audited annual results
and dividend announcement
for the year ended 31 december 2004

ISPAT ISCOR LIMITED
(formerly Iscor Limited)
A member of Mittal Steel Company

change in reporting period

This reporting period covers the twelve months of 2004 following the decision to change the year-end to December of each year in order to coincide with the year-end of our holding group Mittal Steel. Comparative figures are given for the corresponding 12 months of 2003 and also for the last financial period, for the six months ended 31 December 2003.

headline earnings

Headline earnings for the year increased by 183% compared to last year. Record high global steel prices, strong domestic steel demand and cost containment through savings, were the drivers for these excellent results. This was partially offset by the negative impact of the stronger rand.

The comparable headline earnings before BAA remuneration went up by 124% over the previous year. However, in dollar terms it went up by 163% due to the 17% strengthening of the rand during 2004.

	Year ended 31 Dec 2004 Audited Rm	Year ended 31 Dec 2003 Audited Rm	Six months ended 31 Dec 2003 Audited Rm
Revenue	**23 053**	18 487	9 175
Operating profit	**7 399**	3 375	1 504
Finance costs:			
• Net interest income/(expense)	**36**	(47)	(16)
• Interest adjustment on non-current provisions#	**(170)**	(81)	(53)
Taxation	**(2 465)**	(1 100)	(492)
Equity earnings*	**258**	115	67
Minority interest	**(6)**	(2)	(3)
Comparable headline earnings	**5 052**	2 260	1 007
In US$m	***793***	*301*	*145*
BAA remuneration*	**(511)**	(429)	(429)
Restructuring costs*		(116)	(116)
Power contract settlement charge*		(110)	
Headline earnings	**4 541**	1 605	462
Attributable earnings	**4 871**	1 602	463

* After tax

\# Includes an additional charge of R100 million due to a lower discount rate applied to estimated future cash flows, as a result of the significant reduction in interest rates.

quarterly comparable headline earnings

The quarterly earnings increased more than 100% from the first quarter 2004 to the second quarter 2004 and improved again during the last two quarters 2004 due to the factors of strong global steel demand, high international steel prices and solid growth in the local market. Fourth quarter 2004 earnings were lower by 6% in US dollar terms compared to the third quarter 2004 mainly due to the strengthening of the rand as well as lower volumes delivered during the December holiday season. However, this was partially offset by higher prices.

Quarter to	US$m	Rm
March 2003	79	657
June 2003	77	596
September 2003	48	352
December 2003	97	655
March 2004	99	669
June 2004	212	1 393
September 2004	248	1 575
December 2004	234	1 415

operating results

Operating profits more than doubled at all business units for the year. This was despite the Conarc furnace burn through at Saldanha Steel, the planned throat armour repair of blast furnace C at Vanderbijlpark and the planned interim repair of blast furnace D at Vanderbijlpark. The results of Saldanha Steel improved by more than 200% due to a higher percentage ultra thin gauge product in the sales mix, an increase in local sales volumes and higher sales prices, while the bulk of the loss as a result of the Conarc furnace burn through was compensated through insurance payout. Coke and Chemicals also improved its profits by more than 150% due to the strong volumes and international coke prices.

