

## Outlook

Demand for the Group's products remains fairly buoyant and tonnages in the 2003/2004 year appear likely to approximate those of the previous financial year.

US dollar prices for both iron ore and manganese ore have already risen, and, demand for manganese alloys should remain steady, but an oversupply situation could develop, putting pressure on prices.

The stronger rand together with low charge chrome stocks world wide resulted in US dollar prices rising by approximately 50% over the past year. Better margins for ferrochrome could flow from improved utilisation of available capacity and higher prices.

Overall, the markets in which the Group trades appear likely to remain healthy over the coming financial year. However, as has been demonstrated over the past few years, the relationship between the rand and the US dollar will remain a crucial determinant of the company's profitability. Management will continue to focus upon effective cost controls.

The management of Assmang has committed itself to exploring various expansion scenarios in relation to its iron ore assets in the Northern Cape. A heads of agreement has been entered into with Kumba Resources for the purposes of exchanging technical information and evaluating certain of these expansion possibilities.

## Dividends

An interim dividend of 25 cents (2002: 40 cents) per share was declared and paid during the year, and as reported in this announcement, a final dividend of 25 cents (2002: 40 cents) per share was declared payable to shareholders on 13 October 2003. Both dividends were affected by the lower earnings for the year and are not comparable with the previous year which included an exceptional distribution of the surplus realised on the disposal of the Dwarsrivier PGM rights.

## Accounting Policies

The Group's financial information has been extracted from the audited Group annual financial statements, which have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa and International Accounting Standards. The accounting policies used in the preparation of the annual financial statements are consistent with those used in the previous year.

## Audited Results

Ernst & Young has audited the Group annual financial statements and their unqualified audit report is available for inspection at the Company's registered office.

## Earnings Per Share

Attributable earnings per share is calculated by dividing the earnings attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

To calculate the headline earnings per share, the earnings attributable to shareholders is adjusted for the exceptional item and net profit on disposal or impairment of other assets.

## Registered office:

Assore House  
15 Fricker Road  
Illovo Boulevard  
Johannesburg 2196

## Transfer office:

Computershare Limited  
Investor Services Division  
70 Marshall Street  
Johannesburg 2001

## Directors

### Executive:

Desmond Sacco (Chairman), R J Carpenter (Deputy Chairman),  
C J Cory (Financial), P C Crous (Technical)

### Non-executive:

R A Chute, B M Hawksworth, Dr J C van der Horst

### Alternate:

J W Lewis (British)

## Company secretaries:

African Mining and Trust Company Limited

## Assore Limited

Company registration number: 1950/037394/06  
Share code: ASR ISIN: ZAE000017117



# FINAL RESULTS

for the year ended 30 June 2003

- *Increased sales volumes for all products*
- *Headline earnings decrease by 46,6% to R 135,2 million due to stronger exchange rates*

## CONSOLIDATED INCOME STATEMENT

|  | Year ended<br>30 June 2003<br>Audited<br>R'000 | Year end<br>30 June 2002<br>Audited<br>R'000 |
|--|--|--|
| Turnover   | 1 753 027                                      | 1 514 406                                    |
| Net operating profit   | 240 820  | 416 319                                      |
| Finance costs  | (28 412)                                       | (35 207)                                     |
| Dividends received   | 5 451  | 4 839  |
| Net profit before exceptional item   | 217 859  | 385 951                                      |
| Exceptional item   | –  | 248 278                                      |
| Net profit before taxation   | 217 859  | 634 229                                      |
| Taxation   | (76 414)                                       | (131 894)                                    |
| Net profit from ordinary operating activities                              | 141 445  | 502 335                                      |
| Outside shareholders' share of net profit                                  | (5 073)  | (381)  |
| <b>Attributable earnings transferred to statement of changes in equity</b> | <b>136 372</b>                                 | <b>501 954</b>                               |
| Earnings per share (cents)   | 487,0  | 1 792,7                                      |
| Headline earnings per share (cents)*                                       | 482,7  | 903,2  |
| Dividends per share paid to shareholders (cents)                           |  |  |
| – Interim dividend paid in March 2003/2002                                 | 25   | 40   |
| – Final dividend proposed in September 2003/2002                           | 25   | 40   |
| <b>*Determination of headline earnings</b>                                 |  |  |
| Attributable earnings per income statement as above                        | 136 372  | 501 954                                      |
| Exceptional item   | –  | (248 278)                                    |
| Net profit on disposal or impairment of assets                             | (1 215)  | (788)  |
| Headline earnings  | 135 157  | 252 888                                      |
| Ordinary shares in issue (million)   | 28,0   | 28,0   |
| Net asset value per share (rand)   | 49,8   | 47,8   |
| Capital expenditure (R million)  | 174,4  | 193,1  |
| Capital commitments (R million)  | 171,9  | 349,0  |

## STATEMENT OF CHANGES IN EQUITY

|  | Year ended<br>30 June 2003<br>Audited<br>R'000 | Year end<br>30 June 2002<br>Audited<br>R'000 |
|--|--|--|
| <b>SHARE CAPITAL AND NON-DISTRIBUTABLE RESERVES</b>                      |  |  |
| Balance at beginning of year   | 90 138   | 52 952                                       |
| Deferred taxation on listed investments                                  | 3 954  | (8 176)                                      |
| Net (decrease)/increase in the market value of listed investments        | (59 976)                                       | 41 951                                       |
| Foreign currency translation reserve                                     | (4 657)  | 3 411  |
| Balance at end of year   | 29 459   | 90 138                                       |
| <b>DISTRIBUTABLE RESERVES</b>  |  |  |
| <b>RETAINED INCOME</b>   |  |  |
| Balance at beginning of year   | 1 234 882                                      | 749 728                                      |
| Attributable earnings  | 136 372  | 501 954                                      |
| Ordinary dividends paid  |  |  |
| No's 91 and 92 aggregating 65 cents per share (2002: 60 cents per share) | (18 200)                                       | (16 800)                                     |
| Balance at end of year   | 1 353 054                                      | 1 234 882                                    |
| <b>PER BALANCE SHEET</b>   | <b>1 382 513</b>                               | <b>1 325 020</b>                             |

