



HULAMIN

PRESENTATION TO UBS STEEL CONFERENCE
7 March 2013



Think Future. Think Aluminium. Think Hulamin.

Agenda

- 1 Introduction
- 2 China and the Aluminium Industry
- 3 Demand in South Africa
- 4 Primary Aluminium Supply
- 5 Aluminium Cans in South Africa
- 6 Questions



INTRODUCTION

Aluminium – The Wonder Metal

- 100% recyclable – high scrap value
- Low melting point – saves 95% of energy and carbon footprint on recycling
- Non-corrosive – high aesthetic durability and structural integrity
- Highly conductive
 - Heat - beverage cans and heat exchangers
 - Electrical – cables and windings
- Lightweight – reduces transport costs and carbon footprint
- Bright and shiny – Preferred by consumers
- Superior printing qualities



The Aluminium Value Chain (in Southern Africa)

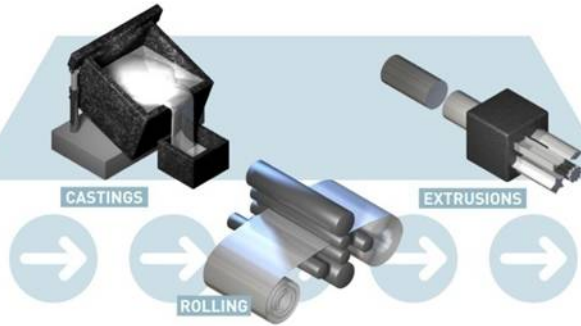
BHP Billiton
1.3 million tons p.a.

Hulamin and others
275 000 tons p.a.

Fabricators /Distributors
e.g. Nampak, MacSteel, etc.
180 000 tons p.a.



UPSTREAM
MINING, REFINING, SMELTING

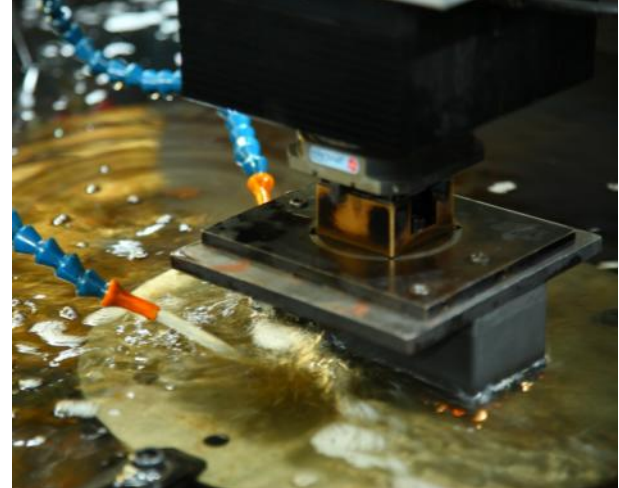


MIDSTREAM
SEMI-FABRICATION
CASTING, ROLLING, EXTRUSIONS



DOWNSTREAM
FABRICATION

- PACKAGING
- GENERAL ENGINEERING
- BUILDING & CONSTRUCTION
- AUTOMOTIVE
- TRANSPORT



Hulamin - In a Nutshell

First established	1949
Listed (First listing)	2007 (1969)
Core business	Rolling and extruding aluminium
Impact of LME Aluminium price	Turnover, working capital
Major cost drivers	Employment, energy, logistics, maintenance
Nature of business	Preferred supplier in small regional market and Niche supplier (250k tons) in a >16m tons consolidated global market
Customers' industries	Packaging, Building and Construction Automotive, Transport etc.

