HULAMIN

UNAUDITED INTERIM RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2012

Agenda

1. Introduction
2. Financial Review
3. Operational Review
4. Strategic Review and Objectives
5. Outlook

Key Points for H1 2012

Performance improvement and volume growth through first four months

- 219 000 tons annualised production Jan to April
- Unit cost momentum
  - *Circle plant closed, assets sold*
- Successful launch of new bright tread plate in USA

Introduction of normalised headline earnings

- Focus on core operational performance, excludes one-off items
- In H1 2012 allowance for:
  - *Sale of Epping property*
  - *Conversion of Pension Fund to DC*

Market Conditions 2012

- Competitors
  - Alcoa Rolled Products reports flat results, with higher volumes and productivity gains offset by higher costs and weaker margin/mix
  - Hydro Rolled Products EBIT down 6% (Q2 2012)
  - Constellium invests in automotive capacity, following Alcoa and Novelis
  - AMAG EBIT down 9% (Q1 2012) and approves Euro 220m Mill expansion programme
- Market conditions
  - USA mill orders forecast up 7% on 2011
  - Europe H2 down 7% on H1
  - Smelters under cost pressures – capacity closing
- Economic indicators
  - LME weakest since 2008/9
  - Rand/$ normalising towards purchase power parity

Key Indicators

		2012 H1	2011 H1	% change
Rand/US Dollar (average)	ZAR/USD	7.94	6.91	15%
Revenue	R billion	3.2	3.4	-6%
Total sales volume	k Tons	104	113	-8%
Operating profit before metal price lag	R million	112	100	13%
Metal price lag	R million	15	32	
Operating profit	R million	127	132	-4%
Earnings	R million	73	73	0%
Property sale and other	R million	(16)	(2)	
Headline earnings	R million	57	71	-19%
- Pension fund allocation	R million	(69)	-	
- Revaluation of assets to be disposed	R million	4	-	
- Insurance settlement (2009)	R million	-	(26)	
Normalised headline earnings	R million	(8)	45	-117%
HEPS	cents/share	18	22	-18%
Normalised HEPS	cents/share	(2)	14	-114%
Working capital increase	R million	26	184	
Capital expenditure	R million	48	99	-52%
Cash flow before financing activities	R million	9	10	
Borrowings (net)	R million	800	946	-15%
Hot Mill motor failure:				
- Estimated effect on earnings (H1)	R million	57	-	
- Estimation of insurance claim (H1)	R million	41	-	