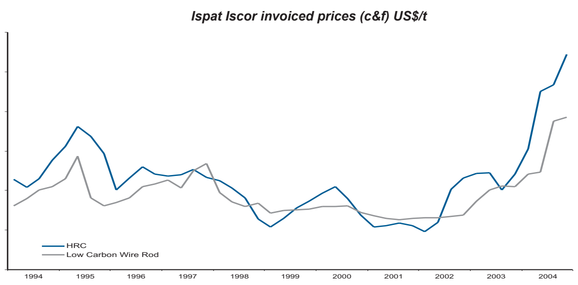
	Operating profit			Revenue		
	Year ended 31 Dec		Six months ended 31 Dec	Year ended 31 Dec		Six months ended 31 Dec
	2004 Audited Rm	2003 Audited Rm	2003 Audited Rm	**2004 Audited Rm**	2003 Audited Rm	2003 Audited Rm
Vanderbijlpark	**4 129**	2 179	979	**12 288**	9 947	5 026
Saldanha Steel	**1 147**	379	107	**3 638**	2 846	1 364
Long Products	**1 769**	777	348	**6 339**	5 131	2 496
Coke & Chemicals	**462**	172	103	**1 253**	801	409
Other	**42**	10	28	**111**	113	62
Corporate	**(150)**	(142)	(61)			
Inter Group				**(576)**	(351)	(182)
Comparable profit/ revenue	**7 399**	3 375	1 504	**23 053**	18 487	9 175
BAA remuneration	**(731)**	(613)	(613)			
Restructuring		(166)	(166)			
Power contract settlement		(157)				
Total	**6 668**	2 439	725	**23 053**	18 487	9 175

market review

international

The surge in global steel demand, driven by fixed investment in China, robust growth in US and developing markets together with a sharp increase in all major input costs, led to all time record price levels during the second half of 2004. During the year 2004, global hot rolled coil export prices increased in excess of 60%. The latter part of the year witnessed a deceleration in the Chinese demand due to local measures to cool down the overheated Chinese economy. However, this slack was picked up by a robust demand in the US and elsewhere ending the year with growth for the industry at 8,4% over 2003.

2005 is expected to be a stable year for the global steel industry, marked by a recovery in Chinese demand, a sharp increase in raw material prices and continued good global economic growth, with average prices, anticipated to be similar to or slightly better than 2004.



The substantial growth in domestic demand led to a 25% decline in export volumes. Exports to the Far East decreased during the year while exports to Europe, the Middle East and the rest of Africa increased.

domestic

Our domestic despatches increased by 22% during 2004, driven by a robust local economy. During the second half of the year, the growth in order intake was somewhat lower compared to the first half due to the inventory/destocking effect, though the underlying demand remained firm.

cost position

Cash cost per ton for hot rolled coil and billets for the year, was higher driven by higher prices for imported coal, alloys, scrap, freight and railage. In US dollar terms, the cost increased by 22% and 26% respectively due to the strengthening of the rand.

Given the quantum increase in raw material input prices, the global cost curve has shifted up considerably. The high level of raw material integration together with significant cost savings realised during 2004, enabled the company to contain the impact of escalation in the cost of coking coal, alloys, scrap and freight.

The strengthening of the rand against the dollar has put the company's position on the global cost curve under pressure. Our strategy continues to address this key issue with the aim to maintain the company's position in the lowest cost quartile of the global cost curve.

business assistance agreement (BAA) with Mittal Steel

The BAA, which expired on 31 December 2004, made a sterling contribution to our cost reduction programme. The total remuneration of R1 344 million compares very favourably in relation to the cumulative realised savings over the three year period of R1 985 million.

Mittal Steel received R731 million, the balance of remuneration payable in terms of the BAA, for savings generated during the first half of 2004. The audited annualised cost savings for the six months ended 31 December 2004 in terms of the BAA amounted to R926 million, for which Mittal Steel is not entitled to any further remuneration in terms of the BAA.

Management will review and recommend to the Board, a new contract to replace the expired one, which will be subject to approval of shareholders, other than Mittal Steel.

Mittal Steel's shareholding

Mittal Steel increased its shareholding to above 50% in June 2004 making Ispat Iscor a subsidiary. Towards the end of 2004, LNM Holdings, the controlling shareholder of Ispat Iscor, was acquired by Ispat International N.V., another arm of the group. The combined company called Mittal Steel Company N.V. is listed on the New York and Amsterdam stock exchanges.

Ispat Iscor is in the process of changing its name to Mittal Steel, South Africa, subject to approval by the shareholders and other legal requirements before the end of March 2005.

outlook

On the local market, we expect the strong demand for steel to continue, driven by good macro economic conditions. However, if the rand continues to strengthen further, the industrial production, particularly of sectors reliant on exports, may impact negatively. During the first quarter 2005, we expect volumes to be generally in line with the fourth quarter 2004, while local prices could be lower due to price adjustments announced to reflect the strong rand.

