HULAMIN

Hulamin Limited

(formerly Hulett Aluminium (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1940/013924/06)
Share code: HLM ISIN: ZAE000096210
("Hulamin" or "the Company" or "the Group")

Circular to shareholders

relating to:

a rights offer in respect of 100 000 000 ordinary shares made to ordinary shareholders in the ratio of 46.25457 new rights offer shares for every 100 ordinary shares held at the close of trade on Friday, 4 June 2010, at a price of 750 cents per rights offer share, with fractional entitlements of 0.5 or greater being rounded up and fractional entitlements of less than 0.5 being rounded down;

and including

revised listings particulars; and

a form of instruction in respect of a letter of allocation for use by certificated shareholders only (blue).

The directors of Hulamin, whose names appear in Annexure 13, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make the statement in this circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required in law and by the Listings Requirements.

The definitions and interpretations commencing on page 5 of this circular apply to this cover page.

A copy of this circular, together with the form of instruction and the documents referred to in section 145A of the Companies Act, being those set out in paragraph 3.15 of this circular, have been lodged with CIPRO and the form of instruction has been registered by CIPRO on 20 May 2010 in terms of section 146A of the Companies Act.

This circular is available in English only. Copies may be obtained from the registered office of the Company, the transfer secretaries and the sponsor at the addresses set out in the "Corporate information and advisors" section of this circular from Monday, 7 June 2010 to Friday, 18 June 2010, both days inclusive.

The rights offer opens at 09:00 on Monday, 7 June 2010 and closes at 12:00 on Friday, 25 June 2010.

7 June 2010

Joint advisor and sponsor

RAND MERCHANT BANK
A division of FirstRand Bank Limited

Joint advisor

Standard Bank

Legal advisor

BG Bowman Gilfillan
Attorneys

Reporting accountants and auditors

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

CORPORATE INFORMATION AND ADVISORS

Company secretary and registered office

Willem Fitchat (B.Com (Hons), MBA, FCIS)
Moses Mabhida Road
Pietermaritzburg, 3201
(PO Box 74, Pietermaritzburg, 3200)

Legal advisor

Bowman Gilfillan Inc.
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Joint advisor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
3 Simmonds Street
Johannesburg, 2001
(PO Box 61344, Marshalltown, 2107)

Joint advisor and sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Date of incorporation of Hulamin

27 May 1940

Place of incorporation of Hulamin

Pretoria, South Africa

Transfer secretaries

Computershare Investor Services
(Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Reporting accountants and auditors

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration number 1998/012055/21)
102 Stephen Dlamini Road
Durban, 4001
(PO Box 1049, Durban, 4000)

Joint underwriter

Old Mutual Investment Group (South Africa)
(Proprietary) Limited
(Registration number 1993/003023/07)
Mutualpark, Jan Smuts Drive
Pinelands, 7405
(PO Box 878, Cape Town, 8000)

Joint underwriter

Abax Investments (Proprietary) Limited
(Registration number 2000/008606/07)
Coronation House, The Oval
1 Oakdale Road
Newlands, 7700
(PO Box 23851, Claremont, 7735)

If you have any questions regarding the contents of this circular, please call the Hulamin Shareholder Helpline on 0861 100 724 (or +27 11 870 8215 if you are calling from outside South Africa).

Please note that your call may be recorded for customer safety.

Computershare

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ACTION REQUIRED BY ORDINARY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular apply to the "Action required by ordinary shareholders" section of the circular.

No action is required by A ordinary shareholders and B ordinary shareholders.

If you are in any doubt as to what action you should take, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately. If you have disposed of all of your ordinary shares, this circular should be forwarded to the purchaser to whom, or the CSDP, broker, banker or agent through whom you disposed of such ordinary shares except that this circular should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the rights offer can lawfully be made to such person or in such territory.

The rights that are represented by letters of allocation are valuable and may be traded on the JSE. Letters of allocation can, however, only be traded in dematerialised form and, accordingly, all letters of allocation have been issued in dematerialised form.

The electronic record for holders of certificated ordinary shares is being maintained by the transfer secretaries and this has made it possible for holders of certificated ordinary shares to enjoy similar rights and opportunities as holders of dematerialised ordinary shares in respect of trades on the JSE of the letters of allocation, to the extent possible. Instructions on how to sell the rights represented by the letters of allocation are set out in paragraph 3.9 of this circular.

Action required by holders of certificated ordinary shares

A form of instruction for completion by qualifying shareholders who hold certificated ordinary shares is enclosed with this circular and the relevant procedure for participation in the rights offer is set out below:

- A letter of allocation will be created in electronic form with the transfer secretaries to afford holders of certificated ordinary shares the same rights and opportunities as those who have already dematerialised their ordinary shares.
- If you do not wish to subscribe for all of the rights allocated to you as reflected in the form of instruction, you may either dispose of or renounce all or part of your entitlement as follows:
  - if you wish to sell all or part of your entitlement, you must complete Form A in the enclosed form of instruction and return it to the transfer secretaries so as to be received by no later than 12:00 on Friday, 18 June 2010. The transfer secretaries will endeavour to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the transfer secretaries nor Hulamin will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements. Please note that the last day to trade letters of allocation is Friday, 18 June 2010; and
  - if you wish to renounce your entitlement in favour of any named renouncee, you must complete Form B in the enclosed form of instruction, and the renouncee must complete Form C in the enclosed form of instruction and return it to the transfer secretaries, to be received by no later than 12:00 on Friday, 25 June 2010, together with a bank guaranteed cheque or banker's draft for the appropriate amount.

If you are a qualifying shareholder holding certificated ordinary shares and wish to subscribe for all or part of your entitlement in terms of the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rand, with the transfer secretaries, as follows:

By hand to:

Hulamin Limited – rights offer

C/o Computershare Investor Services
(Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg 2001

By post to:

Hulamin Limited – rights offer

C/o Computershare Investor Services
(Proprietary) Limited
PO Box 61763
Marshalltown 2107

so as to be received by the transfer secretaries by no later than 12:00 on Friday, 25 June 2010.

To the extent that you subscribe for the rights allocated to you, you will receive the rights offer shares in certificated form. You will only be able to sell your rights offer shares on the JSE through the Strate system once the rights offer shares have been dematerialised.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed form of instruction (either from the qualifying shareholders or from any person in whose favour the rights have been renounced) by 12:00 on Friday, 25 June 2010, then the rights to those unsubscribed shares will be deemed to have been declined and the rights offer entitlement will lapse.

Certificated ordinary shareholders are also referred to paragraph 3.10.1 of this circular, which sets out the detailed action required by certificated shareholders.

Action required by holders of dematerialised ordinary shares

If you are a qualifying shareholder and have dematerialised your ordinary shares, you will not receive a printed form of instruction and you should receive notification from your CSDP or broker regarding the rights to which you are entitled in terms of the rights offer.

Your CSDP or broker will credit your account with the number of rights to which you are entitled and you are required to notify your CSDP or broker:

- whether you wish to follow your rights in terms of the rights offer and, if so, in respect of how many rights offer shares;
- if you do not follow all or any of your rights:
  - whether you wish to sell your rights and, if so, how many rights you wish to sell; or
  - whether you wish to renounce your rights and, if so, how many rights and in favour of whom you wish to renounce those rights;
- CSDPs effect payment in respect of dematerialised ordinary shareholders on a delivery versus payment basis;
- if you are a qualifying shareholder holding dematerialised ordinary shares and wish to follow your rights in respect of the rights offer, you are required to notify your duly appointed CSDP or broker of your acceptance of the rights offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker. If you are not contacted, you should contact your CSDP or broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for ordinary shares in terms of the rights offer;
- if you wish to apply for excess rights offer shares, you must advise your CSDP or broker. Instructions on how to apply for excess rights offer shares are set out in paragraph 3.7 of this circular;
- you must ensure that you have sufficient funds in your account to settle the issue price in respect of the rights offer shares you apply for; and
- Hulamin does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the rights offer and/or to obtain instructions from you to subscribe for the rights offer shares and/or to sell the rights allocated.

Jurisdiction

The distribution of this circular and the form of instruction, participation in the rights offer, and the transfer of the rights offer shares and/or the rights to subscribe for the rights offer shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this circular, nor any form of instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this circular and any form of instruction are sent for information purposes only.

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up rights under the rights offer, to satisfy himself/herself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Non-residents

Ordinary shareholders who are non-residents are referred to paragraph 3.11 of this circular regarding their rights.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this circular apply to the "Salient dates and times" section of the circular.

	2010
Last day to trade in ordinary shares in order to participate in the rights offer (*cum* entitlement)	Friday, 28 May
Ordinary shares commence trading ex-entitlement at 09:00 on	Monday, 31 May
Listing of and trading in the letters of allocation on the JSE commences at 09:00 on	Monday, 31 May
Record date for the rights offer for purposes of determining shareholders entitled to participate in the rights offer at the close of trade on	Friday, 4 June
Rights offer circular and revised listing particulars as well as a form of instruction, where applicable, posted to shareholders	Monday, 7 June
Rights offer opens at 09:00 on	**Monday. 7 June**
Letters of allocation credited to an electronic account held at the transfer secretaries in respect of holders of certificated ordinary shares	Monday, 7 June
CSDP or broker accounts credited with entitlements in respect of holders of dematerialised ordinary shares	Monday, 7 June
Last day for trading letters of allocation on the JSE in order to settle trades by the close of the rights offer	Friday, 18 June
For certificated shareholders wishing to sell or renounce all or part of their entitlement, forms of instruction to be lodged with the transfer secretaries by 12:00 on	Friday, 18 June
Listing of rights offer shares and trading therein on the JSE commences at 09:00 on	Monday, 21 June
Rights offer closes at 12:00 on	**Friday, 25 June**
For certificated ordinary shareholders wishing to accept all or part of their entitlement, payment to be made and forms of instruction to be lodged with the transfer secretaries by 12:00 on	Friday, 25 June
Record date for the letters of allocation	Friday, 25 June
Rights offer shares issued on or about	Monday, 28 June
CSDP or broker accounts in respect of holders of dematerialised ordinary shares debited and updated with rights offer shares and share certificates posted to certificated ordinary shareholders by registered mail on or about	Monday, 28 June
Results of the rights offer and basis of allocations of excess rights offer shares released on SENS	Monday, 28 June
Results of the rights offer and basis of allocations of excess rights offer shares published in the press	Tuesday, 29 June
Refund cheques and/or share certificates posted to certificated ordinary shareholders and/or CSDP accounts credited in respect of excess applications, if applicable, on or about	Wednesday, 30 June

Notes:

1. Share certificates in respect of ordinary shares may not be dematerialised or rematerialised between Monday, 31 May 2010 and Friday, 4 June 2010, both days inclusive.
2. CSDPs effect payment on a delivery versus payment method in respect of qualifying shareholders holding dematerialised shares.
3. If you are a qualifying shareholder holding dematerialised ordinary shares you are required to notify your duly appointed CSDP or broker of your acceptance of the rights offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.
4. Unless otherwise indicated, all times are South African times and are subject to change. Any such change will be released on SENS and published in the press in South Africa.

DEFINITIONS AND INTERPRETATIONS

Throughout this circular and the annexures hereto, unless the context indicates otherwise, the words in the column on the left below shall have the meaning stated opposite them in the column on the right below, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons:

"Abax Investments (Pty) Limited" or "Abax"	Abax Investments (Proprietary) Limited (Registration number 2000/008606/07), a private company duly registered and incorporated under the laws of South Africa;
"Annual General Meeting" or "Meeting"	the annual general meeting of the Company which was held at 14:00 on Wednesday, 19 May 2010 at the Company's registered office, Moses Mabhida Road, Pietermaritzburg;
"Articles"	the Articles of Association of the Company;
"A ordinary shares"	unlisted A ordinary shares with a par value of 10 cents each in the share capital of Hulamin;
"B ordinary shares"	collectively, the unlisted B1 ordinary shares, B2 ordinary shares and B3 ordinary shares;
"B1 ordinary shares"	unlisted B1 ordinary shares with a par value of 10 cents each in the share capital of Hulamin;
"B2 ordinary shares"	unlisted B2 ordinary shares with a par value of 10 cents each in the share capital of Hulamin;
"B3 ordinary shares"	unlisted B3 ordinary shares with a par value of 10 cents each in the share capital of Hulamin;
"BEE anchor partners"	collectively, Imbewu and Makana;
"BEE SPV"	Chaldean Trading 67 (Proprietary) Limited (Registration number 2006/037367/07), a private company incorporated in accordance with the laws of South Africa whose main shareholders are Imbewu and Makana;
"BEE transaction"	the BBBEE transaction concluded in 2007 which involved the subscription by Imbewu and Makana, through the BEE SPV, of an effective 10% economic interest in Hulamin OpCo and the subscription for 25 000 000 A ordinary shares in Hulamin (which entitled the holders to exercise approximately 10% of the voting rights in Hulamin) and the subscription for a further 5% of ordinary shares (through the B ordinary shares) by the ESOP Share Trust and the MSOP Share Trust;
"broker"	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act;
"business day"	any day other than Saturday, Sunday and all official public holidays in South Africa;
"cents"	South African cent in the official currency of South Africa;
"certificated shareholders"	holders of certificated ordinary shares;
"certificated shares"	ordinary shares that have not been dematerialised, title to which is represented by a share certificate or other documents of title;
"CGT"	capital gains tax, as levied in terms of the Eighth Schedule to the Income Tax Act;
"CIPRO"	the Companies and Intellectual Property Registration Office;
"circular" or "this document"	this bound document, dated 7 June 2010 and incorporating revised listing particulars and a form of instruction, where applicable;

"Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act, 1973 (Act 61 of 1973), as amended;
"Coronation Fund Managers"	Coronation Fund Managers (Registration number 1973/009318/06), a public company duly registered and incorporated under the laws of South Africa;
"CSDP"	Central Securities Depository Participant, being a "participant" as defined in section 1 of the Securities Services Act and appointed by individual shareholders for the purposes of, and in regard to, dematerialisation in terms of such Act;
"dematerialisation" or "dematerialised"	the process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of securities holders by a CSDP, after the documents of title have been validated and cancelled by the transfer secretaries and captured onto the Strate system by the selected CSDP or broker, and the holding of securities is recorded electronically;
"dematerialised ordinary shareholders"	holders of dematerialised ordinary shares in Hulamin;
"dematerialised ordinary shares"	ordinary shares which have been incorporated into the Strate system and which shareholding is recorded electronically;
"directors" or "board"	directors of Hulamin, being both non-executive and executive directors;
"documents of title"	share certificates, certified transfer deeds, balance receipts, or any other documents of title to ordinary shares;
"EPS"	earnings per share;
"ESOP"	The Hulamin Employee Share Ownership Plan;
"ESOP Share Trust"	The Hulamin Employee Share Ownership Trust (Master's reference number IT644/2007/PMB), a share trust established for the purposes of the ESOP;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act,1933 (Act 9 of 1933), as amended;
"form of instruction"	a form of instruction in respect of the letter of allocation reflecting the rights of certificated shareholders and on which certificated shareholders are entitled to indicate whether they wish to take up, sell or renounce all or a portion of their rights;
"the Group"	Hulamin Limited and its subsidiaries;
"HEPS"	headline earnings per share;
"Hulamin" or "the Company"	Hulamin Limited (Registration number 1940/013924/06), a public company duly incorporated in accordance with the laws of South Africa;
"Hulamin Extrusions"	Hulamin Extrusions (Proprietary) Limited (Registration number 1996/017023/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Hulamin;
"Hulamin OpCo"	Hulamin Operations (Proprietary) Limited (Registration number 1999/020410/07), a private company duly incorporated in accordance with the laws of South Africa and a subsidiary of Hulamin;
"Hulamin Rolled Products"	Hulamin Rolled Products (Proprietary) Limited (Registration number 1969/015959/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Hulamin;

"Hulamin Systems"	Hulamin Systems (Proprietary) Limited (Registration number 1965/004255/07), a private company duly incorporated in South Africa and a subsidiary of Hulamin and a wholly-owned subsidiary of Hulamin;
"IDC"	Industrial Development Corporation of South Africa Limited (Registration number 1940/014201/06), a public company duly incorporated in accordance with the laws of South Africa in terms of the Industrial Development Corporation Act No. 22 of 1940)
"IFRS"	International Financial Reporting Standards;
"Imbewu"	Imbewu Consortium SPV1, one of the BEE anchor partners, which is a 60% shareholder in the BEE SPV;
"Income Tax Act"	Income Tax Act, No. 58 of 1962, as amended;
"irrevocable letters of undertaking"	the agreements, entered into between Hulamin and some of its key shareholders, in terms of which each respective key shareholder agrees, subject to certain conditions, to follow his/her rights pursuant to the rights offer;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the laws of South Africa and which is licensed to operate as an exchange under the Securities Services Act;
"King II Report"	The King II Report on Corporate Governance for South Africa, 2002;
"last practicable date"	5 May 2010, the last practicable date prior to the finalisation of this circular;
"legal advisors"	Bowman Gilfillan Inc., the legal advisors to the Company, registered and incorporated under the laws of South Africa;
"letters of allocation"	a renounceable (nil paid) letter of allocation to be issued to ordinary shareholders in electronic form relating to the rights offer;
"Listings Requirements"	Listings Requirements of the JSE, as amended from time to time;
"Makana"	The Makana Investment Consortium, which is one of the BEE anchor partners and which is a 40% shareholder in the BEE SPV;
"MSOP"	The Hulamin Management Share Ownership Plan;
"MSOP Share Trust"	The Hulamin Management Share Ownership Trust (Master's reference number IT645/2007/PMB), a share trust established for the purposes of the MSOP;
"NAV per share"	net asset value per share;
"non-resident"	person not ordinarily resident in South Africa;
"Old Mutual Investment Group (South Africa) (Pty) Ltd" or "OMIGSA"	Old Mutual Investment Group (South Africa) (Proprietary) Limited (Registration number 1993/003023/07), a private company duly registered and incorporated with limited liability in accordance with the Companies Act;
"ordinary shareholders"	registered holders of ordinary shares;
"ordinary shares"	listed ordinary shares with a par value of 10 cents each in the share capital of Hulamin which was increased to 800 000 000 at the Annual General Meeting;
"qualifying shareholder"	a registered holder of ordinary shares on the register as at 4 June 2010 on the record date for the rights offer and which does not have its registered address in any jurisdiction in which it would be unlawful to make the rights offer;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Rand Merchant Bank" or "sponsor"	Rand Merchant Bank, a division of FirstRand Bank Limited (Registration number 1929/001225/06), a public company duly registered and incorporated with limited liability in accordance with the Companies Act;

"the ratio of entitlement"	the number of rights offer shares to which shareholders are entitled in terms of the rights offer, being 46.25457 ordinary shares for every multiple of 100 ordinary shares held on the record date for the rights offer, and/or such proportionate lower number of ordinary shares in respect of a holding of less than 100 ordinary shares held on the record date for the rights offer;
"the record date for the rights offer"	the last day for ordinary shareholders to be recorded in the register in order to participate in the rights offer, being close of business on Friday, 4 June 2010;
"register"	the register of certificated ordinary shareholders maintained by the transfer secretaries and the sub-register of dematerialised ordinary shareholders maintained by the relevant CSDPs in terms of sections 91A and 105, respectively, of the Companies Act;
"reporting accountants and auditors"	PricewaterhouseCoopers Inc., registered accountants and auditors (Registration number 1998/012055/21), a company duly registered and incorporated under the laws of South Africa;
"revised listing particulars"	the revised listing particulars of Hulamin contained in this document, dated 7 June 2010;
"rights"	the entitlement to subscribe for ordinary shares pursuant to the rights offer;
"rights offer"	this underwritten rights offer of ordinary shares at the rights offer share price in the ratio of 46.25457 rights offer shares for every 100 ordinary shares held on the record date for the rights offer;
"rights offer share price"	the price per new ordinary share to be offered to ordinary shareholders in terms of the rights offer being 750 cents per ordinary share, representing a discount of 22.6% to the theoretical ex-rights price of R9.69 based on the closing price as at 13 May 2010 and a discount of 29.9% to the closing share price as at 13 May 2010;
"rights offer shares"	the 100 000 000 ordinary shares, which are the subject of the rights offer;
"scheme participants"	participants of the ESOP, MSOP, BEE SPV and TH Plans;
"SENS"	the Securities Exchange News Service of the JSE;
"Securities Services Act"	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
"shareholders"	collectively, ordinary shareholders, and holders of A ordinary shares, B1 ordinary shares, B2 ordinary shares and B3 ordinary shares;
"South Africa"	the Republic of South Africa;
"Standard Bank"	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), a public company incorporated in accordance with the laws of South Africa and a registered bank;
"Strate"	Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in South Africa which is a registered central securities depository in terms of the Securities Services Act, and which manages the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
"tangible net asset value per share" or "TNAV per share"	net asset value per share excluding intangible assets;
"THG"	The Tongaat-Hulett Group Limited (Registration number 1892/000610/06), a public company incorporated in accordance with the laws of South Africa which name was changed to Tongaat Hulett Limited after the unbundling;
"Tongaat Hulett Limited" or "TH"	THG after implementation of the unbundling;
"TH Plans"	collectively, The Tongaat-Hulett Group Limited Deferred Bonus Plan 2005, The Tongaat-Hulett Group Limited Long-Term Incentive Plan 2005 and The Tongaat-Hulett Group Limited Share Appreciation Rights Scheme 2005;

"transfer secretaries" or "Computershare"	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly incorporated in South Africa;
"unbundling"	the unbundling in 2007 by THG of 50% of Hulamin by way of a distribution *in specie*, which occurred immediately after the listing in terms of section 90 of the Companies Act and section 46 of the Income Tax Act;
"the underwriters"	collectively, OMIGSA and Abax;
"the underwriting agreement"	the agreement entered into between Hulamin and the underwriters, dated 13 May 2010, in terms of which the underwriters agree, subject to certain limitations, to subscribe for the rights offer shares that are not taken up by shareholders in terms of the rights offer up to a maximum value of R211.8 million;
"US Dollar"	United States Dollar, the lawful currency of the United States of America; and
"VAT"	Value-Added Tax, payable in terms of the Value-Added Tax Act, 1991 (Act 91), as amended.

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Hulamin Limited

(formerly Hulett Aluminium (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1940/013924/06)
Share code: HLM ISIN: ZAE000096210

Directors of Hulamin

Executive

A Fourie *(Chief Executive Officer)*
C D Hughes *(Chief Financial Officer)*
M Z Mkhize

Non-executive

M E Mkwanazi# *(Chairman)*
L C Cele#
V N Khumalo
T P Leeuw#
J B Magwaza
N N A Matyumza#
S P P Ngwenya
P H Staude#

#Independent

CIRCULAR TO SHAREHOLDERS

A. INFORMATION RELATING TO THE RIGHTS OFFER

1. INTRODUCTION

Hulamin announced on SENS on 14 May 2010 and in the South African press on 17 May 2010 the detailed terms of the rights offer.

In terms of the rights offer, 100 000 000 ordinary shares will be offered for subscription to ordinary shareholders recorded in the register at the close of trade on Friday, 4 June 2010. Qualifying shareholders will receive rights to subscribe for rights offer shares on the basis of 46.25457 new ordinary shares for every 100 ordinary shares held, for subscription at 750 cents per rights offer share.

The rights offer share price represents a discount of 22.6% to the theoretical ex-rights price of R9.69 based on the closing price as at 13 May 2010 and a discount of 29.9% to the closing price as at 13 May 2010. The rights offer shares have been priced at such discount in order to encourage existing shareholder to follow their rights under the rights offer.

Only whole numbers of ordinary shares will be issued and ordinary shareholders will be entitled to rounded numbers of shares once the ratio has been applied as explained in paragraph 3.4 below.

The JSE has agreed to the listings of the rights offer shares and the letters of allocation and the purpose of this circular is to furnish ordinary shareholders with relevant information relating to the rights offer, the action required and the implications thereof, in accordance with the Companies Act and the Listings Requirements.

At the Annual General Meeting of shareholders held on Wednesday, 19 May 2010, a special resolution authorising the increase in the authorised ordinary share capital of Hulamin and an ordinary resolution, placing sufficient authorised but unissued ordinary shares under the control of the directors for the purpose of issuing such shares in terms of the rights offer, were passed by the requisite majority of shareholders present in person or represented by proxy.

2. RATIONALE AND PURPOSE OF THE RIGHTS OFFER

Following the significant expansion of its rolled products facilities in 2000, Hulamin's rolled products sales grew from 50 000 tons per annum to 190 000 tons per annum in 2008. The global recession in 2008 and 2009 resulted in sales reducing sharply, and sales have since recovered strongly. The Company has completed a further expansion of its rolled products capacity, which was opened in November 2009, and this will enable it to increase sales volumes, particularly of higher margin products, to around 250 000 tons per annum in the medium term. The increased capacity is expected to result in growth in sales in the period from 2010 to 2014 which will require higher investment in working capital.

Hulamin produces the majority of its rolling slab requirements from its own facilities, with the balance sourced from BHP Billiton Plc. The Company intends expanding its slab casting facilities, which will co-incide with the exit by BHP Billiton Plc from the production of rolling slab,

In recent years the increased volatility in the price of aluminium has caused significant movements in the level of Hulamin's borrowings. This has created the need for increased levels of available funding facilities.

Hulamin's current funding structure is not well-aligned with its growth and operational objectives, and the Company therefore proposes applying the proceeds of the rights offer to reducing its current short-term debt and to repay long-term debt falling due in the next two years. This will enable the Company to fund the expected growth in sales volumes from the already installed capacity, cater for increased slab casting facilities, and reduce borrowing costs and liquidity risks.

3. INFORMATION ON THE RIGHTS OFFER

3.1 Terms of the rights offer

In terms of the rights offer Hulamin is offering a total of 100 000 000 ordinary shares for subscription, upon the terms and conditions set out in this circular. The rights offer is made by way of renounceable rights, at a subscription price of 750 cents per ordinary share on the basis of 46.25457 rights offer shares for every 100 ordinary shares held by ordinary shareholders at the close of business on the record date for the rights offer.

Qualifying shareholders recorded in the register of Hulamin at the close of business on Friday, 4 June 2010 will be entitled to participate in the rights offer. The enclosed form of instruction contains details of the rights to which holders of certificated ordinary shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights. Holders of dematerialised ordinary shares will be advised of the rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights by their CSDP or broker in terms of the custody agreement entered into between the shareholder concerned and his CSDP or broker, as the case may be.

Excess applications will be allowed as detailed in paragraph 3.7 below.

The subscription price is payable in full, in Rand, by qualifying shareholders holding certificated ordinary shares on acceptance of the rights offer. CSDPs will make payment, on a delivery versus payment basis, in respect of qualifying shareholders holding dematerialised ordinary shares who have accepted the rights offer. Qualifying shareholders holding dematerialised shares who have accepted the rights offer must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.

The rights offer shares will, upon allotment and issue, rank *pari passu* with all other existing ordinary shares in all respects, including in terms of both voting rights and dividends.

The rights offer is partially underwritten as detailed in paragraph 3.2 below.

3.2 Irrevocable commitments and underwriting

The Company has procured irrevocable undertakings from ordinary shareholders holding approximately 72% of the issued ordinary share capital of Hulamin to follow all of their rights in relation to the rights offer. Details of the irrevocable commitments are set out below:

Shareholder	Number of[1] shares held	Percentage shareholding in Hulamin	Rights offer shares	Value (Rand)
Industrial Development Corporation	64 673 503	29.9	29 914 451	224 358 383
Coronation Asset Management	60 114 234	27.8	27 805 580	208 541 850
Investec Asset Management	30 353 388	14.0	14 039 829	105 298 717
	155 141 125	71.7	71 759 860	538 198 950

Notes:

1. Exact shareholdings as at the record date for the rights offer are subject to change as result of client fund flows or changes to existing client mandates.
2. The Company has given undertakings to the Industrial Development Corporation that, in the period to December 2011, executive bonuses will not be paid unless the financial performance of the Company has been such as to allow dividends at a level that is reasonably acceptable to shareholders, the Company will not retrench any employees without the reasonable consent of the IDC (or subject to reasonable conditions), and will implement its executive transformation plan to the IDC's reasonable satisfaction in the forthcoming 12 months.

The rights offer has been partially underwritten up to a maximum value of R211.8 million, representing 28 240 140 rights offer shares or 28.3% of the rights offer. Details of the underwriting are set out below:

Underwriter	Percentage rights offer underwritten	Rights offer shares underwritten	Value underwritten (Rand)
OMIGSA	21.2	21 180 105	158 850 788
Abax	7.1	7 060 035	52 950 262
	28.3	28 240 140	211 801 050

In terms of the underwriting agreement, an underwriting fee equal to 3% of the value underwritten is payable by the Company to each of the underwriters. The underwriting fee is, in the opinion of the board, not greater than the current market rate charged by independent underwriters. The underwriting fee is only payable upon fulfilment of the commitments by the underwriters pursuant to the underwriting agreement.

The directors have made due and careful enquiry to confirm that the respective underwriters can meet their commitments in terms of the rights offer.

Details of the underwriters as required in terms of the Listings Requirements are set out in Annexure 2 (it being recorded that the addresses of each of the underwriters are recorded in the "Corporate information and advisors" section of this circular). The shareholders of Abax are the same as the directors as disclosed in Annexure 2 to this circular.

3.3 Entitlement

The number of rights offer shares to which qualifying shareholders will be entitled is set out in the Table of entitlement in Annexure 1 to this circular. The entitlement of each qualifying shareholder holding certificated ordinary shares is reflected in the appropriate block in the form of instruction, which is enclosed with this circular. If you are a qualifying shareholder and hold dematerialised ordinary shares, you will not receive a printed form of instruction. Qualifying shareholders holding dematerialised ordinary shares will have their accounts automatically credited with their entitlements in accordance with Annexure 1.

3.4 Fractional entitlement

The whole number of rights to subscribe for rights offer shares to which ordinary shareholders will become entitled will be determined by the ratio of entitlement. Only whole numbers of ordinary shares will be issued and ordinary shareholders will be entitled to subscribe for rounded numbers of ordinary shares once the ratio of entitlement has been applied. Fractional entitlements of 0.5 or greater will be rounded up and fractional entitlements of less than 0.5 will be rounded down.

3.5 Holdings of odd lots in multiples other than 100 shares

Ordinary shareholders holding less than 100 ordinary shares, or not a whole multiple of 100 ordinary shares, will be entitled, in respect of such holdings, to participate in the rights offer in accordance with the Table of entitlement in Annexure 1 to this circular.

3.6 Minimum subscription

The underwriting agreement and irrevocable letters of undertaking, as discussed in paragraph 3.2 above, together ensure that the rights offer will be fully subscribed and is therefore not conditional on a minimum subscription.

3.7 Excess applications

Ordinary shareholders are invited to apply for additional rights offer shares over and above their entitlement.

Holders of certificated ordinary shares wishing to apply for excess rights offer shares should complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the transfer secretaries at the addresses set out in the "Corporate information and advisors" section of this circular, so as to be received by the transfer secretaries by no later than 12:00 on Friday, 25 June 2010.

