CONTENTS

Hulamin

As an independent semi-fabricator, we have laid the foundations to continue the growth that has characterised Hulamin over the past 10 years, building on relationships with customers across the globe. Our portfolio of high value added products is built on the full utilisation of our state-of-the-art equipment, the technology harnessed by our people and equipment, and our responsive attitude to customers. We are thus well positioned to capitalise on new opportunities wherever they emerge.

Although our sales activities span more than 60 countries, we are firmly rooted in South Africa, and the development of local downstream manufacturing remains a key imperative.

INTRODUCTION

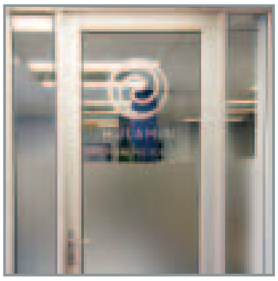
The history of Hulamin dates back to the mid 1930s when Alcan opened a sales office in South Africa, although the first production facilities were opened in 1949 in Pietermaritzburg as South Africa's first aluminium rolling operation. After a period of sustained growth, Hulamin has developed a

reputation as a global player in the rolling and extrusion industries, respected worldwide and unrecognisable from the early operation of hand fed rolling mills and extrusion presses.

Under the guidance of Alcan, the Huletts Corporation, and Tongaat Hulett, Hulamin followed a sustained growth path until 1996, when the boards of Tongaat Hulett, Anglo American and the Industrial Development Corporation of South Africa (IDC) approved a R2,4 billion expansion that launched Hulamin from a successful South African

manufacturing operation into a respected global niche producer of high value aluminium flat rolled products. Over the past eight years, Hulamin has capitalised on this expanded facility, increasing its sales of rolled products four-fold and earning a reputation as one of the worlds' leading suppliers of some of the most technologically advanced aluminium rolled products. In 2006, an additional R950 million expansion programme was approved, further enhancing Hulamin's capability, increasing capacity and improving the mix of high value products.

2007 will be remembered as a year of many highlights. In addition to the numerous performance improvements, it was also a year of great change. In April, the name Hulamin and a new logo were introduced. This was followed, in June, by the unbundling, listing on the main board of the JSE Limited, and simultaneous introduction of 15% black economic empowerment shareholding. Other milestone events in 2007 include the



restructuring and launch of a number of Hulamin's downstream businesses, notably Hulamin Building Systems, Hulamin Engineering Solutions and Hulamin Roofing Solutions.

In parallel with its progress as a leading global producer of semi-fabricated aluminium products, Hulamin has progressed to become one of South Africa's leading manufacturers and exporting beneficiators of primary raw materials. It contributes significantly to the development of South Africa and KwaZulu-Natal through its economic, social and developmental activities. Hulamin is proud to present

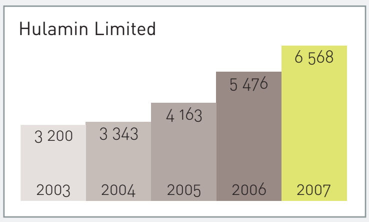
its first annual report, giving account of the broad range of activities under the Hulamin brand.

BUSINESS OBJECTIVES AND DELIVERABLES

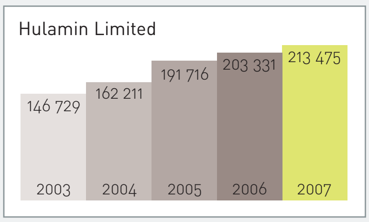
Objective	Achievement
Grow Rolled Products volumes so as to operate at high levels of capacity utilisation	Rolled Products sales volumes have grown from 183 000 tons in 2006 to 193 000 tons in 2007, and from 105 000 tons in 2002. This is a five-year compound growth rate of 13% per annum.
Achieve the most profitable product mix	Rolled Products has grown high value products from 54% of its sales in 2006 to 60% in 2007.
Achieve and maintain a competitive cost structure	Rolled Products unit costs have reduced by 4% in real terms from 2006 to 2007.
Entrench Hulamin Extrusion's position as the leading aluminium extruder in Africa	In 2007 Hulamin Extrusions expanded its product range, restructured its architectural sales and distribution operations and entered the standard product market through an associate company.
Grow the Southern African market	Hulamin has grown its local market sales by 47% since 2003.

HULAMIN AT A GLANCE

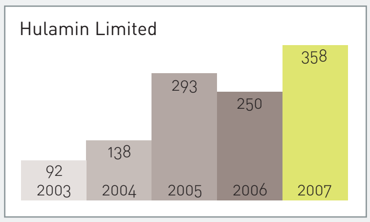
Revenue
R million



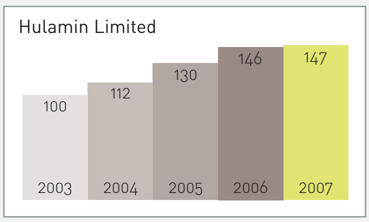
Sales volume
tons



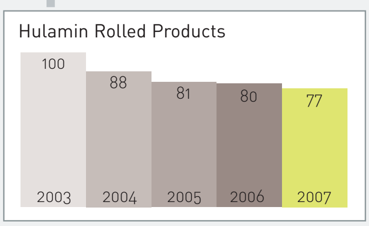
Underlying operating profit
R million



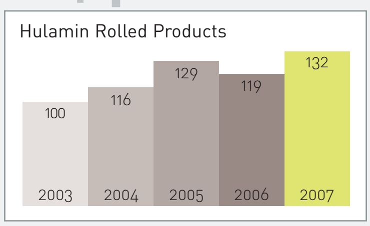
Index of local sales volumes
tons



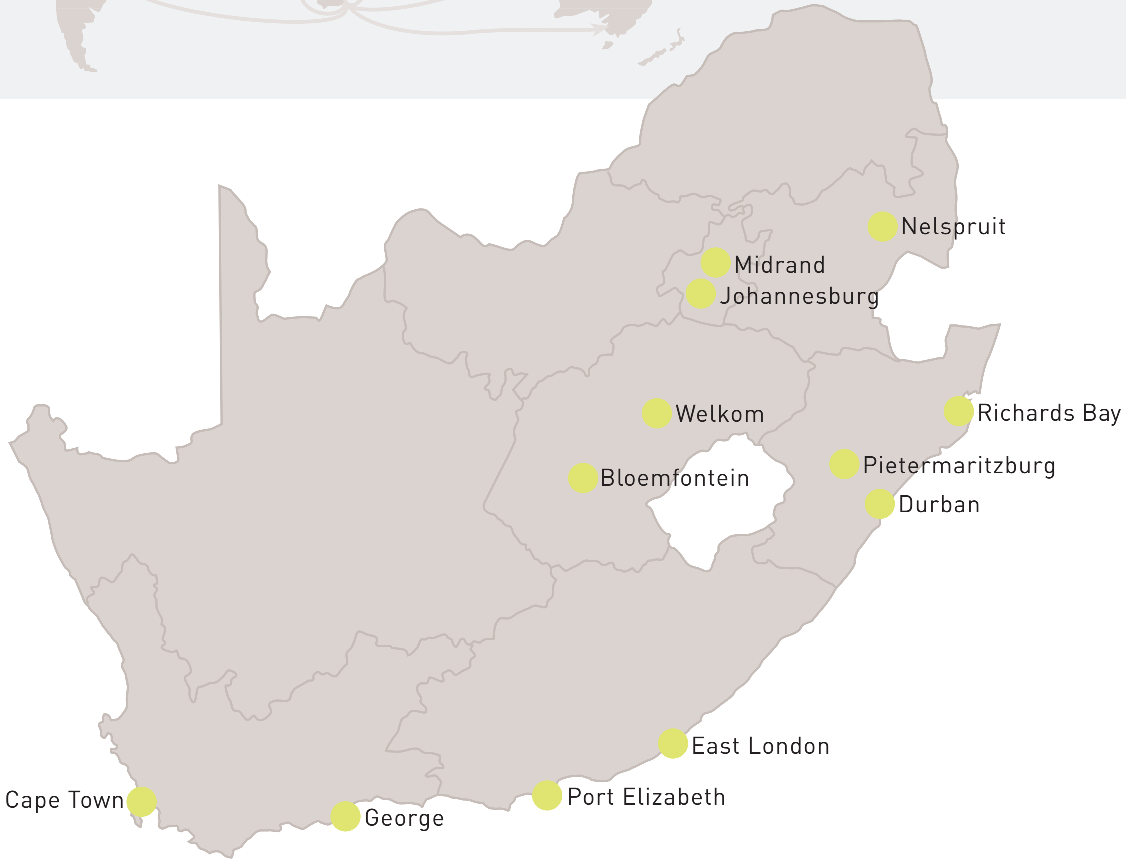
Index of manufacturing costs
R per ton



Index of total US$ rolling margins
US$ per ton



GEOGRAPHIC PROFILE



Although our sales activities span more than 60 countries,
we are firmly rooted in South Africa

Hulamin Rolled Products

Hulamin Rolled Products is a modern, globally competitive producer of a range of technologically advanced aluminium rolled products for sophisticated end uses, where barriers to entry are high and most

competitors are situated in developed economies. The majority of its products are exported, to customers in North America, Western Europe, the Far and Middle East.

Hulamin Extrusions

Hulamin Extrusions is the most technologically advanced extruder in sub-Saharan Africa. It has leading positions in the more demanding engineering

markets, in both the transport and automotive sectors and is also a leading supplier of fenestration and curtain walling products for the architectural market.

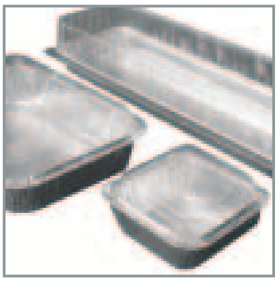
Hulamin Building Systems

Hulamin Building Systems is a newly launched

operation providing sophisticated architectural, extrusion-based systems and cladding products to the building market.

Hulamin Containers

Hulamin Containers is South Africa's leading producer



of rigid aluminium foil containers for the catering industry and related branded household items such as foil and confectionery dishes.

Hulamin Engineering Solutions

Hulamin Engineering Solutions is a leading stockist and distributor of Hulamin Rolled Products and

Extrusions products to the fabrication industry. It also distributes a range of aluminium rainwater systems and shade products.

Hulamin Roofing Solutions

Hulamin Roofing Solutions is the only producer of aluminium standing seam roofing and cladding

systems in Southern Africa. In addition, it produces a comprehensive range of aluminium roofing and cladding profiles for the architectural market.

TIMELINE

1935
Aluminium Limited of Canada (Alcan) opened a sales office in South Africa

1940
The Aluminium Company of South Africa (Proprietary) Limited (Acosa) was registered

1949
Small rolling mill opened on current Pietermaritzburg site

1969
Company listed on the Johannesburg Stock Exchange as Alcan Aluminium of South Africa Limited (AlcanSAF)

1974
The Huletts Corporation acquired a controlling interest from Alcan and the company name was changed to Huletts Aluminium Limited

1981
Huletts Aluminium Limited was delisted but its debentures traded until 1997

1935

1982

Company name changed to Hulett Aluminium Limited following a merger between The Huletts Corporation and The Tongaat Group to form The Tongaat-Hulett Group (THG)

1986

Alcan sold its remaining 26% shareholding to THG and Hulett Aluminium became THG's wholly owned subsidiary

1991

Company was converted to a private company, Hulett Aluminium (Pty) Limited

1996

Boards of Hulett Aluminium and THG approved a R2,4 billion expansion programme in the Rolled Products business. THG introduced two new shareholders, The Industrial Development Corporation (at 30% shareholding) and Anglo American (at 20% shareholding). THG's shareholding was reduced to 50%

2006

Shareholders approved a further R950 million project for the Rolled Products business, and a decision to unbundle Hulett Aluminium from THG was announced

2007

Hulett Aluminium (Pty) Limited changed its name to Hulamin Limited and listed on the main board of the JSE Limited. Two BBBEE partners, namely, the Imbewu and Makana Consortia acquired a 10% interest in the company, and employees acquired a further 5% of the company through share ownership plans

2007

CHAIRMAN'S STATEMENT

It is with great pride that we present the first annual report of Hulamin as an independently listed company. In it we reflect on our recent history including the many moments that shaped the year to December 2007

It is with great pride that we present the first annual report of Hulamin as an independently listed company. In it we reflect on our recent history including the many moments that shaped the year to December 2007.

