



ArcelorMittal

ARCELORMITTAL SOUTH AFRICA AT LOCKDOWN LEVEL 3

25 May 2020

Dear Valued Customer

ArcelorMittal South Africa welcomes the announcement by President Cyril Ramaphosa that the country will be moving to Level 3 in the risk-adjusted approach to the easing of the lockdown.

At Level 3, ArcelorMittal South Africa will be able to operate with 100% of its workforce. However, we will only fully restart operations as the demand for steel becomes visible in our orderbook.

In the interest of employee safety, most office and support staff will continue to work from home. At our production sites, we have implemented all the required Covid-19 health and safety protocols to safeguard the wellbeing of our employees and other stakeholders.

Since returning to work on 4 May, we have restarted dispatches and most rolling mills are operational again as the focus has been on meeting existing orders. Available finished-stock and work-in-progress are sufficient to support delivery of confirmed orders through to the end of June. Beyond that, fresh liquid steel will be produced to service demand.

The following operations have either restarted or will soon begin production:

- Dispatches were restarted on 6 May
- Most rolling mills are operational, though at varying levels of utilisation
- In terms of our coke batteries, 45% of capacity is operational
- The electric arc furnace in Vereeniging restarted on 12 May
- In Vanderbijlpark, one of the two blast furnaces will start with blow-in today, 25 May, while the timing of the restart of the second blast furnace will depend on how quickly steel demand and the economy recover
- The blast furnace in Newcastle will restart in the beginning of June and, given the preparations already made during the initial lockdown period, the restart should be relatively quick.

At Level 3, more customers are expected to reopen which should result in an increase in demand. However, the harsh reality is that no industry has remained untouched by the pandemic and it is likely that it will be many months, if not years, before the economy starts to revive and the demand for steel begins to grow again.

Our management team is continuously reviewing its business plans to ensure that, as far as possible, our decisions on business continuity are a fair balance between the interests of our stakeholders and the long-term sustainability of the company.

We will keep you abreast of further developments. In the meantime, please stay safe.

Yours sincerely,

Colin Hautz
Chief Marketing Officer