HULAMIN

UNAUDITED INTERIM RESULTS
FOR THE HALF-YEAR ENDED 30 JUNE 2009

- Order intake recovering after sharp reduction
- Operating profit reduced from R270 million to R114 million
- HEPS reduced from 84 cents to 12 cents per share
- Positive cash flow of R374 million
- Rolled Products margins maintained in difficult market conditions

Income Statement

	Note	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
Revenue		**2 115 453**	3 571 627	7 119 973
Cost of sales		**(1 871 515)**	(3 082 006)	(6 235 460)
Gross profit		**243 938**	489 621	884 513
Other operating income	3	**96 577**	14 055	60 312
Selling and marketing expenses		**(162 556)**	(162 358)	(355 859)
Administrative expenses		**(63 634)**	(70 920)	(123 515)
Operating profit		**114 325**	270 398	465 451
Share of joint venture's profit		**203**	117	1 111
Finance costs		**(74 093)**	(43 674)	(118 253)
Profit before tax		**40 435**	226 841	348 309
Taxation	4	**(15 653)**	(41 191)	(79 527)
Net profit		**24 782**	185 650	268 782
Attributable to:				
Shareholders		**24 782**	181 442	268 172
Minority interest			4 208	610
		24 782	185 650	268 782
Headline earnings				
Net profit attributable to shareholders		**24 782**	181 442	268 172
Loss/(profit) on sale of property, plant and equipment, net of tax		**485**		(506)
Headline earnings attributable to shareholders		**25 267**	181 442	267 666
Earnings per share (cents)	5			
Basic		**11**	84	124
Diluted		**11**	83	123
Headline earnings per share (cents)				
Basic		**12**	84	124
Diluted		**12**	83	123
Dividend per share (cents)			28	41
Currency conversion				
Rand/US dollar average		**9,23**	7,65	8,26
Rand/US dollar closing		**7,74**	7,83	9,41

Statement of Comprehensive Income

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
Net profit	**24 782**	185 650	268 782
Cash flow hedges, net of tax	**(79 643)**	34 136	100 664
Total comprehensive income for the period	**(54 861)**	219 786	369 446
Total comprehensive income attributable to:			
Shareholders	**(54 861)**	215 578	368 836
Minority interest		4 208	610
	(54 861)	219 786	369 446

Statement of Changes in Equity

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
Balance at beginning of period	**3 760 146**	3 494 151	3 494 151
Total comprehensive income for the period	**(54 861)**	215 578	368 836
Shares issued – share capital	**20**	5	13
Shares issued – share premium	**1 010**	498	1 411
Value of employee services	**14 837**	13 293	29 670
Settlement of employee share incentives			(5 174)
Tax on share options	**1 622**		(2 246)
Dividends paid	**(28 537)**	(65 790)	(127 267)
Purchase of minority interest			752
Shareholders' interest	**3 694 237**	3 657 735	3 760 146
Minority interest in subsidiary	**–**	39 350	–
Balance at beginning of period		35 142	35 142
Share of total comprehensive income for the period		4 208	610
Purchase of minority interest			(35 752)
Equity	**3 694 237**	3 697 085	3 760 146

Balance Sheet

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**4 908 875**	4 380 558	4 763 295
Intangible assets	**30 942**	26 623	29 515
Investment in joint venture	**10 283**	4 620	10 080
Deferred tax asset	**12 553**	15 976	11 697
	4 962 653	4 427 777	4 814 587
Current assets			
Inventories	**848 727**	1 374 570	1 325 284
Trade and other receivables	**645 319**	1 364 940	1 060 013
Derivative financial assets	**179 629**	65 258	360 022
Cash and cash equivalents	**53 002**	92 058	66 174
	1 726 677	2 896 826	2 811 493
Assets of disposal group classified as held for sale	**15 266**		44 432
	1 741 943	2 896 826	2 855 925
Total assets	**6 704 596**	7 324 603	7 670 512
EQUITY			
Share capital and share premium	**991 946**	989 995	990 916
BEE reserve	**174 686**	174 686	174 686
Employee share-based payment reserve	**63 770**	34 378	48 933
Hedging reserve	**22 009**	35 124	101 652
Retained income	**2 441 826**	2 423 552	2 443 959
Equity holders' interest	**3 694 237**	3 657 735	3 760 146
Minority interest		39 350	
Total equity	**3 694 237**	3 697 085	3 760 146
LIABILITIES			
Non-current liabilities			
Non-current borrowings	**852 376**	898 285	898 595
Deferred income tax liabilities	**890 936**	883 026	926 359
Retirement benefit obligations	**129 273**	115 716	119 512
	1 872 585	1 897 027	1 944 466
Current liabilities			
Trade and other payables	**488 926**	914 114	692 180
Current borrowings	**573 505**	699 654	914 465
Derivative financial liabilities	**60 277**	50 035	315 589
Income tax liability	**15 066**	66 688	43 666
	1 137 774	1 730 491	1 965 900
Total liabilities	**3 010 359**	3 627 518	3 910 366
TOTAL EQUITY AND LIABILITIES	**6 704 596**	7 324 603	7 670 512
Net debt to equity	**37,2%**	40,7%	46,5%

