HULAMIN

Think future. Think aluminium.

Audited results

for the year ended

31 December 2014

AGENDA

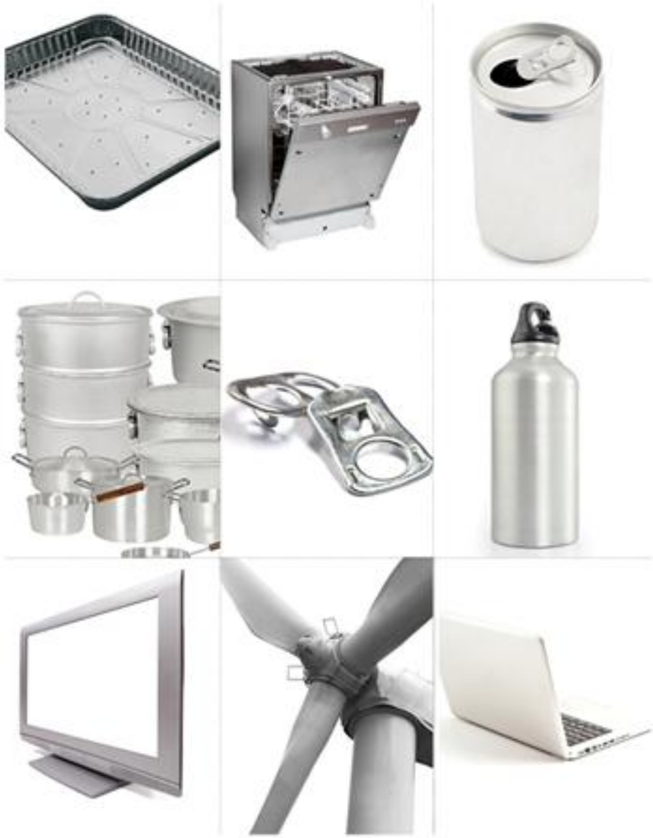
1. Key points
2. Financial review
3. Operational and strategic review
4. Outlook

KEY POINTS – YEAR TO 31 DECEMBER 2014

- Record normalised earnings of R355m, an increase of 76%
- Improved contributions from key product streams
- Rand/USD exchange rate 12% weaker on average (2013: 17%)
- Headline earnings per share increase by 96% over 2013
- Resumption of dividend payments with 25cps to be paid in March
- Excellent safety performance – only 2 LTIs
- 3% growth in Rolled Products sales volumes to 196 000 tons
- Commercial production of can body stock successfully launched
- Strong operating cash flow of R518m
- Substantial increase in capex and reduction in borrowings
- Acquisition of Bayside casthouse by Hulamin / Bingelela consortium
- Aluminium recycling plant set to ramp up Q3 2015
- New B-BBEE transaction and ESOP announced

STRATEGIC OBJECTIVES REFOCUSED

PREVIOUS OBJECTIVES	CURRENT EMPHASIS & FOCUS
1. An excellent aluminium semi-fabricator	
• 220 000 tons ROLLED PRODUCTS, light gauge can stock mix	• Niche focus, high value product streams • Customer driven – lift quality and OTD • Optimise product and market mix for profit • Safety is non negotiable
2. Globally cost competitive	
• Competitive employee complement • Natural gas supply close to world prices • 25% of metal from recycled sources	• Raise recoveries and lower waste • Build a performance culture through leadership development • Key technical skills and engaged workforce • Gas supply and cost risk – DJP with CNG • Minimise impact of load shedding • New AR facility ramp up in Q3
. Growing regional sales, but focus on mix optimisation	
• Rapid regional can stock, automotive, infrastructure led growth to 2020	• Build on our strong SA beverage can base • Increase competency in auto heat exchangers • Exit non-performing product streams • Promote aluminium in SA auto & other industries • Help grow Isizinda "The Hub"
4. Secure a competitive metal supply	
• Hillside, Bayside and recycled metal	• Bayside transaction is a big rock moved • Broaden downstream beneficiator base through Isizinda • Raise the profile of recycling and the SA aluminium industry • Look to increase recycling capacity
5. Cooperative regulatory environment	
• Imports - level playing field • Ongoing demand side support, scrap export restrictions • Inward investment and incentives	• Duty application lodged with ITAC • Partnering with DTI on auto industry development • Ensure benefits of favourable treaties e.g. AGOA appreciated • Develop a balanced "Carbon Strategy"



FINANCIAL REVIEW

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SALIENT FEATURES & KEY DRIVERS

		2014	2013
Key parameters and activities			
Average LME	$	**1 866**	1 844
Geographic premiums	$	**376**	247
Average exchange rate	R / $	**10.85**	9.66
Group sales volume	tons	**214 370**	210 978
Rolled Products sales volume	tons	**196 248**	190 253
Group turnover	Rm	**8 039**	7 560
Average rolling margins (Rolled Products)	$	**1 419**	1 395
Profitability and asset management			
Group EBIT	Rm	**585**	(1 805)
Rolled Products EBIT	Rm	**521**	(1 864)
Group EBITDA (excluding impairment)	Rm	**660**	527
EBITDA / turnover	%	**8.2**	7.0
ROE	%	**9.9**	4.5
HEPS	cps	**112**	57
Normalised EPS	cps	**111**	63

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SALIENT FEATURES & KEY DRIVERS | CONTINUED

		2014	2013
Financial, cash flow and borrowings			
Capital expenditure	Rm	**335**	148
Cash flow before financing activities	Rm	**183**	135
Net borrowings	Rm	**437**	612
Debt equity ratio	%	**11**	18
NAV per share	cps	**1 200**	1 066
Share price	cps	**810**	515

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CONDENSED INCOME STATEMENT

	2014 Rm	2013 Rm
Revenue	**8 039**	**7 560**
Cost of sales	**(7 120)**	(6 915)
Gross profit	**919**	**645**
Selling, marketing, distribution and administrative expenses	**(492)**	(461)
Impairment reversal / (charge)	**43**	(2 122)
Other gains and losses	**115**	133
Operating profit/(loss)	**585**	**(1 805)**
Net interest expense	**(46)**	(63)
Profit/(loss) before tax	**539**	**(1 868)**
Taxation	**(154)**	523
Net profit/(loss) for the year	**385**	**(1 345)**
EBITDA (excluding impairment)	**660**	**527**
EBITDA/Sales (%)	**8.2**	**7.0**

