

**ArcelorMittal South Africa Limited**

("ArcelorMittal South Africa", "the company" or "the group")

Registration number: 1989/002164/06

Share code: ACL

ISIN: ZAE 000134961

Unaudited operational information for the quarter ended 31 March 2019**Salient features**

- Lost time injury frequency rate (LTIFR) improved from 0.66 to 0.29
- Domestic demand remains weak
- Liquid steel production remains flat
- Local sales down 5%
- Export sales down 23%
- Volatility in the rand/US dollar exchange rate continues to impact the business

The analysis relates to the three months ended 31 March 2019 (current period) compared to the three months ended 31 March 2018 (prior period) except where otherwise indicated.

Operational information

		For the quarter ended		
		31-March 2019	31-March 2018	% change
Liquid Steel production		1 279	1 270	0.7%
Capacity utilisation		80	85	-5.9%
Steel sales				
- Local	000 tons	796	838	-5.0%
- Export	000 tons	253	329	-23.1%
- Total	000 tons	1 049	1 167	-10.1%
Coke and Chemicals				
- Commercial coke produced	000 tons	31	45	-28.9%
- Commercial coke and tar sales	000 tons	41	67	-38.8%

Safety

Safety remains our number one priority. LTIFR improved from 0.66 to 0.29, while total injury frequency rate increased to 6.95 from 6.68.

Production

Liquid steel production was 9 000 tonnes (0.7%) higher, mainly due to higher production at Long Products after the restart of the Vaal Melt shop. The capacity utilisation for Q1 2019 decreased to 80% compared to 85% in the comparable period as a result of the restart of the Vaal Melt shop.

Sales

Domestic sales volumes decreased by 5%, negatively affected by a weaker economy, the consequent shrinking of apparent steel consumption by 1.4%, and a short burst of imports as customers took advantage of the sudden price drops seen in international markets in Q4 2018. Export sales shows a drop of 23.1%, due to both a very buoyant global market in Q1 2018 and a more cautious seaborne market in Q1 2019 following the sudden price drops of Q4 2018.

Commercial coke

Commercial coke and tar sales were 26 000 tonnes (38.8%) lower due to higher imports into the country together with an increase in internal consumption.

By order of the Board
07 May 2019

For further information please contact:
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This report is available on ArcelorMittal South Africa's website at: <http://www.arcelormittalsa.com>

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

