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Introduction to Hulamin

Topics covered in this presentation

1. The history of Hulamin
2. Industry overview and Hulamin's position in the value chain
3. Hulamin's growth and the factors underpinning it
4. Earnings volatility
5. The current expansion project
6. Aspects of Hulamin's funding
7. The Hulamin BEE transaction

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Milestones in Hulamin’s history

1949	Plant established by Alcan in Pietermaritzburg
1969	Listed on the JSE as Alcan SA
1974	Hulett Corporation acquires control of Alcan SA and changes its name to Huletts Aluminium.
1981	Huletts and Tongaat merge forming The Tongaat-Hulett Group. Hulett Aluminium listing terminates
1986	Hulett Aluminium becomes wholly owned by THG
1996	IDC and Anglo acquire 30% and 20% respectively of Hulett Aluminium ahead of R2.4 billion expansion
2006	Decision announced to list Hulett Aluminium and unbundle THG shareholding
	R950 million expansion approved
	BEE transaction agreed in principle
2007	Name changed to Hulamin Ltd
	Hulamin to list on JSE on 25 June

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Change in shareholding pre- and post listing

	Pre-2007 listing	Post-2007 listing
Tongaat Hulett	50%	
IDC	30%	26%
Anglo American	20%	38%
BEE Shareholding		10%
Employees		5%
Other		21%

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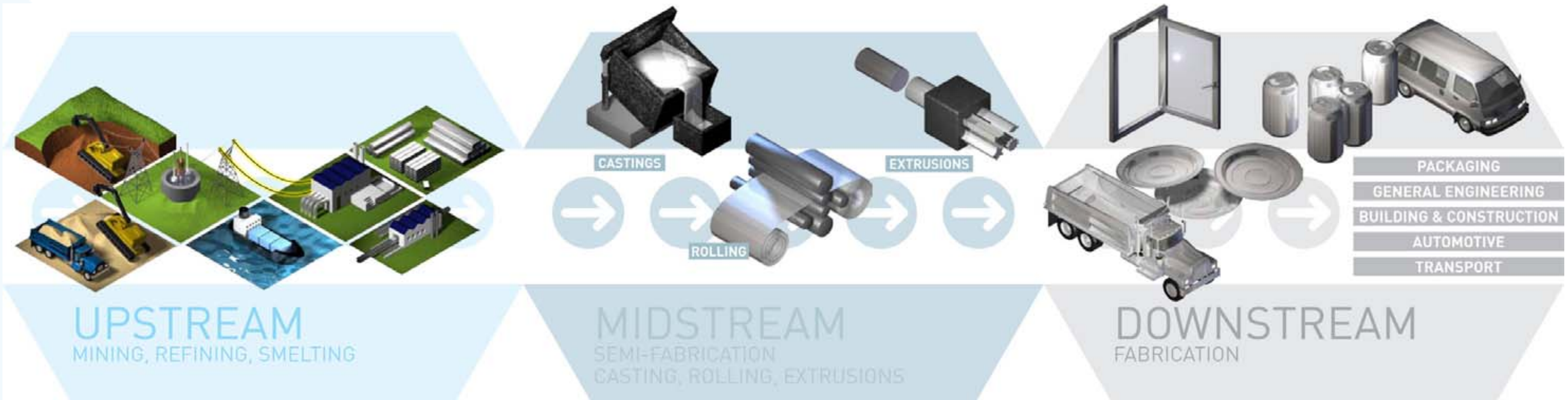
Aluminium Industry Value Chain