Holders of dematerialised ordinary shares wishing to apply for excess rights offer shares should instruct their CSDP or broker, in terms of the custody agreement entered into between themselves and their CSDP or broker, as to the number of excess rights offer shares for which they wish to apply.

Should there be excess rights offer shares available, the pool of such excess rights offer shares will be allocated equitably, taking cognisance of the number of rights offer shares held by the shareholder just prior to such allocation (the record date), including those taken up as a result of the rights offer, and the number of excess rights offer shares applied for by such shareholder. Shareholders will take preference to the Underwriters in terms of excess subscriptions. Non-equitable allocations of excess rights offer shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100.

An announcement will be released on SENS on Monday, 28 June 2010 and published in the press on Tuesday, 29 June 2010, stating the results of the rights offer and the allocation of any additional rights offer shares for which application was made. Cheques refunding monies in respect of unsuccessful applications by certificated shareholders for additional rights offer shares will be posted to the relevant applicants by registered mail, at their risk, on or about Wednesday, 30 June 2010. No interest will be paid on monies received in respect of unsuccessful applications.

3.8 Procedures for acceptance of rights offer entitlements

3.8.1 If you are a qualifying shareholder holding certificated ordinary shares and/or have had rights renounced in your favour, and wish to subscribe for all or part of your entitlement in terms of the enclosed form of instruction, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with payment of the subscription price, with the transfer secretaries at the addresses set out in the "Corporate information and advisors" section of this circular, so as to be received by the transfer secretaries by no later than 12:00 on Friday, 25 June 2010. Once received by the transfer secretaries, the acceptance is irrevocable and may not be withdrawn.

If payment is not received on or before 12:00 on Friday, 25 June 2010, the day of the closing of the rights offer, the qualifying shareholder or renouncee concerned will be deemed to have declined the offer to acquire rights offer shares pursuant to the rights offer.

Qualifying shareholders holding certificated ordinary shares are advised to take into consideration postal delivery times when posting their forms of instruction, as no late postal deliveries will be accepted. Qualifying shareholders are advised to deliver their completed forms of instruction together with their cheques or bankers' drafts by hand or by courier, where possible.

3.8.2 If you are a qualifying shareholder and have dematerialised your ordinary shares you will not receive a printed form of instruction. You should receive notification from your CSDP or broker regarding the rights to which you are entitled in terms of the rights offer.

If you are a qualifying shareholder holding dematerialised ordinary shares and wish to follow your rights in respect of the rights offer, you are required to notify your duly appointed CSDP or broker of your acceptance of the rights offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

Hulamin does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify you of the rights offer and/or to obtain instructions from you to subscribe for the rights offer shares and/or to sell the rights allocated.

3.9 Procedures for sale or renunciation of rights offer entitlement

3.9.1 If you are a qualifying shareholder holding certificated ordinary shares and do not wish to subscribe for all of the rights allocated to you as reflected in the form of instruction, you may either dispose of or renounce all or part of your entitlement, as follows:

- If you wish to sell all or part of your entitlement, you must complete Form A in the enclosed form of instruction and return it to the transfer secretaries to be received by no later than 12:00 on Friday, 18 June 2010. Note that the transfer secretaries will endeavor to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the transfer secretaries nor Hulamin will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements.

- If you wish to renounce your entitlement in favour of any named renouncee, you must complete Form B in the enclosed form of instruction, and the renouncee must complete Form C in the enclosed form of instruction and return it to the transfer secretaries, to be received by no later than 12:00 on Friday, 25 June 2010, together with a bank guaranteed cheque or banker's draft for the appropriate amount.

3.9.2 If you are a qualifying shareholder holding dematerialised ordinary shares and wish to sell or renounce some or all of the rights allocated to you as a holder of dematerialised ordinary shares, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

3.10 Payment

The amount due on acceptance of the rights offer is payable in Rand.

3.10.1 Payment by holders of certificated shares must be made by a banker's draft drawn on a registered bank or a bank guaranteed cheque drawn on a South African bank (each of which should be crossed and marked "not transferable" and, in the case of a cheque, with the words "or bearer" deleted) in favour of "**Hulamin Limited – rights offer**" in respect of the amount due and, together with a properly completed form of instruction, should be clearly marked "**Hulamin Limited – rights offer**" and delivered by hand to:

Hulamin Limited – rights offer

C/o Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg 2001

so as to be received by no later than 12:00 on Friday, 25 June 2010, or may be posted, at the risk of the shareholder or his renouncee, to:

Hulamin Limited – rights offer

C/o Computershare Investor Services (Proprietary) Limited
PO Box 61763, Marshalltown, 2107

so as to be received by no later than 12:00 on Friday, 25 June 2010.

All bank guaranteed cheques or bankers' drafts received by the transfer secretaries will be deposited immediately for payment. The payment will constitute an irrevocable acceptance by the shareholder or renouncee of the rights offer upon the terms and conditions set out in this circular and in the enclosed form of instruction. In the event that any cheque or banker's draft is dishonoured, Hulamin, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant rights offer shares to which it relates against payment in cash of the issue price for such shares.

Money received in respect of an application that is rejected or otherwise treated as void by Hulamin, or which is otherwise not validly received in accordance with the terms stipulated, will be posted by registered mail by way of a cheque drawn (without interest) in Rand to the applicant concerned, at the applicant's risk, on or about Tuesday, 29 June 2010. If the applicant concerned is not a shareholder and gives no address in the attached form of instruction, then the relevant refund will be held by Hulamin until collected by the applicant and no interest will accrue to the applicant in respect thereof.

3.10.2 Payment by holders of dematerialized ordinary shares will be effected on the shareholder's behalf by the CSDP or broker. The CSDP or broker will make payment in respect of qualifying shareholders holding dematerialised ordinary shares on a delivery versus payment basis.

3.11 Exchange Control Regulations

The following summary is intended only as a guide and is, therefore, not comprehensive. If shareholders are in any doubt as to the appropriate course of action they are advised to consult their professional advisor.

Pursuant to the Exchange Control Regulations of South Africa and upon specific approval of the South African Reserve Bank, non-residents, qualifying shareholders, excluding former residents, of the Common Monetary Area will be allowed to:

- take up rights allocated to them in terms of the rights offer;
- purchase letters of allocation on the JSE; and
- subscribe for the rights offer shares arising in respect of the letters of allocation purchased on the JSE, provided payment is received either through normal banking channels from abroad or from a non-resident account.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any share certificates issued pursuant to such applications will be endorsed "non-resident".

Where a right in terms of the rights offer becomes due to a former resident of the Common Monetary Area, which right is based on ordinary shares blocked in terms of the Exchange Control Regulations of South Africa, then only emigrant blocked funds may be used to:

- take up the rights allocated to them in terms of the offer;
- purchase letters of allocation on the JSE;
- subscribe for the rights offer shares arising in respect of the letters of allocation purchased on the JSE.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Share certificates issued to such emigrants will be endorsed "non-resident" and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. The proceeds due to emigrants from the sale of the letters of allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts. Electronic statements issued in terms of Strate and any rights offer share certificates issued pursuant to blocked Rand transactions will be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of letters of allocation or arising from the sale of blocked shares will be credited to the blocked accounts of the emigrants concerned.

Any qualifying shareholder resident outside the Common Monetary Area who receives this circular and form of instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such form of instruction.

A new share certificate issued pursuant to the rights offer to an emigrant will be endorsed "non-resident" and forwarded to the address of the relevant authorised dealer controlling such emigrant's blocked assets for control in terms of the Exchange Control Regulations of South Africa.

Where the emigrant's shares are in dematerialised form with a CSDP or broker, the electronic statement issued in terms of Strate will be despatched by the CSDP or broker to the address of the emigrant in the records of the CSDP or broker.

The rights offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this circular and any form of instruction should not be forwarded or transmitted by you to any person in any territory, other than where it is lawful to make such an offer.

The rights offer shares have not been and will not be registered under the Securities Act of the United States. Accordingly, the rights offer shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the Securities Act. This circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This circular does not constitute an offer of any securities for sale in the United States or to United States persons.

Shareholders holding Hulamin ordinary shares on behalf of persons who are non-qualifying shareholders are responsible for ensuring that taking up the rights offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

3.12 South African law

All transactions arising from the provisions of this circular and the enclosed form of instruction will be governed by and be subject to the laws of South Africa.

3.13 Tax consequences

Ordinary shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their rights in terms of the rights offer.

3.14 Documents of title

New share certificates to be issued to qualifying shareholders holding certificated ordinary shares in respect of those rights offer shares to which they were entitled and for which they have subscribed, will be posted to persons entitled thereto, by registered mail, at the risk of the shareholders concerned, on or about, Monday, 28 June 2010.

Qualifying shareholders holding certificated ordinary shares and receiving the rights offer shares must note that such certificated ordinary shares are not good for delivery in respect of trades concluded on the JSE until they have been dematerialised.

Qualifying shareholders holding ordinary shares in dematerialised form that have applied for, and been allotted, ordinary shares under the rights offer will have their accounts updated with the rights offer shares to which they are entitled and in respect of which they have accepted the rights offer, on Monday, 28 June 2010.

3.15 Registration of the rights offer documents

The following documents, in English, have been lodged with and registered by the Registrar of Companies at CIPRO in terms of section 146A of the Companies Act for purposes of implementing the rights offer:

- a copy of the form of instruction with respect to the letters of allocation enclosed with this document;
- a signed copy of this circular;
- powers of attorney signed by each of the directors of Hulamin;
- a copy of the underwriting agreement and the sworn declarations in terms of section 153(2) of the Companies Act;
- a copy of the irrevocable letters of undertaking;
- a signed copy of the independent reporting accountants' report on the *pro forma* financial information of Hulamin;
- the letters of written consent from the joint advisor, joint advisor and sponsor, independent reporting accountants, legal advisors, transfer secretaries and underwriter to act in their respective capacities and to their names being stated in this circular;
- a copy of the application for listing of the rights offer shares to be issued pursuant to the rights offer; and
- a copy of the letter from the JSE agreeing to the listings of the rights offer shares and the letters of allocation.

3.16 JSE listings

The Issuer Services Division of the JSE has approved the listings of:

- the letters of allocation, JSE code: HLMN and ISIN: ZAE000146387, in respect of all of the 100 000 000 rights offer shares with effect from the commencement of trade on Monday, 31 May 2010 to the close of trade on Friday, 18 June 2010, both days inclusive; and
- 100 000 000 rights offer shares with effect from the commencement of trade on Monday, 21 June 2010.

3.17 Transaction costs

Ordinary shareholders wishing to sell or renounce all, or part of, their rights will be liable to pay brokerage charges and associated expenses.

3.18 Advisors' interests

As at the last practicable date, none of the advisors to the Company had any material interest in the issued share capital of Hulamin.

4. UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

The unaudited *pro forma* balance sheet at 31 December 2009 and income statement for the year ended 31 December 2009 are set out in Annexure 3 to this circular.

The unaudited *pro forma* financial effects set out below have been prepared to assist ordinary shareholders to assess the impact of the rights offer on the earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share of Hulamin. Due to the nature of these *pro forma* financial effects, they are presented for illustrative purposes only and may not fairly present the Company's financial position or the results of its operations after the rights offer.

The unaudited *pro forma* financial effects have been prepared in accordance with the Listings Requirements and the Guide on *pro forma* Financial Information issued by The South African Institute of Chartered Accountants. These unaudited *pro forma* financial effects are the responsibility of the board and are provided for illustrative purposes only. The material assumptions on which the *pro forma* financial effects are based are set out in the notes and assumptions following the table. The unaudited *pro forma* financial effects set out below should be read in conjunction with the report of the independent reporting accountants, which is included as Annexure 4 to this circular.

***Pro forma* financial effects for the year ended 31 December 2009**

	Before the rights offer	***Pro forma* adjustments**	**After the rights offer**	**Percentage change**
Basic EPS (cents)	42	4	46	10
Diluted EPS (cents)	41	5	46	12
HEPS (cents)	42	5	47	12
Diluted HEPS (cents)	42	4	46	10
NAV per share (cents)	1 732	(315)	1 417	(18)
TNAV per share (cents)	1 718	(310)	1 408	(18)
Weighted average number of ordinary shares in issue	215 931 041	100 000 000	315 931 041	46
Diluted weighted average number of ordinary shares in issue	218 828 748	100 283 180	319 111 928	46

Notes and assumptions:

1. *Pro forma* adjustments to the income statement are calculated on the assumption that the rights offer proceeds were received on 1 January 2009.
2. *Pro forma* adjustments to the balance sheet are calculated on the assumption that the rights offer proceeds were received on 31 December 2009.
3. Gross rights offer proceeds of R750 million at a rights offer share price of 750 cents per share.
4. Rights offer proceeds, net of estimated transaction costs, were assumed to pay down senior debt and short-term borrowings.
5. The interest impact on the income statement has been calculated by analysing the Group's borrowings on a monthly basis. Effective monthly interest rates have been applied to the borrowings and cash balances, as applicable, during the year.
6. A statutory tax rate of 28% has been applied to the interest adjustment.
7. No additional dividend payments would have been made to shareholders as a result of the rights offer.
8. Estimated transaction costs of approximately R12.3 million, relating to the rights offer, have been taken into account in determining the financial effects and have been written off against share premium.

5. ESTIMATED EXPENSES IN RELATION TO THE RIGHTS OFFER

It is estimated that Hulamin's expenses relating to the rights offer will amount to approximately R12.3 million. These expenses will be paid from available cash resources. The expenses (excluding VAT) relating to the rights offer are detailed below:

Nature of expense	**Paid/Payable to**	**Rand**
JSE documentation inspection fee	JSE	41 938
JSE listing fee	JSE	177 467
Printing, publication and distribution	Ince	80 000
Legal advisors	Bowman Gilfillan	700 000
Joint advisor	Standard Bank	2 250 000
Joint advisor and sponsor	Rand Merchant Bank	2 250 000
Reporting accountants and auditors	PricewaterhouseCoopers Inc.	97 000
Transfer secretaries	Computershare	320 000
Underwriting fee	Underwriters	6 354 032
		12 270 437

B. COMPANY INFORMATION

6. INFORMATION ON HULAMIN

6.1 Background information on Hulamin

Incorporation

Hulamin was initially incorporated as the Aluminium Company of South Africa (Proprietary) Limited in May 1940. It converted to a public company and changed its name to Alcan Aluminium of South Africa Limited in 1960, to Huletts Aluminium Limited in 1974 and to Hulett Aluminium Limited in 1982. It was converted to a private company on 12 June 1991.

On 1 April 2007 the Company was converted into a public company and its name was changed to Hulamin Limited.

History

The origin of the Company dates back to 1935 when Aluminium Limited of Canada opened a sales office in South Africa. In 1940 the Aluminium Company of South Africa (Proprietary) Limited was registered. During and after World War 2, demand for aluminium semi-fabricated products had grown to the point where a small aluminium rolling mill was opened in 1949, on the current Pietermaritzburg site. The Company experienced rapid growth and also expanded its operations to cover a full range of semi-fabricated aluminium products.

It was subsequently listed on the JSE as Alcan Aluminium of South Africa Limited ("Alcan") in 1969.

In 1974 the Huletts Corporation acquired a controlling interest in the Company from Alcan, and the Company name was changed to Huletts Aluminium Limited. The Company was de-listed in 1981 although its debentures were traded on the JSE until 1997. The Huletts Corporation merged with The Tongaat Group in 1981 to form The Tongaat-Hulett Group Limited (THG) and in 1982 the name of the Company was changed to Hulett Aluminium Limited. Alcan subsequently sold its remaining 26% holding to THG in 1986 and Hulamin became a wholly-owned subsidiary of THG. It was later converted to a private company, namely Hulett Aluminium (Proprietary) Limited, in 1991.

In 1996, the board of the Company and the THG board approved a R2.4 billion expansion programme in the rolled products business. The THG board agreed to introduce two additional shareholders into Hulamin, namely Anglo South Africa Capital (20% shareholding) and the Independent Development Corporation of South Africa ("IDC") (30% shareholding) which resulted in the THG shareholding in Hulamin being reduced to 50%. This major expansion resulted in the Company growing its rolled products volumes four-fold, and the Company has become a global niche player in a number of high value aluminium semi-fabricated products.

In April 2007 the Company was converted into a public company and its name was changed to Hulamin Limited. In June 2007 Hulamin was unbundled from THG and Hulamin was again listed on the JSE. Subsequent to the listing of Hulamin, the entire business of Hulamin was sold to its subsidiary, Hulamin OpCo, to facilitate the introduction of the BEE SPV, which holds 10% of the voting shares in Hulamin. In 2007 the Company further expanded its BBBEE initiative with the introduction of employee share ownership plans that resulted in 5% of the shares in the Company being owned by employees.

In July 2009 Anglo American disposed of its entire shareholding in Hulamin to a number of financial institutions as part of its portfolio refocusing exercise.

Nature of business

Hulamin is a leading aluminium semi-fabricator, purchasing primary aluminium and supplying manufacturers of finished products. Hulamin focuses on high specification, high value products such as thin gauge foils, can end stock, heat treated plate, brazing sheet and complex extrusions, which require superior manufacturing processes and sophisticated technology. Hulamin is able to capitalise on its extensive technology base that has been developed over its sixty-year history.

Hulamin's business model focuses on growing its established positions in high value niche markets. Its largest activity is aluminium rolling which contributes more than 80% to its revenue, with the balance comprising extruded products and other downstream products.

Although the local market is an important and growing element of Hulamin's business, a significant portion of rolled products are exported to regions such as Europe, North America, the Middle East and Asia. Hulamin is recognised as one of the most successful export-based rolled products businesses in the world.

Hulamin's rolled products operation has been independently evaluated as being one of the lowest cost rolling mills world-wide. This cost advantage is particularly pronounced in comparison to the producers in Europe and North America, where costs are particularly high. Hulamin has successfully focused on the optimisation of its sales mix, in order to maximise profitability per machine hour, with the emphasis on increasingly higher margin and more technically demanding products. In these markets, customers' supply choice and market flexibility is limited by the decreasing number of suppliers and the dominance, of a few major multi-national producers. This has resulted in increased customer loyalty towards independent rolling mills, particularly those able to supply high specification, tight tolerance products. Consequently, demand for Hulamin's products continues to exceed available capacity and Hulamin is well positioned to sell its full capacity in higher value products, to respond to attractive market opportunities and to capitalise on many growth opportunities.

In 2000, Hulamin commissioned a R2.4 billion expansion programme, in order to grow its rolled products capacity from 50 000 tons to an original estimate of 150 000 tons per annum. This expansion resulted in improved manufacturing processes from new and improved equipment and has improved quality, service and cost competitiveness, not only in the local market but also in niche markets across the globe. The installed equipment has performed above expectations and estimates of its nominal capacity have increased above the initial level of 150 000 tons to approximately 210 000 tons per annum. In October 2006 a R950 million project was approved to further grow volumes of high value products and increase capacity to 250 000 tons per annum. This project was completed in November 2009, on time and at a cost of R970 million, and the Company is currently ramping up production from these newly installed assets.

The process of producing rolled products generally commences with the production or purchase of rolling slab. Hulamin currently produces approximately two thirds of its rolling slab requirements and purchases approximately one-third from BHP-Billiton Plc. Hulamin intends expanding its slab casting facilities to co-incide with the expected withdrawal by BHP-Billiton Plc from the production of rolling slab. There is no Government protection or any investment encouragement law affecting the business of Hulamin, other than applicable local tariff protection, and there have been no material changes to the business or the trading objectives of the Group during the past five years.

Prospects for the Company

As a producer of higher value-added, niche products into a large global market, Hulamin is able to operate at full capacity and at more attractive margins, which when coupled with its lower cost base has resulted in the Company being able to earn returns generally superior to its competitors. The Company plans to increase sales due to the recently installed additional capacity, mostly of higher margin products, while its largely fixed cost base will show proportionately slower growth. The Company exports a significant portion of its output, and its results are thus closely linked to movements in exchange rates.

Subsidiary companies

Details of Hulamin's principal subsidiary companies are set out in Annexure 10 to this circular.

6.2 Financial information

6.2.1 Historical financial information

The historical financial information of Hulamin for the three financial years ended 31 December 2007, 2008 and 2009 is included in Annexure 7 to this circular.

The directors of Hulamin are responsible for the accuracy of the relevant information extracted from the year-end statements.

6.2.2 Dividends and dividend policy

Any dividend remaining unclaimed for a period of three years from its declaration may, provided that notice of the declaration has been given to the person entitled thereto by prepaid letter sent to his last registered address be forfeited by resolution of the directors for the benefit of the Company.

The directors intend to declare an annual dividend. The dividend policy will be reviewed by the directors from time to time in light of the then prevailing circumstances and cash requirements of Hulamin.

6.3 Material change

There have been no material changes in the financial or trading position of the Group between the finalisation of Hulamin's financial results for the year ended 31 December 2009 and the date of this circular.

6.4 Trading history of Hulamin shares on the JSE

A table setting out the price history of ordinary shares on the JSE has been included in Annexure 5 to this circular.

6.5 Information on the directors and senior management of Hulamin

The directors have:

- been appointed in terms of Hulamin's Articles;
- confirmed that they are free of any conflict of interest between their duties as directors and their private interests; and
- confirmed that they have, collectively, the appropriate expertise and experience for the management of Hulamin and the Group's business.

6.5.1 Details and experience of directors

The full names, positions, dates of appointment, ages, nationalities, business addresses, qualifications, experience and other directorships of the directors and senior management of Hulamin and its subsidiaries are set out in Annexure 13 to this circular:

6.5.2 Directors' and senior managements' declarations

None of the directors mentioned above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or sequestrated in any jurisdiction;
- at any time been a party to a scheme or arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction of any criminal offence.

All of the directors have completed directors' declarations in terms of Schedule 21 of the Listings Requirements and nothing, relative to the above, has changed since the listing of Hulamin.

6.5.3 Qualification, remuneration, borrowing powers and appointment of directors

6.5.3.1 Extracts from the Articles relating to the directors

The relevant provisions of the Articles concerning the qualification, remuneration, borrowing powers and appointment of the directors of Hulamin are set out in Annexure 6 to this circular.

6.5.3.2 Borrowing powers

The Articles do not impose any limitation on the borrowing powers of directors of Hulamin. No subsidiary of Hulamin has exceeded its borrowing powers during the preceding three years.

6.5.3.3 Directors' emoluments

The total remuneration, benefits and fees received by directors for the year ended 31 December 2009 was as follows:

Director	Basic salary (Rand)	Bonus # (Rand)	Retirement and medical contributions (Rand)	Directors' fees (Rand)	Gains on exercise of share options (Rand)	Total emoluments (Rand)
Executive						
A Fourie	3 188 616	792 690	429 354		2 028 505	6 439 165
C D Hughes	1 905 600	357 872	286 896		215 060	2 765 428
M Z Mkhize	1 748 400	323 454	287 334		598 978	2 958 166
Sub-total	6 842 616	1 474 016	1 003 584		2 842 543	12 162 759
Non-executive						
M E Mkwanazi				295 718		295 718
P M Baum*=				88 325		88 325
L C Cele				223 267		223 267
V N Khumalo=				154 533		154 533
T P Leeuw				206 069		206 069
J B Magwaza				211 800		211 800
S P Ngwenya				125 933		125 933
P H Staude				125 933		125 933
J G Williams*=				71 975		71 975
Total	**6 842 616**	**1 474 016**	**1 003 584**	**1 503 553**	**2 842 543**	**13 666 312**

= Directors' fees due to shareholder nominees on the board are paid to the employer organisation and not to the nominees.

The bonuses reflected above are in relation to the 2009 year and were paid in 2010.

* Anglo nominated directors resigned with effect from 28 July 2009.

None of the directors of Hulamin receive directors' emoluments from any of Hulamin, subsidiaries, associates or joint ventures.

There have been no fees paid or accrued as payable to a third party *in lieu* of directors' fees.

The remunerations receivable by any of the directors of Hulamin will not be varied in consequence of the rights offer or any related transaction.

6.5.3.4 Directors' service contracts and restraints of trade

Terms of office and rights of shareholders to appoint directors are contained in Articles 68 and 69 of the Articles as set out in Annexure 6 to this circular.

Executive directors have no fixed term service contracts and conditions of employment are governed by engagement letters. Executive directors retire between the ages of 55 and 65. Pension and provident fund payouts are based on period of service and no provision is made for restraint of trade payments or retrenchment packages.

The total remuneration, benefits and fees received by directors for the year ended 31 December 2009 is disclosed in paragraph 6.5.3.3 above.

There are no contractual secretarial or technical fees payable.

6.6 Interests of directors

6.6.1 Directors' interests in ordinary shares

Before the rights offer

The direct and indirect beneficial interests in ordinary shares held by all the directors of Hulamin as at 31 December 2009, being the Company's most recent year-end, are set out in the table below:

Name of director	Direct beneficial	Indirect beneficial	Held by associates	Total
A Fourie	135 796			135 796
C D Hughes	14 023			14 023
M Z Mkhize	18 341			18 341
Sub-total	168 160			168 160
Non-executive				
J B Magwaza	5 760			5 760
M E Mkwanazi			8 000	8 000
P H Staude	50 427			50 427
Sub-total	56 187		8 000	64 187
Total	**224 347**		**8 000**	**232 347**

There has been no movement in direct and indirect beneficial holdings of directors of ordinary shares between 31 December 2009 and the last practicable date.

After the rights offer

For the purposes of the table below, it has been assumed that all the directors will follow their rights in terms of the rights offer, and they will accordingly hold the following shares:

Name of director	Direct beneficial	Indirect beneficial	Held by associates	Total
Executive				
A Fourie	198 608			198 608
C D Hughes	20 509			20 509
M Z Mkhize	26 825			26 825
Sub-total	245 942			245 942
Non-executive				
J B Magwaza	8 424			8 424
M E Mkwanazi			11 700	11 700
P H Staude	73 752			73 752
Sub-total	82 176		11 700	93 876
Total	**328 118**		**11 700**	**339 818**

The table below reflects share incentives previously granted to directors, any share incentives exercised during the year ended 31 December 2009, and share incentives unexpired and unexercised as at 31 December 2009 under the Hulamin share incentive scheme, which are more fully explained in Annexure 12 to this circular.

(1) The Tongaat Hulett Group Limited Share Option Scheme (options at unbundling)

(a) Options related to Tongaat Hulett Limited share price

	Adjusted option price	Expiring 10 years from	Numbers of options at 31 December 2008	Options exercised	Number of options at 31 December 2009
Executive director					
A Fourie	R30.55	16-May-01	10 000	10 000	
	R37.88	13-May-02	35 000	15 000	20 000
	R24.37	14-Apr-03	12 600		12 600
	R35.90	21-Apr-04	30 000		30 000
			87 600	25 000	62 600
C D Hughes	R26.35	01-Oct-03	4 500		4 500
	R35.90	21-Apr-04	4 800		4 800
			9 300		9 300
M Z Mkhize	R35.90	21-Apr-04	3 400	3 400	
			3 400		
Total			**100 300**	**28 400**	**71 900**

(b) Options related to Hulamin share price

	Adjusted option price	Expiring 10 years from	Numbers of options at 31 December 2008	Options exercised	Number of options at 31 December 2009
Executive director					
A Fourie	R9.45	16-May-01	10 000		10 000
	R11.72	13-May-02	35 000		35 000
	R7.53	14-Apr-03	12 600		12 600
	R11.10	21-Apr-04	30 000		30 000
			87 600		87 600
C D Hughes	R8.15	01-Oct-03	4 500		4 500
	R11.10	21-Apr-04	4 800		4 800
			9 300		9 300
M Z Mkhize	R11.10	21-Apr-04	3 400		3 400
			3 400		3 400
Total			**100 300**		**100 300**

(2) Tongaat Hulett Group Limited Share Appreciation Right Scheme (SARS) 2005 (rights at unbundling)

(a) Rights related to Tongaat Hulett share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of rights at 31 December 2008	Rights exercised	Number of rights at 31 December 2009
Executive director					
A Fourie	37 381	23 249	60 630		60 630
C D Hughes	4 549	7 441	11 990		11 990
M Z Mkhize	4 927	7 736	12 663	7 736	4 927
	46 857	38 426	85 283	7 736	77 547
Adjusted grant price	R43.98	R73.39			
Expiring seven years from	10-May-05	25-Apr-06			

(b) Rights related to Hulamin share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of rights at 31 December 2008	Rights exercised	Number of rights at 31 December 2009
Executive director					
A Fourie	37 381	23 249	60 630		60 630
C D Hughes	4 549	7 441	11 990		11 990
M Z Mkhize	4 927	7 736	12 663		12 663
	46 857	38 426	85 283		85 283
Adjusted grant price	R13.60	R22.70			
Expiring seven years from	10-May-05	25-Apr-06			

(3) Hulamin Limited Share Appreciation Right Scheme 2007

	Number of rights granted in 2007	Number of rights granted in 2008	Number of rights at 31 December 2008	Number of rights granted in 2009	Number of rights at 31 December 2009	Rights time constrained
Executive director						
A Fourie	88 000	118 323	206 323	255 226	461 549	461 549
C D Hughes	40 000	56 241	96 241	122 024	218 265	218 265
M Z Mkhize	37 500	51 609	89 109	111 958	201 067	201 067
	165 500	226 173	391 673	489 208	880 881	880 881
Grant price	R22.87	R21.99		R11.50		
Expiring seven years from	20-Aug-07	30-Apr-08		24-Jul-09		

(4) Hulamin Limited Long-Term Incentive Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Number of conditional awards granted in 2009	Number of conditional awards at 31 December 2009	Conditional awards time constrained
Executive director						
A Fourie	36 500	52 588	89 088	127 613	216 701	216 701
C D Hughes	16 000	24 103	40 103	61 011	101 114	101 114
M Z Mkhize	15 000	22 118	37 118	55 978	93 096	93 096
	67 500	98 809	166 309	244 602	410 911	410 911
Issue price	R23.51	R21.99		R11.50		
Expiring three years from	20-Aug-07	30-Apr-08		24-Jul-09		

(5) Hulamin Limited Deferred Bonus Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Number of conditional awards granted in 2009	Number of conditional awards at 31 December 2009	Conditional awards time constrained
Executive director						
A Fourie	11 100	14 119	25 219	29 119	54 338	54 338
C D Hughes		4 316	4 316	9 707	14 023	14 023
M Z Mkhize		3 781	3 781	14 560	18 341	18 341
	11 100	22 216	33 316	53 386	86 702	86 702
Issue price	R23.50	R22.25		R10.17		
Expiring three years from	01-Mar-07	25-Feb-08		27-Feb-09		

(6) MSOP Share Appreciation Right Plan

	Number of rights granted in 2007	Number of rights granted in 2008	Number of rights at 31 December 2008	Number of rights granted in 2009	Number of rights at 31 December 2009	Rights time constrained
Executive director						
M Z Mkhize	218 930		218 930		218 930	218 930
	218 930		218 930		218 930	218 930
Grant price	R21.44					
Expiring five years from	31-Aug-07					

(7) MSOP Share Grant Plan

	Number of conditional awards granted in 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Number of conditional awards granted in 2009	Number of conditional awards at 31 December 2009	Conditional awards time constrained
Executive director						
M Z Mkhize	73 110		73 110		73 110	73 110
	73 110		73 110		73 110	73 110
Issue price	–					
Expiring five years from	31-Aug-07					

6.6.2 **Directors' interests in transactions**

None of the directors had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company during the current or immediately preceding financial year or in an earlier year and which remains in any respect outstanding or unperformed.

