



# FINAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2007

## CONSOLIDATED INCOME STATEMENT

	Year ended 30 June 2007 Reviewed R'000	Year ended 30 June 2006 Audited R'000
Turnover	4 293 036	3 382 587
Cost of sales	(3 174 247)	(2 783 365)
Gross profit	1 118 789	599 222
Profit on disposal of available-for-sale investments	43 025	145 777
Discount on BEE transaction	–	(35 752)
Other income	233 113	217 999
Other expenses	(195 017)	(204 571)
Finance costs	(27 471)	(15 284)
Profit before taxation and State's share of profits	1 172 439	707 391
Taxation and State's share of profits	(369 084)	(227 569)
Profit for the year	803 355	479 822
Earnings attributable to:		
Equity holders of the parent	774 704	457 384
Minority interests	28 651	22 438
Profit for the year	803 355	479 822
Earnings per share (cents)	2 863	1 652
Headline earnings per share (cents) *	2 720	1 170
Dividends per share paid during the year (cents)	300	230
– Final	150	150
– Interim	150	80
* Determination of headline earnings per share		
Attributable earnings as above	774 704	457 384
Profit on disposal (net of tax) of:		
– Available-for-sale investments	(36 786)	(129 085)
– Property, plant and equipment	(1 897)	(4 366)
Headline earnings	736 021	323 933
Weighted average number of ordinary shares (million)		
Ordinary shares in issue	28,00	28,00
Treasury shares	(0,94)	(0,30)
Weighted average ordinary shares	27,06	27,70
Net asset value per share (Rand)	121,4	93,3
Capital expenditure (R million)	1 173,2	389,9
Capital commitments (R million)	2 692,5	2 116,9

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2007 Reviewed R'000	Year ended 30 June 2006 Audited R'000
<b>Share capital and reserves</b>		
Balance at beginning of year	53 438	99 579
Shares issued during the year	–	55
Shares repurchased during the year	–	(55)
Net movements on share premium	–	30 358
Net increase in the market value of available-for-sale investments	76 791	6 508
Deferred capital gains taxation on changes in market value of available-for-sale investments	(7 566)	(5 388)
Transfer to foreign currency translation reserve	270	907
Repurchase of treasury shares	(7 736)	(78 526)
Balance at end of year	115 197	53 438
<b>Retained earnings</b>		
Balance at beginning of the year	2 421 878	1 993 142
Attributable profit for the year	774 704	457 384
Discount on BEE transaction	–	35 752
Ordinary dividends paid	–	–
No. 99 and No. 100 aggregating R3,00 per share (2006: R2,30 per share)	(81 072)	(64 400)
Balance at end of year	3 115 510	2 421 878
<b>Per balance sheet</b>	<b>3 230 707</b>	<b>2 475 316</b>

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- Higher US dollar prices and increased sales volumes for products
- Headline earnings increased by 127,2% to R736,0 million
- Final dividend increased from 150 cents to 200 cents per share

## CONSOLIDATED BALANCE SHEET

	At 30 June 2007 Reviewed R'000	At 30 June 2006 Audited R'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment, investment properties and intangible assets	3 003 319	2 023 210
Available-for-sale investments	236 119	169 750
Total non-current assets	3 239 438	2 192 960
<b>Current assets</b>		
Inventories	976 047	896 152
Trade and other receivables	798 519	648 021
Cash resources	309 457	171 835
Total current assets	2 084 023	1 716 008
<b>TOTAL ASSETS</b>	<b>5 323 461</b>	<b>3 908 968</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Ordinary shareholders' interest	3 230 707	2 475 316
Outside shareholders' interest	48 673	51 114
Total equity	3 279 380	2 526 430
<b>Non-current liabilities</b>		
Deferred taxation	620 597	544 844
Long-term liabilities	156 955	122 312
Total non-current liabilities	777 552	667 156
<b>Current liabilities</b>		
Interest-bearing	544 770	253 454
Non interest-bearing	721 759	461 928
Total current liabilities	1 266 529	715 382
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 323 461</b>	<b>3 908 968</b>

## CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2007 Reviewed R'000	Year ended 30 June 2006 Audited R'000
Cash generated from operations	1 005 432	469 973
Cash utilised in investing activities	(1 144 954)	(678 158)
Cash generated by financing activities	277 144	86 961
Increase/(decrease) in cash for the year	137 622	(121 224)
Cash resources at beginning of year	171 835	293 059
<b>Cash resources per balance sheet</b>	<b>309 457</b>	<b>171 835</b>

## DECLARATION OF FINAL DIVIDEND

Final dividend No. 101 of 200 cents per share was declared on 29 August 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, 14 September 2007.

