



Assore Limited
 Company Registration Number: 1950/037394/06
 Share code: ASR ISIN: ZAE000146932
 ("Assore" or "Group" or "company")

- ▶ Interim profit **increases more than three times to R1,4 billion**
- ▶ Interim dividend **doubled to R2 per share**
- ▶ Assmang's Khumani Expansion Project to 14 million export tons per annum **remains on schedule**

INTERIM RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

COMMENTARY RESULTS

Headline earnings for the six months to 31 December 2010 have increased by 313,2%, to R1 392 million, compared to the same period in the previous financial year, due to the significant increase in the earnings for the period of Assmang Limited (Assmang), together with increased commissions earned on improved sales prices of group products.

Assore holds a 50% interest in Assmang, which is proportionately consolidated in accordance with International Financial Reporting Standards (IFRS). Assmang's headline earnings increased by 317,5% to R2 512 million compared to the same period in the previous financial year. Recovered selling prices for all products, which were depressed for the comparative period, contributed positively following the global recession that set in during the last quarter of 2008.

Although market conditions have improved since December 2009, the strong South African Rand/US Dollar exchange rate continued to negatively impact earnings. Assmang's turnover for the period under review improved significantly in comparison to the same period in the previous financial year with an increase of 76,3% amounting to R8,1 billion from R4,6 billion in 2009.

SALES VOLUMES

Sales volumes for this period were lower for all commodities, except for chrome. Volumes for iron ore were impacted by derailments and those for manganese alloys by the rebuilding of manganese furnaces. The table below sets out Assmang's sales volumes for the current period:

Metric tons '000	Half-year ended		%
	31 December 2010	31 December 2009	
Iron ore	4 039	4 452	(9)
Manganese ore*	1 456	1 463	(1)
Manganese alloys*	87	120	(28)
Charge chrome	91	75	21
Chrome ore*	213	99	215

* Excluding intra-group sales

CAPITAL EXPENDITURE

The bulk of the Group's capital expenditure occurs in Assmang, where more than R2 billion was spent on capital items in the period, mostly in the iron ore and manganese divisions. A total of R1 565 million was spent at Assmang's Khumani Iron Ore mine, with R1 204 million being spent on the Khumani Expansion Project (KEP), with an additional R156 million on waste development. R60 million was spent at Assmang's Black Rock Manganese Mine on the construction of a surface plant. The expenditure programme on the KEP is planned to meet the timing of Assmang's increased export allocation on the Sishen-Saldanha line from 10 to 14 million tons per annum by mid-2012, which remains on schedule. A further R216 million was spent on furnace rebuilds and upgrades across Assmang's Manganese and Chrome divisions. Additional capital amounting to R13 million was utilised at the Rustenburg Chrome Ore Mine, where the first of two underground shafts commenced commercial production, while the second is expected to be in full production within the next 18 months.

OUTLOOK

Despite record steel production during 2010 and industry forecasts that production in 2011 will be even higher, driven by the demand from China and other Asian countries, the outlook for the Group's commodities is mixed. Iron ore demand and prices continue to be robust, however the market for manganese ore and alloys together with charge chrome and chrome ore are reasonably balanced at present and are not expected to change significantly for the remainder of the year.

DIVIDENDS

The results in the announcement include the final dividend relating to the previous financial year of 240 cents (2009: 200 cents) per share, which was declared on 1 September 2010 and paid to shareholders on 27 September 2010. Based on the increased earnings for the current period, the board has increased the company's interim dividend, in the amount to 200 cents (2009: 100 cents) per share, which will be paid to shareholders on or about 14 March 2011. In accordance with IFRS, this interim dividend is not included in the results for the period under review as it was declared after 31 December 2010.

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial results for the period under review have been prepared in accordance with IAS 34 – Interim Reporting, on the historical cost basis, except for financial instruments which are fairly valued. The accounting policies applied are consistent with those adopted in the financial year ended 30 June 2010, with the exception of the amendments to:

- IFRS 2 – Share-based Payment; and
- IAS 32 – Financial Instruments: Presentation.

These changes, together with IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, and a set of improvements that represent mostly minor changes, published by the International Accounting Standards Board, did not have any impact on the results or disclosures of the Group. The comparatives for earnings and dividends per share, and weighted average number of ordinary shares in issue have been restated for the sub-division of 5 for 1 ordinary shares on 10 September 2010.