Overall, the results for the next quarter are expected to remain generally in line with the fourth quarter 2004, although slightly impacted due to the recently announced price decreases.

dividend announcement

Considering the current cash position, future capital expenditure and working capital requirements, the Board has decided to distribute one third of the headline earnings adjusted for once-off charges, in line with the current dividend policy.

The board declared an interim dividend of 300 cents per share on 17 December 2004. The dividend was recorded in the 2004 financial statements together with the 12,5% secondary tax on companies thereon. Payment was made on 10 January 2005 to shareholders.

A final dividend of 100 cents per share was declared by the Board on 8 February 2005, which brings the total dividend for 2004 to 400 cents, covered about three times by headline earnings of 1 133 cents per share. The dividend will be recorded in the 2005 financial statements together with the 12,5% secondary tax on companies thereon. Payment in South African rands will be made on Monday, 14 March 2005 to shareholders recorded in the register on Friday, 11 March 2005. The last day to trade to qualify for the dividend will be Friday, 4 March 2005. Shares will trade ex-dividend from Monday, 7 March 2005 and the record date will be Friday, 11 March 2005. Shares may not be dematerialised or rematerialised between Monday, 7 March 2005 and Friday, 11 March 2005, both days inclusive. Dividend entitlements of less than R10-00 will be donated to charity in terms of the articles of association.

On behalf of the Board

DK Chugh
(Chief Executive Officer)

V Sethuraman
(Executive Director, Finance)

8 February 2005

Registered Office
Ispat Iscor Head Office
Delfos Boulevard
Vanderbijlpark
1911

Transfer Secretaries
Computer Investor Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg
PO Box 61051,
Marshalltown, 2107

Directors: K Ngqula *(Chairman)*, DK Chugh* *(Chief Executive Officer)*, S Maheshwari*, JJA Mashaba, A Mittal*
LN Mittal*, Dr KDK Mokhele, MJN Njeke, V Sethuraman*
**Citizen of India*

Company Secretary:
CLS Consulting Services (Pty) Limited

Ispat Iscor Limited:
(Formerly Iscor Limited)
Registration number 1989/002164/06
Share code: IIS ISIN: ZAE000057162
("Ispat" or "the company" or "the Group")

This report is available at Ispat Iscor's World Wide Web site at: **http://www.ispatiscor.com**

audited annual results
and dividend announcement

for the year ended 31 december 2004

ISPAT ISCOR LIMITED

(formerly Iscor Limited)