Just over 20% of the approximately 1,4 million tons of primary aluminium that is produced annually in the Southern African region is beneficiated locally, with the balance exported in its commodity form. There is therefore a great opportunity for Hulamin to expand even further and Hulamin's capital investment in recent years provides the platform for this continued growth. Hulamin has already grown the volumes of locally beneficiated aluminium by approximately 150 000 tons over the last eight years and has the capability to maintain this momentum well into the future.

The latest expansion started in October 2006 when Rolled Products embarked on a R950 million expansion project to further capitalise on market opportunities. This expansion is proceeding in line with its budget and timeline and is scheduled to come on stream in 2009. The main objectives of this project are to:

- increase the rolled products capacity from 210 000 tons to 250 000 tons;
- further improve the product mix by providing increased capacity for the production of thin gauge foil and heat treated plate; and
- generate further reductions in unit costs.

The capital cost per additional ton of capacity added by this project is significantly lower than in the previous major expansion. It is expected that further incremental expansions can also be implemented at lower capital costs.

Unbundling from Tongaat Hulett and separate listing on the JSE Limited

In February 2006 Tongaat Hulett, with the support of fellow shareholders Anglo American and the Industrial Development Corporation, concluded that Hulamin had the requisite critical mass and growth prospects to prosper as a separately listed business and approved the unbundling and separate listing of Hulamin on the JSE Limited. This was successfully implemented on 25 June 2007 with the simultaneous introduction of black economic empowerment shareholders.

The unbundling marked the end of a thirty-four year shareholder association with Tongaat Hulett and it is appropriate to acknowledge the role of all those who have influenced the development of Hulamin during this period.

New corporate identity

As part of the process of unbundling from Tongaat Hulett, the company adopted a new corporate identity. Hulett Aluminium therefore became Hulamin on 1 April 2007. The name Hulamin retains elements of the company's history, being the short form name used during the previous listing on the JSE Limited.

Black economic empowerment

Hulamin recognises the black economic empowerment (BEE) social imperative for the long-term development and sustainability of the South African economy and the Hulamin business.

In 2007, the opportunity arose for the business to further its commitment to meaningful transformation by concluding agreements that facilitated the acquisition of an effective 10% equity ownership in Hulamin by broad-based BEE partners, and a further 5% by Hulamin employee trusts.

The broad-based BEE groups who accepted Hulamin's invitation to participate in the BEE transaction are:

(i) Imbewu, a KwaZulu-Natal based consortium of black business people and which also represents a number of regional broad-based beneficiaries;

(ii) Makana, a national broad-based grouping, representing amongst others, the Robben Island Ex-Political Prisoners Committee.

These consortia include broad-based groupings involved in education, healthcare and social upliftment.

The BEE partners were selected to ensure that the long-term objectives of sustainable and meaningful transformation are achieved and will also play an important role in driving shareholder value in the Hulamin business.

In August 2007 Hulamin's employees became beneficiaries of newly established share ownership trusts. The employees will participate in the Employee Share Ownership Plan known as Siyaphambili, which means "together we are moving forward", while certain management levels will participate in the Management Share Ownership Plan, which has been developed specifically for black managers.

Hulamin has successfully undertaken other BEE initiatives, including preferential procurement, skills development, enterprise development and community involvement as documented in the Sustainability Report.

Human resources

Hulamin's future prospects are underpinned by its human resource capability. The company has been investing in training at levels that exceed 5% of the annual payroll cost, approximately double the national average. The board is satisfied that there is considerable technical expertise and experience at all levels in the business.

Safety, health and environment

Hulamin believes that every employee has the right to work without the risk of personal injury. Every employee also has the responsibility to work in ways that give the same right to fellow workers. Hulamin has programmes in place to ensure that the safety effort is effectively executed.

Hulamin also believes in protecting and promoting the health and wellness of all its employees and in support of this commitment, Hulamin runs wellness programmes, offers well-established health care facilities and administers a range of health support programmes.

Hulamin is equally committed to the management of the broad environmental impact of its operations. An Environmental Management System has been developed to act on this commitment, encompassing identification, evaluation and mitigation of the company's environmental impact.

Corporate social investment

Hulamin contributes towards improving the quality of life for people in the region within which it operates with particular emphasis on historically disadvantaged communities. Hulamin's direct social investment expenditure in 2007 amounted to approximately R1 million and focused on education, health, community skills upliftment, welfare, environment protection and crime prevention.

Board of directors

At the time of unbundling the board of Hulamin consisted of Alan Fourie (Chief Executive Officer) and the following Non-executive Directors: Peter Staude (Chairman), Philip Baum, Ian Botha, Vusi Khumalo, Cedric Savage, Lesé Mathlape, Murray Munro, Steven Saunders and Pearl Zambane.

Pursuant to the unbundling the following changes were made: Cedric Savage, Lesé Mathlape, Murray Munro, Steven Saunders and Pearl Zambane retired from the board as Non-executive Directors and Frank Bradford, Richard Jacob, Colin Little, Kenneth Mshengu and Doug Timmerman retired as Alternate Directors.

Zee Cele, Thabo Leeuw and J B Magwaza were appointed as Non-executive Directors and Peter-Paul Ngwenya was appointed as an Alternate Non-executive Director. Alternate Directors

The company has been investing in training at levels that exceed 5% of the annual payroll cost, approximately double the national average

The board of directors maintains high standards of corporate governance and is committed to the principles of openness, integrity, accountability, transparency and social responsibility

Charles Hughes (Chief Financial Officer) and Moses Mkhize were appointed as Executive Directors.

Ian Botha resigned as a Non-executive Director in September 2007 and was replaced by John Williams.

I specifically wish to thank Peter Staude, who resigned as Chairman at the time of the unbundling, for handing over the board in such good shape. The quality of his leadership in preparing Hulamin for its independence will be recognised for many years to come.

Corporate governance

The board of directors maintains high standards of corporate governance and is committed to the principles of openness, integrity, accountability, transparency and social responsibility.

We continually strive to improve our standards of corporate governance and annual board assessments form a fundamental part of this process. The group fully complies with the requirements of the King Report.

A word of thanks

On behalf of the board I wish to sincerely thank Alan Fourie and the management team for delivering an exceptional operational performance in recent years that places Hulamin on an extremely strong footing to realise our exciting growth prospects in South Africa and beyond.

I thank my fellow board members for their support and counsel and look forward to continuing our deliberations in future as we deliver on our ambition to place Hulamin firmly at the forefront of niche, high-growth aluminium semi-fabrication in the global market.

We look forward to another year of continued growth in our operations and the further realisation of profit growth and efficiencies from increasing production volumes, growing our niche product mix, reducing the already competitive cost base, and improving our capabilities in cutting edge technology and skilled resources.

Mafika Mkwanazi

Chairman

Hulamin has grown significantly in recent years with output and sales now approaching four times the levels achieved eight years ago

Hulamin has grown significantly in recent years with output and sales now approaching four times the levels achieved eight years ago. This growth paved the way for the major developments that occurred in 2007, namely the unbundling of Hulamin from the Tongaat-Hulett Group together with the rebranding of the business, the listing on the JSE Limited and the introduction of black equity ownership.

Importantly, this growth has also created incremental expansion opportunities to sustain this momentum. Evaluation and refinement of these opportunities is progressing well.

Financial performance

Hulamin achieved a 5% increase in sales volumes largely arising from Rolled Products. This growth, together with the effects of better margins, higher aluminium prices and a 4% weakening in the average exchange rate for the year resulted in revenue growing by 20% from R5,5 billion to R6,6 billion.

Following the unbundling of Hulamin from Tongaat Hulett and the listing of the company on the main board of the JSE Limited in June 2007, Hulamin concluded a number of transactions which led to 15% of the company's equity being held by broad-based black economic empowerment participants, including employees. The costs associated with the restructuring and listing of the company, together with charges relating to the BEE transactions, amounted to R168 million and are reflected in the income statement as corporate structuring costs.

A significant factor in Hulamin's 2006 results and which has not recurred in the 2007 results, was the unusually large metal price lag benefit of R183 million. This arose as a consequence of the sharp increase in aluminium prices in 2006. The subsequent hedging of this item, which has been introduced in order to reduce the volatility in earnings, has protected the company against reductions in the aluminium price and resulted in a benefit of R22 million in 2007. Had this hedge not been implemented, a metal price lag loss would have occurred as a result of the reduction in the aluminium price in 2007 and thus the objective of reducing earnings volatility has been met.

The comparison of earnings in 2007 with those in 2006 is influenced by the high metal price lag benefit in 2006 and the structuring costs in 2007 and this has resulted in the operating profit for the year reducing from R422 million to R212 million. The underlying operating profit after adjusting for these two items reflects an increase of 43% over 2006, resulting in a compound annual growth of 37% over the last three years.

In December 2006 a convertible loan of R580 million was converted into equity with the result that the level of borrowings in 2007 was lower than in 2006. As a consequence the financing costs for the year at R85 million reflect a significant reduction from R222 million in 2006.

As the majority of the structuring costs are not deductible from taxable income, the effective rate of taxation for 2007 was 71%, which is a significant change from the positive income tax benefit attributable to the company in 2006. This situation arose as a consequence of a corporate structure that had been implemented in 1996 to enable Hulamin to undertake its major expansion and was terminated in 2006.

Earnings per share for the year, after taking into account all the above items, amounted to 19 cents. After adding back the non-recurring structuring costs earnings per share would amount to 95 cents.

The board has declared a final dividend of 30 cents per share which brings the total annual dividend to 48 cents per share. The company achieved a positive cash flow of R209 million before dividends and expansion project payments. This was partly due to the fact that the majority of the normal tax liability of R111 million for the year will be paid in 2008. The company incurred capital expenditure payments of R273 million on the Rolled Products expansion project which, together with dividend payments of R39 million, resulted in a net cash outflow before financing activities for the year of R103 million.

The balance sheet remains sound with net borrowings amounting to R829 million which is 24% of equity. Cumulative expenditure on the Rolled Products expansion project including capitalised interest, amounts to R331 million and the remaining expenditure will be funded out of established borrowing facilities and operating cash flows.

Industry dynamics

Hulamin's business entails conversion of primary metal into semi-fabricated forms for use by its customers in their manufacturing activities. Hulamin has implemented trading procedures and hedging structures to ensure that its earnings are not directly affected by movements in the price of primary aluminium. However, higher metal prices do impact indirectly on the demand for aluminium products, on working capital funding requirements, and can also impact margins, depending on price movements relative to substitute materials.

After trading in a range of $1 200 to $1 800 per ton over a 25-year period, the price of primary aluminium increased sharply in the first half of 2006 peaking at levels close to $3 300 per ton. In the first half of 2007, the price again increased to close to $3 000 per ton before receding to levels of approximately $2 500 per ton in the second half of the year. These price movements were clearly influenced by the commodity boom leading up to 2007 as well as the sharp increase in energy costs, which is a major input in the production of primary aluminium.

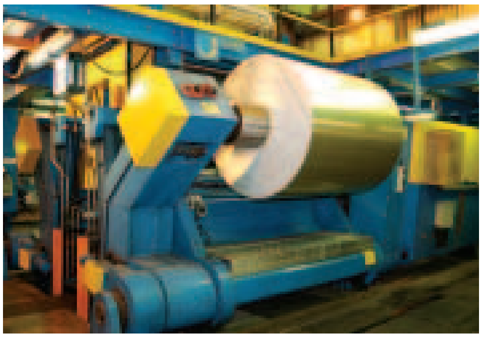
In spite of these dramatic price movements the demand for aluminium has continued to grow steadily based on its increasing range of applications in the automotive, transport, construction, engineering and packaging sectors.

While rising energy costs impact negatively on the cost of primary aluminium, they do also have a positive effect in creating further demand for the use of aluminium in the automotive and transport sectors where aluminium's light weight provides significant fuel savings over heavier substitutes. This long-term trend is reflected in the recently promulgated fuel economy standards for domestic vehicles in the USA, which require vehicles to achieve 35 miles per gallon of fuel, a 40% increase from current benchmarks. Whereas these fuel efficiency standards were initially driven by economics and oil supply risk, environmental considerations have reinforced these pressures which will further accelerate the use of aluminium.

