



INTERIM RESULTS

for the half-year ended 31 December 2002

CONSOLIDATED INCOME STATEMENT

	Half year ended		Year ended
	31 December 2002	31 December 2001	30 June 2002
	Unaudited R'000	Unaudited R'000	Audited R'000
Revenue	855 807	700 459	1 514 406
Net operating profit	146 486	142 871	416 319
Exceptional item	–	248 280	248 278
Dividends received	2 605	1 470	4 839
Finance costs	(20 411)	(21 029)	(35 207)
Net profit before taxation	128 680	371 592	634 229
Taxation	(44 781)	(42 944)	(131 894)
Net profit after taxation	83 899	328 648	502 335
Outside shareholders' share of (profit)/loss	(1 755)	363	(381)
Attributable earnings	82 144	329 011	501 954
Earnings per share (cents)	293,4	1 175,0	1 792,7
Headline earnings per share (cents)*	292,7	298,3	903,2
Dividends per share (cents)	40,0	20,0	60,0
Ordinary shares in issue (million)	28,0	28,0	28,0
Net asset value per share (rand)	48,7	42,7	47,8
Capital expenditure (million)	70,0	98,8	193,1
Capital commitments (million)	383,6	383,5	349,0
*Determination of headline earnings			
Attributable earnings as above	82 144	329 011	501 954
Exceptional item	–	(248 280)	(248 278)
Net (profit)/loss on disposal or impairment of other fixed assets	(197)	2 806	(788)
Headline earnings	81 947	83 537	252 888

CONSOLIDATED BALANCE SHEET

	At		At
	31 December 2002	31 December 2001	30 June 2002
	Unaudited R'000	Unaudited R'000	Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment and intangibles	990 256	905 398	956 950
Environmental rehabilitation trust funds	13 341	11 422	12 829
Investments	150 349	155 883	179 051
	1 153 946	1 072 703	1 148 830
Current assets			
Cash resources	82 598	115 191	84 633
Other current assets	868 171	632 418	769 176
Total assets	2 104 715	1 820 312	2 002 639
EQUITY AND LIABILITIES			
Share capital and reserves			
Ordinary shareholders' interest	1 351 131	1 179 485	1 325 020
Outside shareholders interest	13 222	15 490	13 796
Share capital and reserves	1 364 353	1 194 975	1 338 816
Non-current liabilities			
Deferred taxation	185 042	129 496	173 261
Long-term liabilities	33 037	18 983	32 032
	1 582 432	1 343 454	1 544 109
Current liabilities			
Non-interest bearing	106 816	202 858	105 129
Interest bearing	415 467	274 000	353 401
Total liabilities	2 104 715	1 820 312	2 002 639

STATEMENT OF CHANGES IN EQUITY

	Half year ended		Year ended
	31 December 2002	31 December 2001	30 June 2002
	Unaudited R'000	Unaudited R'000	Audited R'000
SHARE CAPITAL AND NON-DISTRIBUTABLE RESERVES			
Balance at beginning of year	90 138	52 952	52 952
Net (decrease)/increase in the market value of listed investments	(44 032)	47 704	41 951
Decrease/(increase) in deferred taxation on listed investments	1 623	–	(8 176)
(Decrease)/increase in foreign currency translation reserve	(2 424)	5 690	3 411
Balance at end of year	45 305	106 346	90 138
DISTRIBUTABLE RESERVES			
RETAINED INCOME			
Balance at beginning of year	1 234 882	749 728	749 728
Attributable earnings	82 144	329 011	501 954
Ordinary dividend No 91 aggregating 40 cents per share	(11 200)	(5 600)	(16 800)
Balance at end of year	1 305 826	1 073 139	1 234 882
Total as per balance sheet	1 351 131	1 179 485	1 325 020

