



PROVISIONAL RESULTS

for the year ended 30 June 2004

• INCREASED SALES VOLUMES AND US DOLLAR PRICES FOR ALL PRODUCTS • HEADLINE EARNINGS INCREASED BY 20,9% TO R163,4 MILLION

CONSOLIDATED INCOME STATEMENT

	Year ended 30 June 2004 Reviewed R'000	Year ended 30 June 2003 Audited R'000
Turnover	2 228 090	1 753 027
Net operating profit	329 501	240 820
Finance costs	(25 765)	(28 412)
Dividends received	5 057	5 451
Net profit before taxation	308 793	217 859
Taxation	(99 583)	(76 414)
Net profit from ordinary operating activities	209 210	141 445
Outside shareholders' share of net profit	(39 603)	(5 073)
Attributable earnings transferred to statement of changes in equity	169 607	136 372
Earnings per share (cents)	605,7	487,0
Headline earnings per share (cents)*	583,7	482,7
Dividends per share (cents)		
– Interim dividend paid in March (2004/2003)	20	25
– Final dividend declared in September (2004/2003)	45	25
*Determination of headline earnings		
Attributable earnings per income statement as above	169 607	136 372
Net profit on disposal of assets	(6 162)	(1 215)
Headline earnings	163 445	135 157

CONSOLIDATED BALANCE SHEET

	At 30 June 2004 Reviewed R'000	At 30 June 2003 Audited R'000
ASSETS		
Non-current assets		
Property, plant and equipment	1 206 192	1 056 281
Environmental rehabilitation trust funds	13 503	12 547
Listed investments	165 715	147 152
	1 385 410	1 215 980
Current assets		
Inventories	520 892	469 132
Amounts due from joint venture partners	9 529	–
Trade and other receivables	475 584	358 209
Cash resources	166 263	96 623
	1 172 268	923 964
Total assets	2 557 678	2 139 944
EQUITY AND LIABILITIES		
Share capital and reserves		
Ordinary shareholders' interest	1 549 073	1 382 513
Outside shareholders' interest	42 560	12 701
Share capital and reserves	1 591 633	1 395 214
Non-current liabilities		
Deferred taxation	240 576	198 251
Long-term liabilities	55 425	34 865
	296 001	233 116
Current liabilities		
Interest bearing	379 166	308 622
Non-interest bearing	290 878	202 992
	670 044	511 614
Total equity and liabilities	2 557 678	2 139 944
Ordinary shares in issue (million)	28	
Net asset value per share (Rand)	56,8	49,8
Capital expenditure (R'million)	237,0	174,4
Capital commitments (R'million)	204,3	171,9

STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2004 Reviewed R'000	Year ended 30 June 2003 Audited R'000
SHARE CAPITAL AND NON-DISTRIBUTABLE RESERVES		
Balance at beginning of year	29 459	90 138
Net increase/(decrease) in market value of listed investments	18 065	(59 976)
Deferred taxation on changes in market value of listed investments	(2 730)	3 954
Foreign currency translation reserve	(5 782)	(4 657)
Balance at end of year	39 012	29 459
DISTRIBUTABLE RESERVES		
RETAINED INCOME		
Balance at beginning of year	1 353 054	1 234 882
Attributable earnings for the year	169 607	136 372
Ordinary dividends paid		
No. 93 and No. 94 aggregating 45 cents per share (2003: 65 cents per share)	(12 600)	(18 200)
Balance at end of year	1 510 061	1 353 054
PER BALANCE SHEET	1 549 073	1 382 513

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2004 Reviewed R'000	Year ended 30 June 2003 Audited R'000
Cash generated from operations	225 690	257 030
Cash utilised in investing activities	(232 003)	(198 276)
Cash generated/(utilised in) financing activities	75 953	(46 764)
Increase in cash for year	69 640	11 990
Cash resources at beginning of year	96 623	84 633
CASH RESOURCES PER		
BALANCE SHEET	166 263	96 623

DECLARATION OF FINAL DIVIDEND

Final Dividend No. 95 of 45 cents per share was declared on Wednesday, 1 September 2004. The dividend has been declared in the currency of the Republic of South Africa. In accordance with STRATE, the following dates apply to the final dividend: The last date to trade to qualify for the dividend (and for changes of address or dividend instructions) will be Thursday, 16 September 2004. The company's ordinary shares will commence trading "ex" the dividend from the commencement of business on Friday, 17 September 2004. The record date will be Thursday, 23 September 2004. Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 27 September 2004. Electronic payment to holders of certificated shares will be undertaken simultaneously. Holders of dematerialised shares will have their accounts at their Central Securities Depository Participant or broker credited on Monday, 27 September 2004. Share certificates may not be dematerialised or rematerialised between Friday, 17 September 2004 and Thursday, 23 September 2004, both days inclusive.

On behalf of the board

Desmond Sacco
Chairman

C J Cory
Chief Executive Officer

Johannesburg
1 September 2004

COMMENTARY

RESULTS

The feature of the second half of the 2004 financial year and of the year as a whole has been the strong recovery made by Assmang Limited ("Assmang") from the first half when that company reported a 97% decline in earnings.

Assore continues to hold 45,7% in Assmang which it controls jointly with African Rainbow Minerals Limited (ARM). Assore also receives commissions as marketing agent for Assmang's products.

