



# INTERIM RESULTS

for the half-year ended 31 December 2004

- HEADLINE EARNINGS INCREASED FROM R23,7 MILLION TO R195,5 MILLION
- HIGHER US DOLLAR PRICES EXPECTED FOR MANGANESE AND IRON ORES

## CONSOLIDATED BALANCE SHEET

	At 31 December 2004 Unaudited R' 000	At 31 December 2003 Unaudited R' 000	At 30 June 2004 Audited R' 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant, equipment and intangible assets	1 280 682	1 116 935	1 206 428
Environmental rehabilitation trust funds	13 694	12 884	13 503
Listed investments	188 258	183 304	165 715
	<b>1 482 634</b>	<b>1 313 123</b>	<b>1 385 646</b>
<b>Current assets</b>			
Inventories	644 399	558 145	520 892
Trade and other receivables	409 049	324 482	485 113
Cash resources	178 183	133 460	166 263
	<b>1 231 631</b>	<b>1 016 087</b>	<b>1 172 268</b>
<b>Total assets</b>	<b>2 714 265</b>	<b>2 329 210</b>	<b>2 557 914</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Ordinary shareholders' interest	1 755 632	1 428 255	1 549 309
Outside shareholders' interest	28 347	13 484	42 560
Share capital and reserves	<b>1 783 979</b>	<b>1 441 739</b>	<b>1 591 869</b>
<b>Non-current liabilities</b>			
Deferred taxation	284 139	227 229	240 576
Long-term liabilities	58 507	35 360	55 425
	<b>342 646</b>	<b>262 589</b>	<b>296 001</b>
<b>Current liabilities</b>			
Interest bearing	317 222	424 744	379 166
Non-interest bearing	270 418	200 138	290 878
	<b>587 640</b>	<b>624 882</b>	<b>670 044</b>
<b>Total equity and liabilities</b>	<b>2 714 265</b>	<b>2 329 210</b>	<b>2 557 914</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Half-year ended 31 December 2004 Unaudited R' 000	31 December 2003 Unaudited R' 000	Year ended 30 June 2004 Audited R' 000
<b>SHARE CAPITAL AND NON-DISTRIBUTABLE RESERVES</b>			
Balance at beginning of period	39 012	29 459	29 459
Net increase in the market value of listed investments	22 031	36 152	18 065
Deferred taxation on changes in market value of listed investments	(2 730)	(5 484)	(2 730)
Foreign currency translation reserve	(165)	(1 845)	(5 782)
Balance at end of period	<b>58 148</b>	<b>58 282</b>	<b>39 012</b>
<b>DISTRIBUTABLE RESERVES</b>			
Retained income as previously reported	1 510 297	1 353 054	1 353 054
IFRS conversion adjustment	-	118	236
Restated retained income	<b>1 510 297</b>	<b>1 353 172</b>	<b>1 353 290</b>
Attributable earnings for the period	199 787	23 801	169 607
Ordinary dividend paid (No. 95 aggregating 45 cents per share 2003 : 25 cents per share)	(12 600)	(7 000)	(12 600)
Balance at end of period	<b>1 697 484</b>	<b>1 369 973</b>	<b>1 510 297</b>
<b>PER BALANCE SHEET</b>	<b>1 755 632</b>	<b>1 428 255</b>	<b>1 549 309</b>

## CONSOLIDATED INCOME STATEMENT

	Half-year ended 31 December 2004 Unaudited R' 000	31 December 2003 Unaudited R' 000	Year ended 30 June 2004 Audited R' 000
Turnover	1 342 874	854 474	2 228 090
Net operating profit	330 583	72 141	329 501
Finance costs	(15 316)	(27 098)	(25 765)
Dividends received	1 768	1 957	5 057
Net profit before taxation	317 035	47 000	308 793
Taxation	(101 959)	(18 317)	(99 583)
Net profit after taxation	215 076	28 683	209 210
Outside shareholders' share of net profit	(15 289)	(4 882)	(39 603)
<b>Attributable earnings transferred to statement of changes in equity</b>	<b>199 787</b>	<b>23 801</b>	<b>169 607</b>
Earnings per share (cents)	713,5	85,0	605,7
Headline earnings per share (cents) *	698,1	84,6	583,7
Dividends paid per share (cents)	45	25	45
<b>* Determination of headline earnings</b>			
Attributable earnings per income statement as above	199 787	23 801	169 607
Net profit on disposal of assets	(4 318)	(125)	(6 162)
Headline earnings	<b>195 469</b>	<b>23 676</b>	<b>163 445</b>
Ordinary shares in issue (million)	28,0	28,0	28,0
Net asset value per share (Rand)	63,7	51,5	56,9
Capital expenditure (R million)	140,4	101,5	237,0
Capital commitments (R million)	178,5	189,7	204,3