Industry statistics indicate that global demand for aluminium semi-fabricated products continues to grow with varying regional trends emerging. Consumption in the USA is slowing and has reduced to levels prevailing five years ago, resulting in capacity utilisation in North American rolling mills reportedly dropping below 80%. Demand in Europe continues to increase. As a result capacity utilisation in European rolling mills has improved. This has been aided by further mill closures and rationalisation of capacity in that region. Increased capacity is coming on stream in Asia, yet largely being absorbed in that region while further rationalisation is taking place in Australia.

Hulamin competes successfully based on its technological capability and service levels

Hulamin continues to expand its global footprint as a top tier supplier of can end stock



Against this background, earnings of the major multinational rolled products producers remain under pressure and the industry is not covering its cost of capital. Profitability of aluminium extruders varies depending on regional circumstances but is generally at more attractive levels than is being achieved by rolled products producers.

Hulamin's capacity is small relative to the global market, which is dominated by a few major multinational producers. This affords the opportunity to target selected niche products where Hulamin competes successfully based on its technological capability and service levels. This, coupled with its competitive cost structure, will enable the business to cover its cost of capital even in times when the industry is experiencing severe pressure on earnings.

Rolled Products

Hulamin's strategy is to ensure that it remains the preferred supplier in South Africa, where it is strongly committed to market growth. It also pursues a number of niche export opportunities where the company has a well established reputation and has created opportunities to further grow its customer base.

Rolled Products increased its sales volumes by a further 10 000 tons reaching 193 000 tons in 2007. While Rolled Products' operating profit reduced from R378 million in 2006 to R207 million largely as a consequence of the corporate structuring and metal price lag effects referred to previously, the underlying operating profit after excluding the effects of these items reflected an increase of 64%. This improvement was driven largely by improvements in the sales mix together with the benefits of increased volumes.

Growth in local demand for rolled products, having increased by approximately 50% in the previous three years, slowed significantly and finished slightly below 2006 levels. These flat market conditions were largely a consequence of tightening economic conditions and the negative impact of Rand strength leading to increased imports of finished products. In spite of this slowdown, a number of market development activities are progressing well, particularly in transport applications, and these are expected to result in local market demand increasing again.

The demand for brazing sheet continues to improve on the back of increased usage of automotive heat exchangers coupled with growth in the global automotive fleet. Sales volumes of this product increased by 12% during the year and are expected to accelerate in 2008.

Hulamin continues to expand its global footprint as a top tier supplier of can end stock, becoming a qualified supplier at an increasing number of beverage can manufacturing plants. Global consumption of beverage cans and the related investment in can manufacturing capacity is growing, particularly in developing regions. Against this increasing demand, Hulamin grew its exports of can end stock by 24% in 2007. Can end exports are expected to continue to grow with a well balanced geographic spread.

The project to increase Hulamin's heat treated plate manufacturing capacity was completed ahead of schedule and within budget, in late 2006. This additional capacity enabled the business to grow its sales of heat treated plate by 64% in 2007. The range of plate products is also being expanded and remains an important growth opportunity for the company.

The use of light gauge foil in packaging applications is expanding in all regions and is expected to show particularly strong growth in developing countries. Hulamin increased its sales by 7% although its foil rolling capacity is constrained and will only be significantly eased when the current foil rolling expansion is completed in 2009.

Hulamin's regional export mix is driven by growth opportunities for its high value niche products. The growth in sales of these products is resulting in a widening geographic customer base and higher proportions of sales into Europe and Asia at the expense of distributor product sales into the USA.

The developing customer profile has necessitated changes in the routes to market with more emphasis on direct sales to end users rather than through third party agents and traders. A dedicated Hulamin sales office has now been established in Europe for that purpose.

The R950 million Rolled Products expansion project is progressing well and is expected to be completed on schedule and within budget. Civil engineering activities are 52% complete. Orders for all major items have been placed and installation of some equipment has commenced. The project team, including the approximately 600 contractors on site, has achieved a commendable safety performance without a single lost time injury. The expansion project includes the upgrade of the Edendale hot mill and one of the cold mills. It will be necessary to take each of these mills out of operation during 2008, which will have a minor impact on total plant output for the year.

There was steady progress in all areas of manufacturing activity as the results of continuous improvement initiatives were achieved. The plant is approaching full utilisation of its nameplate capacity (210 000 tons) and there are indications that it may be exceeded in future years.

The R950 million Rolled Products expansion project is progressing well and is expected to be completed on schedule and within budget

Increased volumes and improved conversion margins are expected to result in sustained growth in earnings in 2008 and beyond

General cost pressures escalated in 2007 and manufacturing costs increased by 12%. They were particularly affected by increases in the prices of gas and packaging materials. It is expected that there will be continuing reductions in unit costs as the business continues to grow its output.

Extrusions

Extrusion sales volumes approximated the levels achieved in 2006. Operating profit declined from R44 million in 2006 to R5 million in 2007 as a consequence of structuring costs and operational issues. Underlying operating earnings in the second half reflected a significant improvement over the first half.

Local demand for extruded products eased after significant growth in recent years. This was closely associated with the slowdown in residential construction demand and an increase in imports from China.

During 2007 Hulamin Building Systems, supplying sophisticated extrusion-based architectural, cladding and fenestration systems to the building market, was established. It incorporated some of the operations previously included within Aluminium City and has increased its number of distribution outlets to nine.

At the same time a number of new products were introduced, which entailed considerable development costs. These factors impacted negatively in first-half performance but contributed towards the improved second-half performance.

While the business continues to make operational improvements, the outlook for 2008 is uncertain in view of the slowdown in residential construction and the generally tightening economic climate.

Future prospects

With 70% of its output being exported, Hulamin's outlook continues to be influenced by international economic conditions and exchange rate movements. Increased volumes and improved conversion margins are expected to result in sustained growth in earnings in 2008 and beyond. This prospect is strengthened by the benefits flowing from the current major expansion project which will impact from 2009 onwards. Further expansion opportunities beyond those already approved are being evaluated to maintain the long-term growth of the business.

Alan Fourie
Chief Executive Officer

DIRECTORATE

From left to right: P M Baum, L C Cele, A Fourie, C D Hughes, V N Khumalo, T P Leeuw

Philip Michael Baum 53
Non-executive Director
Chief executive officer of Anglo American's Ferrous Metals and Industries Division
Acting CEO of Anglo American South Africa
BCom, LLB, Higher Diploma Tax Law

Philip has worked in a wide variety of positions in the Anglo American Group, including starting Anglo Zimele Enterprises, chief executive of Anglo American Zimbabwe and chief operating officer of Anglo American South Africa. His directorships include Anglo Platinum, Kumba Iron Ore, Exxaro Resources, Tongaat Hulett, Hulamin and Samancor Manganese. He was appointed to the Hulamin board in 2003.

Lungile Constance Cele 54
Independent Non-executive Director
Businesswoman
BCom, Post Grad. Dip Tax, MAcc (Taxation),
Executive Leadership Development Programme (ELDP)

Zee practices as a tax consultant and financial accountant and has been running her Durban-based business, Tax Solutions CC since 1989. She serves on the boards of Eskom, Combined Motor Holdings, Three Cities Investments and Sport For All Franchising. Zee is a commercial member of the Tax Court and is a member of the Standing Advisory Committee on Company Law. She was appointed to the Hulamin board in 2007.

Alan Fourie 58
Chief Executive Officer
BCom, BCompt (Hons), CA(SA), MBA

Alan joined the Tongaat Group in 1979 and became financial director of Hulamin in 1985, managing director in 2002 and chief executive officer in 2007. He was appointed to the Tongaat Hulett board in 2002, from which he resigned following the unbundling of Hulamin in 2007. He is also a director of a number of subsidiaries of Hulamin.

Charles Daniel Hughes 52
Chief Financial Officer
BAcc, CA(SA)

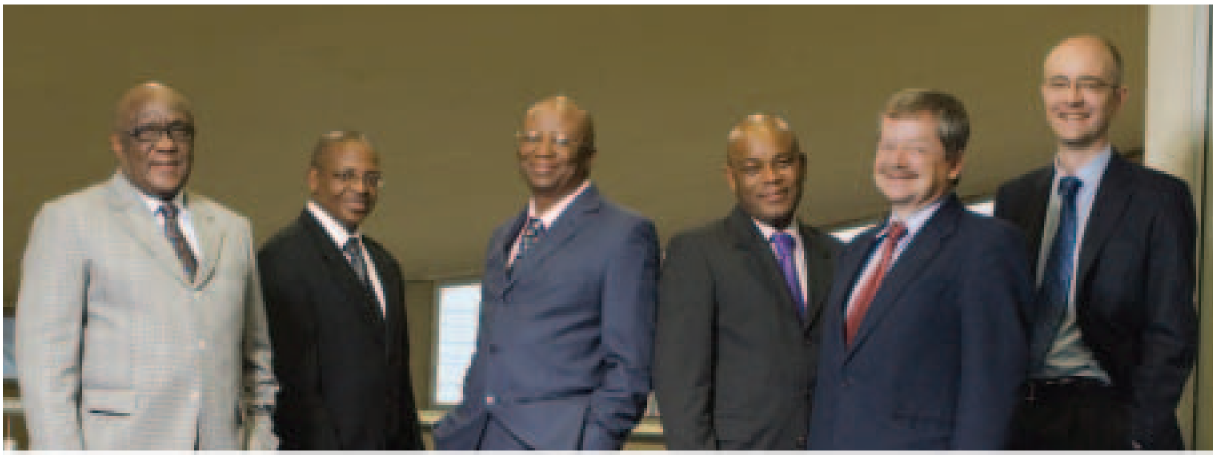
Charles joined Hulamin in 1979 and was appointed financial director of Hulamin in 2003. Charles is also director of a number of Hulamin subsidiaries.

Vusi Noel Khumalo 45
Non-executive Director
Senior manager: Industrial Development Corporation
BCompt (Hons), CA(SA)

Vusi joined the IDC in 1998 and in his current position is responsible for managing IDC's investment portfolio. His directorships include Atlantis Forge, Ernani Investments and Golden Frontiers Citrus. He was appointed to the Hulamin board in 2006.

Thabo Patrick Leeuw 44
Independent Non-executive Director
Executive director: Thesele Group
BCom (Accounting), BCompt (Hons),
Management Advancement Programme (MAP)

Thabo is the executive director and founder shareholder of Thesele. He served articles at Deloitte & Touche and has held financial management positions in Worldwide Africa Investment Holdings, Oceana Fishing, National Sorghum Breweries and Old Mutual Employee Benefits. He joined Cazenove SA in 1998 as a research analyst, in 2002 he became a director of Cazenove SA and in 2004 became a director of Cazenove Group Plc. He was appointed to the Hulamin board in 2007.



From left to right: J B Magwaza, M Z Mkhize, M E Mkwanazi, S P Ngwenya, P H Staude, J G Williams

Johannes Bhekumuzi Magwaza 65
Non-executive Director
Director of companies
BA (Psychology & Soc Anthropology), MA (Ind Rel), Dip (IR), Dip (PM)

JB joined Hulett Sugar in 1975, becoming personnel director for Hulett Refineries in 1988. He was appointed personnel director for Hulamin in 1992 until he became an executive director of Tongaat Hulett in 1994. He retired in 2003 but remains on the board in a non-executive capacity. His directorships include Nedbank, Dorbyl, Rainbow Chickens, Mutual and Federal, Imbewu Capital Partners and Anglo American South Africa. He was appointed to the Hulamin board in 2007.

Moses Zamani Mkhize 46
Executive Director: Foil Products
Higher Diploma (Electrical Engineering), BCom (Honours)

Moses joined Hulamin in July 1982, was appointed Hot Mill production manager in 1989 and Foil Mill manager in 1994. In 1997 he became a director of Hulamin Rolled Products and in 2000 he was appointed a director of Hulamin. He is also a director of a number of subsidiaries of Hulamin.

Mafika Edmund Mkwanazi 53
Independent Non-executive Chairman
Businessman and director of companies
BSc (Mathematics), BSc (Engineering), Management Development Programme (MDP), Strategies of Successful Business Management

Mafika has held various positions including chairman of Western Areas, Letseng Diamonds and Orlyfunt Holdings from 2003 to 2006, chief executive officer of Metro Rail Services from 1995 to 1996, managing director of Transnet from 2000 to 2003, executive director of Spoornet from 1996 to 1998 and is also the chairman of the BEE entity Shamsko Investment Holdings. Other directorships he holds include Nedbank and Stefanutti & Bressan Holdings. He was appointed to the Hulamin board in 2007.

