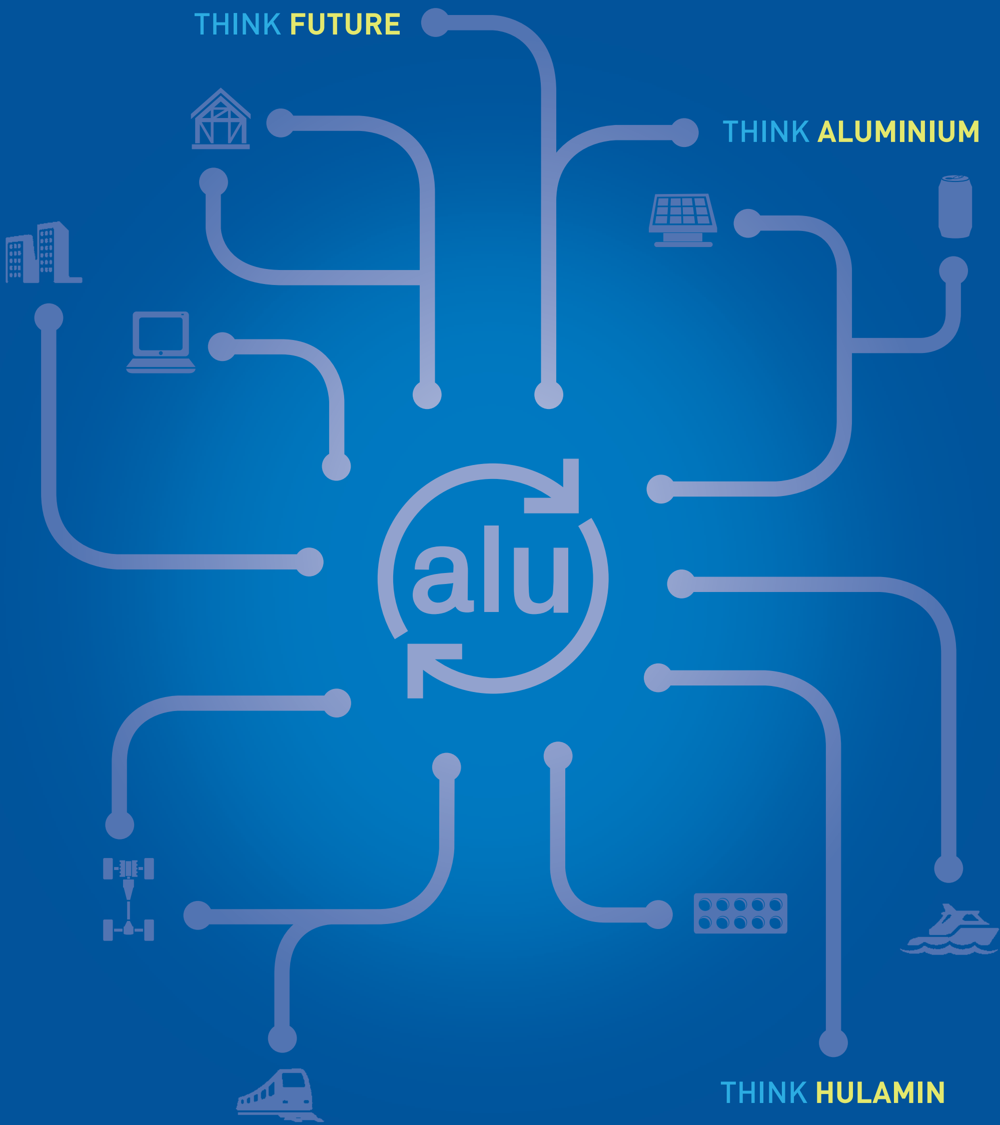

Unaudited Interim Results

For the half-year ended 30 June 2014

HULAMIN

HIGHLIGHTS

- Normalised earnings increase by 42% over corresponding period benefiting from continued Rand weakness
- Headline earnings per share increase by 95% due to impact of restructuring costs on 2013
- Substantially improved safety performance
- Strong cash flow follows improved working capital management and allows substantial reduction in borrowings
- Ongoing focus on operational performance sees 5% growth in Rolled Products sales volumes
- Discussions continue with BHP Billiton around the future of the Bayside casthouse and supply of rolling slab to Hulamin
- Commercial sales of aluminium can body stock to the local market begin

