Argent Industrial Limited

(Incorporated in the Republic of South Africa)
(Registration number 1993/002054/06)
(Share code: ART ISIN: ZAE000019188)
("The Group" or "The Company")

FINANCIAL HIGHLIGHTS

REVENUE UP	**1.2%**	**HEADLINE EARNINGS UP**	**37.4%**
ATTRIBUTABLE EARNINGS UP	**37.6%**	**HEADLINE EARNINGS PER SHARE UP**	**6.2%**
ATTRIBUTABLE EARNINGS PER SHARE UP	**6.4%**	**GEARING**	**24.5%**

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

Argent Industrial Investments

Argent – Richards Bay

Bavarian Metal Industries

Barker Flynn Associates

giflo east london

giflo engineering

Hendor Mining Suplies

Koch's Cut & Supply Steel Centre

New Joules Engineering

NWN

Phoenix Steel - East London

Phoenix Steel - Gauteng

Phoenix Steel - Mpumalanga

Phoenix Steel - Natal

Abridged Consolidated Balance Sheet
for the six months ended 30 September 2003

R 000	Unaudited at 30 Sept 2003	Unaudited at 30 Sept 2002	Audited year ended 31 Mar 2003
ASSETS			
Property, plant and equipment	**147 715**	108 296	134 609
Intangibles	**25 169**	12 570	25 843
Employee share incentive scheme	**1 570**	1 360	1 325
Non-current assets	**174 454**	122 226	161 777
Inventories	**104 208**	82 196	112 403
Trade and other receivables	**88 249**	133 619	156 381
Bank balance and cash	**67**	25 127	6 599
Current assets	**192 524**	240 942	275 383
TOTAL ASSETS	**366 978**	363 168	437 160
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	**106 566**	89 309	106 566
Reserves	**24 045**	24 045	24 045
Accumulated profits	**97 835**	52 949	73 302
Ordinary shareholders' funds	**228 446**	166 303	203 913
Minority interest	**5 820**	4 744	4 722
Total shareholders' funds	**234 266**	171 047	208 635
Interest-bearing borrowings	**44 412**	28 879	30 608
Deferred taxation	**7 539**	3 867	6 583
Non-current liabilities	**51 951**	32 746	37 191
Trade and other payables	**61 836**	139 578	165 200
Taxation	**4 549**	1 761	5 490
Dividend payable		4 212	
Bank overdraft	**1 277**		
Current portion of interest-bearing borrowings	**13 099**	13 824	20 644
Current liabilities	**80 761**	159 375	191 334
TOTAL EQUITY AND LIABILITIES	**366 978**	363 168	437 160
Net asset value per share (cents)	**391.8**	315.8	349.7

Statement of Changes in Equity
for the six months ended 30 September 2003

R 000	Share capital	Share premium	Revaluation reserve	Reserve on subsidiary acquisition	Accumulated profits	Total
Balance at 30 September 2002	2 632	86 677	836	23 209	52 949	**166 303**
Issue of share capital	283	16 974				**17 257**
Net profit for the period					20 353	**20 353**
Balance at 31 March 2003	2 915	103 651	836	23 209	73 302	**203 913**
Net profit for the period					29 781	**29 781**
Dividends					(5 248)	**(5 248)**
Balance at 30 September 2003	2 915	103 651	836	23 209	97 835	**228 446**

Abridged Consolidated Income Statement
for the six months ended 30 September 2003

R 000	Unaudited six months 30 Sept 2003	Unaudited six months 30 Sept 2002	Audited year ended 31 Mar 2003
REVENUE	**331 897**	327 946	621 381
OPERATING PROFIT before financing costs	**45 353**	30 221	63 759
FINANCING COSTS	**6 093**	3 552	9 089
PROFIT before taxation	**39 260**	26 669	54 670
TAXATION	**8 381**	4 102	11 772
PROFIT after taxation	**30 879**	22 567	42 898
MINORITY INTEREST	**1 098**	920	898
NET PROFIT for the period	**29 781**	21 647	42 000
Basic earnings per share (cents)	**51.1**	48.0	83.0
Headline earnings per share (cents)	**51.8**	48.8	83.6
Dividends per share (cents)	**9.0**	7.0	17.0
Shares in issue (000)			
– at end of period	**58 308**	52 655	58 308
– weighted average	**58 308**	45 096	50 580

Reconciliation of Headline Earnings

R 000	Unaudited six months 30 Sept 2003	Unaudited six months 30 Sept 2002	Audited year ended 31 Mar 2003
Net profit for the period	**29 781**	21 647	42 000
Goodwill amortisation	**651**	311	579
Profit on disposal of property plant and equipment	**(262)**		(538)
Loss on disposal of property, plant and equipment	**55**	47	268
Headline earnings	**30 225**	22 005	42 309

Abridged Consolidated Cash Flow Statement
for the six months ended 30 September 2003

R 000	Unaudited six months 30 Sept 2003	Unaudited six months 30 Sept 2002	Audited year ended 31 Mar 2003
Cash generated from operations	**22 714**	31 384	41 714
Interest paid	**(6 093)**	(3 552)	(9 089)
Interest received	**2 198**	1 194	3 455
Dividends paid	**(5 248)**	(3 108)	(7 320)
Taxation paid	**(8 366)**	(4 933)	(5 993)
Cash flows from operating activities	**5 205**	20 985	22 767
Cash flows from investing activities	**(19 273)**	(38 951)	(84 740)
Cash flows from financing activities	**6 259**	32 600	58 079
Net (decrease)/increase in cash and cash equivalents	**(7 809)**	14 634	(3 894)
Cash and cash equivalents at beginning of period	**6 599**	10 493	10 493
Cash and cash equivalents at end of period	**(1 210)**	25 127	6 599

Segment Report
for the six months ended 30 September 2003

Business Segments R 000	Revenue unaudited 6 months ended 30 Sept 2003	Results unaudited 6 months ended 30 Sept 2003	Revenue unaudited 6 months ended 30 Sept 2002	Results unaudited 6 months ended 30 Sept 2002
Steel & Steel Related Products	**279 959**	**35 761**	206 636	25 782
Project Management & Materials Handling	**51 874**	**3 103**	120 981	654
Properties	**64**	**396**	329	233
Total	**331 897**	**39 260**	327 946	26 669

COMMENTARY

Chief Executive Officer's Review

On behalf of the Board of Directors of Argent Industrial Limited, the unaudited results for the six months ended 30 September 2003 are hereby presented.