FINANCIAL REVIEW

Key Financial Indicators H1 2012

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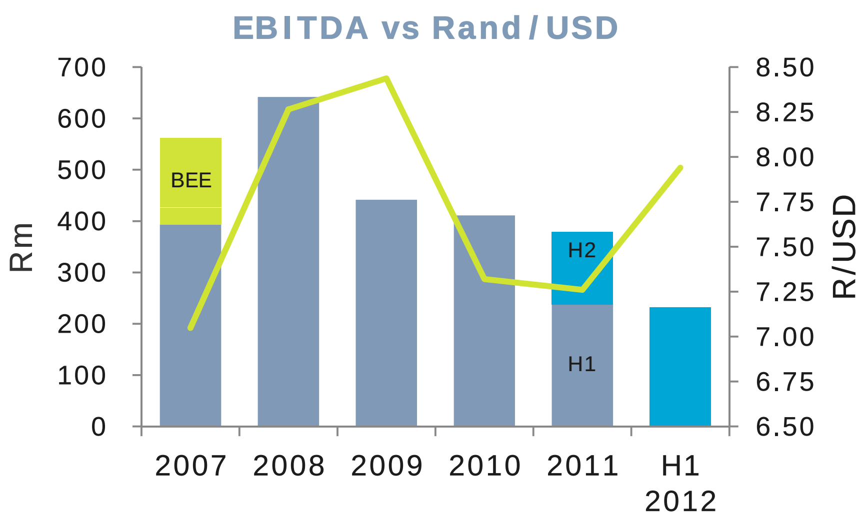
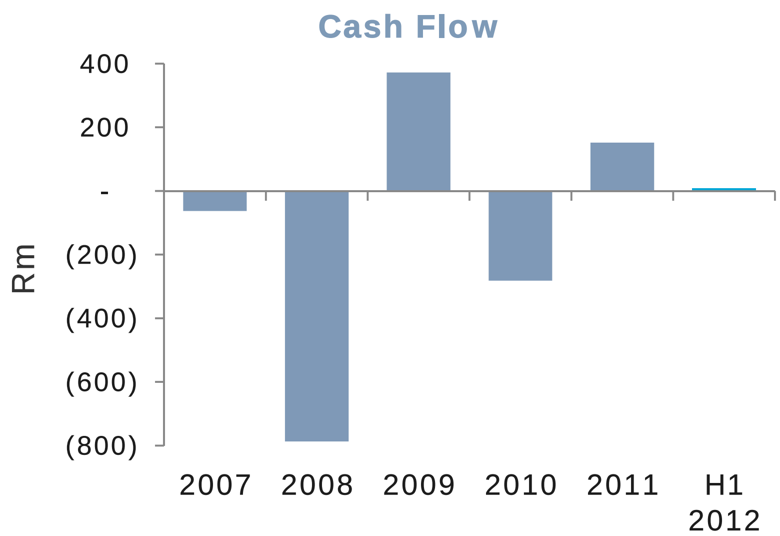
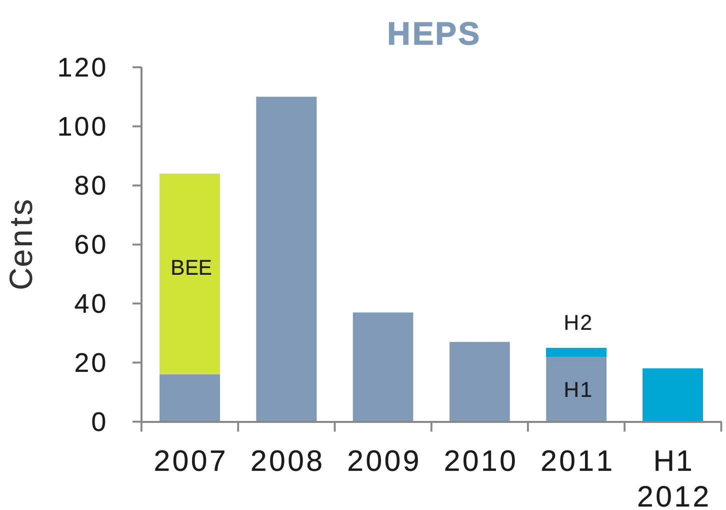
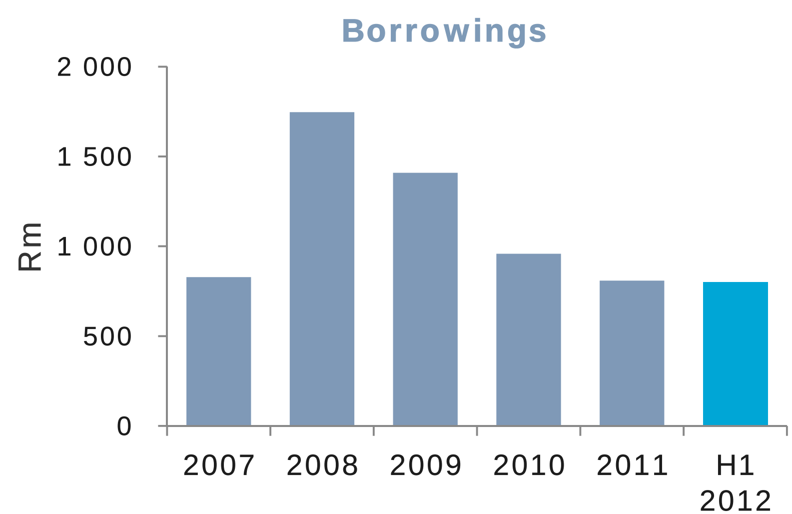
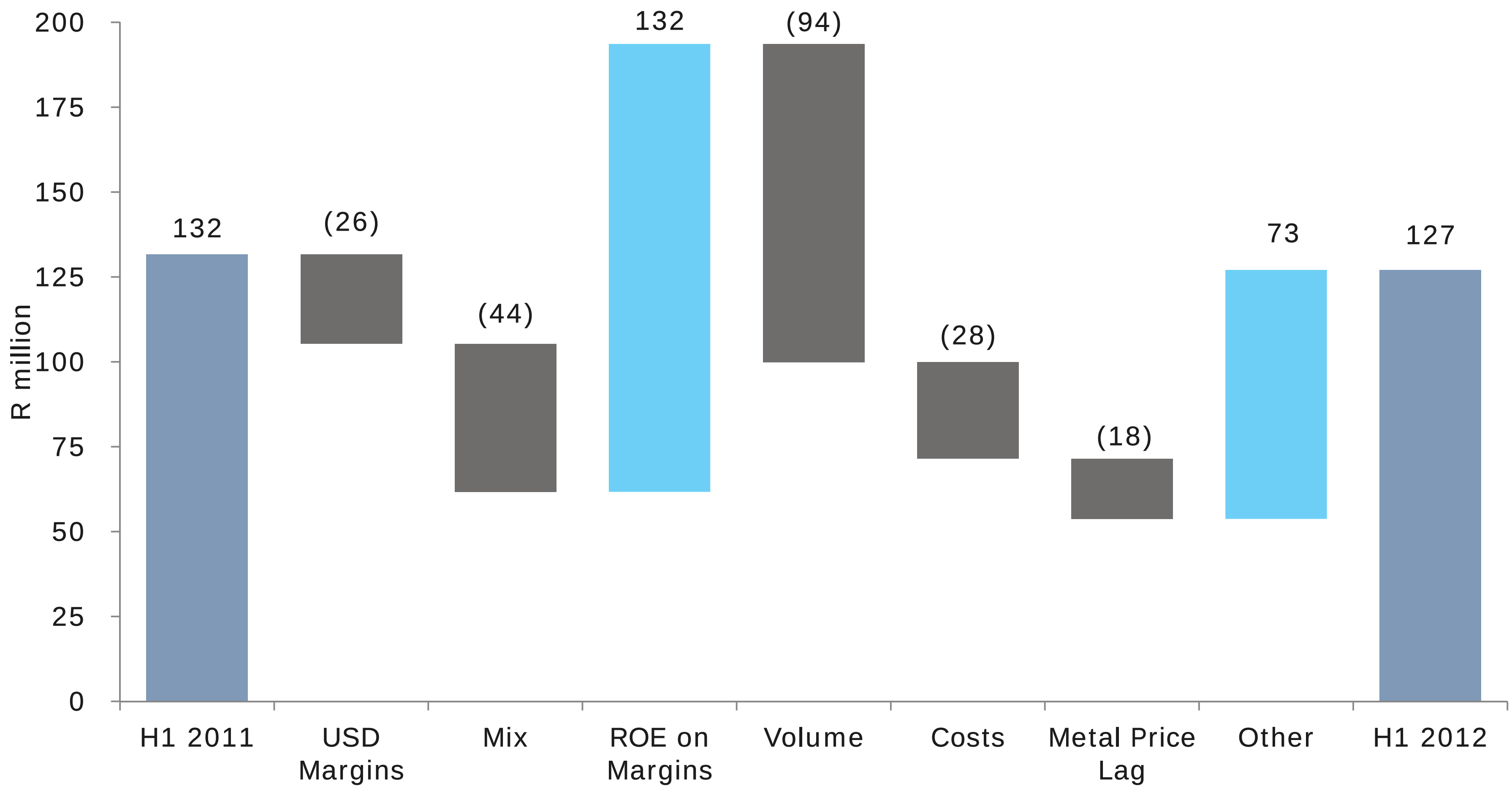