Key Indicators

	2012	2011
Rand/ US Dollar	8.22	7.27
Turnover (R billion)	6.5	6.9
Rolled Products sales (tons)	194000	208000
Earnings (R million)	133	80
Earnings Adjusted (for one off items) (R million)	64	54
Headline Earnings (R million)	182	80
HEPS	57	25
No. of Employees	2087	2190
Hulamin Rolled Products export sales (%)	73	74
Hulamin Extrusions export sales (%)	0	0

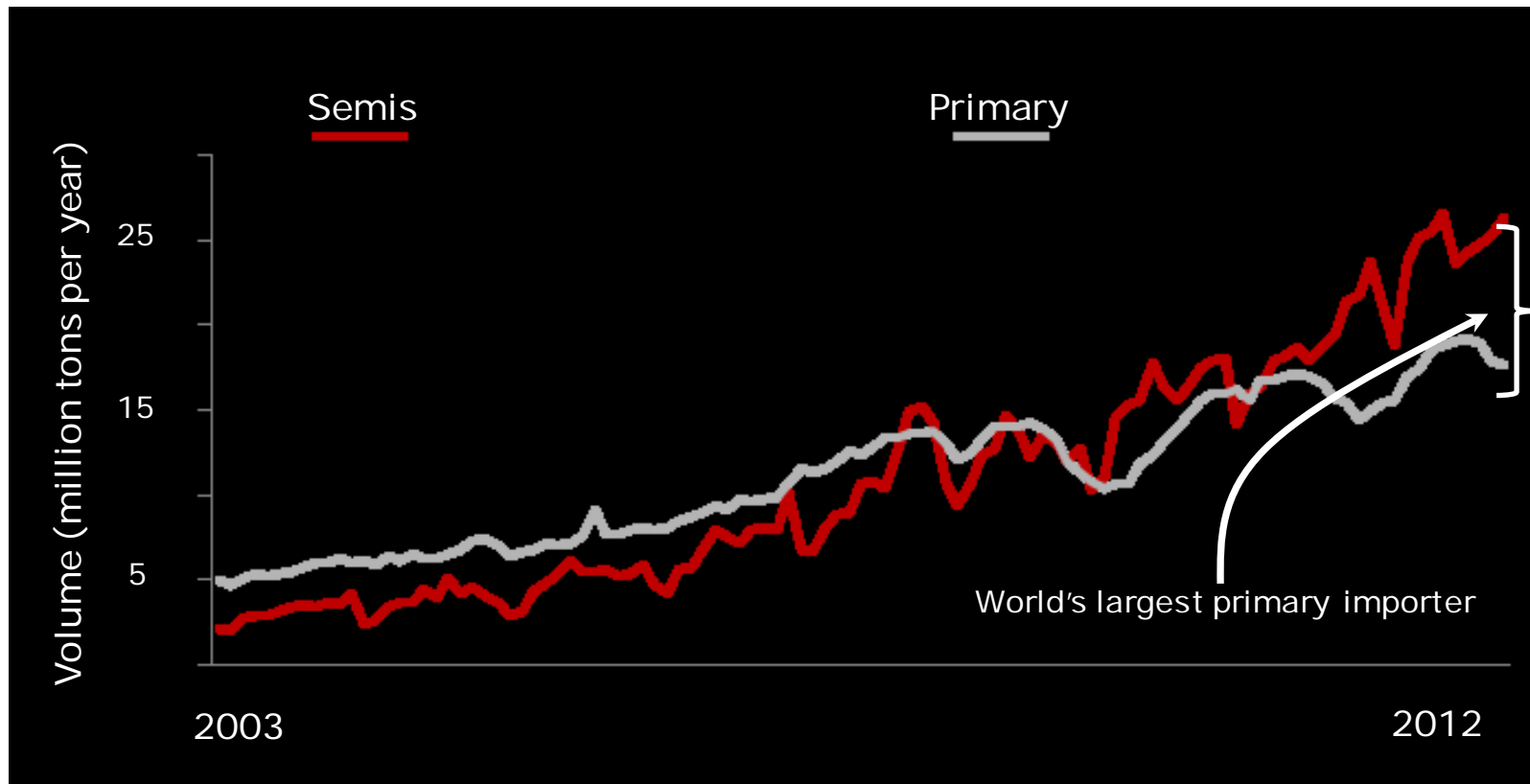


CHINA

Observations about China

Trends	<ul style="list-style-type: none">• Put emerging market growth on the map• Impact on global inflation through prices of manufactured goods• International trade reaction to Chinese “dumping”• Interventionist / non-market forces in domestic economy
Risks	<ul style="list-style-type: none">• Wipe everyone off the map• Domestic spill-overs into other markets• Bursting bubbles• Currency wars• De-globalisation?
Opportunities for Hualamin	<ul style="list-style-type: none">• Closed loop recycling• Chinese market demand niches• Supply gaps in aftermath of trade politics

Growth in Chinese Production



- Semis import/ export balance shifting
- Volatile balance between Chinese domestic demand and production