Sibusiso Peter-Paul Ngwenya 54
Alternate Non-executive Director
Executive chairman: Makana Investment Corporation
BCom (Hons)

Following his release from Robben Island in 1991, Peter-Paul joined Engen and later South African Breweries. In 1997 he joined Makana Trust, where he is a founding trustee and former chairman. He later co-founded Makana Investment Corporation of which he is the current executive chairman. Peter-Paul is the treasurer of the Ex-Political Prisoners Committee. He is also the chairman of South African Airlink, Heart 104.9 and the Igagasi and 99.5 radio stations, Sebenza Forwarding and Shipping Consultancy. He was appointed to the Hulamin board in 2007 as an alternate to Johannes Bhekumuzi Magwaza.

Peter Heinz Staude 54
Independent Non-executive Director
Chief executive officer: Tongaat Hulett Limited
BSc (Ind Eng) (Hons) *(cum laude)*, MBA

Peter lectured at the University of Pretoria before joining Hulamin in 1978. In 1990 he became managing director of Hulamin Rolled Products and in 1996 managing director of Hulamin. He was appointed chief executive officer of Tongaat Hulett in 2002. Peter was chairman of the Hulamin board from 2002 to July 2007. He is also deputy chairman of Trade and Investment KZN.

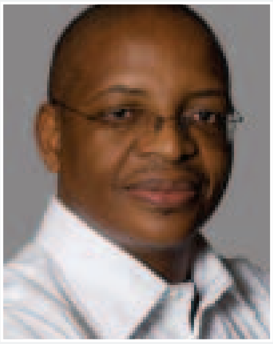
John Griffith Williams 43
Non-executive Director
General manager: Corporate Finance Anglo American
MA, MEng, MBA, CdipAF, CEng, MIMechE

John joined Anglo American's Corporate Finance Department in 2001, and was appointed general manager in the same department in 2002. John is a director of Tongaat Hulett and a number of Anglo American group holding companies, and a former director of Anglo Platinum. Prior to joining Anglo American John was a consultant with McKinsey and Co. He was appointed to the Hulamin board in April 2006, resigned in March 2007 and was reappointed in September 2007.

EXECUTIVE COMMITTEE

A Fourie

C Hughes



M Mkhize

F Bradford

Alan Fourie 58

BCom, BCompt (Hons), CA(SA), MBA

After four years with the Tongaat Group, Alan became financial manager of Hulamin in 1983 and financial director in 1985. He assumed responsibility for the Commercial Products businesses in 1997, was appointed managing director in 2002 and chief executive in 2007. Alan's vision is for the company to double in size within 10 years.

Charles Hughes 52

BAcc, CA(SA)

Charles has been with Hulamin since 1979 and was appointed to the board in 2003 and as chief financial officer in 2007. He is responsible for all financial affairs, managing both the accounting and finance functions in the business and is on the board of Hulamin Extrusions. Charles was involved from the onset with all the regulatory, funding, financial, legal and accounting issues in the build up to the listing of Hulamin in June 2007.

Moses Mkhize 46

HDip (Elec Eng), BCom (Hons)

Moses started his career with Hulamin in 1982, and was appointed to the board in 2000.
Moses is responsible for the foil operation at Hulamin Rolled Products and is also responsible for the downstream business, Hulamin Containers.
Moses has held a broad range of operational management positions.

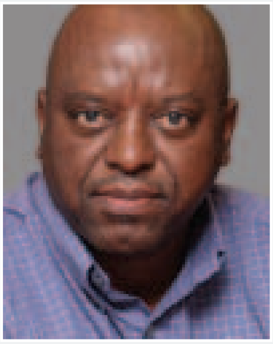
Frank Bradford 47

BSc (Eng), Graduate Diploma in Engineering (GDE), MBA

Frank's career at Hulamin spans 15 years. He is responsible for sheet and plate products in Rolled Products. This includes responsibility for brazing sheet, heat treated plate and general engineering products. Also in Frank's portfolio is responsibility for metal contracts, distribution, logistics and commercial contracts.


R Jacob


C Little


K Mshengu


D Timmerman

Richard Jacob 42
BSc (Eng), MBA

Richard joined Hulamin in 1990, and is responsible for the coated products business in Hulamin Rolled Products, which includes responsibility for can end stock and painted products. Richard is also responsible for the communication and investor relations functions at Hulamin and for Hulamin Roofing Solutions.

Colin Little 51
BSc (Civil Engineering), Pr Eng, MBA

Colin joined Hulamin in 1998 and is responsible for Hulamin Extrusions as well as for Hulamin Building Systems, the downstream stocking and building products business. He also oversees Hulamin's interests in Almin Metal Industries in Zimbabwe (a joint venture with Zimbabwe's IDC) and in Richards and Barlow (a joint venture with Duro Pressings in the architectural finished products market).

Kenneth Mshengu 55
BA, HDPM, Industrial Relations Diploma (IRD), Executive Business Programme (EBP)

Kenneth's career at Hulamin started 17 years ago, in the Human Resources function of Hulamin, for which he now has responsibility. He is also on the board of Hulamin Extrusions. Kenneth is also responsible for the Corporate Social Investment portfolio and is a Trustee of the Tongaat Hulett Pension Fund.

Doug Timmerman 53
Mechanical Engineer, T4 Dip,
Government Certificate of Competency (GCC),
Management Development Programme (MDP)

Doug started working for Hulamin in 1978 and his core responsibilities are the remelt, hot and cold rolling operations in Rolled Products. Doug is responsible for engineering, planning, technology and the integration of all the manufacturing areas of Rolled Products. Doug is also leading the expansion project approved in 2006.

SUSTAINABILITY REPORT

Contributing to the sustainability of our business is an important aspect that adds a depth of purpose to the work and careers of our people

Introductory message

Contributing to the sustainability of our business is an important aspect that adds a depth of purpose to the work and careers of our people. While we are proud of the achievements of 2007, we also recognise that there is much to do to ensure that our business, society and country are positively impacted by our efforts. Of particular impact have been the training and development efforts in the business. This augurs well for the future of our business and builds on the great strides we have made in recent years. Recognising that our human capital is the basis for business performance in all areas, this improving capability will facilitate even greater efforts in future.

Hulamin is pleased to present its first Sustainability Report as a standalone entity. I would particularly like to thank all employees for their efforts in this priority aspect of our business, and especially those notable individuals whose passion for sustainability in all its forms, leads us forward.

Alan Fourie

Chief Executive Officer

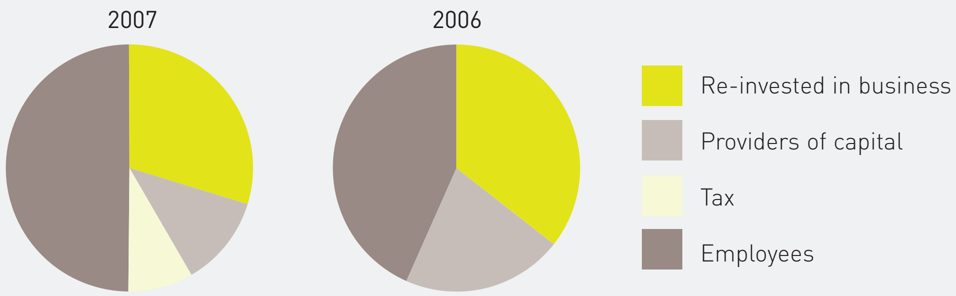
Scope

This Sustainability Report for 2007 is structured to report on a broad range of activities, many of which are not covered in the financial or operations results of the company. In order to cover this breadth, the report is divided into five sections:

- Economic value, which covers how the value created by the business is allocated and invested for a broad range of longer-term objectives.
- Human capital, covers Hulamin's efforts in developing the capabilities of its people, their safety and the company's commitment to their health and wellbeing.
- Environmental stewardship, which reports on Hulamin's efforts to thrive in harmony with the natural environment.
- Social investment, including Hulamin's contributions to the upliftment of the societies in which its operations are located.
- Product stewardship, covers the holistic approach to Hulamin's products, their use, impact and disposal.

The report reflects performance data for 2007, together with prior comparable data where appropriate.

Distribution of value added



Economic value

Value added analysis

	2007 R'000	2006 R'000
Turnover	6 568 371	5 476 140
Bought-in materials and services	5 519 097	4 424 788
Value added by operations	1 049 274	1 051 352
Applied as follows:		
To pay employees		
Salaries, wages and benefits	522 817	456 734
To pay providers of capital	124 760	222 119
Interest on borrowings	85 262	222 119
Dividends to ordinary shareholders	39 498	
Tax	89 131	
Re-invested in business	312 566	372 49
Depreciation	179 908	172 501
Amortisation of BEE costs	134 686	–
Retained earnings	(2 028)	199 998
	1 049 274	1 051 352

Broad-based ownership

Hulamin recognises the black economic empowerment (BEE) social imperative for the long-term development and sustainability of the South African economy and the Hulamin business. In 2007, the opportunity arose for the business to further its commitment to meaningful transformation, by concluding agreements that facilitated the acquisition of an effective 10% equity ownership in Hulamin by broad-based BEE partners, and a further 5% by employee trusts.

The broad-based BEE groups who accepted Hulamin's invitation to participate in the BEE transaction are:

(i) Imbewu, a KwaZulu-Natal based consortium of black business people and which also represents a number of regional broad-based beneficiaries;

(ii) Makana, a national broad-based grouping, representing amongst other, the Robben Island Ex-Political Prisoners Committee (EPPC).

These consortia include various broad-based groupings involved in education, healthcare and social upliftment.

Partnering for pallets

NIP Pallets, located about five kilometres away from the Edendale plant, is one of Hulamin's African-owned suppliers. Steve Sibetha and Mongi Mngomezulu started NIP Pallets in May 2003 and now have eight permanent employees. "We want to strengthen our relationship with Hulamin and also see our company grow. The fact that Hulamin is a growing exporter gives us much hope for this," explains Steve.

The BEE partners were selected to ensure that the long-term objectives of sustainable and meaningful transformation are achieved and they will also play a important role in driving shareholder value and in building the Hulamin business.

In September 2007 Hulamin's employees became beneficiaries of a newly established share ownership trust. The employees will participate in the Employee Share Ownership Plan (ESOP), known as Siyaphambili "together we are moving forward", while certain management levels will participate in the Management Share Ownership Plan (MSOP), which has been developed specifically for black managers.

Preferential procurement

The objective of Hulamin's preferential procurement programme is to contribute to the development of black owned business in general, with a specific focus on the development of small to medium African entrepreneurs.

To achieve this objective, Hulamin identifies new or emerging entrepreneurs who have the potential to grow into successful suppliers.

Beyond seeking out black-owned business, preference is given to suppliers who pursue sound black economic empowerment programmes. All suppliers are also encouraged to seek opportunities to create partnerships in order to effect a skills and knowledge transfer to black-owned enterprises.

Hulamin measures and reports monthly on the results of its preferential procurement programme on a basis consistent with the Codes of Good Practice as published by the Department of Trade and Industry.

During 2007 Hulamin conducted business with more than 200 BEE enterprises. Major contracts included in Hulamin's preferential procurement programme include liquid petroleum gas, warehousing, containerisation, freight forwarding and clearing services.

Hulamin spent R643 million with BEE enterprises (more than 25% black ownership), representing 56% of the total available expenditure, an increase of R212 million on the previous year. Available expenditure is defined as total procurement expenditure, less expenditure on parastatals, key raw materials, inter-company transfers and expenditure on imported goods not available locally.

From cleaners to business owners

Lindiwe Mkhize, Anna Mchunu, Regina Nzimande, Rose Hlela and Duduzile Sithole formed Senzokuhle Kodwa Cleaning Services in mid-2005 and made a bid for the Hulamin cleaning contract. When starting out, these women needed business experience and skills, hence Hulamin introduced them to the Pietermaritzburg Business Support Centre (BSC), who assisted them in the initial startup. The women speak with passion about investing in staff development. They have created and contribute to an employee trust which will assist their staff with school fees. "We have to treat our staff as people and understand each staff member as an individual" said Lindiwe Mkhize.

Expenditure with 100% African-owned SMMEs has grown at an annual compound growth rate of 57% since 2003 and exceeded R30 million in 2007.

Enterprise development

Hulamin's enterprise development objective is to assist in creating sustainable businesses in order to create jobs and stimulate the local economy. Hulamin is committed to this process by being a supportive customer to new enterprises and by providing financial and logistical resources and other startup assistance to a number of Small, Medium and Microenterprises (SMMEs) within the local community.

