

FINAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2008

08



- Increased prices for all products and significantly higher sales volumes for manganese ore
- Headline earnings increased by 315,4% to R3,06 billion
- Final dividend increased from 200 cents to 1 000 cents per share
- Approval for feasibility on 6,0 million ton iron ore expansion at Khumani

CONSOLIDATED INCOME STATEMENT

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Audited R'000
Turnover	9 158 937	4 293 036
Cost of sales	(4 668 547)	(3 174 247)
Gross profit	4 490 390	1 118 789
Profit on disposal of available-for-sale investments	22 350	43 025
Other income	611 737	233 113
Other expenses	(399 005)	(195 017)
Finance costs	(38 016)	(27 471)
Profit before taxation and State's share of profits	4 687 456	1 172 439
Taxation and State's share of profits	(1 509 091)	(369 084)
Profit for the year	3 178 365	803 355
Earnings attributable to:		
Shareholders of the holding company	3 069 522	774 704
Minority shareholders	108 843	28 651
Profit for the year (as above)	3 178 365	803 355
Earnings per share (cents)	11 406	2 863
Headline earnings per share (cents)*	11 362	2 720
Dividends per share declared in respect of the abovementioned earnings (cents)	1 250	350
– Interim	250	150
– Final	1 000	200
* Determination of headline earnings per share		
Attributable earnings as above	3 069 522	774 704
(Profit)/loss on disposal (net of tax) of:		
– Available-for-sale investments	(19 221)	(36 786)
– Property, plant and equipment	7 407	(1 897)
Headline earnings	3 057 708	736 021
Weighted average number of ordinary shares (million)		
Ordinary shares in issue	28,00	28,00
Treasury shares	(1,09)	(0,94)
Weighted average ordinary shares	26,91	27,06
Net asset value per share (Rand)	171,2	119,5
Capital expenditure (R million)	1 537,0	1 173,2
Capital commitments (R million)	857,3	1 785,9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Audited R'000
Share capital, share premium and other reserves		
Balance at beginning of year	115 197	53 438
Net increase in the market value of available-for-sale investments	209 669	76 791
Deferred capital gains taxation on changes in market value of available-for-sale investments	(27 675)	(7 566)
Foreign currency translation reserve arising on consolidation	5 720	270
Treasury shares	(2 255 463)	(7 736)
Balance at end of year	(1 952 552)	115 197
Retained earnings		
Balance at beginning of the year	3 115 510	2 421 878
Attributable profit for the year	3 069 522	774 704
Ordinary dividends paid		
No. 101 and No. 102 aggregating R4,50 per share (2007: R3,00 per share)	(121 608)	(81 072)
Balance at end of year	6 063 424	3 115 510
Per balance sheet	4 110 872	3 230 707

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Audited R'000
Cash generated from operations	5 657 688	974 081
Cash utilised in investing activities	(3 823 406)	(1 144 954)
Cash (utilised)/generated by financing activities	(154 782)	308 495
Increase in cash resources for the year	1 679 500	137 622
Cash resources at beginning of year	309 457	171 835
Cash resources per balance sheet	1 988 957	309 457

CONSOLIDATED BALANCE SHEET

	At 30 June 2008 Reviewed R'000	At 30 June 2007 Audited R'000
ASSETS		
Non-current assets		
Property, plant and equipment, investment properties and intangible assets	4 196 018	3 003 319
Available-for-sale investments	590 191	236 119
Total non-current assets	4 786 209	3 239 438
Current assets		
Inventories	1 287 730	976 047
Trade and other receivables	1 998 542	798 519
Cash resources	1 988 957	309 457
Total current assets	5 275 229	2 084 023
TOTAL ASSETS	10 061 438	5 323 461
EQUITY AND LIABILITIES		
Share capital, share premium and other reserves		
Ordinary shareholders' interest	4 110 872	3 230 707
Minority shareholders' interest	111 528	48 673
Total equity	4 222 400	3 279 380
Non-current liabilities		
Deferred taxation	899 701	620 597
Long-term liabilities	223 320	156 955
Total non-current liabilities	1 123 021	777 552
Current liabilities		
Interest-bearing	2 621 489	544 770
Non-interest-bearing	2 094 528	721 759
Total current liabilities	4 716 017	1 266 529
TOTAL EQUITY AND LIABILITIES	10 061 438	5 323 461

COMMENTARY

Headline earnings for the year increased by 315,4% to an all-time record for the group of R3,06 billion (2007: R0,74 billion) due to substantially higher earnings for Assmang Limited (Assmang) and increased commissions received on the higher sales revenue for group products. Assore holds a 50% interest in Assmang which is proportionally consolidated in accordance with group accounting policies.

Assmang's headline earnings for the year increased by 317,0% to R5,55 billion (2007: R1,33 billion) due to the continuing boom in base mineral markets worldwide, driven mainly by the sustained demand from China for products used in the manufacturing of carbon and stainless steels. These market conditions resulted in substantially higher US Dollar and Euro prices for all products and significantly higher sales volumes for manganese ore. The higher manganese ore sales were achieved by utilising the ports of Durban and Richards Bay in addition to the conventional ore terminal at Port Elizabeth.