6.7 Information on the share capital of the Group

6.7.1 **Authorised and issued share capital**

The authorised and issued share capital of Hulamin, at the last practicable date and after giving effect to the rights offer, is set out below:

	Rand million
Before the rights offer	
Authorised	
240 000 000 ordinary shares of 10 cents each	24 000
34 000 000 A ordinary shares of 10 cents each	3 400
8 000 000 B1 ordinary shares of 10 cents each	800
10 000 000 B2 ordinary shares of 10 cents each	1000
3 000 000 B3 ordinary shares of 10 cents each	300
Issued and fully paid	
216 194 836 ordinary shares of 10 cents each	21 619
25 000 000 A ordinary shares of 10 cents each	2 500
7 998 556 B1 ordinary shares of 10 cents each	800
2 509 569 B2 ordinary shares of 10 cents each	251
838 105 B3 ordinary shares of 10 cents each	84
Share premium	1 059 084
	1 084 338

	Rand million
After the rights offer	
Authorised	
800 000 000 ordinary shares of 10 cents each	80 000
34 000 000 A ordinary shares of 10 cents each	3 400
8 000 000 B1 ordinary shares of 10 cents each	800
10 000 000 B2 ordinary shares of 10 cents each	1000
3 000 000 B3 ordinary shares of 10 cents each	300
Issued	
316 194 836 ordinary shares of 10 cents each	31 619
25 000 000 A ordinary shares of 10 cents each	2 500
7 998 556 B1 ordinary shares of 10 cents each	800
2 509 569 B2 ordinary shares of 10 cents each	251
838 105 B3 ordinary shares of 10 cents each	84
Share premium	1 799 084
	1 834 338

As at the last practicable date, no ordinary shares were held in treasury.

There are no other classes of securities listed and no securities of the Company are listed on any stock exchanges, other than the JSE.

6.7.2 **Alterations to share capital**

The summarised changes to Hulamin's issued share capital during the three financial years ended 31 December 2009, 2008 and 2007 are set out below:

Hulamin Changes to issued share capital	**Number of shares issued and allotted**	**Weighted Average Price per share (Rand)**
2009		
Issued ordinary shares at end of year	216 194 836	
Issued ordinary shares in settlement of employee share incentives.	450 976	3.6355
There were no changes to the issued A and B ordinary shares during the year		
2008		
Issued ordinary shares at end of year	215 743 860	
Issued ordinary shares in settlement of employee share incentives.	132 294	10.7677
There were no changes to the issued A and B ordinary shares during the year		

Hulamin Changes to issued share capital	Number of shares issued and allotted	Weighted Average Price per share (Rand)
2007		
Issued ordinary shares at end of year	215 611 566	
Issued ordinary shares in settlement of employees share incentives	33 222	8.5617
Issue of matching shares to THG shareholders at unbundling on 25 June 2007	104 577 344	0.10
Issued ordinary shares prior to the listing of Hulamin in June 2007	111 001 000	
Issued A ordinary shares at end of year	25 000 000	
Issue of A ordinary shares to BEE SPV on 30 June 2007	25 000 000	0.10
Issued A ordinary shares at start of year	–	
Issued B1 ordinary shares at end of year	7 998 556	
Issued B2 ordinary shares at end of year	2 509 569	
Issued B3 ordinary shares at end of year	838 105	
Issue of B1 ordinary shares to ESOP Trust on 1 August 2007	7 998 556	8.0780
Issue of B2 ordinary shares to MSOP Trust on 1 August 2007	2 509 569	4.8753
Issue of B3 ordinary shares to MSOP Trust on 1 August 2007	838 105	14.7177
Issued B1 ordinary shares at start of year	–	
Issued B2 ordinary shares at start of year	–	
Issued B3 ordinary shares at start of year	–	

The summarised changes to Hulamin OpCo's issued share capital during the three financial years ended 31 December 2009, 2008 and 2007 are set out below:

Hulamin OpCo

Changes to issued share capital	Number of shares issued and allotted	R'000
2009		
Issued ordinary shares at end of year	380	464 283
Issued cumulative redeemable preference shares at end of year	50 000 000	6 300 449
2008		
Issued ordinary shares at end of year	380	464 283
Issued cumulative redeemable preference shares at end of year	50 000 000	6 300 449
2007		
Issued ordinary shares at end of year	380	
Issued ordinary shares to Hulamin on 30 June 2007	241	337 500
Issued an ordinary share to Hulamin on 1 August 2007	1	89 283
Issued ordinary shares to BEE SPV on 30 June 2007	38	37 500
Issued ordinary shares as start of year	100	
Issued cum. Redeemable preference shares at end of year	50 000 000	
Issued cum. Redeemable preference shares to Hulamin on 30 June 2007	50 000 000	6 300 449
Issued cumulative redeemable preference shares at start of year	–	

No shares have been issued since 31 December 2009 by Hulamin or any of its subsidiaries as at the last practicable date.

There have been no other offers or issues of any securities by Hulamin or any of its subsidiaries during the preceding three years.

There have been no share repurchases by Hulamin or any of its subsidiaries during the preceding three years.

There have been no other consolidations or sub-divisions of shares of Hulamin or any of its subsidiaries during the three years prior to the date of these revised listing particulars, other than those referred to above.

6.7.3 **Commissions**

No commissions or consideration, including underwriting commission in respect of the allotment or issue of shares has been paid by Hulamin in the three years preceding the date of this circular.

6.7.4 **Rights attaching to shares and power to issue shares**

All the authorised and issued ordinary shares, other than the A ordinary shares and B ordinary shares, are of the same class and rank *pari passu* in every respect. Any variation of rights attaching to such shares will require a special resolution of Hulamin shareholders in general meeting in accordance with the Articles. In accordance with the Articles, at any general meeting, every Hulamin shareholder present in person or by proxy (or if a body corporate, duly represented by an authorised representative) shall have one vote on a show of hands and on a poll every Hulamin shareholder present in person or by proxy (or if a body corporate, duly represented by an authorised representative) shall be entitled to exercise that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such Hulamin shareholder bears to the aggregate amount of the nominal value of all the shares issued by Hulamin.

The A ordinary shares are unlisted and have no entitlements to any dividends or other shareholder distributions, but are entitled to vote at shareholder meetings, as detailed in Annexure 6 to this circular.

The B ordinary shares are unlisted and the terms of these shares are detailed in Annexure 6 to this circular.

6.7.5 **Share incentive schemes**

The relevant information relating to Hulamin's share incentive schemes is set out in Annexure 12 to this circular.

6.7.6 **Amendments to BEE schemes and employee share incentive schemes**

The rights offer will result in the dilution of voting and other benefits in relation to the A ordinary shares held by the BEE SPV, the B ordinary shares held by the ESOP Share Trust and the MSOP Share Trust, and awards made under the employee share incentive schemes. Subsequent to the rights offer, Hulamin will approach shareholders, where necessary, to approve certain proposed adjustments to these BEE schemes to place the scheme participants in the same economic position they would have been prior to the rights offer and to ensure that Hulamin's BEE rating is preserved, as well as for any approvals required to preserve any benefits under employee share incentive schemes.

6.7.7 **Major beneficial shareholders**

In so far as it is known to the directors of Hulamin, the name of any ordinary shareholder, other than a director, that, directly or indirectly, is beneficially interested in 5% or more of the issued ordinary shares, together with the amount of each such ordinary shareholder's interest as at the last practicable date, are as follows:

Before the rights offer

Shareholder	Number of shares held	Direct beneficial holding	Indirect beneficial holding	Beneficial shareholding (%)
Industrial Development Corporation of South Africa Limited	64 673 503	64 673 503		29.91
Public Investment Corporation	16 746 975	16 746 975		7.75
	81 420 478	**81 420 478**		**37.66**

Coronation Fund Managers and Investec Asset Management held a total of 60 114 234 shares (27.80%) and 30 353 388 shares (14.00%) respectively on behalf of their clients on the last practicable date. Their clients are the beneficial shareholders. Included in Coronation Fund Managers holdings are 10 178 200 shares held on behalf of the Public Investment Corporation.

Assuming that all the major shareholders listed above follow their rights in terms of the rights offer, their revised shareholding post the rights offer will be as follows:

After the rights offer

Shareholder	Number of shares held	Rights offer shares	Total Beneficial Holding	Beneficial shareholding (%)
Industrial Development Corporation of South Africa Limited	64 673 503	29 914 451	94 587 954	29.91
Public Investment Corporation	16 746 975	7 746 241	24 493 216	7.75
	81 420 478	**37 660 692**	**119 081 170**	**37.66**

7. ADDITIONAL INFORMATION

7.1 Principal immovable property

7.1.1 Principal immovable property owned or leased

Details of the principal immovable properties owned or leased by Hulamin and its subsidiaries are set out in Annexure 9 to this circular.

7.1.2 Material acquisitions of property

There have been no material acquisitions made by Hulamin during the preceding three years nor is there any proposed acquisition by Hulamin or any of its subsidiaries, of any securities or in the business undertakings of any other companies or any immovable property or the option to acquire such property.

As such no director of Hulamin had any beneficial interest in any acquisitions.

7.1.3 Material disposals of property

There has been no material property disposed of during the preceding three years, by Hulamin or any of its subsidiaries.

7.2 Promoters

No amounts were paid, or accrued as payable, within the preceding three years, or were proposed to be paid to any promoter, or to any partnership, syndicate or other association of which he/she/it is or was a member, and the consideration for such payment, and any other benefit given to such promoter, partnership, syndicate or other association within the said period or proposed to be given, and the consideration for the giving of such benefit.

No promoter had any material beneficial interest, direct, or indirect, in the promotion of Hulamin and in any property acquired by Hulamin out of the proceeds of the listing or during the three years preceding the date of this circular.

7.3 Material contracts

There are no contracts or proposed contracts, either written or oral, relating to the remuneration of the executive directors or management, secretarial and technical fees or restraint payments payable by Hulamin or any of its subsidiaries, other than for a five-year employment contract which commenced in October 2007 for the services of W Ortner who is an executive committee member. Mr W Ortner is based in Austria and he leads the development and implementation of Hulamin's marketing and sales strategy into Europe. The agreement may be terminated by either party giving three months' notice.

Conditions of employment for executive directors are governed by engagement letters as mentioned in paragraph 6.5.3.4 above.

Other than the contracts entered into in the ordinary course of business, there are no material contracts entered into by Hulamin, either verbally or in writing. No contracts entered into at any time contain an obligation or settlement that is material to Hulamin or its subsidiaries as at the date of the circular.

No royalties or items of similar nature, are payable in respect of the Company and its subsidiaries.

7.4 Corporate governance

The board of directors accepts full responsibility for corporate governance and is committed to ensuring a high standard of discipline, independence, ethics, responsibility, equity, social responsibility, accountability, co-operation and transparency. The board believes that the Group has complied in all material respects with the principles of The King II Report and has met the Listings Requirements. The board of directors is committed to comply in all material respects with the King III principles and best practice recommendations by the end of the 2010 reporting period.

Annexure 11 to this circular contains further information on Hulamin's Corporate Governance.

7.5 Litigation statement

Other than the contingent liabilities detailed below, there are no legal or arbitration proceedings (including proceedings which are pending or threatened of which Hulamin directors are aware), which may have or have had during the 12 months preceding the date of this circular, a material effect on the Group's financial position.

- The Department of Trade and Industry has raised a dispute with the Group relating to previous General Export Incentive Scheme ("GEIS") claims in the amount of R4 794 000 (2008: R4 671 000). A date for a court hearing of this matter has still to be set.
- Sahara Aluminium Works, a toll processor of the Company's coated scrap, has claimed that there existed a long-term constructive contract with Hulamin Limited, which would require a ten-year notice period be given before this contract could be terminated. Sahara has thus claimed R17.8 million from Hulamin, largely in respect of the loss of profits that Sahara would have earned over ten years, arising from the early termination of the purported constructive contract. A liability has not been raised for this amount as there is only a remote possibility that Sahara will succeed in its claim.
- A fire in February 2002 at the S6 Cold Mill resulted in the death of a contractor and injuries to his assistant. The wife of the deceased and the injured assistant have lodged civil claims amounting to R1.6 million plus interest. Judgement was delivered in September 2009 in the matter between Hulamin and the injured assistant and the court ruled in favour of Hulamin and the case was dismissed with costs. An application for leave to appeal was heard and granted in March 2010. A liability of R3 million which was previously raised for this matter was reversed in December 2009, following the favourable court ruling in September 2009.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Hulamin, whose names appear on page 10 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no facts, the omission of which, would make any statement in this circular false or misleading and that they have made all reasonable inquiries to ascertain such facts and that this circular contains all information required by law and by the Listings Requirements.

9. CONSENTS

Each of the joint advisor, joint advisor and sponsor, reporting accountants and auditors, legal advisors and underwriters have consented and have not, prior to the last practicable date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this circular.

10. WORKING CAPITAL STATEMENT

The board has considered the effects of the rights offer and is of the opinion that, subsequent to the full subscription for the rights offer:

- Hulamin and its subsidiaries will be able to pay their debts in the ordinary course of business for a period of 12 months after the date of issue of this circular;
- the assets of Hulamin and its subsidiaries will be in excess of their liabilities for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited results of the Company for the year ended 31 December 2009;
- the capital and reserves of Hulamin and its subsidiaries will be adequate for their requirements for a period of at least 12 months after the date of issue of this circular; and
- the working capital available to Hulamin and its subsidiaries will be sufficient for their requirements for a period of at least 12 months after the date of issue of this circular.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Hulamin, the transfer secretaries and the sponsor during normal business hours (excluding Saturdays, Sundays and South African public holidays) from the date of issue of this circular up to and including Friday, 18 June 2010:

- the memoranda of association of Hulamin and the Articles of Hulamin and each of its major operating subsidiaries;
- the audited annual financial statements of Hulamin for the three financial years ended 31 December 2009, 2008 and 2007;
- a copy of the standard directors' service agreement;
- copies of all material contracts;
- the *pro forma* income statement and balance sheet of Hulamin;
- the signed independent reporting accountants' report on the *pro forma* financial information of Hulamin;
- the underwriting agreement referred to in paragraph 3.2 above;
- the irrevocable letters of undertaking referred to in paragraph 3.2 above;
- written consents of the joint advisors, sponsor, independent reporting accountants, legal advisors, transfer secretaries and underwriter to the inclusion of their names and reports where applicable in this circular in the context and form in which they appear; and
- a signed copy of this circular and the form of instruction registered by CIPRO.

Signed at Pietermaritzburg by or on behalf of Hulamin Limited on 19 May 2010, in terms of powers of attorney granted by the directors of Hulamin.

Alan Fourie	**Charles Hughes**
Chief Executive Officer	*Chief Financial Officer*

TABLE OF ENTITLEMENT

The number of rights offer shares to which qualifying shareholders will be entitled is set out below, based on the assumption that ordinary shareholders will be entitled to 46.25457 rights offer shares for every 100 ordinary shares held. Ordinary shareholders' entitlements will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions of less than 0.5 being rounded down, and only whole numbers of rights offer shares will be issued, in accordance with the Listings Requirements.

Shares held	Entitlement	Shares held	Entitlement
1	–	52	24
2	1	53	25
3	1	54	25
4	2	55	25
5	2	56	26
6	3	57	26
7	3	58	27
8	4	59	27
9	4	60	28
10	5	61	28
11	5	62	29
12	6	63	29
13	6	64	30
14	6	65	30
15	7	66	31
16	7	67	31
17	8	68	31
18	8	69	32
19	9	70	32
20	9	71	33
21	10	72	33
22	10	73	34
23	11	74	34
24	11	75	35
25	12	76	35
26	12	77	36
27	12	78	36
28	13	80	37
29	13	81	37
30	14	82	38
31	14	83	38
32	15	84	39
33	15	85	39
34	16	86	40
35	16	87	40
36	17	88	41
37	17	89	41
38	18	90	42
39	18	91	42
40	19	92	43
41	19	93	43
42	19	94	43
43	20	95	44
44	20	96	44
45	21	97	45
46	21	98	45
47	22	99	46
48	22	100	46
49	23	200	93
50	23	300	139
51	24	400	185

Shares held	Entitlement	Shares held	Entitlement
500	231	3 000	1 388
600	278	3 100	1 434
700	324	3 200	1 480
800	370	3 300	1 526
900	416	3 400	1 573
1 000	463	3 500	1 619
1 100	509	3 600	1 665
1 200	555	3 700	1 711
1 300	601	3 800	1 758
1 400	648	3 900	1 804
1 500	694	4 000	1 850
1 600	740	4 100	1 896
1 700	786	4 200	1 943
1 800	833	4 300	1 989
1 900	879	4 400	2 035
2 000	925	4 500	2 081
2 100	971	4 600	2 128
2 200	1 018	4 700	2 174
2 300	1 064	4 800	2 220
2 400	1 110	4 900	2 266
2 500	1 156	5 000	2 313
2 600	1 203	10 000	4 625
2 700	1 249	100 000	46 255
2 800	1 295	1 000 000	462 546
2 900	1 341	10 000 000	4 625 457

INFORMATION ON THE UNDERWRITERS

The proposed rights offer is underwritten by Old Mutual Investment Group (South Africa) (Pty) Ltd and Abax Investments (Pty) Limited at 75% and 25%, respectively. Details pertaining to the underwriter as required by the Listings Requirements are set out below:

Full legal entity name:	Old Mutual Investment Group (South Africa) (Pty) Ltd
Directors:	Dr Deenadayalen Konar Mr Benjamin Monaheng Kodisang Mr Michael John Harper Mr Timothy John Cumming Mr Peter Mead Linley Mr Paul Norman Boynton Mr Kuseni Douglas Dlamini
Company secretary:	Elsabe Kirsten
Date and place of incorporation:	4 June 1993 (Pretoria, South Africa)
Registration number:	1993/003023/07
Registered office:	Mutualpark, Jan Smuts Drive, Pinelands, 7405
Auditors:	KPMG
Bankers:	Nedbank Limited
Authorised share capital:	900 000 ordinary shares of 1 cent each
	100 preference shares of 1 cent each
Issued share capital:	205 000 ordinary shares of 1 cent each

Full legal entity name:	Abax Investments (Pty) Limited
Directors:	Timothy Robert Allsop Anthony William Sceales Sedgwick Marius Michael van Rooyen Omri Thomas Stephanus Johannes Minnar
Company secretary:	Anthony Sedgwick
Date and place of incorporation:	11 May 2002 (Pretoria, South Africa)
Registration number:	2000/008606/07
Registered office:	Coronation House, The Oval, 1 Oakdale Road, Newlands, 7700
Auditors:	BDO Spencer Stewart
Bankers:	Nedbank Limited
Authorised share capital:	1 000 ordinary shares of R1.00 each
Issued share capital:	114 ordinary shares of R1.00 each

UNAUDITED *PRO FORMA* BALANCE SHEET AND INCOME STATEMENT OF HULAMIN

The unaudited *pro forma* balance sheet at 31 December 2009 and income statement for the year ended 31 December 2009 are set out below. The unaudited *pro forma* balance sheet and income statement have been prepared for illustrative purposes only to provide information on how the rights offer might have impacted on the financial position and results of the Group. Because of their nature, the unaudited *pro forma* balance sheet and income statement may not fairly present the Group's financial position after the rights offer, nor of its future earnings.

The unaudited *pro forma* balance sheet and income statement as set out below should be read in conjunction with the report of the independent reporting accountants which is included as Annexure 4 to this circular.

The directors of Hulamin are responsible for the preparation of the unaudited *pro forma* balance sheet and income statement.

UNAUDITED *PRO FORMA* BALANCE SHEET OF HULAMIN

	Actual 2009 R'000 Audited	**Adjustments R'000**	***Pro forma* R'000 Unaudited**
ASSETS			
Non-current assets			
Property, plant and equipment	4 979 278		4 979 278
Intangible assets	29 874		29 874
Investments in associates and joint ventures	10 463		10 463
Deferred tax asset	13 899		13 899
	5 033 514		5 033 514
Current assets			
Inventories	1 015 029		1 015 029
Trade and other receivables	695 228		695 228
Derivative financial assets	97 970		97 970
Income tax asset	8 048		8 048
Cash and cash equivalents	64 413		64 413
	1 880 688		1 880 688
Total assets	**6 914 202**	**–**	**6 914 202**
EQUITY			
Share capital and share premium	992 555	737 700	1 730 255
BEE reserve	174 686		174 686
Employee share-based payment reserve	74 097		74 097
Hedging reserve	(522)		(522)
Retained earnings	2 503 463		2 503 463
Total equity	**3 744 279**	**737 700**	**4 481 979**
LIABILITIES			
Non-current liabilities			
Non-current borrowings	763 496	(180 000)	583 496
Deferred tax liability	912 876		912 876
Retirement benefit obligations	132 946		132 946
	1 809 318	(180 000)	1 629 318
Current liabilities			
Trade and other payables	580 420		580 420
Current borrowings	709 822	(557 700)	152 122
Derivative financial liabilities	70 363		70 363
	1 360 605	(557 700)	802 905
Total liabilities	**3 169 923**	**(737 700)**	**2 432 223**
Total equity and liabilities	**6 914 202**	**–**	**6 914 202**

	Actual 2009 Audited	Adjustments	*Pro forma* Unaudited
Shares in issue:			
Shares in issue as at 31 December 2009	216 194 836	100 000 000	316 194 836
NAV per share (cents)	1 732	(315)	1 417
Tangible NAV per share (cents)	1 718	(310)	1 408

UNAUDITED *PRO FORMA* INCOME STATEMENT OF HULAMIN

	Actual 2009 R'000 Audited	Adjustments R'000	*Pro forma* R'000 Unaudited
Revenue	**4 499 582**		**4 499 582**
Operating profit	243 974		243 974
Net finance costs	(113 813)	77 987	(35 826)
Share of profits of associates and joint ventures	383		383
Profit before tax	130 544	77 987	208 531
Taxation	(40 911)	(21 836)	(62 747)
Net profit for the year	**89 633**	**56 151**	**145 784**
Adjusted for:			
Loss on sale of property, plant and equipment	2 731		2 731
Tax effects of adjustments	(765)		(765)
Headline earnings	**91 599**	**56 151**	**147 750**
Shares in issue:			
Weighted average number of shares	215 931 041	100 000 000	315 931 041
Share options	2 897 707	283 180	3 180 887
Diluted weighted average number of shares	218 828 748	100 283 180	319 111 928
Basic EPS (cents)	42	4	46
Diluted EPS (cents)	41	5	46
Basic HEPS (cents)	42	5	47
Diluted HEPS (cents)	42	4	46

Notes and assumptions:

1. *Pro forma* adjustments to the income statement are calculated on the assumption that the rights offer proceeds were received on 1 January 2009.
2. *Pro forma* adjustments to the balance sheet are calculated on the assumption that the proceeds were received on 31 December 2009.
3. Gross rights offer proceeds of R750 million at a rights offer share price of 750 cents.
4. Rights offers proceeds, net of estimated transaction costs, were assumed to pay down senior debt and short-term borrowings.
5. The interest impact on the income statement has been calculated by analysing the Group's borrowings on a monthly basis. Effective monthly interest rates have been applied to the borrowings and cash balances, as applicable, during the year.
6. A statutory tax rate of 28% has been applied to the interest adjustment.
7. No additional dividend payments would have been made to shareholders as a result of the rights offer.
8. Estimated transaction costs of R12.3 million, relating to the rights offer, have been taken into account in determining the financial effects and have been written off against share premium.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

"The Board of Directors Hulamin Limited
PO Box 74
Pietermaritzburg
3200

14 May 2010

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF HULAMIN LIMITED ("HULAMIN" OR "THE COMPANY")

Introduction

Hulamin Limited is issuing a circular to its shareholders ("the Circular") regarding the rights offer to shareholders ("the Proposed Transaction").

At your request and for the purposes of the Circular to be dated on or about 7 June 2010, we present our report on the unaudited pro forma balance sheet, income statement and financial effects ("the unaudited *pro forma* financial information") of the Company presented in Annexure 3 and paragraph 4 of the Circular.

The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported historical financial information presented, had the Proposed Transaction been undertaken at the commencement of the period or date of the unaudited *pro forma* balance sheet being reported on.

Responsibilities

The directors of the Company are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of the Company; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our assurance engagement in accordance with ISAE 3000: International Standard on Assurance Engagements Applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Revised Guide on Pro forma Financial Information issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information of the Company with the source documents, considering the *pro forma* adjustments in light of the accounting policies of the Company, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of the Company in respect of the proposed Transaction that is the subject of the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of the Company and other information from various public, financial and industry sources.

Whilst the work we performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information in accordance with the International Standards on Auditing or the International Standards on Review Engagements and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Opinion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of the Company;
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

PricewaterhouseCoopers Inc

Director: **H Ramsumer**
Registered Auditor"

TRADING HISTORY OF ORDINARY SHARES ON THE JSE

The trading history of ordinary shares on the JSE is set out below:

	High (cents)	Low (cents)	Volume traded (million)	Value traded (R million)
Quarter ended				
Sep 2007	4 200	2 101	19 714 067	521
Dec 2007	2 467	2 050	7 485 393	166
Mar 2008	2 785	1 620	10 320 623	193
Jun 2008	2 751	2 075	6 388 356	146
Sep 2008	2 160	1 700	5 737 641	112
Dec 2008	1 900	1 300	5 419 237	90
Mar 2009	1 350	900	10 837 973	121
Month ended				
April 2009	1 130	1 000	2 113 563	23
May 2009	1 150	1 010	4 174 410	27
June 2009	1 152	1 060	5 735 336	62
July 2009	1 400	1 000	98 785 604	1 187
August 2009	1 599	1 300	7 864 835	110
September 2009	1 395	1 129	4 477 838	58
October 2009	1 400	1 100	4 366 716	57
November 2009	1 400	1 150	2 857 252	37
December 2009	1 390	1 200	2 970 170	38
January 2010	1 380	1 250	829 268	11
February 2010	1 375	1 150	4 028 053	48
March 2010	1 220	1 055	2 037 020	23
Daily				
1 April 2010	1 099	1 081	13 222	0.14
6 April 2010	1 100	1 080	138 069	1.50
7 April 2010	1 100	1 075	131 934	1.43
8 April 2010	1 090	1 075	51 821	0.56
9 April 2010	1 100	1 080	85 007	0.92
12 April 2010	1 100	1 075	28 967	0.32
13 April 2010	1 100	1 087	54 827	0.60
14 April 2010	1 090	1 085	146 556	1.60
15 April 2010	1 090	1 070	200 419	2.16
16 April 2010	1 070	1 050	79 669	0.84
19 April 2010	1 050	1 030	73 306	0.76
20 April 2010	1 050	1 030	74 164	0.78
21 April 2010	1 045	1 035	54 460	0.57
22 April 2010	1 050	1 030	258 801	2.69
23 April 2010	1 060	1 045	30 657	0.32
26 April 2010	1 080	1 060	20 974	0.22
28 April 2010	1 079	1 060	133 044	1.41
29 April 2010	1 064	1 055	111 062	1.17
30 April 2010	1 060	1 055	176 610	1.87

Note: The above information was sourced from I-Net Bridge.

EXTRACTS FROM THE ARTICLES OF HULAMIN

RIGHTS ATTACHING TO SHARES

6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of the class, and the provisions of section 199 of the Act shall *mutatis mutandis* apply to the said resolution and meeting as if the resolution were a special resolution. To every such separate general meeting the provisions of these articles relating to general meetings shall *mutatis mutandis* apply but so that the necessary quorum, shall be two persons present or represented by proxy and holding at least one-third of all the issued shares of the class, or, if the Company has only one member holding shares of that class, that member in person or represented by proxy. This Article does not curtail the power of the Company to vary the rights attached to any share which has not been issued.

49. Subject to any rights or restrictions for the time being attached to any class or classes of preference shares, on a show of hands every member present in person or by proxy or being a corporate body represented at the meeting, shall have one vote, and on a poll every member present in person or by proxy shall be entitled to exercise the voting rights determined by section 195 of the Act.

DIRECTORS

56. The number of directors shall be not less than four. If at any time the minimum number of directors is reduced below four, the continuing directors may act only to fill any vacancies or to summon a general meeting for that purpose.

57. The remuneration of the directors shall from time to time be determined by the Company in general meeting. The remuneration determined by the Company in general meeting shall be divided amongst the directors in such proportions as they may agree, or in default of such agreement, equally, save that if any director has not held office for the whole of the period in respect of which the remuneration has been determined, his share shall be reduced proportionately.

58. If a director is required to perform extra services or to go or reside outside the Republic of South Africa or otherwise perform services which in the opinion of the disinterested quorum of directors are outside the scope of the ordinary duties of the director, he or she may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he or she may be entitled as a director and may be fixed by a disinterested quorum of the directors.

59. The directors shall be paid all their travelling expenses and other expenses properly and necessarily incurred by them in and about the business of the Company.

60. A director shall not be required to hold any qualifying shares.

ALTERNATE DIRECTORS

61. Each director shall have the power to nominate with the approval of the board, any person whether he is a member or not, to act as alternate director in his place during his absence or inability to act as such director and on such appointment being made, the alternate director shall, in all respects, be subject to the terms, qualifications and conditions existing with reference to the other directors of the Company.

    A director whilst also acting as an alternate director, shall at any meeting of directors be entitled to two votes.

62. The alternate directors, whilst acting in the stead of the directors who appointed them, shall exercise and discharge all the powers, duties and functions of the directors they represent. The appointment of an alternate director shall be revoked, and the alternate director shall cease to hold office, whenever the director who appointed him ceases to be a director or gives notice to the secretary of the Company that the alternate director representing him has ceased to do so.

POWERS AND DUTIES OF DIRECTORS

63. The management and control of any business of the Company shall be vested in the directors who in addition to the powers and authorities by these Articles expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and are not by these Articles or by the Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to such management and control not being inconsistent with these Articles nor with any resolution passed by the Company in general meeting; but so that no such resolution shall invalidate any prior act of the directors which would have been valid if such resolution had not been passed. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the directors by any other Article.

64. The directors may pay all expenses incurred in promoting and incorporating the Company.

65. A director may himself act, or any firm of which he is a member may act, in professional capacity (other than auditor) for the Company, or any other company in which the Company is interested, and he or his firm shall be entitled to remuneration for those professional services as may be fixed by a disinterested quorum of directors.

66. A director may be employed by or hold any office of profit under the Company or under any subsidiary or holding company in conjunction with the office of director, other than that of auditor of the Company or of any subsidiary company, and any remuneration paid to him shall be in addition to any director's fees paid by the Company, provided that such remuneration is fixed by a disinterested quorum of directors.

BORROWING POWERS

67. (a) Subject to any regulations made by the Company in general meeting to restrict the borrowing powers, the directors may borrow from time to time for the purposes of the Company or to secure the payment of such funds as they think fit.

    (b) The borrowing powers of subsidiaries of the Company shall be subject to such limitations imposed by the directors.