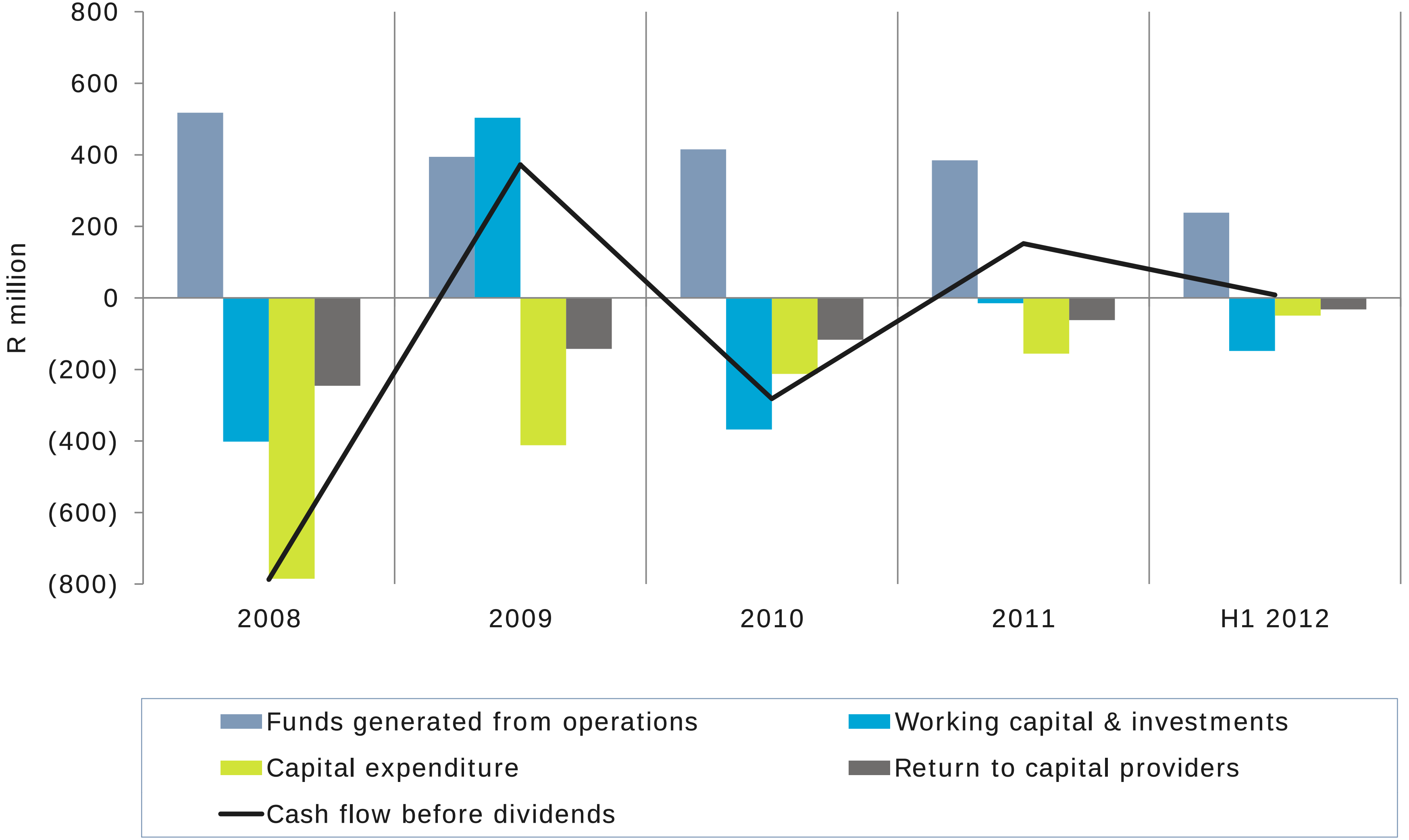




Year on Year Operating Profit Comparison

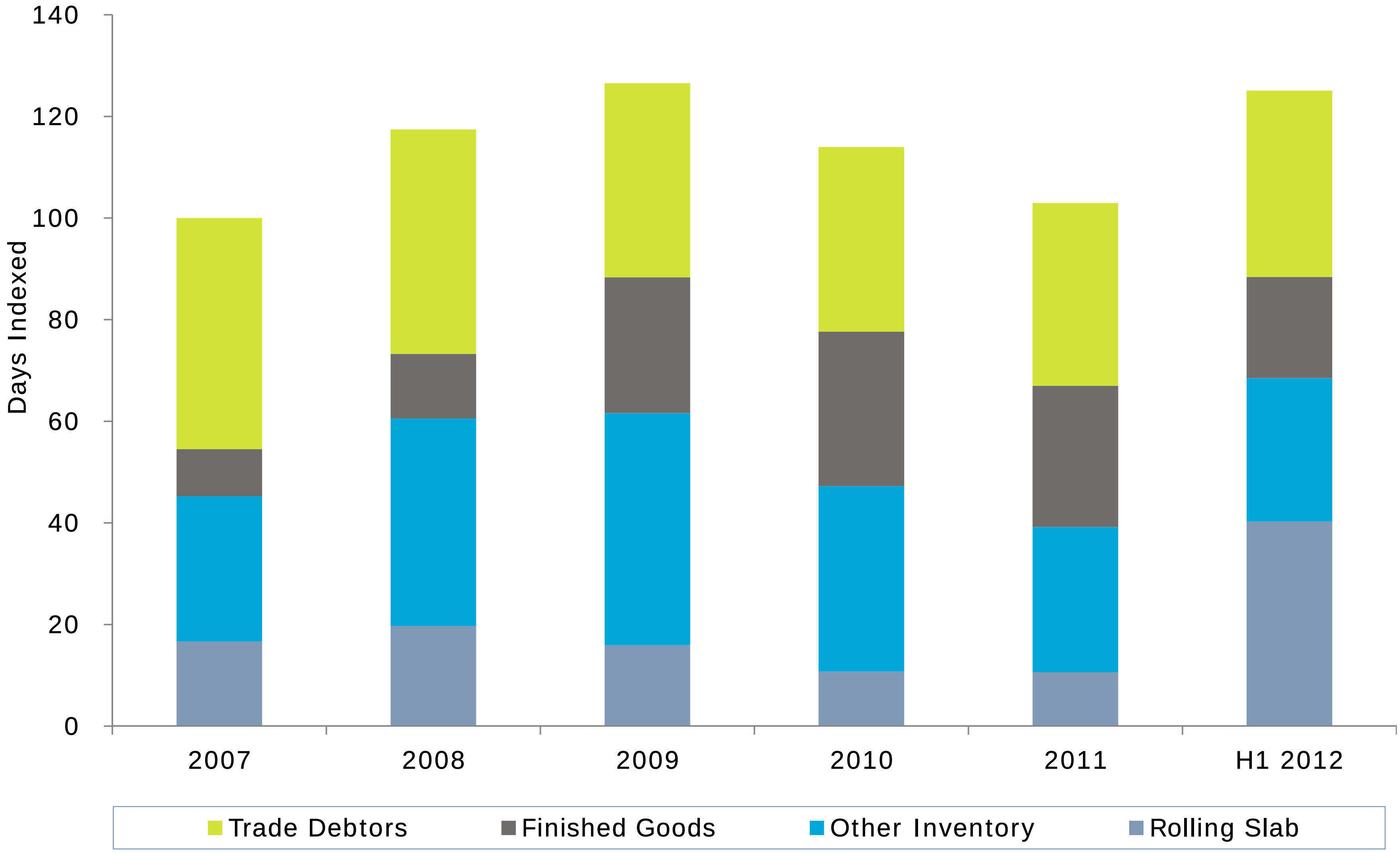


Cash Flow



800
600
400
200
0
(200)
(400)
(600)
(800)
R million
2008
2009
2010
2011
H1 2012
Funds generated from operations
Working capital & investments
Capital expenditure
Return to capital providers
Cash flow before dividends

Cash Cycle



140
120
100
80
60
40
20
0
Days Indexed
2007
2008
2009
2010
2011
H1 2012
Trade Debtors
Finished Goods
Other Inventory
Rolling Slab

