



INTERIM RESULTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

CONSOLIDATED INCOME STATEMENT

	Half-year ended		Year ended
	31 December 2007	31 December 2006	30 June 2007
	Unaudited R'000	Unaudited R'000	Audited R'000
Turnover	2 965 965	1 864 865	4 293 036
Cost of sales	(1 989 074)	(1 402 621)	(3 174 247)
Gross profit	976 891	462 244	1 118 789
Profit on disposal of available-for-sale investments	22 350	–	43 025
Other income	151 526	99 152	233 113
Other expenses	(95 790)	(92 766)	(195 017)
Finance costs	(14 411)	(8 538)	(27 471)
Profit before taxation and State's share of profits	1 040 566	460 092	1 172 439
Taxation and State's share of profits	(341 869)	(148 577)	(369 084)
Profit for the period	698 697	311 515	803 355
Earnings attributable to:			
Shareholders of the holding company	670 926	299 939	774 704
Minority interests	27 771	11 576	28 651
As above	698 697	311 515	803 355
Earnings per share (cents)	2 485	1 108	2 863
Headline earnings per share (cents)	2 413	1 102	2 720
Dividends per share declared in respect of the abovementioned earnings (cents)	250	150	350
– Interim	250	150	150
– Final			200
<i>Determination of headline earnings per share</i>			
Attributable earnings as above	670 926	299 939	774 704
Profit on disposal (net of tax) of:			
– Available-for-sale investments	(19 110)	–	(36 786)
– Property, plant and equipment	(191)	(1 427)	(1 897)
Headline earnings	651 625	298 512	736 021
Weighted average number of ordinary shares (million)			
Ordinary shares in issue	28,00	28,00	28,00
Treasury shares	(1,00)	(0,92)	(0,94)
Weighted average ordinary shares	27,00	27,08	27,06
Net asset value per share (Rand)	145,7	103,5	121,4
Capital expenditure (R million)	823,6	365,6	1 173,2
Capital commitments (R million)	1 363,3	2 234,4	1 785,9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Half-year ended		Year ended
	31 December 2007	31 December 2006	30 June 2007
	Unaudited R'000	Unaudited R'000	Audited R'000
SHARE CAPITAL AND RESERVES			
Balance at beginning of period	115 197	53 438	53 438
Net increase in the market value of available-for-sale investments	69 650	36 310	76 791
Deferred capital gains taxation on changes in market value of available-for-sale investments	(9 408)	(5 265)	(7 566)
Foreign currency translation reserve arising on consolidation	(1 389)	42	270
Repurchase of treasury shares	(27 407)	(7 369)	(7 736)
Balance at end of period	146 643	77 156	115 197
RETAINED EARNINGS			
Balance at beginning of period	3 115 510	2 421 878	2 421 878
Attributable profit for the period	670 926	299 939	774 704
Ordinary dividends declared and paid No. 101 aggregating R2,00 per share (2006: R1,50 per share)	(54 048)	(42 000)	(81 072)
Balance at end of period	3 732 388	2 679 817	3 115 510
PER BALANCE SHEET	3 879 031	2 756 973	3 230 707

- Higher US dollar prices and increased sales volumes for all products
- Headline earnings increased by 118,3% to R651,6 million
- Interim dividend increased from 150 cents to 250 cents per share

CONSOLIDATED BALANCE SHEET

	At		At
	31 December 2007	31 December 2006	30 June 2007
	Unaudited R'000	Unaudited R'000	Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment, investment properties and intangible assets	3 673 968	2 312 387	3 003 319
Available-for-sale investments	429 928	206 060	236 119
Total non-current assets	4 103 896	2 518 447	3 239 438
Current assets			
Inventories	1 126 740	900 338	976 047
Trade and other receivables	981 427	683 389	798 519
Cash resources	303 994	146 736	309 457
Total current assets	2 412 161	1 730 463	2 084 023
TOTAL ASSETS	6 516 057	4 248 910	5 323 461
EQUITY AND LIABILITIES			
Share capital and reserves			
Ordinary shareholders' interest	3 879 031	2 756 973	3 230 707
Minority shareholders' interest	45 780	40 582	48 673
Total equity	3 924 811	2 797 555	3 279 380
Non-current liabilities			
Deferred taxation	630 288	555 915	620 597
Long-term liabilities	273 349	127 245	156 955
Total non-current liabilities	903 637	683 160	777 552
Current liabilities			
Interest-bearing	650 841	309 516	544 770
Non-interest-bearing	1 036 768	458 679	721 759
Total current liabilities	1 687 609	768 195	1 266 529
TOTAL EQUITY AND LIABILITIES	6 516 057	4 248 910	5 323 461

CONSOLIDATED CASH FLOW STATEMENT

	Half-year ended		Year ended
	31 December 2007	31 December 2006	30 June 2007
	Unaudited R'000	Unaudited R'000	Audited R'000
Cash generated from operations	714 824	347 571	974 081
Cash utilised in investing activities	(925 423)	(408 184)	(1 144 954)
Cash generated by financing activities	205 136	35 514	308 495
(Decrease)/increase in cash for the period	(5 463)	(25 099)	137 622
Cash resources at beginning of period	309 457	171 835	171 835
CASH RESOURCES PER BALANCE SHEET	303 994	146 736	309 457

DECLARATION OF INTERIM DIVIDEND

Interim dividend No. 102 of 250 cents per share was declared on 18 February 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, 7 March 2008.

