



ISCOR

Iscor Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 1989/002164/06)
 Share code ISC ISIN ZAE000022729
 ("Iscor" or the "company")

For assistance please call the Iscor ShareCare line
 on 0800 006 960

ABRIDGED REVISED LISTING PARTICULARS



These abridged revised listing particulars are not an invitation to subscribe for shares in Iscor, but are issued in compliance with the Listings Requirements of the JSE Securities Exchange South Africa ("JSE") for the purpose of providing information to the public with regard to Iscor. The information has been extracted from the detailed revised listing particulars which, together with the circular issued to shareholders of Iscor, dated 29 October 2001, were posted to shareholders on that date.

1. BACKGROUND

In an announcement dated 26 September 2001, Iscor announced that agreement had been reached with Industrial Development Corporation of South Africa Limited ("IDC") in terms of which, *inter alia*:

- Iscor would transfer its mining companies and businesses to Kumba Resources Limited ("Kumba"), a wholly-owned subsidiary of Iscor or to subsidiaries of Kumba, save for ownership of 6,25 million tonnes per annum ("Mtpa") of iron ore produced by Sishen Iron Ore Company (Proprietary) Limited ("Sishen undivided share") which would be retained by Iscor;
- Kumba shares would be distributed to Iscor shareholders *pro rata* to their existing holdings in terms of section 60 of the South African Income Tax Act, 1993 (Act 113 of 1993), as amended;
- IDC would inject additional equity into Saldanha Steel (Proprietary) Limited ("Saldanha Steel") equivalent to 50% of its net debt;
- IDC's shareholding in Saldanha Steel would be acquired by Iscor;
- IDC would contribute half of the anticipated operating funding requirements of Saldanha Steel for the financial year ending 30 June 2002; and
- post the Kumba unbundling, Iscor would undertake a rights issue of R1,67 billion, to be fully underwritten by IDC.

In terms of the restructuring, Iscor sold its mining companies and businesses, which held Iscor's iron ore, coal, base metals, heavy minerals and related assets, to its wholly-owned subsidiary, Kumba or subsidiaries of Kumba, in consideration for, *inter alia*, the issue to it by Kumba of 272 821 616 Kumba shares, the assumption of certain of its liabilities and the crediting of a loan account in the name of Iscor in the books of Kumba. The transfer of mining assets from Iscor to Kumba excluded the Sishen undivided share the ownership of which remains with Iscor. For its domestic iron ore off-take of 6,25 Mtpa, Iscor will re-imburse Sishen Iron Ore Company (Proprietary) Limited ("Sishen Iron Ore") with an amount equal to the total cost of production required by it plus a management fee equal to 3% of such total cost. Iscor will also continue to receive 2 Mtpa of iron ore from Thabazimbi mine at a cost equal to the cost of production plus a management fee equal to 3% of such cost. This puts Iscor into a unique position whereby all its iron ore requirements will be at cost of production thereof plus a management fee equal to 3% of such cost. The effect of this will be to leave Iscor as a vertically integrated steel producer and is expected to enhance Iscor's viability as a stand-alone entity positioned advantageously to meet any future volatility in the global steel markets.

2. NATURE OF BUSINESS

2.1 The steel works

Iscor's steel businesses are situated at five locations in South Africa with the following wholly-owned plants operated as divisions of Iscor:

- a flat products integrated mill at Vanderbijlpark;
- a long products integrated mill at Newcastle;
- a long products mini-mill at Vereeniging;
- a long products rolling mill and forge press at Pretoria; and
- a direct reduction kiln at Boksburg.

expenditure. It will also represent the first step in the rationalisation of the South African steel industry which is expected to release further benefits. Achievement of the design production and cost levels are expected to make the plant extremely competitive in the premium priced thin gauge segment of its market.

