



INTERIM RESULTS

for the half year ended 31 December 2003

- Increased sales volumes for all products
- Headline earnings decrease by 71,1% to R23,7 million due to stronger exchange rates
- Increased US dollar prices expected for second half

CONSOLIDATED INCOME STATEMENT

	Half year ended 31 December 2003 Unaudited R'000	Half year ended 31 December 2002 Unaudited R'000	Year ended 30 June 2003 Audited R'000
Turnover	854 474	855 807	1 753 027
Net operating profit	72 141	146 486	240 820
Finance costs	(27 098)	(20 411)	(28 412)
Dividends received	1 957	2 605	5 451
Net profit before taxation	47 000	128 680	217 859
Taxation	(18 317)	(44 781)	(76 414)
Net profit from ordinary operating activities	28 683	83 899	141 445
Outside shareholders' share of net profit	(4 882)	(1 755)	(5 073)
Attributable earnings transferred to statement of changes in equity	23 801	82 144	136 372
Earnings per share (cents)	85,0	293,4	487,0
Headline earnings per share (cents)*	84,6	292,7	482,7
Dividends per share (cents)			
- Interim dividend declared in March 2004/2003	20	25	25
- Final dividend paid in October 2003/2002	25	40	25
*Determination of headline earnings			
Attributable earnings per income statement as above	23 801	82 144	136 372
Net profit on disposal or impairment of assets	(125)	(197)	(1 215)
Headline earnings	23 676	81 947	135 157
Ordinary shares in issue (million)	28,0	28,0	28,0
Net asset value per share (rand)	51,5	48,7	49,8
Capital expenditure (R million)	101,5	70,0	174,4
Capital commitments (R million)	189,7	383,6	171,9

CONSOLIDATED BALANCE SHEET

	At 31 December 2003 Unaudited R'000	At 31 December 2002 Unaudited R'000	At 30 June 2003 Audited R'000
ASSETS			
Non-current assets			
Property, plant, equipment and intangible assets	1 116 817	990 256	1 056 281
Environmental rehabilitation trust funds	12 884	13 341	12 547
Listed investments	183 304	150 349	147 152
	1 313 005	1 153 946	1 215 980
Current assets			
Inventories	558 145	548 019	469 132
Trade and other receivables	324 482	320 152	358 209
Cash resources	133 460	82 598	96 623
	1 016 087	950 769	923 964
TOTAL ASSETS	2 329 092	2 104 715	2 139 944
EQUITY AND LIABILITIES			
Share capital and reserves			
Ordinary shareholders' interest	1 428 137	1 351 131	1 382 513
Outside shareholders' interest	13 484	13 222	12 701
Share capital and reserves	1 441 621	1 364 353	1 395 214
Non-current liabilities			
Deferred taxation	227 229	185 042	198 251
Long-term liabilities	35 360	33 037	34 865
	262 589	218 079	233 116
Current liabilities			
Interest bearing	424 744	415 467	308 622
Non-interest bearing	200 138	106 816	202 992
	624 882	522 283	511 614
TOTAL EQUITY AND LIABILITIES	2 329 092	2 104 715	2 139 944

STATEMENT OF CHANGES IN EQUITY

	Half year ended 31 December 2003 Unaudited R'000	Half year ended 31 December 2002 Unaudited R'000	Year ended 30 June 2003 Audited R'000
SHARE CAPITAL AND NON-DISTRIBUTABLE RESERVES			
Balance at beginning of period	29 459	90 138	90 138
Net increase/(decrease) in the market value of listed investments	36 152	(44 032)	(59 976)
Deferred taxation on changes in market value of listed investments	(5 484)	1 623	3 954
Foreign currency translation reserve	(1 845)	(2 424)	(4 657)
Balance at end of period	58 282	45 305	29 459
DISTRIBUTABLE RESERVES			
RETAINED INCOME			
Balance at beginning of period	1 353 054	1 234 882	1 234 882
Attributable earnings for period	23 801	82 144	136 372
Ordinary dividends paid			
No. 93 aggregating 25 cents per share (2002: 40 cents per share)	(7 000)	(11 200)	(18 200)
Balance at end of period	1 369 855	1 305 826	1 353 054
PER BALANCE SHEET	1 428 137	1 351 131	1 382 513