COMMENTARY

Normalised earnings for the first half of 2014 amounted to R130 million, an increase of 42% over the corresponding period in the previous year and 18% over the R110 million achieved in the second half of 2013. Hulamin reports normalised earnings to provide a more meaningful measure of underlying operating performance.

Headline earnings per share (HEPS) increased by 95% from 21 cents to 41 cents or, on a fully diluted basis, by 90% to 40 cents. Basic earnings per share growth mirrored that of HEPS. Both basic and headline earnings were depressed by the R25 million charge in 2013 for once off restructuring costs. These costs are excluded from 2013 normalised earnings.

Internationally, economic conditions showed some improvement but excess capacity in flat rolled products (FRP) ensured the industry remains fiercely competitive and Alcoa have announced the closure of two FRP plants in Australia. China, Brazil and the Middle East continue to bring new capacity on line and the absence of import duties make South Africa an attractive destination for their products. Locally, economic conditions are very challenging, exacerbated by the disruptions caused by ongoing strikes.

The price of aluminium, as quoted on the London Metal Exchange (LME), has moved up from USD1 720 per ton at the end of 2013 to USD1 851 at 30 June 2014 and has now exceeded USD2 000. Hulamin is a semi-fabricator of aluminium products and the metal price component is mainly a flow-through although it does impact reported turnover and reflects, to some extent, overall demand for aluminium products.

The average Rand/USD exchange rate for the period was 16% weaker than in the first six months of 2013 and group turnover increased by 14% to over R4 billion.

Rolled Products sales volumes for the first six months increased by 5% over the corresponding period last year to 102 000 tons and by 9% when compared to the lower sales volumes achieved in the second half of last year. Conversion prices realised were slightly firmer, particularly on exports into North America and Europe. Manufacturing performance is beginning to show some improvement with recoveries increasing off the low base achieved in the second half of 2013. Safety performance improved substantially with a 53% reduction in total recordable injury frequency rate (TRIFR) and an 85% reduction in lost time injury frequency rate (LTIFR).

There was a significant fall in sales volumes of extruded products which are only sold into the local market. A decline in solar business and a marked increase in imports, placed pressure on sales and profits.

Group operating profit (EBIT) reflected an increase of 71% to R210 million. As a percentage of turnover, EBIT was 5,2% compared to 3,5% in the previous period. Hulamin hedges 50% of the metal price risk arising from holding inventory and all foreign currency exposures within inventory, receivables and payables. The impact of the uncovered metal price risk in this period was a loss of R7 million, considerably lower than the R29 million loss recorded in the corresponding period last year. Net finance costs fell by 10,6%, despite a general increase in interest rates, due to lower borrowings resulting from higher profits and improved working capital management. The effective tax rate increased by 1% to 29% and the assessed losses brought forward from previous years will be fully utilised by the end of the year.

Cash inflow before financing activities, but after capital expenditure of R79 million, amounted to R225 million compared to an outflow of R57 million in the corresponding period of the previous year. The cash was used to repay borrowings which, on a net of cash basis, reduced by the R225 million from R612 million at December 2013 to R387 million at June 2014.

COMMENTARY continued

ALUMINIUM RECYCLING PLANT

The construction of a new R300 million recycling plant in Pietermaritzburg is proceeding according to schedule and is due to come on line in mid-2015. A R275 million term loan is being negotiated in order to provide an appropriate source of medium term finance.

The rate at which the all-aluminium can has found acceptance in South Africa bodes well for the future supply of used beverage can scrap which is the primary target of the new recycling plant. The recently enacted restrictions on scrap exports were an important enabler ensuring commercial viability of the investment.