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OPERATING PROFIT

	2014 Rm	2013 Rm	Change Rm
Operating profit / (loss)	**585**	**(1 805)**	**2 390**
Impairment (reversal) / charge	(43)	2 122	
Loss on disposal of fixed assets	6	-	
"Headline EBIT"	**548**	**317**	**231**
Severance costs	-	26	
Transaction costs	**10**	**-**	
PRMA past service cost adjustment	**(16)**	**-**	
"Normalised EBIT"	**542**	**343**	**199**
Timing mismatches	-	(10)	
Metal price lag	(53)	58	
"Comparable EBIT"	**489**	**391**	**98**
Estimated impact of Rand weakening 12% on average (17% 2013)	**198**	**246**	

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NORMALISED EARNINGS

	2014 Rm	2013 Rm
Earnings	385	(1 345)
(Profit)/loss on disposal and impairment of assets	(27)	1 528
Headline earnings	358	183
Abnormal items included in headline earnings		
Transaction costs	8	-
PRMA past service cost adjustment	(11)	-
Severance costs	-	18
Normalised earnings	355	201
Net cost of hot mill failure:	-	(7)
Loss of profit and material damage	-	17
Insurance claim accrued	-	(24)
Normalised earnings adjusted for timing mismatches	355	194

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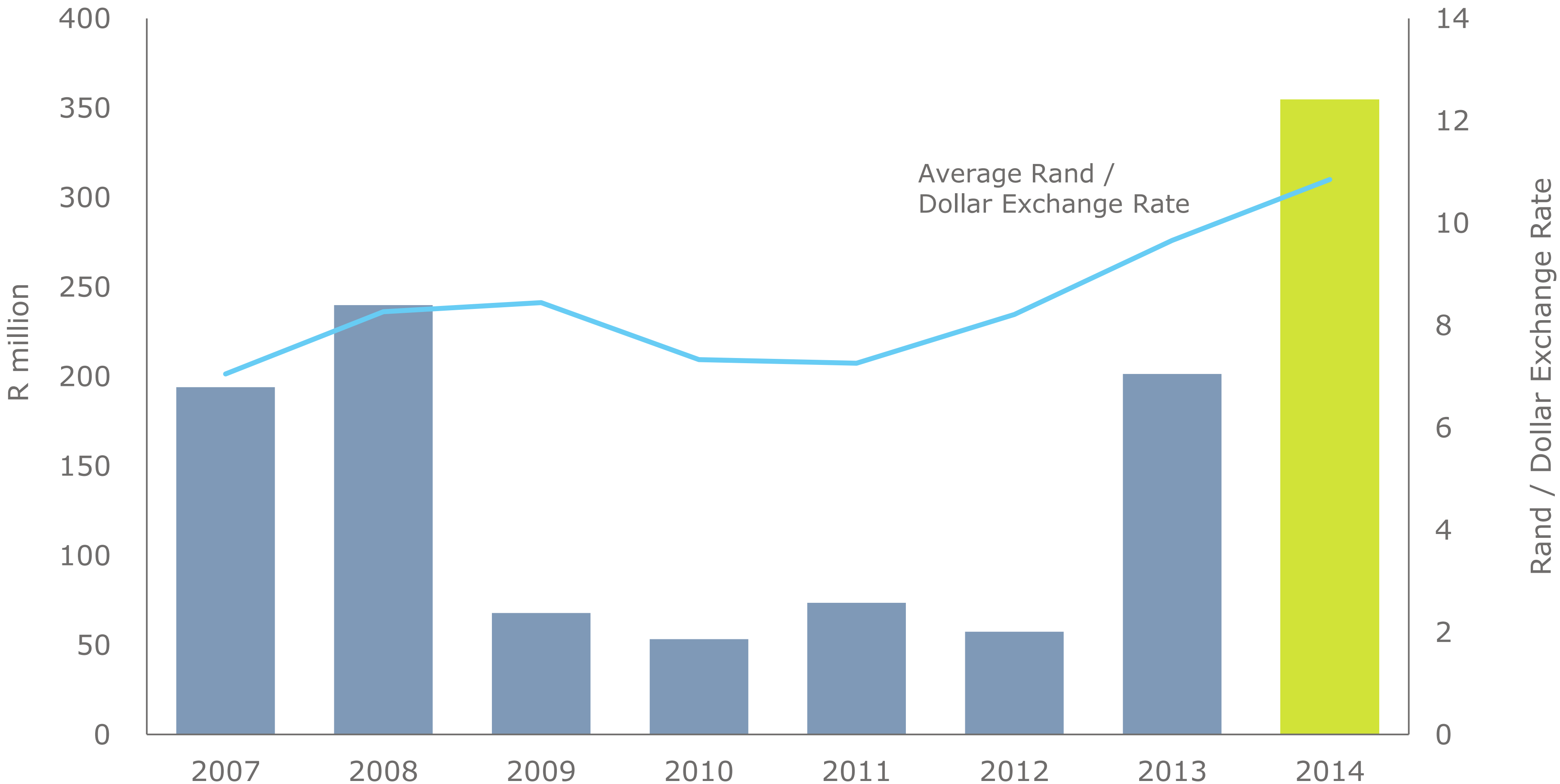
NORMALISED EARNINGS VS. RATE OF EXCHANGE



