



ASSMANG

Assmang Limited

(Incorporated in the Republic of South Africa)
(Registration number 1935/007343/06)
Share code: ASG ISIN: ZAE00030789
("the Group")

SALIENT FEATURES:

- HEADLINE EARNINGS INCREASED BY 14 PER CENT TO R138 MILLION
- NCHWANING MANGANESE SHAFT COMPLEX ON SCHEDULE BUT THE ESTIMATED COST HAS INCREASED BY R68 MILLION TO R585 MILLION
- HIGHER SALES VOLUMES FOR ALL PRODUCTS

Group financial results for the half-year ended 31 December 2002

Group balance sheet

	(Unaudited)		(Audited)
	31 December 2002	2001	30 June 2002
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Fixed assets	1 949 355	1 756 864	1 877 833
Deferred tax assets	15 466	6 822	11 204
Environmental rehabilitation trust fund	10 385	8 150	10 385
Current assets			
Inventories	894 823	661 956	709 936
Trade and other receivables	620 201	395 763	714 413
Deposits and cash	7 769	5 597	14 877
Total assets	3 497 999	2 835 152	3 338 648
EQUITY AND LIABILITIES			
Total shareholders' interest	2 239 899	1 835 472	2 127 254
Non-current liabilities			
Long-term borrowings	62	3 633	692
Deferred tax liabilities	414 319	296 488	379 801
Long-term provisions	33 378	28 685	31 197
Current liabilities			
Trade and other payables	136 413	240 978	187 581
Overdrafts and short-term borrowings	656 213	423 697	576 849
Taxation	17 715	6 199	35 274
Total equity and liabilities	3 497 999	2 835 152	3 338 648

Group income statement

	(Unaudited)		(Audited)
	Half-year ended 31 December 2002	2001	Year ended 30 June 2002
	R'000	R'000	R'000
Turnover	1 351 235	1 162 369	2 809 352
Net operating profit before depreciation	326 891	283 063	873 983
Depreciation	68 104	51 912	115 609
Operating profit	258 787	231 151	758 374
Interest received	1 196	653	3 518
Finance costs	42 069	43 328	72 160
Profit before exceptional item	217 914	188 476	689 732
Exceptional item	–	543 759	543 720
Profit before taxation and State's share of profit	217 914	732 235	1 233 452
Taxation and State's share of profit	80 432	67 636	246 911
Earnings	137 482	664 599	986 541
Determination of headline earnings			
Earnings	137 482	664 599	986 541
(Loss)/profit on disposal of assets	(172)	543 906	544 152
Headline earnings	137 654	120 693	442 389
Number of ordinary shares in issue ('000)	3 548	3 548	3 548

Group statement of changes in shareholders' equity

	Stated capital R'000	Retained earnings R'000	Total R'000
Balance at beginning of period (audited)	13 385	2 113 869	2 127 254
Earnings for the period		137 482	137 482
Ordinary dividends paid		(24 837)	(24 837)
Balance at end of period (unaudited)	13 385	2 226 514	2 239 899

Results

The results have been prepared in accordance with accounting standards issued by the International Accounting Standards Committee and The South African Institute of Chartered Accountants. The methods of computation and accounting policies are consistent with those used previously.

The Group's results for the half-year reflect a 14 per cent increase in headline earnings to R137,6 million compared with R120,7 million for the corresponding period in the previous year. The increase in headline earnings is mainly attributable to higher US dollar prices received for manganese alloys and increased sales volumes for all products.

Sales volumes of manganese ore, excluding intra-Group sales, rose by 7 per cent to 409 443 tons (382 007 tons) while sales of iron ore rose by 5 per cent to 2 259 433 tons (2 148 962 tons) and sales for ferro-manganese rose by 14 per cent to 96 908 tons (85 368 tons) and ferro-chrome sales increased by 17 per cent to 103 641 tons (88 916 tons).

Capital commitments

	(Unaudited)		(Audited)
	At 31 December 2002	2001	At 30 June 2002
	R'000	R'000	R'000
Commitments for future capital expenditure			
– contracted for	467 342	364 544	137 008
– authorised, but not contracted for	291 179	394 464	560 044
	758 521	759 008	697 052

Major projects

Capital expenditure to maintain and improve operations during the period under review amounted to R139,6 million (R186,5 million) and was spent mainly on the following major projects:

- The development of the Nchwaning III shaft complex: This project is scheduled for completion by the end of the current calendar year. Problems and delays associated, *inter alia*, with poor ground conditions and commissioning of the 2,2km long decline conveyor have caused the final estimated cost to completion to increase by R68 million to R585 million.

	R'000	R'000	R'000
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(Loss)/profit on disposal of assets	(172)	543 906	544 152
Headline earnings	137 654	120 693	442 389
Number of ordinary shares in issue ('000)	3 548	3 548	3 548
Earnings per share (cents)			
- Attributable	3 875	18 730	27 804
- Headline	3 880	3 402	12 468
Dividends per share (cents)	700	500	1 350

Group cash flow statement

	(Unaudited)		(Audited)
	Half-year ended		Year ended
	2002	2001	2002
	R'000	R'000	R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	187 398	238 097	410 157
Interest received	1 196	653	3 518
Interest paid	(42 069)	(43 328)	(72 160)
Dividends paid	(24 837)	(17 741)	(47 901)
Taxation paid	(67 732)	(59 789)	(131 058)
Net cash in-flow from operating activities	53 956	117 892	162 556
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets to maintain operations	(131 048)	(108 909)	(280 809)
Additions to fixed assets to expand operations	(8 578)	(77 561)	(91 503)
Disposal of mineral rights and other assets	(172)	543 906	544 152
Net cash (out)/in-flow from investing activities	(139 798)	357 436	171 840
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term borrowings (repaid)/raised	(630)	802	(1 909)
Increase/(decrease) in short-term borrowings	79 364	(486 070)	(333 147)
Net cash in/(out)-flow from financing activities	78 734	(485 268)	(335 056)
Net decrease in cash and cash equivalents	(7 108)	(9 940)	(660)
Cash and cash equivalents at beginning of period	14 877	15 537	15 537
Cash and cash equivalents at end of period	7 769	5 597	14 877

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	R'000	R'000	R'000
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- The chrome division's new 54 MVA furnace and 350 000 ton per annum pelletising plant which was commissioned in 2001: Technical problems have delayed the attainment of sustainable planned production levels but, these have been addressed and it is anticipated that full operational productivity will be reached during the March 2003 quarter.

Borrowings

Short-term borrowings at 31 December 2002 increased by R79,4 million to R656,2 million, compared to R576,8 million at the end of the 30 June 2002 financial year.

Fatalities

The Board regrets to report that three employees tragically lost their lives in two separate accidents at the Nchwaning and Beeshoek mines during December 2002. The Board extends its condolences to the bereaved families and friends.

Outlook for the next six months

Prices and sales volumes for the remaining half of the year ending 30 June 2003 are not expected to vary materially from those achieved during the period under review. Earnings, however, will be largely dependent upon the SA rand/US dollar exchange rate applicable during the period.

Dividend

The results include a final dividend of R7,00 per share which was paid on 30 September 2002.

The dividend in the previous year included a distribution in respect of the process with regard to the sale of the Dwars Rivier Platinum Group mineral rights.

An interim dividend of 500 cents per share (850 cents per share) is proposed to be declared before the end of March 2003.

ANGLOVAAL MINING LIMITED

Secretaries

per: A Jepson

Registered office: 56 Main Street, Johannesburg, 2001

20 February 2003

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

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

Company secretary: Anglovaal Mining Limited

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