary resolution number 2: Re-election of Ms LC Cele**

'Resolved, as an ordinary resolution, that Ms LC Cele, who was appointed by the board as independent non-executive director and retires in terms of the Memorandum of Incorporation (MoI) of the company and is eligible and available for election, be and is hereby elected as a director of the company for a period of three years.'

### **Ordinary resolution number 3: Re-election of Mr PM Makwana**

'Resolved, as an ordinary resolution, that Mr PM Makwana, who was appointed by the board as independent non-executive director and retires in terms of the MoI of the company and is eligible and available for election, be and is hereby elected as a director of the company for a period of three years.'

### **Ordinary resolution number 4: Re-election of Ms NP Gosa**

'Resolved, as an ordinary resolution, that Ms NP Gosa, who was appointed by the board as non-executive director and retires in terms of the MoI of the company and is eligible and available for election, be and is hereby elected as a director of the company for a period of three years.'

### **Resignations of Messrs D Subramanian and R Kothari**

The board notes the resignation of Mr D Subramanian as chief financial officer and executive director with effect from 31 July 2018. Mr R Kothari resigned as a non-executive director on 31 November 2018 due to changed reporting structures at ArcelorMittal Group.

#### Election of new directors

##### **Ordinary resolution number 5: Appointment of Mr R Karol**

'Resolved, as an ordinary resolution, that the appointment of Mr R Karol by the board on 1 December 2018 as a non-executive director is hereby ratified, and that he be and is hereby elected as a director of the company for a period of three years.'

#### Annual re-elections

##### **Ordinary resolution number 6: Re-election of Mr JRD Modise**

'Resolved, as an ordinary resolution, that Mr JRD Modise, who was re-appointed as an independent non-executive director for a period of three years by shareholders at the AGM in 2018, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

##### **Ordinary resolution number 7: Re-election of Ms NP Mnxasana**

'Resolved, as an ordinary resolution, that Ms NP Mnxasana, who was re-appointed by the board as independent non-executive director for a period of three years by shareholders at the AGM in 2018, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

##### **Ordinary resolution number 8: Re-election of Ms KMM Musonda**

'Resolved, as an ordinary resolution, that Ms KM Musonda, who was appointed as independent non-executive director for a period of three years by shareholders at the AGM in 2018, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

##### **Ordinary resolution number 9: Re-election of Mr GS Gouws**

'Resolved, as an ordinary resolution, that Mr GS Gouws, who was appointed as a non-executive director for a period of three years by shareholders at the AGM in 2018, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

##### **Ordinary resolution number 10: Re-election of Mr NF Nicolau**

'Resolved, as an ordinary resolution, that Mr NF Nicolau, who was re-appointed as an independent non-executive director for a period of three years by shareholders at the AGM in 2017, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

##### **Ordinary resolution number 11: Re-election of Mr BE Aranha**

'Resolved, as an ordinary resolution, that Mr BE Aranha, who was appointed as a non-executive director for a period of three years by shareholders at the AGM in 2018, be and is hereby elected as a director of the company for a further period in accordance with the original appointment of three years.'

#### Executive director

##### **Ordinary resolution number 12: Appointment of Mr AD Maharaj**

'Resolved, as an ordinary resolution, that the appointment of Mr AD Maharaj who was appointed by the board as chief financial officer and executive director on 1 October 2018 be and is hereby appointed as such in accordance with his conditions of appointment.'

#### Election of audit and risk committee members

##### **Ordinary resolution number 13: Election of Mr JRD Modise as audit and risk committee member**

'Resolved, as an ordinary resolution, that Mr JRD Modise be and is hereby appointed as a member of the audit and risk committee, from the conclusion of the AGM at which this resolution is passed, until the conclusion of the next AGM of the company.'

The board is satisfied that Mr JRD Modise is suitably skilled and an experienced independent non-executive director and has the appropriate experience and qualifications to fulfil his audit and risk committee obligations as set out in section 94 of the Companies Act No 71 of 2008 as amended (the Companies Act).

# Notice of annual general meeting continued

## **Ordinary resolution number 14: Election of Ms NP Mnxasana as audit and risk committee member**

'Resolved, as an ordinary resolution, that Ms NP Mnxasana be and is hereby appointed as a member of the audit and risk committee, from the conclusion of the AGM at which this resolution is passed, until the conclusion of the next AGM of the company.'

The board is satisfied that Ms NP Mnxasana is suitably skilled and an experienced independent non-executive director and that she has the appropriate experience and qualifications to fulfil her audit and risk committee obligations as set out in section 94 of the Companies Act.

## **Ordinary resolution number 15: Election of Ms LC Cele as audit and risk committee member**

'Resolved, as an ordinary resolution, that Ms LC Cele be and is hereby appointed as a member of the audit and risk committee, from the conclusion of the AGM at which this resolution is passed, until the conclusion of the next AGM of the company.'

The board is satisfied that Ms LC Cele is suitably skilled and an experienced independent non-executive director and that she has the appropriate experience and qualifications to fulfil her audit and risk committee obligations as set out in section 94 of the Companies Act.

## **Ordinary resolution number 16: Election of chairperson of the audit and risk committee**

'Resolved, as an ordinary resolution, that the audit and risk committee members, failing which the board of directors, be and are hereby authorised to elect a chairperson of the audit

and risk committee from among its members, from the conclusion of the AGM at which this resolution is passed, until the conclusion of the next AGM of the company.'

## **Non-binding resolution number 1: Approval of the remuneration policy**

The resolution is proposed to shareholders to endorse the company's remuneration policy as set out in the integrated annual report. Shareholders are reminded that in terms of the fourth King Report on Corporate Governance for South Africa (King IV<sup>TM\*</sup>), the passing of this non-binding resolution is by way of a non-binding vote.

Should 25% or more of the votes cast be against this resolution, the company undertakes to engage with shareholders as to the reasons why and to appropriately address legitimate and reasonable objections and concerns raised.

## **Non-binding resolution number 2: Implementation of the remuneration policy**

The resolution is proposed to shareholders to endorse the implementation report, which includes the remuneration disclosure in terms of the Companies Act, as set out in the remuneration report in the integrated annual report, with an extract included in this AGM notice. Shareholders are reminded that in terms of King IV, the passing of this non-binding resolution is by way of a non-binding vote.

Should 25% or more of the votes cast be against this resolution, the company undertakes to engage with shareholders as to the reasons why and to appropriately address legitimate and reasonable objections and concerns raised.

\* Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

### Special resolution number 1: Non-executive director fees

'Resolved, by way of a separate special resolution, that the annual fees payable to the non-executive directors of the company with effect from 1 June 2019 and until otherwise determined by ArcelorMittal South Africa in a general meeting be approved on the basis set out below:

	Annual retainer R	Attendance fee per meeting R
Chairman (all-in annual fee)	1 537 920	None
Director	197 918	16 490
Audit and risk committee chairman	–	42 131
Audit and risk committee member	–	21 215
Human resources, remuneration and nominations committee chairman	–	38 893
Human resources, remuneration and nominations committee member	–	19 446
Safety, health and environment committee chairman	–	38 893
Safety, health and environment committee member	–	19 446
Transformation, social and ethics committee chairman	–	38 893
Transformation, social and ethics committee member	–	19 446
Any ad hoc or other board committee appointed by the board (chairman)*	–	38 893
Any ad hoc or other board committee appointed by the board (member)*	–	19 446
Share trust chairman	–	29 079
Share trust (member)*	–	14 540

\* Fees to be payable to the non-executive directors of the company with effect from 1 June 2019.

### Reason for and effect of this resolution

The reason and effect of this resolution is to grant the company the authority to pay remuneration to its directors for their services as directors.

### Ordinary resolution number 17: Authority to implement resolutions passed at the annual general meeting

'Resolved, as an ordinary resolution, that any director or company secretary of the company be authorised to do all such things, perform all acts and sign all such documentation as may be required to give effect to the ordinary and special resolutions adopted at this annual general meeting.'