- Growth in Chinese capacity driven by provincial rivalries and incentives
- Alcoa, Aleris, have rolled products plants in China

Hulamin (Jackal) in the Shadow of the Chinese (Elephant)

Niche positions – 250 000 tons in global market (>16 million tons)

- Hulamin brand
- Culture, language, time zones, geography
- Trade restrictions and incentives e.g. Counter trade deals, AGOA, Free Trade Agreements, local content requirements etc.
 - E.g. European foil opportunity
- Existing technology barriers e.g. can end stock
- Bespoke technology relationships e.g. brazing sheet
- Regional SADC opportunities



DEMAND IN SOUTH AFRICA

Current Trajectory

Manufacturing shrinking

- Hulamin record local sales last seen in 2006

Manufacturing employment under pressure

- Hulamin shedding jobs (16%) since 2008

Imports growing

- All aluminium imports surge 47% in 2010 and 37% in 2011

Investment in manufacturing slowing

- Private sector 2.4% to 1.8% in 2012
- Manufacturing investment lowest only to finance and real estate

Promise of infrastructure led growth

- Hulamin has secured > 2000 tons of solar related business for 2013

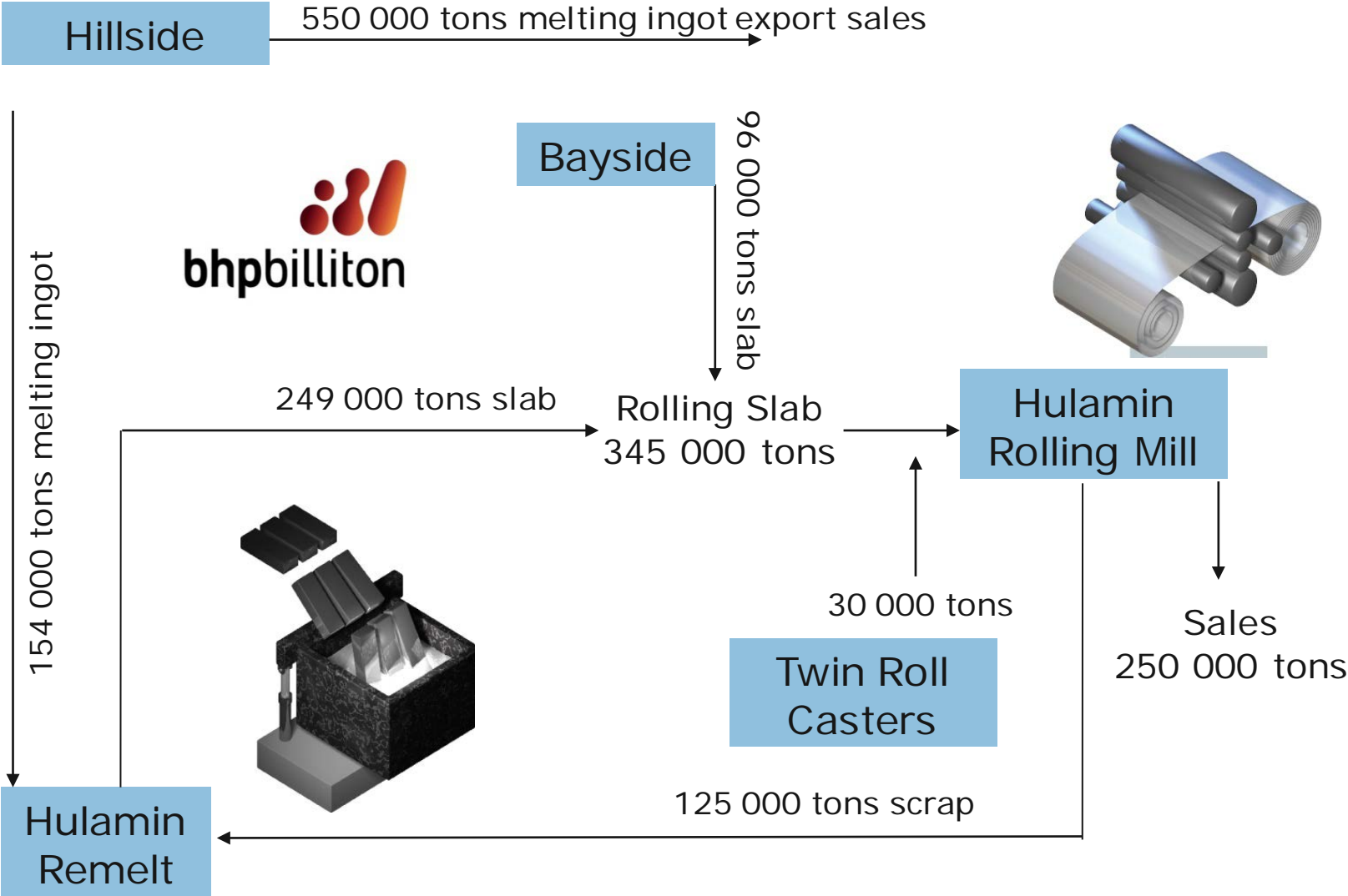
More Government support for manufacturing?

