

## 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 30 June 2003 Audited R'000	Year end 30 June 2002 Audited 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 30 June 2003 Audited R'000	Year end 30 June 2002 Audited 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 30 June 2003 Audited R'000	At 30 June 2002 Audited 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 30 June 2003 Audited R'000	Year end 30 June 2002 Audited 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 Dwarsrivier PGM rights.

## Sales Volumes

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

	2003 '000 metric tons	2002 '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 Nchwang 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 Nchwang shaft complex, the possible construction of an underground mine at Dwarsrivier 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.