EXECUTIVE DIRECTORS

68. The directors may from time to time appoint:

    (a) a managing director and other executive directors of the Company; and

    (b) any director to any executive office with the Company or as a director or employee of a company controlled by or which is a subsidiary of the Company,

    as the directors shall think fit and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

69. The term of office of a director appointed as managing director or to any other executive office in terms of Article 68 shall be fixed by a disinterested quorum of directors.

70. Any director appointed in terms of Article 68:

    (a) shall not (subject to the provisions of the contract under which he or she is appointed) whilst he or she continues to hold that position or office, be subject to retirement by rotation;

    (b) shall not, during the currency of such appointment, be taken into account in determining the rotation of retirement of directors; and

    (c) shall be subject to the same provisions as to removal as the other directors of the Company and, if he or she ceases to hold office as a director, his or her appointment to such position or executive office shall ipso facto terminate without prejudice to any claims for damages which may accrue to him or her as a result of such termination.

71. Only a minority of the directors may be so appointed on the basis that they shall not be subject to retirement by rotation.

72. The remuneration of a managing director or of any other director appointed to an executive office or otherwise in terms of Article 68:

    (a) shall be determined by a disinterested quorum of the directors;

    (b) shall be in addition to or in substitution of any ordinary remuneration as a director of the Company, as the directors may determine; and

    (c) may consist of a salary or a commission on profits or dividends or both, as the directors may direct.

73. The directors may:
   (a) from time to time confer upon a director appointed to any position or executive office in terms of Article 68 any or all powers exercisable under the Articles by the directors;
   (b) confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient;
   (c) confer such powers with or to the exclusion of or in substitution for any powers of the directors; and
   (d) from time to time revoke, withdraw or vary such powers.

DISQUALIFICATION OF DIRECTORS

76. The office of director shall be vacated if the director:
   (a) ceases to be a director or becomes prohibited from being a director by virtue of any provision of the Act; or
   (b) resigns his office by notice in writing to the Company.

RETIREMENT OF DIRECTORS IN ROTATION

77. Subject to Article 70 all the directors shall retire at the first annual general meeting and at every annual general meeting thereafter one-third of the directors for the time being or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office.

78. The directors so to retire shall be those who have been longest in office since their last election, but in the case of persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

79. Notwithstanding anything herein contained, if at the date of any annual general meeting any director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting either as one of the directors to retire by rotation or additionally thereto.

80. The length of time a director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.

81. A director retiring at a meeting shall retain office until the election of directors at that meeting has been completed.

82. Retiring directors shall be eligible for re-election.

83. No person, other than a director retiring at the meeting shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting unless:
   (a) not more than fourteen, but at least seven, clear days before the day appointed for the meeting, there shall have been delivered at the office of the Company a notice in writing by a member (who may also be the proposed director) duly qualified to be present and vote at the meeting for which such notice is given;
   (b) such notice sets out the member's intention to propose a specific person for election as director; and
   (c) notice in writing by the proposed person of his willingness to be elected is attached thereto (except where the proposer is the same person as the proposed).

84. If at any meeting at which an election of directors ought to take place the offices of the retiring directors are not filled, then unless it is expressly resolved not to fill such vacancies, the retiring directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected unless a resolution for the re-election of any such director shall have been put to the meeting and defeated.

85. The Company may from time to time in general meeting increase or reduce the number of directors, provided that the number of directors shall not be less than four.

86. Any casual vacancy occurring on the board of directors may be filled by the directors, but the director so appointed shall retire from office at the next following annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining which directors are to retire by rotation at such meeting.

87. The appointment of a director, except the appointment of a retiring director re-elected or deemed to have been re-elected at a meeting of the Company, shall lapse and be void if the person so appointed fails to sign the consent to act as a director of the Company referred to in section 211 of the Act within twenty-eight days of being requested by the Company in writing to sign such consent.

PROCEEDINGS OF DIRECTORS

88. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the event of an equality of votes, the chairman shall have a second or casting vote, unless the members otherwise determine in general meeting, or unless the quorum for a meeting of directors is two and only two directors are present at a meeting. A director may, and the secretary on the requisition of a director shall at any time convene a meeting of directors.

89. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, but shall not be less than the majority of the directors and unless so fixed shall be the majority of the directors. If the quorum is fixed at two, the provisions of the preceding article with regard to the casting vote of the chairman shall apply. If a director is unable to attend a directors meeting in person and if necessary for the purposes of achieving a quorum at the meeting the attendance and participation of such director may if requested by any such director be arranged by telephone conference or video conference linkup or such other electronic made means as may be suitable and available whereby such director is aware of the contributions to the meeting by the other directors and is able to contribute to the meeting without any significant impediment.

90. Subject to the provisions of the Act, a resolution in writing signed, in the Republic of South Africa, by a majority of the directors who also constitute a quorum shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held, provided that notice of the resolutions proposed to be signed is given to each director who is in the Republic of South Africa or, if a director is not in the Republic of South Africa such director has given notice in writing to the Company of his contact details. The resolution may consist of several documents in the same form, each of which is signed by one or more directors or by their alternates and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the date on which it was signed by the last signatory.

91. The directors may elect a chairman of their meetings and a deputy chairman and determine the period for which they are to hold office, but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for holding the same, the directors present may elect one of their number to be chairman of the meeting.

92. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any rules that may be imposed on it by the directors.

93. A committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may elect one of their number to be chairman of the meeting.

94. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the event of an equality of votes the chairman shall not have a second or casting vote.

95. All acts done by any meeting of the directors or a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and were qualified to be a director.

DIVIDENDS AND RESERVES

102. Without derogating from the provisions of Article 111, subject to section 90 of the Act the Company may make payments to its members which are hereinafter referred to as “dividends”. The said payments may be made in money or by the delivery of other property.

103. The directors or the Company in general meeting may declare dividends but no dividend declared by the Company in general meeting shall exceed the amount recommended by the directors.

104. The directors may, before declaring or recommending any dividend, set aside out of the profits of the Company such sums as they think fit as a reserve or reserves, which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

105. Notice of any dividend that may have been declared shall be given in the manner hereinafter provided to the persons entitled to share therein.

106. Dividends shall be payable to members registered as such on a date subsequent to the date of declaration of the dividend or date of confirmation of the dividend, whichever is the later.

107. Not less than fourteen days shall elapse between the date of declaration of a dividend or date of confirmation of the dividend, whichever is the later, and the date upon which the Company's transfer register is closed for the purpose of ascertaining the members entitled to receive payment of the dividend.

108. Every dividend or other moneys payable in cash in respect of shares may be paid by cheque or by electronic bank transfer. If payment is made by cheque the cheque shall either be sent by post to the registered address of the member entitled thereto or be given to him personally, and payment of the cheque shall be a good discharge to the Company in respect thereof. Any one of two or more joint holders may give instructions for payment into a bank by electronic bank transfer and may give effectual receipts for any dividends or other moneys payable in respect of the shares held by them as joint holders.

109. No dividend shall bear interest against the Company and any dividend remaining unclaimed for a period of three years from its declaration may, provided that notice of the declaration has been given to the person entitled thereto by prepaid letter sent to his last registered address, be forfeited by resolution of the directors for the benefit of the Company. Moneys, other than dividends, and unclaimed interest or distributions due to holders of securities must be held in trust by the Company indefinitely until lawfully claimed by the shareholders.

110. The Company shall not be responsible for the loss in transmission of any cheque or other document sent through the post to the registered address of any member, whether or not it was so sent at his request or for the loss or misdirection of any electronic transfer made to the bank account nominated by a member.

PAYMENTS TO SHAREHOLDERS:

111. In addition to the powers vested in them by sections 76(3) and 98(4) of the Act the directors may, if so authorised by an ordinary resolution and subject to compliance with the Act and the requirements of the JSE, make payments to its members.

TERMS AND CONDITIONS OF THE A ORDINARY SHARES

140. For the purposes of Articles 140 and 141 "A Ordinary Shares" means A ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company.

141. The A Ordinary Shares shall carry the following rights and be subject to the following conditions:

(a) each A Ordinary Share shall confer on the holder thereof, the right on a winding-up of the Company to repayment of the par value of the A Ordinary Share, being R0.10 (ten cents);

(b) except as set out in Article 141(a), the A Ordinary Shares shall not be entitled to any participation in the profits of the Company or any distribution of the assets or capital of the Company (including dividends or other payments);

(c) the holders of the A Ordinary Shares shall be entitled to receive notice of and be present and vote, either in person or by proxy, at any meeting of the Company;

(d) on a show of hands every holder of an A Ordinary Share present in person or by proxy, or being a corporate body represented, at the meeting, shall have one vote, and on a poll every member present in person or by proxy shall be entitled to exercise the voting rights determined by section 195 of the Act; and

(e) the rights, terms and conditions attaching to the A Ordinary Shares shall only be varied or cancelled by means of a special resolution passed by the Company with the consent in writing of the holders of the A Ordinary Shares.

TERMS AND CONDITIONS OF THE B1 ORDINARY SHARES

142. For the purposes of Articles 142 to 149:

(a) "B1 Attrition Shares" means B1 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamin Employee Share Ownership Scheme;

(b) "B1 Capital Appreciation Period" means the 5 (five)-year period commencing on the date of allotment and issue of the B1 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;

(c) "B1 Ordinary Shares" means B1 ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company;

(d) "B1 Repurchase Shares" means the number of the B1 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 143;

(e) "B1 Remaining Shares" means the B1 Ordinary Shares which are not B1 Repurchase Shares; and

(f) "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

143. The Company shall have the right, during the last five days before the expiry of the B1 Capital Appreciation Period, to acquire by written notice ("B1 Written Notice") to that effect to the holder of the B1 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B1 Ordinary Shares, at an acquisition price of R0.01 per B1 Ordinary Share, as determined in accordance with the following formula:

$$R = \frac{(P_1 + F - D)}{P_2} \times (B_1 - AS) + AS$$

Where:

R = number of B1 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of the allotment and issue of the B1 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B1 Written Notice;

F = cumulative annual funding cost imputed to the B1 Ordinary Shares over the B1 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B1 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Employee Share Ownership Scheme over the duration of the B1 Capital Appreciation Period;

AS = number of B1 Attrition Shares; and

B_1 = number of B1 Ordinary Shares in issue.

144. The holder of the B1 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 143 and acquires the B1 Repurchase Shares, to dispose of any of the B1 Ordinary Shares; provided that if the holder of the B1 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B1 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 144 and as security for the obligations of the holder of the B1 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 143 the B1 Ordinary Shares shall be held by the Company in safe custody.

145. To give effect to the provisions of Article 144, the B1 Ordinary Shares shall be certificated and the share certificates of the B1 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B1 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

146. On the Company exercising its right and acquiring the B1 Repurchase Shares:

(a) the conditions and restrictions contained in Articles 143 to 145 shall automatically cease to apply to the B1 Remaining Shares and the B1 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B1 Repurchase Shares) in the issued share capital of the Company;

(b) the B1 Remaining Shares shall be renamed "ordinary shares";

(c) the B1 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B1 Remaining Shares shall be delivered to the holder of the B1 Ordinary Shares to enable the B1 Remaining Shares to become uncertificated; and

(d) the B1 Remaining Shares shall be listed on the JSE.

147. If at the time the Company exercises its rights in terms of Article 143, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B1 Repurchase Shares but shall only be obliged to pay the consideration for the B1 Repurchase Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B1 Ordinary Shares, the holder of the B1 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.

148. Save as set out in Articles 142 to 145 the B1 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.

149. After expiry of the B1 Capital Appreciation Period and after all the B1 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 142 to 148 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B2 ORDINARY SHARES

150. For the purposes of Articles 150 to 157:

(a) "B2 Attrition Shares" means B2 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamin Management Share Ownership Scheme;

(b) "B2 Capital Appreciation Period" means the 5 (five)-year period commencing on the date of allotment and issue of the B2 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;

(c) "B2 Ordinary Shares" means B2 ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company;

(d) "B2 Repurchase Shares" means the number of the B2 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 151;

(e) "B2 Remaining Shares" means the B2 Ordinary Shares which are not B2 Repurchase Shares; and

(f) "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

151. The Company shall have the right, during the last five days before the expiry of the B2 Capital Appreciation Period, to acquire by written notice ("B2 Written Notice") to that effect to the holder of the B2 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B2 Ordinary Shares, at an acquisition price of R0.01 per B2 Ordinary Share, as determined in accordance with the following formula:

R_1 equals the greater of:

$$R = \frac{(P_1 \text{ x } 80\%) + F - D}{P_2} \text{ X } (B_2 - AS) + AS$$

or

$$R = \frac{(P_1 \text{ x } 80\%) + F - D}{P_2} + \frac{P_2 - (P_1 \text{ x } 161\%)}{P_2} \text{ x } (B_2 - AS) + AS$$

Where:

R_1 = number of B2 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B2 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B2 Written Notice;

AS = number of B2 Attrition Shares;

B_2 = number of B2 Ordinary Shares in issue;

F = cumulative annual funding cost imputed to the B2 Ordinary Shares over the B2 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of dividends per B2 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Management Share Ownership Scheme over the duration of the B2 Capital Appreciation Period.

152. The holder of the B2 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 151 and acquires the B2 Repurchase Shares, to dispose of any of the B2 Ordinary Shares; provided that if the holder of the B2 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B2 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 152 and as security for the obligations of the holder of the B2 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 151 the B2 Ordinary Shares shall be held by the Company in safe custody.

153. To give effect to the provisions of Article 152 the B2 Ordinary Shares shall be certificated and the share certificates of the B2 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B2 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

154. On the Company exercising its right and acquiring the B2 Repurchase Shares:

(a) the conditions and restrictions contained in Articles 151 to 153 shall automatically cease to apply to the B2 Remaining Shares and the B2 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B2 Repurchase Shares) in the issued share capital of the Company;

(b) the B2 Remaining Shares shall be renamed "ordinary shares";

(c) the B2 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B2 Remaining Shares shall be delivered to the holder of the B2 Ordinary Shares to enable the B2 Remaining Shares to become uncertificated; and

(d) the B2 Remaining Shares shall be listed on the JSE.

155. If at the time the Company exercise its rights in terms of Article 151, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B2 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B2 Ordinary Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B2 Ordinary Shares, the holder of the B2 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.

156. Save as set out in Articles 150 to 153, the B2 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.

157. After expiry of the B2 Capital Appreciation Period and after all the B2 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 150 to 156 shall cease to be of any further force and effect.

TERMS AND CONDITIONS OF THE B3 ORDINARY SHARES

158. For the purposes of Articles 158 to 165:

(a) "B3 Attrition Shares" means B3 Ordinary Shares which had been allocated, but then ceded and transferred on the occurrence of an event of default in terms of the rules of the Hulamin Management Share Ownership Scheme;

(b) "B3 Capital Appreciation Period" means the 5 (five)-year period commencing on the date of allotment and issue of the B3 Ordinary Shares and expiring on the 5th (fifth) anniversary of such date of allotment and issue, or such shorter period as may be agreed to by the directors;

(c) "B3 Ordinary Shares" means B3 ordinary shares with a par value of R0.10 (ten cents) each in the share capital of the Company;

(d) "B3 Repurchase Shares" means the number of the B3 Ordinary Shares which are eligible to be acquired by the Company in accordance with the formula set out in Article 159;

(e) "B3 Remaining Shares" means the B3 Ordinary Shares which are not B3 Repurchase Shares; and

(f) "VWAP" means the volume weighted average trading price of an ordinary share in the Company on the JSE.

159. The Company shall have the right, during the last five days before the expiry of the B3 Capital Appreciation Period, to acquire by written notice ("B3 Written Notice") to that effect to the holder of the B3 Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the B3 Ordinary Shares, at an acquisition price of R0.01 per B3 Ordinary Share, as determined in accordance with the following formula:

R_2 equals the greater of:

AS; or

$$R = \frac{P_2 - (P_1 \times 161\%) + F - D}{P_2} \times (B_3 - AS) + AS$$

Where:

R_2 = number of B3 Ordinary Shares to be acquired;

P_1 = VWAP during the 22 JSE trading days preceding the date of allotment and issue of the B3 Ordinary Shares;

P_2 = VWAP during the 22 JSE trading days preceding the date of the B3 Written Notice;

F = cumulative annual funding cost imputed to the B3 Ordinary Shares over the B3 Capital Appreciation Period, which annual funding cost will be equal to the ordinary dividend per share declared on ordinary shares in the Company in that year;

D = cumulative amount of all dividends per B3 Ordinary Shares which were declared but not received in cash by the participants in the Hulamin Management Share Ownership Scheme over the duration of the B3 Capital Appreciation Period;

AS = number of B3 Attrition Shares;

B_3 = number of B3 Ordinary Shares in issue.

160. The holder of the B3 Ordinary Shares shall not be entitled, before the Company exercises its right in terms of Article 159 and acquires the B3 Repurchase Shares, to dispose of any of the B3 Ordinary Shares; provided that if the holder of the B3 Ordinary Shares is required to do so by virtue of all shareholders, or specific classes of shareholders, being obliged to dispose of their shares, then it may dispose of the B3 Ordinary Shares in terms of such obligation but only as a collective group of shares (and not individually) to a single acquirer. In order to give effect to the provisions of this Article 160 and as security for the obligations of the holder of the B3 Ordinary Shares arising from the exercise by the Company of its rights as contemplated in Article 159 the B3 Ordinary Shares shall be held by the Company in safe custody.

161. To give effect to the provisions of Article 160, the B3 Ordinary Shares shall be certificated and the share certificates of the B3 Ordinary Shares shall be held in trust by the secretary of the Company. The certificates of the B3 Ordinary Shares shall be appropriately endorsed to reflect the existence of the safe custody arrangement.

162. On the Company exercising its right and acquiring the B3 Repurchase Shares:

(a) the conditions and restrictions contained in Articles 159 to 161 shall automatically cease to apply to the B3 Remaining Shares and the B3 Remaining Shares shall continue to rank *pari passu* in all respects with the other ordinary shares (other than the B3 Repurchase Shares) in the issued share capital of the Company;

(b) the B3 Remaining Shares shall be renamed "ordinary shares";

(c) the B3 Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the B3 Remaining Shares shall be delivered to the holder of the B3 Ordinary Shares to enable the B3 Remaining Shares to become uncertificated; and

(d) the B3 Remaining Shares shall be listed on the JSE.

163. If at the time the Company exercise its rights in terms of Article 159, the solvency and liquidity requirements set out in sections 85(4)(a) and (b) of the Act are not met, the Company shall nevertheless be entitled to acquire the B3 Repurchase Shares but shall only be obliged to pay the consideration to the holder of the B3 Ordinary Shares as and when the Company can make such payment without contravening the provisions of section 85(4) of the Act. Until the Company has fully discharged its obligation to the holder of the B3 Ordinary Shares, the holder of the B3 Ordinary Shares shall retain the status of a claimant with the rights set out section 88(3) of the Act.

164. Save as set out in Articles 158 to 161, the B3 Ordinary Shares shall rank *pari passu* in all respects with the other ordinary shares in the issued share capital of the Company.

165. After expiry of the B3 Capital Appreciation Period and after all the B3 Repurchase Shares have been acquired by the Company in accordance with section 85 of the Act, Articles 158 to 164 shall cease to be of any further force and effect.

HISTORICAL FINANCIAL INFORMATION OF HULAMIN

1. INTRODUCTION

The consolidated financial information of Hulamin for the three years ended 31 December 2007, 2008 and 2009 is set out below. The annual financial statements of Hulamin Limited for the last three financial years have been audited by PricewaterhouseCoopers Inc. An unqualified audit opinion was issued in all three years.

The report on this historical financial information is the responsibility of the directors of Hulamin.

There has been no material change in the nature of business of Hulamin during the past five years. No material fact or circumstance has occurred between the latest financial year-end of Hulamin and the last practicable date.

No adjustments concerning the correction of fundamental errors or application of changes in accounting policies have been made in preparing the report of historical financial information. Non-material adjustments have been made for comparative purposes only.

There have been no subsidiaries, foreign subsidiaries included, whose financial reports were not completed according to International Financial Reporting Standards ("IFRS").

The financial year-end of the Group did not change at any time during the last three years.

2. ACCOUNTING POLICIES OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2009

BASIS OF PREPARATION

1. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Group financial statements are prepared in compliance with IFRS, interpretations of those standards and applicable legislation.

1.1 Standards and interpretations affecting current year financial statements

The following new and revised accounting standards adopted in the current year have affected the amounts reported in the current year Group financial statements:

IAS 1 (revised) – 'Presentation of Financial Statements'. This standard requires non-owner changes in equity to be presented separately from owner changes in equity in a separate performance statement. In terms of this standard, entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two performance statements in the Group financial statements. Comparative information has been re-presented so that it also is in conformity with the revised standard. The change in accounting policy only impacts the presentation of results and there is no impact on earnings per share.

IFRS 8 – 'Operating Segments'. IFRS 8 replaces IAS 14, Segment Reporting. This new standard requires the segment information to be presented on the same basis as that used for internal reporting purposes. The operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. The change in accounting policy only impacts disclosures and the presentation of results and there is no impact on earnings per share.

Amendments to IFRS 7 – 'Financial Instruments: Disclosures'. The amendments require enhanced disclosures on fair value measurement and liquidity risk. In particular, the amendments require disclosure of fair value measurements within a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

1.2 Standards and interpretations which do not affect current year Group financial statements

The following revised accounting standards, which are effective in the current year, do not impact on the current year Group financial statements, but may affect the accounting for future transactions or arrangements:

Amendments to IFRS 2 – 'Share-based Payment'. The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.

AC 503 (revised) – 'Accounting for Black Economic Empowerment (BEE) Transactions'. Revisions have been made to AC 503 to take into account the amendments to IFRS 2, in particular the amended definition of vesting conditions and the accounting treatment of non-vesting conditions.

1.3 Standards and interpretations in issue not yet effective

The following new and revised accounting standards and interpretations that will impact on the financial statements of the Group, or may affect the accounting for future transactions or arrangements, have not yet become effective and have not been adopted prior to their commencement:

IAS 27 (revised) – 'Consolidated and Separate Financial Statements' (effective from 1 July 2009);

IFRS 3 (revised) – 'Business Combinations' (effective from 1 July 2009);

IFRS 9 – 'Financial Instruments' (effective from 1 January 2013);

IFRIC 17 – 'Distributions of Non-cash Assets to Owners' (effective from 1 July 2009);

IASB Annual Improvements Project: Improvements to International Financial Reporting Standards 2008 and 2009 (various effective dates);

Amendments to IFRS 2, Group Cash-settled Share Based Payment Transactions (effective from 1 January 2010); and

AC 504, IAS 19 (AC 116) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction In The South African Pension Fund Environment' (effective from 1 April 2009).

The Group intends to comply with these standards from the effective dates. Adoption of these standards by the Group in future reporting periods is not expected to have a significant impact on the financial statements of the Group.

2. UNDERLYING CONCEPTS

The financial statements are prepared using the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and are prepared on the going concern basis.

The financial statements are prepared using accrual accounting whereby the effects of transactions and other events are recognised when they occur rather than when the cash is received.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported only when a currently legally enforceable right to set-off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies resulting from the initial application of a Standard or an Interpretation are accounted for in accordance with the transitional provisions in the accounting standard. If no such guidance is given, they are applied retrospectively.

Changes in accounting estimates resulting from new information or new developments are recognised in the income statement in the period they occur.

Prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively.

3. JUDGEMENTS MADE BY MANAGEMENT

There were no material judgements made by management, in the application of accounting policies, that could have had a significant effect on the amounts recognised in the financial statements, other than those dealt with below.

4. RECOGNITION OF ASSETS AND LIABILITIES

Assets and liabilities are recognised when it is probable that future economic benefits associated with them will flow to and from the Group, respectively, and when their costs or fair values can be measured reliably.

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are recognised based on trade dates.

5. DERECOGNITION OF ASSETS AND LIABILITIES

Financial assets or parts thereof are derecognised, when the contractual rights to receive the cash flows have expired or been transferred and substantially all the risks and rewards of ownership or control have passed.

All other assets are derecognised on disposal or when the substantial risks and rewards associated with ownership have passed to another party, or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

6. FOREIGN CURRENCIES

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the exchange rates ruling on the dates of the transactions, i.e. dates on which the transactions first qualify for recognition. Foreign exchange gains and losses resulting from the settlement of these transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in the period in which they arise, except when deferred in equity as qualifying cash flow hedges. The Group's functional and presentation currency is South African Rand.

Gains and losses arising from changes in the fair value of foreign exchange contracts (except cash flow hedges when deferred in equity) as well as gains and losses arising on translation are recognised in the income statement in the period in which they arise.

7. HEDGE ACCOUNTING

Hedge accounting is adopted when all the IFRS requirements are fulfilled, which includes documenting at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. In addition, the Group documents the assessment, both at hedge inception and on an ongoing basis, of the hedge effectiveness.

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset, liability or firm commitment. The gain or loss on the hedged item attributable to the hedged risk in a fair value hedge is included in the carrying amount of the hedged item and recognised in the income statement. The gain or loss on the hedged instrument is also recognised in the income statement.

A cash flow hedge is the hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with an asset or a liability that could affect profit or loss or a highly probable forecast transaction that could affect profit or loss. The portion of the gain or loss on the hedging instrument in a cash flow hedge that is determined to be effective is recognised directly in other comprehensive income, whilst the ineffective portion is recognised in the income statement.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses previously recognised in other comprehensive income and accumulated in equity are recognised in the income statement in the same period in which the asset or liability affects the income statement.

If a hedge results in the recognition of a non-financial asset or non-financial liability, any associated gains or losses previously recognised in other comprehensive income and accumulated in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria (including when it becomes ineffective), when the hedge instrument is sold, terminated or exercised when, for cash flow hedges, the forecast transaction is no longer expected to occur or when the hedge designation is revoked.

The hedging reserve accumulates all movement in the fair value of financial instruments designated as hedges of transactions that have yet to be recognised on the balance sheet. When the underlying transaction is recognised, the related accumulated hedging reserve is released to the income statement.

8. POST-BALANCE SHEET EVENTS

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date.

9. COMPARATIVE FIGURES

Comparative figures are restated in the event of a change in accounting policy, prior period error or change in presentation or classification of items in the financial statements.

10. SEGMENT REPORTING

The Group determines and reports operating segments based on internal information that is provided to the Hulamin Executive Committee, which is the Group's most senior operating decision-making body.

BASIS OF CONSOLIDATION

11. SUBSIDIARIES

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Group exercises control, or up until the point it ceases to exercise control. Inter-company transactions, balances and unrealised gains and losses on transactions between Group entities are eliminated on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity holders of the Group. Gains or losses arising from these transactions are recorded in equity.

12. ASSOCIATES

Associates are accounted for using the equity method from the date on which they become an associate. The use of the equity method is discontinued from the date that the Group ceases to have significant influence over an associate.

13. JOINT VENTURES

The Group accounts for joint ventures using the equity method of accounting where the investment is carried at cost plus post-acquisition changes in the Group's share of net assets of the joint venture, less any provision for impairment.

14. BUSINESS COMBINATIONS

Business combinations – IFRS 3

The cost of an acquisition, which is within the scope of IFRS 3: Business Combinations, is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost over the Group's share in the fair value of the assets, liabilities and contingent liabilities acquired is recognised as goodwill and any excess of the fair value of the assets, liabilities and contingent liabilities over the cost is recognised in the income statement.

Business combinations – common control transactions

Common control transactions are accounted for using the predecessor values method. Application of the predecessor values method results in the recording of the transaction and the results of operations as if it had taken place at the beginning of the earliest period presented.

The assets and liabilities of the acquired entity are recorded at book values. The predecessor values are adjusted to ensure uniform accounting policies.

The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are recorded as an adjustment to retained earnings.

ASSETS

15. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the estimated cost of dismantling and removing the assets.

Depreciation is calculated so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Depreciation is charged from the dates the assets are available for use. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Where the useful lives of significant parts of an item are different from the item itself, these parts are depreciated over their useful lives.

The methods of depreciation, useful lives and residual values are reviewed annually.

Gains and losses on disposals are recognised within other income/expenses in the income statement.

16. INTANGIBLE ASSETS

The Group's only intangible asset is computer software. Research costs are expensed when incurred. Software license and development costs are capitalised, provided that all the asset recognition criteria are met, and amortised over their useful lives.

17. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date the carrying amount of the tangible and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Value in use is estimated based on discounted future cash flows expected to be derived from an asset or cash-generating unit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the income statement. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

18. LEASING

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

Leases are classified as finance leases or operating leases at the inception of the lease.

Finance leases are recognised as assets and liabilities at the lower of the fair value of the asset and the present value of the minimum lease payments at the date of acquisition, being payments over the lease term, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor including any amounts guaranteed by the Group or by a party related to the Group.

Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. Finance costs are charged to the income statement over the term of the lease at interest rates applicable to the lease on the remaining balance of the obligations.

Rentals payable under operating leases are recognised in the income statement on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the user's benefit.

19. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

The specific identification basis is used to arrive at the cost of items that are not interchangeable. The weighted average method, in the case of consumables, and the first-in-first-out method, in the case of all other inventories, is used to arrive at the cost of items that are interchangeable.

20. FINANCIAL ASSETS

Financial assets are initially measured at fair value plus transaction costs. However, transaction costs in respect of financial assets classified as at fair value through profit or loss are expensed.

Financial assets classified as at fair value through profit or loss are measured at fair value with gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Financial assets classified as held-to-maturity financial assets are measured at amortised cost less any impairment losses recognised to reflect irrecoverable amounts.

Loans and receivables, which include trade receivables, are measured at amortised cost less impairment losses, which are recognised in the income statement. The fair value of loans and receivables approximate their carrying value.

Available-for-sale financial assets are measured at fair value with gains or losses being recognised in other comprehensive income. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted. Cumulative gains and losses, including that deferred in equity, are recognised in the income statement on impairment. Any reversal of impairment losses on equity instruments is recognised directly in equity.

Financial assets carried at amortised cost are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In particular, the trade receivables provision is established where there is objective evidence that the Group will not collect all amounts due according to the original terms of receivables.

The fair value of derivative assets is calculated as the difference between the contracted value and the value to maturity at the balance sheet date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The value to maturity of commodity futures is determined by reference to quoted prices at the balance sheet date. The value to maturity of interest rate swaps is determined by reference to quoted swap rates at the balance sheet date.

21. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal Groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Upon initial classification as held for sale, non-current assets and disposal Groups are recognised at the lower of carrying amount and fair value less cost to sell.

22. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are not recognised, although contingent liabilities are disclosed.

EQUITY AND LIABILITIES

23. EQUITY

Transactions relating to the acquisition and sale of shares in the Company, together with their associated incremental direct costs, are accounted for in equity. Other transactions are accounted for directly in equity only if permitted by the standards.

24. CONSOLIDATED SHARES

Consolidated shares represent the A class ordinary shares issued to the BEE investors and the B class ordinary shares issued to the ESOP and MSOP share trusts.

25. DEFERRED TAX

Deferred tax is provided in full using the liability method, on temporary differences arising between tax bases of the assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, unless specifically exempt.

