



- Headline earnings* down 27% to R77 million
- Net cash flow from operating activities up 464% to R237 million following the disposal of Chambishi

- Nkomati, now 100% owned, delivers strong operational performance
- Net gearing reduced to 11%
- US\$ borrowings fully repaid by 31 August 2003

*before unrealised non-hedge derivatives

unaudited group interim results for the half-year ended 31 December 2003

balance sheet

Audited Year ended 30 June 2003 Rm	Unaudited Half-year ended 31 December 2003 Rm	Unaudited Half-year ended 31 December 2002 Rm	% change
ASSETS			
Non-current assets			
4 786	4 857	5 627	
6	6	7	
12	10	38	
45	45	64	
215	167	215	
5 064	5 085	5 951	(15)
Current assets			
896	1 030	1 148	
936	831	986	
21	21	21	
265	219	905	
2 097	2 101	3 039	(31)
7 161	7 186	8 990	(20)
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Capital and reserves			
6	6	6	
79	122	69	
218	171	184	
2 208	2 207	2 531	
Shareholders' interest in capital and reserves			
2 511	2 506	2 790	
2 451	2 402	2 134	
4 962	4 908	4 924	--
Non-current liabilities			
--	--	1 367	
519	542	524	
153	156	219	
103	286	--	
775	984	2 110	53
Current liabilities			
521	468	523	
39	40	60	
42	42	3	
822	744	1 302	
1 424	1 294	1 956	34
7 161	7 186	8 990	20

income statement

Revenue	2 004	2 340	(14)
Cost of sales	(1 681)	(1 838)	8
Gross profit	323	512	(37)
Other operating income	23	234	(91)
Other operating expenses	(167)	(354)	(54)
Unrealised loss on non-hedge derivatives	(184)	--	--
(Loss)/Profit from operations	(5)	392	(101)
Income from investments	12	47	(74)
Finance costs	(38)	(113)	(13)
(Loss)/Profit before taxation and exceptional items	(31)	326	(110)
Exceptional items	4	13	(6)
(649)	--	13	(6)
Other exceptional items	--	--	--
(Loss)/Profit before taxation	(27)	339	(108)
Taxation	(49)	(128)	(10)
(Loss)/Profit after tax	(76)	211	(136)
Minority interest	75	(93)	(2)
(Loss)/Earnings	(1)	118	(101)
Additional information:			
Headline earnings before unrealised non-hedge derivatives			
241	77	105	(27)
Headline earnings per share before unrealised non-hedge derivatives (cents)			
215	67	93	(28)
197	105	105	(100)
176	(1)	93	(101)
Basic attributable (loss)/earnings per share (cents)			
(170)	(1)	106	(100)
Fully diluted attributable (loss)/earnings per share (cents)			
(169)	(1)	104	(100)
Number of shares in issue at end of year (thousands)			
112 602	114 128	112 225	--
Weighted average number of shares in issue (thousands)			
112 064	113 713	111 783	2
2 511	2 506	2 790	(10)
2 230	2 196	2 486	(12)

statement of changes in equity

Total Rm	Share capital and premium	Foreign currency translation	Revaluation surplus	Other	Retained earnings
Half-year ended 31 December 2003					
2 511	85	--	181	37	2 208
(47)	--	--	(47)	--	--
(1)	--	--	--	--	(1)
43	43	--	--	--	--
2 506	128	--	134	37	2 207
Half-year ended 31 December 2002					
2 579	68	(42)	141	11	2 401
118	--	--	--	--	118
32	--	32	--	--	--
40	--	--	40	--	--
7	7	--	--	--	--
(10)	--	(24)	--	--	14
24	--	--	--	24	--
--	--	--	--	2	(2)
2 790	75	(34)	181	37	2 531
Year ended 30 June 2003					
2 579	68	(42)	141	11	2 401
(191)	--	--	39	--	(191)
39	--	--	--	--	--
24	--	--	--	--	--
18	--	18	--	--	--
26	--	--	26	--	--
17	--	--	--	--	--
--	--	--	--	2	(2)
(1)	--	--	1	--	--
2 511	85	--	181	37	2 208

cash flow statement

Audited Year ended 30 June 2003 Rm	Unaudited Half-year ended 31 December 2003 Rm	Unaudited Half-year ended 31 December 2002 Rm	% change
CASH FLOW FROM OPERATING ACTIVITIES			
5 009	2 128	2 399	
(4 160)	(1 812)	(2 201)	
849	316	198	60
80	12	46	
(180)	(38)	(113)	
3	--	1	
(21)	(9)	(12)	
(101)	(44)	(78)	
630	237	42	464
CASH FLOW FROM INVESTING ACTIVITIES			
(420)	(250)	(199)	
(132)	(49)	(58)	
252	--	--	
8	13	--	
--	--	13	
564	--	--	
205	(286)	(244)	(17)
CASH FLOW FROM FINANCING ACTIVITIES			
17	43	7	514
11	37	8	362
(901)	(348)	68	
(476)	(77)	27	(385)
(1 349)	3	328	(99)
Net (decrease)/increase in cash and cash equivalents			
(514)	(46)	126	
779	265	779	
265	219	905	(76)
Cash and cash equivalents at end of period			
758	278	177	57

