



# Summarised Audited Results

and declaration of cash dividend  
for the year ended 31 December 2014



**NORMALISED EARNINGS**  
UP 76% TO

**R355**  
million

**HEPS**  
INCREASED  
96% TO

**112**  
cents per  
share

**OPERATING CASH FLOWS**  
UP 83% TO

**R518**  
million

**FINAL CASH DIVIDEND**  
DECLARED OF

**25**  
cents per  
share

**5-YEAR ROLLING SLAB DEAL SIGNED WITH ISIZINDA ALUMINIUM**

**5-YEAR DEAL**

**NEW B-BBEE TRANSACTION INCLUDING EMPLOYEE SHARE OPTION SCHEME**

**NEW B-BBEE**

## ACTING CHIEF EXECUTIVE OFFICER DAVID AUSTIN

**“Hulamin achieved record earnings for the year to 31 December 2014 of R355 million, substantially higher than the previous best achieved of R240 million in 2008. Our employees are our greatest asset and an outstanding safety performance, with only two lost time injuries in the period, is even more rewarding.**

The ongoing focus on working capital management saw cash from operating activities increase from R283 million in 2013 to R518 million in the current year. A substantial increase in both expansion and replacement capex, boosted by spend on the construction of Hulamin's new aluminium recycling facility, consumed R335 million of this with the balance of R183 million utilised to reduce net debt to R437 million.

Sales volumes of rolled products increased 3% to 196 000 tons. Sales by the extrusions business, which are all into the local market, fell 12% as imports continue to gain on locally manufactured products in tight trading conditions.

Heat treated plate was Hulamin's top performing product in 2014 and we have signed a new contract to supply this product to Tesla Motors in North America. Automotive heat exchanger materials continued to perform well.

These products, along with extruded suspension components are used and exported by the major automotive OEMs. A pre-feasibility study into the local production of aluminium auto body sheet

has shown that the required investment is likely to only be viable if entered into in partnership with Government and in co-operation with the major OEMs.

In November 2014, we announced that Hulamin has entered into a strategic partnership with the Bingelela consortium to form Isizinda Aluminium, a black empowered company that will acquire the Bayside casthouse from BHP Billiton, subject to Competition Commission approvals. Hulamin will hold a minority stake in Isizinda Aluminium and Isizinda will supply Hulamin with rolling slab for at least the next five years.

The transaction has tremendous positive implications for the downstream aluminium industry and discussions are already taking place around the possibility of restarting the casting of both billet and rod. We will continue to focus on our core competencies and product streams in 2015. Our efforts to simplify the business and establish clear accountability will improve manufacturing performance and in particular, production recoveries.

Global markets for beneficiated aluminium products are growing and despite fierce competition, prices in the niches in which we specialise are stable. Local market prices will be influenced by the level of imports and particularly those products that are sold into the South African market at prices lower than that in the exporter's home market.

## OTHER DEVELOPMENTS

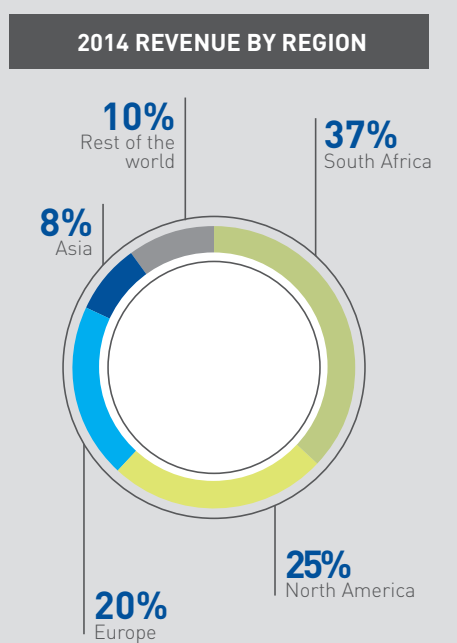
- Aluminium recycling plant proceeding on time and budget to come on stream in the third quarter of 2015
- Record safety performance with a 34% reduction in total recordable injury frequency rate and an 83% reduction in lost time injury frequency rate
- Ramp up of commercial production of can body stock
- Improved contributions from key products, with ongoing focus on core competencies
- Substantial increase in capex and reduction in borrowings
- Average Rand US Dollar exchange rate for the year 12% lower than the previous year at R10,85, providing some relief against those competitors whom enjoy some form of local market protection

## PROFILE

Hulamin is a leading aluminium semi-fabricator and fabricator of aluminium products.

The only major aluminium rolling operation in sub-Saharan Africa

- One of the largest mineral beneficiating exporters in South Africa
- Over 60% of sales exported to leading manufacturers around the world
- Committed to the growth of the regional southern African aluminium industry



## FINANCIAL SUMMARY

		31 Dec 2014	31 Dec 2013	% change
Revenue	R million	8 039	7 560	6
Total sales volume	'000 tons	214	211	1
EBITDA <sup>1</sup>	Rmillion	660	527	25
Operating profit (excluding impairment)	Rmillion	542	317	71
Earnings <sup>2</sup>	Rmillion	385	(1 345)	129
Headline earnings	Rmillion	359	183	96
Normalised earnings	Rmillion	355	201	77
EPS (basic)	cents	120	(422)	128
HEPS (basic)	cents	112	57	96
DPS	cents	25	-	-
Net asset value	Rmillion	3 834	3 403	13
Capital expenditure	Rmillion	335	148	-
Cash flow before financing activities	Rmillion	183	135	-
Net borrowings at year-end	Rmillion	437	612	-

<sup>1</sup> Earnings before interest, taxation, depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

<sup>2</sup> 2013 includes R1,53 billion impairment charge, after tax.

Think future  
Think aluminium  
Think Hulamin

### FULL RESULTS ANNOUNCEMENT

This announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement, published on 23 February 2015 on the JSE's Stock Exchange News Service ("SENS"). Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement that has been published on SENS and which is also available for viewing on the company's website [www.hulamin.co.za](http://www.hulamin.co.za). Copies of the full announcement may be requested at [hulamin@hulamin.co.za](mailto:hulamin@hulamin.co.za).