Cash Flow Statement

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
Cash flows from operating activities			
Operating profit	**114 325**	270 398	465 451
Interest paid	**(99 865)**	(69 501)	(189 088)
Loss/(profit) on disposal of property, plant and equipment	**674**		(703)
Non-cash items:			
Depreciation and amortisation	**100 172**	94 792	176 354
Other non-cash items	**(160 936)**	21 505	136 414
Tax payments	**(48 044)**	(96 019)	(136 661)
Changes in working capital	**716 042**	(549 430)	(486 088)
	622 368	(328 255)	(34 321)
Cash flows from investing activities			
Expenditure on property, plant and equipment	**(220 087)**	(280 669)	(707 870)
Expenditure on intangible assets	**(3 024)**	(2 327)	(6 193)
Proceeds on disposal of property, plant and equipment	**2 257**		1 207
Investments		(836)	(5 185)
Acquisition of minority interest in subsidiary			(35 000)
	(220 854)	(283 832)	(753 041)
Cash flows from financing activities			
Borrowings (repaid)/raised	**(387 179)**	677 286	892 407
Shares issued	**1 030**	503	1 424
Settlement of share options net of reversals			(5 174)
Dividends paid	**(28 537)**	(65 790)	(127 267)
	(414 686)	611 999	761 390
Net decrease in cash and cash equivalents	**(13 172)**	(88)	(25 972)
Balance at beginning of period	**66 174**	92 146	92 146
Cash and cash equivalents at end of period	**53 002**	92 058	66 174

Commentary

The global recession has had a severe impact on the demand for Hulamin's products, particularly in the automotive, construction, general engineering and transport sectors. This reduced level of demand was most notable during the first four months of the year and impacted negatively on operating efficiencies. The company has implemented a number of actions in its markets, has seen demand for its products improve and expects to fully re-establish its growth momentum in the near term.

Sales volumes in the first half of 2009 amounted to 71 000 tons which was 34% lower than the first half of 2008, with similar reductions in both local and export markets.

Although significant cost reductions have been achieved, the business has a relatively high proportion of fixed costs and it was not possible to implement cost reductions that fully offset the effects of the sharp reduction in sales volumes. The business did, however, benefit from the weaker exchange rate which averaged R9,23/US$ compared with R7,65/US$ in the comparable period. Operating profit reduced from R270 million to R114 million.

Operating profit was shielded from the effects of the sharp reduction in the aluminium price on aluminium inventories by the metal price hedge that was implemented in 2007. The hedge has now been partially discontinued in order to protect the business against the cash flow consequences of a recovery in the aluminium price.

Finance costs increased as a consequence of the expenditure on the Rolled Products Expansion Project. The effective tax rate in 2008 was reduced by the once-off impact of the R31 million deferred tax benefit arising from the change in the corporate tax rate, and was therefore lower than the current year's tax rate. These factors resulted in a disproportionate reduction in headline earnings to R25 million (12 cents per share) compared to the R181 million (84 cents per share) earned in the first half of 2008.

The reduction in the price of aluminium together with actions to reduce working capital and reduced capital spending have resulted in a positive cash flow during the period of R374 million. Net borrowings accordingly reduced from R1 747 million to R1 373 million.

In view of the limited earnings in the first half of 2009, and in order to preserve the company's funding position, the board has decided not to declare an interim dividend. A final dividend for the 2009 year will be considered in the context of the performance of the business and the outlook at the end of the year.