The company's ordinary shares will commence trading "ex" dividend from the commencement of business on Monday, 10 March 2008.

The record date will be Friday, 14 March 2008.

Dividend cheques in payment of this dividend to holders of certificated shares will be posted on or about Monday, 17 March 2008. 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, 17 March 2008.

Share certificates may not be dematerialised or rematerialised between Monday, 10 March 2008 and Friday, 14 March 2008, both days inclusive.

On behalf of the board

Desmond Sacco
Chairman

CJ Cory
Chief Executive Officer

Johannesburg
21 February 2008

Registered office

Assore House
15 Fricker Road
Illovo Boulevard
Johannesburg 2196

Transfer office

Computershare Investor
Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg 2001

Directors

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

Non-executive

PN Boynton
BM Hawksworth
MC Ramaphosa
Dr JC van der Horst

Alternate

JW Lewis (British)
NG Sacco
PE Sacco
R Smith

Company secretaries

African Mining and
Trust Company Limited

Assore Limited

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

www.assore.com

COMMENTARY

Headline earnings for the six months to 31 December 2007 have increased by 118,3% to R651,6 million due to the significant increase in the earnings of Assmang Limited (Assmang) further benefiting from the increased commission earned on the sales 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 118,2% to R1 146,4 million compared to the same period of the previous year due to increased sales volumes for all products as indicated in the table below and significantly higher US dollar prices in particular for manganese ores and alloys. Markets for all products remained strong throughout the period with prices and volumes driven by increased production of carbon and stainless steels worldwide, particularly in China.

SALES VOLUMES

Assmang's turnover for the period under review reached a record level of R4,4 billion (2006: R2,6 billion) and sales volumes for all products were also at record levels as reflected in the table below:

Metric tons '000	2007	2006	% change
Iron ore	3 286	2 783	+18,1
Manganese ore*	1 434	1 046	+37,1
Manganese alloys*	122	109	+11,9
Charge chrome	115	107	+ 7,5
Chrome ore*	116	69	+68,1

*Excluding intra-group sales

CAPITAL EXPENDITURE

The bulk of the group's capital expenditure occurs in Assmang, which amounted to R1 583,5 million (2006: R656,8 million) during the period under review. Of this R1 307,0 million was spent on the construction of the first phase of the new Khumani Iron Ore mine (Khumani) and R51,9 million on a furnace rebuild at Assmang's Cato Ridge Works ferromanganese smelter.

Run of mine production for commissioning purposes has commenced at Khumani and final production build-up is expected to commence in April 2008 reaching full capacity of 10 million sales tons per annum by July 2009. The project is expected to be completed on time and within the budget of R4,2 billion. Further expansion to increase capacity to 20 million tons per annum is under investigation but will depend largely on the successful conclusion of negotiations with Transnet on increasing the capacity of the Sishen Saldanha railway line and port facilities. The Khumani project has been funded mainly from internally generated cash flow together with bank facilities established at the Assmang level.

Discussions are also under way with Transnet with regard to expanding the capacity of the Port Elizabeth Dry Bulk Terminal and the associated railway line from the mines in the Northern Cape. Assmang uses the terminal for the export of manganese ore but is currently also exporting additional volumes through the ports of Durban and Richards Bay.

OUTLOOK

Prices and volumes for all the group's products are at all time record levels. Term contracts for manganese ore commencing April 2008 are about to be renewed and US dollar prices in the spot market have increased by over 300% on the previously agreed contract price. This increase will support substantially higher prices for manganese alloys for at least the remainder of the calendar year.

Sales volumes of iron ore will rise as additional capacity becomes available at Khumani and contract prices for the year commencing April 2008 are expected to increase by approximately 70%.

The demand for ferrochrome and chrome ore remains strong and international market prices have increased accordingly.

Production at both the mines and works could be negatively affected by the interruptions to power supply which are being experienced in South Africa at present and the US dollar and Euro exchange rates will continue to be an important factor in the determination of earnings for the remainder of the financial year.

DIVIDENDS

The results in the announcement include the final dividend relating to the previous financial year of 200 cents (2006: 150 cents) per share which was declared on 29 August 2007 and paid to shareholders on 25 September 2007. Based on the increased earnings for the period the board has declared an interim dividend of 250 cents (2006: 150 cents) per share which will be paid to shareholders on or about 17 March 2008. In accordance with generally accepted accounting practice this interim dividend is not included in the results for the period under review as it was declared after 31 December 2007.

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for financial instruments that are fairly valued, in accordance with IAS 34 – Interim Reporting, issued by the International Accounting Standards Board and incorporate the 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 – disclosure
- IAS 1 – Presentation of financial statements
- IFRIC 11 – Scope of IFRS 2 – Share-based payments

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