



**HULAMIN**

Final Results Presentation  
Hulamin Limited  
For the year ended  
31 December 2007

# Salient features

- Revenue growth of 20% to R6.6bn
- Operating profit before structuring costs of R380m
- Underlying operating profit improvement of 43%
- Listing and BEE structuring costs of R168m
- Headline earnings of R40m (18c/share)
- Annual dividend of R105m (48c/share)

# Income Statement

R'million	2007	2006
<b>Revenue</b>	<b>6,568.4</b>	5,476.1
<b>Underlying operating profit</b>	<b>357.9</b>	249.6
<b>Operating profit before corporate structuring costs</b>	<b>380.0</b>	432.4
Corporate structuring costs	<b>(168.4)</b>	(10.0)
<b>Operating Profit</b>	<b>211.6</b>	422.4
Share of associate company's profit/(loss)	<b>0.2</b>	(0.3)
Finance costs	<b>(85.2)</b>	(222.1)
<b>Profit before tax</b>	<b>126.6</b>	200.0
Tax	<b>(89.1)</b>	11.4
<b>Net profit</b>	<b>37.5</b>	211.4
<b>Headline earnings per share (cents)</b>	<b>18</b>	100
Headline earnings per share excl. corporate structuring costs	<b>95</b>	105
<b>Dividend per share (cents)</b>	<b>48</b>	-
Interim paid	<b>18</b>	-
Final declared	<b>30</b>	-

# Balance Sheet

R'million	2007	2006
<b>Non-current assets</b>	<b>4,213.3</b>	3,964.2
<b>Current assets</b>	<b>2,024.8</b>	2,107.3
Inventories	<b>964.1</b>	989.0
Trade and other receivables	<b>1,060.7</b>	1,118.3
<b>TOTAL ASSETS (excl cash)</b>	<b>6,238.1</b>	6,071.5
<b>Total Equity</b>	<b>3,529.3</b>	2,950.8
<b>Non-current liabilities</b>	<b>1,830.2</b>	2,148.5
Total net borrowings	<b>828.5</b>	1,150.1
Deferred income tax liabilities	<b>894.2</b>	899.8
Retirement benefit obligations	<b>107.5</b>	98.6
<b>Current liabilities</b>	<b>878.6</b>	972.2
Trade and other payables	<b>782.3</b>	966.8
Income tax liability	<b>96.3</b>	5.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,238.1</b>	6,071.5
<b>Net debt to equity</b>	<b>23.7%</b>	39.5%

