



# ArcelorMittal

ArcelorMittal South Africa Limited  
(Incorporated in the Republic of South Africa)  
(Registration Number 1989/002164/06)  
Share Code: ACL ISIN: ZAE000134961  
("ArcelorMittal South Africa" or the "Company")

## **RESTRUCTURING AS A RESULT OF OPERATIONAL REQUIREMENTS: ARCELORMITTAL SOUTH AFRICA COMMENCES CONSULTATION PROCESS IN TERMS OF SECTION 189(3) OF THE LABOUR RELATIONS ACT**

Shareholders have previously been advised that due to the difficult domestic economic environment, the South African steel industry continues to face significant challenges. On 3 April 2020, the Company also explained the impact of Covid-19 on the Company and the critical steps taken since 2019 to ensure the sustainability of the Company.

While the full extent of the impact of the Covid-19 pandemic still remains uncertain as the economy slowly reopens within government's risk-adjusted approach to the easing of lockdown restrictions, the various lockdown regulations have, to date, had a material negative impact on the business. Further, the Company anticipates that it will take some time for crude steel production levels to return to historical levels or planned levels of 2020. Therefore, a significant part of the Company's available production capacity may remain unutilised for an extended period.

Consequently, the cost-saving initiatives previously implemented will not be sufficient and the unexpected impact of Covid-19 has led the Company to consider further measures to ensure that its cost base is adjusted in line with lower anticipated demand.

Shareholders are accordingly advised that the Company will be commencing with a consultation process in terms of Section 189(3) of the Labour Relations Act 66 of 1995. A large-scale restructuring is contemplated, and the number of jobs impacted will depend on the alternatives identified and agreed to mitigate the impact. The final outcome and number of positions affected is subject to a formal consultation process.

The Company will continue to engage with organised labour and employees to consider alternatives to minimise the impact.

### **Vanderbijlpark 18 June 2020**

For further information please contact:

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### **Sponsor to ArcelorMittal South Africa Limited**

Absa Bank Limited (acting through its Corporate and Investment Banking division)