Rolled Products

Rolled Products sales volumes at 63 000 tons were 34% below the comparable period. Following a sharp fall in sales orders towards the end of 2008 and the beginning of 2009, the business has recently improved its order intake to levels approaching those achieved in 2008. This improved order intake has resulted in higher monthly sales volumes which will continue into the second half of the year.

As part of its improved service package, an increasing proportion of export sales are being concluded on a delivered to customer basis. This delays the time of revenue recognition and is therefore inflating inventory levels, although this is matched by a corresponding reduction in receivables. In spite of this increase in finished goods, total physical inventories reduced by 16% in the first half of 2009 as raw materials and work in process inventories have been reduced.

The reduction in sales of some of the higher value products sold into the automotive and general engineering industries was particularly severe, where the reduction in both sectors exceeded 60%. By contrast, sales into the packaging sector have reduced by approximately 15%.

Contrary to market trends, Hulamin has increased the margins earned on many of its products. However, the weaker product mix has resulted in the average US dollar margin per ton being similar to the previous year. The weaker product mix has impacted sharply on earnings, and the restoration of a more attractive product mix is a high priority.

A number of short-term cost reduction measures were implemented in response to the reduction in sales volumes. The business also continues to implement sustainable long-term cost reduction measures. Manufacturing costs reduced by 12% mainly as a consequence of reductions in directly variable costs together with the effects of a lower gas price which is linked to international oil prices.

The R970 million expansion project is approaching completion and all elements will be operational by September 2009 in accordance with the original project schedule. These new facilities will enable the business to grow its sales to 250 000 tons per annum with an improved product mix within four years. Expenditure on the project during this period amounted to R117 million leaving an amount of R67 million still to be spent.

Extrusions

Extrusion volumes reduced by 35% with the downturn being experienced in all market sectors. After a particularly difficult start to the year, the business returned to profitable operation in the second quarter. The sustained focus on market development initiatives and increased market penetration is showing positive results and further improvement is expected in the second half of the year.

Rolling Slab and Extrusion Billet Supply

Hulamin produces approximately 70% of its rolling slab and 50% of its extrusion billet from its own facilities, sourcing the balance of its requirements from BHP Billiton's Bayside operation in Richards Bay. BHP Billiton has notified Hulamin that it intends to discontinue the supply of rolling slab from the end of 2010 and extrusion billet from the end of September 2009. The supply of melting ingot will not be affected. Hulamin is evaluating a range of alternatives to replace the rolling slab and extrusion billet supplied by BHP Billiton, in order that the supply of these raw materials will not constrain its growth objectives.

Outlook

Global markets have been severely depressed and significant losses are being incurred in aluminium semi-fabrication operations across the world, which is relieving some of the downward pressure on margins. With the benefit of a stronger order intake in place and improved global market conditions, Hulamin's focus is now on restoring a more attractive product mix and bringing the additional capacity from the expansion project into operation. The relative strength of the Rand, particularly in relation to the US Dollar, will however continue to impact on the company's earnings.

Trading Statement for the 2009 Financial Year

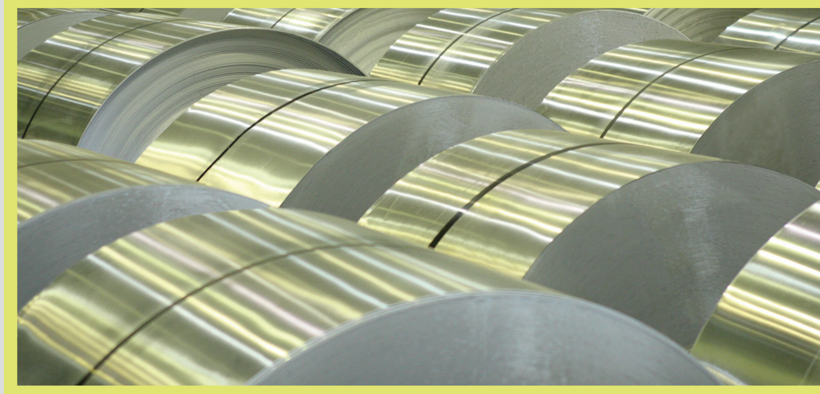
In spite of the improved order book, the poor demand for Hulamin's products in the first four months of the year is expected to result in earnings (and headline earnings) for the financial year ended December 2009 that will be more than 20% lower than those for the financial year ended 31 December 2008. However, due to the volatility of exchange rates it is not yet possible with reasonable certainty, to quantify earnings (and headline earnings) for the year to December 2009 within the 20% range required by the JSE Limited Listing Requirements. It is expected that a trading statement for the year to December 2009 will be issued later in the reporting period, which should be in November or December of 2009.