Representatives of Hulamin's management team have dedicated themselves to guiding the establishment and growth of a number of successful enterprises while the business has provided over R55 million of sales to new enterprises to date, with R25 million in 2007.

Hulamin has played an active role in establishing small enterprises that offer services such as security, catering, cleaning, engineering, transport and garden services. The seven most successful businesses currently employ 161 people.

Human capital

Employment equity

Hulamin has a strong employment equity culture and is committed to developing and advancing all its employees regardless of race, creed, colour, disability or gender. In line with this philosophy the current focus is on increasing the representation of black, female and disabled employees.

The Hulamin Transformation Committee is chaired by a non-executive director and reports to the board. Its objective is to facilitate the implementation of strategies, set targets, review progress and make recommendations to the board on all elements of the BEE scorecard.

The Hulamin Employment Equity Committee is chaired by the chief executive (CEO). The objectives of this committee are to facilitate the implementation of strategies, set targets, review progress and make recommendations to the board in respect of employment equity.

Employment equity committees exist at strategic and at operational levels to monitor and evaluate progress on employment equity issues.

Khoza carries more weight

BR Khoza Transport Company is one of the fastest-growing freight companies in KwaZulu-Natal. As a result of Hulamin's transport outsourcing in January 2005, Robert Khoza saw a business opportunity and bought himself a bakkie. Over the years Robert has acquired a fleet of trucks, bakkies and cars. He attributes his success to hard work, dedication, the support of companies like Hulamin and his family. "The advice I've received from Hulamin and their belief in me has brought me where I am today. It would have not been possible without them".

Employee profile

								White	Foreign		
		Male			Female			male	nationals		
Occupational levels	A	C	I	A	C	I	W	W	Male	Female	Total
Top management	2							6			8
Senior management	10	2	7	1	1	1	3	30	3	1	59
Professionally qualified and experienced specialists and mid-management	38	9	58	6	1	2	18	65	13		210
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	342	72	294	59	19	29	40	61	1	2	919
Semi-skilled and discretionary decision making	747	88	215	105	27	18	8	21			1 229
Unskilled and defined decision making	3			4							7
Total	1 142	171	574	175	48	50	69	183	17	3	2 432

Key

A African

C Coloured

I Indian

W White

Recognition for outstanding safety performance

The CEO's Annual Safety Awards for outstanding safety performance were held for the second year in December 2007. The winning individuals, teams and departments were awarded certificates and trophies by Alan Fourie. In his speech Alan encouraged all Hulamin employees "to manage workplace safety by practicing the tried and tested principles of Behaviour Based Safety (BBS)". In response to being recognised as "The Best SHE Forum Member", Goodwill Khumalo said "I'd like to thank my department, Coil Processing, for taking the Most Improved Department award! The culture of safety is certainly improving as employees make safety a priority. However, our 2007 performance must be our minimum standard for future improvement".

Employment equity targets have been set for a three-year period and action plans are in place to ensure targets are met.

Implementation of the Employment Equity strategy has shown encouraging results with 52% of management and 89% of skilled and supervisory positions filled by black employees in 2007. The number of female employees has doubled in the last three years and Hulamin has appointed 14 women technologists over the past three years. 50% of the apprentice intake in the last two years have been female candidates.

The table opposite reflects Hulamin's employee profile.

Safety

Hulamin believes that every employee has the right to work without fear or risk of personal injury and has the responsibility to work in ways that give the same right to fellow workers.

There are a number of programmes in place to implement the safety effort, which include Behaviour Based Safety (BBS), visible felt leadership, hazard identification, risk assessment, internal audits and management reviews. A set of safety rules has been introduced to provide employees with a standard of excellence, and to be responsible for safety at work.

A BBS system has been introduced on the Pietermaritzburg site and the Mission Directed Work Team process has been established at the Midrand plant. These are team-based management systems that use goal setting and peer pressure to improve safety and change behaviour at shop floor level. These processes are complimented by the Annual Safety Awards which recognise both departments and individuals for their contributions to the successful implementation of the BBS system.

The incidence of Lost Time Injuries and Medical

The Rolled Products plant is ISO 14001 certified

Operation Siyatesta

Hulamin's voluntary counselling and testing (VCT) campaign, called Operation Siyatesta, was introduced four years ago with two objectives, namely, to provide employees with an opportunity for VCT within the premises so they can know their HIV status, and to create a work environment that is free from stigma associated with the pandemic.

Treatment Cases deteriorated slightly in 2007, while there was a significant improvement in First Aid Cases. All these categories of injuries are well below the levels prevailing prior to 2005.

A rigorous communication programme is in place, making use of a range of methods to communicate to employees on safety programme implementations and to reinforce awareness.

Employee health

Protecting and promoting the health and wellness of all its employees is a priority to Hulamin and forms one of the three pillars of its SHE (Safety, Health and Environment) programme. In support of this commitment, Hulamin runs wellness programmes, offers well established health care facilities and administers a range of health support programmes.

Hulamin provides occupational and primary health care programmes in clinics at the Pietermaritzburg, Midrand and Cape Town sites. These clinics are run by qualified health care practitioners and visiting doctors. Health care programmes include risk assessment and control measures, hygiene surveys and medical surveillance, including audiograms, lung function tests and eye sight testing. In addition biological monitoring is carried out where appropriate. These clinics also monitor compliance with applicable health-related regulations.

Hulamin runs a series of programmes aimed at creating awareness of HIV and AIDS, promotes voluntary counselling and testing (VCT) and provides anti-retroviral therapy (ART). Approximately 70% of employees participated in VCT programmes in each of the past two years. Hulamin has 226 employees who are known to be HIV positive of which 67 are on ART provided by the company. The annual cost of the VCT and ART programme was approximately R600 000 for 2007.

Noise-induced hearing loss (NIHL) is the most prevalent occupational illness facing Hulamin employees. To mitigate this problem, Hulamin has set up annual medical surveillance screening and has established an investigative system for those employees with more than 5% percentage hearing loss or with more than a 3% deterioration year on year. Wearing appropriate protective equipment is enforced, and the incidence of NIHL is reducing sharply.

First female artisan qualified at Hulamin

In September 2007 Pamela Mkhize qualified as the first female artisan within Hulamin. Pamela completed the training programme that normally takes about four years in just two years and is currently working in the Foil Mill as a Technician. On being asked how she felt about being the first female artisan in Hulamin Pamela said "Every time someone says that I'm the first female artisan in the company, I feel like they are referring to someone else. Its a both an exciting and humbling feeling."

In addition to the above specific interventions, Hulamin runs wellness programmes to promote general employee health. The 2007 programme was designed to assist employees in managing their health outside the working environment. Approximately 800 employees participated in the programme.

Training and development

Hulamin is committed to training and development through assisting all its employees to uplift their skills. Hulamin also recognises the importance of skills retention. Strategies are in place to ensure that skilled employees are retained and include performance recognition, coaching and mentoring programmes, tailored development programmes, national and international training courses and seminars.

A performance management process is firmly entrenched within the organisation and forms a foundation for employee development. Where competency gaps exist between required and assessed levels, individual development plans are implemented to address these gaps. This process is linked to other talent management initiatives such as coaching and mentoring.

Hulamin has a well entrenched programme to provide reward for the acquisition and application of skills. The programme, which focuses on operational staff and artisans, has resulted in 90% of employees acquiring skills beyond their skill band. The programme uses a competency-based approach and includes on-the-job training, coaching and classroom-style training.

Hulamin is completing a project to align shop floor skills training with the South African Qualifications Authority framework. Learnerships and skills programmes are in place, incorporating summative assessments and the recognition of prior learning, and lead to nationally recognised qualifications.

Career development

Career development is regarded as a shared responsibility between the individual and the employer. The individual takes responsibility for career planning, while the company is responsible for creating an enabling environment. The Career Development Programme for Technologists currently has 39 candidates and entails on-the-job training, management and interpersonal skills development programmes, mentoring and coaching.

uMsunduzi River clean-up

Hulamin sponsors the annual clean-up of the uMsunduzi River located adjacent to the Pietermaritzburg site. The campaign is an initiative driven by a local non-government organisation, Duzi Umngeni Conservation Trust (DUCT), which is led by a group of concerned corporate and private citizens and other stakeholders. Hulamin, due to its close proximity to the river formed a sponsorship partnership with DUCT for this clean-up in 2007, where over 800 volunteers from the company and community collected over 2 500 bags of solid waste found on the banks of the river.

Continuity in the availability of skilled employees

Hulamin focuses on apprentices, bursars and in-service trainees to provide skills and contribute to human resource development. The company had 32 apprentices in training in 2007 and also offers approximately 30 students annually the in-service training requirement for a national diploma qualification.

Hulamin also offers learnerships. This is a structured learning experience that combines theoretical learning provided by a training institution with practical work experience gained with an employer.

In excess of 1 800 employees participated in training programmes in Hulamin during 2007. 102 employees participated in the Hulamin study aid scheme, which assists employees with part-time tertiary education.

Training cost as a percentage of annual wage bill	5,23%
Percentage of employees trained	79%
Training cost per employee	R7 992

Employee relations

In its approach to employee relations, Hulamin's objective is to promote and maintain a healthy relationship between the company and its employees by proactively dealing with potential conflict and ensuring adherence to employee relations policies, best practices and procedures. Hulamin recognises each employee's right to choose to belong to a trade union and has three recognised trade unions, namely, National Union of Metal Workers of South Africa (NUMSA), United Association of South Africa (UASA) and South African Equity Workers Association (SAEWA), which collectively represent 54% of total employees.

Environmental stewardship

Hulamin is committed to minimising the impact of its manufacturing activities on the environment, both within and extending beyond the boundaries of its operations.

An Environmental Management System (EMS), instituted to accomplish this commitment, encompasses identifying, evaluating and controlling the environmental impact of manufacturing activities.

Developing future entrepreneurs

In March 2007, Hulamin sponsored an entrepreneurship workshop attended by more than fifty Pietermaritzburg teachers. Teachers from schools in Pietermaritzburg and the surrounding areas had an opportunity to attend and participate in an in-depth two-day workshop on how to teach entrepreneurship. Hulamin's Human Resources Executive, Kenneth Mshengu said "We are proud to be associated with such an initiative and if this workshop is successful we would like to commit ourselves to continuing with the sponsorship in future."

The EMS includes appropriate goals, objectives, targets and plans, applied to enhance the company's environmental performance. Compliance to relevant statutory requirements is considered a minimum standard while international best practice is targeted.

Training is an important pillar of the EMS, and is applied to improve environmental awareness and care, while specialised training for spills has been conducted in areas where there is risk of spillage. Weekly safety talks in departments incorporate environmental awareness.

Hulamin is an executive member of the Pietermaritzburg environmental forum, which forms part of the Chamber of Business. This forum meets monthly to discuss relevant environmental issues, such as air quality and waste management.

Hulamin encourages the sustainable use of natural resources by promoting reuse, reduction and recycling of materials as well as waste elimination. The Pietermaritzburg plant has adopted effluent as a key focus area, where the company spends on average R5 million per annum in the management of effluent.

Expansion project actions

Hulamin embarked upon a major expansion project in 2006 with construction commencing in 2007. As part of the project, a number of important initiatives were implemented to minimise potential environmental impacts, namely:

- All demolished reinforced concrete is suitably crushed and reused in new earth layer works, where appropriate.
- All soil from excavations is suitably tested for potential foreign contamination and treated if required, before dumping in approved land fill facilities on the Camps Drift site.
- Steel from demolished buildings is either reused or sold to approved scrap merchants.
- Aluminium from demolished works and buildings is reused or remelted within the existing operations.
- Electrical cabling is reused wherever possible.
- Storm water drainage systems are protected against ingress of soil and contaminants.

ENVIRONMENTAL STEWARDSHIP INITIATIVES

Recycling

Aluminium scrap recycling

Aluminium's inherent attributes, specifically its recyclability and light weighting potential, deliver benefits like emission reduction in transport applications and provide a significant contribution to sustainable development.

The recycling of aluminium scrap is one of the most important areas in which the company contributes to waste reduction and reduction in the consumption of natural resources.

