



INFRA SORS

HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2007/002405/06)
Share code on the JSE: IRA ISIN: ZAE 000101507
("Infrasors", "the Company" or "the Group")

REVIEWED CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 29 FEBRUARY 2012

Highlights:

Revenue up **14,7%**
Gross profit up **16,0%**
Sales tonnage up **9,7%**

Net asset value up **7,1%**
Lost time injury **zero hours**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Reviewed year ended 29 February 2012 R000's	Audited year ended 28 February 2011 R000's
	279 261	243 501
	81 333	70 052
	(33 779)	(28 717)
	(16 986)	(13 563)
	(6 914)	(2 525)
	23 654	25 247
4	10 015	13 239
	33 669	38 486
	(6 325)	(6 007)
	27 344	32 479
	-	(3 388)
	27 344	29 091
	27 344	29 091
	27 554	29 091
	(210)	-
	27 344	29 091
	15,0	16,1
	15,0	18,0
	-	(1,9)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Notes	Reviewed as at 29 February 2012 R000's	Audited as at 28 February 2011 R000's
	610 229	548 367
	340 825	292 075
5	98 089	87 483
	92 464	91 604
3	129	-
	49 596	46 949
	-	7 000
	16 569	11 433
	12 557	11 823
	83 096	74 279
	19 962	17 016
	46 068	39 251
	17 066	17 044
	-	968
	693 325	622 646
	462 287	432 819
	255 620	255 620
	6 150	6 150
	198 603	171 049
	1 914	-
	173 212	138 237
	80 623	63 798
	23 178	10 802
	69 411	63 637
	57 826	51 590
	22 115	22 724
	35 452	28 842

CONDENSED SEGMENT RESULTS

Segment information is presented in the condensed reviewed consolidated financial statements in respect to the Group's business segments.

The business segment reporting format reflects the Group's management and internal reporting structure. The segments are reported to the Group's management in terms of the nature of the minerals mined. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Silica R000's	Dolomite and limestone R000's	Other R000's	Total R000's
29 February 2012				
Revenue from external customers	85 661	185 205	3 314	274 180
Inter-segment revenues	-	-	16 845	16 845
Net profit before tax	12 155	27 711	(6 197)	33 669
Total assets	106 355	260 502	321 468	688 325
28 February 2011				
Revenue from external customers	78 997	160 430	-	239 427
Inter-segment revenues	-	-	7 241	7 241
Net profit before tax	9 800	25 450	3 236	38 486
Total assets	102 237	232 690	287 719	622 646

MANAGEMENT COMMENTARY

Infrasors

Infrasors is a South African mining resources company, mining, producing and developing new mines for a spread of minerals for the industrial, mining and construction sectors.

Its operations are conducted at its Lyttelton Centurion mine, Marble Hall mine, Delf Sand mine and its Delf Silica Coastal mine in Tongaat. The Group is currently focused on commissioning its proposed Delf Cullinan and Pienaarspoort mines to serve the local silica markets.

Financial review

Revenue for the year under review was R279,3 million (2011: R243,5 million), an increase of 14,7%, resulting from the realisation of additional plant capacity created in the prior year. The gross profit from operating activities for the year under review was R81,3 million (2011: R70,1 million), an increase of R11,2 million (16,0%). The operating profit before fair value adjustments for the year under review was R23,7 million (2011: R25,2 million), a decrease of R1,5 million (5,9%). Increases in electricity, fuel and payroll costs above inflation resulted in higher operating expenses. An increase in depreciation occurred due to the additional plant and equipment commissioned in the prior year to increase production capacity. The analysis of turnover and operating profit before tax on a segmented basis is detailed herein. Net finance cost increased to R6,9 million (2011: R2,5 million), as a result of restructuring long-term debt.

Cash generated from operating activities decreased from R34,8 million in 2011 to R31,2 million as a result of the increase in trade receivables held, due to increased sales from operations. The cash outflow from investing activities reduced to R38,5 million (2011: R44,2 million) as a result of capital expenditure incurred during the year. The balance of the increase in property, plant and equipment is as a result of the acquisition of Spec Sand's operation and the unwinding of the investment in associate company. This reflects an ongoing investment by the Group in plant infrastructure and mine development. The net inflow of financing activities of R7,3 million (2011: R3,8 million) was a result of financing plant and equipment procured and mine development of the Cullinan project.