By order of the board



**Ms Nomonde Bam**

*Company secretary*

27 March 2019

# Board of directors' CVs

## **Mpho Makwana (49)**

*Independent non-executive chairman*

Appointed on 5 February 2013

### **Qualifications**

Bachelor of Administration (BAdmin) (University of Zululand), BAdmin (University of Pretoria), Kellogg School of Management and Postgraduate Diploma, Retailing Management (University of Stirling)

### **ArcelorMittal South Africa committees**

- Chairman, ad hoc subcommittees
- Co-chairman, human resources, remuneration and nominations committee
- Member, transformation, social and ethics committee

### **JSE board positions**

- ArcelorMittal South Africa Limited
- ENX Group Limited
- Nedbank Limited
- Nedbank Group Limited

### **Profile**

Trustee of:

- Brand SA
- Nelson Mandela Children's Fund
- Canon Collins Educational & Legal Assistant Trust

## **Kobus Verster (52)**

*Chief executive officer*

Appointed on 1 February 2018

### **Qualifications**

BCom (Hons) (Economics) (University of Pretoria), MBL (Unisa), Executive Management Programme (University of Virginia, USA)

### **ArcelorMittal South Africa committees**

- Member, safety, health and environment committee
- Member, transformation, social and ethics committee
- Standing invitee, audit and risk committee
- Standing invitee, human resources, remuneration and nominations committee

### **JSE board positions**

- ArcelorMittal South Africa Limited
- Macsteel International Holdings BV

### **Profile**

- Previously an executive director and the CEO of Aveng Limited
- Previously an executive director and the CFO of ArcelorMittal South Africa Limited
- Held various senior roles in financial management including general manager (corporate finance and treasury) before appointment as CFO at ArcelorMittal South Africa Limited

## **Desmond Maharaj (46)**

*Chief financial officer*

Appointed on 1 October 2018

### **Qualifications**

Master's degree in finance, CA(SA)

### **ArcelorMittal South Africa committees**

- Standing invitee, ad hoc subcommittees
- Standing invitee, audit and risk committee

### **JSE board position**

- ArcelorMittal South Africa Limited

### **Profile**

- Previously the Country Head for Zambia at Dangote Industries Limited (listed on the Nigerian Stock Exchange)
- Previously the group financial manager and CFO at Eskom Enterprises
- Previously the general manager at Lafarge Holcim and several other senior positions in the cement and energy sectors (general financial and finance)



### **Monica Musonda (44)**

*Independent non-executive director*

Appointed on 12 June 2017

#### **Qualifications**

LLB (with merit) (University of Zambia), LLM in Commercial Law and Finance (with merit) (University of London) (Queen Mary College)

#### **ArcelorMittal South Africa committee**

- Member, transformation, social and ethics committee

#### **JSE board position**

- ArcelorMittal South Africa Limited

#### **Profile**

- Previously held senior positions in private legal practice at Clifford Chance and Edward Nathan Sonneburgs' and as in-house corporate counsel at International Finance Corporation and Dangote Group respectively
- Non-executive director on the boards of Airtel Networks Zambia Plc (chairperson), Zambia Sugar Plc, Dangote Industries Zambia Limited
- Member of the Global Advisory Board for Scaling Up Nutrition Business Network
- Recipient of the 2017 African Agribusiness Entrepreneur of the Year Award
- World Economic Forums' Young Global Leader (2013) and an Archbishop Desmond Tutu Leadership Fellow

### **Jacob Modise (52)**

*Independent non-executive director*

Appointed on 1 October 2013

#### **Qualifications**

BCom (University of the Witwatersrand), BAcc (University of the Witwatersrand), CA(SA), MBA (WBS), AMP (Harvard)

#### **ArcelorMittal South Africa committees**

- Chairman, audit and risk committee
- Member, ad hoc subcommittees
- Member, human resources, remuneration and nominations committee
- Member, transformation, social and ethics committee

#### **JSE board position**

- ArcelorMittal South Africa Limited

#### **Profile**

- Founder and executive chairman of Batsomi Investment Holdings and its subsidiaries
- Chairman of the National Energy Regulator of South Africa (NERSA)
- Deputy chairman of Trans-Caledon Tunnel Authority (TCTA)
- Trustee of the National Mandela Children's Fund
- Previously group financial director and chief operations officer of Johnnic Holdings Limited and CEO of the Road Accident Fund
- Past non-executive director of Altron; ARB; MTN; MCell; M-Net; SuperSport; Premier Foods; Land Bank; Eskom; Caxton and others
- Served on various professional bodies and academic institutions including IRBA, SAICA and Wits Business School
- Held senior finance positions at Eskom, Teljoy, JCI and Deloitte

# Board of directors' CVs continued

## **Noluthando Gosa (55)**

*Non-executive director*

Appointed on 1 December 2016

### **Qualifications**

MBA (University of New Brunswick, Canada), BA (Hons) (Commns) (University of Fort Hare)

### **ArcelorMittal South Africa committee**

- Chairperson, transformation, social and ethics committee

### **JSE board positions**

- ArcelorMittal South Africa Limited
- Hulisani Limited
- Verimark Holdings

### **Profile**

- Chairperson and co-founder of Likamva Resources (ArcelorMittal South Africa's B-BBEE partner and 17% shareholder)
- CEO and founder of Akhona Group
- Non-executive director of Investec Asset Management
- Non-executive director of southern Africa – Canada Chamber of Commerce
- Member of the advisory board of the Mining Indaba

## **Nomavuso Mnxasana (62)**

*Independent non-executive director*

Appointed on 1 October 2013

### **Qualifications**

BCom, BCompt (Hons), CA(SA)

### **ArcelorMittal South Africa committees**

- Co-chairperson, human resources, remuneration and nominations committee
- Member, audit and risk committee
- Member, transformation, social and ethics committee
- Member, safety, health and environment committee

### **JSE board positions**

- ArcelorMittal South Africa Limited
- Barloworld Limited

### **Profile**

- Board member of Industrial Development Corporation (IDC)
- Previously a senior partner at SizweNtsalubaGobodo audit and advisory firm
- Previously served as group audit and risk executive at Imperial Group

## **Neville Nicolau (59)**

*Independent non-executive director*

Appointed on 10 September 2015

### **Qualifications**

BTech (Mining Engineering) (University of Johannesburg), MBA (University of Cape Town)

### **ArcelorMittal South Africa committees**

- Chairman, safety, health and environment committee
- Member, human resources, remuneration and nominations committee
- Member, transformation, social and ethics committee

### **JSE board position**

- ArcelorMittal South Africa Limited

### **Profile**

- Previously the chief executive officer and executive director of Basil Read Holdings Limited
- Previously the chief executive officer and executive director of Anglo American Platinum
- Previously the chief operating officer and executive director of AngloGold Ashanti
- Previously the technical director at AngloGold's South American operations

### **Zee Cele (65)**

Independent non-executive director

Appointed on 4 January 2016

### **Qualification**

BCom (University of Fort Hare), Postgraduate Diploma in Taxation (University of Natal), Executive Leadership Development Programme (ADLMEI – Cambridge, USA), Master of Accountancy (MAcc)

### **ArcelorMittal South Africa committees**

- Member, safety, health and environment committee
- Member, audit and risk committee

### **JSE board positions**

- ArcelorMittal South Africa Limited
- Combined Motor Holdings Limited
- Efficient Group Limited

### **Profile**

- Founder and former chief executive of Tax Solutions CC (prior to merger with Garach and Garach Accountants)
- Director on various boards, including Avbob Mutual Society
- Recipient of the Shoprite/Checkers/SABC 3 SA Woman of the Year Award (business category) in 1999
- Recipient of Durban City Council's Mayor's Awards for Excellence in 1999
- Contributed a chapter on "Women and tax" in the book "South African Women Today"

### **Gert Gouws (59)**

*Non-executive director*

Appointed on 1 November 2017

### **Qualifications**

BCom (Law), BCom (Hons), CA(SA), FCMA CGMA, Advanced Management Programme (Insead)

### **ArcelorMittal South Africa committees**

- Member, human resources, remuneration and nominations committee
- Member, safety, health and environment committee

### **JSE board position**

- ArcelorMittal South Africa Limited

### **Profile**

- Divisional executive: mining, new and related industries and alternate director of the Industrial Development Corporation of South Africa Limited (IDC) until March 2019. Prior roles at the IDC included CFO and COO
- Director of various IDC subsidiary companies
- Fellow of the Chartered Institute of Management Accountants (UK)

# Board of directors' CVs continued

## **Brian Aranha (63)**

*Non-executive director*

Appointed on 31 March 2018

### **Qualifications**

Bachelor of Applied Science from the University of Toronto, Canada and completed the Executive Development Programme at Queens University in 1998.