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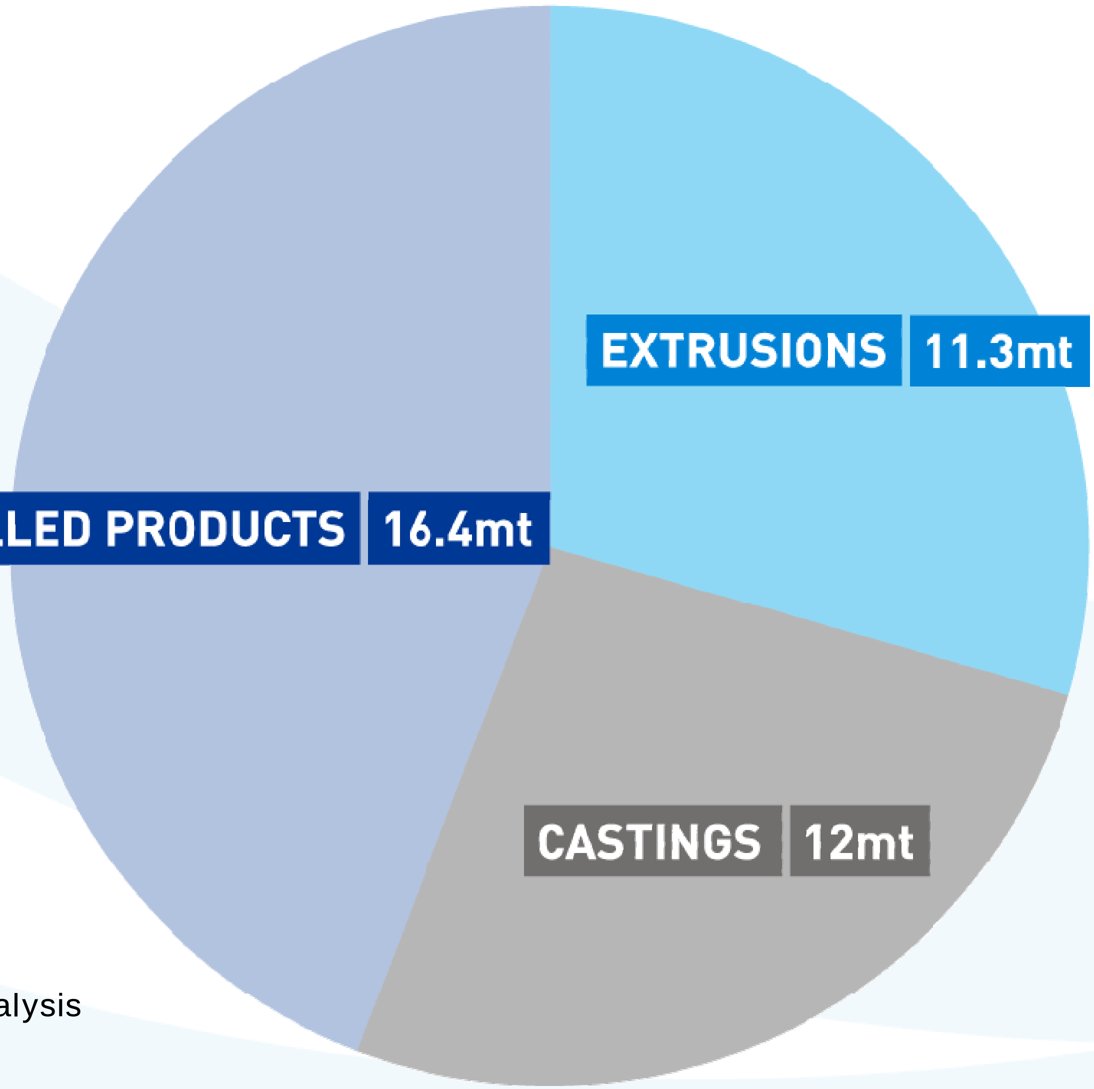
Global aluminium semi-fabrication sales