- Scrap export legislation



PRIMARY ALUMINIUM SUPPLY

Hulamin Metal Supply



Scenarios for Rolling Slab Supply

- Bayside continues to supply 96 000 tons slab per year
 - Current contract extended to June 2013
 - Existing limited product range
- Expanded Bayside slab supply
 - Grow slab supply to 160 000 tons per year by 2016
 - Synergy benefits from improved product range — R50 to R100 million p.a.
 - Recommissioning of Edendale Hot Mill
 - Other value added products (VAPs) e.g. billet
- Pietermaritzburg supply only – No supply from Bayside
 - Total sales limited to 200 to 210 000 tons p.a.
 - *Downscale business*
 - Optimised twin roll casters
 - Recommissioning mothballed casting equipment
 - Debottlenecking through enhanced liquid metal supply
 - Limited imports



ALUMINIUM CANS IN SOUTH AFRICA

Key Facts

Global market	>2.5 million tons*
Initial contracted sales volume	15 000 tons p.a.
Market requirement	12 000 tons per billion cans
Typical sheet thickness	Approx. 0.26 mm
Cash cycle	Approx. 42 days
Hulamin forecast recycling rate by 2017	70%
Brazilian recycling rate	98.3%**
Regional opportunities	Angola, Nigeria, Kenya