### **ArcelorMittal South African committees**

- Member, human resources and remuneration committee
- Standing invitee, transformation, social and ethics committee

### **JSE board position**

- ArcelorMittal South Africa Limited

### **Profile**

- Executive vice president at ArcelorMittal Group, Luxembourg, responsible for the following scope:
  - Global research and development
  - Global automotive
  - Corporate strategy
  - Corporate chief technical officer (CTO)
  - Commercial coordination
  - Corporate communications
  - Group capital goods procurement
  - Joint ventures in China and India
- Vice chairman of the group investment allocation committee

## **Raman Karol (43)**

*Non-executive director*

Appointed on 1 December 2018

### **Qualifications**

CA (India), MBA (finance) from Rotterdam School of Finance Club

### **ArcelorMittal South Africa committees**

- Member, human resources and remuneration committee
- Member, transformation, social and ethics committee
- Standing invitee, audit and risk committee

### **JSE board position**

- ArcelorMittal South Africa Limited

### **Profile**

- Vice president, head of group accounting and performance management at ArcelorMittal Group, Luxembourg
- Member of ArcelorMittal group's corporate finance and tax committee
- Board member of ArcelorMittal Shipping
- Audit committee member of ArcelorMittal Temirtau

# Form of proxy

## ARCELORMITTAL SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)  
 (Registration number 1989/002164/06)  
 JSE code: ACL ISIN: ZAE000134961  
 (the company)

### To be completed by registered certificated shareholders and dematerialised shareholders with own-name registration only.

For use in respect of the thirty-first annual general meeting of the company to be held at ArcelorMittal South Africa Limited, Boardroom C/14, third floor, Vanderbijlpark Works, Delfos Boulevard, Vanderbijlpark, South Africa on Thursday, 23 May 2019 at 09:00. Ordinary shareholders who have dematerialised their shares with a CSDP or broker, other than with own-name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the annual general meeting, or the ordinary shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (full name in block letters)

of (address)

Telephone (work)

(home)

being the registered owner(s) of

ordinary shares in the company

hereby appoint

or failing him/her

the chairperson of the annual general meeting, as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the ordinary and special resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

*\*Please indicate with an 'X' in the appropriate spaces below how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.*

	Number of votes		
	For*	Against*	Abstain*
Ordinary resolution number 1: Reappointment of auditors			
Ordinary resolution number 2: Re-election of Ms LC Cele			
Ordinary resolution number 3: Re-election of Mr PM Makwana			
Ordinary resolution number 4: Re-election of Ms NP Gosa			
Ordinary resolution number 5: Appointment of Mr R Karol			
Ordinary resolution number 6: Re-election of Mr JRD Modise			
Ordinary resolution number 7: Re-election of Ms NP Mnxasana			
Ordinary resolution number 8: Re-election of Ms KMM Musonda			
Ordinary resolution number 9: Re-election of Mr GS Gouws			
Ordinary resolution number 10: Re-election of Mr NF Nicolau			
Ordinary resolution number 11: Re-election of Mr BE Aranha			

*\*Please indicate with an 'X' in the appropriate spaces below how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.*

*Continued overleaf*

# Form of proxy continued

	Number of votes		
	For*	Against*	Abstain*
Ordinary resolution number 12: Appointment of Mr AD Maharaj			
Ordinary resolution number 13: Election of Mr JRD Modise as audit and risk committee member			
Ordinary resolution number 14: Election of Ms NP Mnxasana as audit and risk committee member			
Ordinary resolution number 15: Election of Ms LC Cele as audit and risk committee member			
Ordinary resolution number 16: Election of chairperson of the audit and risk committee			
Non-binding resolution number 1: Approval of the remuneration policy			
Non-binding resolution number 2: Approval of the implementation of the remuneration policy			
Special resolution number 1: Approval of non-executive director fees			
1.1 Chairman (all-in annual fee)			
1.2 Director (annual retainer and attendance per board meeting)			
1.3 Audit and risk committee chairman			
1.4 Audit and risk committee member			
1.5 Human resources, remuneration and nomination committee chairman			
1.6 Human resources, remuneration and nomination committee member			
1.7 Safety, health and environment committee chairman			
1.8 Safety, health and environment committee member			
1.9 Transformation, social and ethics committee chairman			
1.10 Transformation, social and ethics committee member			
1.11 Any ad hoc or other board committee appointed by the board (chairman)			
1.12 Any ad hoc or other board committee appointed by the board (member)			
1.13 Share trust chairman			
1.14 Share trust member			
Ordinary resolution number 17: Authority to implement resolutions passed at the annual general meeting			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature: \_\_\_\_\_

Assisted by (if applicable): \_\_\_\_\_

*\*Please indicate with an 'X' in the appropriate spaces below how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.*

# Instructions and notes to the form of proxy

1. For effective administration, this form of proxy should be received at the company's transfer secretaries' office, Computershare Investor Services (Pty) Ltd, 15 Biermann Avenue, Rosebank, 2196, by no later than 09:00 on Tuesday, 21 May 2019. If a shareholder does not wish to deliver this form of proxy to that address, it may also be posted, at the risk of the shareholder, to Computershare Investor Services (Pty) Ltd, PO Box 61051, Marshalltown, 2107, or handed to the chairman prior to commencement of the meeting.
  2. This form is for use by registered shareholders who wish to appoint another person (a proxy) to represent them at the meeting. If duly authorised, companies and other corporate bodies who are registered shareholders may appoint a proxy using this form, or may appoint a representative in accordance with point 12 below. Other shareholders should not use this form. All beneficial shareholders who have dematerialised their shares through a CSDP or broker must provide the CSDP or broker with their voting instruction. Alternatively, if they wish to attend the meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial shareholder and the CSDP or broker.
  3. This proxy shall apply to all ordinary shares registered in the name of the shareholder who signs this form of proxy at the record date, unless a lesser number of shares are inserted.
  4. A shareholder may appoint one person of his own choice as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the company. If the name of the proxy is not inserted, the chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this form of proxy may delegate the authority given to him in this form of proxy by delivering to the company, in the manner required by these instructions, a further form of proxy which has been completed in a manner consistent with the authority given to the proxy in this form of proxy.
  5. Unless revoked, the appointment of a proxy in terms of this form of proxy remains valid until the end of the meeting, even if the meeting or part thereof is postponed or adjourned.
  6. If:
    - 6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
    - 6.2 the shareholder gives contradictory instructions in relation to any matter; or
    - 6.3 any additional resolution(s) which are properly put before the meeting; or
    - 6.4 any resolution listed in the form of proxy is modified or amended, then the proxy shall be entitled to vote or abstain from voting, as he/she thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
  7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this form of proxy will not be effective, unless:
    - 7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or
    - 7.2 the company has already received a certified copy of that authority.
  8. The chairman of the meeting may, in his discretion, accept or reject any form of proxy or other written appointment of a proxy which is received by the chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
  9. Any alternations made in this form of proxy must be initialled by the authorised signatory(ies).
  10. This form of proxy is revoked if the shareholder who granted the proxy:
    - 10.1 for effective administration, gives written notice of such revocation to the company, so that it is received by the company by not later than 09:00 on Tuesday, 21 May 2019 or handed to the chairman prior to the commencement of the meeting;
    - 10.2 subsequently appoints another proxy for the meeting; or
    - 10.3 attends the meeting himself in person.
  11. All notices which a shareholder is entitled to receive in relation to the company shall continue to be sent to that shareholder and shall not be sent to the proxy.
  12. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own names may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. For effective administration, notice will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution(s) or other authorities in terms of which that representative is appointed and is received at the company's transfer secretaries' office, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, by not later than 09:00 on Tuesday, 21 May 2019, or handed to the chairman prior to commencement of the meeting. If a shareholder does not wish to deliver that notice to that address, it may also be posted, at the risk of the shareholder, to Computershare Investor Services (Pty) Ltd, PO Box 61051, Marshalltown, 2107. Certificated and/or 'own name' dematerialised shareholders may also utilise the email address: proxy@computershare.co.za.
  13. The completion and lodging of this form of proxy does not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any proxy appointed by the shareholder.
  14. The chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he shall not accept a proxy unless he is satisfied as to the manner in which a shareholder wishes to vote.
- Transfer secretaries' office  
**Computershare Investor Services (Pty) Ltd**  
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
(PO Box 61051, Marshalltown, 2107)

# Analysis of ordinary shareholders

as at 31 December 2018

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 100 shares	6 940	31.20	310 095	0.03
101 – 1 000 shares	13 354	60.03	2 580 051	0.23
1 001 – 50 000 shares	1 747	7.85	13 528 466	1.19
50 001 – 100 000 shares	75	0.34	5 737 918	0.50
100 001 – 10 000 000 shares	120	0.54	91 355 052	8.03
10 000 001 and more shares	8	0.04	1 024 548 243	90.03
<b>Total</b>	<b>22 244</b>	<b>100.00</b>	<b>1 138 059 825</b>	<b>100.00</b>

