



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")

CONCLUSION OF THE FIRST PHASE OF THE STRATEGIC ASSET FOOTPRINT REVIEW AND FURTHER INFORMATION ON THE COMPANY'S SECTION 189 PROCESS

On 25 September 2019, shareholders were advised that the Board of ArcelorMittal South Africa had extended its planned strategic evaluation process to incorporate a review of the operational and financial sustainability of certain of its major operating sites, individual plants and production areas ("Strategic Asset Footprint Review").

In terms of the commitment to undertake the Strategic Asset Footprint Review in a responsible, well-considered yet expeditious manner, and ensuring shareholders are appraised of the outcomes of the process, the Board now advises shareholders that the first phase of the review has been completed.

Following due deliberation and consideration, the decision has been made to undertake an orderly and commercial wind-down of steel operations at Saldanha Works ("Saldanha"), ultimately placing the operation on care and maintenance. Saldanha, which has lost its structural competitive cost advantage to effectively compete in the export market, mainly due to raw material and regulated prices, is suffering severe financial losses and these are forecast to continue for the foreseeable future. The process of winding down Saldanha's steel operations to a state of care and maintenance will begin immediately and is anticipated to be completed during the first quarter of 2020.

This difficult decision was taken in the context of constructive ongoing engagements with key stakeholders, including government and organised labour, to find alternative solutions to the dire situation in the South African steel industry.

Realising the importance of Saldanha to the region, and as far as reasonably possible, the Company will make every effort to minimise the impact of the orderly and commercial wind-down.

Contractual domestic sales orders from Saldanha will now be fulfilled from the Vanderbijlpark Works.

Progress is being made with the next phase of the Strategic Asset Footprint Review focusing on the Newcastle operations and certain of the long steel products rolling facilities with the objective of sustainably improving their structural cost position and service offering. Exploration of the benefits of a concentrated operating footprint will be of foundational importance during this phase of the review.

Shareholders will be kept appraised of further outcomes of the Strategic Asset Footprint Review.

Further, on 10 July 2019 it was announced that the Company was consulting with its employees through a process provided for in Section 189(3) of the Labour Relations Act in relation to the anticipated large-scale restructuring needed to strengthen the long-term sustainability of the Company. The Company has now concluded the CCMA-facilitated consultation process.

The required steps will now be taken to implement the outcomes of the Section 189 process and ensure the Company strengthens the sustainability of the business in the longer term.

By order of the Board
11 November 2019

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