Deferred tax liabilities arising on investments in subsidiaries, associates and joint ventures are recognised, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

26. FINANCIAL LIABILITIES

Financial liabilities are initially measured at fair value net of transaction costs. However, transaction costs in respect of financial liabilities classified as at fair value through profit or loss are expensed.

Gains and losses arising from changes in the fair value of financial liabilities at fair value through profit or loss are presented in the income statement within other operating income.

Financial liabilities (excluding liabilities designated in a hedging relationship) that are not designated on initial recognition as financial liabilities at fair value through profit or loss are measured at amortised cost.

The fair value of derivative liabilities is calculated as the difference between the contracted value and the value to maturity at the balance sheet date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The value to maturity of commodity futures is determined by reference to quoted prices at the balance sheet date. The value to maturity of interest rate swaps is determined by reference to quoted swap rates at the balance sheet date.

27. EMPLOYMENT BENEFIT OBLIGATIONS

Post-employment benefit obligations

Certain employees of the Group are members of The Tongaat-Hulett Pension Fund, which is a defined benefit fund, as are certain employees of Tongaat Hulett.

This fund is classified as a multi-employer plan and, although the trustees to the fund have commenced a process to apportion the fund between the employers, the parties to the fund have not yet agreed on the basis for allocating the defined benefit obligation, plan assets and costs of the fund to the individual employers. The fund has therefore been accounted for as if it were a defined contribution plan.

Contributions to defined contribution plans are recognised in the income statement as they accrue.

Post-retirement medical aid benefits and retirement gratuities

Provisions for post-retirement medical aid benefits and gratuities payable on retirement are calculated on an actuarial basis, being present value of future liability, for services rendered to date. Actuarial gains and losses are recognised over the lesser of ten years or the employees' average remaining working lives.

Employee benefit costs

The cost of short-term employee benefits, including the expected cost of short-term accumulating compensated absences, is recognised in the income statement in the period in which the service is rendered and is not discounted.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

28. SHAREHOLDERS FOR EQUITY DIVIDENDS

Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity. Secondary Tax on Companies in respect of such dividends is recognised as a liability when the dividends are recognised as a liability and are included in the tax charge in the income statement.

29. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured as the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

INCOME STATEMENT

30. REVENUE

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group, and when the amount of the revenue and the related costs can be reliably measured.

Revenue of the Group comprises revenue from the sale of goods.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, and is shown net of returns, rebates and discounts, and after eliminating sales within the Group.

31. BORROWING COSTS

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

32. TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. The charge for current tax is computed on the results for the year, as adjusted for income that is exempt and expenses that are not deductible, using tax rates and tax laws that are enacted or substantively enacted by the reporting date.

33. SHARE-BASED PAYMENTS

The Group’s employee share incentive schemes, including the Employee Share Ownership Plan and the Management Share Ownership Plan, are accounted for as equity-settled share-based payments. The fair value of the incentives at the grant date is expensed on a straight-line basis over the period during which the incentive vests.

Fair value is determined based on an estimate of the incentives that will vest and any non-market conditions, using the Black-Scholes and binomial tree valuation models, and these estimates are reviewed annually.

For those schemes where the Group purchases shares (or where in the past Tongaat Hulett has purchased shares) in order to settle the benefit granted, any cost in excess of the fair value of the benefit granted is recognised in equity.

The transaction for the introduction of broad-based BEE investors will result in the participants acquiring Hulamin Limited shares and is accounted for as equity-settled share-based payment. The fair value of the transaction at the grant date was expensed in 2007. Fair value was determined using a Monte Carlo valuation model.

SOURCES OF ESTIMATION UNCERTAINITY

34. SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions and sources of estimation uncertainty at the balance sheet date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

Useful lives and residual values of assets

Items of property, plant and equipment are depreciated over their useful lives taking into account residual values. The estimated lives and residual values are assessed annually taking into account technological innovation, product life cycles, maintenance programmes and projected disposal values.

Post-employment benefit obligations

Actuarial valuations of post-retirement benefit obligations are based on assumptions which include employee turnover, mortality rates, discount rate, and expected long-term rate of return on retirement plan assets, healthcare costs, inflation rates and salary increments.

Share-based payment transactions

The critical estimates and assumptions used in the IFRS 2 calculations are disclosed in note 31.

Impairment of non-financial assets

The recoverable amounts of the assets (or cash-generating units to which they belong) disclosed in notes 2 to 4 of the Group financial statements, were estimated at period-end in terms of IAS 36. It was determined that no impairment of the carrying values of these assets would be required.

The key assumptions used to determine the recoverable amount of the relevant assets (or cash-generating units) are as follows:

- **Margins** – Based on internal market forecasts which take into account margins for the current year and anticipated changes in market conditions, adjusted for inflation in the Group's target markets and the estimated mix of products sold;
- **Sales volumes** – Volumes in 2010 and 2011 are based on levels prior to the economic downturn that began in late 2008 followed by steady growth for the remainder of the forecast period, taking into account estimated production capacity and market demand;
- **Currency exchange rates** – Based on consensus forecasts of the major South African financial institutions;
- **Aluminium price** – Based on internal market forecasts which take into account the Dollar aluminium price at the reporting date, changes in the Rand/Dollar exchange rate and US inflation forecasts; and
- **Discount rate** – The weighted average cost of capital is based on independent market data, except for the share beta which is derived from an appropriate basket of proxy companies.

Changes in the above key assumptions that are viewed as being reasonable would not cause the carrying values of these assets (or cash-generating units) to exceed their recoverable amounts.

The above key assumptions relating to margins, sales volumes, currency exchange rates and aluminium prices, employed in the determination of the recoverable amounts of the relevant assets (or cash-generating units), are consistent with those used in the budgets and medium-term forecasts considered by the directors in assessing the future performance of the Group.

3. COMMENTARY ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Market conditions for Hulamin's products were challenging in all market sectors during the year, although some improvement was noted in international markets towards the end of the year. Annualised sales volumes are returning to pre-contraction levels, notwithstanding the unscheduled interruption to production at the Camps Drift hot mill in July due to the premature failure of a critical component.

Local demand and the global plate and brazing sheet markets remained weak throughout 2009 which led to the overall product mix shifting away from the niche, high value products towards more standard distributor type products. Poor demand in the first half of the year, together with the hot mill break-down resulted in sales volumes for the year reducing by 20% to 159 000 tons. This, together with the effect of a lower average Rand aluminium price, resulted in turnover reducing from R7.1 billion to R4.5 billion.

Operating profit reduced from R465 million to R244 million. Earnings in the second half of the year showed some improvement over the first half despite the pronounced strengthening of the Rand against the US dollar. Attributable earnings for the year reduced from R268 million to R90 million and headline earnings per share reduced from 124 cents to 42 cents.

Operating cash flow (before interest and tax) of R962 million benefited from a R599 million reduction in working capital. Inventories were reduced by 15 days (20%) and export debtors by 9 days (15%). The net cash flow after dividends and capital expenditure, following the completion of the Rolled Products expansion, amounted to R338 million. Net borrowings reduced from R1 747 million to R1 409 million, which amounts to 38% of equity.

In early 2010 a number of alternatives to optimise the capital structure of Hulamin were being considered by the board, including the raising of equity by way of a rights offer. Consequently, the board decided that Hulamin would not declare a dividend for the 2009 financial year.

Rolled Products

After a stronger second half, Rolled Products sales volumes, at 142 000 tons for the year, were 38 000 tons lower than 2008 and 51 000 tons below 2007. The interruption to the operation of the hot mill affected sales by approximately 10 000 tons.

Demand in all regions and sectors remained subdued in 2009 with sales in some sectors down by more than 50% from 2008 levels. Demand in the packaging sector is recovering well. The high value plate and brazing sheet markets are also starting to show some improvement but are not expected to recover fully during 2010. Domestic demand remains weak and local sales in 2009 were 22% below the comparative levels.

In response to these weak market conditions, Hulamin increased its sales of standard products in the USA and Europe and production capacity is fully committed for several months forward.

Manufacturing costs reduced by 7% as a result of cost reduction measures, lower production volumes and a reduction in gas prices. The structured implementation of sustainable cost reduction and efficiency improvement projects is progressing well and cumulative annualised benefits are approaching R80 million. Significant further progress is expected in the current year.

The R970 million expansion project has been successfully completed. This project has increased the rolled products capacity by approximately 20% and will also enable the business to improve its sales mix as market conditions improve.

The operating performance of the newly commissioned assets is encouraging, providing confidence that the project will deliver the expected financial returns as the capacity utilisation and product mix improves.

Extruded Products

The local demand for extruded products weakened sharply and Extrusion sales volumes were 17% below the previous year, despite an improvement in market share. The business continues to strengthen its market position in the architectural sector and achieved markedly higher sales in the second half of the year. Several market development and streamlining projects are in place which are expected to yield further improvements in 2010.

Rolling Slab and Extrusion Billet Supply

Hulamin sources sufficient locally-produced primary aluminium which it uses to produce the majority of its rolling slab and extrusion billet requirements. It has thus far also sourced some of its rolling slab and extrusion billet requirements from BHP Billiton Plc.

During the year, BHP Billiton discontinued the supply of extrusion billet from the Bayside smelter to the South African extrusion industry. Hulamin has secured import supply of extrusion billet as replacement and produces the balance of its requirements in its own facilities. The Company intends increasing its slab casting capacity and will restart some idled capacity to coincide with the proposed exit by BHP Billiton Plc from the production of rolling slab.

Prospects

Following the completion of the Rolled Products expansion project, Hulamin is now well-positioned to further grow its sales volumes, improve its product mix and achieve further cost improvements in pursuit of its drive to achieve an attractive return on capital employed. The rate of growth in sales will be impacted by the strength of the global economic recovery, the final resolution of the rolling slab supply issues, and the relative value of the Rand against the major currencies.

4. INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Group income statement
for the year ended 31 December 2009

	Notes	**2009 R'000**	2008 R'000	2007 R'000
Revenue		**4 499 582**	7 119 973	6 568 371
Cost of sales	18	**(3 895 842)**	(6 235 460)	(5 815 546)
Gross profit		**603 740**	884 513	752 825
Other gains and losses	17	**53 968**	60 312	7 630
Selling and marketing expenses	18	**(323 438)**	(355 859)	(271 571)
Administrative expenses	18	**(90 296)**	(123 515)	(108 848)
Operating profit before structuring costs		**243 974**	465 451	380 036
Corporate structuring costs				(168 389)
Operating profit		**243 974**	465 451	211 647
Net finance costs	19	**(113 813)**	(118 253)	(85 262)
Share of profits of associates and joint ventures		**383**	1 111	216
Profit before tax		**130 544**	348 309	126 601
Taxation	20	**(40 911)**	(79 527)	(89 131)
Net profit for the year		**89 633**	268 782	37 470
Attributable to:				
Equity holders of the Company		**89 633**	268 172	40 761
Non-controlling interests			610	(3 291)
		89 633	268 782	37 470
Earnings per share attributable to the equity holders of the Company	21			
Basic (cents)		**42**	124	19
Diluted (cents)		**41**	123	19
Headline earnings per share attributable to the equity holders of the Company	22			
Basic (cents)		**42**	124	18
Diluted (cents)		**42**	123	18

Group statement of comprehensive income
for the year ended 31 December 2009

	2009 R'000	2008 R'000	2007 R'000
Net profit for the year	**89 633**	268 782	37 470
Other comprehensive (loss)/income for the year	**(102 174)**	100 664	(6 761)
Cash flow hedges transferred to income statement	**(141 183)**	(1 372)	(10 914)
Cash flow hedges created	**(725)**	141 183	1 392
Income tax effect	**39 734**	(39 147)	2 761
Total comprehensive (loss)/income for the year	**(12 541)**	369 446	30 709
Attributable to:			
Equity holders of the Company	**(12 541)**	368 836	34 000
Non-controlling interests		610	(3 291)
	(12 541)	369 446	30 709

5. BALANCE SHEET

Group balance sheet
As at 31 December 2009

	Notes	**2009 R'000**	2008 R'000	2007 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	2	**4 979 278**	4 763 295	4 166 987
Intangible assets	3	**29 874**	29 515	26 162
Investments in associates and joint ventures	4	**10 463**	10 080	3 784
Deferred tax asset	5	**13 899**	11 697	16 373
		5 033 514	4 814 587	4 213 306
Current assets				
Inventories	6	**1 015 029**	1 325 284	964 145
Trade and other receivables	7	**695 228**	1 060 013	1 013 603
Derivative financial assets	8	**97 970**	360 022	47 005
Income tax asset		**8 048**		
Cash and cash equivalents	9	**64 413**	66 174	92 146
Assets of disposal group classified as held for sale	10		44 432	
		1 880 688	2 855 925	2 116 899
Total assets		**6 914 202**	7 670 512	6 330 205
EQUITY				
Share capital and share premium	11	**992 555**	990 916	989 492
BEE reserve		**174 686**	174 686	174 686
Employee share-based payment reserve		**74 097**	48 933	21 085
Hedging reserve		**(522)**	101 652	988
Retained earnings		**2 503 463**	2 443 959	2 307 900
Equity holders' interest		**3 744 279**	3 760 146	3 494 151
Non-controlling interests				35 142
Total equity		**3 744 279**	3 760 146	3 529 293
LIABILITIES				
Non-current liabilities				
Non-current borrowings	12	**763 496**	898 595	663 611
Deferred tax liability	13	**912 876**	926 359	894 203
Retirement benefit obligations	14	**132 946**	119 512	107 505
		1 809 318	1 944 466	1 665 319
Current liabilities				
Trade and other payables	15	**580 420**	692 180	734 665
Current borrowings	16	**709 822**	914 465	257 042
Derivative financial liabilities	8	**70 363**	315 589	47 626
Income tax liability			43 666	96 260
		1 360 605	1 965 900	1 135 593
Total liabilities		**3 169 923**	3 910 366	2 800 912
Total equity and liabilities		**6 914 202**	7 670 512	6 330 205
NAV per share (cents)		**1 732**	1 743	1 621
TNAV per share (cents)		**1 718**	1 729	1 608

6. STATEMENT OF CHANGES IN EQUITY

Group statement of changes in equity
for the year ended 31 December 2009

	Share capital R'000	Share premium R'000	Consolidated shares R'000	Hedging reserve R'000	Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Share-holders' interest R'000	Non-controlling interests R'000	Total equity R'000
Balance at 31 December 2006	11 100	581 787		7 749			2 311 682	2 912 318	38 433	2 950 751
Total comprehensive income for the year				(6 761)			40 761	34 000	(3 291)	30 709
Shares issued	14 096	474 292						488 388		488 388
Consolidated A and B shares			(91 783)					(91 783)		(91 783)
Value of employee services					21 087			21 087		21 087
Reversal of settlement of employees' service charge					12 223			12 223		12 223
Settlement of employee share incentives							(24 542)	(24 542)		(24 542)
Transfer of reserve on settlement of employee options					(12 225)		12 225			
Tax on employee share incentives							7 272	7 272		7 272
BEE investor's share capital contribution						40 000		40 000		40 000
Charge on introduction of BEE investors						134 686		134 686		134 686
Deferred tax on prior year common control transaction reversed							(11 960)	(11 960)		(11 960)
Normal tax on prior year common control transaction							11 960	11 960		11 960
Dividends paid							(39 498)	(39 498)		(39 498)
Balance at 31 December 2007	25 196	1 056 079	(91 783)	988	21 085	174 686	2 307 900	3 494 151	35 142	3 529 293
Total comprehensive income for the year				100 664			268 172	368 836	610	369 446
Shares issued	13	1 411						1 424		1 424
Value of employee services					29 670			29 670		29 670
Settlement of employee share incentives					(1 822)		(3 352)	(5 174)		(5 174)
Tax on employee share incentives							(2 246)	(2 246)		(2 246)
Purchase of non-controlling interest							752	752	(35 752)	(35 000)
Dividends paid							(127 267)	(127 267)		(127 267)
Balance at 31 December 2008	25 209	1 057 490	(91 783)	101 652	48 933	174 686	2 443 959	3 760 146		3 760 146
Total comprehensive loss for the year				(102 174)			89 633	(12 541)		(12 541)
Shares issued	45	1 594						1 639		1 639
Value of employee services					29 492			29 492		29 492
Settlement of employee share incentives					(4 328)		(3 219)	(7 547)		(7 547)
Tax on employee share incentives							1 627	1 627		1 627
Dividends paid							(28 537)	(28 537)		(28 537)
Balance at 31 December 2009	**25 254**	**1 059 084**	**(91 783)**	**(522)**	**74 097**	**174 686**	**2 503 463**	**3 744 279**		**3 744 279**

7. CASH FLOW STATEMENT

Group cash flow statement
For the year ended 31 December 2009

	Notes	**2009 R'000**	2008 R'000	2007 R'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated before working capital changes	23	**362 282**	777 516	596 016
Changes in working capital	24	**599 333**	(486 088)	(142 388)
Cash generated from operations		**961 615**	291 428	453 628
Net interest paid		**(170 409)**	(189 088)	(100 373)
Income tax payment		**(66 949)**	(136 661)	(13 359)
Net cash inflow/(outflow) from operating activities		**724 257**	(34 321)	339 896
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment		**(351 811)**	(707 870)	(392 529)
Additions to intangible assets		**(3 554)**	(6 193)	(5 067)
Proceeds on disposal of property, plant and equipment		**3 534**	1 207	886
Increase in investment in associates and joint ventures			(5 185)	(6 336)
Acquisition of non-controlling interest in subsidiary			(35 000)	
Net cash outflow from investing activities		**(351 831)**	(753 041)	(403 046)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		**6 277**	914 996	895 858
Repayment of borrowings		**(346 019)**	(22 589)	(1 188 879)
Shares issued		**1 639**	1 424	396 605
Settlement of share options net of reversals		**(7 547)**	(5 174)	(12 316)
BEE investors' contribution				40 000
Dividends paid	25	**(28 537)**	(127 267)	(39 498)
Net cash (outflow)/inflow from financing activities		**(374 187)**	761 390	91 770
Net (decrease)/increase in cash and cash equivalents		**(1 761)**	(25 972)	28 620
Cash and cash equivalents at beginning of year		**66 174**	92 146	63 526
Cash and cash equivalents at end of year	9	**64 413**	66 174	92 146

1. OPERATING SEGMENT ANALYSIS

The Group is organised into two major operating divisions, namely Hulamin Rolled Products and Hulamin Extrusions. The divisions, which offer different products, are the basis on which the Group reports its primary segment information. The Hulamin Rolled Products segment manufactures and supplies rolled semi-fabricated aluminium products, which include heat treated plate, can-end stock, closure sheet, thin gauge foil and superior finish painted and clad products. The Hulamin Extrusions segment manufactures and supplies extruded aluminium products, which include small, large and complex extruded sections. These reportable segments are comprised of a number of aggregated operating segments. Both reportable segments are based and managed in South Africa.

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

	2009			2008		
	Hulamin Rolled Products R'000	**Hulamin Extrusions R'000**	**Group total R'000**	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group total R'000
Revenue						
Segment revenue	**3 890 943**	**625 148**	**4 516 091**	6 347 458	848 071	7 195 529
Inter-segment revenue	**(9 550)**	**(6 959)**	**(16 509)**	(59 301)	(16 255)	(75 556)
Revenue from external customers	**3 881 393**	**618 189**	**4 499 582**	6 288 157	831 816	7 119 973
Results						
Depreciation and amortisation	**174 853**	**22 880**	**197 733**	155 985	20 369	176 354
Net finance costs	**93 131**	**20 682**	**113 813**	92 462	25 791	118 253
Tax	**45 660**	**(4 749)**	**40 911**	83 492	(3 965)	79 527
Share of associate Company's profit	**383**		**383**	1 111		1 111
Operating profit	**239 377**	**4 597**	**243 974**	453 510	11 941	465 451
Total assets	**6 554 198**	**360 004**	**6 914 202**	7 296 674	373 838	7 670 512
Total liabilities	**2 908 602**	**261 321**	**3 169 923**	3 641 321	269 045	3 910 366
Other disclosures						
Investments in associates and joint ventures	**10 463**		**10 463**	10 080		10 080
Additions to property, plant and equipment and intangible assets	**333 534**	**21 831**	**355 365**	688 321	25 742	714 063

Geographical analysis of revenue	**2009 R'000**	2008 R'000
South Africa	**2 033 111**	2 852 150
North America	**867 059**	1 202 862
Europe	**580 531**	954 159
Asia	**322 956**	859 307
Middle East	**512 305**	810 046
Australasia	**74 248**	269 525
South America	**65 058**	120 888
Rest of Africa	**44 314**	51 036
	4 499 582	7 119 973

All non-current assets of the Group are located in, or are attributable to, operations in South Africa.

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
2. PROPERTY, PLANT AND EQUIPMENT					
2009					
At cost					
Balance at beginning of year	**5 964 698**	**795 683**	**4 343 879**	**125 609**	**699 527**
Transferred from disposal Group (note 10)	**15 654**		**8 838**	**6 816**	
Additions	**351 811**		**157 057**	**434**	**194 320**
Borrowing costs capitalised	**56 596**				**56 596**
Capitalised from capital works under construction		**105 342**	**310 451**	**3 482**	**(419 275)**
Disposals	**(16 352)**		**(9 267)**	**(7 085)**	
Balance at end of year	**6 372 407**	**901 025**	**4 810 958**	**129 256**	**531 168**
Accumulated depreciation					
Balance at beginning of year	**1 201 403**	**73 983**	**1 051 159**	**76 261**	
Transferred from disposal Group (note 10)	**7 275**		**2 415**	**4 860**	
Charge for the year (note 18)	**194 538**	**16 894**	**165 161**	**12 483**	
Disposals	**(10 087)**		**(4 770)**	**(5 317)**	
Balance at end of year	**1 393 129**	**90 877**	**1 213 965**	**88 287**	
Carrying value at 31 December 2009	**4 979 278**	**810 148**	**3 596 993**	**40 969**	**531 168**
2008					
At cost					
Balance at beginning of year	5 202 456	555 299	3 940 667	122 171	584 319
Additions	707 870		17 780	1 891	688 199
Borrowing costs capitalised	70 835				70 835
Capitalised from capital works under construction		240 384	394 557	8 885	(643 826)
Disposals	(809)		(287)	(522)	
Transferred to disposal Group (note 10)	(15 654)		(8 838)	(6 816)	
Balance at end of year	5 964 698	795 683	4 343 879	125 609	699 527
Accumulated depreciation					
Balance at beginning of year	1 035 469	61 232	904 958	69 279	
Charge for the year (note 18)	173 514	12 751	148 673	12 090	
Disposals	(305)		(57)	(248)	
Transferred to disposal Group (note 10)	(7 275)		(2 415)	(4 860)	
Balance at end of year	1 201 403	73 983	1 051 159	76 261	
Carrying value at 31 December 2008	4 763 295	721 700	3 292 720	49 348	699 527

Property, plant and equipment with a book value of R4 860 017 000 (2008: R4 646 366 000) is encumbered as security for borrowing facilities from Standard Bank and Rand Merchant Bank (note 12).

Plant and machinery with a book value of R10 603 000 (2008: R16 585 000) is encumbered as security for secured finance lease obligations (note 12).

The weighted average interest rate used for borrowing costs capitalised is 11.6% (2008: 13.0%).

A register of land and buildings is available for inspection at the Company's registered office.

2. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group applied the following methods and rates during the year:

Buildings	Straight-line	30 to 50 years
Plant and machinery	Straight-line	4 to 40 years
Vehicles	Straight-line	4 years
Equipment	Straight-line	5 to 10 years
Furniture	Straight-line	5 to 10 years

	2009 R'000	2008 R'000
3. INTANGIBLE ASSETS		
Software costs – internally generated and capitalised		
At beginning of year	**25 555**	21 732
Additions	**3 491**	3 823
At end of year	**29 046**	25 555
Accumulated amortisation		
At beginning of year	**2 260**	841
Charge for the year	**1 420**	1 419
At end of year	**3 680**	2 260
Carrying value at end of year	**25 366**	23 295
Software costs – other external		
At beginning of year	**13 910**	11 540
Additions	**63**	2 370
At end of year	**13 973**	13 910
Accumulated amortisation		
At beginning of year	**7 690**	6 269
Charge for the year	**1 775**	1 421
At end of year	**9 465**	7 690
Carrying value at end of year	**4 508**	6 220
Total software costs		
Cost	**43 019**	39 465
Accumulated amortisation	**13 145**	9 950
Carrying value at end of year	**29 874**	29 515

Intangible assets are amortised over their useful lives (currently five to fifteen years) on the straight-line basis.

4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2009 R'000	2008 R'000
At beginning of year	**10 080**	3 784
Loans		5 185
Cumulative share of post-acquisition profit	**383**	1 111
At end of year	**10 463**	10 080

Details of associates and joint ventures are included in note 32.

The above loans are unsecured, interest free and have no fixed terms of repayment.

	2009 R'000	2008 R'000

5. DEFERRED TAX ASSET

	2009 R'000	2008 R'000
At beginning of year	**11 697**	16 373
Accounted for in equity		(4 863)
Transfer from deferred tax liability	**1 691**	
Income statement		
Current year relief on earnings	**511**	584
Rate change adjustment		(397)
At end of year	**13 899**	11 697
Deferred income tax asset analysed as follows:		
Provisions	**12 208**	11 697
Assessed loss	**1 691**	
	13 899	11 697

6. INVENTORIES

	2009 R'000	2008 R'000
Raw materials	**256 783**	522 908
Work-in-progress	**274 040**	337 217
Finished goods	**378 551**	326 510
Consumable stores	**105 655**	138 649
	1 015 029	1 325 284

Inventories with a carrying value of R904 875 064 (2008: R1 204 234 215) are encumbered as security for borrowing facilities (note 12).

7. TRADE AND OTHER RECEIVABLES

	2009 R'000	2008 R'000
Financial assets		
Trade receivables	**618 876**	1 013 979
Less: Provision for impairment of receivables	**(11 443)**	(7 140)
	607 433	1 006 839
Sundry receivables	**75 630**	44 774
	683 063	1 051 613
Non-financial assets		
Pre-payments	**12 165**	8 400
	695 228	1 060 013

One debtor comprises 22% (2008: 14%) of trade debtors. There is no other significant concentration of risk related to particular customer or industry segments. Trade and other receivables with a book value of R617 384 291 (2008: R955 041 104) (including inter-company debtors) has been ceded as security for borrowing facilities (note 12).

	2009 R'000	2008 R'000
Trade receivables that are neither overdue nor impaired	**540 772**	893 378
Trade receivables overdue	**66 661**	113 461
Overdue by less than 60 days	**31 512**	83 019
Overdue by more than 60 days	**35 149**	30 442
Total trade receivables, net of provision for impairment	**607 433**	1 006 839

Trade receivables that are impaired are provided for in full. No collateral is held on these receivables. Export receivables and the majority of local receivables are insured at 90% of invoice value. The movement in the provision for impairment is as follows:

	2009 R'000	2008 R'000
At 1 January	**7 140**	9 530
Written off or reversed during the year	**(7 140)**	(9 530)
Impaired trade receivables – provided for in full	**11 443**	7 140
At 31 December	**11 443**	7 140

The fair values of the trade and other receivables approximate their carrying value.

7. TRADE AND OTHER RECEIVABLES (continued)

The Group had the following uncovered export trade debtors at the period-end:

	2009 Foreign amount 000	**2009 R'000**	2008 R'000
Pound Sterling			4 099
Euro	**283**	**3 022**	20
US Dollar	**4 979**	**36 771**	143
		39 793	4 262

8. DERIVATIVE FINANCIAL INSTRUMENTS

	Notes	Determination of fair value		
Forward foreign exchange contracts – designated as hedging instruments	8.1	Observable inputs	**28 634**	(40 537)
Forward foreign exchange contracts – not designated as hedging instruments	8.1	Observable inputs	**14 117**	43 787
Commodity futures – designated as hedging instruments	8.2	Quoted market prices	**1 846**	62 042
Interest rate swaps – designated as hedging instruments	8.3	Observable inputs	**(16 990)**	
Interest rate swaps – not designated as hedging instruments	8.3	Observable inputs		(20 859)
			27 607	44 433
Grouped as:				
Financial assets			**97 970**	360 022
Financial liabilities			**(70 363)**	(315 589)
			27 607	44 433

The credit quality of all derivative financial assets is sound. None are overdue or impaired and the Group does not hold collateral on derivatives. The Group's maximum exposure to counterparty credit risk on derivative assets at 31 December 2009 amounted to R36 327 762 (2008: R62 429 121).

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

8.1 Foreign currency management

The following forward foreign exchange contracts were designated as hedging instruments at the period-end:

	2009 Foreign amount 000	Rand amount R'000	Fair value asset/ (liability) R'000	2008 Foreign amount 000	Rand amount R'000	Fair value asset/ (liability) R'000
Forward purchases						
Pound Sterling	**400**	**4 933**	**(152)**	1 015	15 764	(1 850)
Euro	**2 829**	**31 689**	**(1 268)**	7 460	96 385	2 524
US Dollar	**20 681**	**170 101**	**(13 202)**	16 885	154 674	8 934
Swiss Franc	**594**	**4 348**	**(90)**	4 179	36 182	605
Other					3 604	(237)
		211 071	**(14 712)**		306 609	9 976
Maturing in:						
2009					306 609	9 976
2010		**211 071**	**(14 712)**			
		211 071	**(14 712)**		306 609	9 976
Forward sales						
US Dollar	**(124 353)**	**(984 948)**	**43 346**	(158 550)	(1 485 156)	(50 513)
		(984 948)	**43 346**		(1 485 156)	(50 513)
Maturing in:						
2009					(1 485 156)	(50 513)
2010		**(984 948)**	**43 346**			
		(984 948)	**43 346**		(1 485 156)	(50 513)
Net total included in cash flow hedges		**(773 877)**	**28 634**		(1 178 547)	(40 537)
Grouped as:						
Financial assets			**47 052**			114 871
Financial liabilities			**(18 418)**			(155 408)
			28 634			(40 537)

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

8.1 Foreign currency management (continued)

The following forward foreign exchange contracts have been entered into to cover foreign currency risk, but were not designated as hedging instruments for accounting purposes at the period-end:

	2009			2008		
	Foreign amount 000	**Rand amount R'000**	**Fair value asset/ (liability) R'000**	Foreign amount 000	Rand amount R'000	Fair value asset/ (liability) R'000
Forward sales						
US Dollar	**(39 145)**	**(303 443)**	**11 352**	(72 636)	(729 937)	38 806
Euro	**(4 075)**	**(45 408)**	**1 546**	(10 266)	(137 799)	2 103
Pound Sterling	**(1 688)**	**(21 750)**	**1 219**	(1 755)	(26 654)	2 878
		(370 601)	**14 117**		(894 390)	43 787
Maturing in:						
2009					(894 390)	43 787
2010		**(370 601)**	**14 117**			
		(370 601)	**14 117**		(894 390)	43 787
Grouped as:						
Financial assets			**15 025**			92 455
Financial liabilities			**(908)**			(48 668)
			14 117			43 787

8.2 Commodity price management

The following futures contracts were designated as hedging instruments at the period-end:

	2009			2008		
	Tons	**Contracted value R'000**	**Fair value asset/ (liability) R'000**	Tons	Contracted value R'000	Fair value asset/ (liability) R'000
Net aluminium futures (sales)/purchases						
Maturing in:						
2009				(14 200)	(271 610)	62 174
2010	**6 550**	**125 765**	**1 846**	75	1 306	(132)
	6 550	**125 765**	**1 846**	(14 125)	(270 304)	62 042
Grouped as:						
Financial assets			**35 893**			152 696
Financial liabilities			**(34 047)**			(90 654)
			1 846			62 042
Cash flow hedges			**(5 612)**			96 932
Fair value hedges			**7 458**			(34 890)
			1 846			62 042

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

8.3 Interest rate management

The following interest rate swaps were designated as hedging instruments at period-end. They were not designated as hedging instruments for accounting purposes in 2008:

	2009 Notional amount R'000	**2009** Rand amount R'000	**2009** Fair value asset/ (liability) R'000	2008 Notional amount R'000	2008 Rand amount R'000	2008 Fair value asset/ (liability) R'000
Interest rate swaps						
Maturing in:						
2010	**600 000**	**130 697**	**(16 990)**	600 000	130 697	(20 859)
Grouped as:						
Financial liabilities			**(16 990)**			(20 859)

Fair value is calculated as the difference between the contracted value and the value to maturity at the period-end.