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Corporate holdings	3	0.01	771 548 950	67.80
Retirement benefit funds	22	0.10	88 558 363	7.78
Collective investment schemes and hedge funds	13	0.06	46 980 709	4.13
Retail shareholders, trusts and private companies	540	2.43	84 356 401	7.41
Other managed funds	15	0.07	100 481 701	8.83
Custodians, brokers and nominees	44	0.20	35 076 864	3.08
Unclassified holders (less than 10 000 shares)	21 599	97.10	7 225 439	0.63
Assurance and insurance companies	8	0.04	3 831 398	0.34
<b>Total</b>	<b>22 244</b>	<b>100.00</b>	<b>1 138 059 825</b>	<b>100.00</b>

Geographical holding by owner	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Switzerland	4	0.02	771 823 791	67.82
South Africa	22 090	99.31	333 785 705	29.33
United Kingdom	43	0.19	16 158 040	1.42
United States	22	0.10	14 156 188	1.24
Luxembourg	3	0.01	1 080 286	0.09
Belgium	4	0.02	672 089	0.06
Namibia	49	0.22	93 328	0.01
Balance	29	0.13	290 398	0.03
<b>Total</b>	<b>22 244</b>	<b>100.00</b>	<b>1 138 059 825</b>	<b>100.00</b>



Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares	% of issued capital
<b>Beneficial shareholders</b>		
ArcelorMittal Holdings AG	771 489 400	53.05
Amandla we Nsimbi Proprietary Ltd	243 240 276	16.73
Industrial Development Corporation (IDC)	93 044 068	6.40
Isabelo Employee Share Trust	72 972 083	5.02
<b>Total</b>	<b>1 180 745 827</b>	<b>81.20</b>

Public and non-public shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of ordinary issued capital
ArcelorMittal Holdings AG	1	0.00	771 489 400	67.79
Directors and associates	2	0.00	185 025	0.02
<b>Non-public shareholders</b>	<b>3</b>	<b>0.00</b>	<b>771 674 425</b>	<b>67.81</b>
<b>Public shareholders</b>	<b>22 241</b>	<b>100.00</b>	<b>366 385 400</b>	<b>32.19</b>
<b>Total</b>	<b>22 244</b>	<b>100.00</b>	<b>1 138 059 825</b>	<b>100.00</b>
<b>Total number of shareholdings</b>	<b>22 244</b>			
<b>Total number of shares in issue</b>	<b>1 138 059 825</b>			

Public and non-public shareholders	
Opening price 2 January 2018	R3.80
Closing price 31 December 2018	R3.39
Closing high for period	R5.15
Closing low for period	R2.04
Number of shares in issue	1 138 059 825
Volume traded during period	85 617 396
Ratio of volume traded to shares issued (%)	7.52
Rand value traded during the period	284 234 247

### Directors' interests

The details of the beneficial direct and indirect interests of executive directors in the shares of the company are set out in note 32 of the annual financial statements available at <https://southafrica.arcelormittal.com/investorrelations/annualfinancialstatements.aspx>.

Details of the direct and indirect interests of non-executive directors in the shares of the company are set out below:

Director	2018			2017		
	Direct	Indirect	Total	Direct	Indirect	Total
N Nicolau	100 000	–	100 000	–	–	–
JRD Modise	85 025	–	85 025	5 025	–	5 025
GS Gouws	–	292	292	–	292	292
NP Gosa*	–	68 566 674	68 566 674	–	97 296 110	97 296 110
<b>Total</b>	<b>185 025</b>	<b>68 566 966</b>	<b>68 751 991</b>	<b>5 025</b>	<b>97 296 402</b>	<b>97 301 427</b>

\* Interest via Likamva Resources.

# Independent auditor's report on summarised consolidated financial statements

## TO THE SHAREHOLDERS OF ARCELORMITTAL SOUTH AFRICA LTD

### Opinion

The summarised consolidated financial statements of ArcelorMittal South Africa Limited, which comprise the summarised consolidated statement of financial position as at 31 December 2018, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of ArcelorMittal South Africa Limited for the year ended 31 December 2018.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of ArcelorMittal South Africa Limited, in accordance with IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of ArcelorMittal South Africa Limited and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 27 March 2019. That report also includes:

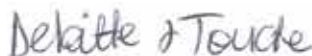
- The communication of key audit matters.

### Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summarised Financial Statements*.



### Deloitte & Touche

Registered Auditors  
Per: SI Rajcoomar  
Partner  
27 March 2019

### Deloitte & Touche

Deloitte Place  
The Woodlands, Woodlands drive, Woodmead Sandton

# Summarised consolidated statement of comprehensive income

for the year ended 31 December 2018

In millions of rand	Notes	Year ended 31 December 2018	Year ended 31 December 2017
<b>Revenue</b>	4	45 274	39 022
Raw materials and consumables used		(25 965)	(24 763)
Employee costs		(4 493)	(4 164)
Energy		(4 262)	(4 233)
Movement in inventories of finished goods and work in progress		574	346
Depreciation		(817)	(953)
Amortisation of intangible assets		(14)	(23)
Impairment of trade and other receivables		(25)	1
Other operating expenses		(7 495)	(6 453)
<b>Profit/(loss) from operations</b>	5	2 777	(1 220)
Impairment of other assets		(10)	(10)
Impairment of property, plant and equipment and intangible assets		–	(2 594)
Fair value adjustment on investment held-for-sale	14	(1 652)	–
Reclassification of foreign currency differences on sale of foreign investment	14	2 067	–
Finance and investment income	7	387	74
Finance costs	8	(2 400)	(1 515)
Income from equity accounted investments (net of tax)		138	139
<b>Profit/(loss) before tax</b>		1 307	(5 126)
Income tax credit/(expense)	11	63	(2)
<b>Profit/(loss) for the year</b>		1 370	(5 128)
<b>Other comprehensive profit/(loss)</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Equity investments at FVTOCI – net change in fair value		11	–
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations		513	(392)
Reclassification of foreign currency differences on sale of foreign investment		(2 067)	–
Cash flow hedge – effective portion of changes in fair value		92	–
Cash flow hedges – reclassified to profit or loss		(49)	–
Gains on available-for-sale investment taken to equity		–	(25)
Share of other comprehensive income of equity accounted investments		25	2
<b>Other comprehensive loss for the year</b>		(1 475)	(415)
<b>Total comprehensive loss for the year</b>		(105)	(5 543)
<b>Profit/(loss) attributable to:</b>			
Owners of the company		1 370	(5 128)
<b>Total comprehensive loss attributable to:</b>			
Owners of the company		(105)	(5 543)
<b>Attributable profit/(loss) per share (cents)</b>			
– basic	6	125	(469)
– diluted	6	125	(469)

# Summarised consolidated statement of financial position

as at 31 December 2018

In millions of rand	Notes	As at 31 December 2018	As at 31 December 2017
<b>Assets</b>			
<b>Non-current assets</b>		<b>9 696</b>	13 065
Property, plant and equipment		8 995	8 474
Intangible assets		73	82
Equity accounted investments	14	220	4 424
Investment held by environmental trust	13	332	–
Non-current receivable		10	30
Other financial assets		66	55
<b>Current assets</b>		<b>18 864</b>	18 131
Inventories		12 179	11 519
Trade and other receivables		3 972	2 988
Taxation		132	58
Other financial assets		56	428
Cash and cash equivalents	12	2 525	3 138
<b>Total assets</b>		<b>28 560</b>	31 196
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>		<b>7 961</b>	8 058
Stated capital		4 537	4 537
Reserves		(3 659)	363
Retained income		7 083	3 158
<b>Non-current liabilities</b>		<b>5 636</b>	5 792
Borrowings		2 700	2 700
Other payables		572	399
Finance lease obligations		46	54
Provisions		1 774	1 826
Other financial liabilities		544	813
<b>Current liabilities</b>		<b>14 963</b>	17 346
Trade payables		12 304	11 300
Borrowings		300	3 700
Finance lease obligations		15	70
Provisions		406	304
Other payables		1 475	984
Taxation		91	82
Other financial liabilities		372	906
<b>Total equity and liabilities</b>		<b>28 560</b>	31 196

