



ASSMANG

Assmang Limited

(Incorporated in the Republic of South Africa)
(Registration number: 1935/007343/06)
Share code: ASG ISIN code: ZAE00030789
('Assmang' or 'the Company')

SALIENT FEATURES

- INCREASED SALES VOLUMES FOR ALL PRODUCTS
- HEADLINE EARNINGS DECREASE BY 54 PER CENT TO R204 MILLION DUE TO STRONGER RAND/US DOLLAR EXCHANGE RATE

Group financial results and dividend announcement for the year ended 30 June 2003

The audited financial results of the Company and its subsidiaries are as follows:

Group balance sheet

Table with 4 columns: Description, 2003 Audited R'000, At 30 June, 2002 Audited R'000. Rows include ASSETS (Non-current, Current), EQUITY AND LIABILITIES (Non-current, Current).

Group income statement

Table with 4 columns: Description, 2003 Audited R'000, Year ended 30 June, 2002 Audited R'000. Rows include Turnover, Cost of sales, Gross profit, Operating income, Profit before tax, Earnings, Dividends per share.

Group cash flow statement

Table with 4 columns: Description, 2003 Audited R'000, Year ended 30 June, 2002 Audited R'000. Rows include CASH FLOW FROM OPERATING ACTIVITIES, CASH FLOW FROM INVESTING ACTIVITIES, CASH FLOW FROM FINANCING ACTIVITIES.

Group statement of changes in shareholders' equity

Table with 4 columns: Description, Stated capital Audited R'000, Retained earnings Audited R'000, Total Audited R'000. Rows include Balance at 30 June 2001, Earnings for the year, Balance at 30 June 2002, Earnings for the year, Balance at 30 June 2003.

Results

The Group's revenue for the year ended 30 June 2003 rose by 3.4 percent to R2 904.5 million. Attributable earnings decreased by 79.3 percent to R203.8 million (2002: R885.5 million) and headline earnings decreased by 54.0 percent to R203.8 million (2002: R442.8 million) equivalent to R57.45 per share (2002: R122.48 per share) almost entirely due to the strengthening of the South African rand against the United States dollar over the past year.

Contributions to attributable earnings by the three divisions, before deducting secondary tax on companies ('STC'), amounted to R285.1 million (2002: R350.9 million) from the manganese division, R58.6 million (2002: R135.1 million) from the iron ore division and a loss of R134.5 million from the chrome division (2002: R504.3 million - profit, including the proceeds from the sale of the Dwaarsrivier PGM's mentioned above).

As mentioned in the previous year the rand/US dollar exchange rate was the key determinant in the Group's performance during the year. The rand equivalent showed

substantial decreases from that of the previous year as a result of the appreciation of the rand against the US dollar. An average exchange rate of R8.97 to the US dollar was realised on export proceeds compared with R10.12 for the previous year.

Sales

World steel production for the first half of 2003 increased by 8.2 percent to 466 million tons and production in calendar 2003 is expected to reach 955 million tons (2002: 902 million tons). The biggest contributor to these record levels is China which increased steel production for the first half of 2003 by 21 percent.

Consequently sales volumes of iron ore for the year under review increased to a record 5.3 million tons (2002: 4.8 million tons). Further increases in sales volumes are likely to be restricted by the limited additional railgale and shipping capacity through the port of Saldanha Bay. US dollar prices for both lumpy and fines have increased by just below 9 percent on average for the period April 2003 to March 2004.

Manganese ore has also benefited from the increase in global steel production. Sales volumes of refined ferromanganese deliveries to the Company's Cato Ridge Works, increased to 1.2 million tons (2002: 1.0 million tons). In Japan, US dollar prices for manganese ore for the period April 2003 to March 2004 have increased by 7 percent.

Sales of manganese alloys increased over the previous year to 197 000 tons (2002: 187 000 tons) in line with higher production at the Cato Ridge Works. High carbon ferromanganese export sales reduced by 15 000 tons to 127 000 tons due to increased transfers of molten metal for the production of refined ferromanganese. Sales of refined ferromanganese increased to 45 000 tons (2002: 32 000 tons). Silico manganese sales improved as a result of higher production volumes to 25 000 tons (2002: 13 000 tons).

The increase in world steel production will result in a steady demand for manganese alloys. The supply of manganese alloys has returned to normal following supply disruptions experienced during calendar 2002. Despite the increased demand, prices are expected to come under pressure due to an oversupply situation.