2006: 39.7 million tons



Ref: CRU Analysis

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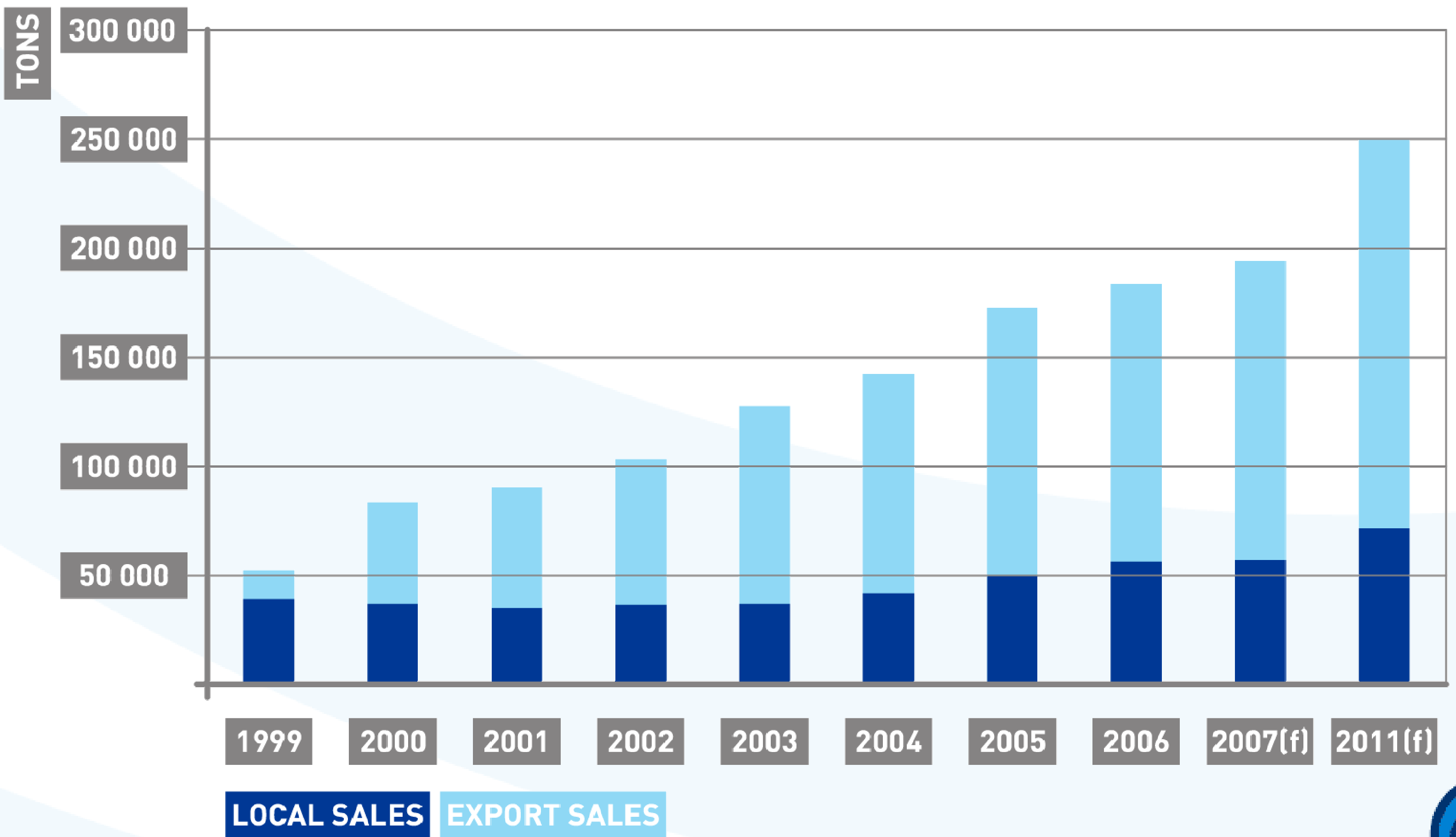
Hulamin Financial Segmental Analysis 2006

	Turnover (R million)	PBIT (R million)	Assets (R million)
Rolled Products	4592	364	5675
Extrusions	672	44	354
Commercial Products	212	14	106
Total	5476	422	6135

Growth in Rolled Products sales volumes



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Growth in Operating Earnings

2004	R148 million
2005	R319 million
2006	R422 million

- Further growth expected from existing facilities through increasing volumes and improving mix
- R950 million expansion project in progress with returns exceeding 20%

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Hulamin’s proven growth strategy is based on:

- Operating in an industry dominated by a few major producers
- Having competitive advantages over current global competitors in respect of capacity utilisation, sales mix and operating costs
- Being strategically well positioned in a region where there is an excess of primary metal
- Having depth in management and technical skills (and investing further)