# Summarised consolidated statement of cash flows

for the year ended 31 December 2018

In millions of rand	Notes	Year ended 31 December 2018	Year ended 31 December 2017
<b>Net cash generated from/(utilised in) operating activities</b>		<b>887</b>	<b>(1 518)</b>
Cash generated from/(utilised in) operations	16	2 282	(712)
Interest income		93	65
Finance cost		(574)	(741)
Income tax (paid)/received		(2)	80
Realised foreign exchange movement		(912)	(210)
<b>Net cash generated from/(utilised in) investing activities</b>		<b>1 984</b>	<b>(1 313)</b>
Investment to maintain and expand operations		(1 256)	(1 324)
Investment in associates and joint ventures		–	(11)
Proceeds on disposal on joint ventures	14	3 221	–
Proceeds on disposal or scrapping of assets		12	13
Interest income from investments		–	9
Dividend income from equity-accounted investments		7	–
<b>Net cash (utilised in)/generated from financing activities</b>		<b>(3 487)</b>	<b>4 310</b>
Borrowings (repaid)/raised		(3 400)	4 450
Finance lease obligation repaid		(85)	(70)
Cash settlement on management share trust		(2)	(9)
Transaction costs on borrowing base facility		–	(61)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(616)</b>	<b>1 479</b>
Effect of foreign exchange rate changes on cash and cash equivalents		3	(1)
<b>Cash and cash equivalents at beginning of the year</b>		<b>3 138</b>	<b>1 660</b>
<b>Cash and cash equivalents at end of the year</b>		<b>2 525</b>	<b>3 138</b>

# Summarised consolidated statement of changes in equity

for the year ended 31 December 2018

	Stated capital Rm	Retained earnings Rm	Treasury share equity reserve Rm	Management share trust reserve Rm	Share-based payment reserve Rm	Attributable reserves of equity-accounted investments Rm	Other reserves Rm	Total equity Rm
<b>GROUP</b>								
<b>Balance at 31 December 2016</b>	4 537	8 425	(3 918)	(317)	1 187	1 606	2 023	13 543
Total comprehensive (loss)/ income for year	-	(5 128)	-	-	-	2	(417)	(5 543)
Loss	-	(5 128)	-	-	-	-	-	(5 128)
Other comprehensive income/ (loss)	-	-	-	-	-	2	(417)	(415)
Transfer between reserves	-	(139)	-	-	-	139	-	-
Share-based payment expense	-	-	-	(1)	68	-	-	67
Cash settlement on management share trust/ long-term incentive plan	-	-	-	-	(9)	-	-	(9)
<b>Balance at 31 December 2017</b>	4 537	3 158	(3 918)	(318)	1 246	1 747	1 606	8 058
Total comprehensive income/ (loss) for the year	-	1 370	-	-	-	25	(1 500)	(105)
Profit	-	1 370	-	-	-	-	-	1 370
Other comprehensive income/ (loss)	-	-	-	-	-	25	(1 500)	(1 475)
Transfers between reserves	-	2 555	(1)	16	(25)	(2 573)	28	-
Share-based payment expense	-	-	-	-	10	-	-	10
Cash settlement on management share trust/ long-term incentive plan	-	-	-	-	(2)	-	-	(2)
<b>Balance at 31 December 2018</b>	4 537	7 083	(3 919)	(302)	1 229	(801)	134	7 961

# Notes to the summarised consolidated financial statements

for the year ended 31 December 2018

## 1. Corporate information

ArcelorMittal South Africa Limited is a public company domiciled in the Republic of South Africa and listed on the JSE Limited. These summarised consolidated financial statements for the year ended 31 December 2018 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 summarised consolidated financial statements for the year ended 31 December 2018 were prepared in accordance with the requirements of the Companies Act of South Africa as applicable to summarised financial statements. These summarised 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 information required by IAS 34 *Interim Financial Reporting*.

The summarised consolidated financial statements are presented in rand, which is the group's functional and presentation currency. The preparation of the consolidated financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are:

1. The assumptions used in impairment tests of carrying values of cash-generating units and intangible assets;
2. Estimates of useful lives and residual values for tangible assets and property, plant and equipment;
3. Estimates for share-based payments in terms of IFRS 2;
4. Estimates used for future cash flows relating to asset retirement obligation (ARO) and environmental remediation obligations (ERO); and
5. Judgements to distinguish between ARO and ERO

These summarised consolidated financial statements do not include all the information required for full consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS and the Companies Act of South Africa. Deloitte & Touche has issued an unmodified opinion on this report and on the consolidated full set. A full set of audited consolidated annual financial statements and the audit opinion are available for inspection from the company secretary at the registered office of the company, and has been published on the company's website. The summarised consolidated financial statements and consolidated financial statements were prepared under the supervision of Mr AD Maharaj CA(SA), the group's chief financial officer.

---

## 3. Accounting policies

The accounting policies and methods of computation applied in the presentation of the summarised consolidated financial statements of the group are consistent with those applied for the year ended 31 December 2017, apart from IFRS 9 *Financial Instruments* (replaced IAS 39 *Financial Instruments: Recognition and Measurement*) and IFRS 15 *Revenue from Contracts with Customers* (replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations) that were initially applied from 1 January 2018. Due to the transition methods chosen by the group in applying these standards, comparative information has not been restated to reflect the requirements of the new standards. The effect of initially applying these standards did not have a significant impact on the group's summarised consolidated financial statements.

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

## 4. Segment report

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker, in order to allocate resources to the segment and to assess its performance. Segments are identified based on major product categories. These segments offer different products and are managed separately because they require different investment and marketing strategies. The segment report discloses revenue disaggregation in terms of IFRS 15.

The group's reportable segments are:

- Flat steel products consisting of Vanderbijlpark Works, Saldanha Works and ArcelorMittal South Africa Distribution
- Long steel products consisting of Newcastle Works, Vereeniging Works and the decommissioned Maputo Works
- Coke and Chemicals undertaking the processing and marketing of by-products and the production and marketing of commercial grade coking coal
- Corporate and other, consisting of sales and marketing functions, procurement and logistics activities, shared services, centres of excellence, the decommissioned Pretoria Works site, investments carried at fair value to other comprehensive income (FVTOCI) (2017: available-for-sale investments) and the results of the non-trading consolidated subsidiaries and consolidated structured entities

Segment profit/(loss) from operations represents the profit/(loss) earned/(incurred) by each segment without the allocation of after-tax profits of equity-accounted investments, net interest income, income from investments and income tax expenses.

All assets and liabilities are allocated to the operating segments, other than for the following items that are allocated exclusively to the corporate and other segment, reflecting the manner in which resource allocation is measured.

Assets not allocated to operating segments:

- Results of consolidated subsidiaries and consolidated structured entities, other than for Saldanha Works which is a subsidiary allocated to the flat steel products segment
- Investments in equity-accounted entities
- Investments carried at FVTOCI (2017: Available-for-sale investments)
- Cash and cash equivalents
- Income tax, capital gains tax and value added tax-related assets, as applicable

Liabilities not allocated to operating segments are income tax, capital gains tax and value added tax-related liabilities, as applicable.

---



	Flat steel products Rm	Long steel products Rm	Coke and Chemicals Rm	Corporate and other Rm	Adjustments and eliminations Rm	Total reconciling to the consolidated amounts Rm
<b>4. Segment report</b> continued						
For the year ended 31 December 2018						
<b>Revenue</b>						
External customers	31 012	12 919	1 343	–	–	45 274
Intersegment customers	907	1 986	33	–	(2 926)	–
<b>Total revenue</b>	<b>31 919</b>	<b>14 905</b>	<b>1 376</b>	<b>–</b>	<b>(2 926)</b>	<b>45 274</b>
<b>Revenue to external customers distributed as:</b>						
Local	23 621	10 312	1 343	–	–	35 276
Africa	6 062	1 905	–	–	–	7 967
Asia	1 139	286	–	–	–	1 425
Other	190	416	–	–	–	606
<b>Total</b>	<b>31 012</b>	<b>12 919</b>	<b>1 343</b>	<b>–</b>	<b>–</b>	<b>45 274</b>
<b>Results</b>						
Earnings before interest, tax, depreciation and amortisation	2 670	808	370	(243)	3	3 608
Depreciation and amortisation	(393)	(334)	(82)	(22)	–	(831)
<b>Profit/(loss) from operations</b>	<b>2 277</b>	<b>474</b>	<b>288</b>	<b>(265)</b>	<b>3</b>	<b>2 777</b>
Gain on sale of investment	–	–	–	2 452	(2 037)	415
Impairments	–	–	–	(72)	62	(10)
Finance and investment income	12	2	–	373	–	387
Finance costs	(255)	(213)	(8)	(1 817)	(107)	(2 400)
Income after tax from equity- accounted investments	–	–	–	138	–	138
<b>Profit/(loss) before taxation</b>	<b>2 034</b>	<b>263</b>	<b>280</b>	<b>809</b>	<b>(2 079)</b>	<b>1 307</b>
Income taxation (expense)/credit	(9)	–	–	72	–	63
<b>Profit/(loss) for the year</b>	<b>2 025</b>	<b>263</b>	<b>280</b>	<b>881</b>	<b>(2 079)</b>	<b>1 370</b>
Segment assets (excluding investments in equity-accounted entities)	15 208	8 631	1 287	3 966	(752)	28 340
Investments in equity- accounted entities	–	–	–	220	–	220
Segment liabilities	6 361	2 564	174	11 872	(372)	20 599
Cash generated from operations	1 889	82	255	56	–	2 282
Capital expenditure	785	363	25	83	–	1 256
Number of employees at the end of the year	4 834	2 497	249	1 257	–	8 837