A member of Mittal Steel Company

group income statement

	Year ended 31 Dec 2004 Audited Rm	Year ended 31 Dec 2003 Audited Rm	Six months ended 31 Dec 2003 Audited Rm
Revenue	**23 053**	18 487	9 175
Operating expenses	**(15 419)**	(15 126)	(7 980)
Earnings before interest, taxation, depreciation and amortisation (Ebitda)	**7 634**	3 361	1 195
Depreciation	**(964)**	(920)	(469)
Amortisation of intangible assets	**(2)**	(2)	(1)
Profit from operations before impairment and goodwill movements	**6 668**	2 439	725
Goodwill impairment (Note 2)	**(21)**	(32)	(11)
Impairment credit/(charge) (Note 3)	**502**	(13)	
Profit from operations	**7 149**	2 394	714
Net financing costs (Note 4)	**(134)**	(128)	(69)
Net profit from equity accounted investments before taxation	**347**	140	88
Surplus on sale of residential properties		38	12
Profit before taxation (Note 5)	**7 362**	2 444	745
Taxation (Note 6)	**(2 485)**	(840)	(279)
Profit from ordinary activities	**4 877**	1 604	466
Minority interest	**(6)**	(2)	(3)
Profit attributable to ordinary shareholders	**4 871**	1 602	463
ADDITIONAL INFORMATION			
Profit attributable to ordinary shareholders	**4 871**	1 602	463
Adjusted for:			
• Goodwill impairment (Note 2)	**21**	32	11
• Impairment (credit)/charge (Note 3)	**(502)**	13	
• Surplus on sale of residential properties		(38)	(12)
• Taxation on adjustments	**151**	(4)	
Headline earnings	**4 541**	1 605	462
Performance per ordinary share			
Attributable earnings per share (cents)			
• basic	**1 093**	359	104
• diluted	**1 090**	358	103
Headline earnings per share (cents)			
• basic	**1 019**	360	104
• diluted	**1 016**	359	103
Dividend per share (cents)			
• interim	**300**	100	
• final	**100**	75	75
Net asset value per share (cents)	**3 598**	2 910	2 910
Ordinary shares (million)			
• in issue	**446**	446	446
• weighted average number of shares	**446**	446	446
• diluted weighted average number of shares	**447**	447	448
Ratios (%)			
Ebitda margin	**33,1**	18,2	13,0
Return on ordinary shareholders' equity per annum			
• attributable earnings	**33,6**	12,7	7,2
• headline earnings	**31,3**	12,8	7,2
Net cash to equity	**24,8**	0,2	0,2
Market capitalisation (Rm)	**29 197**	12 838	12 838

group balance sheet

	As at 31 Dec 2004 Audited Rm	As at 31 Dec 2003 Audited Rm
ASSETS		
Non-current assets	**14 079**	13 076
Property, plant and equipment	**12 930**	12 218
Intangible assets	**30**	32
Goodwill	**11**	32
Investments in joint ventures		
• unlisted (Note 7)	**596**	418
Other financial assets	**512**	376
Current assets	**9 650**	5 498
Cash and cash equivalents	**4 064**	1 107
Inventories	**3 105**	2 817
Trade and other receivables	**2 481**	1 507
Taxation		67
Total assets	**23 729**	18 574
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' equity	**16 040**	12 971
Minority interest	**7**	5
Total equity	**16 047**	12 976
Non-current liabilities	**2 990**	2 298
Interest-bearing borrowings	**81**	92
Non-current provisions	**1 188**	1 062
Provision for post-retirement medical costs	**13**	22
Deferred taxation	**1 708**	1 122
Current liabilities	**4 692**	3 300
Trade and other payables	**2 305**	2 074
Interest-bearing borrowings	**10**	988
Taxation	**857**	
Current provisions	**183**	238
Shareholders' for dividend	**1 337**	
Total equity and liabilities	**23 729**	18 574
Net cash (Note 8)	**3 973**	27

group statement of changes in equity

	Year ended 31 Dec 2004 Audited Rm	Year ended 31 Dec 2003 Audited Rm	Six months ended 31 Dec 2003 Audited Rm
Shareholders' funds at beginning of period	**12 971**	12 285	12 913
• as previously stated	**12 956**	12 199	12 815
• change in accounting policy	**15**	86	98
– consolidated treasury shares	**(2)**	(6)	(2)
– consolidated management share trust reserves	**17**	92	100
– change in interpretation on negative goodwill	**(2 585)**	(2 585)	(2 585)
– adoption of IFRS 3	**2 585**	2 585	2 585
Changes in stated capital		101	100
• distribution from management share trust		100	100
• odd-lot shares		1	
Changes in non-distributable reserves	**124**	(20)	6
• management share trust	**(45)**	(75)	(83)
• movement in treasury shares		4	
• cost of share options	**(2)**		
• currency translation losses	**(81)**	(113)	(28)
• financial instruments movements	**(2)**	59	44
• transfer of equity accounted earnings	**252**	108	65
• share of hedging reserves		(3)	10
• share of revaluation reserve		(2)	(2)
• transfer to insurance reserve	**2**	(3)	
• share of foreign currency translation reserves		5	
Changes in retained income	**2 945**	605	(48)
• net profit for the period	**4 871**	1 602	463
• dividend paid	**(1 672)**	(892)	(446)
• transfer of equity accounted earnings	**(252)**	(108)	(65)
• transfer to insurance reserve	**(2)**	3	
Shareholders' funds at end of period	**16 040**	12 971	12 971

