

▶ **Headline earnings decrease by 54% to R1,49 billion**

▶ **Recovery of Group's commodity markets in second half**

▶ **Higher sales volumes for all products**

▶ **Increased final dividend**

▶ **26% empowered shareholding**

## FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2010



**Assore Limited**  
Company Registration Number: 1950/037394/06  
Share code: ASR ISIN: ZAE000017117  
("Assore" or "Group" or "Company")

### COMMENTARY

Headline earnings for the financial year to 30 June 2010 have declined by 54.2% to R1,494 billion due to the decline in the earnings of Assmang Limited (Assmang), and the reduced commissions earned on the significantly lower sales of Group products, compared to the previous financial year. The remaining effects of the global recession that set in during the last calendar quarter of 2008, impacted negatively on earnings in the first half of the financial year, which amounted to R338 million. Earnings for the second half of R1,142 billion were significantly higher than those of the first half due to increased sales prices of the Group's products, and in particular, of iron ore. The demand for all Group commodities was also much improved, due to the continued strong demand from the East. The strength of the Rand, which prevailed across most of the financial year, further impacted earnings negatively.

As a result of the trading conditions described above, Assmang's headline earnings declined by 56.7% to R2,729 billion compared to the previous year. Assore holds a 50% interest in Assmang, which is proportionately consolidated in accordance with International Financial Reporting Standards (IFRS).

On 2 December 2009 shareholders were advised of the Company's intention to enter into its second empowerment transaction, which was approved by shareholders in a meeting convened for this purpose on 19 January 2010. As a result, 26.07% of Assore's shares will be controlled by Historically Disadvantaged South Africans, as required by the Mining Charter.

On 20 August 2010, shareholders were advised of a proposed sub-division of ordinary shares, on a 5 for 1 basis. A general meeting has been scheduled for 10 September 2010 in order to approve the transaction (refer EVENT AFTER THE REPORTING PERIOD).

### SALES VOLUMES

Sales volumes for all products were higher in the current year, however, the prices realised in 2010 were lower due mainly to the strong Rand, which prevailed over most of the year. This resulted in Assmang's turnover for the year under review declining to R12.9 billion (2009: R15.3 billion). The following table sets out the sales volumes of Assmang's commodities for the year under review:

	2010 M tons '000	2009 M tons '000	% increase
Iron ore	9 799	7 409	32
Manganese ore*	3 095	2 152	44
Manganese alloys*	238	117	103
Charge chrome	189	144	31
Chrome ore*	272	256	6

\* Excluding intra-group sales

### CAPITAL EXPENDITURE

The bulk of the Group's capital expenditure occurs in Assmang, and amounted to R3.3 billion (2009: R2.8 billion). The major capital expenditure for the year occurred in the iron ore and manganese divisions of Assmang. A total of R2,085 billion was spent on the ongoing infrastructural development at the

### CONSOLIDATED INCOME STATEMENT

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000	% increase
Revenue	7 565 582	9 527 669	
Turnover	7 085 669	8 818 655	
Cost of sales	(4 787 703)	(3 983 720)	
Gross profit	2 297 966	4 834 935	
Profit on disposal of available-for-sale investments	—	19 086	
Other income	623 818	1 410 828	
Other expenses	(463 691)	(717 821)	
Finance costs	(123 633)	(298 148)	
Profit before taxation and State's share of profits	2 334 460	5 248 880	
Taxation and State's share of profits	(822 963)	(1 981 493)	
Profit for the year	1 511 497	3 267 387	
Attributable to:			
Shareholders of the holding company	1 479 524	3 241 452	
Non-controlling interests	31 973	25 935	
As above	1 511 497	3 267 387	
Earnings as above	1 479 524	3 241 452	
Profit on disposal (net of tax) of:			
– Available-for-sale investments	—	(16 414)	
– Property, plant and equipment	(1 983)	(18 359)	
Impairment of non-financial assets	16 664	59 114	
Headline earnings	1 494 205	3 265 793	
Earnings per share (basic and diluted – cents)	6 181	13 669	
Headline earnings per share (basic and diluted – cents)	6 241	13 772	
Dividends per share declared in respect of the profit for the year (cents)	1 700	2 000	
– Interim	500	1 000	
– Final	1 200	1 000	
Weighted average number of ordinary shares (million)	27,69	27,66	
Ordinary shares in issue	27,69	27,66	
Weighted impact of treasury shares	(2,45)	(3,03)	
– Held by Group companies	(1,30)	(0,91)	
– Held by Bokamoso Trust	(1,15)	(2,12)	
As above	23,94	23,74	