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

	Flat steel products Rm	Long steel products Rm	Coke and Chemicals Rm	Corporate and other Rm	Adjustments and eliminations Rm	Total reconciling to the consolidated amounts Rm
<b>4. Segment report <small>continued</small></b>						
<b>For the year ended 31 December 2017</b>						
<b>Revenue</b>						
External customers	27 226	10 444	1 352	–	–	39 022
Intersegment customers	569	1 347	52	–	(1 968)	–
<b>Total revenue</b>	<b>27 795</b>	<b>11 791</b>	<b>1 404</b>	<b>–</b>	<b>(1 968)</b>	<b>39 022</b>
<b>Revenue to external customers distributed as:</b>						
Local	22 246	8 108	1 352	–	–	31 706
Africa	4 214	1 459	–	–	–	5 673
Asia	733	270	–	–	–	1 003
Other	33	607	–	–	–	640
<b>Total</b>	<b>27 226</b>	<b>10 444</b>	<b>1 352</b>	<b>–</b>	<b>–</b>	<b>39 022</b>
<b>Results</b>						
Earnings before interest, tax, depreciation and amortisation	264	(945)	365	13	(12)	(315)
Depreciation and amortisation	(570)	(383)	(48)	(21)	46	(976)
Thabazimbi mine closure costs	95	44	–	(98)	–	41
Competition Commission settlement	–	–	–	30	–	30
<b>(Loss)/profit from operations</b>	<b>(211)</b>	<b>(1 284)</b>	<b>317</b>	<b>(76)</b>	<b>34</b>	<b>(1 220)</b>
Impairments	(1 587)	(1 007)	–	(10)	–	(2 604)
Finance and investment income	20	40	2	12	–	74
Finance costs	(247)	(185)	(12)	(1 071)	–	(1 515)
Income after tax from equity-accounted investments	–	–	–	139	–	139
<b>(Loss)/profit before taxation</b>	<b>(2 025)</b>	<b>(2 436)</b>	<b>307</b>	<b>(1 006)</b>	<b>34</b>	<b>(5 126)</b>
Income taxation expense	–	–	–	(2)	–	(2)
<b>(Loss)/profit for the year</b>	<b>(2 025)</b>	<b>(2 436)</b>	<b>307</b>	<b>(1 008)</b>	<b>34</b>	<b>(5 128)</b>
Segment assets (excluding investments in equity-accounted entities)	13 900	7 911	1 266	4 585	(890)	26 772
Investments in equity-accounted entities	–	–	–	4 424	–	4 424
Segment liabilities	5 975	2 686	203	14 272	2	23 138
Cash (utilised in)/generated from operations	(1 159)	(1 118)	364	1 201	–	(712)
Capital expenditure	858	253	276	(63)	–	1 324
Number of employees at the end of the year	5 084	2 696	254	879	–	8 913

	2018 Rm	2017 Rm		
<b>4. Segment report</b> continued				
<b>4.1 Revenue from major products and services</b>				
The group's revenue from its major products sold to external customers was:				
Flat steel products				
Hot rolled	21 848	18 107		
Uncoated	2 981	2 924		
Coated	6 183	6 195		
	<b>31 012</b>	<b>27 226</b>		
Long steel products				
Merchant bars	7 833	6 248		
Wire rod	4 232	3 473		
Seamless	854	723		
	<b>12 919</b>	<b>10 444</b>		
Coke and Chemicals				
Coke and tar	1 269	1 259		
Other	74	93		
	<b>1 343</b>	<b>1 352</b>		
<b>Total consolidated revenue</b>	<b>45 274</b>	<b>39 022</b>		
<b>4.2 Geographical information</b>				
The group operates principally in South Africa. Export sales are primarily sold into sub-Saharan Africa and Asia.				
<b>4.3 Information about major customers</b>				
	Flat steel products Rm	Long steel products Rm	Total revenue Rm	% of group revenue
<b>2018</b>				
<b>Revenue of major customers</b>				
Macsteel Services Centres SA (Pty) Ltd	3 948	1 843	5 791	12.79
Macsteel International Trading BV	5 829	1 739	7 568	16.72
<b>Total</b>	<b>9 777</b>	<b>3 582</b>	<b>13 359</b>	<b>29.51</b>
<b>2017</b>				
<b>Revenue of major customers</b>				
Macsteel Services Centres SA (Pty) Ltd	3 615	1 498	5 113	13.10
Macsteel International Trading BV	3 753	1 552	5 305	13.60
<b>Total</b>	<b>7 368</b>	<b>3 050</b>	<b>10 418</b>	<b>26.70</b>

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

	2018 Rm	2017 Rm
<b>5. Profit/(loss) from operations</b>		
Profit/(loss) from operations has been arrived at after charging:		
Amortisation	(14)	(23)
Depreciation	(817)	(953)
Employee costs		
Salaries and wages	(3 977)	(3 579)
Termination benefits	(19)	(4)
Pension and medical costs	(487)	(513)
Share-based payment expense	(10)	(68)
Loss on disposal or scrapping of property, plant and equipment	(4)	(8)
Operating lease rentals		
Buildings	(4)	(5)
Plant, machinery and equipment	(263)	(211)
Vehicles	(31)	(31)
Railage and transport	(1 394)	(1 269)
Repairs and maintenance	(3 003)	(2 636)
Research and development	(175)	(140)
Reversal of write-down/(write-down) of inventory to net realisable value	140	(108)
Auditors' remuneration		
Audit fees	(15)	(11)
Other services and expenses	(1)	(2)
Allowance for impairment recognised on trade receivables	(25)	1
Other allowances on trade receivables	(10)	121
Allowance for impairment on other receivables	(21)	-

## 6. Earnings per share

Basic profit/(loss) per share is calculated by dividing profit/(loss) attributable to the owners of the company by the weighted average number of ordinary shares, after taking the effects the B-BBEE transaction into account. Where appropriate adjustments are made in calculating diluted profit/(loss), headline and diluted headline earnings/(loss) per share.

