

BSI STEEL LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/023164/06)

JSE code: BSS

ISIN: ZAE000125134

("BSI" or the company")

## POSSIBLE CLOSURE OF PIETERMARITZBURG BRANCH

Shareholders are advised that the company is reviewing the viability of servicing the KZN market through the current Pietermaritzburg warehouse and office structure, and relocating the company's administration function to the BSI Kliprivier office in Gauteng.

Due to decreasing margins over the years, BSI has been forced to utilise the lowest cost platform to meet market prices. As a consequence, the company has been supplying a significant and growing portion of steel to KZN customers directly from Klipriver, which has made the Pietermaritzburg warehouse increasingly redundant.

We are entering into a consultation phase with our staff to explore options on how to preserve jobs in PMB. The outcome of this process will dictate if we retain a KZN footprint or not. In the interim, it is our intention to continue and improve the quality of direct delivery from Klipriver.

This restructure is a decisive and progressive move to ensure that BSI remains a competitive distributor in the market. It is expected that this restructure will result in an efficient, highly cost-effective distribution platform, geared to meet service and price expectations going forward.

Johannesburg

27 September 2017

Designated Advisor

Sasfin Capital (a member of the Sasfin Group)