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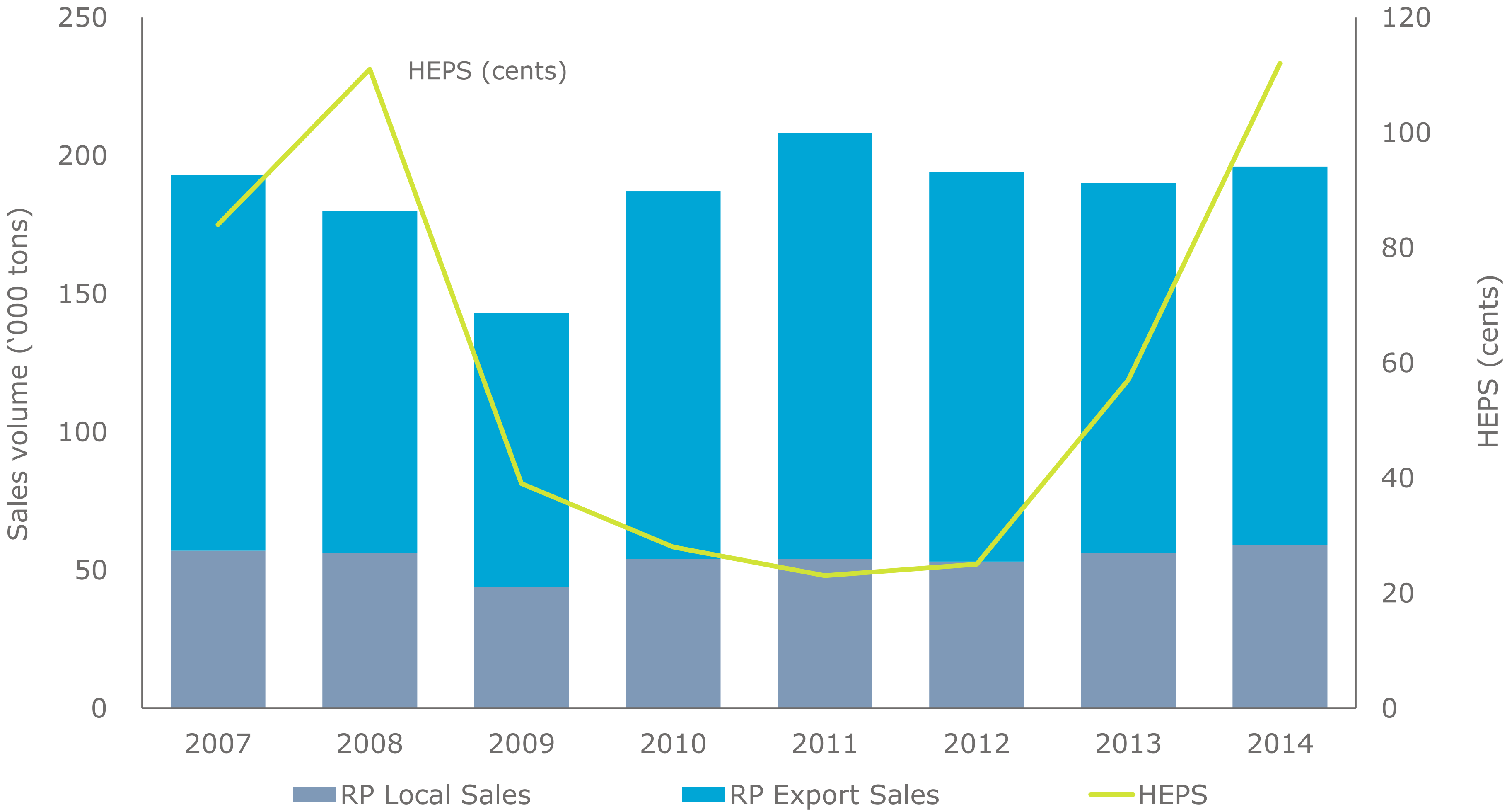
HEADLINE EARNINGS PER SHARE VS. SALES VOLUMES



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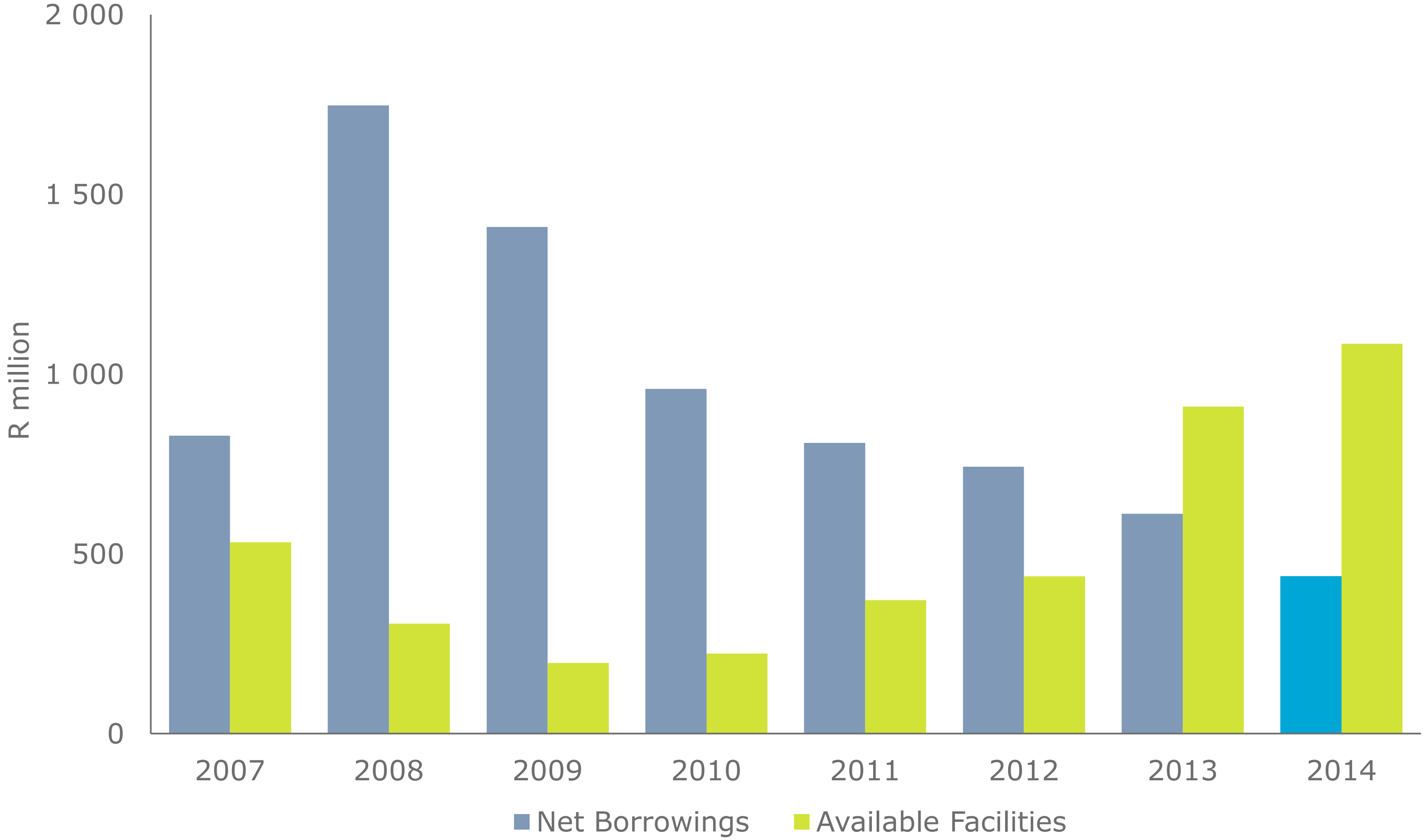
BALANCE SHEET