	2018	2017
<b>Weighted average number of shares</b>	<b>1 093 509 570</b>	1 093 509 570
<b>Weighted average number of diluted shares</b>	<b>1 093 509 570</b>	1 093 509 570
Weighted average number of diluted shares are calculated by adjusting the weighted average number of ordinary shares with additional ordinary shares held by third parties that would have been outstanding assuming the conversion of all outstanding share options representing dilutive potential ordinary shares. Based on the current share price of ArcelorMittal South Africa, the B-BBEE transaction does not have a dilutive impact on the shareholding. No other outstanding shares had a dilutive impact.		
<b>Profit/(loss) attributable to the owners of the company per share</b>		
<b>Basic</b>		
Profit/(loss) attributable to owners of the company (Rm)	1 370	(5 128)
Weighted average number of shares	1 093 509 570	1 093 509 570
<b>Basic profit/(loss) per share (cents)</b>	<b>125</b>	(469)
<b>Diluted</b>		
Profit/(loss) attributable to owners of the company (Rm)	1 370	(5 128)
Weighted average number of diluted shares	1 093 509 570	1 093 509 570
<b>Diluted profit/(loss) per share (cents)</b>	<b>125</b>	(469)
<b>Headline earnings/(loss) per share</b>		
The calculation for headline earnings/(loss) per share is based on the basic profit/(loss) per share calculation, reconciled as follows:		
<b>Gross</b>		
Profit/(loss) before tax (Rm)	1 307	(5 126)
Add: Impairment charges of property, plant and equipment (Rm)	–	2 594
Add: Impairment of investments in joint ventures and associates (Rm)	10	10
Add: Loss on disposal or scrapping of property, plant and equipment (Rm)	4	8
Add: Fair value adjustment on investment held-for-sale (Rm)	1 652	–
Less: Reclassification of foreign currency differences on sale of foreign investment (Rm)	(2 067)	–
<b>Headline earnings/(loss) before tax (Rm)</b>	<b>906</b>	(2 514)
<b>Net of tax</b>		
Profit/(loss) attributable to owners of the company (Rm)	1 370	(5 128)
Add: Impairment charges of property, plant and equipment (Rm)	–	2 594
Add: Impairment of investments in joint ventures and associates (Rm)	10	10
Add: Loss on disposal or scrapping of property, plant and equipment (Rm)	3	6
Add: Fair value adjustment on investment held-for-sale (Rm)	1 652	–
Less: Reclassification of foreign currency differences on sale of foreign investment (Rm)	(2 067)	–
<b>Headline earnings/(loss) net of tax (Rm)</b>	<b>968</b>	(2 518)
<b>Basic</b>		
Headline earning/(loss) (Rm)	968	(2 518)
Weighted average number of shares	1 093 509 570	1 093 509 570
<b>Basic headline earnings/(loss) per share (cents)</b>	<b>89</b>	(230)
<b>Diluted</b>		
Headline earning/(loss) (Rm)	968	(2 518)
Weighted average number of diluted shares	1 093 509 570	1 093 509 570
<b>Diluted headline earnings/(loss) per share (cents)</b>	<b>89</b>	(230)

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

## 7. Finance and investment income

In millions of rand	Year ended 31 December 2018	Year ended 31 December 2017
<b>Finance income</b>		
Bank deposits and other interest income	93	65
Discount rate adjustment of the provisions	285	–
<b>Investment income</b>		
Interest received from jointly controlled entities	9	9
<b>Total</b>	<b>387</b>	<b>74</b>

## 8. Finance cost

In millions of rand	Year ended 31 December 2018	Year ended 31 December 2017
Interest expense on loans	(976)	(870)
Interest expense on finance lease obligations	(15)	(24)
Net foreign exchange losses on financing activities	(1 112)	(218)
Discount rate adjustment of the provisions and financial liabilities	–	(76)
Unwinding of discounting effect on provisions and financial liabilities	(297)	(327)
<b>Total</b>	<b>(2 400)</b>	<b>(1 515)</b>

## 9. Related party transactions

The group is controlled by ArcelorMittal Holdings AG, which effectively owns 69% (December 2017: 69%) of the group's shares. At 31 December 2018, the outstanding ArcelorMittal Holdings AG loan amounted to R2 700 million (2017: R2 700 million). Interest is payable at the South African prime lending rate with an interest expense for the year of R272 million (2017: R281 million).

During the year the company and its subsidiaries in the ordinary course of business, entered into various sales and purchase transactions with its jointly controlled entities, its associates and other entities within the greater ArcelorMittal group. These transactions occurred under terms that are no less favourable to the company than those arranged with third parties.

## 10. 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			Fair values as at year ended	Fair value hierarchy	
In millions of rand	New classification under IFRS 9	Original classification under IAS 39	31 December 2018	31 December 2017	
<b>Financial assets</b>					
Equity securities	Equity instruments – FVTPL*	Designated as at FVTPL	332	–	Level 1
Equity securities	Equity instruments – FVTOCI**	Available-for-sale	66	55	Level 1
Forward exchange contracts used for hedging	Fair value – hedging instrument	Fair value – hedging instrument	53	–	Level 2
Other forward exchange contracts	Mandatorily at FVTPL	Held-for-trading assets	3	4	Level 2
Trade receivables subject to TSR programme***	FVTOCI	Loans and receivables	57	35	Level 3
<b>Financial liabilities</b>					
Forward exchange contracts used for hedging	Fair value – hedging instrument	Fair value – hedging instrument	10	–	Level 2
Other forward exchange contracts	Mandatorily at FVTPL	Held-for-trading liabilities	6	384	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).

Level 3: Fair value measurements are derived from inputs that are not based on observable market data.

\* FVTPL – Fair value through profit or loss.

\*\* FVTOCI – Fair value through other comprehensive income.

\*\*\* The group and company have a programme for sales without recourse of trade accounts receivable, referred to as true sale of receivables (TSR). Through the TSR programme, the group and company surrender the control, risks and benefits associated with the accounts receivable sold. Therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are derecognised from the statements of financial position at the moment of sale. Upon adoption of IFRS 9, the group and company classified trade receivables subject to TSR programmes as financial assets that are held to collect or to sell and recognised them at FVTOCI. The fair value measurement was determined based on the invoice amount net of TSR expense payable, a Level 3 unobservable input. The TSR expense is insignificant due to the rate applicable and the short timeframe between the time of sale and the invoice due date.

## 11. Taxation

Although the corporate tax rate is 28%, the actual average tax rate for the group was negative 5% (2017: 0%). The negative tax rate was as a result of an income tax receivable due to a settlement with the South African Revenue Services during 2018 as well as utilising previously accumulated assessed losses.

## 12. Restricted cash, ceded cash and security

At 31 December 2018, the group had restricted cash of R1 485 million (2017: R1 386 million). This consists of R883 million (2017: R794 million) regarding the True Sales Receivables (TSR) facility and R602 million (2017: R592 million) for the environmental rehabilitation obligations.

Eligible inventories and receivables are provided as securities for the borrowing base facility to the extent of the draw down. At 31 December 2018, the balance of the borrowing based facility was R300 million (2017: R3 700 million) with R4 200 million (2017: R800 million) still available.

Bank accounts of R282 million (2017: R 715 million) were ceded in favour of the borrowing base facility and TSR facilities.

## 13. Thabazimbi Iron Ore mine acquisition

On 1 November 2018, the Thabazimbi Iron Ore mine was acquired from Sishen Iron Ore Company (Pty) Ltd at a price of R1, enabling the group to control the environmental rehabilitation process. In terms of the sales agreement, the group is liable for all environmental remediation obligations. The acquisition did not have a significant impact on the environmental obligations of the group as the group has always been contractually responsible for the majority of the rehabilitation cost relating to the Thabazimbi mine. As part of the acquisition the group acquired an asset in the form of an environmental trust which holds investments to the value of R332 million. These investments will be used for rehabilitation purposes. Other liabilities assumed by the group include employee obligations of R4 million.

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

## 14. Sale of Macsteel

The group sold its 50% interest in Macsteel International Holdings BV (MIHBV) to Macsteel Holdings Luxembourg SARL (MacHold) for USD220 million (R3 221 million).

MIHBV was a long-standing joint venture between MacHold and ArcelorMittal South Africa which is largely focused on international steel trading and shipping. While it remains an important source of steel products, ArcelorMittal South Africa supplies less than 20% of the total tonnage traded and less than 2% of volumes shipped by MIHBV.

The commercial relationship between MIHBV and ArcelorMittal South Africa will continue through a new, four-year marketing agreement. The Sale of Shares and Marketing agreements were effective on 1 November 2018 when all the conditions precedent were fulfilled.

The proceeds of this sale significantly strengthened the statement of financial position and cash flow position. This is an important achievement as part of the group's strategy to improve the sustainability of the business.

### Accounting impact of this transaction

In millions of rand	Year ended 31 December 2018
Fair value of investment when recognised as an asset held-for-sale on 31 May 2018	2 752
Equity-accounted investment	(4 404)
Fair value adjustment on asset held-for-sale	(1 652)
Foreign currency translation reserve (FCTR)	2 067
Profit on disposal of investment	415

On 31 May 2018, the group reclassified the investment in MIHBV as an asset held-for-sale. The group recognised a fair value adjustment in profit and loss on this reclassification amounting to R1 652 million. The disposal was finalised during November 2018 and FCTR of R2 067 million was released as a profit in profit or loss, resulting in a net profit on disposal of R415 million.

In millions of rand	Year ended 31 December 2018
Fair value of investment when recognised as an asset held-for-sale on 31 May 2018 <sup>#</sup>	2 752
Revaluation of fair value to effective date*	469
Proceeds on effective day	3 221
Derecognition of equity accounted investment <sup>#</sup>	(4 404)
Realised foreign exchange gains on investment at 31 May 2018*	1 598
Profit on disposal of investment at effective date	415

\*Total foreign exchange translation reserve of R2 067 million was released as a profit in the statement of comprehensive income.