The company's ordinary shares will commence trading "ex" the dividend from the commencement of business on Monday, 17 September 2007.

The record date will be Friday, 21 September 2007.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Tuesday, 25 September 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 Tuesday, 25 September 2007.

Share certificates may not be dematerialised or rematerialised between Monday, 17 September 2007 and Friday, 21 September 2007, both days inclusive.

On behalf of the board

Desmond Sacco  
Chairman

C J Cory  
Chief Executive Officer

Johannesburg  
31 August 2007

- Capacity of new Khumani Iron Ore Mine increased during the year from 8,4 to 10 million tons and construction on schedule

## COMMENTARY

Headline earnings for the year have increased by 127,2% to R736,0 million due mainly to a significant increase in the earnings of Assmang Limited (Assmang) and increased commissions received on sales of group products. Assore holds a 50% interest in Assmang which is proportionately consolidated in accordance with group accounting policies.

Assmang's earnings for the year increased by 99,8% due to increased sales volumes (refer table below) and increased US Dollar and Euro prices achieved for all products driven by increased production of carbon and stainless steels worldwide, but particularly in China. The results were also enhanced by a weaker average exchange rate compared to the previous year.

Attributable profit for the year increased by 69,4% to R774,7 million and included profit before tax on the disposal of listed investments in the previous year of R145,8 million compared to R43,0 million in the current year which are disclosed separately in the income statement.

## SALES VOLUMES

Assmang's turnover for the year under review reached a record level of R6,1 billion (2006 : R4,4 billion) and sales volumes for all products were also at record levels except for chrome ore and manganese alloys which were marginally lower as reflected in the table below:

	Metric tons '000		
	2007	2006	% change
Iron ore	6 855	5 926	15,7
Manganese ore*	2 327	1 678	38,7
Manganese alloys*	251	260	(3,5)
Charge chrome	232	210	10,5
Chrome ore*	172	178	(3,4)

\* Excluding intra-group sales

## CAPITAL EXPENDITURE

The bulk of the group's capital expenditure occurs in Assmang which amounted to R2,2 billion (2006: R705 million) during the period under review. Of this R1,7 billion (comprising 42% of the total project capital) was spent on the construction of the first phase of the new Khumani Iron Ore Mine.

Construction of the 10 million ton per annum Khumani Iron Ore Mine at a capital cost of R4 billion is on schedule to produce first tonnage for export in the second quarter of 2008 as planned and total capital committed to date amounted to R2,4 billion. The project will be funded from operating cash flows and debt facilities at the Assmang level.

## OUTLOOK

World carbon steel production continues to expand driven mainly by demand from China which is resulting in increased demand for iron ore, manganese ore and manganese alloys.

As a result, prices for manganese ore and manganese alloys continued to strengthen and the annual contract price for iron ore is expected to increase with effect from April 2008, which is the start of the new contract year.

Production of stainless steel has shown strong growth propelled mainly by China, resulting in strong demand for ferrochrome and chrome ore with consequent higher prices. However stainless steel mills have recently moderated production which could result in markets for ferrochrome being oversupplied and the possibility of lower prices.

US Dollar and Euro exchange rates will continue to be an important factor in the determination of earnings for the forthcoming year.

## DIVIDENDS

The results in this announcement include the interim dividend of 150 cents (2006 : 80 cents) per share which was declared on 19 February 2007 and paid to shareholders on 19 March 2007.

The Board has declared an increased final dividend of 200 cents (2006: 150 cents) making the total dividend for the year 350 cents (2006: 230 cents). The final dividend will be paid to shareholders on or about 25 September 2007 and is not included in the results as it was declared after year end.

## AUDIT REVIEW

Ernst & Young Inc., the group's auditors, have reviewed the financial results. A copy of their report is available for inspection at the company's registered office.

## ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, in accordance with IAS34 – Interim Financial Reporting, except for financial instruments that are fairly valued, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and incorporate accounting policies which are consistent with those adopted in the financial year ended 30 June 2006, except for the adoption of changes to IAS39, IFRS6, IFRIC9 and IFRIC10. The adoption of these accounting policies has had no impact on the financial statements.

Registered office	Transfer office	Directors Executive
Assore House 15 Fricker Road Illovo Boulevard Johannesburg 2196	Computershare Investor Services 2004 (Pty) Ltd 70 Marshall Street Johannesburg 2001	Desmond Sacco (Chairman) R J Carpenter (Deputy Chairman) C J Cory (Chief Executive Officer) P C Crous (Technical and Operations)

**Company secretaries**  
African Mining and  
Trust Company Limited

**Assore Limited**  
Company Registration Number: 1950/037394/06  
Share code: ASR ISIN: ZAE000017117

**Alternate**  
J W Lewis (British)  
P E Sacco  
R Smith