	Dec 2014 Rm	Dec 2013 Rm
Capital employed		
Equity	**3 834**	3 403
Net borrowings	**437**	612
	4 271	**4 015**
Employment of capital		
Property, plant and equipment and intangibles (incl. asset held for sale)	**2 812**	2 553
Retirement benefit asset	**139**	161
Net working capital (including derivatives)	**2 009**	1 903
Net deferred tax liability	**(453)**	(377)
Retirement benefit obligations	**(236)**	(225)
	4 271	**4 015**

NET BORROWINGS

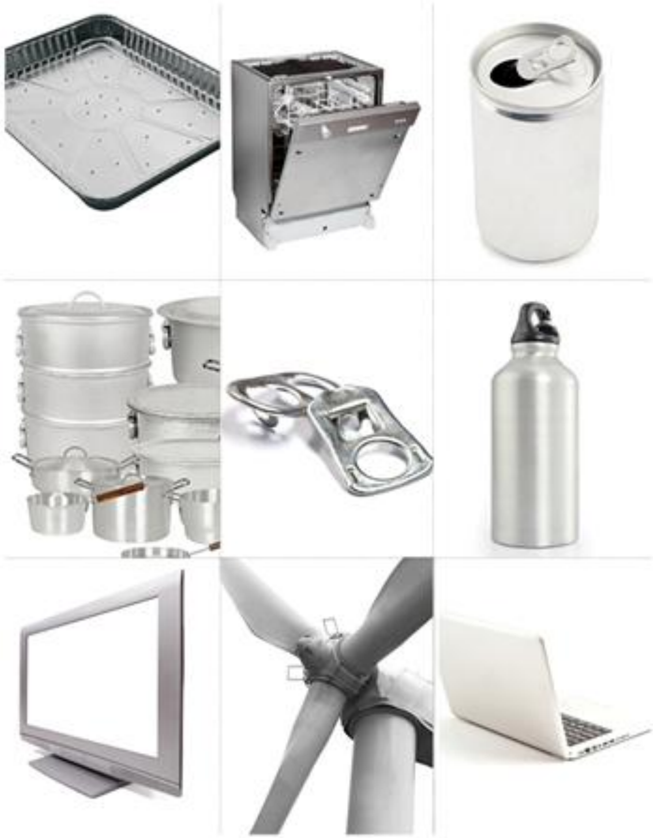


WORKING CAPITAL

	Dec 2014 Rm	Dec 2013 Rm	Change Rm	%
Inventories	**1 959**	**1 807**	**152**	8%
Trade and other receivables	**1 038**	**972**	**66**	
- Trade receivables	931	827	104	13%
- Other receivables	107	145	(38)	
Trade and other payables	**(965)**	**(826)**	**(139)**	
- Trade payables	(780)	(642)	(138)	21%
- Other payables	(185)	(184)	(1)	
	2 032	**1 953**	**79**	4%
Net derivatives/other	(23)	(50)	27	
Net working capital	**2 009**	**1 903**	**106**	

CASH FLOW STATEMENT

	2014 Rm	2013 Rm
Cash flows from operating activities		
Operating profit /(loss)	**585**	(1 805)
Net interest paid	**(51)**	(64)
Impairment (reversal) / charge	**(43)**	2 122
Depreciation and other non-cash items	**191**	269
Income tax payment	**(85)**	(28)
Changes in working capital	**(79)**	(211)
	518	**283**
Cash flows from investing activities		
Additions to property, plant and equipment and intangibles	**(335)**	(148)
	(335)	**(148)**
CASH FLOWS BEFORE FINANCING ACTIVITIES	**183**	**135**
Cash flows - equity transactions & other	**(8)**	(5)
NET BORROWINGS – BEGINNING OF PERIOD	**(612)**	(742)
NET BORROWINGS – END OF PERIOD	**(437)**	**(612)**



OPERATIONAL AND STRATEGIC REVIEW

TRADING ENVIRONMENT 2014

Rolled Products market competition and pricing

- Major capacity expansion in Asia continues –affects pricing
- Conversion prices lag metal premium escalations in commodity products (margin pressure)

Economic indicators

- LME price remained relatively weak <US$2 000/ton for most of 2014
- Geographic premiums increased further during 2014
- Rand weakened against US$ by 12% in 2014 over 2013

Key market developments

- Global focus on automotive capacity – body sheet
- USA, Asian, Middle East markets show good growth, European market flat
- Local markets see continued growth of beverage cans
- Increased levels of imported extrusions and rolled products

MARKET ENVIRONMENT & HULAMIN PERFORMANCE 2014

North America

- Significant focus on Auto growth
- Strong demand in HT Plate
- Major increase in Chinese commodity imports

- Hulamin shows strong performance growth
- Achieved significant margin improvement in HT plate
- Wins Tesla supply contract

2014	2013
25%	23%

Europe

- Stable demand
- Strong competition amongst European mills

- Retained key beverage & auto contracts
- Exit 'unprofitable' business

2014	2013
20%	20%

Asia

- Major capacity expansion
- Significant pricing pressure

- Drop in prices achieved
- Phase withdrawal from low priced contracts
- Replace with Australian & local volumes

2014	2013
8%	11%

South Africa

- Demand growth, particularly beverage cans
- Increased pressure from imports (esp. China)

