

PRELIMINARY FINAL REPORT GIVEN TO THE ASX UNDER LISTING RULE 4.3A

Name of entity

ASTRON LIMITED

ABN 97 000 285 272

Reporting period year ended

30 June 2009

Previous corresponding period

30 June 2008

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from continuing operations	down	35.5 %	to \$	10,657,159
(Loss) after income tax from continuing operations	up	193.5 %	to \$	(7,557,871)
Profit after income tax from discontinuing operations	down	95.6 %	to \$	5,059,069
Net (loss) for the period attributable to members	up	102.2 %	to \$	(2,498,802)

Dividends per Share	Amount per share	Franked amount per share at n/a...% tax
Final	Nil cents	Nil Cents

Proposed payment date for the dividend **n/a**

2. COMMENTARY ON RESULTS

OVERVIEW OF THE GROUP

Astron Limited (Astron) is the group holding company. Astron has three wholly owned operating subsidiaries, namely: Donald Mineral Sands Pty Limited (Donald), Yingkou Mineral Resources Company Limited (Resources) and Astron Titanium (Yingkou) Company Limited (Titanium). Donald holds the Donald Mineral Sands mining project. Resources and Titanium are Astron's Chinese operating companies.

Based in China over the last 22 years, the group was built up to become the largest zirconium chemical producer in the world with sales branches across China and globally. In 2008 Astron sold its China Zirconium business and infrastructure to Imerys. Subsequent to this disposal Astron has proceeded to consolidate its remaining business, rebuild its infrastructure and review its strategic direction. These have been its main objectives in the 2009 financial year.

OPERATIONAL UPDATE

During the year under review Astron received Commonwealth Government Environmental approval to mine and process fine grade mineral sands for the Donald Mineral Sands project.

As a result of the global financial crisis and structural changes in the market, Astron is revising and completing the feasibility studies of its current projects, including the Donald Mineral Sands project and the Zirconium oxychloride and Zirpqaque processes. After the completion of updated feasibility studies, the next stage in the development will be the completion of the definitive engineering compilation and the setting up of a trial mining site as part of the Donald project. This will generate feedstock to be utilised in trials.

During the year, through Astron's research and development capability, work continued on the development of zircon, ilmenite, rutile and related products. These processes could provide significant potential for new business opportunities. Astron has continued its feasibility work on its processes for the cost effective production of titanium metal. Currently, drawings for the furnace designs and the new technology flowcharts are being completed. In China we are in the process of completing environmental approval applications for a plant for the manufacture of titanium dioxide (TiO₂). The TiO₂ pigment project will be first in China to use overseas technologies. We are also planning to construct a mineral separation plant to separate heavy minerals concentrate into its titanium, zircon and other materials.

Given that most of the group's infrastructure was sold to Imerys, Astron's internal systems, controls and reporting systems in both Australia and China needed to be re-established. In addition to replacing the previous systems, enhancements have been made including improving internal control processes, weekly treasury reporting and other reporting and to governance procedures.

FINANCIAL COMMENTARY

Balance Sheet

As at 30 June 2009, the group has \$169 million of cash on the balance sheet. During the year under review, cash was utilised to, inter alia, pay a dividend of 10 cents per share to shareholders, final settlement of the liability in respect of the sale to Imerys, re-purchase Astron shares and the planned construction of the mineral separation plant. Receivables have decreased during the year due to strong collections and improved debtor management.

Titanium continues to hold the leasehold rights to the property in Yingkou which will be used to develop Astron's titanium metal and TiO₂ projects. The Donald Mineral Sands project is accounted for in terms of AASB 6 - *Exploration for and Evaluation of Mineral Resources*. This asset is accordingly shown as cost with expenditure incurred capitalised.

Income Statement

Sales revenue comprises sales of zircon, rutile and titanium products. Interest received increased due to holding cash for a longer period than last year. Astron is retaining a prudent approach to investing its cash resources.

In addition to administration expenses, expenses include the impairment of and expenditure on Astron's investments in its Senegal and Gambian operations and its impairment of available for sale share investments. Astron is claiming damages from the Gambian government for the expropriation of its mining rights. Included in the pre-tax loss from continuing operations of \$4,675,171 are expenses relating to Gambia and impairments amounting to \$4,749,575.

The gain on discontinued operations predominantly represents the finalisation of the indemnification provision booked in the June 2008 accounts in respect of the disposal to Imerys as Astron has been able to more accurately quantify the current position as at 30 June 2009.