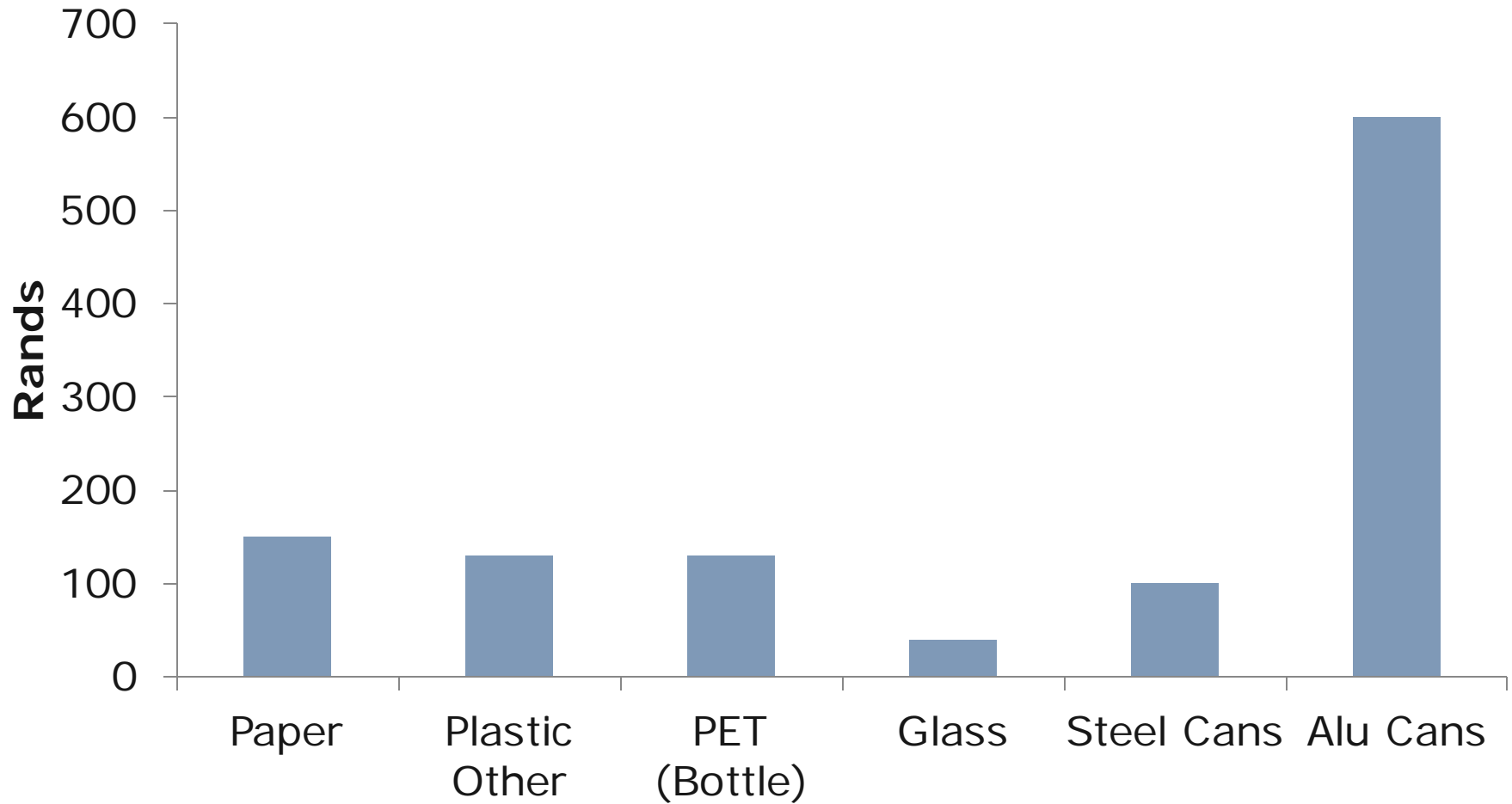
* Wikipedia

** Brazilian Aluminium Association

Hulamin Tasks Ahead in Can Stock

- Successful customer product qualification underway
 - Commenced mid-2010
 - Successful trials in Europe in 2012
 - Completion by Q3 2013
- Meet performance benchmarks
 - Capital equipment R2.2 million to date
 - Quality, yield, cost, working capital, productivity
 - Commenced Q3 2012 – updating systems, training, establishing standards
- Establish Used Beverage Can (UBC) business
 - Collection and procurement
 - Processing and capital equipment
 - Phased capital expenditure from 2013