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000	% increase
Profit for the year (as above)	1 511 497	3 267 387	
Other comprehensive income/(loss) for the year, net of tax	143 705	(237 400)	
Net gain/(loss) on revaluation of available-for-sale investments to market value	167 095	(270 143)	
Profit on disposal of available-for-sale investments recognised in profit for the year	—	(19 086)	
Deferred capital gains taxation	(23 393)	40 492	
Exchange differences on translation of foreign operations	143 702	(248 737)	
Total comprehensive income for the year, net of tax	1 655 202	3 029 987	
Attributable to:			
Shareholders of the holding company	1 623 229	3 004 052	
Non-controlling interests	31 973	25 935	
As above	1 655 202	3 029 987	

### SEGMENTAL INFORMATION

R'000	Joint venture mining and beneficiation				Marketing and shipping	Other mining and beneficiation	Eliminations and adjustments*	Consolidated
	Iron ore	Manganese	Chrome	Sub-total				
Year ended 30 June 2010 – Reviewed								
Revenues								
Third party	5 002 654	6 253 174	1 789 643	13 045 471	642 336	189 986	(6 312 211)	7 565 582
Inter-segment	—	—	—	—	422 223	2 240	(424 463)	—
Total revenues	5 002 654	6 253 174	1 789 643	13 045 471	1 064 559	192 226	(6 736 674)	7 565 582
Contribution to profit	1 436 649	1 480 222	(184 650)	2 732 221	163 318	(37 431)	(1 378 584)	1 479 524
Contribution to headline earnings	1 435 759	1 477 505	(184 649)	2 728 615	162 596	(20 225)	(1 376 781)	1 494 205
Segment assets	8 729 631	8 921 510	1 920 523	19 571 664	5 623 226	5 245 084	(18 161 546)	12 278 428
Capital expenditure	2 304 067	743 498	288 751	3 336 316	31 405	49 700	(1 668 159)	1 749 262
Year ended 30 June 2009 – Audited								
Revenues								
Third party	5 026 714	8 897 515	1 812 333	15 736 562	1 120 715	305 623	(7 635 231)	9 527 669
Inter-segment	—	—	—	—	513 336	4 592	(517 928)	—
Total revenues	5 026 714	8 897 515	1 812 333	15 736 562	1 634 051	310 215	(8 153 159)	9 527 669
Contribution to profit	2 170 428	3 955 584	193 146	6 319 158	193 942	(73 660)	(3 172 053)	3 267 387
Contribution to headline earnings	2 159 878	3 926 926	213 344	6 300 148	183 645	(55 452)	(3 162 548)	3 265 793
Segment assets	6 504 050	8 348 952	2 038 210	16 891 212	4 660 165	2 184 242	(12 468 680)	11 086 939
Capital expenditure	1 529 176	853 983	396 616	2 779 775	2 491	83 590	(1 389 888)	1 475 968

\* Eliminations and adjustments mainly give effect to the elimination of the 50% share attributable to the other joint venture party in Assmang.

