

CONSOLIDATED INCOME STATEMENT

	Half-year ended		Year ended
	31 December	31 December	30 June
	2006	2005	2006
	Unaudited	Unaudited	Audited
	R'000	R'000	R'000
Turnover	1 864 865	1 410 131	3 382 587
Cost of sales	(1 402 621)	(1 126 013)	(2 783 365)
Gross profit	462 244	284 118	599 222
Profit on disposal of investments	–	–	145 777
Discount on BEE transaction	–	–	(35 752)
Other income	99 152	61 748	217 999
Other expenses	(92 766)	(94 529)	(204 571)
Finance costs	(8 538)	(10 495)	(15 284)
Profit before taxation	460 092	240 842	707 391
Income tax expense	(148 577)	(85 462)	(227 569)
Profit for the period	311 515	155 380	479 822
Earnings attributable to:			
Equity holders of the parent	299 939	146 670	457 384
Minority interests	11 576	8 710	22 438
As above	311 515	155 380	479 822
Earnings per share (cents)	1 107,6	523,8	1 651,2
Headline earnings per share (cents)**	1 102,3	523,5	1 169,4
Dividends per share (cents)	300	230	230
– Interim	150*	80*	80
– Final	150	150	150

* Declared after period end

** Determination of headline earnings

Attributable earnings per income statement as above	299 939	146 670	457 384
Profit on disposal of listed investments (net of tax)	–	–	(129 085)
Profit on disposal of property, plant and equipment (net of tax)	(1 427)	(82)	(4 366)
Headline earnings	298 512	146 588	323 933
Weighted average number of ordinary shares (million)			
Ordinary shares in issue	28,00	28,00	28,00
Treasury shares	(0,92)	–	(0,30)
Weighted average ordinary shares	27,08	28,00	27,70
Net asset value per share (Rand)	106,7	82,7	96,2
Capital expenditure (R million)	365,6	159,5	389,9
Capital commitments (R million)	2 234,4	195,4	2 116,9

CONSOLIDATED CASH FLOW STATEMENT

	Half-year ended		Year ended
	31 December	31 December	30 June
	2006	2005	2006
	Unaudited	Unaudited	Audited
	R'000	R'000	R'000
Cash generated from operations	347 571	67 745	469 973
Cash utilised in investing activities	(408 184)	(143 173)	(678 158)
Cash generated by financing activities	35 514	21 292	86 961
Decrease in cash for the period	(25 099)	(54 136)	(121 224)
Cash resources at beginning of period	171 835	275 566	293 059
CASH RESOURCES PER BALANCE SHEET	146 736	221 430	171 835

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Half-year ended		Year ended
	31 December	31 December	30 June
	2006	2005	2006
	Unaudited	Unaudited	Audited
	R'000	R'000	R'000
SHARE CAPITAL AND RESERVES			
Balance at beginning of period	131 964	99 579	99 579
Shares issued during the period	–	–	55
Shares repurchased during the period	–	–	(55)
Share premium on shares issued during the period	–	–	30 358
Net increase in the market value of listed investments	36 310	95 243	6 508
Deferred taxation on changes in market value of listed investments	(5 265)	(9 411)	(5 388)
Transfer to/(from) foreign currency translation reserve	42	(792)	907
Balance at end of period	163 051	184 619	131 964
RETAINED EARNINGS			
Balance at beginning of period	2 421 878	1 993 142	1 993 142
Attributable earnings for the period	299 939	146 670	457 384
Shares issued at a discount	–	–	35 752
Ordinary dividends paid			
No 99 aggregating R1,50 per share (2005: R1,50 per share)	(42 000)	(42 000)	(64 400)
Balance at end of period	2 679 817	2 097 812	2 421 878
PER BALANCE SHEET	2 842 868	2 282 431	2 553 842

CONSOLIDATED BALANCE SHEET

	At		At
	31 December	31 December	30 June
	2006	2005	2006
	Unaudited	Unaudited	Audited
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Property, plant, equipment and intangible assets	2 312 387	1 480 683	2 023 210
Long-term loans receivable	–	2 693	–
Investments	206 060	332 481	169 750
Total non-current assets	2 518 447	1 815 857	2 192 960
Current assets			
Inventories	900 338	794 450	896 152
Trade and other receivables	683 389	475 294	648 021
Cash resources	146 736	221 430	171 835
Total current assets	1 730 463	1 491 174	1 716 008
TOTAL ASSETS	4 248 910	3 307 031	3 908 968
EQUITY AND LIABILITIES			
Share capital and reserves			
Ordinary shareholders' interest	2 842 868	2 282 431	2 553 842
Outside shareholders' interest	40 582	33 029	51 114
Treasury shares	2 883 450	2 315 460	2 604 956
	(85 895)	–	(78 526)
Total equity	2 797 555	2 315 460	2 526 430
Non-current liabilities			
Deferred taxation	555 915	387 665	544 844
Long-term liabilities	127 245	62 708	122 312
Total non-current liabilities	683 160	450 373	667 156
Current liabilities			
Interest bearing	309 516	265 009	253 454
Non-interest bearing	458 679	276 189	461 928
Total current liabilities	768 195	541 198	715 382
TOTAL EQUITY AND LIABILITIES	4 248 910	3 307 031	3 908 968