## CONSOLIDATED BALANCE SHEET

|  | At<br>30 June 2003<br>Audited<br>R'000 | At<br>30 June 2002<br>Audited<br>R'000 |
|--|--|--|
| <b>ASSETS</b>                            |  |  |
| Non-current assets                       |  |  |
| Property, plant and equipment            | 1 052 072                              | 952 198                                |
| Intangible assets                        | 4 209                                  | 4 752                                  |
| Environmental rehabilitation trust funds | 12 547                                 | 12 829                                 |
| Investments                              | 147 152                                | 179 051                                |
|  | 1 215 980                              | 1 148 830                              |
| Current assets                           |  |  |
| Cash resources                           | 96 623                                 | 84 633                                 |
| Other current assets                     | 827 341                                | 769 176                                |
|  | 923 964                                | 853 809                                |
| <b>TOTAL ASSETS</b>                      | <b>2 139 944</b>                       | <b>2 002 639</b>                       |
| <b>EQUITY AND LIABILITIES</b>            |  |  |
| Share capital and reserves               |  |  |
| Ordinary shareholders' interest          | 1 382 513                              | 1 325 020                              |
| Outside shareholders' interest           | 12 701                                 | 13 796                                 |
| Share capital and reserves               | 1 395 214                              | 1 338 816                              |
| Non-current liabilities                  |  |  |
| Deferred taxation                        | 198 251                                | 173 261                                |
| Long-term liabilities                    | 34 865                                 | 32 032                                 |
|  | 233 116                                | 205 293                                |
| Current liabilities                      |  |  |
| Non-interest bearing                     | 202 992                                | 105 129                                |
| Interest bearing                         | 308 622                                | 353 401                                |
|  | 511 614                                | 458 530                                |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>2 139 944</b>                       | <b>2 002 639</b>                       |

## CONSOLIDATED CASH FLOW STATEMENT

|  | Year ended<br>30 June 2003<br>Audited<br>R'000 | Year end<br>30 June 2002<br>Audited<br>R'000 |
|--|--|--|
| Cash generated from operations                       | 257 031  | 101 785                                      |
| Cash (utilised in)/generated by investing activities | (198 276)                                      | 30 493                                       |
| Cash utilised in financing activities                | (46 765)                                       | (125 668)                                    |
| Increase in cash for the year                        | 11 990   | 6 610  |
| Cash resources at beginning of year                  | 84 633   | 78 023                                       |
| Cash resources per balance sheet                     | 96 623   | 84 633                                       |

## DECLARATION OF FINAL DIVIDEND

Final Dividend No. 93 of 25 cents per share was declared on Monday, 15 September 2003. The last date to trade "cum" dividend in order to participate in the dividend will be Friday, 3 October 2003. The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Monday, 6 October 2003 and the record date will be Friday, 10 October 2003. Share certificates may not be dematerialised or rematerialised between Monday, 6 October 2003 and Friday, 10 October 2003 (inclusive of both days) and the dividend is payable on Monday, 13 October 2003.

On behalf of the board

Desmond Sacco  
Chairman

R J Carpenter  
Deputy Chairman

Johannesburg  
15 September 2003.

## COMMENTARY

## Results

Assore's prime investment, which it partially consolidates, remains its 45,7% holding in Assmang, over which it exercises joint control with Avmin. In addition, Assore receives income from its role as marketing agent for Assmang's products, which have increased to record levels in all sectors as detailed below under Sales Volumes.

Assmang recently reported results for the year ended 30 June 2003, reflecting an encouraging performance in terms of increased production and improved sales. However, this was more than offset by the strengthening of the SA rand against the US dollar in the year under review, and resulting in a 54% decline in headline earnings on the previous year. Accordingly, Assore has reported 15,8% growth in turnover to R1 753,0 million (2002: R1 514,4 million) for the year and a 46,6% reduction in headline earnings at R135,2 million (2002: R252,9 million) equivalent to 482,7 cents per share (2002: 903,2 cents).

Attributable earnings also decreased on the previous year, particularly against the exceptional profit of R248,3 million included in earnings for the previous year as a result of the disposal by Assmang of its Dwaarsrivier PGM rights.

## Sales Volumes

Volumes of product sold on behalf of Assmang were as follows:

|   | 2003<br>'000 metric tons | 2002<br>'000 metric tons |
|---|--------------------------|--------------------------|
| Iron ore  | 5 263                    | 4 775                    |
| Manganese ore (excluding transfers to Cato Ridge Works) | 1 171                    | 993                      |
| Manganese alloys  | 206                      | 187                      |
| Charge chrome   | 244                      | 190                      |

## Capital Expenditure

Capital expenditure, mainly at Assmang, exceeded R338,0 million (2002: R372,0 million), during the year under review. The focus was primarily on the completion of the new shaft complex at Nchwaning manganese mine, scheduled for completion during May 2004, at a total cost of R601 million, excluding capitalised interest.

Assmang has invested R2,1 billion over the past five years of which R338 million (2002: R372 million) was spent in the current year. Current and additional enhancement projects include the completion of the Nchwaning shaft complex, the possible construction of an underground mine at Dwaarsrivier chrome mine to replace the existing opencast mine and the development of additional exploitable reserves at the iron ore division.

## Borrowings

Interest bearing debt decreased marginally to R308,6 million (2002: R353,4 million) and is well within the Group's borrowing limits.