Hulamin's objective is to recycle all the aluminium scrap that is being generated by its manufacturing processes. Projects underway to improve the recycling processes include:

- Improving the throughput of coated scrap by separating the decoating operation from the melting operation.
- Replacement of balling equipment with trim choppers that produce forms of scrap that can be charged directly into decoaters.
- Together with its partner that processes specific scrap forms, a new furnace has been commissioned, which will be suitable for effectively recycling light gauge aluminium foil scrap.
- A project is underway for the compacting of ingot saw swarf into high density briquettes, which can then be effectively recycled.

Dross handling

Using a third party processor, metal is recovered from the dross produced in the melting process and is then recycled. In 2007, 4 932 tons of aluminium was recovered.

Recycling of building materials

During the current expansion project, the old stores building was disassembled and transported to the Camps Drift site where it is to be re-erected as a maintenance workshop and a refractory store in 2008. In addition, a bin repair workshop has already been erected using building materials from the dismantled buildings and further columns and beams are to be utilised to carry out alterations and modifications to established buildings.

Volumes of effluent reduced by 10% in 2007

ENVIRONMENTAL STEWARDSHIP INITIATIVES

Consumption

Electricity consumption

Electricity consumption per ton of production in Rolled Products has reduced by 45% over the past 10 years.

Water consumption

Overall water consumption per ton of output reduced in 2007 by 18%. In addition, further reduction is planned with new cooling towers and a re-engineered cooling water reticulation system having been installed in the foil operation.

Dry In Place process-waste reduction

The Dry In Place process has reduced the use of soda ash in effluent treatment to close to zero and significantly reduced the usage of flocculants by 66%.

Emissions

Lacquer system changes

In 2007, Hulamin initiated a project to improve the range of lacquer systems for can stock products. Although only partially complete, it has resulted in a significant replacement of solvent-based lacquers with water-based products, resulting in lower risk of volatile organic compound emissions.

Air quality management

Hulamin completed an air quality monitoring and reduction plan in 2007. In addition the company has completed a source inventory and conducts fenceline monitoring. All 16 scheduled stacks at the Pietermaritzburg site have been surveyed using recognised ISO standards and USA EPA methods, with all parameters within nominated limits.

Effluent

Effluent plant and monitoring

Volumes of effluent reduced by 10% in 2007 as a result of a process change in the Coil Coating area. Effluent is treated on site and disposed within tightly controlled limits. Operation of effluent plants is outsourced and daily analyses are conducted.

Chromic acid Dry In Place process – waste reduction

The Dry In Place process on Coil Coating Line 2, introduced in May 2007, has reduced the solid waste stream generated by the central effluent plant. This has resulted in a 20% reduction in volume being sent to the central plant and has also reduced the solid waste by 45%.

Midlands Community College opens its doors to IT

Based in Nottingham Road and established 25 years ago, the Midlands Community College serves its rural communities by upgrading skills of local students in subjects such as Mathematics, Science, Agriculture, Technology and Cooking. On 16 August 2007 the College opened its new computer centre with equipment sponsored by Hulamin.

Corporate Social Investment (CSI)

Hulamin contributes towards improving the quality of life for people in the region within which it operates with particular emphasis on historically disadvantaged communities. Hulamin's social investment initiatives focus on education, health, community skills upliftment, welfare, environment protection and crime prevention.

Prior to making resources available, Hulamin conducts comprehensive assessments of all opportunities for CSI to ensure they are feasible, are aligned to community priorities, and fall within Hulamin's CSI strategy.

Hulamin contributes to the social upliftment of the communities in which it is located through its contributions to crime prevention, social development and self-help projects. Recipients of donations in 2007 include Life Line, the National Institute for Crime Prevention and Reintegration of Offenders (NICRO), Business Fighting Crime, Edendale Lay Ecumenical Centre and Community Chest.

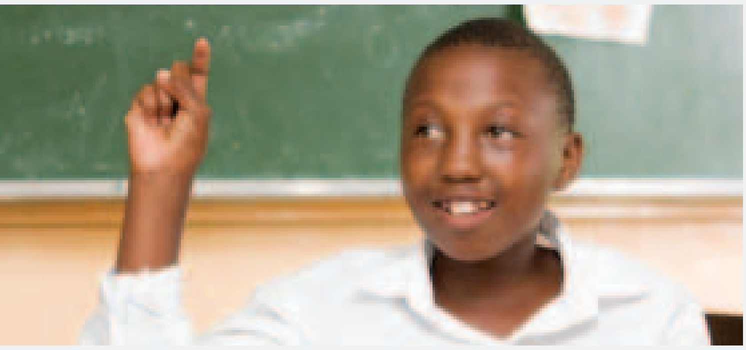
Apart from donating funds to community development and welfare projects, Hulamin also focuses on promoting the development of mathematics, science and engineering skills. Hulamin has supported the Programme for Technological Careers (PROTEC) for more than 10 years. PROTEC has achieved a 100% pass rate, an average 95% university exemption pass rate, and 47% of students achieving merit or distinction passes. Building on this success, Hulamin also provided resources to The Midlands Community College and the i-Africa Entsha Foundation in 2007.

In addition to the specific cases mentioned, other organisations benefiting from Hulamin's CSI programme in 2007 include a number of local schools.

Total CSI spend for the year ending 31 December 2007 grew by 105 % to R960 000 and represents 2,6% of net profit for the year.

Product stewardship

Hulamin takes a holistic view when designing or redesigning a product and its packaging. The company recognises that product stewardship, beyond the generic benefits of aluminium, offers opportunities for business enhancement in addition to contributing to environmental conservation.



Investing in the community

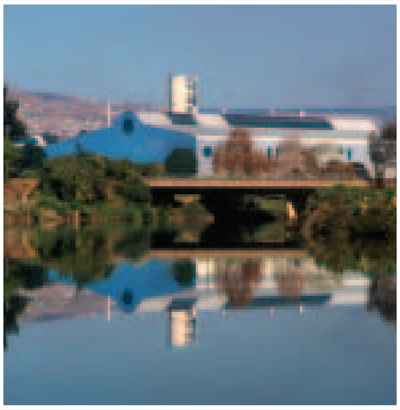
Hulamin illustrates its commitment to community upliftment by donating funds on an annual basis to an organisation that represents 34 local community-based organisations. One of these organisations is Ekukhanyeni Special School, which is located only minutes away from the Hulamin Pietermaritzburg site. The school provides life skills to children with special educational needs and has over the years built a relationship with the company.

Hulamin strives to meet a number of conditions that it considers as necessary to supporting product stewardship. These include:

- The business values close, long-term and multi-functional relationships with its customers over the products' lifecycle. Through this close cooperation, Hulamin engages with customers to explore opportunities for product and packaging improvement for benefit at any level in the value chain.
- Hulamin recognises that product and process improvements should create impacts that meet more than economic objectives, including social and/or environmental benefit.
- The company understands the need to communicate the benefits of lifecycle thinking to its customers and the specifiers of its products. In particular, Hulamin has been proactive in transport initiatives in the South African market where significant progress has been made in increasing the use of aluminium and many further opportunities exist.

Product stewardship at Hulamin is also demonstrated through the company's involvement in promoting improvements to products and processes. Examples include:

- Hulamin is encouraging customers to use water-based lacquers on can end stock products. These changes bring a benefit of reduced emissions and chemical usage.
- Redesign of manufacturing practices has resulted in improvements to average product yields of 6% over the past two years with the resulting benefits of reduced energy consumption and emissions.
- Hulamin has won a number of packaging awards for its returnable packaging systems in the South African market. These systems, developed over the past decade, have reduced consumable packaging usage close to zero in applications where returnable packaging is possible.
- Hulamin purchases aluminium scrap from customers for recycling where appropriate.



Hulamin views the implementation of good corporate governance practices as integral to its business and recognises the need to conduct its business with openness, integrity and accountability

Hulamin views the implementation of good corporate governance practices as integral to its business and recognises the need to conduct its business with openness, integrity and accountability. The board of directors believes that it has complied, in all material respects, with the provisions of the King Report during the period under review.

Board of directors

As set out in its Charter, the board's objective is to provide responsible business leadership to the group with due regard to the interest of shareholders and all other stakeholders.

Hulamin has a unitary board consisting of three executive directors and nine non-executive directors of whom four are independent. Details of the directors are listed on pages 16 and 17 together with a brief *curriculum vitae* of each director. The roles of Mr M E Mkwanazi as an independent non-executive Chairman and Mr A Fourie as the Chief Executive Officer are separate with a clear division of responsibilities. In accordance with the company's articles of association, non-executive directors are subject to retirement by rotation at intervals of three years and may be re-elected at the annual general meeting at which they retire. Newly appointed directors hold office until the next annual general meeting at which they retire. There are no term contracts of service between any of the directors and the company or any of its subsidiaries.

Newly appointed directors are introduced to the group via a formal induction programme and self-evaluations of the board, individual directors, board committees and the Chairman, aimed at improving the board's effectiveness, are carried out annually. The board normally meets five times a year, with special/additional meetings convened as circumstances dictate.

The board's key responsibilities are:

- Review and approve corporate strategy, including business plans and budgets.
- Monitor management's implementation of the approved strategies.
- Approve major acquisitions and disposals.
- Oversight of the group's systems of internal control, governance and risk management.

Attendance of directors at board and committee meetings during the year ended 31 December 2007:

Director	Board	Audit Committee	Remuneration and Nomination Committee
Number of meetings held from 1 January 2007 to date of listing	2	1	
Number of meetings attended			
Non-executive directors			
P M Baum	1		
I Botha	1	1	
V N Khumalo	2	1	
L W J Matlhape	1		
M H Munro	2	1	
S J Saunders (Alt director)	1		
C M L Savage	2		
P H Staude	2		
J G Williams****(Alt director)			
M P Zambane	2		
Executive directors			
F B Bradford (Alt director)	2		
A Fourie	2		
C D Hughes (Alt director)	2		
R G Jacob (Alt director)	2		
C J Little (Alt director)	2		
M Z Mkhize (Alt director)	2		
T K Mshengu (Alt director)	2		
D F Timmerman (Alt director)	2		

Director	Board	Audit Committee	Remuneration and Nomination Committee
Number of meetings held from date of listing to 31 December 2007	4	2	2
Number of meetings attended			
Non-executive directors			
P M Baum	2		–
I Botha**	–	1	
L C Cele*	4		2
V N Khumalo	3	2	
T P Leeuw*	4	2	
J B Magwaza	3		2
M E Mkwanazi*	3		
P H Staude*	4		
J G Williams***	2		
S P Ngwenya (Alt director)	3		
Executive directors			
A Fourie	4		
C D Hughes	4		
M Z Mkhize	3		

* Independent non-executive director
** Resigned with effect from 30 September 2007
*** Appointed with effect from 30 September 2007
**** Resigned with effect from 9 March 2007

- Appointment of the Chairman and Chief Executive Officer, nomination of directors and review of directors and senior management remuneration, appointments and succession plans.
- Approval of the authorities assigned to the board, its committees and management.

The board is supplied with all relevant information and has unrestricted access to management of the group and all group information which enables the directors to adequately discharge their responsibilities. Non-executive directors have full access to the Company Secretary and may, in appropriate circumstances, take independent professional advice at the company's expense.

Board committees

The board has delegated, through formal terms of reference, specific matters to a number of committees whose members and Chairman are appointed by the board. There is full disclosure from committees to the board.

Audit Committee

The Audit Committee for the period July to December 2007 consisted of T P Leeuw (Chairman), I Botha (who resigned with effect from 30 September 2007), V N Khumalo and J G Williams (who was appointed with effect from 3 December 2007). The 2008 committee will be reconstituted to consist solely of independent non-executive directors to comply with the Corporate Laws Amendment Bill. The Chief Financial Officer and representatives of the internal and external auditors attend committee meetings by invitation. The Company Secretary, W Fitchat, is the secretary of this committee. The committee normally meets three times a year.

The Audit Committee's key responsibilities are:

- Ensuring the integrity of the financial reporting process, including sound systems of internal control and financial risk management;
- Review of Annual Reports, Interim Reports and other financial announcements, including the accounting principles and policies adopted therein;
- Oversee relations with external auditors and recommend the appointment of independent external auditors to the board and shareholders;
- To approve internal audit work plans and oversee the conduct of the internal audit and the implementation of internal control enhancements; and
- Approve any non-audit services provided by the external auditors.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists of non-executive directors of whom one is an independent director. Its current members are J B Magwaza (Chairman), P M Baum and L C Cele. The Chief Executive Officer and T K Mshengu (Human Resources Executive) are invited to attend. M Janneker (Human Resources Manager) is the secretary of this committee. The committee normally meets three times a year.