- Strong growth in local beverage categories

2014	2013
37%	35%

Rest of the world

2014	2013
10%	11%

Overall market

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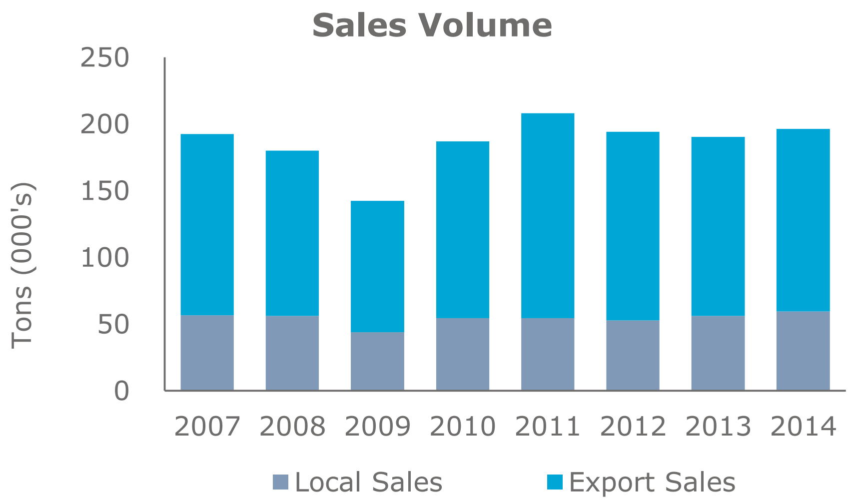
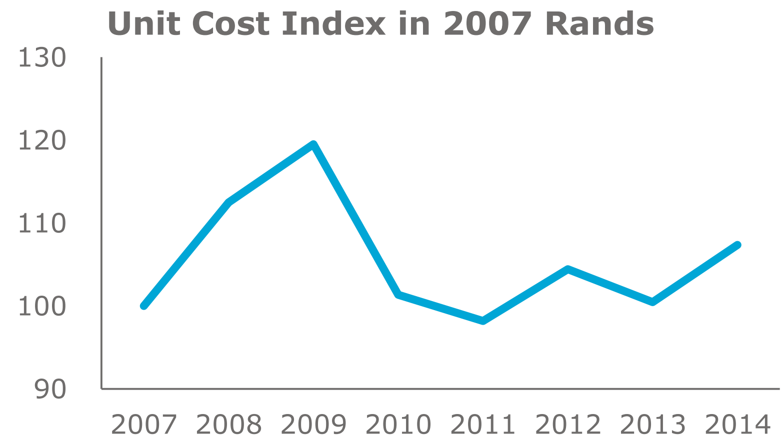
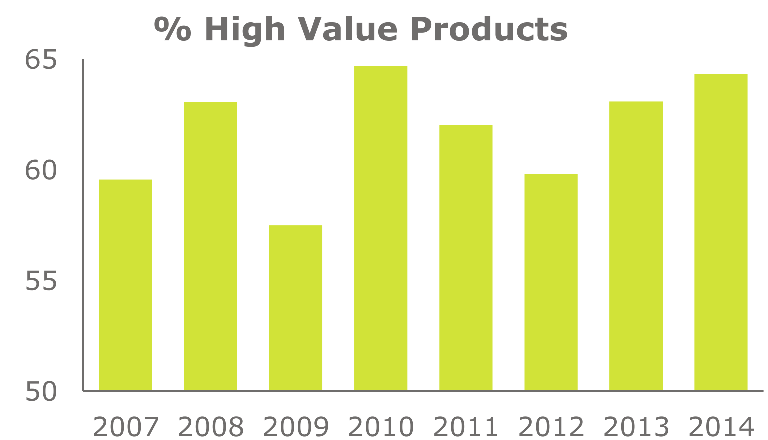
Ref: CRU and Hulamin own views

ROLLED PRODUCTS – KEY FEATURES







RELATIVE PROFIT CONTRIBUTION* BY PRODUCT STREAM

	2014 %	2013 %
Can End Stock	**37**	38
Can Body Stock	**2**	-
Heat-Treated Plate	**22**	22
Other Plate	**6**	6
Automotive	**14**	13
Foil	**3**	4
Other	**16**	17
Total	**100**	**100**

* Rolling margin less direct costs

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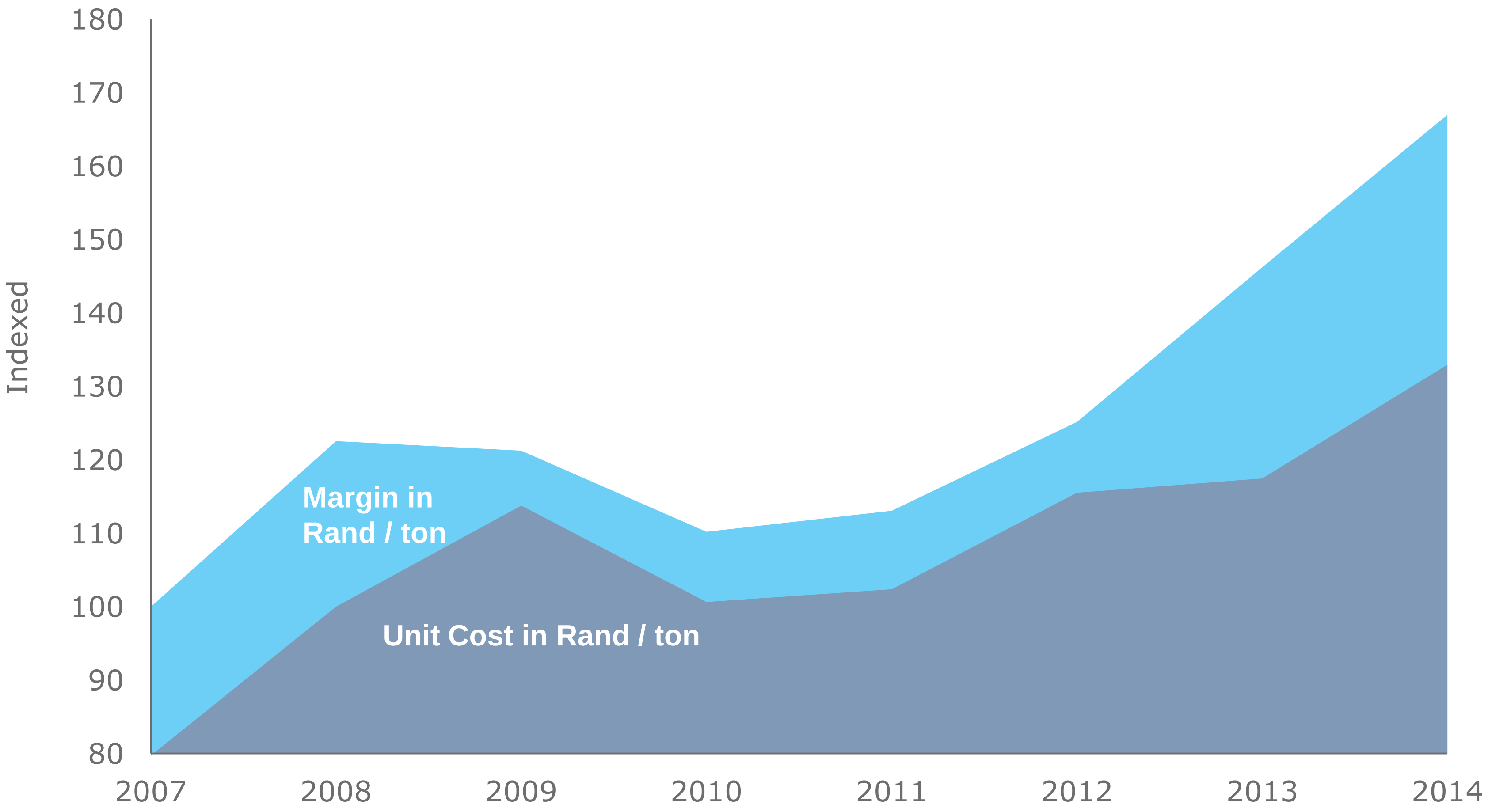
ROLLED PRODUCTS OPERATING MARGIN IN RANDS



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MANUFACTURING – "IN SEARCH OF EXCELLENCE"

Why move up the value chain?