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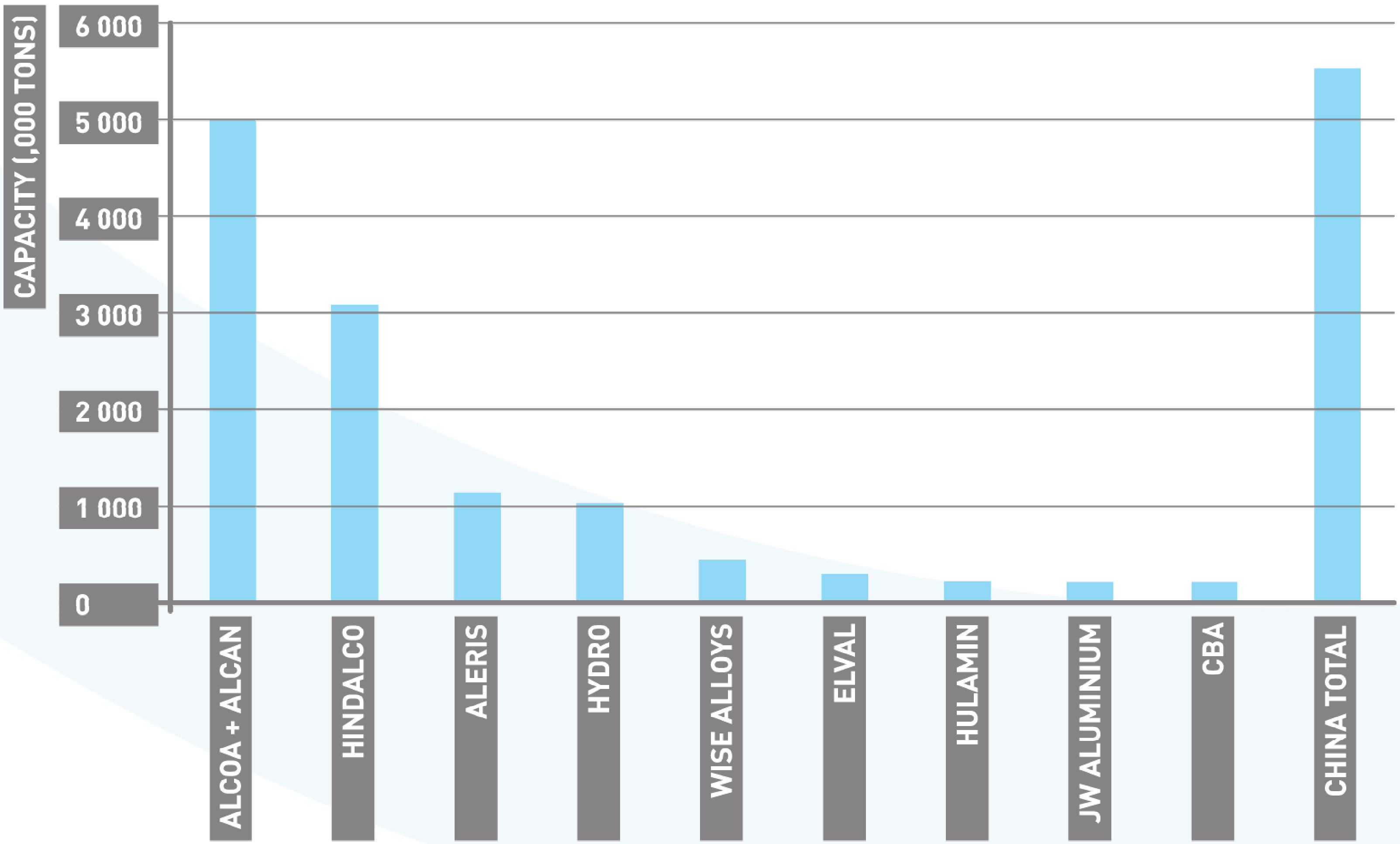
Concentration of ownership in rolled products