The investment in associate was unwound during the year as a consequence of concluding the exploration phase of the Cullinan and Pienaarspoort projects. Other financial assets increased as a result of investments in endowment policies held for rehabilitation purposes. Inventory increased as a result of additional inventory stockpiled.

The rehabilitation provision increased as a result of the mine extensions granted at both Lyttelton Centurion mine and the Delf Sand mine.

Operational review

	Silica		Dolomite		Limestone		Total	
Tons sold	2012	2011	2012	2011	2012	2011	2012	2011
	305 319	275 120	1 222 938	1 089 897	360 006	356 779	1 888 263	1 721 796

Total volumes sold for the Group increased by 9,7%. Sales were however influenced by the steel industry strike in July and August 2011 and furnace shutdowns due to power constraints resulting in volumes sold into the metallurgical sector being level for the year. The Group was able to increase its volumes sold into the construction sector despite tight trading conditions.

The sale of dolomite from the Lyttelton Centurion mine increased by 12,2% mainly due to demand for its construction aggregate. The Marble Hall mine sales remained constant. The decrease in metallurgical sales was taken up by an increase in sales of construction aggregate at both its mines. The Group's milling capacity is being increased to meet expected demand.

Sales of alluvial silica increased by 11,0%. The sale of its core product to the foundry industry remained steady and a healthy uptake was experienced at its operation in KwaZulu-Natal in the second half of F2012 and is expected to continue in the next financial year.

Regulatory approval was granted for the Lyttelton Centurion and Delf Sand mines, to expand the mine footprints. Solid progress has been made in advancing the regulatory approvals for the Delf Cullinan mine. Construction is anticipated to commence in the second half of F2013. A review of the remaining regulatory approvals is currently being undertaken for the Pienaarspoort Silica Quartz deposit.

There have been no material changes in the Group's mineral reserves during this year.

No lost time injuries were recorded for the financial year.

Purchase price allocation summary

	Spec Sand
Acquisition date	1 October 2011
Voting equity of the Group	66,7%
At acquisition fair value	R000's
Property, plant and equipment	5 393
Mineral rights	750
Borrowings	2 659
Net asset value	3 484
Less: Total consideration	3 613
Loan consideration payable	1 489
Fair value of shares issued by subsidiary	2 124
Goodwill on acquisition	129
Acquisition costs incurred included in net administration and other operating expenses	45
Revenue since acquisition 1 October 2011	7 050
Net loss since acquisition 1 October 2011	(630)

It is impracticable to determine the revenue or the net profit for the combined entity from the beginning of the financial reporting period, as the acquired operations were integrated into existing operations from its acquisition date.

4. Fair value adjustments

Note	Reviewed as at 29 February 2012 R000's	Audited as at 28 February 2011 R000's
	-	(17 324)
5	10 015	30 563
	10 015	13 239

5. Investment property

It is the intention of the Group to dispose of land held as investment property to a property developer when the land is established as a township. To date the assessment phase and the development framework phase have been completed. The consolidated findings were reported and published in the annual report for the year ended 28 February 2011.

As part of completing the township establishment process, the property is required to be included in the Tshwane Metropolitan Municipality urban edge, as it was previously administered by the disestablished Nokeng municipality. During the year under review an application to include the property as part of the Tshwane Metropolitan spatial development programme was submitted. This will be followed by the application for township establishment approval.

The valuation of the total project potential was performed by Mr Phil Randal-Smith, an independent valuer. He conducted a valuation of the investment property in F2010, on a "willing, able and informed seller and willing, able and informed buyer" market basis for the fully completed project. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. Using this valuation, the current fair value was based on the stage of completion method. The stage of completion has been confirmed by the town and regional planners, Hunter Theron Inc. The directors consider the valuation performed previously to remain pertinent. The fair value of the investment property at 29 February 2012 amounts to R98,1 million (2011: R87,5 million) which results in a fair value adjustment of R10,0 million (2011: R30,6 million). The Group's investment property is unencumbered.