- Products sell at a price determined by complexity and scarcity
- Logistics costs are driven by volume not value
- Purchasers of high value products demand higher standards and service levels
- Formal qualification of products provides additional barriers to entry
- Critical applications demand alternate suppliers

6 Key capabilities required to move up

1. High technical competency – equipment and skills
2. Reliable, stable and consistent manufacturing output and therefore inputs
3. Ability to always meet customer delivery requirements i.e. OTD
4. Back office that performs to the same standards
5. Ability to provide 180-day terms
6. Clear focus on the customer

MANUFACTURING – "IN SEARCH OF EXCELLENCE" | CONTINUED

Improving our processes

- Reduce product variants and changeovers – simplify
- Utilise linkages to providers of technology and benchmark frequently
- Improve planning and sequencing functions
- Manage our key product streams holistically from order to consumption

Improving our equipment

- Increased spend on maintenance
- Investment in strategic spares
- Upgrade process control and early detection quality systems

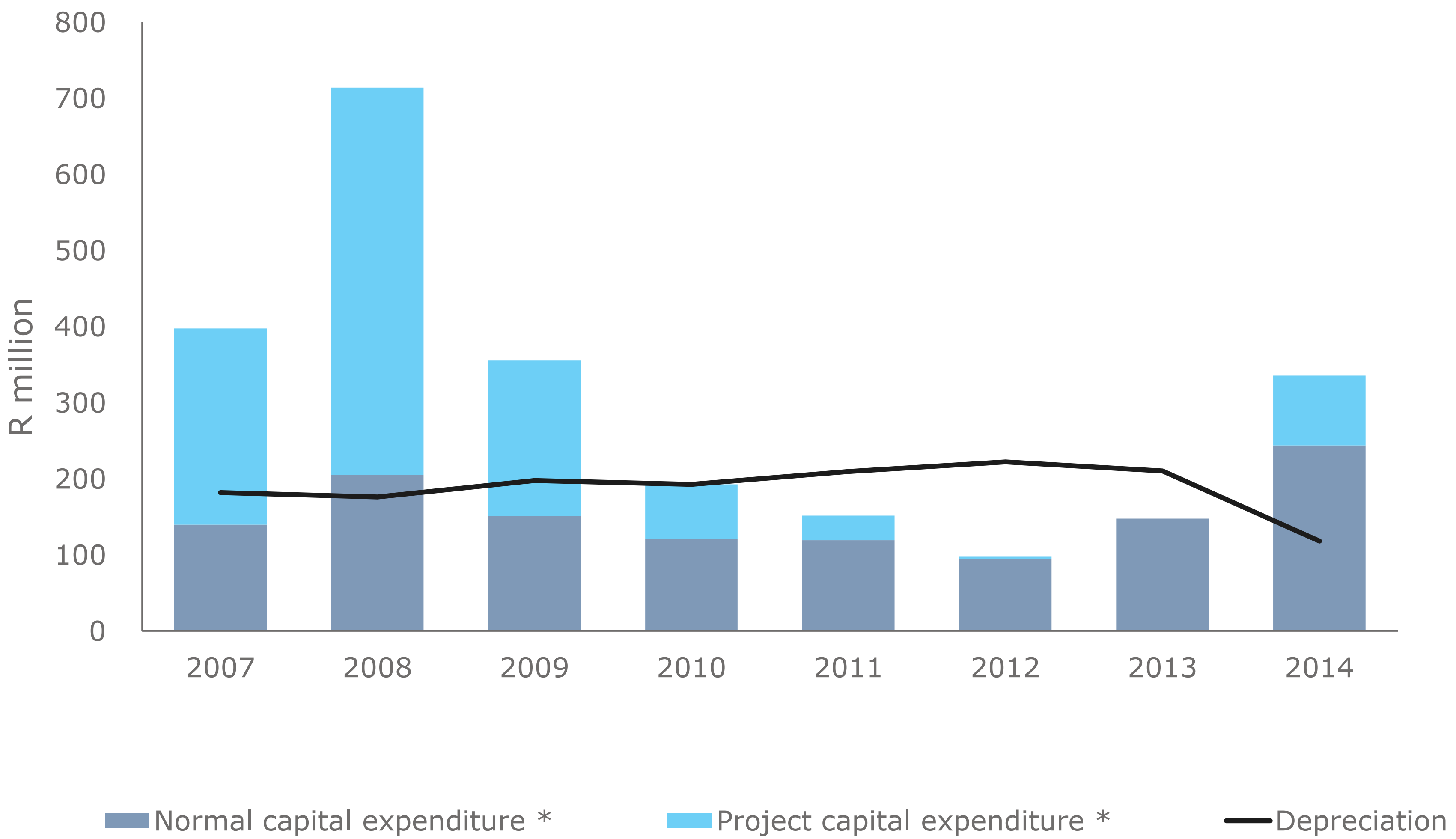
Increasing our productivity

- Safety is a non-negotiable
- Building a culture of accountability
- Developing leadership
- Engaging our employees

ROLLED PRODUCTS OPERATIONAL PERFORMANCE TARGETS

Progress on targets	Revised assumptions	2014
Sales volume	220 000 tons	196 247 tons
Yield	>67%	65%
Total unit cost (excl distribution)	US$1 175 per ton	US$1 130 per ton
Rolling margin	US$1 400 per ton	US$1 419 per ton
Stock and debtors cash cycle	120 days	136 days