Currently Hulamin supplies only can end stock in the local market. However, qualification trials of body stock material with can maker Nampak have now been successfully completed and sales will ramp up in the second half of the year in line with a three year contract.

SUPPLY OF ALUMINIUM FROM BHP BILLITON

Hulamin sources approximately one third of its rolling slab requirements from BHP Billiton's Bayside casthouse with the remaining two thirds being produced by Hulamin's casthouse in Pietermaritzburg.

On 30 June 2014, the Bayside smelter was shut down. However, the Bayside casthouse is continuing to operate using liquid aluminium transported from the nearby Hillside smelter. BHP Billiton has contracted to continue to supply Hulamin with rolling slab from Bayside until 31 December 2014. Discussions with Hulamin and other interested parties are taking place with a view to ensuring the supply of slab from Bayside continues thereafter.

IMPORT TARIFF PROTECTION

Hulamin exported 72% of its Rolled Products output in the six months to June 2014. Destination countries included Brazil and China where imports of both rolled and extruded products are subject to import duties. Similar products are in turn exported from Brazil and China to South Africa where no reciprocal tariff protection exists.

An application for reciprocal tariff protection is currently being prepared and will be lodged with ITAC shortly. The outcome of the ensuing ITAC decision will have a significant impact on the future of the aluminium industry in South Africa.

DIVIDEND

The board has not declared an interim dividend for 2014.

PROSPECTS

Ongoing actions being taken to improve operational performance at Rolled Products are expected to increase volumes and profitability in the second half of the year. However, imports remain a threat to local markets.

Hulamin's profits will continue to be impacted by the relative weakness or strength of the SA Rand against other currencies and, in particular, its rate of exchange with the US Dollar.

ME Mkwanazi
Chairman

DA Austin
Acting CEO

CONDENSED CONSOLIDATED INCOME STATEMENT

for the half-year ended 30 June 2014

		Note	Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
Revenue			4 061 434	3 554 146	7 560 007
Cost of sales			(3 608 287)	(3 233 861)	(6 914 691)
Gross profit			453 147	320 285	645 316
Selling, marketing and distribution expenses			(211 586)	(191 968)	(390 328)
Administrative and other expenses			(49 686)	(40 750)	(70 830)
Impairment of property, plant and equipment and intangible assets			–	–	(2 122 316)
Other gains and losses			18 477	35 183	132 787
Operating profit/(loss)			210 352	122 750	(1 805 371)
Interest income			1 100	569	1 358
Interest expense			(28 716)	(31 453)	(64 715)
Profit/(loss) before tax			182 736	91 866	(1 868 728)
Taxation		3	(52 828)	(25 473)	523 769
Net profit/(loss) for the period			129 908	66 393	(1 344 959)
Headline earnings					
Net profit/(loss) for the period			129 908	66 393	(1 344 959)
(Profit)/loss on disposal of property, plant and equipment			(118)	15	(143)
Impairment of property, plant and equipment and intangible assets			–	–	2 122 316
Tax effects of adjustments			33	(4)	(594 209)
Headline earnings attributable to shareholders			129 823	66 404	183 005
Severance costs (net of tax)			–	24 860	18 438
Normalised earnings			129 823	91 264	201 443
Earnings per share		4			
Basic	(cents)		41	21	(422)
Diluted	(cents)		40	21	(417)
Headline earnings per share					
Basic	(cents)		41	21	57
Diluted	(cents)		40	21	57
Normalised earnings per share					
Basic	(cents)		41	29	63
Diluted	(cents)		40	28	62
Dividend per share	(cents)		–	–	–
Currency conversion					
Rand/US dollar average			10,71	9,23	9,66
Rand/US dollar closing			10,60	9,99	10,56