group cashflow statement

	Year ended 31 Dec 2004 Audited Rm	Year ended 31 Dec 2003 Audited Rm	Six months ended 31 Dec 2003 Audited Rm
Cash inflows/(outflows) from operating activities	**5 239**	1 397	(486)
Cash retained from operations	**6 422**	3 460	999
Before BAA remuneration	**7 153**	4 073	1 612
BAA remuneration	**(731)**	(613)	(613)
Income from equity accounted investments	**6**	7	2
Net financing costs	**36**	(43)	(9)
Dividend paid	**(339)**	(892)	(446)
Taxation paid	**(886)**	(1 135)	(1 032)
Cash outflows from investing activities	**(1 246)**	(1 248)	(337)
Capital expenditure	**(1 254)**	(1 278)	(499)
Proceeds from disposals of property, plant and equipment	**14**	84	46
Investment in other non-current assets	**(5)**		
Foreign currency translations	**(1)**	(54)	116
Normal net cash inflow/(outflow)	**3 993**	149	(823)
Cash (outflows)/inflows from financing activities	**(1 036)**	(91)	1 078
Increase in cash and cash equivalents	**2 957**	58	255
Cash and cash equivalents at beginning of period	**1 107**	1 049	852
Cash and cash equivalents at end of period	**4 064**	1 107	1 107

notes to the audited financial statements

1. Basis of preparation

These audited Group financial results for the year ended 31 December 2004 constitute a summary of the Group's unqualified audited financial statements. They have been prepared on the historical cost basis and conform to South African Statements of Generally Accepted Accounting Practice. They also comply with International Financial Reporting Standards and the Companies Act of South Africa.

The Group's financial report for the year will be available by the end of March 2005. The signed unqualified auditors' report issued by KPMG Inc. for the year is available for inspection at the company's registered address. The principal accounting policies are consistent with those applied in the previous period, except for the following:

- a change in policy to now consolidate the Iscor Management Share Trust retrospectively. The effect on equity for the above is reflected in the Group statement of changes in shareholders' equity. The effect on net profit for the current period is Rnil
- the accounting treatment for negative goodwill arising on the acquisition of the remaining 50% of Saldanha Steel was re-examined. It has now been established that the original interpretation of IAS22 in 2002 for treatment of negative goodwill was not in line with the preferred interpretation at that time. Accordingly, negative goodwill should have been amortised over the life of the Saldanha Steel plant. This change in interpretation has been corrected retrospectively
- the Group early adopted the following International Financial Reporting Standards, and the 2003 figures have been amended as required in accordance with the relevant requirements:

	Net income increase/(decrease) Year ended 31 Dec 2004 Rm	Year ended 31 Dec 2003 Rm	Six months ended 31 Dec 2003 Rm	Shareholders' equity increase/(decrease) as at 2004 Rm	as at 2003 Rm
Consolidation of the Iscor Management Share Trust				**(26)**	15
Preferred interpretation for treatment of goodwill					(2 585)
IFRS2 Share Based Payments	**(2)**			**(2)**	
IFRS3 Business Combinations					2 585
IFRS4 Insurance Contracts *					
IFRS5 Non-current Assets Held for Sale and Discontinued Operations *					
IAS36 (Revised) Impairment of Assets *					
IAS38 (Revised) Intangible Assets *					

* The adoption of these standards had no impact on net income or shareholders' equity.

2. Goodwill impairment

The Group assessed its expected benefits from one of its subsidiaries, Pybus Fifty-Seven (Pty) Limited to be less than the carrying value, as a result an impairment loss of R21 million was realised for the year.