Salient Review

- Revenue increased by 1.2% to R331,9 million (2002 – R327,9 million)
- Attributable earnings increased by 37,6% to R29,8 million
- Attributable earnings per share increased by 6,4% to 51,1 cents per share (2002 – 48 cents per share)
- Headline earnings increased by 37,4% to R30,2 million (2002 – R22 million)
- Headline earnings per share increased by 6,2% to 51,8 cents per share (2002- 48,8 cents per share)
- Gearing decreased to 24,5% (2002 – 25%)

Group Performance

The Group experienced a difficult first six months as a result of the stronger Rand, the lower demand for steel and the downsizing of the project management division.

DIVISIONAL PERFORMANCE

Steel and Steel Related Products

The Group's steel companies produced very mixed results for the six months ended 30 September 2003.

The steel trading companies under **Phoenix Steel** had to endure a very competitive and contracted market which has resulted in their contribution to attributable earnings reducing by 30% when compared to the first six months of the previous financial year.

Hendor Mining had a very good first six months but is however starting to feel the effects of the declining Rand. Hendor's main customers, the country's platinum producers have been hard hit by the strengthening rand and therefore are currently running their scraper stocks at the absolute minimum level.

Bavarian Metal Industries enjoyed an improved first six months on the back of a number of completed export contracts into the S.A.D.C. region and has an acceptable order book for the next six months.

Kochs Cut and Supply have had a better than expected first six months of the financial year. Turnover during the first portion of the second six months has improved substantially. We expect this trend to continue.

Giflo Engineering has a full local and export order book. The company's margin on foreign exports have been reduced by the stronger Rand. However, the company does benefit from the Department of Trade and Industry's Motor Industry Development Programme (MIDP). This has at least ensured that the nett overall export margins are at least acceptable.

Excalibur Vehicle Accessories, a company acquired during the 2003 financial year, has had an exceptional first six months and has bedded down well with the Group. The company's current and anticipated future order books will ensure an above average growth trend for the next two years.

New Joules Engineering North America had a very slow start to the 2004 financial year but currently has a full order book and will be a major contributor to the Group's results for the second six months. The company has tenders in the market place awaiting adjudication amounting to USD 4.2 million. New Joules specialises in systems that control railroad yard speed, which is becoming an important issue in the United States of America. By controlling speed in a railway yard, limited damage is caused to goods during the shunting phase. The American railroad industry is facing problems as only approximately 30% of the railway yards have the correct speed control systems. The situation is further compounded by the fact that goods not damaged in a yard with a speed control system may subsequently be damaged as the wagons pass through another yard without a speed control system. The need for complete speed control will place New Joules in a strong position for the future.

Jetmaster which was acquired during the 2003 financial year, has been a solid contributor to the Group's performance. The Group invested R3,2 million in Jetmaster over the first six months of the year. These funds have been utilised to increase the company's production, research development and logistic capabilities. The restructuring should result in Jetmaster's turnover increasing by a third over the next six months. The growth opportunities, both locally and internationally, for Jetmaster is astounding and Argent will continue to grow this area of the Group until the company's full potential is reached.

The Group will by March 2004, have expanded into the Port Elizabeth area. The new facility will incorporate a steel merchant business under Phoenix Steel, a Jetmaster warehousing facility, an Excalibur fitment centre and a logistics centre for both Excalibur and Giflo Engineering to supply the Delta Motor Corporation's 2004 Isuzu project.

Project Management and Materials Handling

Megamix and Villiersdorp Quarries have had an exceptional first six months, and given the current order book, should have a better than expected year.

Barker Flynn Associates continued to encounter difficulties with final handover of the Reductant and Slag Treatment Plants at Ticor SA in Empangeni. Beneficial occupation certificates have been received for both plants, which are currently in full production. Claims for extra costs on both projects have been submitted to the client for consideration and an answer is expected in due course. All costs on the projects were written off in the 2003 financial year.

Dividend

A final Dividend of 9 cents per share in respect of the year ended 31 March 2003 was paid during the period.

An interim dividend of 9 cents per share has been declared, subsequent to 30 September 2003 payable on Monday 26 January 2004 to shareholders recorded in the register at close of business on Friday 23 January 2004, being the record date in order to participate in such dividend. The last day to trade cum-div is Friday 16 January 2004. The share will trade ex-div on Monday 19 January 2004.

Share certificates may not be dematerialised/ rematerialised between Monday 19 Janaury 2004 and Friday 23 January 2004, both days inclusive.

In accordance with Generally Accepted Accounting Practice Statement AC107, the interim dividend of 9 cents per share proposed by the Directors has not been reflected in the interim financial statements.

Accounting Policies

The financial statements for the period under review are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and incorporates Accounting Policies which are consistent with those applied in the preparation of the audited financial results for the previous period.

On behalf of the Board

T.R. Hendry CA (SA)
Chief Executive Officer

Maraisburg
13 November 2003

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