		2009 R'000	2008 R'000
9. CASH AND CASH EQUIVALENTS			
Bank balances		**63 742**	60 504
Cash on hand		**671**	5 670
		64 413	66 174
Effective interest rates	(%)	**4.50**	9.00

Cash of R6 664 709 (2008: R17 677 117) has been ceded as security for borrowing facilities (note 12).

10. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

The assets of Hulamin Engineering Solutions were classified as held for sale at 31 December 2008. This business, which previously formed part of the Hulamin Rolled Products segment, was sold during 2009.

	2009	2008
Property, plant and equipment		8 379
Inventory		36 053
		44 432

11. SHARE CAPITAL

11.1 Authorised

	2009	2008
240 000 000 ordinary shares of 10 cents each (2008: 240 000 000 ordinary shares of 10 cents each)	**24 000**	24 000
34 000 000 A ordinary shares of 10 cents each (2008: 34 000 000 A ordinary shares of 10 cents each)	**3 400**	3 400
21 000 000 B ordinary shares of 10 cents each (2008: 21 000 000 B ordinary shares of 10 cents each)	**2 100**	2 100
Total authorised share capital	**29 500**	29 500

The B ordinary shares consist of 8 000 000 B1 shares, 10 000 000 B2 shares and 3 000 000 B3 shares.

	2009 R'000	2008 R'000

11. SHARE CAPITAL (continued)

11.2 Issued

	2009 R'000	2008 R'000
Share capital:		
Opening balance (252 090 090 ordinary shares of 10 cents each) (2008: 251 957 796 ordinary shares of 10 cents each)	**25 209**	25 196
Issued during year (450 976 ordinary shares of 10 cents each) (2008: 132 294 ordinary shares of 10 cents each)	**45**	13
Closing balance (252 541 066 ordinary shares of 10 cents each) (2008: 252 090 090 ordinary shares of 10 cents each)	**25 254**	25 209
Share premium:		
Opening balance	**1 057 490**	1 056 079
Premium on shares issued	**1 594**	1 411
Closing balance	**1 059 084**	1 057 490
Consolidated A and B shares	**(91 783)**	(91 783)
Share capital and share premium	**992 555**	990 916

11.3 A ordinary shares and B ordinary shares

The A ordinary shares and B ordinary shares are unlisted and carry full voting rights. The A ordinary shares have no entitlements to any dividends or other shareholder distributions. The A ordinary shares are eliminated in the Group accounts as they are held by an entity related to the introduction of broad-based BEE investors, and this entity is consolidated into the Group results. The B ordinary shares are held in employee trusts, which trusts are consolidated and thus the shareholding eliminated on consolidation.

11.4 Unissued

Under option to employees:

In terms of the Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme, employees have been granted options to subscribe for 1 341 734 Hulamin shares. The weighted average exercise price for these options is R20.18 per share.

Details of the employee share incentive schemes are set out in note 31.

Under the control of the directors:

At 31 December 2009, 9 416 730 unissued ordinary shares were under the control of the directors for the purpose of the original Tongaat-Hulett Share Option Schemes (specific authority granted in April 2008 for 5 000 000 shares less 2008 issues of 132 294 shares and 2009 issues of 450 976 shares). An additional 5 000 000 unissued ordinary shares were placed under the control of the directors in April 2009 for the purpose of the Hulamin Limited Share Appreciation Right Scheme 2007, the Hulamin Limited Long-Term Incentive Plan 2007 and the Hulamin Limited Deferred Bonus Plan 2007. No other unissued ordinary shares were under the control of the directors at 31 December 2009.

At 31 December 2008, 24 256 140 unissued ordinary shares were under the control of the directors, of which the maximum that could have been issued for the purpose of the employee share schemes was 21 134 484 (21 300 000 less 2007 issues of 33 222 shares and 2008 issues of 132 291 shares).

At 31 December 2009, 9 653 777 unissued B ordinary shares (2008: 9 653 777) were under the control of the directors, for the purpose of the Hulamin Employee Share Ownership Plan and the Hulamin Management Share Ownership Plan.

12. NON-CURRENT BORROWINGS

	Effective interest rate (%)	**2009 R'000**	2008 R'000
Secured loans:			
Finance leases	11.30	**1 642**	2 271
Standard Bank	10.63	**766 761**	806 346
Rand Merchant Bank	10.51	**85 195**	90 000
		853 598	898 617
Less: Current portion included in short-term borrowings		**(90 102)**	(22)
		763 496	898 595
Borrowing payments by financial year (including interest):			
2010		**173 356**	202 562
2011		**164 426**	191 113
2012		**155 447**	179 144
2013		**146 719**	176 962
Thereafter		**543 317**	596 198
Book value of assets encumbered as security for finance lease obligations (note 2)		**10 603**	16 585

The facilities with Standard Bank and Rand Merchant Bank referred to above and the amounts owing in respect of the bank overdraft, First National Bank call loan and Standard Bank call loan (note 16) are, collectively, secured by mortgage and notarial bonds over the moveable and immoveable assets of Hulamin Operations (Proprietary) Limited, and the cession of book debts, cash and material investments in and claims against wholly-owned subsidiaries, and the provision of a guarantee by the Company.

In terms of the Company's articles of association, the borrowing powers of the Group are subject to any regulations made by the Company in general meeting to restrict the borrowing powers, failing which they are at the discretion of the directors. To date no such regulation has been imposed.

The fair values of the non-current borrowings approximate their carrying value.

	2009 R'000	2008 R'000
13. DEFERRED TAX LIABILITY		
At beginning of year	**926 359**	894 203
Accounted for in equity	**(41 360)**	41 374
Transfer to deferred tax asset	**1 691**	
Income statement		
Current year charge	**16 430**	19 093
Prior year's charge	**9 756**	2 592
Rate change		(30 903)
At end of year	**912 876**	926 359
The deferred tax liability is analysed as follows:		
Accelerated tax depreciation	**994 740**	937 903
Provisions and leave pay accruals	**(43 767)**	(42 895)
Assessed loss	**(42 214)**	(9 193)
Share schemes	**(4 836)**	(1 977)
Hedging reserve	**(203)**	39 531
Other	**9 156**	2 990
	912 876	926 359

	2009 R'000	2008 R'000

14. RETIREMENT BENEFIT OBLIGATIONS

	2009 R'000	2008 R'000
Post-retirement medical aid provision	**112 092**	101 600
Retirement gratuity provision	**20 854**	17 912
	132 946	119 512

The movement of these provisions is detailed in note 26.

15. TRADE AND OTHER PAYABLES

	2009 R'000	2008 R'000
Trade payables	**397 904**	535 611
Leave pay and bonus accruals	**53 552**	48 063
Sundry accruals and other payables	**128 964**	108 506
	580 420	692 180

The fair values of the trade and other payables approximate their carrying value.

16. CURRENT BORROWINGS

		2009 R'000	2008 R'000
Current portion of long-term loans		**90 102**	22
Bank overdrafts		**75 720**	69 443
First National Bank call loan		**275 000**	510 000
Standard Bank call loan		**269 000**	335 000
		709 822	914 465
Effective interest rates are as follows:			
Bank overdrafts	**(%)**	**9.00**	14.50
First National Bank call loan	**(%)**	**8.80**	13.50
Standard Bank call loan	**(%)**	**8.40**	12.90

R75 720 000 hereof will be repaid during 2010. The remaining current borrowings have no fixed repayment dates.

The bank overdrafts and call loans are secured (note 12).

The fair values of the current borrowings approximate their carrying value.

17. OTHER GAINS AND LOSSES

	2009 R'000	2008 R'000
Valuation adjustments on non-derivative items (note 17.1)	**(85 126)**	194 538
Valuation adjustments on derivative items (note 17.2)	**139 094**	(134 226)
	53 968	60 312

17.1 Valuation adjustments on non-derivative items

	2009 R'000	2008 R'000
Export receivables	**(88 714)**	256 508
Import payables	**7 462**	(6 650)
Foreign currency denominated cash balances	**(3 874)**	(55 320)
	(85 126)	194 538

	2009 R'000	2008 R'000

17. OTHER GAINS AND LOSSES (continued)

17.2 Valuation adjustments on derivative items

	2009 R'000	2008 R'000
Forward foreign exchange contracts: not designated as hedging instruments	**138 647**	(219 882)
Forward foreign exchange contracts: cash flow hedges, transfer from equity	**(30 466)**	88 574
Forward aluminium purchase and sale contracts: fair value hedges	**80 060**	17 941
Forward aluminium purchase and sale contracts: cash flows hedges, transfer from equity	**(49 147)**	
Interest rate swaps: not designated as hedging instruments		(20 859)
	139 094	(134 226)

17.3 The ineffective portion of all hedges is recognised in profit or (loss)

	2009 R'000	2008 R'000
Cash flow hedges	**1 658**	4 460
Fair value hedges	**(2 067)**	(2 549)
	(409)	1 911

18. EXPENSES BY NATURE

	2009 R'000	2008 R'000
Raw materials and other costs	**3 434 778**	5 924 913
Employee benefit expense (note 18.3)	**636 140**	588 965
Depreciation (note 2)	**194 538**	173 514
Amortisation of intangible assets (note 3)	**3 195**	2 840
Write-down of inventories	**21 415**	13 938
Operating leases (rental on leased premises)	**9 475**	10 991
Increase/(decrease) in provision for impairment of debtors	**4 303**	(2 390)
Auditors' remuneration (note 18.1)	**3 001**	2 766
Loss/(profit) on disposal of property, plant and equipment	**2 731**	(703)
	4 309 576	6 714 834
Classified as:		
– Cost of sales	**3 895 842**	6 235 460
– Selling and marketing expenses	**323 438**	355 859
– Administrative expenses	**90 296**	123 515
	4 309 576	6 714 834

18.1 Auditors' remuneration

	2009 R'000	2008 R'000
Audit fees	**2 718**	2 463
Fees for other services	**80**	160
Prior year under provision	**58**	40
Expenses	**145**	103
	3 001	2 766

	2009 R'000	2008 R'000

18. EXPENSES BY NATURE (continued)

18.2 Directors' emoluments

	2009 R'000	2008 R'000
Executives		
– Cash package	**6 842**	6 156
– Retirement, medical and insurance benefits	**1 004**	746
– Bonus	**1 474**	2 408
Non-executives		
– Fees	**1 504**	1 515
	10 824	10 825

18.3 Employee benefit expense

	2009 R'000	2008 R'000
Salaries and wages	**551 049**	509 030
Retirement benefit costs:		
Defined contribution scheme (note 26)	**6 647**	6 245
Defined benefit scheme (note 26)	**29 561**	26 643
Post-retirement medical aid costs (note 26)	**15 554**	14 056
Staff gratuities (note 26)	**3 837**	3 321
Share incentive costs (note 31)	**29 492**	29 670
	636 140	588 965

19. NET FINANCE COSTS

Interest paid

	2009 R'000	2008 R'000
Long-term loan interest	**114 822**	116 306
Short-term loan interest	**58 595**	72 782
Interest capitalised	**(56 596)**	(70 835)
Interest received	**(3 008)**	
Net finance costs	**113 813**	118 253

	2009 R'000	2008 R'000

20. TAXATION

		2009 R'000	2008 R'000
South African normal taxation:			
Current			
– current year		**21 396**	80 159
– prior year over provision		**(9 014)**	(3 904)
Deferred			
– current year (note 13)		**16 430**	19 093
– current year (note 5)		**(511)**	(584)
– prior year under provision		**9 756**	2 592
– rate change adjustment (note 13)			(30 903)
– rate change adjustment (note 5)			397
Secondary Tax on Companies		**2 854**	12 677
		40 911	79 527

South African income tax is levied on the Company and its subsidiaries and not the Group.

Estimated assessable losses available for set-off against future taxable income are as follows:

		2009 R'000	2008 R'000
Total assessable losses		**156 767**	32 834
Normal rate of taxation	**(%)**	**28.0**	28.0
Adjusted for:			
BEE and IFRS 2 costs	**(%)**	**0.1**	0.1
STC	**(%)**	**2.2**	3.7
Other non-allowable items	**(%)**	**1.0**	
Rate change adjustment	**(%)**		(8.9)
Effective rate of taxation	**(%)**	**31.3**	22.9

21. EARNINGS PER SHARE

Basic earnings per share is calculated using the weighted average number of ordinary shares in issue during the year. For purposes of diluted earnings per share, the weighted average number of shares in issue is adjusted for the dilutive effect of employee share options.

Reconciliation of denominators used for basic and diluted earnings per share

	2009 Number of shares	2008 Number of shares
Basic EPS – weighted average number of shares	**215 931 041**	215 668 708
Share options	**2 897 707**	2 248 287
Diluted EPS – weighted average number of shares	**218 828 748**	217 916 995

	2009 R'000	2008 R'000

22. HEADLINE EARNINGS

	2009 R'000	2008 R'000
Net profit for the year attributable to equity holders of the Company	**89 633**	268 172
Adjusted for loss/(profit) on sale of property, plant and equipment	**1 966**	(506)
– Gross	**2 731**	(703)
– Tax effect	**(765)**	197
Headline earnings attributable to equity holders of the Company	**91 599**	267 666
Headline earnings per share:		
Basic (cents)	**42**	124
Diluted (cents)	**42**	123

23. CASH GENERATED BEFORE WORKING CAPITAL CHANGES

	2009 R'000	2008 R'000
Operating profit	**243 974**	465 451
Depreciation	**194 538**	173 514
Amortisation of intangible assets	**3 195**	2 840
Loss/(profit) on disposal of property, plant and equipment	**2 731**	(703)
Movement in retirement benefit obligation	**13 434**	12 006
Employee share-based costs	**29 492**	29 670
Movements in derivatives	**(125 082)**	94 738
	362 282	777 516

24. CHANGES IN WORKING CAPITAL

	2009 R'000	2008 R'000
Decrease/(increase) in inventories	**346 308**	(397 193)
Decrease/(increase) in trade and other receivables	**364 785**	(46 410)
Decrease in trade and other payables	**(111 760)**	(42 485)
	599 333	(486 088)

25. DIVIDENDS

	2009 R'000	2008 R'000
Final for 2008 year, paid 9 March 2009: 13 cents (2008: 30 cents)	**28 537**	65 790
Interim for current year: nil (2008: 28 cents)		61 477
	28 537	127 267

26. RETIREMENT BENEFITS

Retirement benefit schemes

The Group contributes towards retirement benefits for substantially all permanent employees who are required to be a member of either the Tongaat-Hulett Pension Fund or the Metal Industries Provident Fund. These schemes are governed by the relevant fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the Group. The scheme assets are administered by boards of trustees, each of which includes elected representatives.

Defined contribution scheme

Contributions to the Metal Industries Provident Fund scheme for the Group amounted to R6 647 000 (2008: R6 245 000) and were expensed during the year.

Defined benefit pension scheme

There is one funded defined benefit scheme (The Tongaat-Hulett Pension Fund) for employees of Tongaat Hulett Limited and Hulamin Limited and their subsidiaries. Hulamin continues to account for the fund on a defined contribution basis, pending agreement between the parties to the fund on the basis for allocating the obligation, plan assets and costs to the individual employers participating in the fund. Accordingly, the assets and the liabilities of the entire fund are disclosed in this note. The Group's contribution is based on 14.3% of the actual employee pensionable emoluments. Contributions of R29 561 000 (2008: R26 643 000) were expensed during the year. The employer companies have, during the current financial year, agreed on the basis of division of the actuarial surplus at 31 December 2007. The Group has fully utilised the surplus allocation of R37 600 000 allocated by the trustees as at 31 December 2009.

The fund is actuarially valued at intervals of not more than three years using the projected unit credit method. In the statutory actuarial valuation of the scheme as at 31 December 2007, the fund was certified by the reporting actuary to be in a sound financial position.

An actuarial valuation of liabilities, based on the existing benefits, carried out as at 31 December 2009 in accordance with IAS 19, showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

		2009 **R'000**	2008 R'000
26. RETIREMENT BENEFITS (continued)			
Defined benefit pension scheme (continued)			
Details of the valuation of The Tongaat-Hulett Group Pension Fund are as follows:			
Fair value of plan assets			
Balance at beginning of year		**5 537 200**	6 544 000
Expected return on scheme assets		**395 400**	520 100
Employer contributions		**86 900**	51 800
Members' contributions		**45 900**	40 900
Benefits paid		**(289 100)**	(548 500)
Disposals		**(11 800)**	(24 200)
Actuarial gain/(loss)		**443 900**	(1 046 900)
Balance at end of year		**6 208 400**	5 537 200
Present value of defined benefit obligation			
Balance at beginning of year		**4 455 400**	4 444 300
Current service cost		**133 600**	117 700
Interest cost		**318 600**	349 600
Members' contributions		**45 900**	40 900
Benefits paid		**(289 100)**	(548 500)
Disposals		**(11 800)**	(24 200)
Actuarial loss		**109 600**	75 600
Balance at end of year		**4 762 200**	4 455 400
Fund assets less member liabilities, before reserves		**1 446 200**	1 081 800
Asset information			
Equities		**3 812 500**	3 541 500
Property		**106 400**	101 200
SA bonds, cash and other		**1 950 500**	1 616 400
International bonds, cash and other		**339 000**	278 100
		6 208 400	5 537 200
Actual return on scheme assets		**839 300**	(526 800)
The principal long-term actuarial assumptions are:			
Discount rate	**(%)**	**9.25**	7.25
Future salary inflation rate	**(%)**	**7.00**	5.00
Future pension increase rate	**(%)**	**5.50**	3.50
Expected rate of return on assets	**(%)**	**7.25**	8.25
Experience gains/(losses) on:			
Plan liabilities		**(106 400)**	(137 200)
Percentage of the present value of the plan liabilities	**(%)**	**(2.4)**	(3.1)
Plan assets		**443 900**	(1 046 900)
Percentage of plan assets	**(%)**	**15.2**	(8.1)

Estimated contributions, payable by the Group in 2010, are R37 700 000 (2009: R57 500 000).

		2009 R'000	2008 R'000

26. RETIREMENT BENEFITS (continued)

Post-retirement medical aid benefits

The Group has undertaken to contribute to the medical aid costs after retirement of employees engaged prior to 30 June 1996. The obligation is unfunded.

		2009 R'000	2008 R'000
Amounts recognised in the balance sheet			
Present value of unfunded obligations		**139 878**	125 980
Unrecognised actuarial losses		**(27 786)**	(24 380)
Liability in the balance sheet		**112 092**	101 600
The liability can be reconciled as follows:			
Balance at beginning of year		**101 600**	92 024
Total expense accrued		**15 554**	14 056
Benefit payments		**(5 062)**	(4 480)
Balance at end of year		**112 092**	101 600
Amounts recognised in the income statement are as follows:			
Interest costs		**9 145**	8 751
Current service costs		**2 515**	2 141
Actuarial loss recognised		**3 894**	3 164
		15 554	14 056
The principal actuarial long-term assumptions are:			
Discount rate	**(%)**	**9.25**	7.25
Future medical inflation rate	**(%)**	**7.00**	5.00
Sensitivity of future medical inflation rate:			
1% increase in future medical inflation rate – effect on the aggregate of the service and interest costs		**2 766**	2 132
1% increase in future medical inflation rate – effect on the obligation		**22 348**	20 457
1% decrease in future medical inflation rate – effect on the aggregate of the service and interest costs		**(2 222)**	(1 701)
1% decrease in future medical inflation rate – effect on the obligation		**(18 129)**	(16 536)
Estimated benefits payable by the Group in the next financial year		**5 663**	4 703
Experience loss on plan liabilities		**7 094**	9 146
Experience loss as a percentage of liabilities	**(%)**	**5.07**	7.26

		2009 R'000	2008 R'000

26. RETIREMENT BENEFITS (continued)

Retirement gratuities

The Group has in the past made discretionary payments, on retirement, to eligible employees who have remained in service until retirement age, and have completed a minimum service period.

The obligation is unfunded.

		2009 R'000	2008 R'000
Amounts recognised in the balance sheet:			
Present value of unfunded obligations		**25 959**	22 827
Unrecognised actuarial losses		**(5 105)**	(4 915)
Liability in the balance sheet		**20 854**	17 912
The liability can be reconciled as follows:			
Balance at beginning of year		**17 912**	15 481
Total expense accrued		**3 837**	3 321
Gratuity payments		**(895)**	(890)
Balance at end of year		**20 854**	17 912
Amounts recognised in the income statement are as follows:			
Interest costs		**1 727**	1 576
Service costs		**1 389**	1 116
Actuarial loss recognised		**721**	629
		3 837	3 321
The principal actuarial assumptions are:			
Discount rate	**(%)**	**9.25**	7.25
Future salary inflation rate	**(%)**	**7.00**	5.00

Estimated retirement gratuities, payable by the Group during the next financial year, are R746 000.

	2009 R'000	2008 R'000

27. LEASE COMMITMENTS

Amounts payable under finance leases

	2009 R'000	2008 R'000
Minimum lease payments due:		
Not later than one year	**903**	910
Later than one year and not later than five years	**1 055**	1 972
	1 958	2 882
Less: Future finance charges	**(324)**	(620)
Present value of lease obligations	**1 634**	2 262
Payable:		
Not later than one year	**711**	631
Later than one year and not later than five years	**923**	1 631
	1 634	2 262
Book value of plant and equipment encumbered as security for finance lease obligations (note 2)	**10 603**	16 585
Operating lease commitments, amounts due:		
Not later than one year	**6 922**	10 514
Later than one year and not later than five years	**14 168**	25 538
	21 090	36 052
In respect of:		
Property	**14 600**	27 507
Plant and machinery	**6 490**	8 545
	21 090	36 052

The Group leases offices and warehouses under non-cancellable operating ease agreements. The leases have varying terms, escalation clauses and renewal rights.

28. CAPITAL EXPENDITURE COMMITMENTS

	2009 R'000	2008 R'000
Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:		
Property, plant and equipment	**112 557**	302 273

Capital expenditure will be funded by a combination of external borrowings and cash flow from operations.

29. RELATED PARTY TRANSACTIONS

During the year the Group, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra-Group transactions are eliminated on consolidation.

Key management personnel compensation (refer note 18.2).

30. CONTINGENT LIABILITIES

The Department of Trade and Industry has raised a dispute with the Group relating to previous GEIS claims in the amount of R4 794 000 (2008: R4 671 000). A date for a court hearing of this matter has still to be set.

Sahara Aluminium Works, a toll processor of the Company's coated scrap, has claimed that there existed a long-term constructive contract with Hulamin Limited, formerly Hulett Aluminium (Proprietary) Limited, which would require a ten-year notice period be given before this contract could be terminated. Sahara has thus claimed R17.8 million from Hulamin, largely in respect of the loss of profits that Sahara would have earned over ten years, arising from the early termination of the purported constructive contract. A liability has not been raised for this amount as there is only a remote possibility that Sahara will succeed in its claim.

31. SHARE-BASED PAYMENTS

31.1 Employee share incentive schemes

Details of awards in terms of the Company's share incentive schemes are as follows:

THE TONGAAT-HULETT EMPLOYEES SHARE INCENTIVE SCHEME AND THE TONGAAT-HULETT GROUP LIMITED 2001 SHARE OPTION SCHEME (THE ORIGINAL TONGAAT-HULETT SHARE OPTION SCHEMES)

Participating employees were originally awarded share options over Tongaat Hulett shares. On vesting, the employee was entitled to exercise the options and purchase the shares at the option price.

As a result of the unbundling from Tongaat Hulett, participants in these share option schemes who had not exercised their options at the unbundling date converted their existing Tongaat Hulett options into two options: a Tongaat Hulett option and a Hulamin option. Hulamin is obliged to settle all benefits under these share schemes in relation to its own employees using Hulamin shares which will be purchased in the market or issued by Hulamin. The benefit for the Hulamin option will be determined with reference to the Hulamin share price, and the Tongaat Hulett option with respect to the Tongaat Hulett share price.

The original exercise price of each Tongaat Hulett option was apportioned between the Tongaat Hulett and Hulamin options with reference to the volume weighted average prices ("VWAP") of both companies for the first 22 trading days after the unbundling. The 22-day VWAPs were R93.89 and R29.04, respectively, with the expiry date being the same as that of the original options. The modification did not result in any incremental fair value being granted to option holders.

No further awards to Hulamin employees will be made under these schemes.

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

THE TONGAAT-HULETT EMPLOYEES SHARE INCENTIVE SCHEME AND THE TONGAAT-HULETT GROUP LIMITED 2001 SHARE OPTION SCHEME (THE ORIGINAL TONGAAT-HULETT SHARE OPTION SCHEMES) (continued)

Tongaat Hulett modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 Dec 2008	Options exercised in 2009	Options forfeited in 2009	Number of options at 31 Dec 2009	Options time constrained
R25.13		5 Mar 1999	13 000	10 000	3 000		
R30.63		7 May 1999	11 600	11 600			
R22.91		19 May 2000	900	900			
R30.55		16 May 2001	33 700	13 450		20 250	
R37.88		13 May 2002	66 300	17 000	1 700	47 600	
R24.37	R8.48	14 Apr 2003	58 400	10 500	1 000	46 900	
R26.35	R8.44	1 Oct 2003	4 500			4 500	
R35.90	R11.03	21 Apr 2004	135 080	38 670		96 410	
			323 480	102 120	5 700	215 660	

Hulamin modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 Dec 2008	Options exercised in 2009	Options forfeited in 2009	Number of options at 31 Dec 2009	Options time constrained
R7.77		5 Mar 1999	19 000	10 000	9 000		
R9.47		7 May 1999	11 600	11 600			
R7.09		9 May 2000	900	900			
R9.45		16 May 2001	33 700	3 450		30 250	
R11.72		13 May 2002	66 300	2 000	1 700	62 600	
R7.53	R2.62	14 Apr 2003	58 700	4 500	1 000	53 200	
R8.15	R2.61	1 Oct 2003	4 500			4 500	
R11.10	R3.60	21 Apr 2004	139 100	5 500		133 600	
			333 800	37 950	11 700	284 150	

The estimated fair value of the share options at grant date was determined using a binomial tree valuation model. Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R86.50 and R12.07, respectively.

The significant inputs into the model for the 2003/4 awards were:

Share price at grant date	The share price at the date on which the share option is issued, as noted above
Grant price	The grant price as noted above
Expected option life	114 months (assumed leaving percentage of 5%)
Risk-free interest rate	9.02%
Expected volatility	35% – based on historical volatility
Expected dividends	A continuous dividend yield of 3.9% was used
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions – Time	Service obligations of between two to four years
– Non-market	None
– Market	None
Weighted average remaining life	
– Expected	40 months (2008: 48 months)
– Contractual	120 months

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

THE TONGAAT-HULETT GROUP SHARE APPRECIATION RIGHT SCHEME ("SARS") 2005

Under the Tongaat-Hulett Share Appreciation Right Scheme, participating employees were awarded rights to receive shares equal to the difference between the exercise price and the grant price. The vesting of the SARS was conditional on the achievement of performance conditions by Tongaat Hulett over a three-year period.

Following on the unbundling from Tongaat Hulett, participants in the Share Appreciation Right Scheme who had not exercised their rights at the unbundling date or whose rights had not vested, converted their existing Tongaat Hulett rights into two rights, a Tongaat Hulett right and a Hulamin right with adjusted exercise prices. The original exercise price of each Tongaat Hulett right was apportioned between Tongaat Hulett and Hulamin rights with reference to the volume weighted average prices ("VWAP") of both companies for the first 22 trading days after the unbundling. The 22-day VWAPs were R93.89 and R29.04, respectively. Replacement SARS are not subject to any performance conditions. The vesting and lapse dates of both new SARS are the same as that of the original SARS. Hulamin is obliged to settle all benefits under these SARS in relation to its own employees using Hulamin shares which will be purchased in the market. The benefit for the Hulamin right will be determined with reference to the Hulamin share price, and the Tongaat Hulett right with respect to the Tongaat Hulett share price. The modification did not result in any incremental fair value being granted to option holders.

No further awards to Hulamin employees will be made under this scheme.

Tongaat Hulett modified grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 Dec 2008	Rights exercised in 2009	Rights forfeited in 2009	Number of rights at 31 Dec 2009	Rights time constrained
R43.98	R13.52	10 May 2005	164 659	27 696		136 963	
R73.39	R23.81	25 Apr 2006	247 856	55 200	3 125	189 531	
			412 515	82 896	3 125	326 494	

Hulamin modified grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 Dec 2008	Rights exercised in 2009	Rights forfeited in 2009	Number of rights at 31 Dec 2009	Rights time constrained
R13.60	R4.18	10 May 2005	179 647			179 647	
R22.70	R7.36	25 Apr 2006	254 396		5 032	249 364	
			434 043		5 032	429 011	

Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R86.50 and R12.07, respectively.

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

THE TONGAAT-HULETT GROUP SHARE APPRECIATION RIGHT SCHEME 2005 (continued)

The estimated fair value of these share appreciation rights at grant date was determined using a binomial tree valuation model and non-market performance conditions based on the following significant inputs:

Share price at grant date	The price at which the share appreciation right is issued, as noted above
Grant price	The grant price as noted above
Expected option life	80 months (assumed leaving percentage of 5%)
Risk-free interest rate	2006 award: 7.22% (2005 award: 8.09%)
Expected volatility	35% – based on historical volatility
Expected dividends	A continuous dividend yield of 4.0% was used for the 2006 award (2005 award: 3.9%)
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions	
– Time	Three years
– Non-market	Headline earnings per share (replacement SARS are not subject to any performance conditions)
– Market	None
Weighted average remaining life	
– Expected	2006 award: 40 months (2005 award: 28 months)
– Contractual	84 months

THE TONGAAT-HULETT GROUP LONG-TERM INCENTIVE PLAN ("LTIP") 2005

Under the Tongaat-Hulett Long-Term Incentive Plan, participating employees were granted conditional awards to receive Tongaat Hulett shares, subject to the achievement of performance conditions by Tongaat Hulett over a three-year period.