notes to financial statements

Headline earnings	(1)	118
(Loss)/Earnings per income statement	(1)	118
Surplus on disposal of mine properties - ETC mine	(4)	--
Surplus on disposal of investments and mineral rights	(13)	--
Loss on sale of Chambishi	--	--
4	(5)	105
Taxation	4	--
Minority interest	--	--
197	(1)	105
Headline earnings/(loss)	(1)	105
103	184	--
Add non-hedge derivatives	(106)	--
Less minority interest	--	--
(59)	(106)	--
Headline earnings before unrealised non-hedge derivatives		
241	77	105
EXCEPTIONAL ITEMS		
Surplus on disposal of mine properties - ETC mine		
4	--	--
241	--	--
20	--	13
(649)	--	--
(388)	4	13
4	(4)	--
(4)	4	--
(388)	--	13

basis of preparation and accounting policies

The financial information for the half-year ended 31 December 2003 has been prepared adopting the same accounting policies used in the most recent annual financial statements which are in accordance with South African Statements of Generally Accepted Accounting Practice and International Financial Reporting Standards. The accounting policies are consistent with the year ended 30 June 2003. These condensed financial statements are prepared in accordance with IAS 12 - interim reporting, and are prepared on the historical cost basis as adjusted for financial instruments and investment properties. These are accounted for on the fair value, or amortised cost basis.

primary segmental information

Total Rm	Precious metals	Ferrous metals	Nickel	Corporate and other
Half-year ended 31 December 2003				
2 004	447	1 333	224	--
(1 681)	(385)	(1 195)	(101)	--
(1)	(58)	34	77	(54)
(1)	(58)	34	77	(54)
77	20	34	77	(54)
7 186	2 644	3 867	250	425
2 278	423	1 592	54	209
299	86	208	5	--
216	127	81	8	--

commentary

strategic transformation update
Following a review of the strategic direction and future structure of Avmin, an announcement was made on 13 November 2003 which will result in the creation of the largest black controlled mining company in South Africa after a series of transactions between Avmin, African Rainbow Minerals & Exploration Investments (Proprietary) Limited and Harmony Gold Mining Company Limited ("Harmony"). On 23 March 2004 a circular containing details of the transactions and revised listing particulars was posted to shareholders. Subject to the requisite shareholder, regulatory and other approvals Avmin will change its name to African Rainbow Minerals Limited and the board, management and strategy will be reconstituted to reflect the new ethos of the Company.

group results

A major determinant of the financial performance during the six months was the rand/US dollar exchange rate, which averaged US\$87.13 compared to the corresponding 2002 period's US\$101.0. This represents a 29 per cent strengthening of the average exchange rate between the two periods. The stronger rand has affected Avmin's results in two ways; firstly by lowering revenue and income earned by Group operations, and secondly by lowering earnings as a result of a significant unrealised change to the income statement from non-hedge derivatives resulting from the conversion of rand gold hedges to US\$ gold hedges by Avgold. Shareholders were informed that the value of the rand would negatively affect results in the trading update issued on 27 November 2003.

The Group's revenue declined by 14 per cent to R2.0 billion (2002: R2.3 billion). Costs of production were, however, well contained during the period. Headline earnings before unrealised non-hedge derivatives weakened by 28 per cent to 67 cents per share (93 cents per share). Taking into account the AC133 adjustment of R184 million (Nil) a headline loss of R1 million was recorded.

A net cash flow from operating activities of R237 million (R42 million) was recorded for the period. This increase was primarily as a result of reduced cash demands relating to Chambishi and increased cash contribution from Nkomati. Outflows from investing activities were dominated by the continued heavy capital expenditure in ferrous metals, and totalled R299 million (R257 million). There was a net decrease in cash and cash equivalents of R46 million to R219 million at 31 December 2003.

The Group's net debt-to-total-equity ratio showed another significant improvement, declining to 11 per cent (36 per cent) when comparing the periods ended 31 December 2003 and 2002, whereas the ratio remained constant at 11 per cent as at 30 June and 31 December 2003.

Operationally, Avgold Limited's ("Avgold's") target gold mine continues to perform well and during the six months exceeded its planned pro-rated annual production levels of 175 000 ounces of gold. Shortly after the end of the half-year, Avmin acquired the remaining 25 per cent of the Nkomati joint venture from Anglo Operations Limited, a subsidiary of Anglo American plc. This acquisition provides Avmin with the strategic flexibility required to advance plans currently being considered for a significant expansion of Nkomati. A strong operational performance and robust US\$ nickel price saw the mine's contribution to earnings increase from R57 million to R77 million.

safety, health and sustainable development

Management is pleased to announce that operations showed a significant decrease in reportable incidents compared to the previous corresponding period. Avmin continues to proactively manage the Group's HIV/AIDS exposure by ongoing monitoring and management of the impact the pandemic may have on its businesses.

ferrous metals

Despite increased sales volumes for all products, earnings were substantially lower than the corresponding period of the previous year as cautioned in the trading update issued on 13 November 2003.

