



ArcelorMittal

news release

ArcelorMittal Poland temporarily idles the operation of the blast furnace and steel plant at its Krakow unit

Krakow, November 12, 2019

ArcelorMittal Poland informs that the company is forced to temporarily idle the primary operations in Krakow on November 23, 2019. Previously, the company had postponed its earlier decision to idle the operations from September 2019, by taking exceptional measures to adjust the capacity utilization of the three blast furnaces – one in Krakow and two in Dabrowa Gornicza - to lower demand levels.

ArcelorMittal Poland has idled the blast furnace and steel shop in Krakow before. The installations did not operate from August 2010 to March 2011 and were successfully restarted once the market improved.

- Our three blast furnaces are now working at their technological minimum so we cannot reduce production volumes any further. As the situation on the steel market continues to deteriorate and the outlook remains gloomy, we regrettably have no choice but to temporarily idle the blast furnace in Krakow – comments Geert Verbeeck, CEO and chairman of the board of directors at ArcelorMittal Poland.

The steel sector globally is dealing with a huge overcapacity exceeding 400 m tonnes. According to EUROFER, apparent steel demand in Europe is expected to fall by 3.1% in 2019 whilst earlier forecasts only pointed to a drop of 0.4%. This results from uncertainty, trade tensions and geopolitical issues weighing on investment and trade.

- Manufacturing, particularly the auto industry, has performed poorly, contracting in many EU countries - in Germany production of passenger cars declined by as much as 11%. This market contraction and the global overcapacity are putting additional pressure on prices of finished goods in an environment in which prices of raw materials, notably iron ore, remain high – explains Geert Verbeeck.

ArcelorMittal Poland maintains its earlier position on the company's intention to restart the blast furnace and the steel shop in Krakow as soon market conditions improve adequately to justify a restart leading to economically viable operations.

The company also reiterates its previous declarations with regards to employment.

- We have found solutions for all ArcelorMittal Poland's employees affected by this decision. We will also be taking advantage of economic unemployment but as an exception rather than a rule since a great majority of our employees will be offered other positions both at our other plants in Krakow as well as in Dabrowa Gornicza – comments Monika Roznerska, HR director at ArcelorMittal Poland.

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About ArcelorMittal Poland

ArcelorMittal Poland is the biggest steel producer on the Polish market with about 70% of production capacity of the Polish steel industry. The company consists of five steel plants located in Krakow, Dabrowa Gornicza, Sosnowiec, Swietochlowice and Chorzow. It also owns the largest coke plant in Europe – ZK Zdzieszowice. ArcelorMittal Poland employs over 10,000 people and over 14,000 if subsidiaries are taken into account. The company produces a wide range of long, flat, special and semi products for construction, transport and white goods industries.

The company has transformed Polish steelmaking. It has invested PLN 7 bn in modernizing every stage of the production process. Thanks to increasing H&S standards, the company has reduced its accident frequency rate by more than 90 percent. It has decreased the CO2 emissions by 25 percent, thanks to which it has become more environmentally friendly. The company is 1 of 3 companies worldwide able to produce 120 meter rails. ArcelorMittal Poland is consistently engaged in supporting local communities by carrying out educational, health and safety programmes. The company has invested over PLN 21 m in these projects.

For more information visit poland.arcelormittal.com

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 18 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2018, ArcelorMittal had revenues of \$76.0 billion and crude steel production of 92.5 million metric tons, while own iron ore production reached 58.5 million metric tonnes.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

For more information about ArcelorMittal please visit: <http://corporate.arcelormittal.com/>