

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 SETTLEMENT AGREEMENT WITH THE COMPETITION COMMISSION

Shareholders have been informed previously that the Settlement Agreement between ArcelorMittal South Africa and the Competition Commission ("Commission") was being finalised.

We are pleased to announce that all outstanding matters have now been addressed and a settlement has been reached, finalising all pending matters against the Company. As communicated by the Commission, an application has been filed with the Competition Tribunal (Tribunal) for confirmation of this Settlement Agreement as an order of the Tribunal. Shareholders should therefore note that the Settlement Agreement is subject to the approval of the Tribunal.

Subject to the final order being granted, this will bring an end to these legal matters, which have been pending against the Company for some time.

The Company has also pointed out that the matters related to historical conduct by the Company, which has ceased.

The salient terms of the Settlement Agreement are summarised below:

Administrative Penalty

The Company will pay an administrative penalty of R1.5bn, payable over 5 years, in instalments of no less than R300m per annum, commencing in 2017.

In the light of the vulnerable state of the steel industry and the position of the Company, no interest will be levied on the administrative penalty for the first 18 (eighteen) months from the date on which the Settlement Agreement is made an order of the Tribunal and thereafter interest will be levied on the remaining

outstanding balance at the prevailing interest rate prescribed by the Minister of Finance, currently 10.5%.

Admissions

Of the 6 matters pending before the Commission, the Company has admitted guilt in respect of two matters - being the Long steel matter, relating to allegations of fixing prices, allocating customers and sharing commercially sensitive information; and the scrap metal matter relating to allegations of price fixing by the Company as a consumer of scrap.

Pricing Remedy for Flat Products

The Company has made no admission regarding the excessive pricing complaint and the Commission has made no finding in this regard. Notwithstanding, in the light of the previous concerns regarding pricing and the Company's commitment to work with Government and all stakeholders to contribute to growth of the South African economy, the Company has agreed to a pricing remedy for local flat steel products.

In terms thereof the Company shall for a period of five years not be permitted to earn an EBIT (earnings before interest and tax) margin percentage greater than 10% relating to flat steel products sold in South Africa over a 12 months period (measured over the Company's financial year).

However, the Company will be permitted to exceed the 10% cap up to a maximum of 15% in certain defined circumstances.

Investment

The Company has also committed to capital investment of at least R4.6bn over the five year period subject to it being affordable and feasible in the light of the financial circumstances.

Monitoring

There are provisions for monitoring by the Commission which will allow for ongoing engagement and the sharing of information, as well as the opportunity to engage if there is a significant change in the economic, financial and market circumstances.

The Company has been proactive and various interventions have already been implemented within the Company to ensure that there is more vigilance to guard against such conduct happening again. This includes an enhanced training and compliance programme. Ongoing communication will also be enhanced.

There is a firm commitment by the leadership of the Company to ensure that the Company is committed to being a good corporate citizen that makes a valuable contribution to South Africa, and that it conducts its business in a transparent and responsible manner.

By order of the Board

22 August 2016

Vanderbijlpark Works

Sponsor to ArcelorMittal South Africa Limited

J.P. Morgan Equities South Africa Pty Ltd

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