Capital Expenditure

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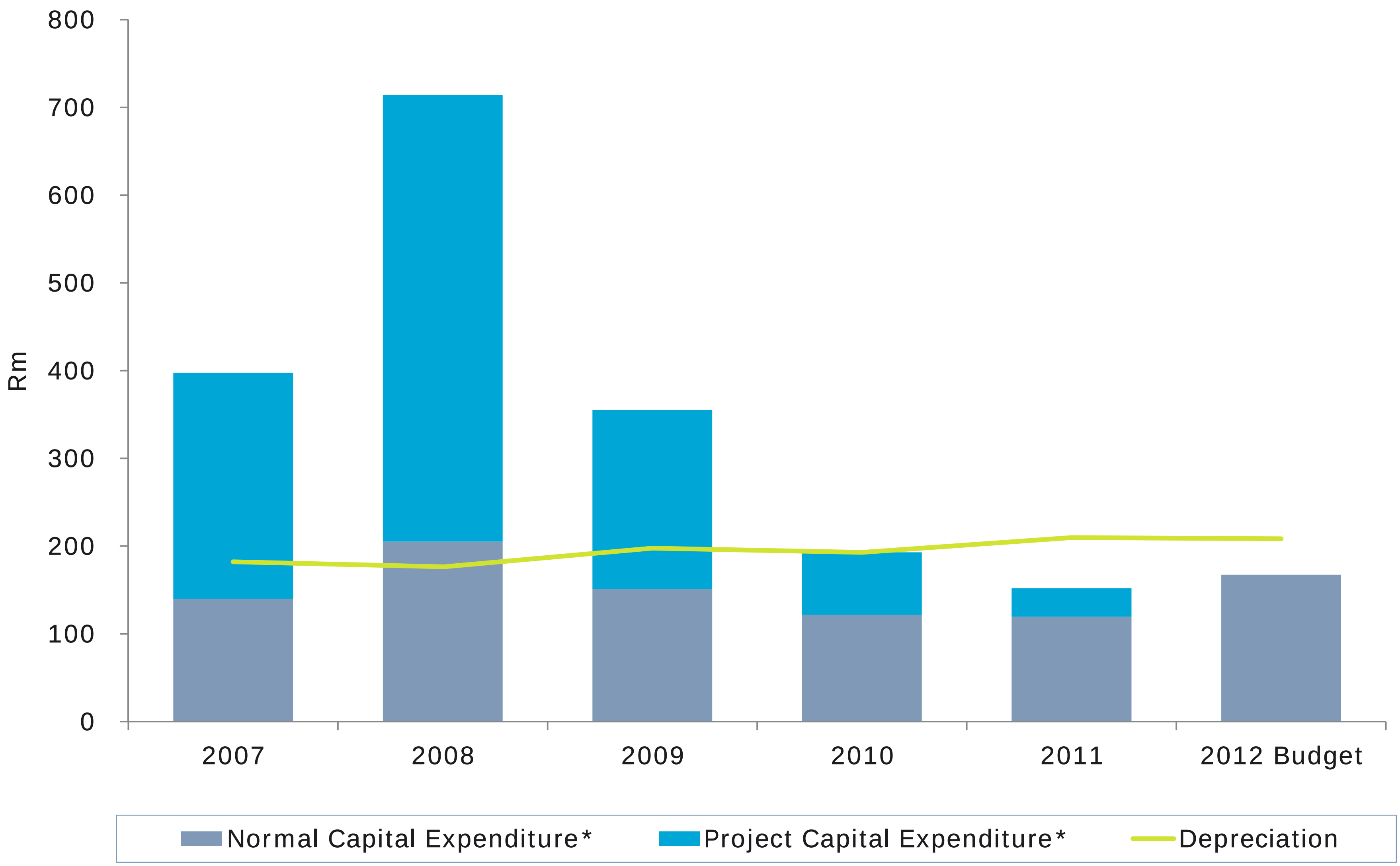
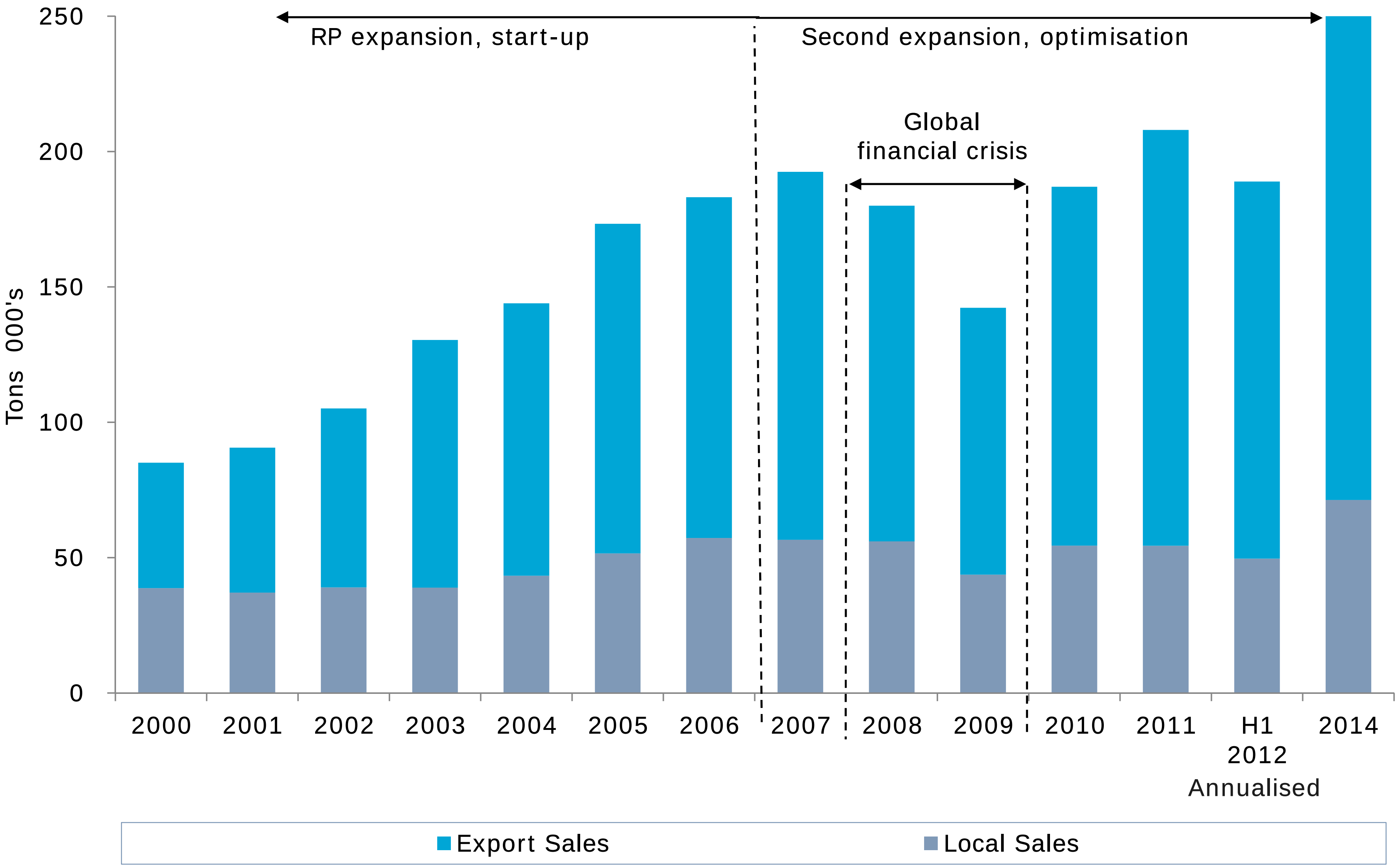