SOURCE: CRU ANALYSIS

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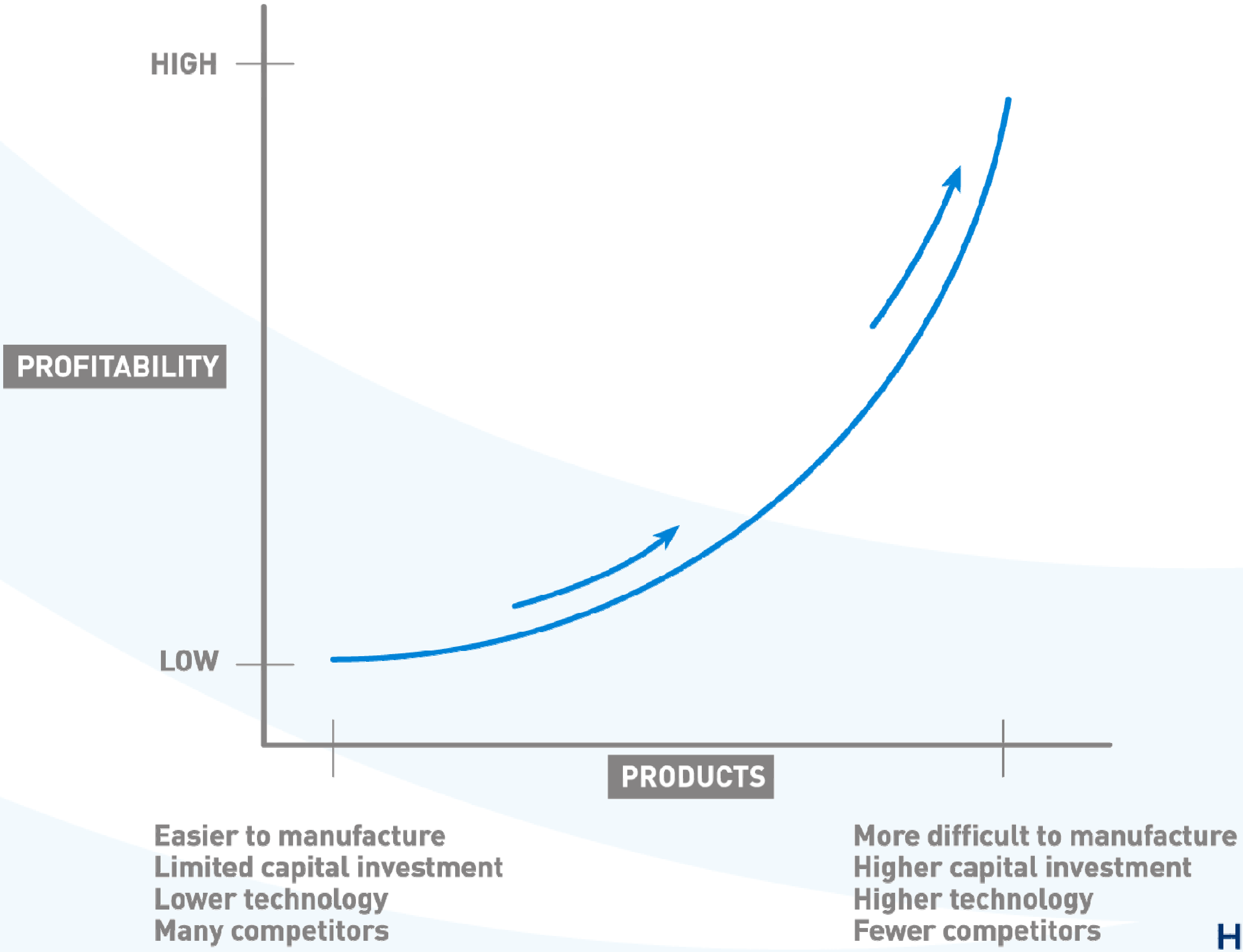
The product profitability curve



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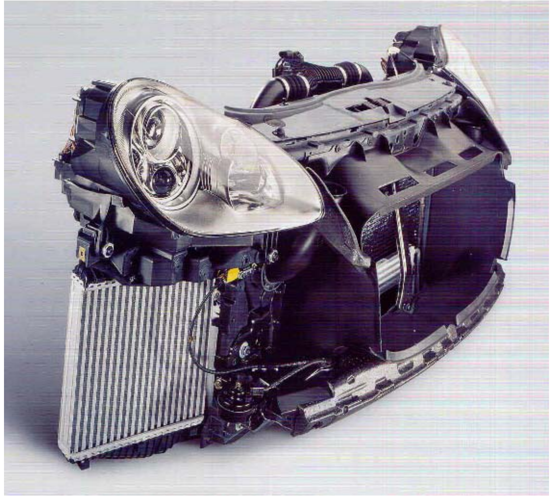
Examples of higher value products