The Remuneration and Nomination Committee's key responsibilities are:

- Formulation of employment and reward strategies to attract and retain executives and senior management;
- Recommend to the board the remuneration of directors and senior management; and

- Recommend to the board changes in the composition of the board and the appointment and removal of directors.

The nomination of board members to be considered at the annual general meeting of shareholders is the responsibility of the board as a whole and with a relatively small board Hulamin believes it is appropriate in its circumstances that the majority of the directors on the committee are not independent, nor does the board chairman act as chairman of this committee.

Transformation Committee

The Transformation Committee consists of an equal number of non-executive and executive directors of whom the Chairman is an independent director. Its members are: L C Cele (Chairman), J B Magwaza, A Fourie and M Z Mkhize. M Mthembu (Communications Manager) is the secretary of this committee. The committee normally meets three times a year.

The Transformation Committee's key responsibilities are:

- Recommend to the board the strategies and policies to be adopted to ensure the group's transformation targets are achieved;
- Align the group's transformation strategy with its overall business strategy; and
- Monitor the implementation and efficacy of the employment equity, black management development, black equity ownership, preferential procurement, skills and enterprise development and socio-economic initiatives of the group.

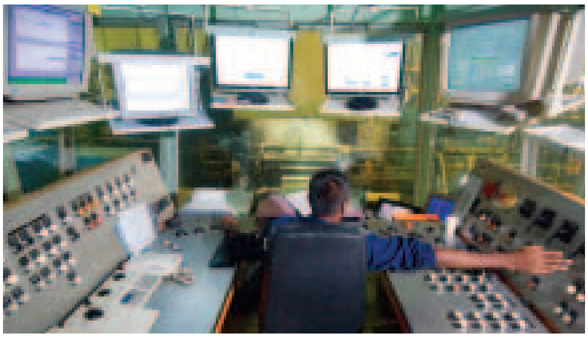
Group executive committees

The group has a number of executive committees with formal terms of reference approved by the board. Membership of the committees is drawn from executive directors and senior management.

Executive Committee

The Executive Committee consists of the executive directors and other senior executives. The current members are A Fourie (Chairman), F B Bradford, C D Hughes, R G Jacob, C J Little, M Z Mkhize, T K Mshengu and D F Timmerman. The Company Secretary, W Fitchat is the secretary of this committee. The committee normally meets on a monthly basis.

The board's objective is to provide responsible business leadership to the group with due regard to the interest of shareholders and all other stakeholders



The objective of the committee is to assist Hulamin's board in discharging its responsibilities, while acting within the parameters of the authority limits agreed by the board.

The Executive Committee's key responsibilities are:

- Recommend the business strategy, business plans and budgets to be adopted by the group;
- Manage the implementation and execution of the business strategies and plans approved by the board;
- Recommend major acquisitions and disposals as part of the group's business strategy;
- Ensure the group's systems of internal control, governance and risk management are both robust and well managed;
- Implement the approved authorities' matrix within the organisation and approve the appointment of the members of the group's management committees; and
- Approve the capital expenditure plans of the group, within the budget approved by the board.

Risk Management Committee

The members of the Risk Management Committee are drawn from the group's senior managers and the current members are C D Hughes (Chairman), F B Bradford, A Fourie, R G Jacob, C J Little, M Z Mkhize, T K Mshengu and D F Timmerman. The Company Secretary, W Fitchat is the secretary of this committee. The committee normally meets four times a year.

While the board is ultimately accountable for risk management, the implementation of the group's risk management policies and systems of internal control are an integral part of management of the group's operations. The risk management activities of the group are reviewed by the board at least twice a year.

The Risk Management Committee's key responsibilities are:

- Recommend to the board the risk management strategies and policies of the group;
- Review the integrity and appropriateness of the group's systems of risk assessment and management;
- Identifying new or emerging risks related to all aspects of the business, including financial, operational and compliance risks;
- Monitor risk reduction actions; and
- Review the internal controls that have been implemented to manage significant risks.

Employment Equity Committee

The Employment Equity Committee members are drawn from the group's senior managers. Its current members are A Fourie (Chairman), F B Bradford, V Dukhee, C D Hughes, R G Jacob, M Janneker, C J Little, M M F Mabe, M Z Mkhize, J P Motubatse, T K Mshengu, M Mthembu, R N Nyandeni and D F Timmerman. M Janneker (Human Resources Manager) is the secretary of this committee. The committee normally meets four times a year.

The Employment Equity Committee's key responsibilities are:

- Formulate strategy, policies and targets related to employment equity;
- Monitor the implementation of the agreed strategies for employment equity; and
- Involve a diverse range of employees in employment equity decision making.

The group's Code of Ethics requires all directors and employees to be committed to fair dealing, honesty and integrity in the conduct of its business

Safety, Health and Environment (SHE) Committee

The Safety, Health and Environmental Committee members are drawn from the group's senior managers. Its members are A Fourie (Chairperson), F B Bradford, R G Jacob, M Z Mkhize, T K Mshengu, C Little, B Henderson and D F Timmerman. The Company Secretary, W Fitchat, is the secretary of this committee. The committee normally meets on a quarterly basis.

The Safety, Health and the Environment Committee's key responsibilities are:

- Review major SHE risks;
- Monitoring actions to reduce SHE-related risks;
- Identifying new or emerging risks related to SHE; and
- Review of the internal controls to manage SHE risks.

Code of Ethics

The group's Code of Ethics requires all directors and employees to be committed to fair dealing, honesty and integrity in the conduct of its business. The Code of Ethics has been actively endorsed by the board and distributed to all employees across all levels in the group.

Compliance by all employees to the high moral, ethical and legal standards of the code is mandatory, and if employees become aware of, or suspect, a contravention of the code, they must promptly and confidentially report it in the prescribed manner. Appropriate action has been taken in respect of all reported instances of non-compliance with the code by employees.

Price-sensitive information

No director, officer or employee may deal either directly or indirectly in the company's shares on the basis of unpublished price-sensitive information regarding its business or affairs. In addition, no director, officer or employee in possession of price-sensitive information may trade in the company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the company is under a cautionary announcement.

FIVE-YEAR REVIEW

	2007 R'000	2006# R'000	2005# R'000	2004# R'000	*2003# R'000
FINANCIAL STATISTICS					
Trading results					
Revenue	**6 568 371**	5 476 140	4 162 695	3 342 865	3 199 973
Underlying operating profit	**357 917**	249 645	293 171	137 771	92 223
Metal price lag	**22 119**	182 782	25 572	9 985	(86 895)
Operating profit before corporate structuring costs	**380 036**	432 427	318 743	147 756	5 328
Corporate structuring costs	**(168 389)**	(10 000)			
Operating profit	**211 647**	422 427	318 743	147 756	5 328
Share of joint venture's and associate company's profit/(loss)	**216**	(310)			
Finance costs	**(85 262)**	(222 119)	(140 047)	(156 711)	(164 816)
Profit/(loss) before tax	**126 601**	199 998	178 696	(8 955)	(159 488)
Tax	**(89 131)**	11 379	46 812	7 518	(19 478)
Minority interest	**3 291**	(7 305)	(8 300)	(10 656)	(1 013)
Net profit/(loss) attributable to shareholders	**40 761**	204 072	217 208	(12 093)	(179 979)
Headline earnings/(loss) attributable to shareholders	**39 875**	204 142	219 768	(11 142)	(180 015)
Balance sheet					
Property, plant, equipment, intangibles and investments	**4 196 933**	3 964 232	3 899 381	3 940 627	3 978 197
Deferred tax asset	**16 373**			10 691	
Current assets	**2 116 899**	2 170 837	1 495 561	1 400 475	1 202 952
Total assets	**6 330 205**	6 135 069	5 394 942	5 351 793	5 181 149
Equity holders' interest	**3 494 151**	2 912 318	2 518 877	2 292 878	2 276 092
Minority interest	**35 142**	38 433	31 128	22 828	12 185
Borrowings – non-current and current	**920 653**	1 213 674	1 233 606	1 365 630	1 225 478
Deferred tax liabilities	**894 203**	899 815	929 976	987 198	984 118
Retirement benefit obligations	**107 505**	98 632	91 451	84 717	78 114
Current liabilities (excluding current borrowings)	**878 551**	972 197	589 904	598 542	605 162
Total equity and liabilities	**6 330 205**	6 135 069	5 394 942	5 351 793	5 181 149
Cash flow					
Net cash inflow/(outflow) from operating activities	**339 896**	110 565	334 594	(33 889)	76 347
Net cash outflow from investing activities	**(403 046)**	(237 232)	(143 765)	(85 702)	(109 490)
Net cash inflow/(outflow) from financing activities	**22 262**	157 629	(171 662)	107 772	(150 774)
Net cash (decrease)/increase for the year	**(40 888)**	30 962	19 167	(11 819)	(183 917)

		2007	2006#	2005#	2004#	*2003#
RATIOS AND STATISTICS						
Earnings						
Earnings per share	(cents)	**19**	100	106	(6)	(88)
Headline earnings per share	(cents)	**18**	100	107	(5)	(88)
Annual dividend per share**	(cents)	**48**				
Dividend cover**	(times)	**0,38**				
Profitability						
Operating margin (1)	(%)	**5,8**	7,9	7,7	4,4	0,2
Return on capital employed (2)	(%)	**6,1**	7,5	5,9	2,8	0,1
Return on equity attributable to shareholders (3)	(%)	**1,2**	7,5	9,1	(0,5)	(7,5)
Financial						
Net debt to equity (4)	(%)	**23,7**	39,5	47,4	58,1	52,4
Current ratio (5)		**2:41**	2:23	2:54	2:34	1:99
Liquidity ratio (6)		**1:31**	1:22	1:34	1:17	1:07

Definitions

(1) Operating profit before corporate structuring costs expressed as a percentage of revenue.

(2) Operating profit before corporate structuring costs expressed as a percentage of average capital employed.

(3) Headline earnings expressed as a percentage of average equity.

(4) Current and non-current borrowings less cash expressed as a percentage of equity.

(5) Current assets divided by current liabilities.

(6) Current assets (excluding inventories) divided by current liabilities.

The results for 2003 to 2006 are the combined accounts of Hulamin Limited and The Hulamin Joint Venture in terms of a common control transaction. Refer accounting policy note 14 for further details.

* Prepared in accordance with South African Statements of Generally Accepted Accounting Practice, prior to IFRS.

** No dividends were declared prior to 2007.

DIRECTORS' APPROVAL OF ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2007

The directors are responsible for the preparation and integrity of the annual financial statements of the company and the group which have been prepared in accordance with International Financial Reporting Standards.

The directors, supported by the Audit Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on the comment by the independent auditors on the results of their statutory audit, that Hulamin's internal accounting controls may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls has occurred during the year.

In preparing the financial statements, the company and the group have used appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and have complied with all applicable accounting standards. The directors are of the opinion that the financial statements fairly present the financial position of the company and the group at 31 December 2007 and the results of their operations for the year then ended. The directors are also of the opinion that the company and the group will continue as a going concern in the year ahead. The independent external auditors concur with the above statements by the directors.

The company's independent external auditors, PricewaterhouseCoopers, have audited the financial statements and their unqualified report appears on page 43.

The annual financial statements were approved by the board of directors on 11 February 2008 and are signed on its behalf by:

M E Mkwanazi
Chairman

A Fourie
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal

11 February 2008

Certificate by Company Secretary

I certify that the company has lodged with the Registrar of Companies all returns that are required of a public company in terms of the Companies Act in respect of the year ended 31 December 2007 and that all such returns are true, correct and up to date.

W Fitchat
Company Secretary

Pietermaritzburg, KwaZulu-Natal

11 February 2008

REPORT OF THE INDEPENDENT AUDITORS to the members of Hulamin Limited

We have audited the annual financial statements and group annual financial statements of Hulamin Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 December 2007, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 44 to 125.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and group as of 31 December 2007, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc.
Director: **H Ramsumer**
Registered Auditor

Durban — 11 February 2008

DIRECTORS' STATUTORY REPORT

The directors have pleasure in submitting the annual financial statements of the company and of the group for the year ended 31 December 2007.

Nature of business

The Hulamin group comprises two operations: Hulamin Rolled Products and Hulamin Extrusions. Their activities are dealt with separately in the annual report.