CAPITAL EXPENDITURE



* Excludes capitalised borrowing costs

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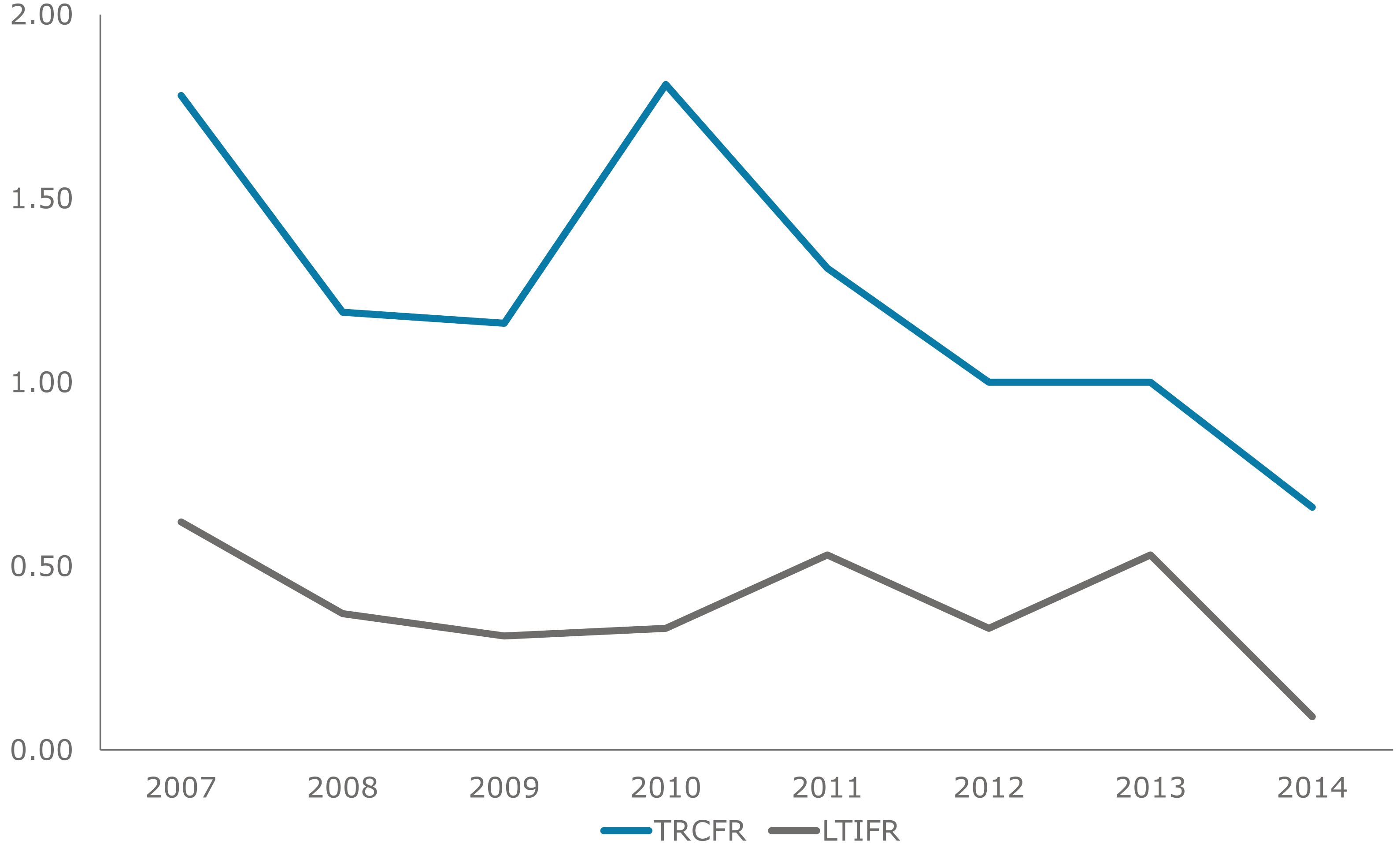
SAFETY PERFORMANCE AND STRATEGY

Record safety performance

- 2 lost time injuries, no fatalities
  - LTIFR 0,09
  - TRCFR 0,66
- Ongoing risk mitigation through world class, fully integrated systems
- Strategy roll out 2014 – 2016
- Spend of R16m on shopfloor safety systems in 2014
  (R18m p.a. planned for next 2 years)
- Focused risk management program

SAFETY – FREQUENCY RATES



*The Total Recordable Case Frequency Rate (TRCFR) and the Lost Time Injuries Frequency Rate (LTIFR) is the number of recordable injuries divided by the number of hours worked, multiplied by 200 000

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GROUP EXPENSES BY NATURE

	2014 Rm	2013 Rm
Aluminium and other material costs	**5 381**	5 326
Utilities and other direct manufacturing costs	**637**	575
Employment costs	**776**	763
Depreciation and amortisation	**118**	210
Repairs and maintenance	**204**	177
Freight and commissions	**326**	327
Other operating income and expenditure	**170**	(2)
	7 612	**7 376**
Classified as:		
Cost of sales	**7 120**	6 915
Selling, marketing and distribution expenses	**403**	390
Administrative and other expenses	**89**	71
	7 612	**7 376**

GROWING REGIONAL SALES

Beverage can market growth in progress

- Aluminium cans in SA successfully introduced. Hulamin successfully qualified
- Over 5 000 tons of can body stock successfully supplied in 2014
- 14 000 tons planned to be supplied in 2015
- Can end contract for local and regional supply offers further growth prospects

Additional focus on other key market segments

- Regional automotive strategy feasibility on auto body sheet in process
- Renewed contracts signed for high tech applications in SA and global markets (Tesla 6061 plate, Mahle Auto HEX)

Other regional market development strategies

- Reviewing regional opportunities in distributor products
- Fabrication and entrepreneurship programmes introduced in 2014

LONG–TERM METAL SUPPLY

Slab supply from Bayside casthouse runs to Isizinda effective date

- Bayside smelter closed June 2014 but slab casting continues
- Liquid metal is now supplied by Hillside
- Isizinda effective date determined by Competition Commission approval
- 5 Year metal deal with BHP and matching slab offtake agreement to Hulamin

Goal: To source 25% of metal units from third party scrap by 2018

- R300m investment in recycling capability approved and underway
- Project includes scrap storage, separation, cleaning and melting
- Ramp-up Q3 2015; interim plans in place

Aluminium and Electricity

- Aluminium supply security and beneficiation growth (slab, billet, melting ingot)
- Strategic cooperation/alignment with stakeholders – Government and BHP Billiton

ISIZINDA ("THE HUB")

Background

- In 2009 BHP Billiton announced closure of aluminium casthouse at Bayside and their intention to concentrate on production of melting ingot at Hillside
- Casting facilities for certain aluminium valued-added products (VAPs), rim alloy, wire rod and extrusion billet, were mothballed by 2009 with the closure of the rolling slab facility planned for 2012
- Slab facility has continued to operate pending an acceptable long-term solution around the casthouse
- Bayside provides Hulamin Rolled Products with c.100kt rolling slab p.a. (one-third of Hulamin's requirements)

Acquisition of Bayside casthouse by Isizinda Aluminium

- The sale of Bayside casthouse to Isizinda Aluminium was announced in November 2014, and is subject to Competition Commission approval