3. Impairment credit

Ispat Iscor's share of the Saldanha Steel impairment charge raised in 2001 (R1 500 million) partly reversed in 2002 (R998 million), was further reversed, applying the same valuation basis as in the past, as Saldanha Steel's economic prospects have improved significantly.

	Year ended 31 Dec 2004 Audited Rm	Year ended 31 Dec 2003 Audited Rm	Six months ended 31 Dec 2003 Audited Rm
4. Net financing costs	**134**	128	69
Interest expense and loan costs	**63**	62	24
Interest income	**(94)**	(29)	(11)
Interest received from joint ventures	**(5)**	(9)	(2)
Losses on derivative instruments		110	23
Gains on currency difference		(87)	(18)
Net interest	**(36)**	47	16
Interest adjustment on non-current provisions	**170**	81	53
5. Profit before taxation is arrived at after			
Directors' emoluments			
• executive	**23**	24	15
• non-executive	**1**	1	1
Auditors' remuneration			
• audit fees	**5**	8	5
• other services	**1**	3	1
Business assistance agreement remuneration	**731**	613	613
6. Taxation	**2 485**	840	279
Company and subsidiaries	**2 396**	815	258
Equity accounted investments	**89**	25	21
7. Investments in joint ventures			
Unlisted investments			
• directors' valuation	**759**	479	479
8. Net cash	**3 973**	27	27
Interest-bearing borrowings			
• non-current	**(81)**	(92)	(92)
• current	**(10)**	(988)	(988)
Cash and cash equivalents	**4 064**	1 107	1 107
9. Capital expenditure			
• incurred	**1 254**	1 278	499
• contracted	**1 008**	547	547
• authorised but not contracted	**1 468**	555	555
10. Contingent liabilities	**234**	245	245
• guarantees	**134**	145	145
• other contingent liabilities	**100**	100	100
11. Operating lease commitments	**28**	70	70
• less than one year	**3**	11	11
• more than one year and less than five years	**25**	59	59

12. Related party transactions

During the period the company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with joint ventures. These transactions occurred under terms that are no less favourable than those arranged with third parties. Except for the business assistance agreement, the company did not enter into any significant sale and purchase transactions with the Mittal Steel Group.

13. Directors' share option benefits

Rights to options and shares held by executive directors in terms of the Iscor Management Share Scheme totalled 331 060 at 31 December 2004 (December 2003: 904 990), representing 0,07% (December 2003: 0,2%) of the issued shares. During the period the directors sold a portion of their options realising a gain of R7 million, of which R7 million was paid to them in terms of the Scheme during the year.

14. Corporate governance

The Group subscribes to and complies, in all material respect, with the code on Corporate Practices and Conduct as contained in the second King Report on Corporate Governance.

15. Listings requirements

This announcement has been prepared in compliance with the Listings Requirements of the JSE Securities Exchange South Africa (the "JSE").

Unaudited supplementary physical information ('000 tonnes)

	Year ended 31 Dec 2004	Year ended 31 Dec 2003	Six months ended 31 Dec 2003
FLAT STEEL PRODUCTS			
– Vanderbijlpark			
Liquid steel production	**3 628**	3 681	1 870
Sales	**3 166**	3 173	1 664
• local	**2 224**	1 863	942
• export	**942**	1 310	722
Local sales as percentage of total sales	**70**	59	57
– Saldanha Steel			
Liquid steel production	**1 227**	1 251	645
Sales	**1 141**	1 187	622
• local	**504**	354	184
• export	**637**	833	438
Local sales as percentage of total sales	**44**	30	30
LONG STEEL PRODUCTS			
Liquid steel production	**2 178**	2 153	1 080
Sales	**1 894**	1 899	939
• local	**1 151**	956	496
• export	**743**	943	443
Local sales as percentage of total sales	**61**	50	53
TOTAL			
Liquid steel production	**7 033**	7 085	3 595
Sales	**6 201**	6 259	3 225
• local	**3 879**	3 173	1 622
• export	**2 322**	3 086	1 603
Local sales as percentage of total sales	**63**	51	50

motiv