Heat treated plate



Brazing sheet

Thin gauge foil

Can end stock

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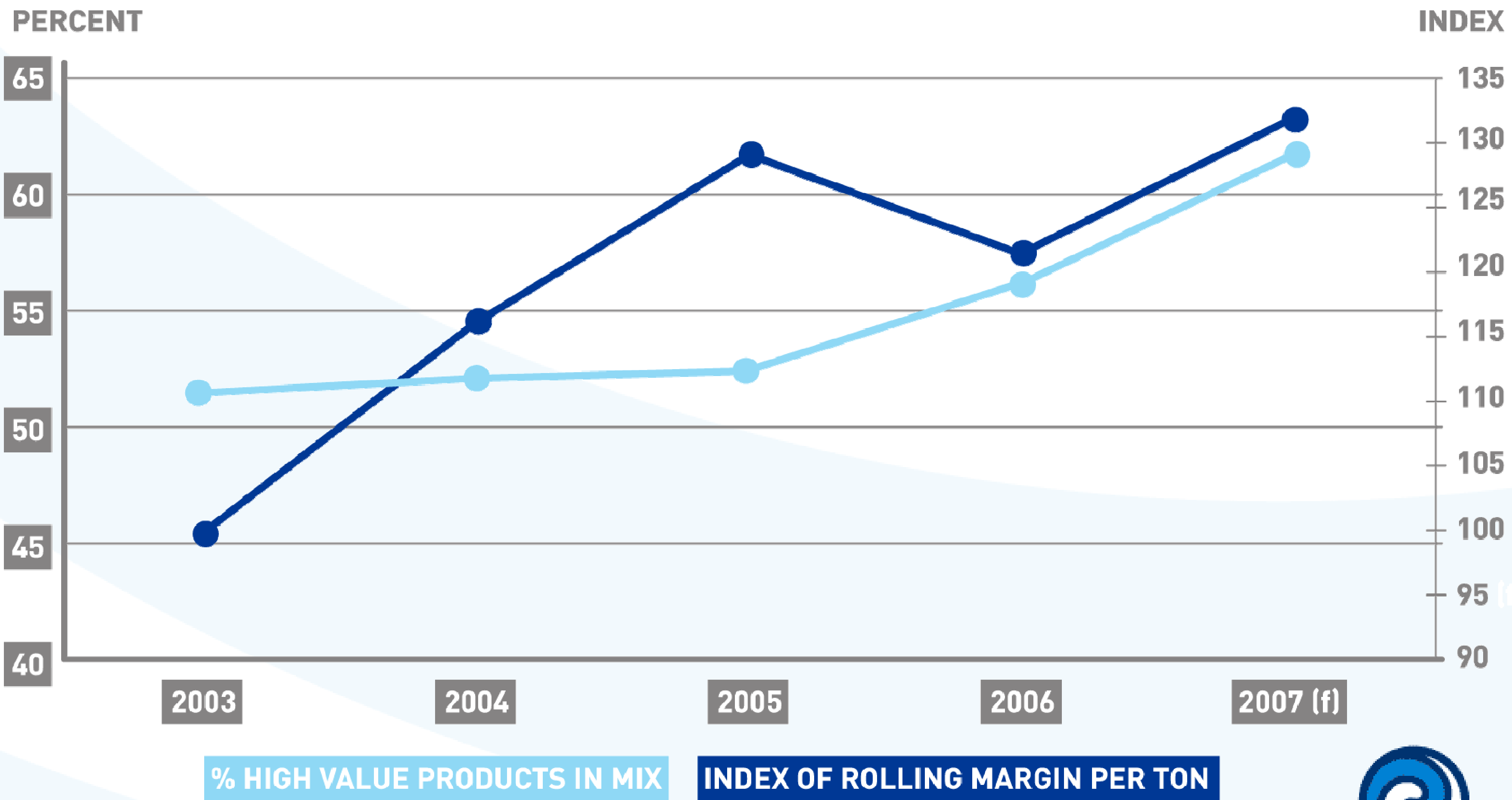
Improvement in the sales mix