Khumani Iron Ore Mine, which will result in the mine capacity increasing to 16 million sales tons per annum from 1 July 2012. R258 million was spent on rebuilding manganese and chrome furnaces, with a further R46 million spent on the conversion of a chrome furnace to a manganese furnace at the Machadodorp Works. Apart from the expenditure in Assmang, R42 million has been spent on further developing two underground shafts at the Rustenburg Chrome Ore Mine, which is 44% held by a black economic empowerment partner for the benefit of historically disadvantaged groups in the area surrounding the mining operations. One of these shafts has recently been commissioned, and full production is expected towards the end of the 2011 calendar year.

### OUTLOOK

Markets have recovered from the lows experienced towards the end of 2008 and into 2009. The extent of this recovery has been muted, however, due mainly to the recent pullback in Chinese economic growth and the European debt crisis, placing a degree of pressure on commodity prices in general. Ore and alloy prices for manganese and chrome have recently come under pressure, but iron ore prices remain robust. The pricing convention in the iron ore industry has undergone a structural change with effect from 1 April 2010, where prices are negotiated on a quarterly or spot basis, superseding the previous negotiations, which occurred annually between miners and customers. The new basis is now in line with the pricing convention operating in the manganese ore market. These circumstances, in combination with the Group's exposure to fluctuations in exchange rates, make it difficult to estimate developments on Group earnings with reasonable assurance or accuracy.

### DIVIDENDS

The results in this announcement include the interim dividend of 500 cents (2009: 1 000 cents) per share which was declared on 16 February 2010 and paid to shareholders on 29 March 2010.

In line with the results for the year the Board has declared a final dividend of 1 200 cents per share making a total dividend for the year of 1 700 cents (2009: 2 000 cents) per share. The final dividend will be paid to shareholders on or about 27 September 2010 and in accordance with IFRS, is not included in the results as it was declared after year-end.

### REVIEW BY AUDITORS

Ernst & Young Inc, the Group's auditors, has reviewed the financial results included in this announcement in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Their unmodified report is available for inspection at the registered office of the Company.

### ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial results for the year under review have been prepared on the historical cost basis, except for financial instruments that are fairly valued and in accordance with IAS 34 – Interim Reporting, issued by the International Accounting Standards Board (IASB). The accounting policies applied are consistent with those adopted in the financial year ended 30 June 2009, with the exception of the adoption of the following policies in response to changes in IFRS:

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2010 Reviewed R'000	At 30 June 2009 Audited R'000	% increase
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, investment			
properties and intangible assets	6 409 473	5 183 450	
Investments – available-for-sale investments	602 851	415 066	
– other	73 266	42 259	
Other non-current financial assets	31 906	—	
Total non-current assets	7 117 496	5 640 775	
<b>Current assets</b>			
Inventories	1 771 977	1 804 010	
Trade and other receivables	1 481 046	593 087	
Cash resources	1 907 909	3 049 067	
Total current assets	5 160 932	5 446 164	
<b>TOTAL ASSETS</b>	<b>12 278 428</b>	<b>11 086 939</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Ordinary shareholders' interest	7 867 444	6 603 229	
Non-controlling interests	102 035	71 819	
Total equity	7 969 479	6 675 048	
<b>Non-current liabilities</b>			
Net deferred taxation liabilities	1 713 730	1 341 836	
Long-term liabilities	219 067	257 513	
Total non-current liabilities	1 932 797	1 599 349	
<b>Current liabilities</b>			
Interest-bearing	1 031 644	1 623 843	
Non-interest-bearing	1 344 508	1 188 699	
Total current liabilities	2 376 152	2 812 542	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12 278 428</b>	<b>11 086 939</b>	
Net asset value per share (Rand)	333,0	278,9	
Capital expenditure (R million)	1 749,3	1 476,0	
Capital commitments (R million)	3 013,5	3 656,9	

- IAS 1 (Amendment) – Presentation of Financial Statements; and
- IFRS 8 – Operating Segments.

The adoption of these changes to IFRS has had no effect on the financial statements of the Group except for the disclosure of additional information. In addition, further minor amendments to IFRS and interpretations as issued by the IASB, have also been considered and adopted by the Group. These amendments and interpretations have not had any effect on the financial results for the year or any requirement for additional disclosure.