- Attributable earnings for six months increased by 104,5% to R299,9 million
- Interim dividend increased from 80 cents to 150 cents per share
- Increased sales volumes for all products
- Higher US dollar prices for iron ore and manganese alloys
- Construction underway on the 8,4 million tons per annum Khumani iron ore mine

COMMENTARY

Attributable earnings for the six months ended 31 December 2006 have increased by 104,5% to R299,9 million (2005: R146,7 million) due mainly to the significant increase in earnings of Assmang Limited (Assmang) in which the group holds a 50% interest and which is proportionately consolidated in accordance with the group's accounting policies.

Assmang's earnings increased by 91% compared to the same period of the previous year due to increased sales tonnages for all products as set out in the table below and the increased revenues which resulted from the weaker Rand/US dollar exchange rate during the period. The results were also affected by a substantial increase in US dollar prices for iron ore and manganese alloys, but lower US dollar prices for manganese ore largely offset the higher sales volumes achieved during the period.

SALES VOLUMES

Sales volumes for the six month period were as follows:

	Six months ended 31 December		Volume % increase
	2006 tons	2005 tons	
Iron ore	2 782 506	2 599 779	7
Manganese ore *	1 045 698	573 407	82
Manganese alloys	132 891	129 512	3
Charge chrome	107 205	89 064	20
Chrome ore *	69 017	55 935	23

* Excluding intra-group sales

CAPITAL EXPENDITURE

Assmang continued its capital expenditure programme with the focus being on the new Khumani iron ore mine near Kathu in the Northern Cape. Capital expenditure at Assmang amounted to R657 million (2005: R313 million) during the period under review. Of this, R441 million was spent on the construction of the first phase of the new Khumani iron ore mine and R43 million on furnace rebuilds at Assmang's Machadodorp ferrochrome smelter.

Construction of the 8,4 million tons per annum Khumani iron ore mine commenced in June 2006 and during the period under review the mining right authorisation was received from the Department of Minerals and Energy (DME). The first production from this operation is expected during the first half of calendar 2008 and the project will be funded largely from operating cash flows and by utilising debt facilities at the Assmang level.

Subsequent to the approval of the capital expenditure for an 8,4 million tons per annum mine, Transnet has increased the allocation awarded to 10 million tons, which is currently being evaluated with a view to acceptance.

Further expansion to increase production capacity to 16,8 million tons per annum at an additional cost of approximately R1,6 billion (US\$223 million) has been designed and is currently being evaluated.

OUTLOOK

Markets for all of the group's products remain fairly buoyant and tonnages in the second half should approximate those in the first half. US dollar prices for iron ore are expected to increase by approximately 10% with effect from 1 April while prices for other products are expected to be maintained at current levels for the remainder of the financial year. The Rand/US dollar exchange rate will continue to be an important factor in determining earnings for the year.

DIVIDENDS

The results for the period include the final dividend of 150 cents (2005: 150 cents) which was declared on 30 August 2006 and paid to shareholders on 26 September 2006.

Included in this announcement is the declaration of an increased interim dividend of 150 cents per share (2005: 80 cents per share) which will be paid to shareholders on

or about Monday, 19 March 2007. In accordance with group accounting policies this interim dividend is not included in the results for the period under review as it was declared after 31 December 2006.

ACCOUNTING POLICIES

The financial information included in this announcement was prepared in accordance with International Financial Reporting Standards (IFRS), which is consistent with the basis used in the previous reporting period.

DECLARATION OF INTERIM DIVIDEND

Interim dividend No 100 of 150 cents per share was declared on 19 February 2007, in the currency of the Republic of South Africa. In accordance with STRATE, the following dates apply to the dividend declared:

The last date to trade to qualify for the dividend (and for changes of address or dividend instructions) will be Friday, 9 March 2007.

The company's ordinary shares will commence trading ex dividend from the commencement of business on Monday, 12 March 2007.

The record date will be Friday, 16 March 2007.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 19 March 2007. Electronic payment to holders of certificated shares will be undertaken simultaneously.

Holders of dematerialised shares will have their accounts at their Central Securities Depository Participant or broker credited on Monday, 19 March 2007.

Share certificates may not be dematerialised or rematerialised between Monday, 12 March 2007 and Friday, 16 March 2007, both days inclusive.

On behalf of the board

Desmond Sacco
Chairman

CJ Cory
Chief Executive Officer

Johannesburg
20 February 2007

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Directors
Executive
Desmond Sacco (*Chairman*)
RJ Carpenter (*Deputy Chairman*)
CJ Cory (*Chief Executive Officer*)
PC Crous (*Technical and Operations*)

Non-executive
PN Boynton
MC Ramaphosa
BM Hawksworth
Dr JC van der Horst

Alternate
JW Lewis (*British*)
R Smith

Company secretaries
African Mining and Trust Company Limited

Assore Limited
Company registration number: 1950/037394/06
Share code: ASR ISIN: ZAE000017117