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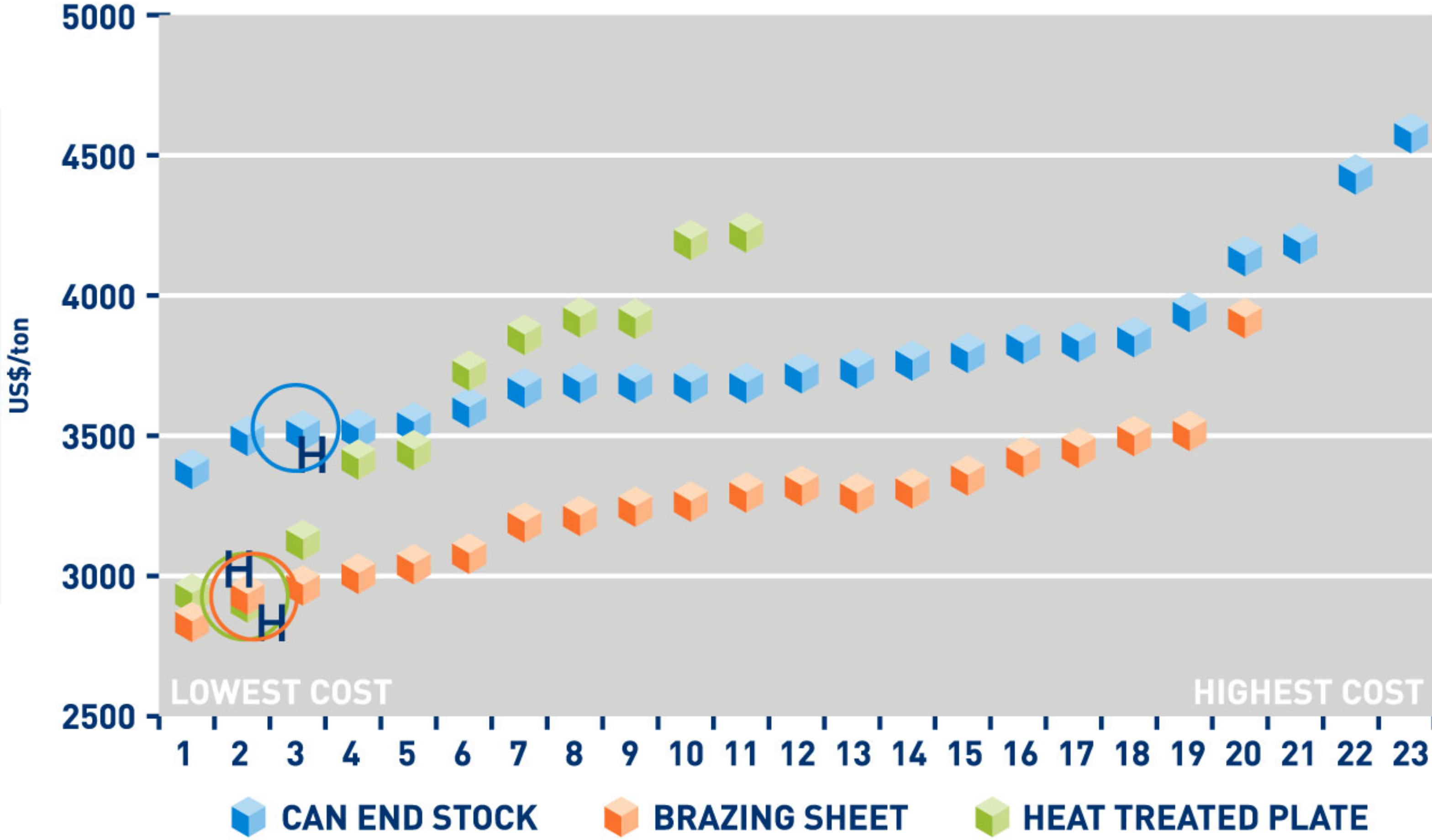
Cost competitiveness



REF: CRU ANALYSIS

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Opportunities for beneficiation in SA

- Regional primary metal production ('000 tons per annum)

Existing smelters	1400
Coega	720
Potential beneficiation	2120

- Regional consumption

Consumption for local end use	130
Consumption for export	160
Unbeneficiated export of primary metal	1110
Total	1400

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Depth in management and skills

- Executive team average 20 years experience in the industry
- 52% of management is from previously disadvantaged groups
- Investment in training is approximately double the national average

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Earnings growth and volatility

	2002	2003	2004	2005	2006
R/$	10.51	7.56	6.45	6.37	6.77
Rolled Products volume (‘000 tons)	105	130	143	173	183
EBITDA excl. metal price lag (Rm)	255	196	263	471	414
Metal price lag (Rm)	84	-86	10	26	183
EBITDA (Rm)	339	110	273	497	597
Depreciation (Rm)	67	105	125	178	175
EBIT (Rm)	272	5	148	319	422

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Earning growth and volatility

- Currency sensitivity

  A movement of 10c in the R/$ exchange rate has an approximate effect of R20 million on annual EBIT

- Metal price lag effects

  Expected to be less volatile in future

- Breakeven sensitivity

  More than 70% of costs are fixed (vs. volume)

  The breakeven volume of Rolled Products sales at current exchange rates is approximately 130 000 tons

  The breakeven exchange rate at current volumes is approximately R5.00 and is expected to reduce to R4.50 at 250 000 tons

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Expansion Project

- Increase rolled products capacity from 210 000 tons to 250 000 tons per annum
- Improved mix and reduced unit costs
- Capex timing

	Rm
2006	44
2007	240
2008	572
2009	94
TOTAL	950

- R400m committed to date
- Full benefits by 2011

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Funding considerations

- 2006 finance costs included charges of R155m relating to a loan that has been converted to equity
- Improved inventory cycle expected to result in maintenance of current inventory levels
- The current expansion project is being funded largely out of operating cash flows
- Borrowings to approximate current levels until project completion