CONSOLIDATED CASH FLOW STATEMENT

	Half year ended		Year ended
	31 December 2002	31 December 2001	30 June 2002
	Unaudited R'000	Unaudited R'000	Audited R'000
Cash generated from operating activities	21 382	94 605	101 785
Cash (utilised)/generated in investing activities	(85 195)	146 280	30 493
Cash generated/(utilised) from financing activities	61 778	(203 717)	(125 668)
(Decrease)/increase in cash for the year	(2 035)	37 168	6 610
Cash resources at beginning of year	84 633	78 023	78 023
Cash resources at end of year	82 598	115 191	84 633

DECLARATION OF INTERIM DIVIDEND

Interim Dividend No. 92 of 25 cents per share was declared on Monday, 17 March 2003. The last date to trade "cum" dividend in order to participate in the dividend will be Thursday, 10 April 2003. The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Friday, 11 April 2003 and the record date will be Thursday, 17 April 2003. Share certificates may not be dematerialised or rematerialised between Friday, 11 April 2003 and Thursday, 17 April 2003 (inclusive of both days) and the dividend is payable on Tuesday, 22 April 2003.

COMMENTARY

Results

Headline earnings for the half year ended 31 December 2002 remained almost constant at R81,9 million compared to R83,5 million for the first half of the previous year, with the major contribution (R62,8 million) coming from the group's 45,7% stake in Assmang Limited. The results of Assmang for the half year ended 31 December 2002 were published on 20 February 2003 and reflected a 14% increase in earnings for the period.

Sales volumes

Although sales volumes for all products increased as indicated in the table below, all sales are US dollar denominated and the results were affected by the stronger SA Rand/US Dollar exchange rate during the period compared to the previous year:

Sales volumes	Half year to 31 December	
	2002	2001
	'000 metric tons	
Iron ore	2 259,4	2 149,0
Manganese ore (excluding deliveries to Cato Ridge Works)	409,4	382,0
Manganese alloys	96,9	85,4
Charge chrome	103,6	88,9

Capital expenditure

Capital expenditure to maintain and improve operations occurred principally in Assmang and amounted to R139,6 million (2001:R186,5 million) spent mainly on the following projects:

- Completion of the Nchwaning III shaft complex which is scheduled for December this year. Problems and delays associated with poor ground conditions and commissioning of the 2,2 kilometre long decline conveyor have caused the final estimated cost to completion to increase by R68 million to R585 million.
- Bringing on line the chrome division's new 54MVA furnace and 350 000 ton per annum pelletising plant, which were commissioned in 2001. Technical problems, which delayed the achievement of sustainable furnace production levels, have been addressed and it is anticipated that full operational productivity will be achieved during the March 2003 quarter.

Outlook

Prices and sales volumes for the remaining half of the year are not expected to vary materially from those achieved during the period under review other than for ferrochrome where an increase in the US dollar price is expected in the second quarter of the calendar year. Earnings however, will be largely dependent upon the SA Rand/US Dollar exchange rate and considering current rates it is unlikely that earnings for the second half will exceed those in the first half.

Dividends

The results include a final dividend of 40 cents per share which was paid on 14 October 2002. An interim dividend of 25 cents per share has been declared which will be payable on 22 April 2003. This dividend has not been included in the results, as it was declared after the accounting date, but it is lower than last year's interim dividend of 40 cents which included a once off distribution flowing from the receipt by Assmang of the proceeds on the disposal of its platinum group mineral rights.

Accounting policies

The interim results have been prepared in accordance with Statements of Generally Accepted Accounting Practice issued by the International Accounting Standards Committee and The South African Institute of Chartered Accountants. The methods of computations and accounting policies are consistent with those used in previous periods.

On behalf of the board

Desmond Sacco
Chairman

R J Carpenter
Deputy Chairman

Johannesburg
17 March 2003

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Directors

Desmond Sacco (*Chairman and Managing Director*)
R J Carpenter (*Deputy Chairman*), C J Cory (*Financial*), P C Crous (*Technical*),
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 code ZAE000017117