Note	Reviewed year ended 29 February 2012 R000's	Audited year ended 28 February 2011 R000's
	(87 483)	(56 780)
	(591)	(140)
	98 089	87 483
4	10 015	30 563

6. Earnings per share ("EPS") reconciliation - Basic and diluted

EPS is based on the Group's profit for the year ended 29 February 2012, divided by the weighted average number of shares in issue during the year and its comparative year ended 28 February 2011.

Basic and diluted

	12 months ended 29 February 2012			12 months ended 28 February 2011		
	Weighted average	Earnings per share		Weighted average	Earnings per share	
	Net profit R000's	shares in issue 000's	cents	Net profit R000's	shares in issue 000's	cents
Continued operations						
Earnings per share	27 554	183 709	15,0	32 479	180 940	18,0
Discontinued operations						
Earnings per share	-	183 709	-	(3 388)	180 940	(1,9)
Earnings per share	27 554	183 709	15,0	29 091	180 940	16,1

Current liabilities	57 826	51 590
Borrowings	22 115	22 724
Trade and other payables	35 452	28 842
Current tax payable	259	24
Total equity and liabilities	693 325	622 646

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed year ended 29 February 2012 R000's	Audited year ended 28 February 2011 R000's
Cash inflows from operating activities	31 208	34 841
Cash outflows from investing activities	(38 455)	(44 223)
Cash inflows from financing activities	7 269	3 812
Net increase/(decrease) in cash and cash equivalents	22	(5 570)
Cash and cash equivalents at the beginning of the year	17 044	22 614
Cash and cash equivalents at the end of the year	17 066	17 044

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reviewed year ended 29 February 2012 R000's	Audited year ended 28 February 2011 R000's
Share capital	918	918
Balance at the beginning of the year	918	865
Share capital movement on treasury shares sold	-	15
Issue of shares	-	38
Share premium	254 702	254 702
Balance at the beginning of the year	254 702	246 850
Premium movement on treasury shares sold	-	1 745
Issue of shares	-	6 107
Revaluation reserve	6 150	6 150
Retained income	198 603	171 049
Balance at the beginning of the year	171 049	141 958
Profit for the year in total comprehensive income	27 554	29 091
Non-controlling interest	1 914	-
Balance at the beginning of the year	-	-
Non-controlling interest arising from business combination	2 124	-
Loss for the year in total comprehensive income	(210)	-
Balance at the end of the year	462 287	432 819

commence in the second half of 2012. A review of the remaining regulatory approvals is currently being undertaken for the Pienaarspoort Silica Quartz deposit.

There have been no material changes in the Group's mineral reserves during this year.

No lost time injuries were recorded for the financial year.

Prospects

The Group is expected to continue to play a strategic role in the local construction and metallurgical markets and should gain benefits from planned infrastructure spend by both private and government sectors.

With the introduction of the alluvial silica mine at Delf Cullinan, the Group has positioned itself to play a bigger role in the Southern African silica market, coupled with its initiative to enter the silica quartz market. With the granting of the new order mining right at Lyttelton Centurion, further expansion of the production capacity can now be pursued.

The Group's principal assets Lyttelton and Delf Sand are both positioned to benefit from increased production tonnages pursuant to:

- (i) further expansion of the production capacity at Lyttelton Centurion mine;
- (ii) increased production demand of the Lyttelton Marble Hall mine;
- (iii) establishment of the alluvial silica mine at Delf Cullinan and access to its reserves; and
- (iv) increased market share in the Delf Silica Coastal mine in KwaZulu-Natal.

NOTES TO THE CONDENSED CONSOLIDATED REVIEWED FINANCIAL STATEMENTS**1. Basis of preparation**

Infrasors is a company domiciled in South Africa. The reviewed condensed consolidated financial statements of Infrasors for the year ended 29 February 2012 comprise the Company and its subsidiaries (together referred to as the "Group").

The reviewed condensed consolidated financial statements were authorised for issue by the directors on 24 May 2012 for publication on 30 May 2012. The reviewed condensed consolidated financial statements for the year ended 29 February 2012 have been prepared by the Financial Director, Mr M Potgieter CA(SA).