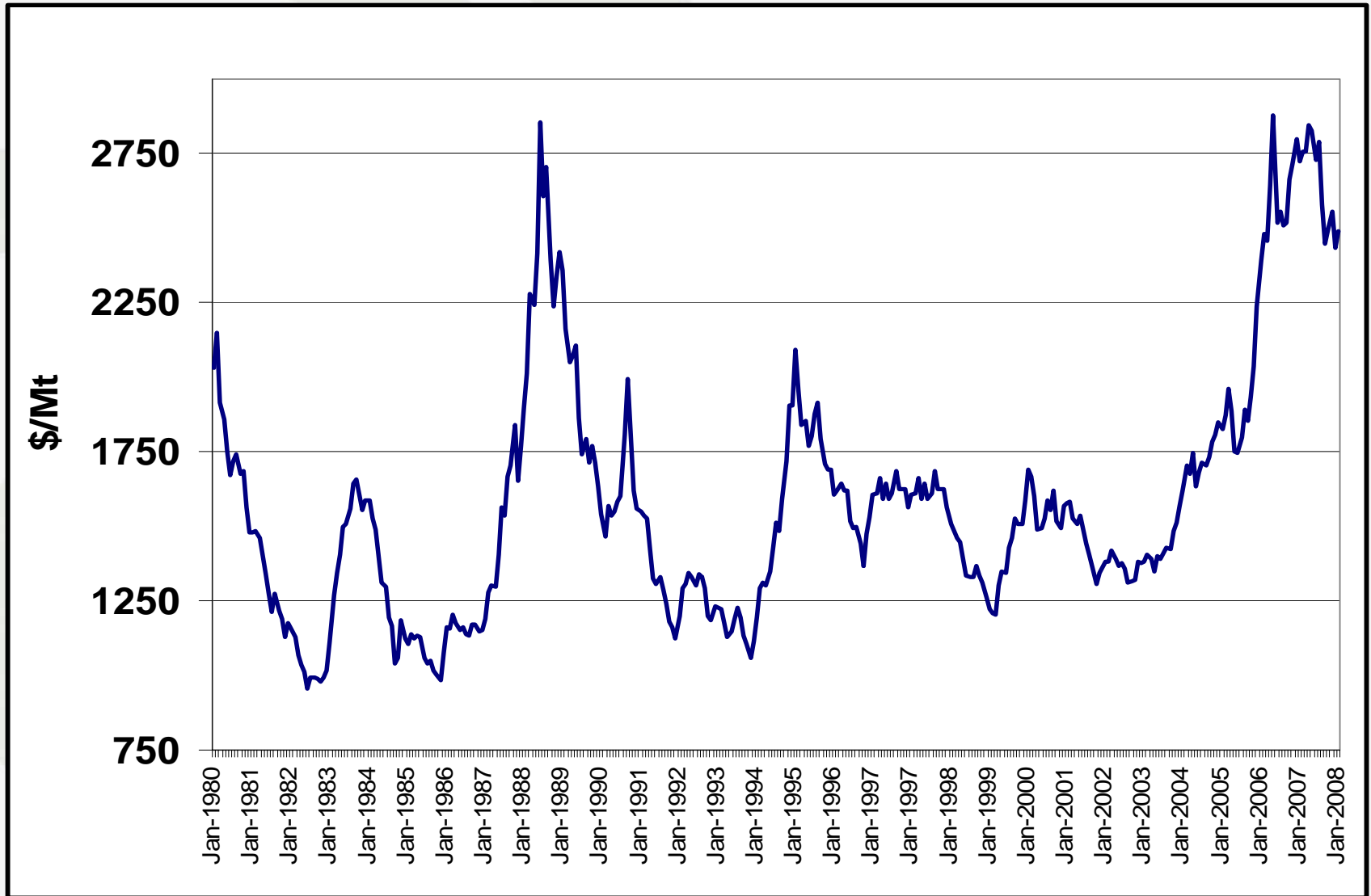
# Cash Flow Statement

R'million	2007	2006
<b>Cash inflows from operating activities</b>	<b>339.9</b>	110.6
<b>Cash outflows from investing activities</b>	<b>(403.1)</b>	(237.3)
Rolled Products expansion	<b>(272.6)</b>	(58.7)
Other capital expenditure	<b>(130.5)</b>	(178.6)
<b>Net cash flow</b>	<b>(63.2)</b>	(126.7)

