



ArcelorMittal

ArcelorMittal South Africa Limited ("ArcelorMittal South Africa", "the company" or "the group")
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Safe Sustainable Steel

Operational information for the quarter ended 30 September 2014

- **Newcastle reline** completed
- **Steel production** stabilised at Vanderbijlpark Works
- **Capacity utilisation** excluding Newcastle at **88%**, highest in five quarters

Operational information

	Quarter ended					Nine months		Year
	30 Sept 2014	30 Jun 2014	% change	30 Sept 2013	% change	30 Sept 2014	31 Dec 2013	
Liquid steel production	1 021	1 145	(10,8)	1 361	(25,0)	3 407	5 096	
Flat steel products 000 tonnes	936	901	3,9	879	6,5	2 655	3 229	
Long steel products 000 tonnes	85	244	(65,2)	482	(82,4)	752	1 867	
Capacity utilisation	62	71	(12,7)	83	(25,3)	70	76	
Flat steel products %	88	86	2,3	83	6,0	85	74	
Long steel products %	15	43	(65,1)	83	(81,9)	44	81	
Steel sales								
Local 000 tonnes	750	762	(1,6)	777	(3,5)	2 284	3 126	
– Flat steel products 000 tonnes	479	494	(3,0)	499	(4,0)	1 448	2 003	
– Long steel products 000 tonnes	271	268	1,1	278	(2,5)	836	1 123	
Export 000 tonnes	288	299	(3,7)	357	(19,3)	949	1 104	
– Flat steel products 000 tonnes	243	236	3,0	257	(5,4)	779	768	
– Long steel products 000 tonnes	45	63	(28,6)	100	(55,0)	170	336	
Total 000 tonnes	1 038	1 061	(2,2)	1 134	(8,5)	3 233	4 230	
– Flat steel products 000 tonnes	722	730	(1,1)	756	(4,5)	2 227	2 771	
– Long steel products 000 tonnes	316	331	(4,5)	378	(16,4)	1 006	1 459	
Coke and chemicals								
Commercial coke produced 000 tonnes	150	144	4,2	109	37,6	379	391	
Commercial coke sales 000 tonnes	104	117	(11,1)	154	(32,5)	312	545	
Tar sales 000 tonnes	29	27	7,4	32	(9,4)	82	109	

Comments

Update on reline of blast furnace

The reline of the blast furnace in Newcastle which commenced in May 2014 was recently completed. The furnace is currently ramping up and it is expected to be in full production by mid-November 2014.

Production

Liquid steel production was 340 000 tonnes or 25% lower than the corresponding period last year due to the planned reline of the blast furnace. The effect of the reline of the blast furnace at Newcastle not producing 400 000 tonnes was partly offset by higher production volumes at Vanderbijlpark. The company was running at 62% capacity overall compared to 83% for the same period last year.

Sales

Local

Local sales were 12 000 tonnes or 3% lower than the corresponding period last year driven mainly by flat products which were down due to the effect of the metal and engineering strike at the beginning of the quarter. Despite the reline at Newcastle, long products local sales were in line with last year as a result of buffer stocks produced before the reline and the import of billets which were used to continue producing the long steel products.

Export

Export sales decreased by 69 000 tonnes or 19% driven mainly by long products following the reline refurbishment project in Newcastle.

Commercial coke

The sales of commercial coke were 50 000 tonnes or 32% lower than the corresponding period. The company experienced sorting problems of coal in quarter two at Newcastle which limited the stock available for sale in quarter three.

Outlook for quarter four

As the blast furnace at Newcastle is expected to complete its ramp up by mid-November 2014, total steel capacity utilisation is expected to move back above 80% as all other units will maintain their current production levels. Sales should also increase despite the usual seasonal impact during the festive period.

As reported in our interim results in August 2014, ArcelorMittal South Africa has been experiencing tough trading conditions mainly due to lower steel demand, increased competition from China and low operating efficiencies. ArcelorMittal South Africa is entering a turnaround phase with a focused strategy of producing to capacity, reducing costs and embarking on a more aggressive sales strategy while improving relations with government. ArcelorMittal South Africa remains committed to the development of the South African steel industry and to the role that the company plays in the ongoing social and economic transformation of communities around its operations and the South African economy as a whole.

Sponsor: JP Morgan Equities South Africa Proprietary Limited

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