Saldanha Steel agreement

In terms of the Saldanha Steel agreement, IDC will inject additional equity into Saldanha Steel equivalent to 50% of Saldanha Steel's net debt at the time of Kumba's unbundling. Iscor will purchase IDC's shareholding and thereafter integrate Saldanha Steel into Iscor's flat steel products division. IDC has also undertaken to contribute 50% of Saldanha Steel's operating funding requirements for the financial year ending 30 June 2002 and, in this regard, IDC will contribute R250 million in cash to Iscor at the time of the Kumba unbundling.

Iscor will acquire IDC's 50% shareholding in Saldanha Steel and in consideration therefore and IDC's R250 million cash contribution, Iscor will issue 20 million shares in Iscor and procure the issue of 10 million Kumba shares to IDC. Furthermore, to the extent that Saldanha Steel's funding requirements may exceed R500 million during the period up to and ending on 30 June 2002, IDC shall, if so requested by Iscor, contribute 50% of any such excess in consideration for the issue to it of Iscor shares priced at the then five-day weighted average traded price of Iscor shares on the JSE. The implementation of the acquisition of Saldanha Steel is subject to the approval thereof by the relevant competition authorities.

2.2 Other significant investments

Ownership of the Sishen undivided share

Iscor has retained registered ownership of a portion of the mineral rights at the Sishen mine, entitling it to delivery of 6,25 Mtpa of a specific grade mix of iron ore. Iscor will re-imburse Kumba for the cost of producing the ore by an amount equal to the cost of production plus a management fee equal to 3% of such cost. Iscor has the right to participate in any future iron ore production expansion programme by Sishen Iron Ore in South Africa to the extent that it requires additional iron ore for its South African steel production. In this regard Iscor will contribute *pro rata* with Sishen Iron Ore to the cost of development and Kumba will be entitled to a management fee of 3% of the production costs of such expansion. During the past financial year Sishen Iron Ore supplied 4,5 million tonnes of iron ore to the Vanderbijlpark and the Newcastle Steel Works and 1,3 million tonnes to Saldanha Steel. After the latter's full ramp-up the combined off-take is expected to increase to an estimated 6,25 Mtpa. The estimated saving to Iscor and Saldanha Steel on the cost of iron ore on a cost of production plus a management fee equal to 3% of such cost basis compared to arm's length contract prices for the past financial year would have been equal to approximately R313 million.

Suprachim (Proprietary) Limited ("Suprachim")

Suprachim distils and refines crude tar which is a by-product of Iscor's coke production, and manufactures and markets coal, tar and related by-products. In addition to the main products, hydrochloric acid is regenerated, ferrite magnetic powders are manufactured and coke is produced for ferrochrome producers from coke oven batteries no longer used by Iscor.

Macsteel International Holdings BV ("MIBV")

MIBV is a joint venture between Iscor and Macsteel Holdings (Proprietary) Limited, a major steel service centre business operating locally and internationally. MIBV is one of the largest international steel traders with a strong position in Iscor's export markets. It was established in 1996 to handle Iscor's exports as the exclusive export channel in order to enhance customer service and trades in excess of 3 million tonnes of steel annually through an international network. Its shipping operation handles in excess of 5.5 million tonnes of bulk cargo products.

- a long products integrated mill at Newcastle;
- a long products mini-mill at Vereeniging;
- a long products rolling mill and forge press at Pretoria; and
- a direct reduction kiln at Boksburg.

Iscor Flat Steel Products – Vanderbijlpark Works

The Vanderbijlpark Works is a fully integrated flat products plant with a liquid steel capacity of 4,1 Mtpa, although current output is 3,5 Mtpa due to the stagnant domestic market and low international steel prices. A comprehensive range of basic and value-added flat products is produced for both the domestic and export markets. Vanderbijlpark's high level of exports, 34%, is a function of the capacity that was installed when domestic steel consumption was higher than at present and was expected to continue growing as strongly as it had done up until the mid-1970's. The plant supplies 80% of domestic demand for flat products.