As anticipated in the commentary on Assore's interim results, published in March 2004, sales of Assmang's products have benefited from a strong demand, largely from Far Eastern countries, resulting in higher US dollar prices and increased sales volumes for all commodities.

These factors more than offset the further strengthening of the South African Rand over the US dollar during the second half, enabling Assmang to lift revenue for the year ended 30 June 2004 by 13,8% and headline earnings by 4,9%. The average exchange rate applicable to export proceeds over the financial year, was R6,77 to the US dollar, compared with R8,97 for the previous year.

Assore gained additionally from the R20,2 million (2003: R3,9 million) contribution to earnings for the year made by its US subsidiary, Minerals U.S., which benefited from its trading in a buoyant metals market and from increased demand for the group's products.

Consequently, Assore has reported a 27,1% growth in turnover to R2,23 billion (2003: R1,75 billion) for the year ended 30 June 2004 and a 20,9% improvement in headline earnings to R163,4 million (2003: R135,2 million) equivalent to 583,7 cents (2003: 482,7 cents) per share.

SALES VOLUMES

Sales volumes for all commodities increased over those of the previous year as detailed in the table below:

	Sales Metric Tons		Percentage increase
	2004 Tons '000	2003 Tons '000	
Iron Ore	5 460	5 263	3,7
Manganese Ore	1 438	1 171	22,8
Manganese Alloys	225	206	9,2
Charge Chrome	295	244	20,9
Chrome Ore	377	283	33,2

CAPITAL EXPENDITURE

Assmang continued its significant capital expenditure programme, spending R493,5 million (2003: R338,1 million) during the year. Of this, R182,3 million was spent on the new shaft complex at the Nchwaning manganese mine, which has commenced production and is currently being ramped up. The total capital cost of the project is estimated to be R748,0 million, excluding capitalised interest.

Commitments at 30 June 2004 in respect of further capital expenditure, total R441,5 million (2003: R342,3 million) and these will be incurred on current and additional enhancement projects. These projects will include the completion of the Nchwaning shaft complex, the construction of the underground mine at Dwarsrivier Chrome Mine to replace the existing opencast mine and the development of exploitable reserves in the North at the iron ore division adjacent to Sishen Mine. This expenditure will be funded from internally generated cash and available borrowing resources.

BORROWINGS

Interest bearing borrowings, which mainly concern Assmang, increased from R308,6 million to R379,2 million and are well within the group's target levels.

BLACK ECONOMIC EMPOWERMENT

In May this year, the group announced its first black empowerment venture involving the chrome mining operations of subsidiary company, Rustenburg Minerals and the chromite arm of the Mankwe Development Foundation.

OUTLOOK

World crude steel production for the first half of calendar 2004 increased by 7,8% to 502,3 million tons. It is estimated that production should exceed one billion tons by the end of calendar 2004 (2003: 965 million tons). China continues to be the main contributor to the record production levels, which are currently 21% above those at the first half of calendar 2003.

However, continuing constraints on rail and shipping capacity, particularly through the ports of Saldanha Bay and Port Elizabeth, have left South African producers, including Assmang, unable to achieve optimal benefits from the rise in demand for manganese and iron ore resulting from the increase in global steel production. As a result, sales volumes of iron ore and manganese ore were only slightly higher than last year's levels.

Recently, manganese alloy prices have reached unprecedentedly high levels due to a combination of strong demand, the closure of a major French high carbon ferromanganese producer and production cutbacks in China resulting from a shortage of electric power. In Japan, US dollar prices for manganese ore for the period April 2004 to March 2005 have increased on average by 16%. It is anticipated that demand for manganese alloys will remain robust but that prices could ease. However, high costs of coke, electricity and ocean freight should ensure that prices remain above previous levels.

Global stainless steel production continued to show positive growth over the year and the total production for calendar 2004 is likely to reach almost 24,0 million tons (2003: 22,5 million tons). The stronger Rand, together with low ferrochrome stocks worldwide and the same cost factors affecting manganese alloys, resulted in US dollar prices for charge chrome rising about 75% over the past year.

International demand for the group's products remains buoyant and volumes are expected to approximate those of the year under review. US dollar prices for the group's products are expected to be higher than those achieved in the past financial year. As in the past, earnings growth will be largely dependent upon the Rand/US dollar exchange rate and upon cost savings generated at the operating levels.

DIVIDENDS

An interim dividend of 20 cents (2003: 25 cents) per share was declared and paid during the year and as reported in this announcement a final dividend of 45 cents (2003: 25 cents) per share was declared to shareholders on 1 September 2004 reflecting the stronger results achieved in the second half of the year. The final dividend is not included in these results in accordance with the group's accounting policies for dividends.

ACCOUNTING POLICIES

The financial information included in this announcement has been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa and the accounting policies used are consistent with those used in the previous year.

AUDIT REVIEW

The year end results have been reviewed in terms of Rule 3.22 of the Listings Requirements of the JSE Securities Exchange South Africa by the group's auditors Ernst & Young and their unqualified review opinion is available for inspection at the registered office of the company.

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Assore Limited

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

Company secretaries:

African Mining and Trust Company Limited

Directors

Executive:

Desmond Sacco (Chairman)
R J Carpenter (Deputy Chairman)
C J Cory (Chief Executive Officer)
P C Crous (Technical and Operations)

Non-executive:

P N Boynton
B M Hawksworth
Dr J C van der Horst

Alternate:

J W Lewis (British)