## CONSOLIDATED CASH FLOW STATEMENT

	Half-year ended 31 December 2004 Unaudited R' 000	31 December 2003 Unaudited R' 000	Year ended 30 June 2004 Audited R' 000
Cash generated from operations	234 049	22 391	225 690
Cash utilised in investing activities	(130 841)	(101 675)	(232 003)
Cash (utilised in)/generated by financing activities	(91 288)	116 121	75 953
Increase in cash for period	11 920	36 837	69 640
Cash resources at beginning of period	166 263	96 623	96 623
<b>Cash resources per balance sheet</b>	<b>178 183</b>	<b>133 460</b>	<b>166 263</b>

## DECLARATION OF INTERIM DIVIDEND

Interim dividend No. 96 of 50 cents per share was declared on Tuesday, 15 February 2005. The dividend has been declared in the currency of the Republic of South Africa and, in accordance with STRATE, the following dates apply:

The last date to trade to qualify for the dividend (and for changes of address or dividend instructions) will be Friday, 11 March 2005.

The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Monday, 14 March 2005.

The record date will be Friday, 18 March 2005.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Tuesday, 22 March 2005. 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 Tuesday, 22 March 2005. Share certificates may not be dematerialised or rematerialised between Monday, 14 March 2005 and Friday, 18 March 2005, both days inclusive.

On behalf of the board

**Desmond Sacco**  
Chairman

**C J Cory**  
Chief Executive Officer

Johannesburg  
15 February 2005

## COMMENTARY

### RESULTS

Earnings for the six months to 31 December 2004 increased from R23,8 million to R199,8 million, due mainly to the significantly higher contribution from the group's 45,7% interest in Assmang Limited ("Assmang"). The results of Assmang for the half-year ended 31 December 2004 were published on Tuesday, 15 February 2005, showing an increase in headline earnings for the first six months from R4,0 million to R353,0 million. The increase is directly attributable to significantly higher US Dollar prices for manganese alloys and increased sales volumes for manganese ore during the period. These increases resulted mainly from stronger demand in the Far East, in particular China, and turnover and commission income were affected accordingly. The higher earnings were achieved despite the stronger Rand/US Dollar exchange rate during the period, which strengthened on average from R6,98/US\$ in the corresponding period of the previous year to R6,14/US\$ for the period under review.

### SALES VOLUMES

Sales volumes for the period under review are set out in the table below.

	Half-year 31 December 2004 Tons	2003 Tons	% increase/ (decrease)
Manganese ore *	767 986	662 867	16
Iron ore	2 540 595	2 493 824	2
Manganese alloys	105 272	113 452	(7)
Charge chrome	104 371	126 860	(18)

\*Excludes internal transfers to Cato Ridge Ferromanganese Works

### CAPITAL EXPENDITURE

Assmang continued its significant capital expenditure programme during the period, spending R285,7 million (six months to 31 December 2003 – R208,1 million). Of this expenditure, R110,4 million was spent on the completion of the Nchwaning III shaft complex, which commenced production in the previous year and will shortly reach planned production levels. Other significant projects include the development of additional mineable reserves for the Iron Ore Division and the construction of the Dwarsrivier Underground Chrome Mine, which commenced with the initial phases of production in January 2005 and is expected to be completed in the 2005/2006 financial year.

### OUTLOOK

Markets for the group's products remain buoyant and tonnages for the remaining six months should exceed those of the period under review, in line with the continued strong demand from the Far East. Prices for manganese ore and iron ore are expected to increase during the remainder of the financial year while prices for manganese alloys are expected to weaken. However, earnings remain largely exposed to changes in the Rand/US Dollar exchange rate.

### DIVIDENDS

The results in this announcement include the final dividend of 45 cents (2003: 25 cents) per share which was declared on 1 September 2004 and paid to shareholders on 27 September 2004. Based on the increased earnings for the period, an interim dividend of 50 cents (2004: 20 cents) per share was declared to shareholders on 15 February 2005. This dividend is not included in the 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 International Financial Reporting Standards ("IFRS"). The accounting policies used are consistent with the previous financial period except that the group has adopted the requirements of IFRS with retrospective effect to 1 July 2003. The effect of this change was an increase in profit for the half-year under review of R118 000 as goodwill is no longer written off in accordance with IFRS. For the same reasons equity brought forward has increased by R236 000 and comparative figures have been adjusted accordingly.

### 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 Hawkworth, Dr J C van der Horst

**Alternate:** J W Lewis (British)

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### Transfer office:

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Services 2004 (Pty) Ltd  
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Johannesburg 2001

### Assore Limited

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

### Company secretaries:

African Mining and Trust Company Limited