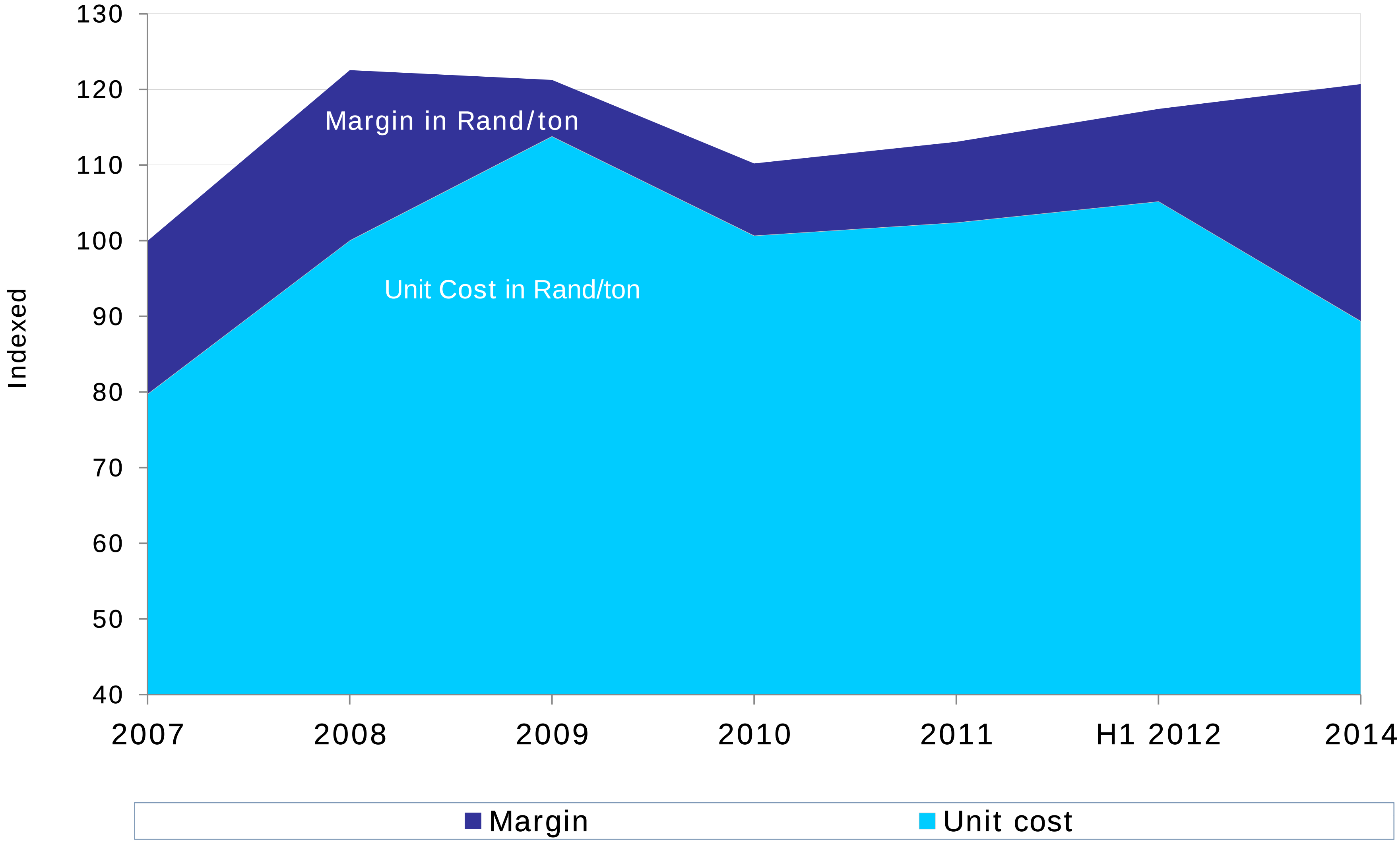
* *Excludes capitalised borrowing costs*