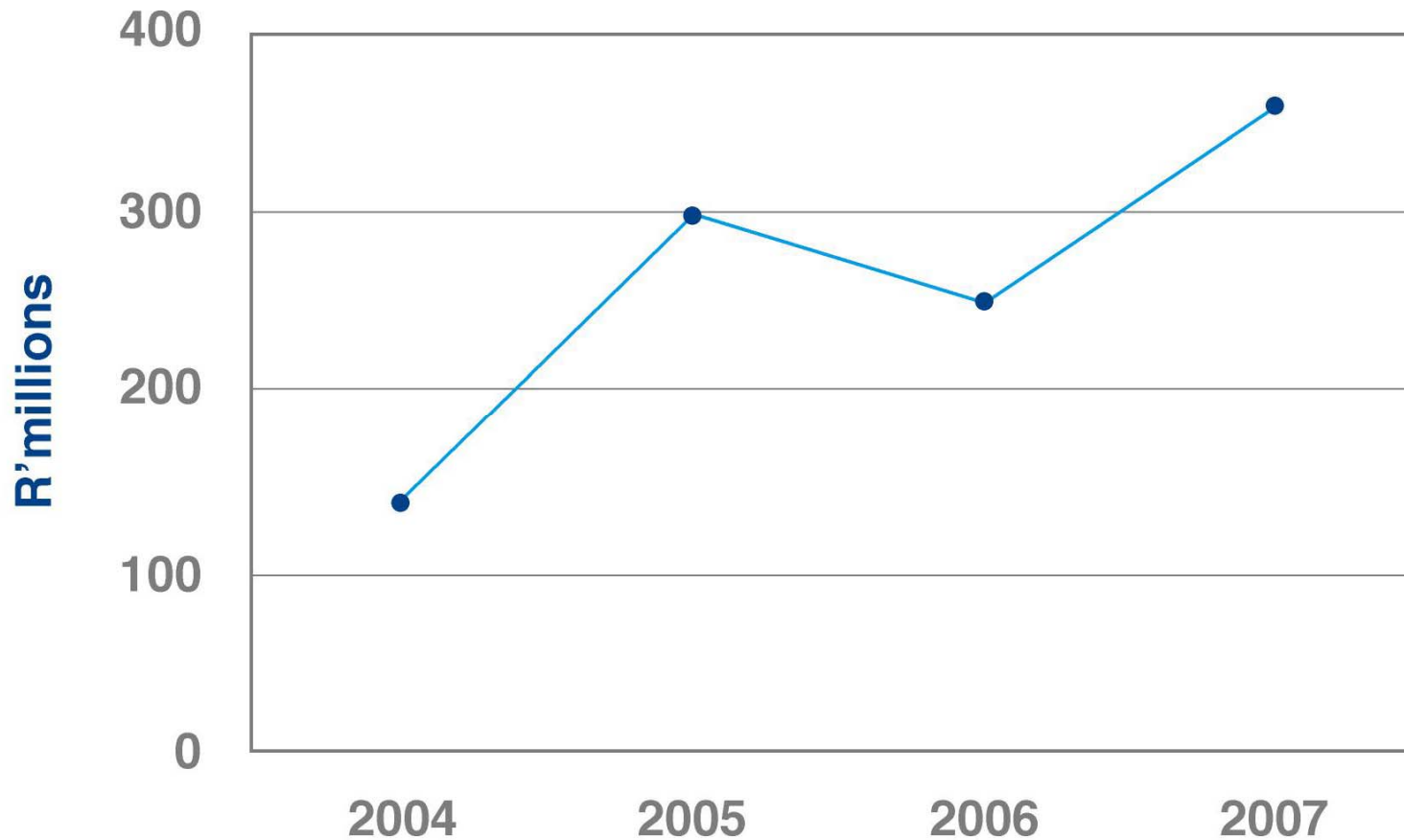
# Analysis of Operating Income

R'million	2007	2006
Rand / US\$ average	7.05	6.77
Rand / US\$ closing	6.84	7.00
<b>Hulamin Rolled Products</b>		
- Sales volumes ('000 tons)	193	183
- EBIT excluding metal price lag (R'm)	336	205
- Metal price lag (R'm)	22	183
- EBIT (R'm)	<u>358</u>	<u>388</u>
<b>Hulamin Extrusions (R'm)</b>	<u>22</u>	<u>44</u>
<b>Operating profit before corporate structuring costs (R'm)</b>	380	432

# LME 3-Month Aluminium Price



# Underlying Operating Profit



	2004	2005	2006	2007
Average R/\$	6.45	6.37	6.77	7.05



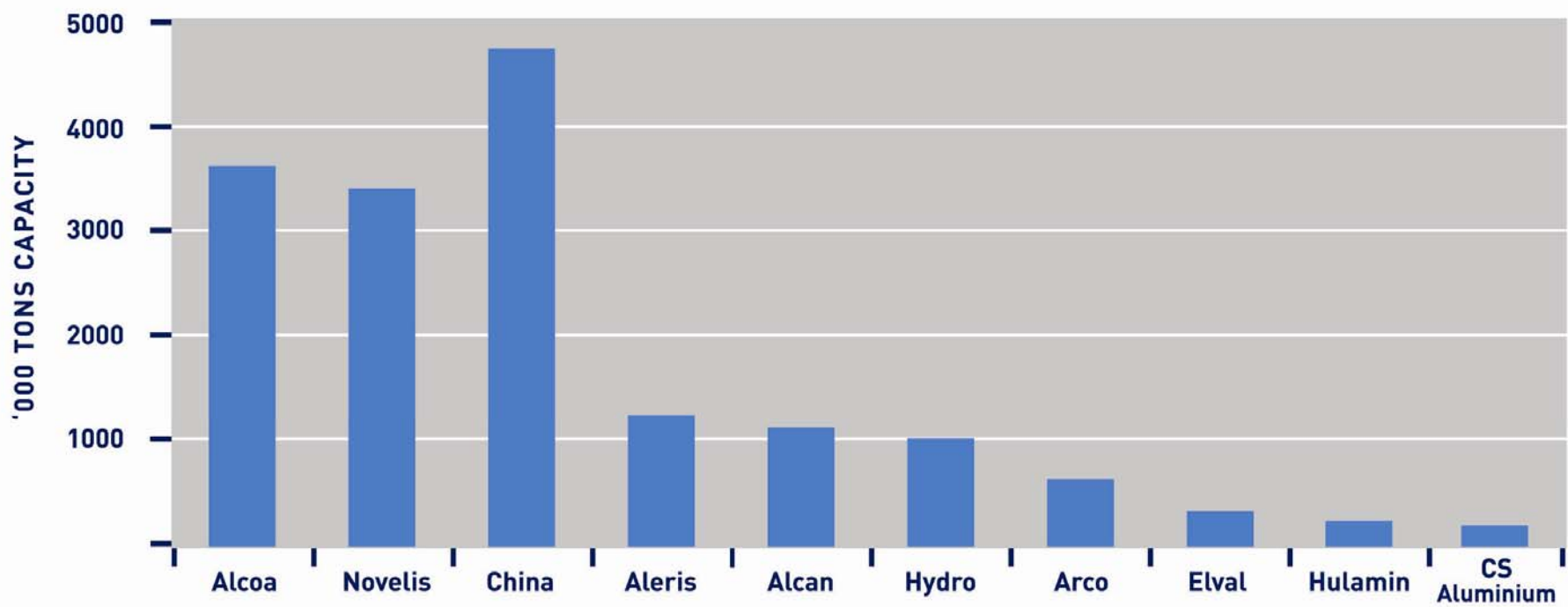
# Impact of Load Shedding

- Supply of raw materials
  - Rolling vs. melting ingot
  - Other critical inputs
- Direct disruption to manufacturing
- Loss of local market sales