DECLARATION OF INTERIM DIVIDEND

Interim dividend No. 108 of 200 cents per share was declared for the six month period ended 31 December 2010 in the currency of the Republic of South Africa. In accordance with Strate Limited, the following dates apply to the dividend declared:

- The last trading date to qualify for the dividend (and for changes of address or dividend instructions) will be Friday, 4 March 2011.
- The company's ordinary shares will commence trading "ex dividend" from the commencement of business on Monday, 7 March 2011.
- The record date will be Friday, 11 March 2011.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 14 March 2011. 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, 14 March 2011.

Share certificates may not be dematerialised or rematerialised between Monday, 7 March 2011 and Friday, 11 March 2011, both days inclusive.

On behalf of the board

Desmond Sacco
Chairman

CJ Cory
Chief Executive Officer

Johannesburg
16 February 2011

CONSOLIDATED INCOME STATEMENT

	Half-year ended		Year ended
	31 December 2010	31 December 2009	30 June 2010
	Unaudited R'000	Unaudited R'000	Audited R'000
Revenue	4 768 682	2 752 752	7 565 582
Turnover	4 553 507	2 550 160	7 085 669
Cost of sales	(2 420 111)	(1 937 504)	(4 787 703)
Gross profit	2 133 396	612 656	2 297 966
Other income	221 785	267 484	623 818
Other expenses	(205 493)	(265 498)	(463 691)
Finance costs	(40 137)	(61 760)	(123 633)
Profit before taxation and State's share of profits	2 109 551	552 882	2 334 460
Taxation and State's share of profits	(706 284)	(211 085)	(822 963)
Profit for the period	1 403 267	341 797	1 511 497
Earnings attributable to:			
Shareholders of the holding company	1 392 501	338 114	1 479 524
Non-controlling shareholders	10 766	3 683	31 973
As above	1 403 267	341 797	1 511 497
Earnings as above	1 392 501	338 114	1 479 524
Profit on disposal (net of tax) of property, plant and equipment	(537)	(1 208)	(1 983)
Impairment of non-financial assets	—	—	16 664
Headline earnings	1 391 964	336 906	1 494 205
Earnings per share (basic and diluted – cents)	1 164	283	1 236
Headline earnings per share (basic and diluted – cents)	1 163	282	1 248
Dividends per share declared in respect of the profit for the period (cents)	200	100	340
– Interim	200	100	100
– Final	—	—	240
Weighted average number of ordinary shares (million)			
Ordinary shares in issue	139,61	137,85	138,45
Weighted impact of treasury shares	(19,94)	(18,20)	(18,75)
	119,67	119,65	119,70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended		Year ended
	31 December 2010	31 December 2009	30 June 2010
	Unaudited R'000	Unaudited R'000	Audited R'000
Profit for the period (as above)	1 403 267	341 797	1 511 497
Other comprehensive income for the period net of tax	155 293	178 759	143 705
Net gain on revaluation of available-for-sale investments to market value	185 132	208 488	167 095
Deferred capital gains taxation thereon	(25 918)	(29 100)	(23 393)
	159 214	179 388	143 702
Exchange differences on translation of foreign operations	(3 921)	(629)	3
Total comprehensive income for the period net of tax	1 558 560	520 556	1 655 202
Attributable to:			
Shareholders of the holding company	1 547 794	516 873	1 623 229
Non-controlling shareholders	10 766	3 683	31 973
As above	1 558 560	520 556	1 655 202

CONSOLIDATED STATEMENT OF CASH FLOW

	Half-year ended		Year ended
	31 December 2010	31 December 2009	30 June 2010
	Unaudited R'000	Unaudited R'000	Audited R'000
Cash generated from operations	1 052 720	460	1 329 208
Cash utilised in investing activities	(1 064 135)	(699 306)	(1 797 439)
Cash utilised by financing activities	(51 735)	(102 949)	(672 927)
Decrease in cash for the period	(63 150)	(801 795)	(1 141 158)
Cash resources at beginning of period	1 907 909	3 049 067	3 049 067
CASH RESOURCES PER STATEMENT OF FINANCIAL POSITION	1 844 759	2 247 272	1 907 909