<sup>#</sup>The fair value adjustment on asset held-for-sale was R1 652 million.



## 15. Headline earnings/(loss)

In millions of rand	Year ended 31 December 2018	Year ended 31 December 2017
Profit/(loss) for the year	1 370	(5 128)
<b>Adjusted for:</b>		
– Impairment charge	10	2 604
– Loss on disposal or scrapping of assets	4	8
– Fair value adjustment on investment held-for-sale	1 652	–
– Reclassification of foreign currency differences on sale of foreign investment	(2 067)	–
– Tax effect	(1)	(2)
<b>Headline earnings/(loss) for the year</b>	<b>968</b>	<b>(2 518)</b>
Headline earnings/(loss) per share (cents)		
– basic	89	(230)
– diluted	89	(230)

## 16. Cash generated from/(utilised in) operations

In millions of rand	Year ended 31 December 2018	Year ended 31 December 2017
Profit/(loss) from operations	2 777	(1 220)
<b>Adjusted for:</b>		
– Depreciation	831	976
– Unrealised profit on sales to joint ventures	(3)	–
– Share option and participation costs	10	68
– Non-cash movement in provisions and financial liabilities	(125)	(279)
– (Reversal of write-down)/write-down of inventory to net realisable value	(140)	108
– Movement in trade and other receivable allowances	46	(1)
– Reconditionable spares usage	5	1
– Loss on disposal or scrapping of property	4	8
<b>Changes in:</b>		
– Increase in inventories	(520)	(353)
– Increase in trade and other receivables	(1 005)	(1 207)
– Increase in trade and other payables	497	1 373
– Utilisation of provisions	(35)	(54)
– Changes in financial liabilities or assets	(142)	(252)
– Other payables raised, released and utilised relating to employees	82	120
<b>Cash generated from/(utilised in) operations</b>	<b>2 282</b>	<b>(712)</b>

## 17. Commitments

In millions of rand	Year ended 31 December 2018	Year ended 31 December 2017
Capital expenditure commitments on property, plant and equipment		
Capital expenditure authorised and contracted for	655	754
Capital expenditure authorised but not contracted for	2 459	2 634
<b>Total</b>	<b>3 114</b>	<b>3 388</b>

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 171 million (2017: R1 635 million) has been invested in various projects to date. Included in the capital expenditure above is an amount of R677 million to address emissions at Vanderbijlpark operations over the next three years.

# Notes to the summarised consolidated financial statements continued

for the year ended 31 December 2018

## 18. Going concern

The full set of consolidated financial statements from which these summarised consolidated financial statements are prepared from, are on a going concern basis. Based on the group's 12-month funding plan, together with available banking facilities, the directors believe that the group will be able to comply with its financial covenants and be able to meet its obligations as they fall due, and accordingly have concluded that the group remains a going concern.

The group recognised a net profit after tax of R1 370 million (2017: loss of R5 128 million) for the year ended 31 December 2018 and, as at that date, current assets exceed current liabilities by R3 901 million (2017: R785 million).

During 2018, the group returned to profitability on the back of higher international steel prices, lower costs and higher sale volumes. The group embarked upon a business transformation programme towards the end of 2017. This programme has been initiated to address cost reduction, improve efficiencies and debottleneck steel production at all sites. The success of some of these initiatives is visible in the results for the year ended 31 December 2018, noticeable the capacity utilisation improvement from 81% to 84% as a result of this programme. The group continues to drive these initiatives to further improve on the performance of the plants in the coming year.

As detailed in note 14, the group realised proceeds on the sale of the investment in MIHBV at R3 221 million. This further strengthened the statement of financial position and cash flow of the group by reducing net debt from R3 262 million to R475 million. The group generated sufficient cash from operating activities to cover capital expenditure and interest during 2018.

The group has completed the renegotiations and the resetting of the level of the tangible net worth covenant on the borrowing based facility. As at 31 December 2018, the group is in compliance with all covenants. At 31 December 2018 the balance of the borrowing based facility was R300 million (2017: R3 700 million) with R4 200 million (2017: R800 million) remaining undrawn. The group continues to work closely with all lenders to ensure the required facilities remain in place.

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

The financial performance of the group is dependent upon the wider economic environment in which the group operates. Factors which are outside the control of management can have an impact on the business, specifically volatility in the rand/US dollar exchange rate as well as commodity and steel prices. The directors and management continue to monitor, develop and improve business plans and liquidity models in order to effectively deal with the effects of these factors.

---

## 19. Subsequent events

During January 2019 the group has been informed that there is an intention to institute criminal proceedings against the group on account of three alleged transgressions of its atmospheric emission licence at its Vanderbijlpark operations. The prosecution has agreed that the group would first be afforded an opportunity to meet and to make representations before proceeding with the prosecution. This process has not been concluded. In the event that the matter proceeds, and if there is an adverse finding regarding all these transgressions, insofar as the financial exposure in terms of a fine is concerned, the maximum fine payable is up to R15 million in terms of the legislation. The group remains firmly committed to minimising its impact on the environment and, to this end, has invested and continues to invest in various initiatives and projects to improve the group's environmental performance and standards.

The Carbon Tax Bill was approved by the National Assembly in February 2019. The announced implementation date is from 1 June 2019. The estimated financial impact on the group is approximately R300 million annually. However, two sets of related regulations, currently being prepared by authorities and likely to be published in the second quarter of 2019, could have the effect of slightly lessening this liability.

The directors are not aware of any other matter or circumstances arising since the end of December 2018 to the date of this report that would significantly affect the operations, the results or financial position of the group.

---

# Corporate information

## Company registration

ArcelorMittal South Africa Ltd  
Registration number 1989/002164/06  
Share code: ACL  
ISIN: ZAE000134961

## Registered office

Vanderbijlpark Works  
Room N3-5, Main Building  
Delfos Boulevard  
Vanderbijlpark  
1911

## Postal address

PO Box 2  
Vanderbijlpark, 1900  
Telephone: +27 (0) 16 889 9111  
Facsimile: +27 (0) 16 889 2079

## Internet address

<https://southafrica.arcelormittal.com>  
<https://southafrica.arcelormittal.com/InvestorRelations/IntegratedAnnualReports.aspx>

## Company secretary

Ms NB Bam  
Corporate Office  
Delfos Boulevard, Vanderbijlpark  
Telephone: +27 (0) 16 889 4195  
Facsimile: +27 (0) 16 889 2517  
Email: [nomonde.bam@arcelormittal.com](mailto:nomonde.bam@arcelormittal.com)

## Sponsor

Absa Bank Limited (acting through its corporate and investment banking division)  
Alice Lane North  
15 Alice Lane, Sandton, 2196  
Telephone: +27 (0) 11 895 6843  
Email: [equitysponsor@absacapital.com](mailto:equitysponsor@absacapital.com)

## Auditors

Deloitte & Touche  
Deloitte Place, Building 1, The Woodlands  
20 Woodlands Drive, Woodmead, 2052, South Africa  
Telephone: +27 (0) 11 806 5000  
Facsimile: +27 (0) 11 806 5118

## Transfer secretaries

Computershare Investor Services (Pty) Ltd  
Rosebank Towers, 15 Biermann Avenue, Rosebank  
PO Box 61051, Marshalltown, 2107  
Telephone: +27 0861 100 950  
Facsimile: +27 (0) 11 688 5217  
Email: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)

## United States ADR depository

The Bank of New York Mellon  
ADR Department  
101 Barclay Street, 22nd Floor, New York, NY 10286  
United States of America  
Internet: [www.bnymellon.com](http://www.bnymellon.com)



# ArcelorMittal

[www.southafrica.arcelormittal.com](http://www.southafrica.arcelormittal.com)

## ArcelorMittal South Africa Corporate Office

Delfos Boulevard

Vanderbijlpark

Phone: +27 (0) 16 889 9111

Fax: +27 (0) 16 889 4318

GPS coordinates: E 27° 48' 19.6" S 26° 40' 22.3"



<https://southafrica.arcelormittal.com>

<https://southafrica.arcelormittal.com/InvestorRelations/IntegratedAnnualReports.aspx>



<http://www.youtube.com//arcelormittal>



<https://www.linkedin.com/company/arcelormittal-south-africa/>