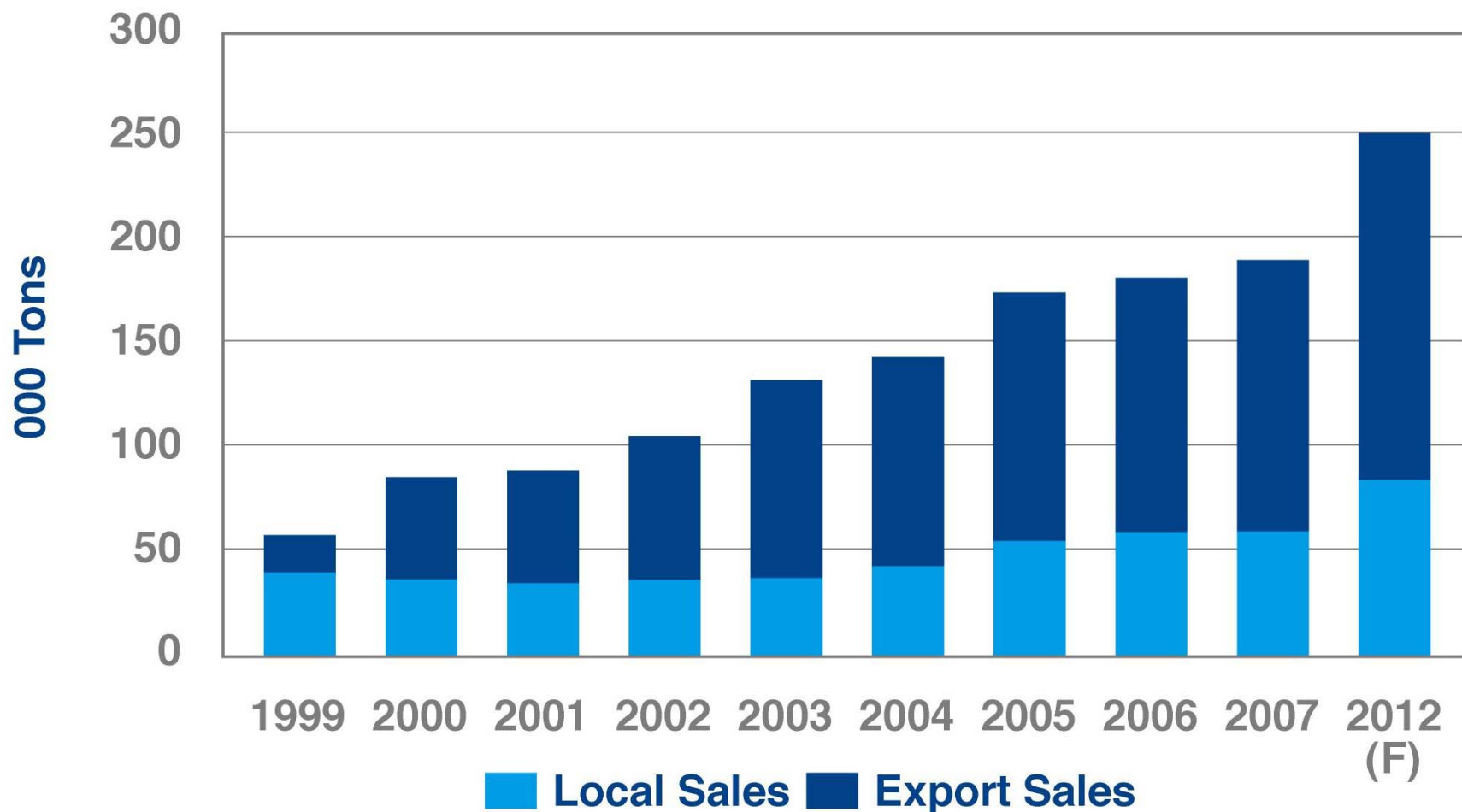
# Industry Developments

- Industry profitability
- Rationalization in UK and Australia
- Rio Tinto, Chinalco, Alcoa and BHP-Billiton
- Chinese aluminium industry update
- Global growth slowdown