CONSOLIDATED CASH FLOW STATEMENT

	Half year ended 31 December 2003 Unaudited R'000	Half year ended 31 December 2002 Unaudited R'000	Year ended 30 June 2003 Audited R'000
Cash generated from operations	22 391	21 382	257 031
Cash utilised in investing activities	(101 675)	(85 195)	(198 276)
Cash generated by/(utilised in) financing activities	116 121	61 778	(46 765)
Increase/(decrease) in cash for period	36 837	(2 035)	11 990
Cash resources at beginning of period	96 623	84 633	84 633
CASH RESOURCES PER BALANCE SHEET	133 460	82 598	96 623

DECLARATION OF INTERIM DIVIDEND

Interim dividend No. 94 of 20 cents per share was declared on Tuesday, 9 March 2004. The last date to trade "cum" dividend in order to participate in the dividend will be Thursday, 1 April 2004. The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Friday, 2 April 2004 and the record date will be Thursday, 8 April 2004. Share certificates may not be dematerialised or rematerialised between Friday, 2 April 2004 and Thursday, 8 April 2004 (inclusive of both days) and the dividend is payable on Tuesday, 13 April 2004.

On behalf of the board

Desmond Sacco
Chairman

R J Carpenter
Deputy Chairman

Johannesburg
9 March 2004

COMMENTARY

Results

In spite of increased tonnages in all the Group's products, earnings for the six months were 71% lower than the corresponding period of the previous year, mainly due to the significantly lower contribution from the Group's 45,7% interest in Assmang Limited ("Assmang"). The results of Assmang for the half year ended 31 December 2003 were published on 20 February 2004 and reflected a 97% decrease in earnings for the period. The decrease in earnings was attributable directly to the stronger Rand exchange rate during the period and both Assore and Assmang issued trading statements in November 2003 to this effect.

Sales tonnages were higher for all products as indicated in the table below and higher US dollar prices were achieved for certain ferro-alloy products during the period. However, the stronger sales performance was unable to counteract the significant strengthening of the Rand which occurred during the period and which has affected most other resource companies operating in South Africa. Most products are priced in US dollars and the average Rand exchange rate realised during the period was R6,98 to the US dollar compared to R10,02 in the corresponding period of the previous year.

This change seriously affected earnings which reduced to R23,8 million (2002: R82,1 million), while commission income, which is based on revenue received, remained relatively constant due to the higher tonnages.

Sales volumes

	Half year ended 31 December		
	2003 (tons)	2002 (tons)	Volume increase
Manganese ore	662 867	409 443	62%
Iron ore	2 493 824	2 259 433	10%
Manganese alloys	100 489	96 908	4%
Charge chrome	126 860	103 641	22%

Capital expenditure

Assmang continued its significant capital programme during the period under review, spending R208,1 million (2002: R139,6 million), of which R77,0 million was spent on the new shaft complex at the Nchwaning manganese mine. Production from this shaft is expected to commence during May 2004 and capital expenditure will be substantially completed by December 2004. Planned production levels from the existing and new Nchwaning shaft complex are adequate to satisfy customer demand within current logistical constraints. The cost of the development of the shaft complex is estimated at R690 million.

Current additional enhancement projects at Assmang include the completion of the Nchwaning shaft complex, the construction of an underground mine at Dwaarsrivier Chrome Mine to replace the existing opencast mine and the development of additional reserves at the iron ore division.

Outlook for the next six months

Demand for the Group's products remains buoyant and tonnages over the balance of the financial year are expected to approximate those of the period under review. US dollar prices for the Group's products are also expected to be higher which, given a stable exchange rate, could result in earnings increasing considerably in the second half. However, shareholders are cautioned that earnings performance will continue to be largely dependent upon Rand exchange rates and, to a lesser extent, upon cost savings achieved by the operating divisions.

Dividends

The results include a final dividend of 25 cents (2002: 40 cents) per share with regard to the previous financial year which was paid on 13 October 2003. With due regard for the lower earnings in the period and the exchange rate uncertainty which could impact upon earnings over the remainder of the year, a reduced interim dividend of 20 cents (2002: 25 cents) per share has been declared, payable to shareholders on 13 April 2004.

Accounting policies

The results have been prepared in accordance with accounting standards issued by the International Financial Reporting Standards Board and The South African Institute of Chartered Accountants. The accounting standards are consistent with those used previously.

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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