Global stainless steel production has shown positive growth over the past twelve months and total production for calendar 2003 is likely to exceed 20.5 million tons (2002: 19.8 million tons).

The stronger rand together with low charge chrome stocks world wide resulted in US dollar prices rising by approximately 50 percent over the past four quarters.

Sales volumes of charge chrome increased by almost 30 percent to 244 000 tons (2002: 190 000 tons).

Major capital projects

Assmang continued its significant capital programme, spending R338 million (2002: R372 million) during the year, of which R34.6 million was spent on its new shaft complex at the Nchwaning manganese mine. The project is scheduled for completion during May 2004 at a total cost of R601 million excluding capitalised interest.

Current and additional operational projects include the completion of the Nchwaning shaft complex, the possible construction of an underground mine at Dwaarsrivier chrome mine to replace the existing open-pit mine and the development of additional mineable reserves at the iron ore division.

Borrowings

Short-term borrowings at 30 June 2003 were lower at R524.0 million compared to R576.8 million at the end of June 2002.

Fatalities

The Board regrets to report that five employees tragically lost their lives in four separate accidents at the Company's manganese and iron ore mines during the year under review.

The Board extends its condolences to the bereaved families and friends.

Outlook

Sales of the Group's products remain fairly buoyant and tonnages for the year appear likely to approximate those of the previous financial year. With the exception of ferromanganese, US prices for the Group's products are expected to be higher than those achieved in the previous financial year. Earnings growth will be significantly dependent on the R/US dollar exchange rate and, to a lesser extent, cost saving exercises at the Group's divisions. Better margins for ferrochrome could flow from improved utilisation of available capacity and higher prices.

Various expansion scenarios involving the Group's iron ore assets in the Northern Cape are being investigated and the Company has entered into a heads of agreement with Kumba Resources Limited for the purposes of technical information exchange with a view to evaluating certain of these possibilities.

The conditions of South Africa's ports continue to be an area of concern. While port costs have increased, productivity and efficiencies have decreased alarmingly at certain ports. A critical situation has developed, resulting in ship owners imposing a port inefficiency surcharge on carrying certain products. These developments are having a negative effect on freight rates and ending exports less competitive and costing the country valuable foreign exchange revenue.

Dividends

An interim dividend of R5.00 per share was declared on 12 March 2003 and paid to shareholders on 7 April 2003.

A final dividend of R5.00 per share was declared after year end and is not included in the results recorded in this announcement.

Accounting policies

The financial information has been extracted from the audited Group annual financial statements 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. Their unqualified audit report is available for inspection at the Company's registered office.

Directorate

Since year end Mr D N Murray, a non-executive director of the Company, has resigned and Mr D N Campbell has been appointed in his stead on 31 July 2003.

On 31 July 2003 Messrs G S Rogstad and M J N Uys were appointed as alternate directors to Messrs R P Menell and D N Campbell respectively.

Dividend announcement

Notice is hereby given that a final dividend No. 128 of R5.00 per share has been declared payable to members. The dividend has been declared in the currency of the Republic of South Africa.

Trading in the STRATE environment requires settlement within five business days. In accordance with STRATE, the following dates will apply to the final dividend:

Table with 2 columns: Description, Date. Rows include The last day for trading to qualify for and participate in the dividend, Trading ex-dividend commences, Record date, Dividend payment date.

Dividend cheques in payment of this dividend to certificated shareholders will be posted to shareholders on or about Monday, 22 September 2003. Electronic payment to certificated shareholders will be undertaken simultaneously.

Dematerialised shareholders will have their accounts at their Central Securities Depository Participant or broker credited on Monday, 22 September 2003. In the case of certificated shareholders, notice of any change in address must reach the transfer secretaries, Computershare Limited, on or before Friday, 12 September 2003. Share certificates may not be dematerialised or rematerialised from Monday, 15 September 2003 to Friday, 19 September 2003, both days inclusive.

By order of the board

Anglovaal Mining Limited

Secretaries

per: A. Jepson

Registered office: 56 Main Street, Johannesburg, 2001

28 August 2003

Directors: Desmond Sacco (Chairman), R. P. Menell (Deputy Chairman), R. J. Carpenter, C. J. Cory, P. C. Crous, D. N. Campbell, B. R. Broekman, J. C. Steenkamp.

Alternate directors: B. J. Funston, A. D. Stalker, J. W. Lewis, G. S. Potgieter, G. C. Butler, M. J. N. Uys, F. H. Kalp, A. McAdam, British

Company secretary: Anglovaal Mining Limited