OPERATIONAL REVIEW

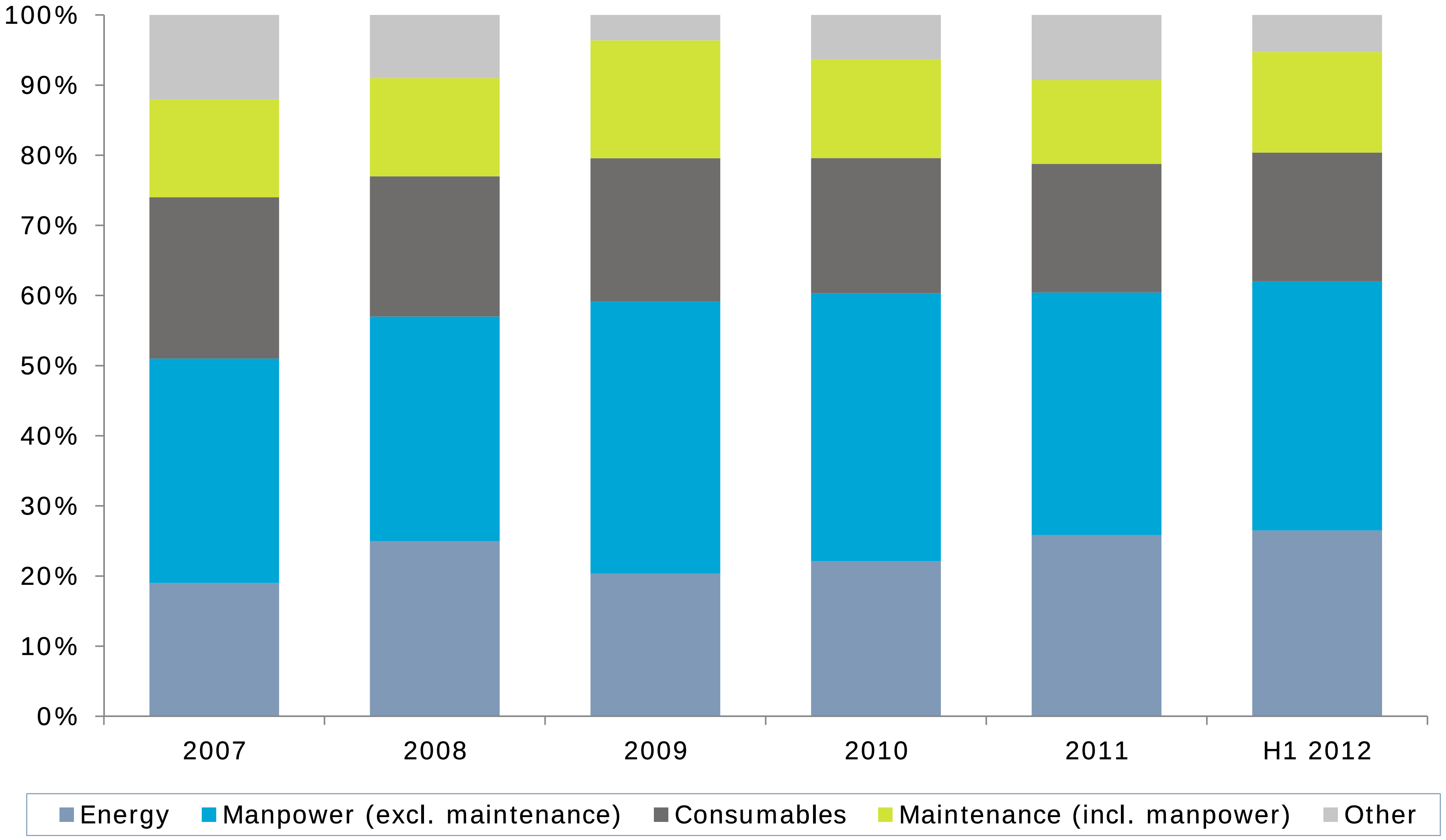
Rolled Products Sales Volumes



Rolled Products Operating Margin in Rand



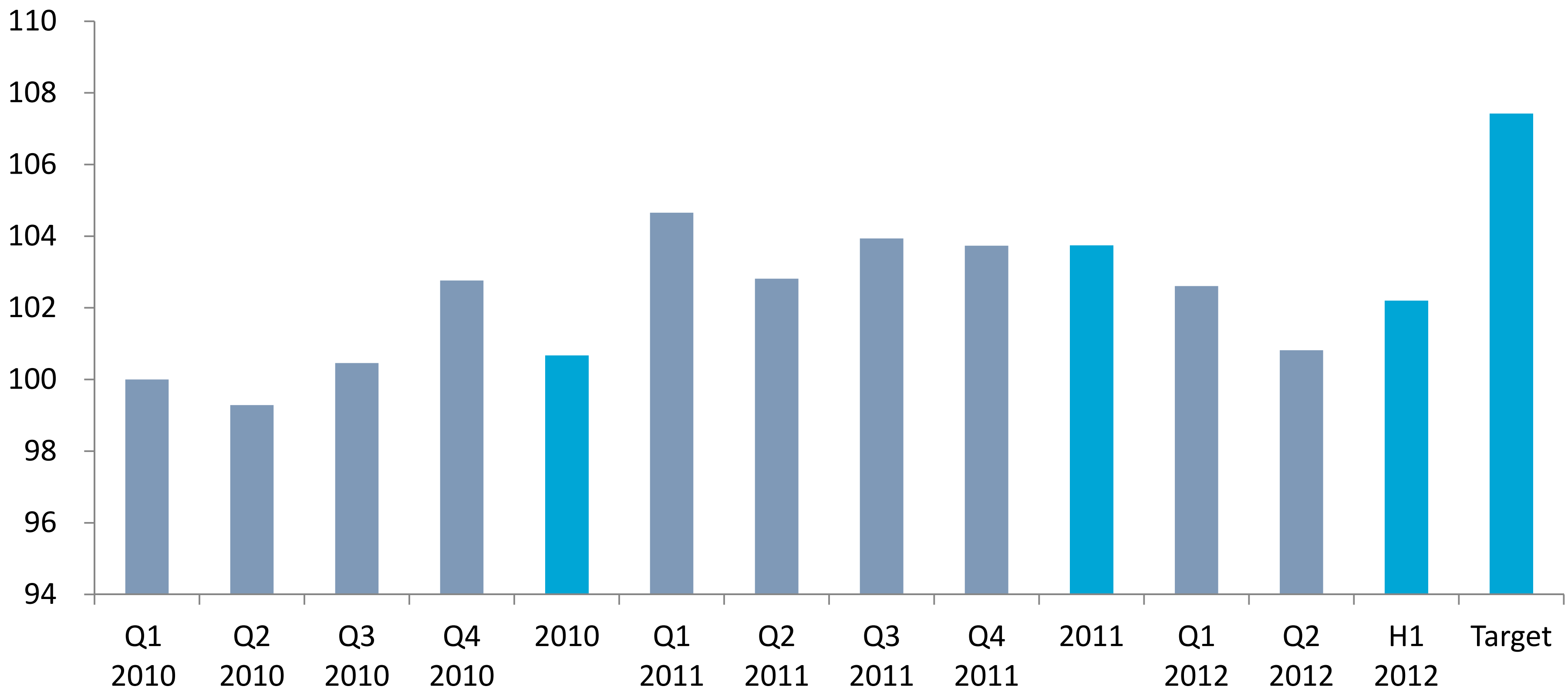
Manufacturing Cost Analysis



Are We Delivering on Improvement Promises?

	Cumulative Annualised Benefits	
Projects	December 2011	June 2012
Headcount	R72 million	R92 million
Overtime	R7 million	R7 million
Scrap Processing	R17 million	R15 million
Recovery/Yield	R78 million	R17 million
Improvement Projects	R168 million	R206 million

Rolled Products Yield Improvement



- Process problem on Can end stock in Q1
- Impact of Hot Mill breakdown in Q2

Hulamin Extrusions

- SA market remains weak in 2012
  - Building industry remained depressed
  - Manufacturing segment remains under pressure
- Sales volumes in Hulamin Extrusions down 2% compared with H1 2011
  - Automotive demand steady
  - Imports of Chinese architectural products continue
  - Imported billet supply disruption in Q1
  - Transport applications recovering
- Strategic review completed
  - Plant rationalisation complete - volume moved to Midrand
  - Key actions underway

Hulamin Extrusions Outlook

- Limited recovery in building industry in 2012
  - Weak signs of growth in tenders for major projects
  - Domestic market remains tight
- Automotive contracts meeting volume forecasts
- Solar energy market
  - Significant volume potential
  - Delays in announcement of financial closure of Phase 1 bidders
  - Timing and scale of growth of segment is uncertain
- Hulamin Building Systems (50% partnership with Mazor Ltd)
  - Business performing satisfactorily