The reviewed condensed consolidated financial statements for the year have been prepared in accordance with the framework concepts and contain the information required by International Accounting Standard 34, Interim Financial Reporting, the AC 500 standards issued by the Accounting Practices Board, and in compliance with the Listings Requirements of the JSE Limited. The review of the reviewed condensed consolidated financial statements has not been performed in terms of the requirements of the South African Companies Act, 71 of 2008, as amended. The reviewed condensed consolidated financial statements are prepared on the historical cost basis, with the exception of certain financial instruments and investment property which are measured at fair value. The reviewed condensed consolidated financial statements should be read in conjunction with the audited financial statements for the year ended 28 February 2011.

The accounting policies are in terms of International Financial Reporting Standards ("IFRS") and the method of measurement and recognition applied in preparation of the reviewed condensed consolidated results is consistent with those applied in the Group's audited annual financial statement for the previous year ended 28 February 2011.

2. Review of results

Mazars, the Group's auditors, have reviewed the condensed consolidated financial statements. Their unqualified review opinion is available for inspection at the Company's registered office. Their review was conducted in accordance with the International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

3. Business combination in Delf Silica Coastal

During the year, a new subsidiary company, Delf Silica Coastal (Pty) Limited, was formed and acquired certain assets and assumed certain liabilities of a silica mine and processing operation from Spec Sand CC. This operation was merged with certain assets held by Delf Sand, known as the Delf Tongaat processing facility. The resulting business will allow the Group to better serve the clients in the KwaZulu-Natal area. The merged entity has been in operation since 1 October 2011. Goodwill arose on acquisition in order to have access to additional mining reserves required to expand the footprint in the KwaZulu-Natal area.

Discontinued operations

Earnings per share	-	183 709	-	(3 388)	180 940	(1,9)
Earnings per share	27 554	183 709	15,0	29 091	180 940	16,1
(Profit)/loss on sale of assets	(122)	-	-	186	-	-
Discontinued operations	-	-	-	4 045	-	-
Fair value adjustments	(10 015)	-	-	(13 239)	-	-
Tax effect on headline adjustments	1 436	-	-	2 522	-	-
Headline earnings per share	18 853	183 709	10,3	22 605	180 940	12,5
From continuing operations	18 853	183 709	10,3	23 081	180 940	12,8
From discontinued operations	-	183 709	-	(476)	180 940	(0,3)

7. Dividends

The directors have elected not to declare a dividend for the year ended 29 February 2012 (2011: R nil).

8. Related party transactions

	Reviewed year ended 29 February 2012 R000's	Audited year ended 28 February 2011 R000's
Product purchases between fellow subsidiary companies	100	6 808
Management and consulting fees paid to Infrasors Holdings Limited	16 845	7 200
Interest paid by subsidiaries to holding company	1 634	627
Contributions made to the Infrasors Environmental Rehabilitation Trust	1 038	1 898
Rental recoveries from director controlled entity	252	-
Net financial effect of unwinding in investment in associate company	10 800	-
Rent and fees paid to Whirlprops 35 (Proprietary) Limited	2 885	2 283

9. Subsequent events

On 23 May 2012 Percy Ying was appointed as independent non-executive director and Hugh Courtney was appointed as alternate director for Stephen Courtney. The DMR approved the conversion of the old order mining right on the Lyttelton Centurion mine, into a new order mining right. No other reportable subsequent events have been identified.

10. Directorate and Company Secretary

Mochele Noge^a (Chairman), Stephen Courtney^a (Deputy Chairman), Trevor Robinson (Chief Executive Officer), Marius Potgieter (Financial Director), Chris Boule^a, P Ying^a (appointed 23 May 2012), Hugh Courtney^a (alternate to Stephen Courtney, appointed 23 May 2012), Kerry Colley (Company Secretary).

All of the above directors are South African and resident in South Africa.

^aNon-executive director ^aIndependent non-executive director

Sponsor

Sasfin Capital
A division of Sasfin Bank Limited

Legal Advisers and Attorneys

HR Levin Attorneys Notaries and Conveyancers

On behalf of the board

M Noge

Chairman

Auditors

Mazars

Transfer Secretaries

Link Market Services South Africa (Proprietary) Limited

T Robinson

Chief Executive Officer

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