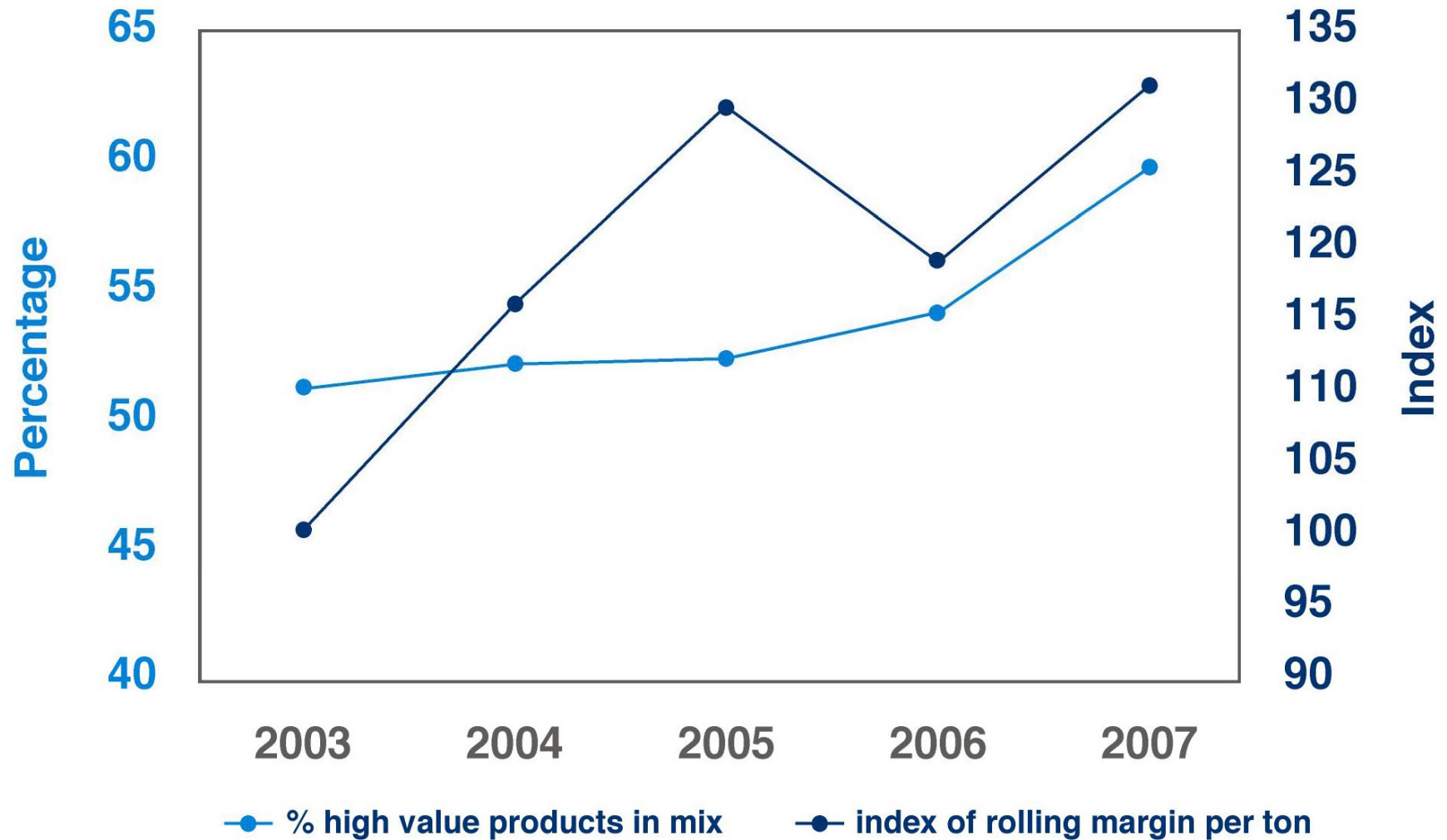
# Concentration of Ownership in Rolled Products



# Rolled Products Sales Volumes

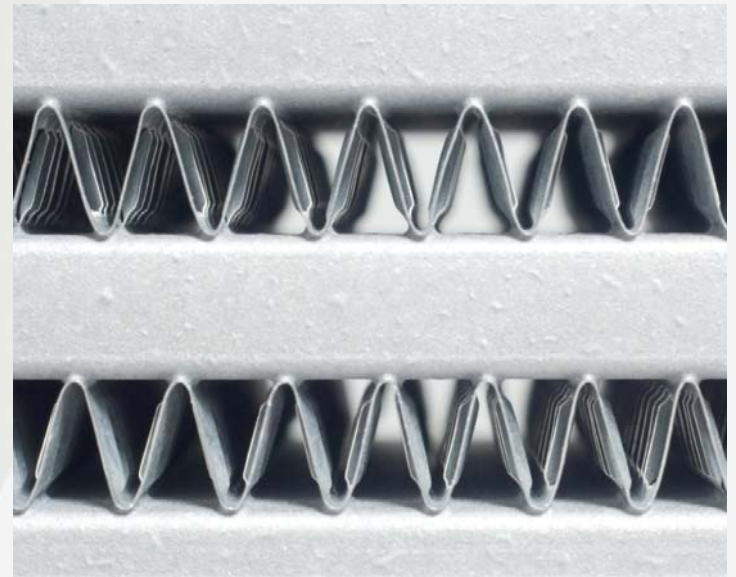


# Mix and Margins



# Mix and Margins

- Overall market margins
  - Recession in USA?
  - Growth in Europe and Asia
- Sustaining growth in high value sectors
  - Can end stock
  - Heat treated plate
  - Brazing sheet
  - Thin gauge foil (future)
- New opportunities
- Geographic mix