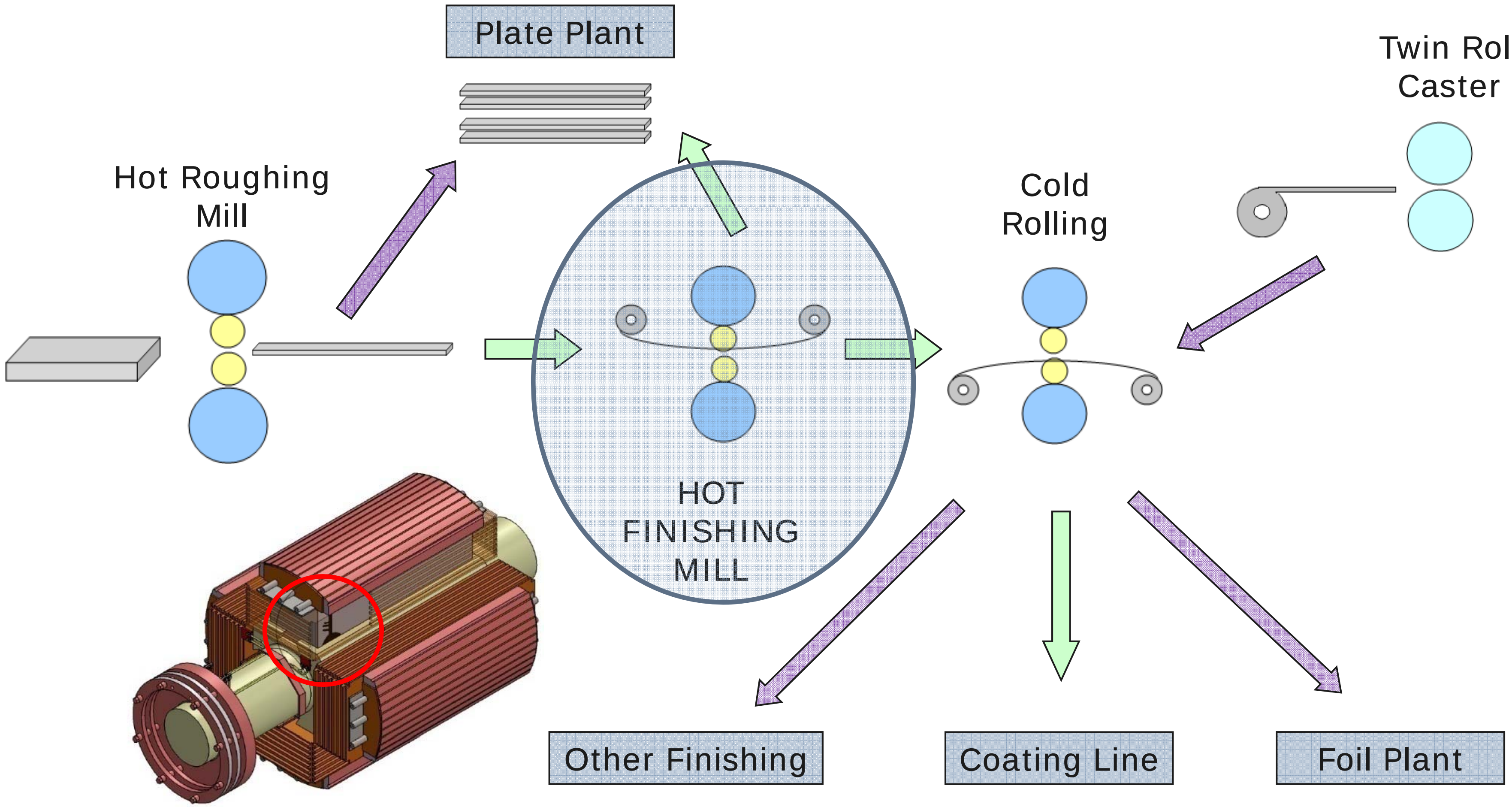


Plate Plant
Twin Roll Caster
Hot Roughing Mill
Cold Rolling
HOT FINISHING MILL
Other Finishing
Coating Line
Foil Plant

Incident Analysis

- What happened?
  - Braided cable carrying current to rotor failed
  - Arcing caused damage to insulation and windings
  - Removal and repair of rotor and decommissioning took 46 days
- What are the terms of the Insurance policy?
  - Deductibles
    - » *14 days Business Interruption*
    - » *R10 million cost of repair*
  - “Subject to reasonable maintenance”
- Actions taken to mitigate impact
  - 24/7 repair focus
  - Production diverted around Hot Mill
    - » *Thick plate rolling and Twin Roll Casters optimised*
  - Remelt and other planned maintenance brought forward
  - Inbound metal supply halted
  - Employees’ leave rescheduled
- Impact of incident
  - Lost production and sales of 25 000 tons
  - Estimated effect on earnings (after tax) of R110m (H1 R57m)
  - Estimation of insurance claim R79m (H1 R41m)

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STRATEGIC REVIEW AND OBJECTIVES

Normalised Earnings Potential

- Full capacity utilisation
  - Average 250 000 tons per year
    - » *Limited by Ingot casting, Hot and Cold Rolling*
    - » *Maximise high value product volumes*
- Unit Cost Target
  - Average <$1 150 per ton
  - Majority of costs only partially sensitive to volume
  - Rand/ US Dollar sensitivity
  - Metal processing yield >68%
- Ex-Works Rolling Margins Target
  - Average >$1 475 per ton
  - Led by growth in high value products

2012 H1 vs. Targets - Volume

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- Good overall production in first 4 months
  - Annualised 219 000 tons – January to April
  - Good Hot Mill and Twin Roll Caster performance
  - Ingot Casting performance continues to improve
- Confidence returning after encouraging start-up in mid-June
  - Back to pre-breakdown levels

2012 H1 vs. Targets – Unit Costs Performance

- Lean/Manufacturing excellence programme delivering results
  - Manpower costs under control – R20 million improvement in H1
  - Improvement projects continue to deliver – R38 million benefit in H1
  - Further plant rationalisation – Circle plant closed, assets sold
- Energy costs
  - LP Gas supply consistent
    - *Unit consumption consistent*
    - *Year on year price impact in Q1+30%, declining in Q2*
  - Electricity increase
- Other Impacts
  - Cost of Hot Mill repairs
  - Ingot imports
  - Abnormal scrap processing costs

2012 H1 vs. Targets – Mix and Margins

- Solid demand for all high value products
  - Margin pressures in weak Euro and USA markets in Q2
- Can End Stock volumes below expectations in Q1
  - Specifications tightened to meet customer requirements ~ 3 000 tons sales lost
  - Speed improvements made to Coating operation
- Good performance from Heat Treated Plate and Brazing Sheet
- Foil sales growth has been slower than forecast
  - Customer qualifications protracted due to weak market conditions
  - Outlook improving, contracts in place for 2013