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 30 June 2014

	Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
Net profit/(loss) for the period attributable to equity holders of the company	**129 908**	66 393	(1 344 959)
Other comprehensive income/(loss) for the period	**13 231**	(30 174)	(4 981)
Items that may be reclassified subsequently to profit or loss	**11 911**	(30 174)	(22 407)
Cash flow hedges transferred to income statement	**43 480**	12 359	12 359
Cash flow hedges created	**(26 936)**	(54 266)	(43 480)
Income tax effect	**(4 633)**	11 733	8 714
Items that will not be reclassified to profit or loss	**1 320**	–	17 426
Remeasurement of retirement benefit obligation	**–**	–	20 671
Remeasurement of retirement benefit asset	**1 834**	–	3 531
Income tax effect	**(514)**	–	(6 776)
Total comprehensive income/(loss) for the period attributable to equity holders of the company	**143 139**	36 219	(1 349 940)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2014

	Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
Balance at beginning of period	**3 402 810**	4 747 597	4 747 597
Total comprehensive income/(loss) for the period	**143 139**	36 219	(1 349 940)
Shares issued	**43**	105	112
Value of employee services	**6 982**	4 186	9 360
Settlement of employee share incentives	**–**	–	(4 603)
Tax on employee share incentives	**–**	(281)	284
Total equity	**3 552 974**	4 787 826	3 402 810

CONDENSED CONSOLIDATED BALANCE SHEET
as at 30 June 2014

		Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
ASSETS				
Non-current assets				
Property, plant and equipment		**2 530 063**	4 632 402	2 515 125
Intangible assets		**45 189**	60 387	38 093
Retirement benefit asset		**153 056**	160 425	161 468
Deferred tax asset		**27 128**	28 538	27 815
		2 755 436	4 881 752	2 742 501
Current assets				
Inventories		**1 651 881**	1 798 252	1 806 575
Trade and other receivables		**1 050 161**	1 024 293	972 619
Derivative financial assets		**20 905**	34 287	13 889
Cash and cash equivalents		**39 984**	11 837	192 800
Income tax asset		**9 203**	384	1 488
		2 772 134	2 869 053	2 987 371
Total assets		**5 527 570**	7 750 805	5 729 872
EQUITY				
Share capital and share premium		**1 817 589**	1 817 539	1 817 546
BEE reserve		**174 686**	174 686	174 686
Employee share-based payment reserve		**36 702**	105 285	29 720
Hedging reserve		**(19 394)**	(39 072)	(31 305)
Retained earnings		**1 543 391**	2 729 388	1 412 163
Total equity		**3 552 974**	4 787 826	3 402 810
LIABILITIES				
Non-current liabilities				
Non-current borrowings		**–**	520 867	–
Deferred tax liability		**448 601**	963 224	405 311
Retirement benefit obligations		**232 708**	239 965	225 826
		681 309	1 724 056	631 137
Current liabilities				
Trade and other payables		**849 412**	801 105	826 086
Current borrowings		**427 004**	290 195	804 482
Derivative financial liabilities		**16 871**	147 623	65 357
		1 293 287	1 238 923	1 695 925
Total liabilities		**1 974 596**	2 962 979	2 327 062
Total equity and liabilities		**5 527 570**	7 750 805	5 729 872
Net debt to equity	(%)	**10,9**	16,7	18,0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the half-year ended 30 June 2014

	Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
Cash flows from operating activities			
Operating profit	**210 352**	122 750	(1 805 371)
Net interest paid	**(28 608)**	(31 145)	(64 212)
(Profit)/loss on disposal of property, plant and equipment	**(118)**	15	(143)
Non-cash items:			
Depreciation, amortisation and impairment of property, plant and equipment	**58 230**	110 202	2 332 580
Other non-cash items	**(14 849)**	96 642	59 751
Income tax payment	**(21 712)**	(10 121)	(28 400)
Changes in working capital	**100 478**	(279 579)	(211 247)
	303 773	8 764	282 958
Cash flows from investing activities			
Additions to property, plant and equipment	**(68 543)**	(60 342)	(131 165)
Additions to intangible assets	**(10 736)**	(5 269)	(16 659)
Proceeds on disposal of property, plant and equipment	**125**	–	158
	(79 154)	(65 611)	(147 666)
Cash flows before financing activities	**224 619**	(56 847)	135 292
Cash flows from financing activities			
(Decrease)/increase in borrowings	**(377 478)**	38 983	32 403
Shares issued	**43**	105	112
Settlement of share options	**–**	–	(4 603)
	(377 435)	39 088	27 912
Net (decrease)/increase in cash and cash equivalents	**(152 816)**	(17 759)	163 204
Cash and cash equivalents at beginning of period	**192 800**	29 596	29 596
Cash and cash equivalents at end of period	**39 984**	11 837	192 800