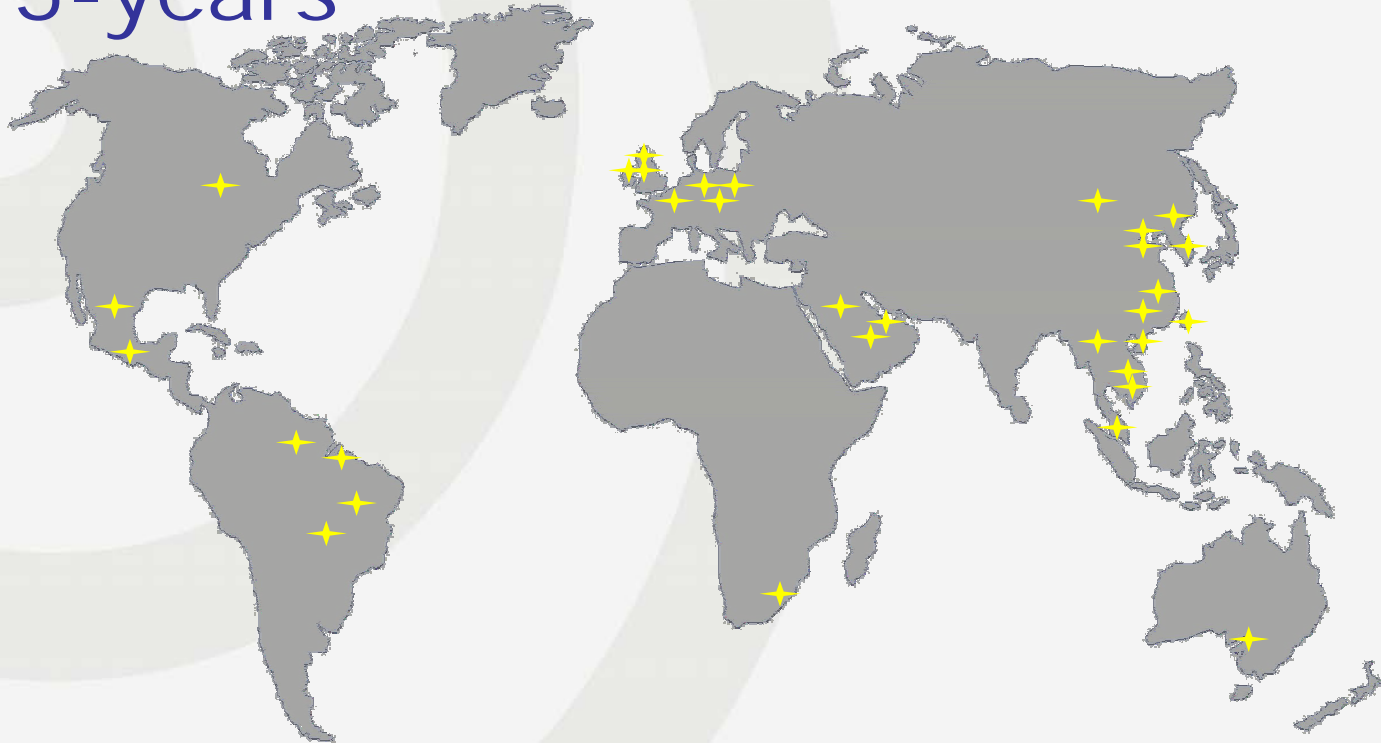


# Beijing Olympic Cycle Track



# Growth in Can End Stock

- Qualified in 42 plants globally incl. all major producers
- Compound annual sales growth 18% over 5-years