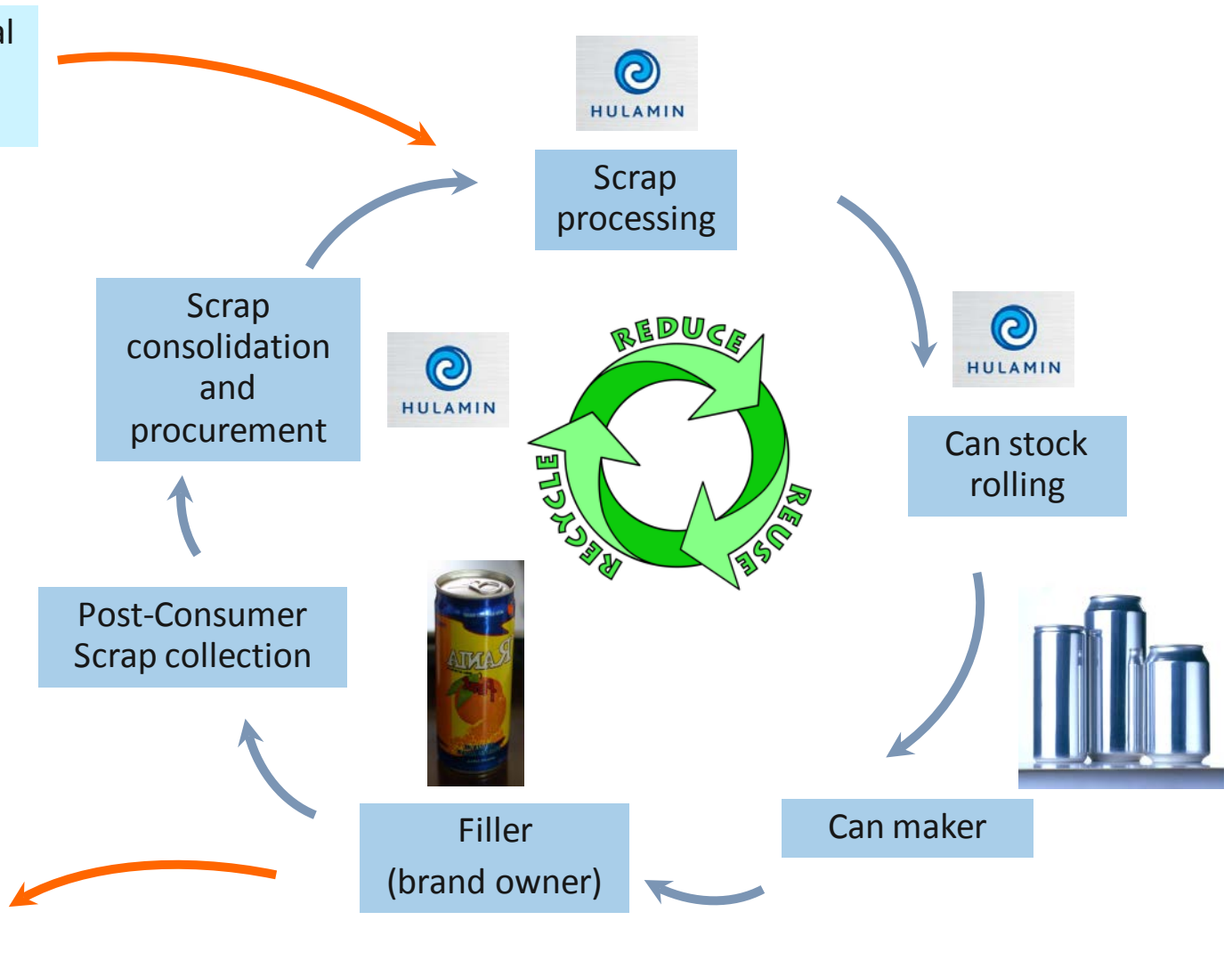
Scrap Value Per 100kg Load



Closed Loop Recycling

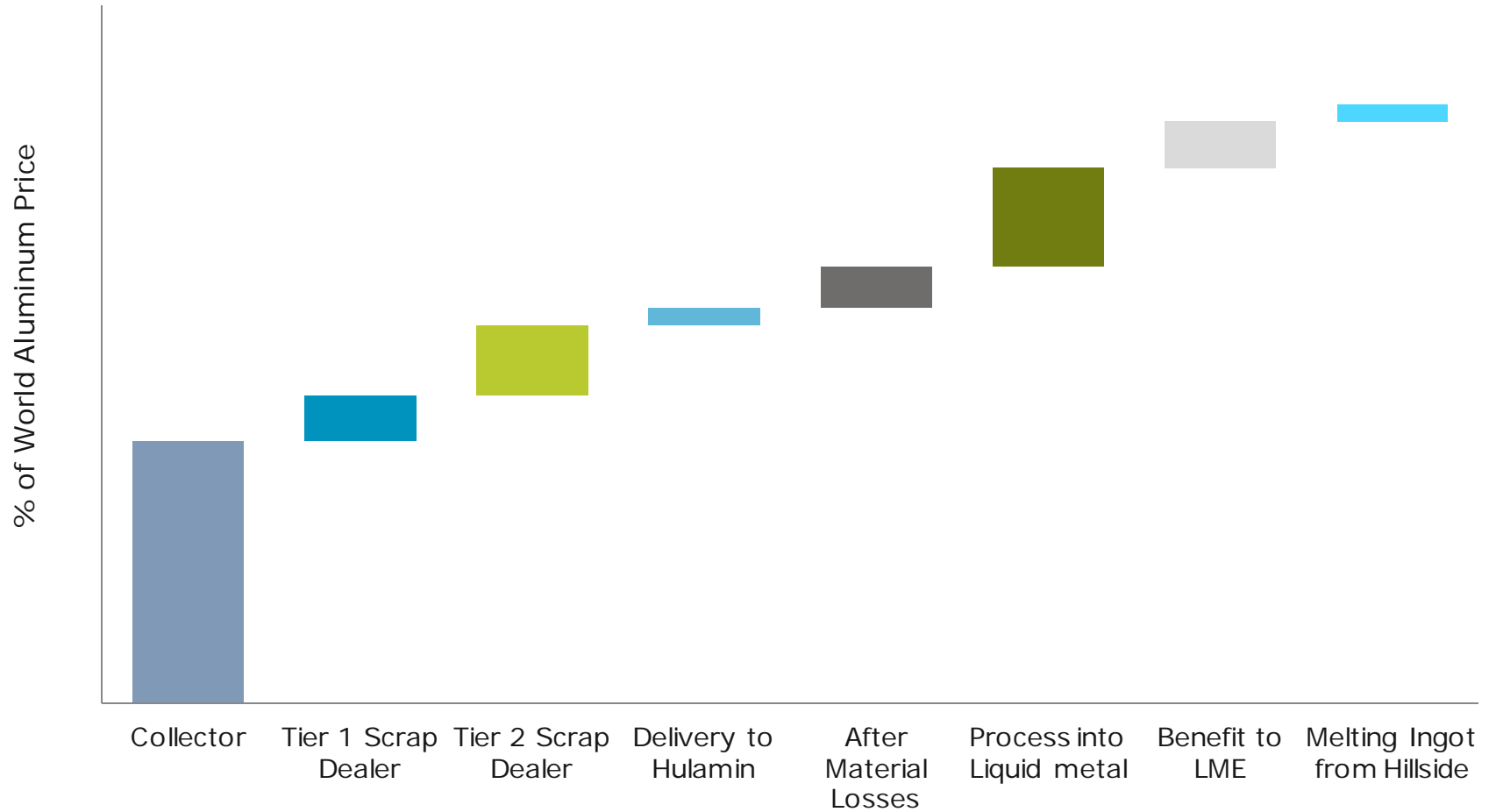


Primary metal
– 99.7%
aluminium



Cans not recycled –
(target <15%)

Value Chain for Used Beverage Cans





ANY QUESTIONS?