Following on the unbundling from Tongaat Hulett, that portion of the Tongaat Hulett conditional awards that did not vest early were converted into two conditional awards, a Tongaat Hulett conditional award and a Hulamin conditional award with adjusted strike prices.

The original exercise price of each Tongaat Hulett conditional award was apportioned between the Tongaat Hulett and Hulamin conditional awards with reference to the volume weighted average prices ("VWAP") of both companies for the first 22 trading days after the unbundling. The 22-day VWAPs were R93.89 and R29.04, respectively. The replacement conditional awards are not subject to any performance conditions and will be subject to the original vesting dates. Hulamin is obliged to settle all benefits under these LTIPs in relation to its own employees using Hulamin shares which will be purchased in the market. The benefit for the Hulamin conditional award will be determined with reference to the Hulamin share price, and the Tongaat Hulett conditional award with respect to the Tongaat Hulett share price. The modification did not result in any incremental fair value being granted to option holders.

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

THE TONGAAT-HULETT GROUP LONG-TERM INCENTIVE PLAN 2005 (continued)

No further awards will be made and the settlement of all benefits will be in Hulamin Limited shares.

Tongaat Hulett modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at 31 Dec 2008	Conditional awards exercised in 2009	Conditional awards forfeited in 2009	Number of awards at 31 Dec 2009	Conditional awards time constrained
R73.39	R52.76	25 Apr 2006	28 009	28 009			
			28 009	28 009			

Hulamin modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at 31 Dec 2008	Conditional awards exercised in 2009	Number of Conditional awards forfeited in 2009	conditional awards at 31 Dec 2009	Conditional awards time constrained
R22.70	R16.32	25 Apr 2006	28 009	28 009			
			28 009	28 009			

Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R86.50 and R12.07, respectively.

The estimated fair value of each of these conditional share awards at grant date was determined using a Monte Carlo Simulation model and non-market performance conditions based on the following significant inputs:

Share price at grant date	The price at which the conditional share award is issued, as noted above
Expected option life	34 months (assumed leaving percentage of 5%)
Risk-free interest rate	2006 award: 7,01% (2005 award: 7.44%)
Expected volatility	25.60% for the 2006 award (2005 award: 27.02%)
Expected dividends	A continuous dividend yield of 3.8% was used for the 2006 award (2005 award: 3.9%)
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions	
– Time	Three years
– Non-market	Return on capital employed (ROCE) (replacement LTIPs are not subject to any performance conditions)
– Market	Total shareholder return (TSR) (replacement LTIPs are not subject to any performance conditions)
Weighted average remaining life	
– Expected	2006 award: Vested
– Contractual	36 months

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

HULAMIN LIMITED SHARE APPRECIATION RIGHT SCHEME 2007

Under the Share Appreciation Right Scheme, participating employees are awarded the right to receive shares equal to the difference between the exercise price and the grant price.

The vesting of the right is conditional on the achievement by Hulamin of performance condition over a three-year period.

Grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 Dec 2008	Rights granted in 2009	Rights forfeited in 2009	Number of rights at 31 Dec 2009	Rights time constrained
R22.87	R8.04	20 Aug 2007	1 561 500		47 000	1 514 500	1 514 500
R21.99	R7.39	30 Apr 2008	2 017 760		56 809	1 960 951	1 960 951
R11.50	R4.11	24 Jul 2009		4 278 523		4 278 523	4 278 523
			3 579 260	4 278 523	103 809	7 753 974	7 753 974

The estimated fair value of these share appreciation rights at grant date was determined using a binomial tree valuation model, based on the following significant inputs:

Share price at grant date	2009 award: R13.05 (2008 award: R21.90; 2007 award: R23.51)
Grant price	The grant price as noted above
Risk-free interest rate	2009 award: 8.73% (2008 award: 9.18%; 2007 award: 8.19%)
Expected volatility	2009 award: 41.80% (2008 award: 38.59%; 2007 award: 34.25%)
Expected dividends	2009 award: 6.54% (2008 award: 3.44%; 2007 award: 2.3%)
Exercise multiple	2.2
Vesting condition	
– Time	Three years
– Non-market	An increase in Hulamin Limited headline earnings per ordinary share as determined by the Remuneration Committee. Retesting of the performance condition is allowed
– Market	None
Weighted average remaining life	
– Expected	2009 award: 79 months (2008 award: 64 months; 2007 award: 56 months)
– Contractual	84 months

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

HULAMIN LIMITED LONG-TERM INCENTIVE PLAN 2007

Under the long-term incentive plan, participating employees are granted conditional awards. These awards are converted into shares in Hulamin on the achievement of ROCE and TSR performance conditions over a three-year period.

Issue price	Estimated weighted average fair value per award	Expiring three years from	Number of awards at 31 Dec 2008	Conditional awards granted in 2009	Conditional awards forfeited in 2009	Number of conditional awards at 31 Dec 2009	Conditional awards time constrained
R23.51	R7.23	20 Aug 2007	240 000		7 500	232 500	232 500
R22.25	R13.02	30 Apr 2008	309 883		9 222	300 661	300 661
R11.50	R3.87	24 Jul 2009		751 713		751 713	751 713
			549 883	751 713	16 722	1 284 874	1 284 874

The estimated fair value of these conditional share awards at the grant date was determined using a Monte Carlo Simulation model, based on the following significant inputs:

Share price at grant date	2009 award: R13.05 (2008 award: R21.90: 2007 award: R23.51)
Risk-free interest rate	2009 award: 8.31% (2008 award: 9.74%; 2007 award: 8.94%)
Expected volatility	2009 award: 41.42% (2008 award: 38.59%; 2007 award: 34.25%)
Expected dividends	2009 award: 3.35% (2008 award: 3.44%; 2007 award: 2.3%)
Vesting conditions	
– Time	Three years
– Non-market	Return on capital employed (ROCE)
– Market	Total shareholder return (TSR)
Weighted average remaining life	
– Expected	2009 award: 31 months (2008 award: 16 months; 2007 award: 8 months)
– Contractual	36 months

31. SHARE-BASED PAYMENTS (continued)

31.1 Employee share incentive schemes (continued)

HULAMIN LIMITED DEFERRED BONUS PLAN 2007

Under the deferred bonus plan, participating employees purchase shares in Hulamin with a portion of their after-tax bonus. These pledged shares are held in escrow for a qualifying period, after which Hulamin awards the employee a number of shares in Hulamin Limited which matches those pledged shares released from escrow.

Issue price	Estimated weighted average fair value per award	Expiring three years from	Number of awards at 31 Dec 2008	Conditional awards granted in 2009	Conditional awards forfeited in 2009	Number of conditional awards at 31 Dec 2009	Conditional awards time constrained
R23.44	R22.09	1 Mar 2007	11 100			11 100	11 100
R22.25	R20.03	25 Feb 2008	42 000			42 000	42 000
R10.17	R9.30	27 Feb 2009		104 813		104 813	104 813
			53 100	104 813		157 913	157 913

The estimated fair value costing of these deferred bonus share awards was based on the following significant inputs:

Share price at grant date	2009 award: R10.50 (2008 award: R22.20; 2007 award: R23.44)
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions	
– Time	Three years
– Non-market	None
– Market	None
Weighted average remaining life	
– Expected	2009 award: 26 months (2008 award: 14 months; 2007 award: 2 months)
– Contractual	36 months

The deferred bonus shares were purchased by the participating employees on 8 August 2007, 6 March 2008 and 10 March 2009 in terms of the 2007, 2008 and 2009 awards, respectively.

31. **SHARE-BASED PAYMENTS (continued)**

31.1 Employee share incentive schemes (continued)

HULAMIN LIMITED MANAGEMENT SHARE OWNERSHIP PLAN ("MSOP") AND EMPLOYEE SHARE OWNERSHIP PLAN ("ESOP")

The MSOP and ESOP schemes were implemented in respect of 5% of the issued share capital of Hulamin.

The MSOP scheme consists of two components, namely a share appreciation scheme and a share grant scheme. The ESOP scheme consists of a share appreciation scheme, and participants share in 50% of the dividends payable to ordinary shareholders.

The MSOP Trust and ESOP Trust were established to acquire and hold Hulamin Limited shares for the benefit of its employees and have received contributions from the employer companies within the Hulamin Group in order to acquire the shares. Due to these shares having specific repurchase rights, they are a separate class of restricted shares which, other than for the repurchase terms, rank pari passu with ordinary shares.

Hulamin has the right to repurchase from the Trust, at maturity (year five) of the scheme, a variable number of shares at one cent per share after which the remaining shares would become unrestricted ordinary shares. The number of shares to be repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to:

- 80% of the market value (at the outset) of the shares issued in terms of the share appreciation right component of the MSOP;
- R nil in respect of the share grant component of the MSOP; and
- the grant price of the shares allocated, plus the value of cash dividends paid to ESOP participants. At maturity of the scheme, the Trust will distribute the remaining ordinary shares to the beneficiaries.

The value of the benefits in the MSOP scheme are capped at a level of 10% compounded growth per year.

Grant price	Scheme	Estimated fair value per right	Expiring five years from	Number of rights at 31 Dec 2008	Rights granted in 2009	Rights forfeited in 2009	Number of rights at 31 Dec 2009	Rights time constrained
R21.44	MSOP share appreciation right scheme	R4.46	31 Aug 2007	2 092 460	139 400	157 180	2 074 680	2 074 680
R0.00	MSOP share grant scheme	R14.07	31 Aug 2007	698 610	46 668	52 490	692 788	692 788
R26.80	ESOP share appreciation right scheme	R7.90	31 Aug 2007	7 636 017	348 283	449 047	7 535 253	7 535 253

The estimated fair value of these share appreciation rights and share grant rights at grant date was determined using the Black-Scholes call option valuation model, based on the following significant inputs:

Share price at grant date	R24.90
Grant price	The grant price as noted above
Risk-free interest rate	8.11%
Expected volatility	30%. As Hulamin's shares have only recently been listed, the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2.3% was used
Attrition rate	4.18% per annum
Vesting conditions	
– Time	Five years
– Non-market	None
– Market	None
Weighted average remaining life	
– Expected	32 months
– Contractual	60 months

31. SHARE-BASED PAYMENTS (continued)

31.2 BEE equity transaction

During the 2007 financial year, Hulamin concluded agreements with BEE partners to facilitate the acquisition of an effective 10% interest in Hulamin.

The BEE partners have subscribed for 10% of the share capital of Hulamin OpCo at a cost of R37.5 million and for 25 million A class shares in Hulamin at a cost of R2.5 million. The BEE partners will be entitled to exchange their Hulamin OpCo shares for shares of an equivalent value in Hulamin seven years after the grant date, and on surrender of the A class shares. For accounting purposes the fair value of the transaction at grant date of R134 686 000, which was expensed in full in the 2007 financial year, has been determined using a Monte Carlo simulation model based on the following significant inputs:

Share price at grant date	R34.10
Grant date	11 June 2007
Expected option life	Seven years
Lock-in period	Further three years
Risk-free interest rate	Forward swap curve
Expected volatility	30%. As Hulamin's shares had only listed a short time before grant date, the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2.3% was used

32. DETAILS OF INVESTMENTS IN ASSOCIATES, SUBSIDIARY COMPANIES AND JOINT VENTURES

The financial statements of the Group include the financial statements of the Company and the associates, subsidiary companies and joint ventures listed in the following table:

	Country of incorporation	Equity interest 2009 %	Equity interest 2008 %
Subsidiaries			
Hulamin Rolled Products (Pty) Limited*	South Africa	**100**	100
Hulamin Systems (Pty) Limited*	South Africa	**100**	100
Hulamin Operations (Pty) Limited	South Africa	**90**	90
Hulamin Extrusions (Pty) Limited*	South Africa	**100**	100
Hulamin North America LLC*	United States of America	**100**	100

* Subsidiaries of Hulamin Operations (Pty) Limited.

All the investments are unlisted.

Associates and joint ventures

Almin Metal Industries Limited	Zimbabwe	**49**	49
Bemo Systems (Pty) Limited	South Africa		25
Richards and Barlow (Pty) Limited	South Africa	**50**	50

The above associates and joint ventures are held by Hulamin Operations (Pty) Limited.

All the investments are unlisted.

Almin Metal Industries operates under severe long-term restrictions on the transfer of funds to the Company. As the above associates are not material, information in respect of assets, liabilities and net income has not been disclosed.

Special-purpose vehicles

The following special-purpose vehicles have also been consolidated:

Hulamin Employee Share Ownership Trust;

Hulamin Management Share Ownership Trust; and

Chaldean Trading 67 (Pty) Limited.

FINANCIAL RISK MANAGEMENT

1. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance, and uses derivative financial instruments to hedge certain risk exposures.

Hedging is carried out by a central treasury department (Group treasury) under policies approved by the board of directors, and in close co-operation with the Group's operating units.

1.1 Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar.

Foreign exchange risk arises from future commercial transactions or recognised assets or liabilities that are denominated in a currency that is not the Group's functional currency, which is South African Rand. The Group's risk management policy is to hedge its currency exposure related to import transactions, foreign currency liabilities, foreign currency assets and export transactions. Aluminium purchases and sales are determined with reference to the US Dollar and it is the Group's policy to hedge all currency exposure on aluminium, while the value-added portion of export transactions is hedged from invoice date. The Group uses foreign exchange contracts, transacted with commercial banks, to manage these risks.

For every 5% weakening or strengthening of the South African Rand against the US Dollar at 31 December, the after tax profit for the year would have been higher or lower by R2 988 000 (2008: R886 000). The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains or losses on translation of US Dollar denominated trade receivables and payables and financial assets and liabilities at fair value through profit or loss that are offset by equivalent gains or losses in currency derivatives. Profit is no more sensitive to movements in currency exchange rates in 2009 than in 2008, as all foreign currency-denominated assets and liabilities are hedged through foreign exchange contracts. The above change in currency-exchange rates would result in equity being lower or higher by R28 280 000 (2008: R41 821 000). The change in equity is mainly from foreign exchange losses or gains on translation of US Dollar-denominated cash flow hedging instruments.

Commodity price risk

The Group purchases and sells aluminium at prices that fluctuate with movements in prices on the London Metal Exchange and is thus exposed to commodity price risk. This commodity price risk is hedged by futures contracts.

For every 5% weakening or strengthening of the price of aluminium at 31 December, the effect on after-tax profit for the year would have been higher or lower by R704 000 (2008: R335 000). The sensitivity of profits to changes in aluminium prices is a result of commodity price gains or losses on aluminium futures contracts that were all hedge accounted in 2009 and 2008. For this reason profit is no more sensitive to movement in commodity prices in 2009 than 2008. The above change in aluminium prices would result in equity being lower or higher by R3 261 000 (2008: R10 293 000). The change in equity is mainly from gains or losses on cash flow hedging instruments.

Interest rate risk

The Group has no significant interest-bearing assets and interest rate risk is solely related to borrowings. The Group's borrowings bear interest at variable rates and it has fixed the interest rate on R600 000 000 of these borrowings through interest rate swaps (2008: R600 000 000). As these swaps were designated hedging instruments in 2009, every 0.5 percentage point increase or decrease in the interest rate at 31 December would have no effect on after-tax profit for 2009 (2008: R657 000 increase or decrease). The above change in interest rates would result in equity being higher or lower by R846 000 (2008: R nil).

The Group is also exposed to future cash flow risks on the unhedged portion of borrowings. Had interest rates for the year been 0.5 percentage points higher or lower and been applied to the period-end net debt, the interest expense for the year would have been higher or lower by R4 127 000 (2008: R5 734 000).

The Group analyses the impact on profit and loss of defined interest rate shifts – taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. The analysis is only for liabilities that represent the major interest-bearing positions.

1.2 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. All deposits are held with major South African banks and all foreign exchange and interest rate hedging transactions are undertaken with these banks. All aluminium futures are undertaken with major London Metal Exchange broker companies.

Creditworthiness of local trade debtors is assessed when credit is first extended and is reviewed on a monthly basis thereafter. This assessment establishes credit limits that, where felt necessary, are supplemented by credit insurance. Ninety percent of the invoice value of all export trade debtors is covered by insurance.

Quantitative data on credit risk is disclosed in the notes to the annual financial statements on derivative financial instruments (note 8) and trade and other receivables (note 7).

1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, flexibility in funding is maintained through ensuring availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve being the excess of available facilities over forecast net borrowings.

The Group's facility utilisation at the period-end was:

	Notes	**2009 R'000**	2008 R'000
Total borrowing facilities		**1 605 000**	2 052 271
Less:			
Non-current borrowings	12	**(763 496)**	(898 595)
Short-term borrowings	16	**(709 822)**	(914 465)
Add:			
Bank balances	9	**63 742**	60 504
Committed undrawn facilities		**195 424**	299 715

The total borrowing facilities comprise finance leases of R1.6 million and long-term facilities of R855 million (with repayment profiles as set out in note 12 to the financial statements), a general short-term facility of R550 million (repayable on 360 days' notice) and a short-term facility of R200 million (increased to R300 million in February 2010), repayable on 31 December 2010.

Financial liabilities with contractual maturity dates beyond a year from 31 December 2009 comprise non-current borrowings. Financial liabilities with maturity dates less than one year comprise current borrowings, trade and other payables, sundry accruals and derivative liabilities.

1.3 Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	360 days' notice R'000	Less than one year R'000	One to two years R'000	Two to three years R'000	Three to four years R'000	Greater than four years R'000	Total R'000
2009							
Non-current borrowings			**173 356**	**164 426**	**155 447**	**690 036**	**1 183 265**
Current borrowings	**544 000**	**165 822**					**709 822**
Trade and other payables		**580 420**					**580 420**
Derivative financial liabilities		**70 363**					**70 363**
	544 000	**816 605**	**173 356**	**164 426**	**155 447**	**690 036**	**2 543 870**
2008							
Non-current borrowings			202 562	191 113	179 144	773 160	1 345 979
Current borrowings	550 000	364 465					914 465
Trade and other payables		692 180					692 180
Derivative financial liabilities		315 589					315 589
	550 000	1 372 234	202 562	191 113	179 144	773 160	3 268 213

2. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to maintain the optimum mix of liquidity and low cost of capital and to be able to finance future growth.

The Group does not target specific capital ratios, with current and future borrowings being evaluated against the Group's expected operating cash flows and capital investment needs. Capital adequacy and liquidity are managed by monitoring gearing ratios, interest cover and debt service ratios.

The Group's gearing at the period-end was as follows:

	Notes	**2009 R'000**	2008 R'000
Non-current borrowings	12	**763 496**	898 595
Short-term borrowings	16	**709 822**	914 465
Total borrowings		**1 473 318**	1 813 060
Less: Cash and cash equivalents	9	**(64 413)**	(66 174)
Net borrowings		**1 408 905**	1 746 886
Total equity		**3 744 279**	3 760 146
Total capital		**5 153 184**	5 507 032
Net debt to equity ratio	**(%)**	**38**	46

MATERIAL BORROWINGS AND LOANS RECEIVABLE

1. BORROWINGS

Material borrowings of the Group at the last practicable date

Lender	Recipient	How borrowing arose	Facility size R'000	Amount outstanding R'000	Interest rate	Security	Terms and conditions of repayment
Nedbank	Hulamin Operations (Proprietary) Limited	Sale and lease back of assets	680	680	10.0%	Plant and machinery with book value of R8 612 000 is encumbered as security	Repayable by 31 March 2011 *repayable from the cash generated from the operating activities of Hulamin OpCo
Investec	Hulamin Extrusions (Proprietary) Limited	Sale and lease back of assets	253	253	16.25%	Plant and machinery with book value of R1 991 000 is encumbered as security	Repayable by 31 March 2012
Standard Bank	Hulamin Operations (Proprietary) Limited	Raised for ongoing funding requirements, including the R970 million expansion project	769 500	769 500	3-month Jibar plus 2%	Note	Repayable by semi-annual instalments to 1 July 2014
Rand Merchant Bank	Hulamin Operations (Proprietary) Limited	Raised for ongoing funding requirements, including the R970 million expansion project	85 500	85 500	3-month Jibar plus 2%	Note	Repayable by semi-annual instalments to 1 July 2014
First National Bank	Hulamin Operations (Proprietary) Limited	Raised for ongoing working capital funding requirements	275 000	275 000	Call rates	Note	Repayable on 360 days' notice
Standard Bank	Hulamin Operations (Proprietary) Limited	Raised for ongoing working capital funding requirements	275 000	275 000	Call rates	Note	Repayable on 360 days' notice
First National Bank	Hulamin Operations (Proprietary) Limited	Raised for working capital funding requirements	150 000	60 000	Prime plus 3.75% on the first R100 million and prime plus 10% on borrowings exceeding R100 million to 30/06/2010. Thereafter, the rate is prime plus 10%	Note	The facility reduces to R100 million on 30 June 2010 and the balance is repayable by 31 December 2010 *repayable from the proceeds of the rights offer

Lender	Recipient	How borrowing arose	Facility size R'000	Amount outstanding R'000	Interest rate	Security	Terms and conditions of repayment
Standard Bank	Hulamin Operations (Proprietary) Limited	Raised for working capital funding requirements	150 000	75 000	Prime plus 3.75% on the first R100 million and prime plus 10% on borrowings exceeding R100 million to 30/06/2010. Thereafter, the rate is prime plus 10%	Note	The facility reduces to R100 million on 30 June 2010 and the balance is repayable by 31 December 2010 *repayable from the proceeds of the rights offer
			1 705 933	1 540 933			

Note: The borrowings with Standard Bank, First National Bank and Rand Merchant Bank are, collectively, secured by mortgage and notarial bonds over the moveable and immoveable assets of Hulamin Operations (Proprietary) Limited, the cession of book debts, cash and material investments in and claims against all wholly-owned subsidiaries of Hulamin Limited, and the provision of a guarantee by Hulamin Limited.

Other than the loans disclosed above, no other loan capital is outstanding as at the last practicable date.

2. INTER-COMPANY FINANCING

Material inter-company loans at the last practicable date

Lender	Recipient	Facility size R'000	Amount outstanding R'000	Interest rate	Security	Terms and conditions of repayment
Hulamin Operations (Proprietary) Limited	Hulamin Extrusions (Proprietary) Limited	179 858	179 858	Standard Bank call rates	None	None
Hulamin Limited	Hulamin Operations (Proprietary) Limited	539 295	539 295	3-month Jibar plus 6.5%	None	None
Hulamin Operations (Proprietary) Limited	Richards & Barlow (Proprietary) Limited	8 752	8 752	Nil	None	None
		727 905	727 905			

Other than the inter-company loans stated above, no other loans were granted or security furnished by the Company or its subsidiaries to or for the benefit of any third parties, including any directors or managers or any associates of any directors or managers of the Company or its subsidiaries as at the last practicable date.

PRINCIPAL IMMOVABLE PROPERTIES OWNED AND LEASED

Principal immovable properties owned by the Group are set out below:

Owner	Location	Area/Extent
Hulamin Operations	Edendale Site, Moses Mabhida Road, Erf 9663, Pietermaritzburg	27,1561 hectares
Hulamin Operations	Soccer Field, Moses Mabhida Road, Erf 20 of Lot 3083, Pietermaritzburg	1,7682 hectares
Hulamin Operations	Camps Drift site, Bayford Road, Erf 3948, Pietermaritzburg	78,0503 hectares
Hulamin Operations	Camps Drift site, Bayford Road, Erf 3947, Pietermaritzburg	2,9997 hectares
Hulamin Operations	5 Birmingham Road, Erf 1620, Pietermaritzburg	1,2191 hectares
Hulamin Operations	32 Shortts Retreat Road, Pietermaritzburg, Erf Portion 494 (of 441) of the Farm Shortts Retreat No 1208, Pietermaritzburg	1,5000 hectares
Hulamin Operations	7 Barnsley Road, Pietermaritzburg. Erf 3083 of lot 14	1,1372 hectares
Hulamin Extrusions	115 Industria Road, Olifantsfontein, Midrand	
	Erf 574, Clayville	3,2414 hectares
	Erf 1625, Clayville	0,9964 hectares
	Erf 113, Clayville	0,4097 hectares
	Erf 114, Clayville	0,1734 hectares
	Erf 121, Clayville	0,4096 hectares
	Erf 122, Clayville	0,4096 hectares
	Erf 1269, Clayville	2,0120 hectares
Hulamin Extrusions	25 Bertie Avenue, Epping	
	Erf 104786, Epping, Cape Town	1,8801 hectares

Principal immovable properties leased by the Hulamin Group are set out below:

Lessor	**Lessee**	**Current rental**	**Unexpired term**	**Location**
Metropolitan Life Limited	Hulamin	R23 480.36 p.m. (excl. VAT)	1 March 2010 to 31 May 2010 (3 months)	Pellmeadow Office Park Essexwold Ext 1 60 Civin Drive Bedfordview
Roncity Properties	Hulamin Systems	R117 180 p.m. (excl. VAT)	1 March 2010 to 31 December 2012	Corner Repens and Whitworth Streets Heriotdale
Greenfields Trust	Hulamin Systems	R17 073 p.m. (excl. VAT)	1 March 2010 to 31 December 2013	19 Fritz Stockenstrom Street, Bloemfontein
PH Primary Trust	Hulamin Systems	R43 055 p.m. (excl. VAT)	1 March 2010 to 31 December 2013	3 Cowie Street Sidwell, Port Elizabeth
Millenium Trust	Hulamin Systems	R18 601 p.m. (excl. VAT)	1 March 2010 to 30 April 2013	74 Albert Street Industria, George
Vexma Properties	Hulamin Systems	R67 898 p.m. (excl. VAT)	1 March 2010 to 31 March 2012	Unit 11 Travertine Cres Briardene, Durban
Ludel Properties	Hulamin Systems	R79 840 p.m. (excl. VAT)	1 March 2010 to 30 April 2012	Units 3 and 4 Ludel Park Montague Gardens Cape Town
Proud Heritage Properties 255	Hulamin Systems	R110 701 p.m. (excl. VAT)	1 March 2010 to 30 September 2012	8 Milan Street Airport Industria Cape Town
Godfrey van Graan Family Trust	Hulamin Systems	R45 490 p.m. (excl. VAT)	1 March 2010 to 30 April 2012	Unit 2 Millenium Road Port Elizabeth
Magtron Investments cc – No lease agreement in place. Rent on a month-to-month basis from Magtron Investments cc	Hulamin	R14 388 p.m. (excl. VAT)	Indefinite	5 Energy Road Electron Johannesburg
Jigman (Proprietary) Limited	Hulamin	R12 821 p.m. (excl. VAT) R14 103 p.m. (excl VAT)	1 March 2010 to 30 September 2010 1 October 2010 to 30 September 2011	Erf 1622 Montague Drive Montague Gardens Industrial Township Milnerton, Cape

SUBSIDIARY COMPANIES

Details of the principal subsidiary companies of Hulamin are set out below:

Name of subsidiary	Date and place of incorporation	Authorised share capital	Issued share capital	Holding	Listed on the JSE	Date became a subsidiary	Main business
Hulamin Operations (Proprietary) Limited	15/09/1999 Pretoria South Africa	4 000 ordinary shares of R1.00 each 50 000 000 cumulative redeemable preference shares of R1.00 each	380 ordinary shares of R1.00 each 50 000 000 cumulative redeemable preference shares of R1.00 each	90%	No	July 2000	Producers of semi-fabricated rolled and other products
Hulamin Extrusions (Proprietary) Limited	02/12/1996 Pretoria South Africa	100 000 ordinary shares of 1 cent each	100 000 ordinary shares of 1 cent each	100%*	No	April 1997	Extruders of semi-manufactured aluminium products
Hulamin Systems (Proprietary) Limited	19/05/1965 Pretoria South Africa	700 ordinary shares of R1.00 each	300 ordinary shares of R1.00 each	100%*	No	May 1986	Stockists of semi-manufactured aluminium products
Hulamin Rolled Products (Proprietary) Limited	03/11/1969 Pretoria South Africa	4 000 ordinary shares of R1.00 each	2 ordinary shares of R1.00 each	100%*	No	August 1989	Dormant
Cyndara 193 (Proprietary) Limited	16/03/2010 Pretoria South Africa	1 000 ordinary shares of R1.00 each	100 ordinary shares of R1.00 each	100%**	No	March 2010	Stockists of semi-manufactured aluminium products

* Represents the percentage shareholding of Hulamin Operations (Proprietary) Limited in the respective companies.

** Represents the percentage shareholding of Hulamin Extrusions (Proprietary) Limited in the respective company.

CORPORATE GOVERNANCE

Hulamin Limited views the implementation of good corporate governance practices as integral to its business and recognises the need to conduct its business with openness, integrity and accountability.

The board of directors believe that it has complied, in all material respects, with the provisions of the King II Report and Listings Requirements of the JSE Limited during the period under review. The board of directors is committed to comply in all material respects with the King III principles and best practice recommendations by the next reporting period. Various initiatives are in progress to ensure that Hulamin will be able to report compliance with King III by the end of December 2010.

Board of directors

As set out in its Charter, the board's objective is to provide responsible business leadership to the Group with due regard to the interest of all stakeholders.

Hulamin has a unitary board consisting of three executive directors and seven non-executive directors of whom four are independent. Following the resignations of P M Baum and J G Williams, S P Ngwenya was appointed as a full director and N N A Matyumza was appointed to the board with effect from 1 March 2010. Details of the directors are listed in Annexure 13, together with a brief resumé of each director. The roles of M E Mkwanazi as an independent non-executive Chairman and A Fourie as the Chief Executive Officer are separate with a clear division of responsibilities.

At board level there is a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

In accordance with the Company's articles of association, non-executive directors are subject to retirement by rotation at intervals of three years and may be re-elected at the annual general meeting at which they retire. Newly appointed directors hold office until the next annual general meeting at which they retire. The appointment and removal of directors, as well as changes to the composition of the board, is based on the recommendations of the Remuneration and Nomination Committee. There are no term contracts of service between any of the directors and the Company or any of its subsidiaries.

Newly appointed directors are introduced to the Group via a formal induction programme. In order to improve the board's effectiveness, evaluations of the board, individual directors, board committees and the Chairman are carried out annually.

The board normally meets five times a year, with special/additional meetings convened as circumstances dictate. The responsibilities of the board are set out in the board Charter.

The board's key responsibilities are:

- Review and approve corporate strategy, including business plans and budgets;
- Monitor management's implementation of the approved strategies;
- Approve major acquisitions and disposals;
- Oversight of the Group's systems of internal control, governance and risk management;
- Appointment of the Chairman and Chief Executive Officer, nomination of directors and review of directors and senior management's remuneration, appointments and succession plans; and
- Approval of the authorities assigned to the board, its committees and management.

The quorum for board meetings is a majority of the directors. The board is supplied with all relevant information and has unrestricted access to the management of the Group and all Group information which enables the directors to adequately discharge their responsibilities. All directors and board committees have full access to the Company Secretary and may, in appropriate circumstances, take independent professional advice at the Company's expense.

Attendance of directors at Board and Committee meetings during the year ended 31 December 2009

	Board	Audit	Remuneration and Nomination	Transformation
Total meetings	5	3	7	3
Non-executive				
P M Baum [1]	1		4	
L C Cele*	5	3		3
V N Khumalo	5	3	7	
T P Leeuw*	5	3		
J B Magwaza	4		7	3
M E Mkwanazi* [3]	5		4	
S P Ngwenya [2]	3			
P H Staude*	4			
J G Williams [1]	3	2		
Executive				
A Fourie	5		7	3
C D Hughes	5	3		
M Z Mkhize	5			3

* Independent non-executive director.