SALES VOLUMES AND DIVISIONAL CONTRIBUTION

Assmang's turnover for the year under review was R14,8 billion (2007: R6,1 billion) and sales volumes for the year are reflected in the table below:

	Metric tons '000		
	2008	2007	% change
Iron ore	6 581	6 855	(4)
Manganese ore*	3 711	2 327	59
Manganese alloys*	247	251	(2)
Charge chrome	275	232	19
Chrome ore*	304	172	77

* Excludes intra-group sales

The divisional contributions to headline earnings of Assmang for the year were as follows:

	2008 Rm	2007 Rm	% increase
Iron ore division	780	679	15
Manganese division	4 087	576	610
Chrome division	683	76	799
Total – Assmang	5 550	1 331	317
Attributable to Assore 50%	2 775	666	317

The performance of the manganese division was affected by the disruption to production caused by the explosion at No. 6 furnace at Cato Ridge which took place on 24 February 2008. Furnace No. 6 is currently being rebuilt and is planned to be recommissioned in November 2008. Production losses are expected to continue into the new financial year until furnace No. 6 is fully operational. Where possible, contractual sales have been met by selling stock.

CAPITAL EXPENDITURE

The bulk of the group's capital expenditure occurs in Assmang and is summarised by division for the year as follows:

	2008 Rm	2007 Rm
Iron ore division	2 231	1 735
Manganese division	511	297
Chrome division	158	199
Total – Assmang	2 900	2 231

Of the R2,23 billion spent in the iron ore division, R2,1 billion related to the construction of the Khumani Iron Ore mine which is on schedule and within budget to produce at a rate of 10,0 million tons per annum commencing the first quarter of 2009. The remainder of the capital expenditure related to rebuilding and upgrading the furnaces at Cato Ridge (R102 million) and replacement of equipment, expansion of housing facilities and upgrading of environmental projects.

OUTLOOK

The demand for carbon steel materials is expected to remain strong with prices for manganese ore, manganese alloys and iron ore at record levels. Assmang will continue to take full advantage of the Richards Bay and Durban ports to maximise the export of manganese ore.

The production of stainless steel is expected to increase marginally worldwide, but there could be some pressure on ferrochrome prices due to increased production volumes.

Following a successful pre-feasibility study, agreement has been reached to proceed with a feasibility study on a 6 million ton expansion at Khumani Iron Ore mine estimated to cost R7,3 billion, which would increase annual capacity to 16,0 million tons per annum. Start up expenditure on the study of R1,2 billion has been approved and the study should be completed by the second quarter of calendar 2009. In line with commitments received from Transnet on the additional rail and port capacity required, 4 million tons will be sold in the export market and the balance of 2 million tons will be placed into the local market.

DISCLOSURE OF SPECIFIC SHARE REPURCHASES

Shareholders were advised in terms of a circular dated 12 August 2008 that, with effect from 23 June 2008, Assore had entered into an arrangement with The Standard Bank of South Africa Limited (Standard Bank) in terms of which Standard Bank agreed to purchase 2 931 653 Assore shares from Old Mutual Life Assurance Company (South Africa) Limited (Old Mutual) and warehouse such Assore shares for and on behalf of Assore for a specified period of time in order to provide Assore an opportunity to seek the requisite approval from shareholders for Assore to repurchase the abovementioned shares for an amount of approximately R2,23 billion, being the consideration paid by Standard Bank to Old Mutual. Shareholders will be requested to approve this and other related transactions at the general meeting convened for Thursday, 4 September 2008. The Assore shares to be purchased from Standard Bank have been disclosed in this announcement as treasury shares having a value equal to the purchase consideration payable by Assore to Standard Bank and have been deducted from issued share capital as required by IFRS. The corresponding liability to Standard Bank has been included in interest-bearing current liabilities.

DIVIDENDS

The results in this announcement include the interim dividend of 250 cents (2007: 150 cents) per share which was declared on 18 February 2008 and paid to shareholders on 17 March 2008.

In line with the results for the year the Board has declared an increased dividend of 1 000 cents (2007: 200 cents) making a total dividend for the year of 1 250 cents per share (2007: 350 cents). The final dividend will be paid to shareholders on or about 22 September 2008 and is not included in the results as it was declared after year-end.

AUDIT REVIEW

Ernst & Young Inc., the group's auditors, has reviewed the financial results included in this announcement and a copy of their review report is available for inspection at the registered office of the company.

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements included in this announcement have been prepared on the historical cost basis except for financial instruments that are fairly valued and incorporate accounting policies which are consistent with those adopted in the financial year ended 30 June 2007 with the exception of the adoption of the following policies in response to changes in IFRS:

- IFRS 4 : Insurance contracts
- IFRS 7 : Financial Instruments: Disclosures
- IAS 1 : Presentation of Financial Statements
- IFRIC 11 : IFRS 2: Group and Treasury Share Transactions

The adoption of these amendments, standards and interpretation has had no effect on the financial statements of the group except for the disclosure of additional information where applicable.

DECLARATION OF FINAL DIVIDEND

Final dividend No. 103 of 1 000 cents per share was declared on 27 August 2008, 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, 12 September 2008.

The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Monday, 15 September 2008.

The record date will be Friday, 19 September 2008.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 22 September. 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, 22 September 2008.

Share certificates may not be dematerialised or rematerialised between Monday, 15 September and Friday, 19 September 2008, both days inclusive.

On behalf of the board

Desmond Sacco
Chairman

CJ Cory
Chief Executive Officer

Johannesburg
29 August 2008

Registered office

Assore House
15 Fricker Road
Illovo Boulevard
Johannesburg 2196

Transfer office

Computershare Investor
Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001

Directors

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

Company secretaries

African Mining and Trust Company Limited

Non-executive

PN Boynton
BM Hawksworth
MC Ramaphosa
Dr JC van der Horst

Assore Limited

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

Alternate

JW Lewis (British)
NG Sacco
PE Sacco
R Smith