### EVENT AFTER THE REPORTING PERIOD

On 20 August 2010, shareholders were advised of a proposed sub-division of ordinary shares, on a 5 for 1 basis, for which a general meeting has been scheduled for 10 September 2010 in order to approve the transaction. Should the sub-division be approved, the comparative figures for future financial results of all earnings per share information will be divided by a factor of 5. The results for the financial year presented were not affected by the proposed sub-division.

### DECLARATION OF FINAL DIVIDEND

Final dividend No. 107 of 1 200 cents per share was declared on 1 September 2010, 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 Thursday, 16 September 2010.

The Company's ordinary shares will commence trading "ex dividend" from the commencement of business on Friday, 17 September 2010.

The record date will be Thursday, 23 September 2010.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 27 September 2010. 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, 27 September 2010.

Share certificates may not be dematerialised or rematerialised between Friday, 17 September 2010 and Thursday, 23 September 2010, both days inclusive.

On behalf of the Board

**Desmond Sacco**  
Chairman

**CJ Cory**  
Chief Executive Officer

Johannesburg  
2 September 2010

### CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000	% increase
Cash generated from operations	1 329 208	3 670 885	
Cash utilised in investing activities	(1 797 439)	(1 620 690)	
Cash utilised by financing activities	(672 927)	(990 085)	
(Decrease)/increase in cash for the year	(1 141 158)	1 060 110	
Cash resources at beginning of year	3 049 067	1 988 957	
<b>CASH RESOURCES PER STATEMENT OF FINANCIAL POSITION</b>	<b>1 907 909</b>	<b>3 049 067</b>	

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000	% increase
<b>Share capital, share premium and other reserves</b>			
Balance at beginning of year	151 762	389 173	
Shares issued	233 743	—	
Par value of shares repurchased and cancelled	—	(11)	
Other comprehensive income/(loss)	143 705	(237 400)	
Balance at end of year	529 210	151 762	
<b>Treasury shares</b>			
Balance at beginning of year	(2 125 285)	(2 341 725)	
Treasury shares issued/repurchased during the year	(233 743)	(26 465)	
Warehouse transaction costs	—	(5 038)	
Cancellation of treasury shares repurchased during the year	—	—	
– Value of shares cancelled, excluding par value	—	248 718	
– Costs of shares cancelled	—	(775)	
Balance at end of year	(2 359 028)	(2 125 285)	
<b>Retained earnings</b>			
Balance at beginning of year	8 576 752	6 063 424	
Comprehensive income – profit	1 479 524	3 241 452	
Treasury shares repurchased and cancelled during the year	—	(248 718)	
Ordinary dividends declared	—	—	
Numbers 105 and 106 aggregating R15,00 per share (2009: R20,00 per share)	(359 014)	(479 406)	
Balance at end of year	9 697 262	8 576 752	
<b>Ordinary shareholders' equity</b>	<b>7 867 444</b>	<b>6 603 229</b>	
<b>Non-controlling interests</b>			
Balance at beginning of year	71 819	111 528	
Total comprehensive income	31 973	25 935	
Dividends paid to minorities	(1 760)	(75 843)	
Foreign currency translation reserve arising on consolidation	3	10 199	
Balance at end of year	102 035	71 819	
<b>Total equity</b>	<b>7 969 479</b>	<b>6 675 048</b>	



www.assore.com

### Directors

#### Executive

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

#### Non-executive

BM Hawksworth, MC Ramaphosa, EM Southey, Dr JC van der Horst

#### Alternate

NG Sacco, PE Sacco, R Smith

#### Assore Limited

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

#### Registered office

Assore House, 15 Fricker Road, Illovo Boulevard, Johannesburg, 2196

#### Company secretaries

African Mining and Trust Company Limited

#### Transfer office

Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001