3. CONDENSED CONSOLIDATED INCOME STATEMENT			
		Current Period A\$	Previous corresponding period A\$
	Revenue from continuing operations - <i>refer 3.1 below</i>	10,657,159	16,524,424
	Other income - <i>refer 3.2 below</i>	76,102	10,093,358
	Expenses - <i>refer 3.3 and 3.4 below</i>	(15,355,772)	(28,158,160)
	Share of net losses of associates and joint venture entities	(52,660)	(305,807)
	Loss before income tax	(4,675,171)	(1,846,185)
	Income tax expense	(2,882,700)	(729,330)
	Loss for the period from continuing operations	(7,557,871)	(2,575,515)
	Profit from discontinued operations	5,059,069	114,462,802
	(Loss)/profit for the year attributable to members	(2,498,802)	111,887,287
	Basic (Loss)/Earnings Per Share (cents)	(3.9)	181.5
	Diluted (Loss)/Earnings Per Share (cents)	(3.9)	181.5
	Dividends Paid Per Share (cents)	10.0	20.0

NOTES TO THE CONDENSED CONSOLIDATED INCOME STATEMENT			
3.1	Revenue from continuing operations		
		Current Period A\$	Previous corresponding period A\$
	Revenue from sales	3,777,286	10,627,126
	Interest revenue	6,840,857	5,895,798
	Rental revenue	39,034	1,500
		10,657,159	16,524,424
3.2	Other income		
	Gain on foreign exchange	30,325	92,332
	Net gain on disposal of available-for-sale financial assets	-	2,534,292
	Hedge gain	-	7,159,906
	Other Income	45,779	306,828
		76,102	10,093,358
3.3	Expenses included in loss before tax		
	Cost of sales	3,412,730	10,008,930
	Interest paid		990,636
	Foreign currency translation losses(gains)	1,318,974	(92,332)
	Bad & doubtful debts – trade receivable	-	11,139
	Premises – contractual amounts	227,222	230,965
	Research & development costs	15,373	250,477
	Depreciation	282,301	2,882,070
	Superannuation	114,081	131,729
	Employee benefits	1,176,407	3,562,331
	Share based payments	-	260,994
	Costs associated to Gambia investment	1,851,719	-
3.4	Amortisation and Impairment Expenses		
		Current Period A\$	Previous corresponding period A\$
	Impairment of stock	962,036	501,270
	Impairment of capitalised expenditure	583,683	6,848,818
	Impairment of available for sale assets	812,350	-
	Impairment of Gambia equity investment	-	6,041,978
	Impairment of Senegal development expenditure	539,787	-
		2,897,856	13,392,066

3.5	Comparison of Half-Year Profits		
	Consolidated profit after tax attributable to members reported for the first half yearly report	5,830,233	915,239
	Consolidated (Loss)/Profit after tax attributable to members for the second half year	(8,329,035)	110,972,048
		(2,498,802)	111,887,287

4. CONDENSED CONSOLIDATED BALANCE SHEET

	Current Period A\$	Previous corresponding period A\$
Current Assets		
Cash and cash equivalents	168,816,405	185,656,025
Trade and other receivables	2,463,961	8,423,480
Inventories	2,884,393	3,357,587
Available-for-sale financial assets	1,099,736	-
Total Current Assets	175,264,495	197,437,092
Non-Current Assets		
Property, plant and equipment	8,998,671	6,639,252
Intangible assets	20,471,305	19,898,255
Land use rights	10,770,472	9,009,128
Total Non-Current Assets	40,240,448	35,546,635
TOTAL ASSETS	215,504,943	232,983,727
Current Liabilities		
Trade and other payables	1,664,573	6,868,781
Current tax liabilities	920,986	14,154,348
Provisions	100,000	-
Total Current Liabilities	2,685,559	21,023,129
Non Current Liabilities		
Deferred tax	1,613,295	-
Provisions	40,000	40,000
Total Non Current Liabilities	1,653,295	40,000
TOTAL LIABILITIES	4,338,854	21,063,129
NET ASSETS	211,166,089	211,920,598

CONDENSED CONSOLIDATED BALANCE SHEET

EQUITY

Contributed Equity
Reserves
Retained Earnings

	39,376,051	39,203,511
	6,931,567	86,436
	164,858,471	172,630,651
		-
Parent entity interest	211,166,089	211,920,598
Minority interests	-	-
TOTAL EQUITY	211,166,089	211,920,598

NOTES TO THE CONDENSED CONSOLIDATED BALANCE SHEET

4.1 Consolidated Retained Earnings

	Current Period A\$	Previous corresponding period A\$
Retained Earnings at the beginning of the financial period	172,630,651	72,830,286
Net (Loss)/ Profit attributable to members	(2,498,802)	111,887,287
Net transfers from reserves	1,216,859	-
Dividends and other equity distributions paid or payable	(6,490,237)	(12,086,922)
Retained Earnings at the end of the financial period	164,858,471	172,630,651

5. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Period A\$	Previous corresponding period A\$
Cash flows from operating activities		
Receipts from customers	10,765,773	92,754,254
Payments to suppliers and employees	(16,001,348)	(77,632,471)
Interest received	6,840,857	5,917,372
Interest paid	-	(825,647)
Income taxes paid	(348,235)	(97,664)
Proceeds from hedge gain	-	7,159,906
Other income	62,476	-
Cash flows provided by operating activities	1,319,523	27,275,750
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(411,901)	(14,966,943)
Deferred exploration and evaluation expenditure	(1,470,831)	(2,127,031)
Construction work in progress	(1,703,996)	
Loans to Joint Venture entities	-	(46,027)
Payment for purchase of equity securities	(1,912,086)	
Proceeds from disposal of other financial assets	-	6,302,498
Investment in subsidiary	(50,000)	
Proceeds/(payments) arising from disposal of subsidiaries	(8,385,308)	168,414,186
Net cash (used in)/ provided by investing activities	(13,934,122)	157,576,683
Cash flows from financing activities		
Payment for share buy-back and costs	(544,040)	(498,696)
Repayment of borrowings	-	(6,092,512)
Dividends paid	(5,700,107)	(2,265,351)
Net cash used in financing activities	(6,244,147)	(8,856,559)
Net (decrease)/ increase in cash held	(18,858,746)	175,995,874
Cash at beginning of period - <i>refer 5.1 below</i>	185,656,025	9,784,235
Effects of exchange rates on the balance of cash held	2,019,126	(124,084)
Cash at end of period - <i>refer 5.1 below</i>	168,816,405	185,656,025

NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

5.1 Reconciliation of Cash

	Current Period A\$	Previous corresponding period A\$
Cash on hand and at bank	168,816,405	185,656,025
Total cash at end of period	168,816,405	185,656,025

6. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY					
		Issued capital	Retained earnings	Other Reserves	Total
	As at 1 July 2007	29,619,643	72,830,286	(4,502,556)	97,947,373
	Exchange differences on translation of foreign operations	-	-	619,933	619,933
	Exchange differences recycled on sale of China business	-	-	5,670,829	5,670,829
	Gains on disposal of available-for-sale financial assets credited to Income Statement	-	-	(1,701,770)	(1,701,770)
	Profit for the year	-	111,887,287		111,887,287
	Shares issued during the year	10,082,565	-	-	10,082,565
	Transaction costs	(19,456)			(19,456)
	Shares bought back during the year	(479,241)			(479,241)
	Dividends paid or provided for	-	(12,086,922)	-	(12,086,922)
	Equity as at 30 June 2008	39,203,511	172,630,651	86,436	211,920,598
	As at 1 July 2008	39,203,511	172,630,651	86,436	211,920,598
	Exchange differences on translation of foreign operations	-	-	8,061,990	8,061,990
	Gains on disposal of available-for-sale financial assets credited to Income Statement	-	-		
	Share of contributions by other Joint Venture party in investments accounted for using the equity method	-	1,216,859	(1,216,859)	-
	Loss for the year	-	(2,498,802)	-	(2,498,802)
	Shares issued during the year	793,765	-	-	793,765
	Transaction costs	(3,635)	-	-	(3,635)
	Shares bought back during the year	(617,590)			(617,590)
	Dividends paid or provided for	-	(6,490,237)	-	(6,490,237)
	Equity as at 30 June 2009	39,376,051	164,858,471	6,931,567	211,166,089

OTHER NOTES TO THE CONDENSED FINANCIAL STATEMENTS

	Current Period	Previous corresponding period		
7. NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)	2.94	3.00		
8. DETAILS OF SUBSIDIARIES				
8.1 Loss of Control of Entities During the Period				
Date of loss of control, i.e. date until which profit has been calculated	N/A	4 February 2008		
Profit of the subsidiary (or group of entities) during the current period to the date on which control was lost	N/A	\$4,499,782		
Profit of the subsidiary (or group of entities) for the whole of the previous corresponding period	N/A	\$13,583,938		
8.2 Control Gained Over Entities During the Period				
Coast Resources Limited (previously a joint venture with Carnegie) became 100% owned on 22 December 2008				
9. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES				
9.1 Equity Accounted Associates and Joint Venture Entities	%Ownership Interest		Contribution to Net Profit	
	Current Period %	Previous Corresponding Period %	Current Period A\$	Previous Corresponding Period A\$
Carnegie Astron Joint Venture	-	50%	(52,660)	(305,807)

9.2 Aggregate Share of Associates and Joint Venture Entities

Group's Share of Associates and Joint Venture Entities	Current Period A\$	Previous Corresponding Period A\$
Loss before income tax	(52,660)	(305,807)
Income tax expense		-
Share of net loss of associates and joint venture entities	(52,660)	(305,807)

10. DIVIDENDS

10.1 Dividends Paid per Share

Final

- current period - paid

- previous corresponding period - paid

Amount per share	Franked amount per share	Amount per share of foreign source dividend
10 cents	Nil cents	Nil cents
20 cents	Nil cents	Nil cents

10.2 Total Proposed Dividends

Dividend Proposed

Current Period A\$	Previous Corresponding Period A\$
-	6,466,754

10.3 Dividend Reinvestment Plans

Currently there is no DRP in operation

11. ACCOUNTING STANDARDS

All applicable accounting standards have been applied in preparing this Appendix 4E

12. OTHER INFORMATION REGARDING THE ACCOUNTS

The information contained in this Appendix 4E

12.1 is based on accounts which:

- have been audited
- are in the process of being audited **X**
- have not yet been audited

12.2 Audit Disputes or Qualifications
N/A

13. OTHER SIGNIFICANT INFORMATION
N/A

14. SIGNIFICANT ACCOUNTING POLICIES

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report.