Note 1

Resigned as a director of Hulamin with effect from 28 July 2009 following the sale by Anglo of its shareholding in Hulamin.

Note 2

Appointed a full director of Hulamin with effect from 6 October 2009 to fill a vacancy left following the resignation of P M Baum and J G Williams.

Note 3

Appointed as a member of the Remuneration and Nomination Committee with effect from 23 April 2009.

Board committees

The board has delegated, through formal terms of reference, specific matters to a number of committees whose members and Chairman are appointed by the board. There is full disclosure of matters handled by the committees to the board.

The board has an Audit Committee, Remuneration and Nomination Committee and a Transformation Committee.

Audit Committee

In early 2008, the Group Audit Committee was reconstituted to consist solely of independent non-executive directors to comply with the Corporate Laws Amendment Act. Its members are T P Leeuw (Chairman) and L C Cele.

N N A Matyumza has been appointed a member of the audit committee with effect from 1 March 2010. The Chief Financial Officer, as well as V N Khumalo and representatives of the internal and external auditors attend committee meetings by invitation. The Company Secretary, W Fitchat, is the secretary of this committee. The committee normally meets three times a year.

The Group Audit Committee's key responsibilities are:

- Ensuring the integrity of the financial reporting process, including sound systems of internal control and financial risk management;
- Review of Annual Reports, Interim Reports and other financial announcements, including the accounting principles and policies adopted therein and compliance to JSE regulations;
- Monitor the performance and effectiveness of the external auditors and evaluate the qualifications, expertise, resources, fees, scope of work and independence of the external auditors prior to recommending their appointment to the board and shareholders;
- To approve the internal audit work plan and oversee the conduct of the internal audit and the implementation of internal control enhancements;
- Annually review the committee's terms of reference;
- Approve any non-audit services provided by the external auditors; and
- Consider the appropriateness of the expertise and experience of the Chief Financial Officer.

An internal audit charter is in place which defines the function, responsibility and authority of the Group's internal audit activity.

The Group Audit Committee exercises its functions through liaison and communication with management and the internal and external auditors. The Group Audit Committee has confirmed that it is satisfied with the independence of the external auditor for the 2009 financial year, and with the expertise and experience of the Chief Financial Officer.

The Audit Committee has had its responsibilities expanded and in 2010 will become the Audit and Risk Management Committee in compliance with the recommendations of King III.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of non-executive directors of whom one is an independent director. Its current members are: J B Magwaza (Chairman), V N Khumalo and M E Mkwanazi (who was appointed a member of the Remuneration and Nomination Committee with effect from 23 April 2009).

The Chief Executive Officer and T K Mshengu (Human Resources Executive) are invited to attend. M A Janneker (Human Resources Manager) is the secretary of this committee. The committee normally meets three times a year.

The Remuneration and Nomination Committee's key responsibilities are:

- Formulation of employment and reward strategies to attract and retain executives and senior management;
- Recommend to the board the remuneration of directors and senior management; and
- Recommend to the board changes in the composition of the board and the appointment and the removal of directors. The nomination of board members to be considered at the annual general meeting of shareholders is the responsibility of the board as a whole and with a relatively small board Hulamin believes it is appropriate in its circumstances that the majority of the directors on the committee are not independent, and that the board Chairman does not act as chairman of this committee.

Transformation Committee

The Transformation Committee consists of an equal number of non-executive and executive directors of whom the Chairman is an independent director. Its members are L C Cele (Chairman), J B Magwaza, A Fourie and M Z Mkhize. T K Mshengu (Human Resources Executive) and F B Bradford (Executive for sheet and plate products) attend committee meetings by invitation.

N Mthembu (Communications Manager) is the secretary of this committee. The committee normally meets three times a year. The Transformation Committee's key responsibilities are:

- Recommend to the board the strategies and policies to be adopted to ensure the Group's transformation targets are achieved;
- Align the Group's transformation strategy with its overall business strategy; and
- Monitor the implementation and efficacy of the employment equity, black management development, black equity ownership, preferential procurement, skills and enterprise development and socio-economic initiatives of the Group.

Group executive committees

The Group has a number of executive committees consisting of executive directors and other senior executives, with formal terms of reference approved by the board.

Executive Committee

The Executive Committee consists of the executive directors and other senior executives. The current members are A Fourie (Chairman), F B Bradford, C D Hughes, R G Jacob, C J Little, W Ortner, M Z Mkhize, T K Mshengu and D F Timmerman. The Company Secretary, W Fitchat is the secretary of this committee. The committee normally meets on a monthly basis.

The objective of the committee is to assist Hulamin's board in discharging its responsibilities, while acting within the parameters of the authority limits agreed by the board.

The Executive Committee's key responsibilities are:

- Recommend the business strategy, business plans and budgets to be adopted by the Group;
- Manage the implementation and execution of the business strategies and plans approved by the board;
- Recommend major acquisitions and disposals as part of the Group's business strategy;
- Ensure the Group's systems of internal control, governance and risk management are both robust and well managed;
- Implement the approved authorities matrix within the organisation and approve the appointment of senior managers and the members of the Group's executive committees; and
- Approve the capital expenditure plans of the Group, within the budget approved by the board.

Risk Management Committee

The members of the Risk Management Committee are drawn from the Group's senior executives. The current members are C D Hughes (Chairman), F B Bradford, A Fourie, R G Jacob, A P Krull, C J Little, M Z Mkhize, T K Mshengu and D F Timmerman. The Company Secretary, W Fitchat, is the secretary of this committee. The committee normally meets four times a year.

While the board is ultimately accountable for risk management, the implementation of the Group's risk management policies and systems of internal control are an integral part of management of the Group's operations. The risk management activities of the Group are reviewed by the board at least twice a year.

The Risk Management Committee's key responsibilities are:

- Recommend to the board the risk management strategies and policies of the Group;
- Review the integrity and appropriateness of the Group's systems of risk assessment and management;
- Identifying new or emerging risks related to all aspects of the business, including financial, operational and compliance risks;
- Monitor risk reduction actions; and
- Review the internal controls that have been implemented to manage significant risks, and the assurance provided in respect of those controls.

The Risk Management Committee will in 2010 report on its activities to the Audit and Risk Management Committee in compliance with the recommendations of King III.

Employment Equity Committee

The Employment Equity Committee members are drawn from the Group's senior managers. Its current members are A Fourie (Chairman), F B Bradford, V Dukhee, C D Hughes, R G Jacob, M A Janneker, C J Little, M M F Mabe, M Z Mkhize, T K Mshengu, N Mthembu, R N Nyandeni and D F Timmerman. M A Janneker (Human Resources Manager) is the secretary of this committee. The committee normally meets four times a year.

The Employment Equity Committee's key responsibilities are:

- Formulate strategy, policies and targets related to employment equity;
- Monitor the implementation of the agreed strategies for employment equity; and
- Involve a diverse range of employees in employment equity decision-making.

Safety, Health and Environment Committee

The Safety, Health and Environmental ("SHE") Committee members are drawn from the Group's senior managers. Its members are A Fourie (Chairperson), M Aldworth, F B Bradford, B Henderson, R G Jacob, M Z Mkhize, T K Mshengu and D F Timmerman. The Company Secretary, W Fitchat, is the secretary of this committee. The committee normally meets on a quarterly basis.

The Safety, Health and Environment Committee's key responsibilities are:

- Review SHE performance;
- Review major SHE risks;
- Monitor actions to reduce SHE-related risks;
- Identify new or emerging risks related to SHE; and
- Review of the internal controls to manage SHE risks.

Investor relations and shareholder communication

The Group communicates its strategy, performance and vision through regular presentations to investors, analysts, employees and other stakeholders. In addition, management regularly meets with investors and institutional stakeholders on a one-to-one basis. The Group website (www.hulamin.co.za) is also used for this purpose.

Code of Ethics

The Group's code of ethics requires all directors and employees to be committed to fair dealing, honesty and integrity in the conduct of its business. The code of ethics has been actively endorsed by the board and distributed to all employees in the Group.

The code is designed to raise ethical awareness, act as a guide in day-to-day decisions and to assure customers and other stakeholders of the Group's commitment to ethical behaviour.

An important element of the induction process is to communicate to new employees the code of ethics, the Group's core values and its compliance procedures. Compliance by all employees to the high moral, ethical and legal standards of the code is mandatory, and if employees become aware of, or suspect, a contravention of the code, they must promptly and confidentially report it in the prescribed manner. Appropriate action has been taken in respect of all reported instances of non-compliance with the code by employees.

Whistle-blowing

Hulamin adopted a whistle-blowing policy during 2009 and has installed an anonymous reporting facility (the Vuvuzela Ethics Line), enabling employees and other stakeholders to report fraudulent, corrupt or unethical behaviour related to any of the Group's activities, without fear of victimisation and retribution. Anonymity is guaranteed and the facility is managed in compliance with the Protected Disclosures Act, No. 26 of 2000.

Contact details of the Vuvuzela Ethics Line are as follows:

Toll free number: 080 225 5688

E-mail: Hulamin@hotline.co.za

Website: www.the hotline.co.za

Price-sensitive information

No director, officer or employee may deal either directly or indirectly in the Company's shares on the basis of unpublished price-sensitive information regarding the Company's business or affairs. In addition, no director, officer or employee in possession of price-sensitive information may trade in the Company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Company is under a cautionary announcement.

SALIENT FEATURES OF HULAMIN SHARE INCENTIVE SCHEMES

1. SHARE INCENTIVE SCHEMES – ON UNBUNDLING FROM TONGAAT HULETT LIMITED

Prior to the listing and unbundling of Hulamin from Tongaat Hulett Limited, executive directors and selected senior employees of Hulamin participated in Tongaat Hulett Limited share option schemes.

These employees held options and rights in terms of certain of the Tongaat Hulett Limited share incentive plans, such as The Tongaat-Hulett Group Limited 2001 Share Option Scheme (TH SOS) and the Tongaat-Hulett Group Limited Share Appreciation Rights Scheme 2005 ("TH SAR") (collectively, the 'TH Plans"). On the unbundling of Hulamin from Tongaat Hulett Limited, each option or right was split into two, with one computed with reference to the Tongaat Hulett Limited share price and the other with reference to Hulamin's share price.

Further, on the unbundling of Hulamin from Tongaat Hulett Limited and in terms of the unbundling agreement, Hulamin undertook to settle the share incentive benefits due to Hulamin employees through the issue or purchase (via a third party) of ordinary shares. Directors of the Company were granted shareholder approval in April 2008 to settle these benefits through the issue of up to 5 000 000 shares.

As at the last practicable date, 215 660 Tongaat Hulett Limited options and 284 150 Hulamin options awarded to Hulamin employees under the TH SOS remained outstanding and all have vested. The last instruments awarded (2004 grants) under this scheme expire on 20 April 2014.On exercise, the employees are entitled to purchase the shares at the option price.

As at the last practicable date, 312 708 Tongaat Hulett Limited rights and 429 011 Hulamin rights awarded to Hulamin employees under TH SAR remained outstanding and all have vested. The last instruments awarded under this scheme (2006 grants) expire on 24 April 2013. On exercise – employees are entitled to receive shares equal to the difference between the exercise price and the grant price.

All other instruments held by Hulamin employees in other Tongaat Hulett Limited share schemes at the time of unbundling, have now been exercised.

2. SHARE INCENTIVE SCHEMES – POST-UNBUNDLING FROM TONGAAT HULETT LIMITED

The following three Hulamin share incentive plans were adopted by shareholders in April 2007, which include participation by executive directors and selected senior employees of Hulamin:

1. Hulamin Limited Share Appreciation Right Scheme 2007 (SAR).
2. Hulamin Limited Long Term lncentive Plan 2007 (LTIP).
3. Hulamin Limited Deferred Bonus Plan 2007 (DBP) (collectively referred to as "the HA Plans").

The primary intent is to purchase shares in the market to settle employee benefits, however Hulamin retains the right to issue new Hulamin ordinary shares, or to pay any Hulamin employee an equivalent amount in cash *in lieu* of any shares in settling participants benefits. Hulamin is limited in terms of the HA Plans to issue no more than 21 300 000 ordinary shares to settle the benefits under the TH Plans and HA Plans, and no more than 2 130 000 shares may be issued to an individual share scheme participant.

In 2009 shareholder approval was obtained to issue 5 000 000 shares to settle benefits under the HA Plans. To-date no benefits have vested under the HA Plans.

Salient features of the HA Plans are as follows:

2.1 SAR

Eligible employees receive grants of share appreciation rights, normally annually, which are conditional rights to receive shares equal to the value of the difference between the exercise price and the grant price. Vesting of the rights is subject to performance conditions. The duration and specific nature of the performance conditions and performance period will be stated in the letter of grant and will be determined by the directors on an annual basis in respect of each new grant of share appreciation rights. Upon exercise by a participant the relevant employer Company will settle the value of the difference between the exercise price and the grant price, by delivering shares, or alternatively, by settling the value in cash. SARs not exercised within the SAR period will lapse.

At the last practicable date there were 7 753 974 rights held by employees, all of which were unvested.

2.2 LTIP

Eligible employees receive grants of conditional awards, normally annually. The conditional award will vest after the performance period if, and to the extent that the performance conditions have been satisfied. The duration and specifics of the performance conditions and performance period will be stated in the letter of grant and will be determined by the directors on an annual basis in respect of each new grant of conditional awards. Upon vesting of the conditional award the relevant employer Company will procure the delivery of shares to settle the value of the vested portion of the conditional award, or alternatively, may cash settle the value. The conditional awards which do not vest at the end of the performance period will lapse.

At the last practicable date there were 1284 874 conditional awards held by employees, all of which were unvested.

2.3 DBP

Eligible employees are permitted to use a portion of the after-tax component of their annual bonus to acquire bonus shares. A conditional matching award of shares will be made to the participant on the condition that the participant remains in the employ of an employer Company and retains the bonus shares over the DBP period. The participant remains the owner of the bonus shares for the duration of the DBP period and will enjoy all shareholder rights in respect of the bonus shares. Bonus shares can be withdrawn from escrow at any stage, but the matching award is forfeited to the extent of the bonus shares withdrawn from escrow during the DBP period.

As at the last practicable date, there were 157 913 conditional awards held by employees, of which 11 100 have vested.

Shareholder approval was granted at the 2010 AGM to amend the HA Plans to ensure compliance to the amended provisions of schedule 14 of the JSE Listings Requirements. As the HA Plans were approved by the JSE during 2007, the required amendments to the HA Plans were minimal. The HA Plans incorporating the revisions have been approved by the JSE Limited.

In terms of the rules of the HA Plans, the directors of Hulamin are authorised to amend the scheme instruments to ensure that following corporate action, such as the proposed rights offer by Hulamin, the share scheme participants are entitled to the same proportion of equity capital as before the event.

3. SALIENT FEATURES OF HULAMIN LIMITED MANAGEMENT SHARE OWNERSHIP PLAN (“MSOP”) AND EMPLOYEE SHARE OWNERSHIP PLAN (“ESOP”)

In 2007, Hulamin invited all permanent South African-based employees up to middle management of whom approximately 90% are black, and all permanent South African black senior management to participate in the BEE transaction in 2007 through the ESOP and MSOP.

Creation of B ordinary shares

Hulamin increased its authorised ordinary share capital in 2007 by creating three classes of B ordinary shares, as follows:

(i) 8 000 000 B1 ordinary shares;

(ii) 10 000 000 B2 ordinary shares; and

(iii) 3 000 000 B3 ordinary shares.

The Hulamin “B” ordinary shares rank *pari passu* with the ordinary shares in all material respects with the following exceptions:

(i) Hulamin retains the right to repurchase a number of each class of the Hulamin “B” ordinary shares in terms of pre-determined formulae immediately prior to the conversion of these shares into Hulamin ordinary shares;

(ii) on the 5th anniversary of the effective date, the Hulamin “B” ordinary shares will be converted into an equal number of ordinary shares, listed on the JSE and ranking *pari passu* in all respects with the existing issued Hulamin ordinary shares; and

(iii) the Hulamin “B” ordinary shares will not be taken into account for categorization of transactions in terms of the JSE Listings Requirements.

The B ordinary shares are not listed on the JSE, and the terms of the shares are more fully described in Annexure 6.

Structure and funding

To give effect to the ESOP/MSOP, Hulamin established the ESOP Share Trust and MSOP Share Trust for the benefit of Hulamin employees. Hulamin and its subsidiaries contributed to the MSOP Share Trust and the ESOP Share Trust. The amount reflected the fair value of the shares and was based on the 22-day VWAP price for 22 trading days after the listing date.

On receipt of the contribution, the ESOP Share Trust subscribed for Hulamin B1 ordinary shares and the MSOP Share Trust subscribed for Hulamin B2 ordinary shares and Hulamin B3 ordinary shares. The total cash consideration for the Hulamin B ordinary shares amounted to R89.3 million and the number of shares subscribed for represents an approximate 5% interest in Hulamin. The ESOP and MSOP Share Trusts then allocated the shares to individual employees.

In the event of a variation in the issued share capital of Hulamin, for example a rights offer, or any other variation which the board believes justifies an adjustment, the board will adjust the number of B shares held by the beneficiaries in the manner the board considers appropriate to take account of the variation.

MSOP/ESOP

The MSOP scheme consists of two components, namely a share appreciation scheme (B2 shares) and a share grant scheme (B3 shares).

The value of the benefits in the MSOP scheme are capped at a level of 10% compounded growth per year.

The ESOP scheme consists of a share appreciation scheme (B1 shares) whereby participants also share in 50% of the dividends payable to ordinary shareholders.

Hulamin has the right to repurchase from the Trust, at maturity (year 5) of the scheme, a variable number of shares at one cent per share after which the remaining shares will become unrestricted ordinary shares. The number of shares to be repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to:

- 80% of the market value (at the outset) of the shares issued in terms of the share appreciation right component of the MSOP;
- R nil in respect of the share grant component of the MSOP;
- the grant price of the shares allocated, plus the value of cash dividends paid to the ESOP participants.

Prior to implementing the specific share repurchase, Hulamin will provide the JSE with a working capital confirmation as required in the JSE Listings Requirements and the Hulamin board will publish an announcement on SENS containing, *inter alia*, details of the repurchase.

The MSOP and ESOP beneficiaries will receive their entitlement to Hulamin ordinary shares at maturity if still employed by Hulamin. This entitlement will be a contractual right and will be governed by the provisions of the ESOP and MSOP Trust Deeds, respectively.

At maturity of the scheme, any shares remaining in either of the Trusts will be sold and the proceeds distributed to a Trust for the benefit of black people.

In the event of variation in the issued share capital of Hulamin, the board may adjust the number of B shares held by beneficiaries in the manner the board considers appropriate to take account of such variation.

INFORMATION ON THE DIRECTORS AND SENIOR MANAGEMENT OF HULAMIN

Directors of Hulamin:

Mafika Edmund Mkwanazi

Position:	Independent Non-executive Chairman Member of the Remuneration and Nomination Committee
Appointed:	Appointed to the board in 2007 as chairman
Age:	56
Nationality:	South African
Business address:	74 Epsom Chase Saddlebrook Estate Kyalami, Gauteng
Qualifications:	BSc (Mathematics); BSc (Engineering); Management Development Programme (MDP); Strategies of Successful Business Management.
Experience:	Held various business positions including chief executive officer of Metrorail Services from 1995 to 1996, executive director of Spoornet, a division of Transnet from 1996 to 1998, managing director of Transnet from 2000 to 2003, chairman of Western Areas (Proprietary) Limited, Letseng Diamonds (Proprietary) Limited and Orlyfunt Investment Holdings (Proprietary) Limited from 2003 to 2006, and he is the chairman of the BEE entity Shamsko Investment Holdings.
Other directorships:	Stefanutti Stocks Holdings Limited and South African Bureau of Standards.

Lungile Constance Cele

Position:	Independent Non-executive Director Chairman of the Transformation Committee and member of the Audit Committee
Appointed:	Appointed to the board in 2007
Age:	57
Nationality:	South African
Business address:	31 Innes Road Morningside Durban
Qualifications:	B.Com; Post-Grad. Dip Tax; M.Acc (Taxation); Executive Leadership Development Programme (ELDP)
Experience:	Zee practices as a tax consultant and financial accountant and has been running her Durban-based business, Tax Solutions CC, since 1989. Zee is a commercial member of the Tax Court and is a member of the Standing Advisory Committee on Company Law.
Other directorships:	Eskom Holdings Limited, Combined Motor Holdings Limited, Three Cities Investments (Proprietary) Limited and Sport For All Franchising (Proprietary) Limited.

Vusi Noel Khumalo

Position:	Non-executive Director Member of the Remuneration and Nomination Committee
Appointed:	Appointed to the Hulamin board in 2006
Age:	47

Nationality:	South African
Business address:	Industrial Development Corporation 19 Fredman Drive Sandown Sandton
Qualifications:	B.Com; B.Compt (Hons); CA(SA); Global Executive Development Programme
Experience:	Joined the Industrial Development Corporation of South Africa Limited in 1998 and in his current position is responsible for managing IDC's investment portfolio.
Other directorships:	Atlantis Forge (Proprietary) Limited, Ernani Investments (Proprietary) Limited and Golden Frontiers Citrus (Proprietary) Limited.

Thabo Patrick Leeuw

Position:	Independent Non-executive Director Chairman of the Audit Committee
Appointed:	Appointed to the Hulamin Board in 2007
Age:	47
Nationality:	South African
Business address:	Thesele Group 1st Floor, Moorgate 6 North Road, Dunkeld Park Dunkeld West, Gauteng
Qualifications:	B.Com (Accounting); B.Compt (Hons); Management Advancement Programme (MAP)
Experience:	Thabo is the executive director and founder shareholder of Thesele Group (Proprietary) Limited. He served articles at Deloitte & Touche, and has held financial management positions in Afric Oil (Proprietary) Limited (a subsidiary of Worldwide Africa Investment Holdings), Oceana Group Limited, National Sorghum Breweries Limited and Old Mutual Employee Benefits. He joined Cazenove South Africa (Proprietary) Limited in 1998 as a research analyst, in 2002 he became a director of Cazenove South Africa (Proprietary) Limited and in 2004 became a director of Cazenove Group Plc.
Other directorships:	He also serves as non-executive director of Sentech Limited and of Prudential Portfolio Managers SA (Proprietary) Limited and is a member of the Eskom Holdings Pension and Provident Fund's Strategic Investment Committee.

Johannes Bhekumuzi Magwaza

Position:	Non-executive Director Chairman of the Remuneration and Nomination Committee and member of the Transformation Committee
Appointed:	Appointed to the Hulamin board in 2007
Age:	68
Nationality:	South African
Business address:	42 Addison Drive La Lucia, KwaZulu-Natal
Qualifications:	BA (Psychology & Social Anthropology); MA (IR); Dip (IR); Dip. (PM)
Experience:	Joined Tongaat Hulett Sugar Limited in 1975, becoming personnel director for Hulett Refineries (Proprietary) Limited in 1988. Appointed personnel director for Hulamin Limited in 1992 until he became an executive director of Tongaat Hulett Limited in 1994. He retired in 2003 but remained on the board in a non-executive capacity and was appointed Chairman in 2009.
Other directorships:	Nedbank Group Limited, Dorbyl Limited, Rainbow Chickens Limited, Mutual & Federal Insurance Co. Limited and Imbewu Capital Partners.

Nomgando Nomalungelo Angelina Matyumza

Position:	Independent non-executive Director and member of the Audit Committee
Appointed:	Appointed to the board in March 2010
Age:	47
Nationality:	South African
Business address:	5 Pitlochry Road Westville, KwaZulu-Natal
Qualifications:	B.Com; B.Compt (Hons); CA(SA); LLB
Experience:	Held various positions in financial and general management and was employed between 1994 and 2004 at Petronet (a subsidiary of Transnet Limited), firstly as Financial Manager and then as Deputy CEO from 1999 to 2004. From 2004 to 2008 she was employed at Eskom Holdings Distribution as General Manager for the Eastern Region. Ordained Minister of the African Methodist Episcopal Church at Umlazi, KwaZulu-Natal.
Other directorships:	Transnet Limited, Wilson Bayley Holmes-Ovcon Limited and Cadiz Holdings Limited.

Sibusiso Peter-Paul Ngwenya

Position:	Non-executive Director
Appointed:	Appointed to the Hulamin board in 2007 as an alternate to J B Magwaza and a full director of Hulamin in October 2009
Age:	56
Nationality:	South African
Business address:	Makana Investment Corporation 1st Floor, 31 West Street Houghton Estate, Gauteng
Qualifications:	B.Com (Hons)
Experience:	Following his release from Robben Island in 1991, he joined Engen Petroleum Limited and later South African Breweries Limited. In 1997 he joined Makana Trust, where he is a founding trustee and former chairman. He later co-founded Makana Investment Corporation of which he is the current executive chairman. Peter-Paul is the treasurer of the Ex-Political Prisoners Committee.
Other directorships:	Chairman of South African Airlink (Proprietary) Limited, director of Radio Heart 104.9 (Proprietary) Limited and Radio Igagasi 99.5 (Proprietary) Limited and Sebenza Forwarding and Shipping (Proprietary) Limited.

Peter Heinz Staude

Position:	Independent Non-executive Director
Appointed:	Appointed chairman of Hulamin in 2002 until July 2007.
Age:	56
Business address:	Amanzimnyama Hill Tongaat, KwaZulu-Natal
Qualifications:	B.Sc (Ind Eng) (Hons) (*cum laude*); MBA
Experience:	Peter lectured at the University of Pretoria before joining Hulamin in 1978. In 1990 he became managing director of Hulamin Rolled Products (Proprietary) Limited and in 1996 managing director of Hulamin Limited. He was appointed chief executive officer of Tongaat Hulett Limited in 2002.
Other directorships:	Director of a number of subsidiaries of Tongaat Hulett Limited and Chairman of Trade and Investment KwaZulu-Natal.

Alan Fourie

Position:	Chief Executive Officer Member of the Transformation Committee
Appointed:	Appointed to the board in 1985
Age:	60
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg
Qualifications:	B.Com; B.Compt (Hons); CA(SA); MBA
Experience:	Joined The Tongaat Group Limited in 1979 and became financial director of Hulamin Limited in 1985, managing director in 2002 and chief executive officer in 2007. Appointed to the Tongaat Hulett Limited board in 2002, from which he resigned following the unbundling of Hulamin in 2007.
Other directorships:	Director of a number of subsidiaries of Hulamin Limited.

Alan will retire as Chief Executive Officer of Hulamin with effect from 30 June 2010.He will be succeeded by Richard Jacob, a current member of the Executive Committee.

Charles Daniel Hughes

Position:	Chief Financial Officer
Appointed:	Appointed to the board in 2003
Age:	54
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg
Qualifications:	B.Acc; CA(SA)
Experience:	Charles joined Hulamin Limited in 1979 and was appointed financial director of Hulamin in 2003 and chief financial officer in 2007.
Other directorships:	Director of a number of subsidiaries of Hulamin Limited.

Moses Zamani Mkhize

Position:	Executive Director – Foil Products Member of the Transformation Committee
Appointed:	Appointed to the board in 2000
Age:	48
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg
Qualifications:	Higher Diploma (Electrical Engineering); B.Com (Honours)
Experience:	Joined Hulamin Limited in July 1982, was appointed Hot Mill production manager in 1989 and Foil Mill manager in 1994. In 1997 he became a director of Hulamin Rolled Products (Proprietary) Limited.
Other directorships:	Director of a number of subsidiaries of Hulamin Limited.

Directors of major subsidiaries

Alan Fourie, Charles Daniel Hughes and Moses Zamani Mkhize are also the directors of Hulamin OpCo and their full names, positions, dates of appointment, ages, nationalities, business addresses, qualifications, experience and other directorships are set out above.

Senior management:

Frank Bradford

Position:	Executive – Sheet and Plate Products
Age:	49
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	BSc(Eng); Graduate Diploma in Engineering (GDE); MBA
Experience:	Frank's career at Hulamin spans 17 years. He is responsible for sheet and plate products in Hulamin Rolled Products (Proprietary) Limited. This includes responsibility for brazing sheet, heat treated plate and general engineering products. Also in Frank's portfolio is responsibility for metal contracts, distribution, logistics and commercial contracts.
Directorships:	Director of two subsidiaries of Hulamin.

Richard Jacob

Position:	Executive – Coated Products
Age:	44
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	BSc(Eng); MBA
Experience:	Richard joined Hulamin in 1990, and is responsible for the coated products business in Hulamin Rolled Products (Proprietary) Limited, which includes responsibility for can end stock and painted products. Richard is responsible for the communication and investor relations functions at Hulamin and for Hulamin Roofing Solutions.
Directorship:	Director of one subsidiary of Hulamin.

Richard has been appointed as Chief Executive Officer of Hulamin with effect from 1 July 2010 upon the retirement of Alan Fourie.

Colin Little

Position:	Executive – Extruded Products
Age:	54
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	BSc(Civil Engineering); Pr Eng; MBA
Experience:	Colin joined Hulamin in 1998 and is responsible for Hulamin Extrusions as well as for Hulamin Building Systems, the downstream stocking and building products business. He also oversees Hulamin's interests in Almin Metal Industries in Zimbabwe (a joint venture with Zimbabwe's IDC) and in Richards & Barlow (a joint venture with Duro Pressings in the architectural finished products market).
Directorships:	Director of Hulamin Extrusions and Richards & Barlow.

Kenneth Mshengu

Position:	Executive – Human Resources
Age:	58
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	BA; HDPM; Industrial Relations Diploma (IRD); Executive Business Programme (EBP)
Experience:	Kenneth's career at Hulamin started 19 years' ago, in the Human Resources function of Hulamin, for which he now has responsibility. He is on the board of Hulamin Extrusions. Kenneth is also responsible for the Corporate Social Investment portfolio and is a Trustee of The Tongaat Hulett Pension Fund.
Directorships:	Director of a number of subsidiaries of Hulamin.

Wolfgang Ortner

Position:	Executive – International marketing
Age:	50
Nationality:	Austrian
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	Metallurgist; Management Development Programme (MDP)
Experience:	Wolfgang joined Hulamin in October 2007. He is responsible for Hulamin's international marketing activities in Europe and North America. Wolfgang has held a broad range of management positions at ALCOA South Africa (Proprietary) Limited and then AMAG Rolled Products, where he was a senior executive. He currently resides in Austria.

Doug Timmerman

Position:	Executive – Operations, Remelt and Rolling
Age:	55
Nationality:	South African
Business address:	Moses Mabhida Road Pietermaritzburg KwaZulu-Natal
Qualifications:	Mechanical Engineer; T4 Dip; Government Certificate of Competency (GCC); Management Development Programme (MDP)
Experience:	Doug started working for Hulamin in 1978 and his core responsibilities are the remelt and hot and cold rolling operations in Rolled Products. Doug is also responsible for engineering, planning, technology, the integration of all the manufacturing areas of Rolled Products, and leading the expansion project approved in 2006.

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REF. W2CF09723