Iscor Long Steel Products

The long steel products business comprises the integrated steel works at Newcastle and the electric-arc furnace based mini-mill at Vereeniging.

The Newcastle Works

The Newcastle Works is a fully integrated steel plant established in 1971 to produce a comprehensive range of hot rolled profiles including rod, bar, light, medium and heavy sections, billets and blooms. It has a capacity of 1,6 Mtpa of rolled product but is currently producing at a level of 1,35 Mtpa in order to focus on higher quality value-added products and as a result of low export selling prices.

The Vereeniging Works

The Vereeniging Works is an electric arc-furnace-based mini-mill, which produces a wide range of speciality steel products, targeting primarily local niche markets. It was established in 1911 as the Union Steel Corporation Limited, the first primary steel producer in South Africa. Its steel business was acquired by Iscor in 1991.

The Vereeniging Works is organised into three divisions, profile products, forged products and seamless tubes. All three divisions dominate the local market with a market share in excess of 80%. Approximately 90% of the profile and forge products are sold in the domestic market while most of the seamless tubes are exported.

Saldanha Steel

The plant at Saldanha was designed to produce 1,25 Mtpa of hot rolled thin gauge coil in a continuous process. The plant has been successful in producing the high quality thin gauge product for which it was designed and in placing output in the very difficult international steel markets of the past two years. Up to 260 000 tonnes per annum are supplied to an adjacent re-rolling plant for export and the balance of production is exported directly. Saldanha Steel has incurred substantial losses to date which are the result of poor steel prices, the slower production build up and the heavy interest burden. During the past financial year the board of directors of Saldanha Steel raised an impairment provision of R3 billion against the carrying value of its fixed assets. Iscor provided fully for its share of the impairment in its financial results for the year to 30 June 2001.

Once Iscor implements full control of Saldanha Steel it will allow the realisation of significant synergistic benefits for Iscor in the areas of product rationalisation, marketing and future capital

service centre business operating locally and internationally. MIBV is one of the largest international steel traders with a strong position in Iscor's export markets. It was established in 1996 to handle Iscor's exports as the exclusive export channel in order to enhance customer service and trades in excess of 3 million tonnes of steel annually through an international network. Its shipping operation handles in excess of 5,5 million tonnes of bulk cargo products.

3. DIRECTORS

The names, ages, addresses and designations of the directors of Iscor are set out below:

Name and age	Address	Designation	Date appointed
W A M Clewlow (65)	PO Box 782248 Sandton, 2146	Chairman	1 October 1989
L L van Niekerk (51)	PO Box 450 Pretoria, 0001	Chief Executive	3 February 1993
M Macdonald (59)	PO Box 450 Pretoria, 0001	Executive director – Finance	8 March 1997
J van den Berg (64)	PO Box 360 Magaliessig, 2067	Non-executive director	1 October 1989
K D Mokhele (45)	PO Box 2600 Pretoria, 0001	Non-executive director	1 February 2001

4. SHARE CAPITAL

The share capital of Iscor is as follows:

	R'000
Authorised	
1 200 000 000 ordinary shares of R10,00 each	12 000 000
2 357 584 "C" redeemable preference shares of R10,00 each	24
	12 000 024
Issued	
272 821 716 ordinary shares of R10,00 each	2 728
Share premium	1 638
	4 366

5. DETAILED REVISED LISTING PARTICULARS

English copies of the detailed revised listing particulars are available during normal business hours at the offices of:

- Iscor: Iscor Head Office, Roger Dyason Road, Pretoria West;
- JPMorgan, 1 Fricker Road, corner Hurlingham Road, Illovo; and
- Mercantile Registrars Limited, 10th Floor, 11 Diagonal Street, Johannesburg.

Pretoria
26 November 2001

Financial adviser and sponsor



Independent technical adviser



Corporate law advisers and consultants



Independent reporting accountants and auditors



Investor relations



Information agent



Independent financial adviser