Ownership and operation of Isizinda Aluminium

- Isizinda Aluminium is a strategic partnership between BEE empowerment group, Bingelela Capital (60%) and Hulamin (40%)
- Hulamin is the appointed strategic operator of the casthouse

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Supply agreements

- Isizinda Aluminium has concluded a 5-year metal supply agreement, whereby liquid metal will be supplied from Hillside
- Hulamin has concluded a matching 5-year rolling slab off take agreement with Isizinda

Potential and growth

- Vision of Isizinda is to unlock potential of aluminium and aluminium beneficiated products within South Africa by being the conduit for liquid aluminium to the downstream industry and seeing the restart of the production of a number of key aluminium VAP lines
- Discussions are being held with key stakeholders to assess possibility of restarting the mothballed VAP casting lines:
  - Wire Rod
    - » *Used mainly in electrical transmission applications (conductivity and non-corrosive)*
  - Extrusion Billet
    - » *Feedstock for extruded products*
  - Rim Alloy
    - » *Used in the manufacture of aluminium alloy wheels*

GAS SUPPLY

Gas format and delivery options

- Secure reliable supply
- Reduce unit cost of gas/energy

Allow for changing gas demand at Hulamin

- Flexible supply with redundancy

Infrastructure development

- Aligned with future developing gas landscape in South Africa
- Ownership of infrastructure, small scale liquefaction plant, pipelines

Internal engineering projects

- Reticulation, burners, control systems

	Gas Supply Options	Delivery Timeline	Other Key Considerations
Phase 1 Virtual Pipe Network	Compressed Natural Gas (CNG) (Methane Rich Gas via Lilly Pipeline)	June 2015	Order placed for equipment, compressors, trailers Minimal Capex required at HLM Regulatory approval process initiated
Phase 2 Preferred Option	Piped Gas (Methane Rich Gas via Lilly Pipeline into DJP)	3 – 4 years	In discussion with various parties to unlock this opportunity A feasibility study into the conversion of the DJP to gas is to be undertaken by TPL
Phase 2 Alternative Option	Liquefied Natural Gas (LNG) (Liquefaction - small scale plant)	12 – 18 months	Modular concept - capex of R180m to size for Hulamin Additional regulatory approvals and extended commitment period
	LNG Imported	3 – 4 years	No import infrastructure although on Portnet radar – facilities not earmarked for Durban Global traded value – significantly higher than piped gas

SUPPORTIVE REGULATORY ENVIRONMENT

Enabling Government Policy

- Curbing of scrap exports policy in operation for 18 months
- Improvements in policy implemented
- Growth in recycling of aluminium is a global trend
- Hulamin R300 million recycling plant on track
- Used Beverage Can recycling very much linked with
  - job creation
  - environmental benefits
  - local Can Body Stock supply
- Tariff protection essential for local Can Body Stock long-term sustainability

A CASE FOR IMPORT TARIFF PROTECTION

In 2011 ITAC

- Awarded partial relief to extrusions, and
- Rejected rolled products application

Post 2011

- Imports of extruded and rolled products continued to increase
- Uneven tariff regimes in SA trade partners especially in BRICS remain
- A group of products sold by Hulamin in Brazil attract 12% duty, whilst similar imports from Brazil attract zero duty in SA
- Examples of import duties in rolled products

	Brazil	Russia	China	India	SA
Duty %	12	20	5	6	0

- Hulamin application to ITAC in Q4 2014 for import tariff increases being reviewed

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PARTNERING WITH GOVERNMENT

Ongoing Engagements

- Partnership with others to access gas pipeline
- Non-punitive and competitive carbon pricing lobbied
- Continued competitiveness and investment support (e.g. MCEP)
- Equitable and symmetrical import tariff regime
- Investigations for local Automotive Body Sheet supply
- Elevation of the strategic importance of aluminium industry to SA manufacturing
- Support for government efforts towards continued inclusion of SA in AGOA renewal

Key indicators for 2014

- Revenue down 3%
- Sales volume down 12%
- Margins stable but under pressure
- Unit costs up 17%, as a result of low throughput, absolute costs up 2%
- Operating profit up by R6m

PROPOSED B-BBEE TRANSACTION

Background

- 2007 B-BBEE transaction matured with limited vesting and empowerment
- Terms of proposed replacement transaction announced December 2014
  - Circular will be issued March 2015 for approval at AGM

Rationale for proposed new transaction

- Strategic industry – alignment with government objectives
- Importance of transformation to Hulamin – range of initiatives
- BEE rating
  - Maturing of initial transactions in 2012 and 2014
  - Impact of proposed revised B-BBEE Codes on target
  - Access to government incentives
- ESOP - facilitation of employee ownership, empowerment, retention
- Strategic partners – commerciality / broad-base / achieve reasonable exit

Terms & structure

Category	% of total ordinary shares	Nature of shares	Term	Dividend entitlement	IFRS 2 cost as % of market cap
ESOP	8.1%	15% grant / 85% appreciation rights	5 years	Cash dividends on grant shares	c.3.4%
Strategic partner	9.3%	50% voting-only / 50% appreciation rights	8 years (5-year vesting)	No entitlement	c.0.7% (capped at R20m)

Accounting costs

- Total accounting costs (R133m at R9.00 per share)
  - IFRS 2 cost of c.4.1% of market capitalisation (R118m at R9.00 per share)
  - Cash costs (R15m) – transaction costs plus BEE support fee
  - Cost profile:
    - » *Year 1: Earnings impact of c.R47m, HEPS 14cps*
    - » *Years 2 – 5: Earnings impact of c.R14m, HEPS 4cps*

Ordinary shareholder dilution

	Years 1 to 5				At vesting
	Shares entitled to vote	%	Shares entitled to cash dividends	%	%
ESOP	31.5 million	8.1%	4.7 million	1.4%	
Strategic partner	36.0 million	9.3%	-	-	
Total BEE	**67.5 million**	**17.4%**	**4.7 million**	**1.4%**	**2.5% - 6.5%**
Ordinary shareholders	319.6 million	82.6%	319.6 million	98.6%	93.5% to 97.5%
TOTAL	**387.1 million**	**100.0%**	**324.3 million**	**100.0%**	**100.0%**

OUTLOOK

OUTLOOK

- Global outlook is positive but markets are dynamic
- Harness the ebb and flow of individual products and regions
- Moving up the value chain demands manufacturing excellence
- Stable to gentle weakening in the Rand/$ exchange rate would benefit
- Strong beverage can demand in SA provides attractive opportunity
- Aluminium recycling will provide alternate source of metal units
- Isizinda will build local beneficiation and remove uncertainty
- Electricity supply in SA will be key to both demand and output