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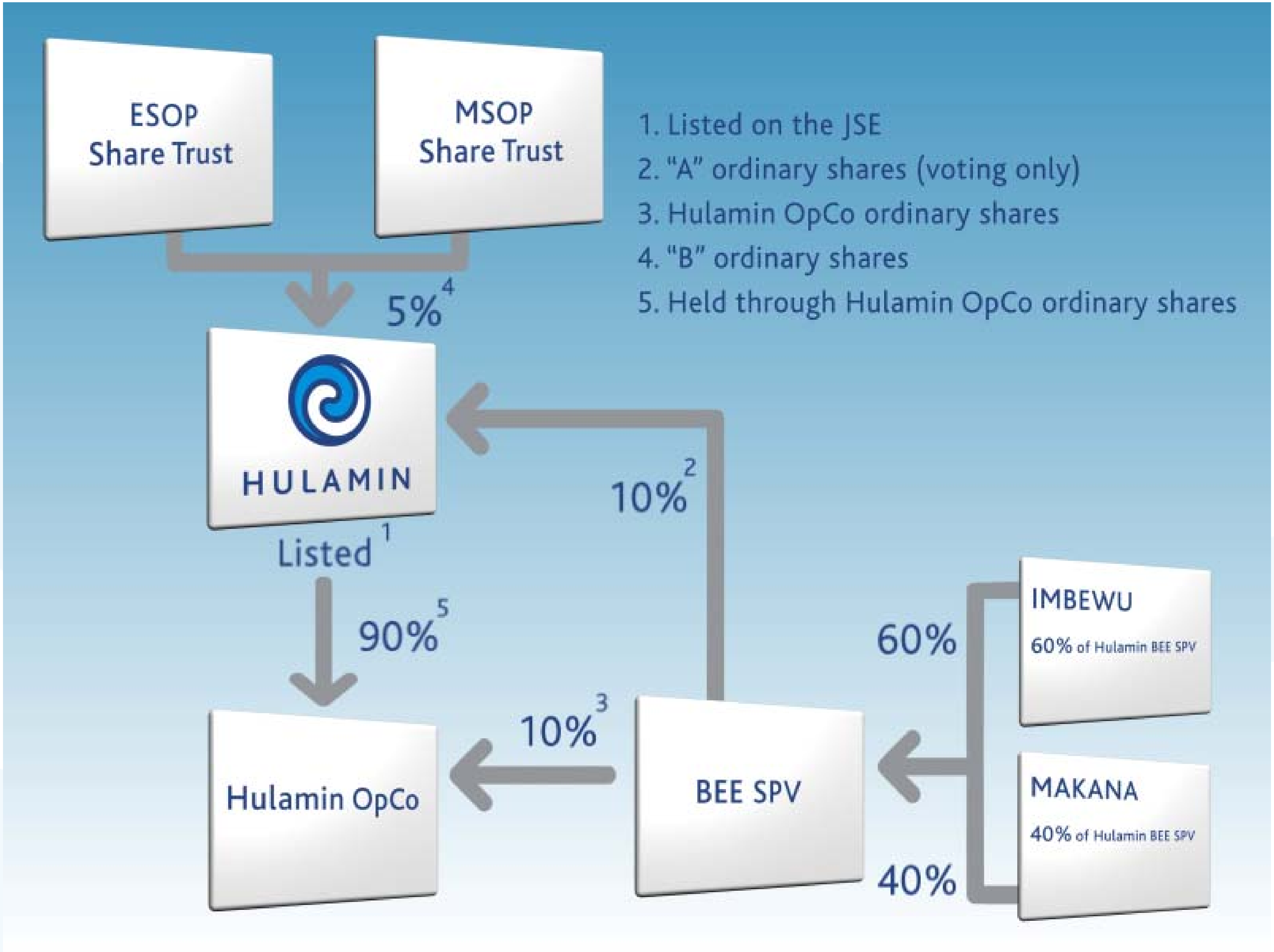
Hulamin BEE structure



The Hulamin BEE transaction

- 15% equity participation
- Complements Hulamin’s impressive BBBEE credentials in respect of other BEE criteria such a preferential procurement, employment equity etc.
- Includes employees, broad based groupings and strategic partners
- IFRS2 cost of approximately R160 million in 2007 and R10m per annum for the following four years
- Fair and reasonable opinion

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Conclusions

- Hulamin has an attractive business model
- We are competitive in local and international markets
- There are opportunities for expansion both from existing facilities and from incremental investment
- We are at the forefront of transformation and have the skills and capability to maintain our growth momentum
- We have progressed through an extraordinary growth phase and have created a platform for sustained growth ahead

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