Assam's products are priced principally in US dollars and the period under review has seen a significant strengthening of the rand with the average exchange rate realised on the group's export proceeds being R6.98 to the US dollar against R10.02 in the equivalent previous period. In the competitive markets in which the group's products trade, and like most other resource companies in South Africa at present, a change of this extent adversely affects profitability and was sufficient to completely negate the higher unit prices achieved in US dollars for ferro-alloys and the strong volume sales performances achieved in the group's sales as summarised in the table below:

Assam product sales:	31 December 2003	31 December 2002	% change
Six months to:			
Manganese ore (tons)	662 867	409 443	62
Iron ore (tons)	2 493 824	2 259 433	10
Manganese alloys (tons)	100 489	96 908	4
Charge chrome (tons)	126 860	103 641	22

Assam's revenue for the half-year ended 31 December 2003 declined by 1.4 per cent to R1 322.7 million (R1 351.2 million). Attributable earnings decreased by 97.0 per cent to R4.1 million (R137.7 million), equivalent to R1.15 per share (R38.75 per share). The tax charge for the period of R1.9 million is high in relation to profit before tax due to charges for the State's share of profit on the manganese mining operations and Secondary Tax on Companies.

Assam continued its significant capital programme, spending R208.1 million (R1 396.6 million) during the period under review, of which R77.0 million was spent on its 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 thereby providing ore reserves for more than 20 years. The cost of the new shaft complex is estimated at R690 million. Planned production levels from the existing and new Nchwaning shaft complex will be adequate to satisfy customer demand taking account of rail and harbour logistical constraints.

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

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 rand/US dollar exchange rate, could cause earnings to increase in the second half. Shareholders are however reminded that earnings performance will continue to be largely dependant upon the rand/US dollar exchange rate and to a lesser extent, upon cost savings achieved by the operating divisions.

gold

Avgold's comparative results for the half-year ended 31 December 2003 include ETC. The sale of ETC in May 2003 combined with the lower average rand/US dollar exchange rate of R7.13 (R10.12) resulted in a decrease in revenue to R446.9 million (R502.4 million).

The Gold sold decreased marginally to 5 984kg (6 009kg), while the yield increased significantly to 11.08g/t (8.13g/t) as a result of higher gold grades mined from areas identified as part of the redesigned mining plan - based on rock mechanics design criteria. These grades (11.08 g/t) will reduce in future in line with this mining plan. Cash costs decreased 25 per cent to R43 461/kg (R57 951/kg). The increase in operating profit to R51.8 million (R49.6 million), despite the lower revenue, reflects the efficiencies of the mechanised mining methods employed at Target. Capital expenditure increased marginally to R47.9 million (R46.5 million).

Avgold operating results:

Six months to:	31 December 2003	31 December 2002*	% change
Gold sold	5 986	6 009	
Cash costs	43 461	57 951	(25)
US\$/oz	190	178	7
Yield	11.08	8.13	36

*Includes ETC

Following the announcement on 13 November 2003 regarding Avmin's proposed sale of its stake in Avgold to Harmony, a joint team has been formed to refine plans for the exploitation of the northern Free State resources.

nickel

Avmin has acquired the 25 per cent of Nkomati that it did not already own from Anglo Operations Limited for R260 million with effect from 1 February 2004. The transaction values Nkomati at just over R1 billion and will be value enhancing, allowing for improved cash flow into Avmin.

Operationally, Nkomati recorded another strong performance for the half year to 31 December 2003. One treated increased per cent to 169 000 tons (149 000 tons), producing 28 700 tons (28 900 tons) of concentrates with average grades of 10.0 per cent (10.2 per cent) for nickel and 6.0 per cent (6.5 per cent) for copper.

Nkomati sales volumes:

Six months to:	31 December 2003	31 December 2002	% change
Nickel (tons)	2 440	2 620	(7)
Copper (tons)	1 590	1 670	(5)
Cobalt (tons)	28	33	(15)
PGMs (ounces)	19 800	19 040	4

Excluding nickel, other metals contributed 24 per cent of the mine's total revenue. The mine remains cost competitive with a nickel production cost, net of by-product credits, of US\$1.15/lb, while the average nickel price over the period amounted to US\$4.94/lb (US\$3.16/lb).

platinum

The Two Rivers project team, currently assessing the viability of a new platinum group metals venture in a partnership between Avmin and Impala Platinum Holdings Limited, has been given board approval to proceed with small-scale trial mining. Full project release is conditional on the outcome of the current programme and the outlook of the rand.

dividends

In light of the Company's financial performance, the board does not consider it appropriate to declare a dividend for the six months ended 31 December 2003.

future prospects

Demand for the Group's products is at present strong and is expected to remain so. However, volatility of the rand/US dollar exchange rate will affect the results significantly.

directorate changes

Mr P.C. Penar, a non-executive director, will resign from the board on 4 February 2004.