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At	At	At
	31 December 2010	31 December 2009	30 June 2010
	Unaudited R'000	Unaudited R'000	Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment, investment properties and intangible assets	7 225 307	5 617 492	6 409 473
Investments – available-for-sale	787 982	644 346	602 851
– other	77 168	42 663	73 266
Other non-current financial assets	45 217	—	31 906
Total non-current assets	8 135 674	6 304 501	7 117 496
Current assets			
Inventories	2 093 667	1 868 563	1 771 977
Trade and other receivables	1 536 430	715 968	1 481 046
Cash resources	1 844 759	2 247 272	1 907 909
Total current assets	5 474 856	4 831 803	5 160 932
TOTAL ASSETS	13 610 530	11 136 304	12 278 428
EQUITY AND LIABILITIES			
Share capital and reserves			
Ordinary shareholders' interest	9 128 027	6 880 759	7 867 444
Non-controlling interests	96 202	74 898	102 035
Total equity	9 224 229	6 955 657	7 969 479
Non-current liabilities			
Net deferred taxation liabilities	1 949 783	1 479 976	1 713 730
Long-term liabilities	223 318	253 706	219 067
Total non-current liabilities	2 173 101	1 733 682	1 932 797
Current liabilities			
Interest-bearing	1 078 256	1 528 952	1 031 644
Non-interest-bearing	1 134 944	918 013	1 344 508
Total current liabilities	2 213 200	2 446 965	2 376 152
TOTAL EQUITY AND LIABILITIES	13 610 530	11 136 304	12 278 428
Net asset value per share (Rand)	76,9	58,1	66,6
Capital expenditure (R million)	1 050,8	680,7	1 749,3
Capital commitments (R million)	3 282,4	3 994,8	3 013,5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Half-year ended		Year ended
	31 December 2010	31 December 2009	30 June 2010
	Unaudited R'000	Unaudited R'000	Audited R'000
Share capital, share premium and other reserves			
Balance at beginning of period	529 210	151 762	151 762
Shares issued	—	—	233 743
Other comprehensive income	155 293	178 759	143 705
Balance at end of period	684 503	330 521	529 210
Treasury shares			
Balance at beginning of period	(2 359 028)	(2 125 285)	(2 125 285)
Treasury shares issued during period	—	—	(233 743)
Balance at end of period	(2 359 028)	(2 125 285)	(2 359 028)
Retained earnings			
Balance at beginning of period	9 697 262	8 576 752	8 576 752
Attributable earnings	1 392 501	338 114	1 479 524
Ordinary dividends declared	—	—	—
Number 107 at R2,40 per share (2009: R2,00 per share)	(287 211)	(239 343)	(359 014)
Balance at end of period	10 802 552	8 675 523	9 697 262
Ordinary shareholders' equity	9 128 027	6 880 759	7 867 444
Non-controlling interests			
Balance at beginning of period	102 035	71 819	71 819
Earnings attributable to non-controlling shareholders	10 766	3 683	31 973
Dividends paid to non-controlling shareholders	(16 599)	(604)	(1 757)
Balance at end of period	96 202	74 898	102 035
Total equity	9 224 229	6 955 657	7 969 483

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				
Half-year ended 31 December 2010								
Revenues								
– third party	3 987 044	3 204 236	921 297	8 112 577	582 719	129 675	(4 056 289)	4 768 682
– intersegment	—	—	—	—	268 770	1 680	(270 450)	—
Total revenues	3 987 044	3 204 236	921 297	8 112 577	851 489	131 355	(4 326 739)	4 768 682
Contribution to profit	1 749 747	849 501	(87 159)	2 512 089	139 306	11 828	(1 262 282)	1 403 267
Half-year ended 31 December 2009								
Revenues								
– third party	1 797 336	2 408 415	504 429	4 710 180	242 449	79 855	(2 279 732)	2 752 752
– inter-segment	—	—	—	—	153 806	—	(153 806)	—
Total revenues	1 797 336	2 408 415	504 429	4 710 180	396 255	79 855	(2 433 538)	2 752 752
Contribution to profit	383 314	355 240	(136 062)	602 492	71 963	(25 175)	(307 483)	341 797

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

Directors: Executive: Desmond Sacco (Chairman), CJ Cory (Chief Executive Officer), RJ Carpenter (Group Marketing Director), PC Crous (Technical and Operations) **Non-executive:** EM Southey, (Deputy Chairman and Lead Independent Director) MC Ramaphosa, WF Urmson, Dr JC van der Horst **Alternate:** NG Sacco, PE Sacco, R Smith **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



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