Immediate Priorities to Achieve Earnings Potential

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- Deliver volume growth ~ R150 to R200 million p.a.
  - Roll out of the manufacturing excellence programme continues
  - Maximise sales of high value products
- Regain yield improvement momentum ~ R60 to R80 million p.a.
  - Continue to focus on:
    - » *Process control*
    - » *Equipment condition and performance*
    - » *Bottom-up visual performance management and problem solving*
- Attack costs ~ R100 to R150 million p.a.
  - Scrap and dross processing improvements
  - Impact of improved process control on yield and quality performance
  - Logistics, headcount, energy consumption and other existing opportunities

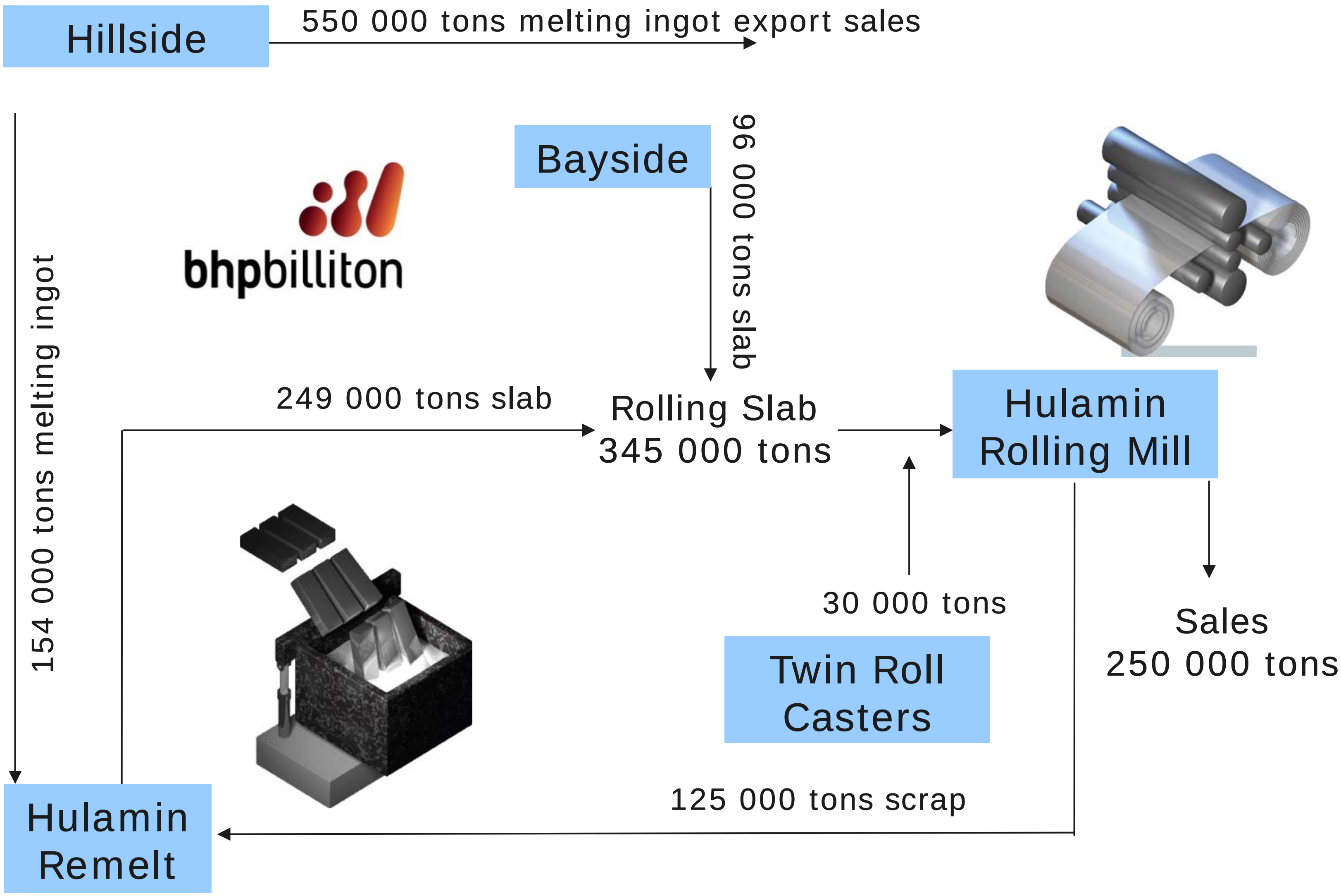
Balance Sheet Optimisation

- Current loan facilities
  - Facilities do not flex with working capital
  - Covenants do not support business growth
    - » *Debt service cover*
    - » *Interest cover*
    - » *Debt/EBITDA*
- Alternative has been developed
  - Size of facilities geared to working capital changes
  - Covenants more appropriate
    - » *Current Ratio*
    - » *Debt/Equity*
  - Term sheet signed and syndication in progress

Status of Rolling Slab and Extrusion Billet Supply

- Pietermaritzburg slab casting
  - Performance of in-house facilities improving
  - Improved mix optimisation and flexibility
  - Higher cost than Bayside
- Bayside slab supply
  - Confirmed supply to December 2012
  - Engagement with BHP, IDC and other stakeholders continues
  - Unaffected by Hillside disruptions in H1 2012
- Billet and slab imports
  - Slab import logistics established with H1 supply
  - Billet imports stable

Hulamin Metal Supply



Alternative Slab Sourcing Options

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- Upgrade Pietermaritzburg casting capacity ~ R90 million capital investment
  - Optimisation of all in-house facilities
- Optimise slab imports
  - Continuous evaluation of profitability vs. downscaling
  - Additional cost $120 to $140 per ton of imported slab
- Scale back export sales
  - Reduce sales by ~20 000 tons p.a.
  - Close capacity, reduce overheads
- Re-apply for import duties
  - Historically at 10%
- Net effects
  - Total unit cost increase $50 to $100 per ton
  - EBIT impact R100 to R200 million p.a. (excluding import duty impact)

Aluminium Cans in South Africa?

- Existing beverage can market
  - Steel body
  - Aluminium end and tab
- Two distinct business opportunities for Hulamin:

1. **Aluminium Can Body Stock supply**
   - » *Good progress with product and equipment technology*
   - » *First cans produced with Hulamin material*
   - » *Possible capital investment R50 to R100 million*
2. **Scrap and Used Beverage Can (UBC) sourcing and processing**
   - » *Comprehensive UBC and scrap processing solution*
   - » *Possible capital investment R75 to R125 million*

- Next steps
  - Industry players' formal approvals
  - Supply contract negotiations
  - Technology qualification

OUTLOOK

Outlook for Balance of 2012

- Delivering improved Rolled Products performance
  - Production > 215 000 tons
  - High value product mix ~ 60%
  - US Dollar margins expected to be at H1 levels
  - Cost management remains a key focus
- Continued improvement from Hulamin Extrusions
- Sustained weaker Rand in 2012 will improve profit prospects
- Progress on slab supply security
- Demand prospects remain solid
  - Full order book for H2