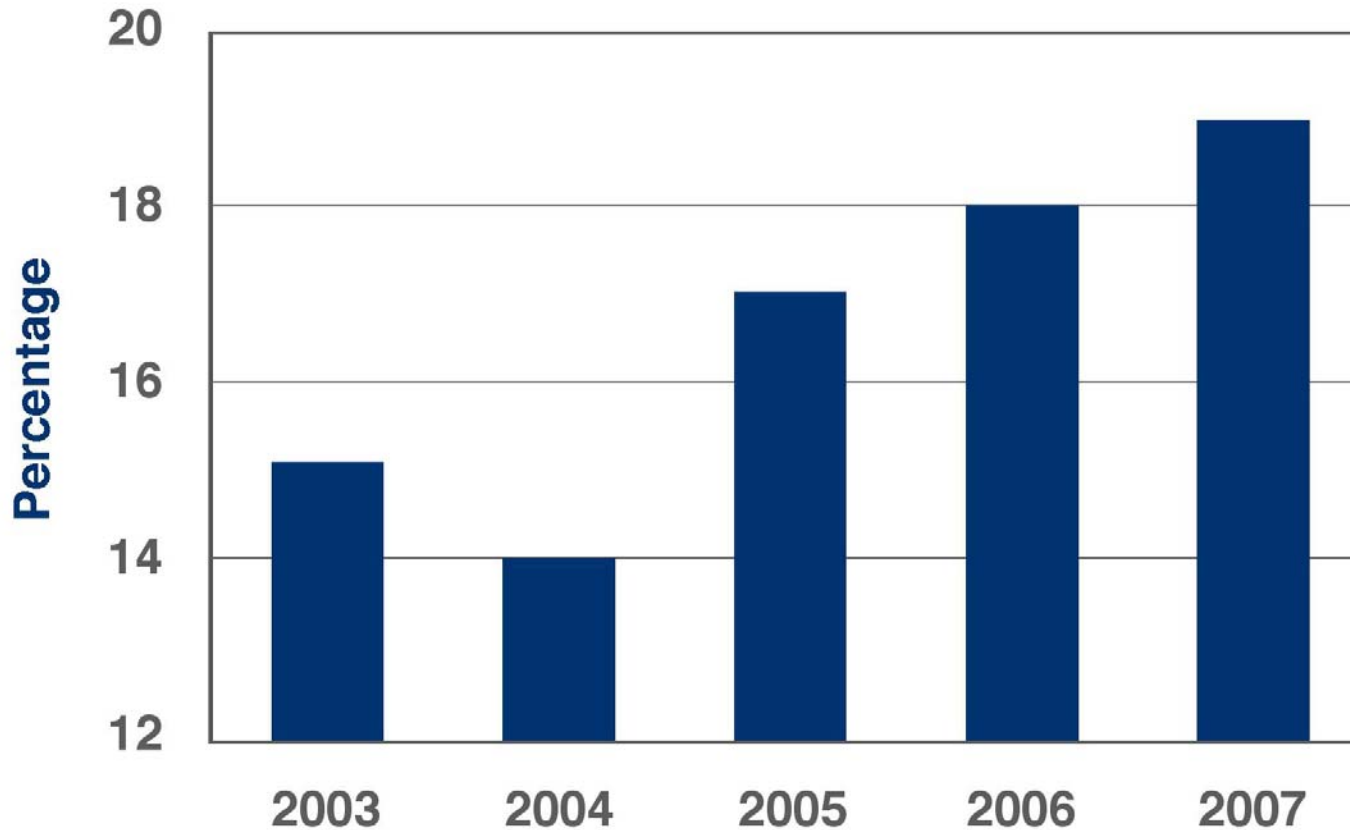


# Manufacturing Costs

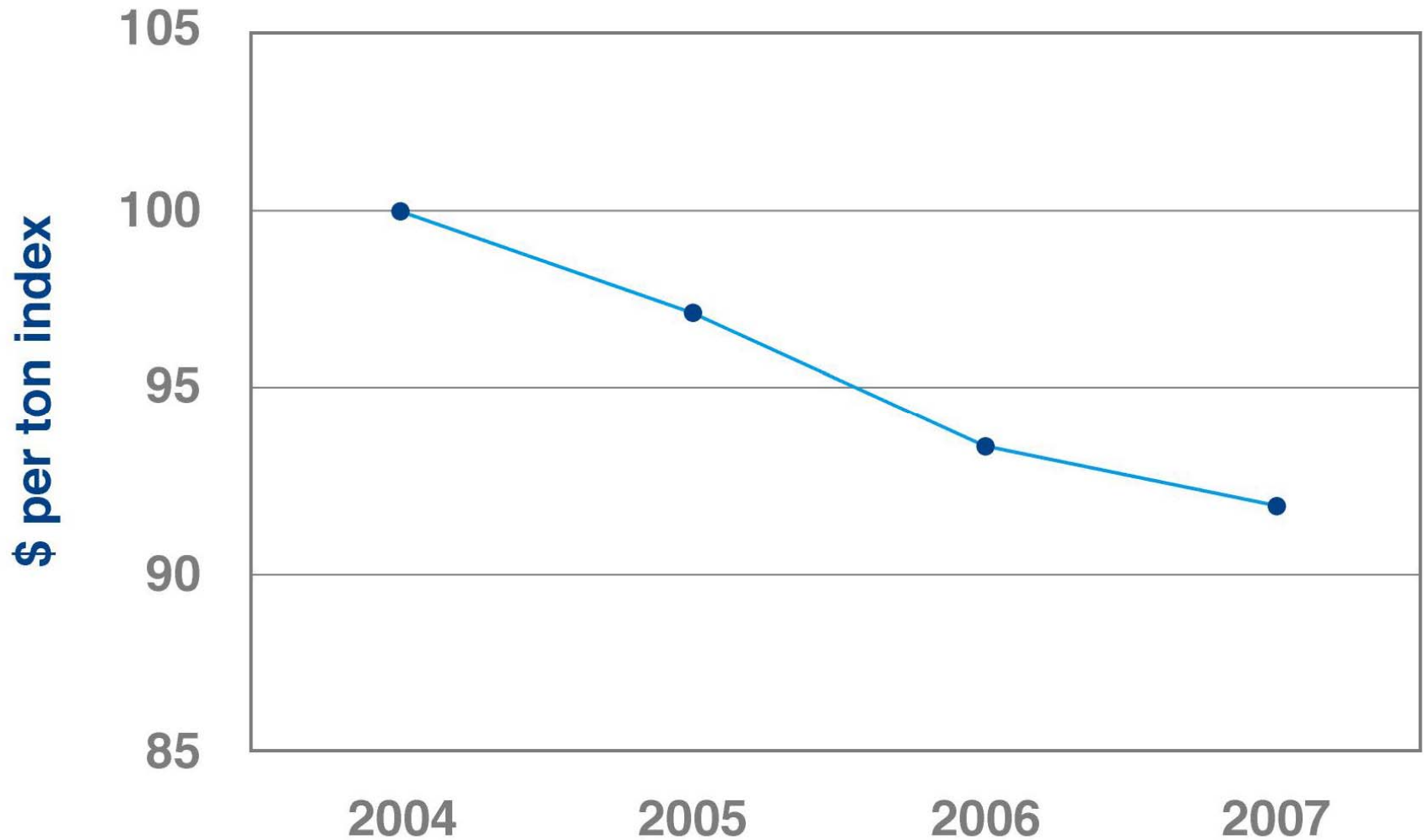
- Costs increased by 12%
- Impact of energy and packaging
- Impact of expansion project on volume vs. cost
- 2008 cost reduction initiatives