NOTES

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the group for the half-year ended 30 June 2014 has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Companies Act 71 of 2008, under the supervision of the Chief Financial Officer, Mr DA Austin CA(SA), and should be read in conjunction with the group's 2013 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards.

Hulamin believes normalised earnings to more accurately reflect operational performance and is arrived at by adjusting headline earnings to take into account non-operational and abnormal gains and losses.

The accounting policies and methods of computation adopted are consistent with those used in the preparation of the group's 2013 annual financial statements.

Hulamin has not adopted any new or revised accounting standards in the current period which have had a material impact on reported results.

	Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
2. OPERATING SEGMENT ANALYSIS			
The group is organised into two major operating segments, namely Hulamin Rolled Products and Hulamin Extrusions.			
Revenue			
Hulamin Rolled Products	**3 716 884**	3 172 139	6 783 158
Hulamin Extrusions	**344 550**	382 007	776 849
Group total	**4 061 434**	3 554 146	7 560 007
Operating profit/(loss)			
Hulamin Rolled Products	**198 065**	105 813	(1 846 657)
Hulamin Extrusions	**12 287**	16 937	41 286
Group total	**210 352**	122 750	(1 805 371)
Total assets			
Hulamin Rolled Products	**5 206 966**	7 457 428	5 443 306
Hulamin Extrusions	**320 604**	293 377	286 566
Group total	**5 527 570**	7 750 805	5 729 872

NOTES continued

		Unaudited Half-year 30 June 2014 R'000	Unaudited Half-year 30 June 2013 R'000	Audited Year ended 31 December 2013 R'000
3. TAXATION				
The taxation charge included within these condensed interim financial statements is:				
Normal		**13 997**	8 224	25 399
Deferred		**38 831**	17 249	(549 168)
		52 828	25 473	(523 769)
Normal rate of taxation	(%)	**28,0**	28,0	28,0
Adjusted for:				
Exempt income, non-allowable and other items	(%)	**0,9**	(0,3)	–
Effective rate of taxation	(%)	**28,9**	27,7	28,0
4. EARNINGS PER SHARE (EPS)				
The weighted average number of shares used in the calculation of basic and diluted earnings per share, headline earnings per share and normalised earnings per share are as follows:				
Weighted average number of shares used for basic EPS	(shares)	**319 432 181**	318 776 685	319 007 266
Share options	(shares)	**5 650 784**	3 623 362	3 337 019
Weighted average number of shares used for diluted EPS	(shares)	**325 082 965**	322 400 047	322 344 285
5. COMMITMENTS AND CONTINGENT LIABILITIES				
Capital expenditure contracted for but not yet incurred		**234 457**	32 311	45 425
Operating lease commitments		**35 012**	1 761	41 113
Guarantees and contingent liabilities		**300**	300	300

CORPORATE INFORMATION

HULAMIN LIMITED

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

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Securities exchange listing
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Transfer Secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196
PO Box 786273, Sandton, 2146

Directorate
Non-executive directors:
ME Mkwanazi* (Chairman)
LC Cele*
SMG Jennings*
VN Khumalo
TP Leeuw*
JB Magwaza
NNA Matyumza*
SP Ngwenya
PH Staude*
GHM Watson*
**Independent non-executive director*

Executive directors:
RG Jacob (Chief Executive Officer)
DA Austin (Chief Financial Officer and acting CEO with effect from 18 July 2014)
MZ Mkhize

Company Secretary
W Fitchat

Any forecast information included in this announcement has not been reviewed and reported on by the company's external auditors.

Date of SENS release: 28 July 2014

www.hulamin.co.za