The forecast financial information on which this trading statement is based has not been reviewed and reported on by Hulamin's auditors.

M E Mkwanazi — *Chairman*

A Fourie — *Chief Executive*

20 July 2009



Notes

1. **Basis of preparation and accounting policies**

The condensed consolidated interim financial statements of the group for the half-year ended 30 June 2009 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The accounting policies comply with International Financial Reporting Standards and are consistent with those used in the preparation of the group's 2008 annual financial statements.

The following new standards and amendments to standards, that are applicable to the group, were adopted during the current financial year:

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.

IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
2. Segmental analysis			
The group is organised into two major operating segments namely Hulamin Rolled Products and Hulamin Extrusions.			
REVENUE			
Hulamin Rolled Products	**1 830 492**	3 124 421	6 288 157
Hulamin Extrusions	**284 961**	447 206	831 816
Group total	**2 115 453**	3 571 627	7 119 973
INTER-SEGMENTAL REVENUE			
Hulamin Rolled Products	**6 766**	32 240	59 301
Hulamin Extrusions	**7 041**	15 109	16 255
OPERATING PROFIT			
Hulamin Rolled Products	**126 388**	240 733	453 510
Hulamin Extrusions	**(12 063)**	29 665	11 941
Group total	**114 325**	270 398	465 451
TOTAL ASSETS			
Hulamin Rolled Products	**6 392 750**	6 894 559	7 296 674
Hulamin Extrusions	**311 846**	430 044	373 838
Group total	**6 704 596**	7 324 603	7 670 512

3. **Other operating income**

The group is exposed to fluctuations in aluminium prices, interest rates and exchange rates, and hedges these risks with derivative financial instruments. Other operating income reflects the fair value adjustments arising from these derivative financial instruments and non-derivative financial instruments classified as fair value through profit and loss in terms of IAS 39.

	Unaudited Half-year 30 June 2009 R'000	Unaudited Half-year 30 June 2008 R'000	Audited Year ended 31 December 2008 R'000
4. Taxation			
The tax charge/(relief) included within these interim financial statements is:			
Normal	**16 590**	60 032	76 255
Deferred	**(3 791)**	5 252	21 102
Deferred – rate change adjustment		(30 507)	(30 507)
STC	**2 854**	6 414	12 677
	15 653	41 191	79 527
Normal rate of taxation	**28,0%**	28,0%	28,0%
Adjusted for:			
Deferred – rate change adjustment		(13,5%)	(8,9%)
STC	**7,1%**	2,8%	3,7%
Other non-allowable items	**3,6%**	0,8%	0,1%
	38,7%	18,1%	22,9%

5. **Earnings per share**

The weighted average number of shares used in the calculation of basic and diluted earnings per share are as follows:

	Number of shares June 2009	Number of shares June 2008	Number of shares December 2008
Weighted average number of shares used for basic EPS	**215 775 785**	215 634 092	215 668 708
Options	**2 362 966**	2 238 976	2 248 287
Weighted average number of shares used for diluted EPS	**218 138 751**	217 873 068	217 916 995
6. Commitments and contingent liabilities			
Capital expenditure commitments			
Contracted	**228 158**	452 615	302 273
Approved but not contracted	**126 654**	350 925	186 247
	354 812	803 540	488 520
Operating lease commitments	**25 940**	40 516	36 052
Guarantees and contingent liabilities	**22 471**	22 348	22 471

7. **Defined benefit pension scheme**

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. Included in the current period results is R37,6 million, being Hulamin's share of the allocation by the Trustees of the fund to the Employer Surplus Account, following the December 2007 statutory valuation of the fund.

Corporate Information

HULAMIN LIMITED
("Hulamin" or "the group")
Registration number: 1940/013924/06
Share code: HLM
ISIN number: ZAE000096210

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Directorate

Non-executive directors
P M Baum, L C Cele, V N Khumalo, T P Leeuw, J B Magwaza, M E Mkwanazi (Chairman), P H Staude, J G Williams

Alternate
S P Ngwenya

Executive directors
A Fourie (Chief Executive Officer), C D Hughes, M Z Mkhize

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