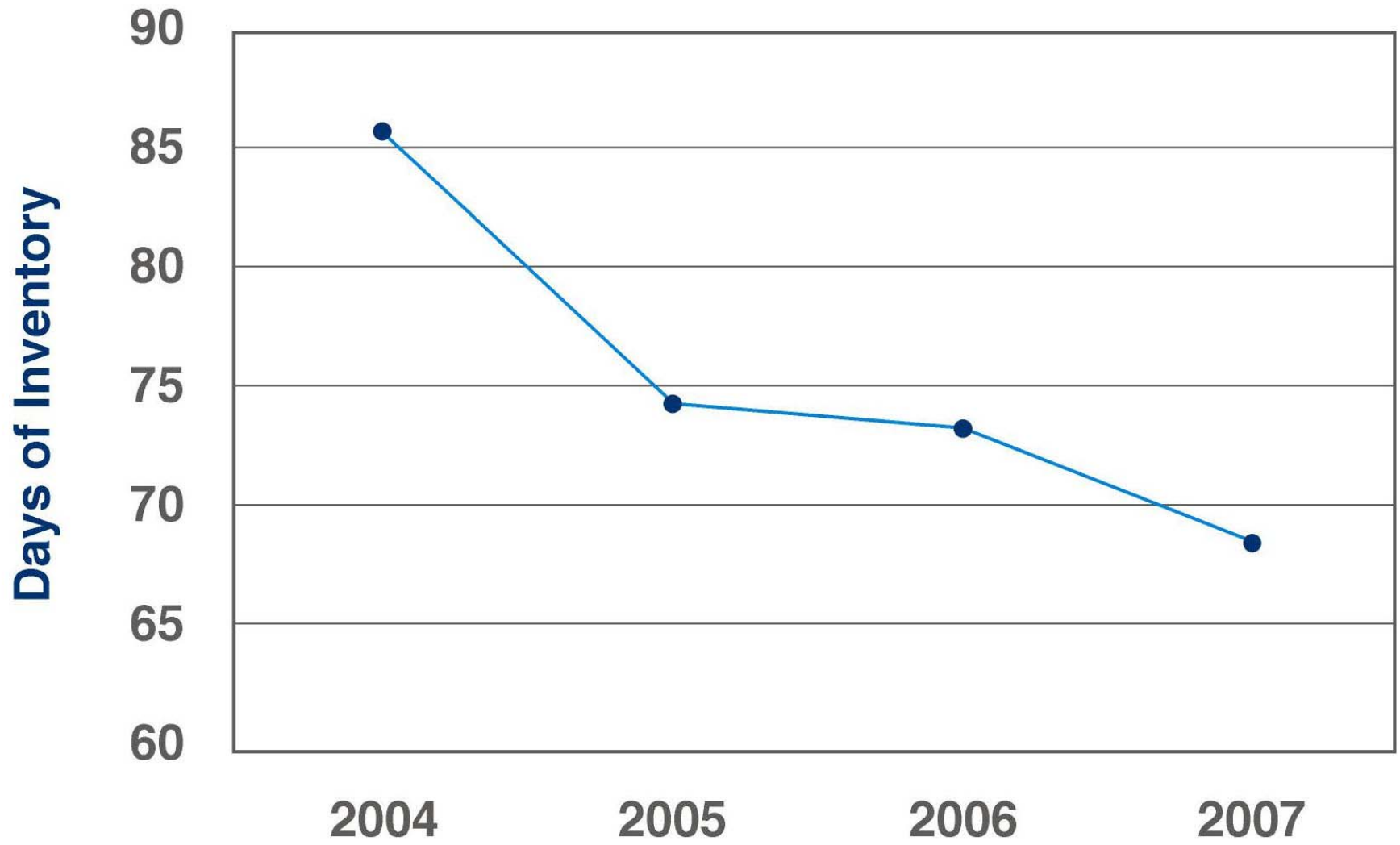
# Energy Cost



# Cost Performance



# Inventory Management



# Closing the ROCE Gap

- Volume growth from current facilities
- Impact of current expansion
- Further improvements in mix to 70% high value products
- Routes to market
- Service levels
- Currency sensitivity
- Aggressive cost control



# Expansion Project

- On time and on budget
- First equipment on site, being installed
- Disruptions in 2008 and 2009
- Start ups from 2008 Q4
- >600 people on site
- Safety performance



# Foil Rolling





# Twin Roller Casters





# Foil Finishing



# Expansion Project Cash Flows

- R687 million committed to date
- R299 million spent to date

• Capex timing	Rm
2006	42
2007	257
2008	566
2009	85
TOTAL	950

# Extrusion Performance

- Underlying profit down from R44 million to R22 million
- Improved second half performance
- Distribution infrastructure being optimized
- New product launches in process



# Extrusion Outlook

- Local demand remains firm
- Chinese imports stabilizing
- New building regulations to have favourable impact on aluminium relative to substitutes
- Energy costs supporting a trend towards increased use in automotive and transport applications

# Focus Areas for 2008

- Execution of Expansion project
- Volume growth from existing facilities
- Routes to market and service levels
- Sustain progress in Extrusions
- Cost reduction initiatives
- Growth opportunities beyond 250 000 tons