Financial results

The net profit attributable to shareholders for the year ended 31 December 2007 amounted to R40,8 million (2006: R204,1 million). This translates into a headline earnings per share of 18 cents (2006: 100 cents) based on the weighted average number of shares in issue during the year.

During the financial year the company was listed on the JSE Limited and concluded black economic empowerment (BEE) transactions. The accounting treatment of these transactions resulted in non-recurring charges of R168,4 million against headline earnings for the year ended 31 December 2007.

The financial statements on pages 44 to 125 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 31 December 2007.

Dividends

An interim dividend number 1 of 18 cents per share was paid on 27 August 2007 and a final dividend number 2 of 30 cents per share has been declared and is payable to shareholders registered at the close of business on Friday, 7 March 2008.

The salient dates of the declaration of this final dividend are as follows:

Last day to trade ordinary shares *"cum"* dividend	Friday, 29 February 2008
Ordinary par value shares trade *"ex"* dividend	Monday, 3 March 2008
Record date	Friday, 7 March 2008
Payment date	Monday, 10 March 2008

Share certificates may not be dematerialised or rematerialised, nor may transfers between registers take place between Monday, 3 March 2008 and Friday, 7 March 2008, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by the United Kingdom paying agent will be paid in British currency at the ruling exchange rate at the close of business on Wednesday, 5 March 2008.

Share capital

The authorised share capital was increased from 12 million ordinary par value shares of R1 each to 24 million ordinary par value shares of R1 each, which was reorganised by sub-dividing each of the 24 million ordinary par value shares of R1 each, into 10 ordinary par value shares of ten cents each so as to result in an authorised share capital of R24 million divided into 240 000 000 ordinary par value shares of ten cents each of which 215 578 344 were in issue at date of listing.

Subsequent to the listing, 33 222 ordinary par value shares of ten cents each were allotted (of which none were for directors) in respect of options exercised in terms of employee share schemes which existed at the time of unbundling from Tongaat Hulett Limited resulting in issued ordinary share capital of R21 561 156 comprising of 215 611 566 ordinary par value shares of ten cents each.

To accommodate the introduction of BEE equity participation, Hulamin further increased its authorised ordinary share capital by creating 34 million A ordinary par value shares of ten cents each of which 25 million ordinary par value shares of ten cents each were issued and further the authorised share capital was increased by the creation of 21 million B ordinary par value shares of 10 cents each comprising of 8 million B1 ordinary shares, 10 million B2 ordinary shares and 3 million B3 ordinary shares of which 7 998 556 B1 ordinary shares was issued to Hulamin Employee Share Ownership Trust (ESOP) and 2 509 569 B2 ordinary shares and 838 105 B3 ordinary shares were issued to Hulamin Management Share Ownership Trust (MSOP).

The unlisted A ordinary shares do not carry any dividend or economic rights, but do have voting rights.

The unlisted B ordinary shares are entitled to dividends in addition to normal rights.

Shareholders will be asked to consider an ordinary resolution at the forthcoming annual general meeting to place unissued shares of the company up to five percent of the number of shares in issue at 17 April 2008 under the control of the directors until the following annual general meeting and subject to the approval of this resolution, shareholders will be requested to authorise the directors to issue these shares for cash.

Shareholders will also be asked to consider ordinary resolutions at the forthcoming annual general meeting specifically to place unissued ordinary and B ordinary shares of the company under the control of the directors of the company to authorise them, to allot and issue those shares in terms of the following share option schemes:

- Hulamin Share Appreciation Right Scheme 2007
- Hulamin Long Term Incentive Plan 2007
- Hulamin Deferred Bonus Plan 2007
- Hulamin Employee Share Ownership Plan
- Hulamin Management Share Ownership Plan
- Tongaat-Hulett Group Limited Share Appreciation Right Scheme 2005
- Tongaat-Hulett Group Limited Long Term Incentive Plan 2005
- Tongaat-Hulett Group Limited 2001 Share Option Scheme
- Tongaat-Hulett Group Limited Employee Share Incentive Scheme

These ordinary resolutions are incorporated in the notice of the annual general meeting that appears on pages 127 to 134.

Subsidiary companies and joint ventures

The principal subsidiaries and joint ventures of the group are reflected in note 36.

The attributable interest of the company in the results of its consolidated subsidiaries and joint ventures for the year ended 31 December 2007 is as follows:

	2007 **R million**	2006 R million
In the aggregate amount of:		
Net profit	**23,6**	25,4
Net losses	**(21,9)**	(1)

Special resolutions

Name of subsidiary: Hulamin Operations (Pty) Limited
Registration number: 1999/020410/07

The following special resolutions were passed at a shareholders meeting held on 21 June 2007.

1. The company's authorised share capital of R4 000 divided into 4 000 ordinary par value shares of R1,00 each, was increased by the creation of 50 000 000 cumulative redeemable preference shares with a par value of R1,00 each, having the rights, privileges and conditions set out in a new article 131, so as to result in an authorised share capital of R50 004 000,00 divided into 4 000 ordinary par value shares of R1,00 each and 50 000 000 cumulative redeemable preference shares with a par value of R1,00 each.

2. The company's articles of association was amended to include a new article 131 containing the rights, privileges and conditions attaching to the cumulative redeemable preference shares following the approval of Special Resolution Number 1.

3. Following the passing of Special Resolutions 1 and 2, the company's main object and main business reflected in the memorandum of association of the company was amended to read as follows:

   "*Purpose describing the main business*
   The main business which the company is to carry on: To manufacture, produce, market and sell semi-fabricated and finished aluminium and aluminium alloy products.

   Main object
   The main object of the company is: To manufacture, produce, market and sell semi-fabricated and finished aluminium and aluminium alloy products."

4. Following the passing of Special Resolutions 1, 2 and 3, the company's memorandum of association was cancelled and the company adopted a new memorandum of association.

No other special resolutions have been passed by any other subsidiaries of Hulamin, the nature of which might be significant in respect of the state of affairs of the group.

Directorate

The names of the directors appear on pages 16 and 17.

Directors retiring at the annual general meeting in accordance with the articles of association are:

Mr P M Baum
Ms L C Cele
Mr V N Khumalo
Mr P H Staude
Mr J G Williams

These directors are all eligible and offer themselves for re-election. Details of each of these retiring directors are set out on pages 16 and 17.

Directors' shareholdings

At 31 December 2007, the present directors of the company beneficially held a total of 91 888 ordinary par value shares equivalent to 0,04 percent in the company (2006: no shares were held by directors). Their associates also held a total of 8 000 ordinary par value shares equivalent to 0,01 percent in the company (2006: no shares were held by directors). Details of the directors' shareholdings and interests in the share incentive schemes are set out on pages 52 to 58. There has been no change in these holdings between 31 December 2007 and 11 February 2008.

Post balance sheet events

There were no other material events between the balance sheet date and the date of this report.

Auditors

Shareholders will be asked to confirm the appointment of PricewaterhouseCoopers for the ensuing year.

Secretary

The name and address of the Company Secretary appears in the corporate information on the inside back cover.

Approval

The annual financial statements set out on pages 44 to 125 have been approved by the board.

Signed on behalf of the board of directors.

Mafika Mkwanazi
Chairman

Alan Fourie
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal

11 February 2008

DIRECTORS' REMUNERATION AND SHAREHOLDING

1. Remuneration philosophy and policy

Hulamin's aim is to attract, retain and motivate directors and senior management of the calibre needed to enhance and maintain the group's reputation and to achieve its strategic objectives.

1.1 Executive directors' remuneration

Basic salary

The cash package of the executive directors is subject to annual review by the Remuneration and Nomination Committee and the board, and is set with reference to relevant external market data.

Annual executive bonus scheme

The annual executive bonus scheme is based on a combination of the achievement of corporate financial and safety targets and a general assessment of the individual's overall performance.

Share incentive schemes

The unbundling of Hulamin from the Tongaat Hulett group has resulted in the conversion of the existing rights of Hulamin employees to Tongaat Hulett shares, under the Tongaat Hulett group share incentive schemes, into rights to Hulamin shares. The value of these rights to Hulamin shares will however be based partly on the future Tongaat Hulett share price and partly on the Hulamin share price. The original strike price established for the Tongaat Hulett schemes for these incentives has been apportioned between the Tongaat Hulett and Hulamin elements of these awards. This has been covered in more detail in note 35 to the annual financial statements.

The Tongaat Hulett share incentive schemes consist of the Tongaat-Hulett Employees Share Incentive Scheme, the Tongaat-Hulett Group Limited 2001 Share Option Scheme, the Tongaat-Hulett Group Share Appreciation Rights Scheme 2005, the Tongaat-Hulett Group Long Term Incentive Plan 2005 and the Tongaat-Hulett Group Deferred Bonus Plan 2005.

Hulamin has adopted three new share incentive schemes, namely, the Hulamin Share Appreciation Right Scheme 2007 (SARS), Hulamin Long Term Incentive Plan 2007 (LTIP) and Hulamin Deferred Bonus Plan 2007 (DBP) Schemes. Executive directors and employees of the company are awarded rights to receive shares in the company based on the value of these awards (after the deduction of employees' tax) when performance conditions have been met, the awards have vested, and, in the case of the SARS, when the share appreciation rights have been exercised.

The performance conditions governing the vesting of the above scheme instruments are related to growth in earnings per share, share price, total shareholder return and return on capital employed, relative to targets that are intended to be challenging but achievable. Targets are linked, where applicable, to the company's medium-term business plan, over three-year performance periods, with actual grants being set each year considering the position held by the participating employee, their individual performance, and the expected combined value of the awards.

As part of the introduction of broad-based black economic empowerment ownership of the group's shares, in 2007, Hulamin created an Employee Share Ownership Plan (ESOP) for all employees up to middle management and a Management Share Ownership Plan (MSOP) for senior black managers. Black executive directors are eligible to participate in the MSOP, which consists of share appreciation rights and grant rights. Both the share appreciation rights and grant rights under the MSOP scheme are exercisable five years after the grant date.

Other benefits
Membership of The Tongaat-Hulett Pension Fund is compulsory for all senior management and disability and life insurance benefits are also provided to members of the fund. Medical aid and a gratuity at retirement are also provided.

1.2 Non-executive directors' remuneration
Non-executive directors receive fees for their services on the board and board committees. Directors' fees are based on relevant external market data and are recommended by the Remuneration and Nomination Committee and submitted to the board and the shareholders for approval at each Annual General Meeting. Non-executive directors do not participate in the group's incentive bonus plan or share incentive schemes.

Mr J B Magwaza and Mr S P Ngwenya through their interests in Imbewu Consortium and Makana Investment Corporation respectively are participants in the Hulamin BEE entity. See page 123 for further details on the Hulamin BEE equity transaction.

1.3 Directors' remuneration

Directors' remuneration during the 2007 financial year was as follows:

Director	Fees Rand	Cash package Rand	Bonus and performance related payments• Rand	Retirement and medical contributions Rand	Sub-total Rand	Share option gains Rand	Total Rand
Non-executive							
M E Mkwanazi 29.6.07 to 31.12.07	110 000				110 000		110 000
P M Baum#	107 500				107 500		107 500
I Botha# 1.6.07 to 30.9.07	76 250				76 250		76 250
L C Cele 29.6.07 to 31.12.07	67 500				67 500		67 500
V N Khumalo#	112 500				112 500		112 500
T P Leeuw 29.6.07 to 31.12.07	90 000				90 000		90 000
J B Magwaza 29.6.07 to 31.12.07	80 000				80 000		80 000
P H Staude#	95 000				95 000		95 000
J G Williams# 30.9.07 to 31.12.07	30 417				30 417		30 417
Previous non-executive directors*							
L W J Matlhape#	40 000				40 000		40 000
M H Munro#	40 000				40 000		40 000
C M L Savage	40 000				40 000		40 000
M P Zambane#	40 000				40 000		40 000
Subtotal	929 167	–	–	–	929 167	–	929 167
Executive							
A Fourie#	40 000	2 445 707	1 835 287	272 638	4 593 632	5 425 252	10 018 884
C D Hughes	–	1 318 350	627 644	173 820	2 119 814	2 658 490	4 778 304
M Z Mkhize	–	1 273 200	287 234	169 531	1 729 965	2 932 155	4 662 120
Previous executive directors*	–	3 003 900	746 143	420 186	4 170 229	15 493 369	19 663 598
Sub total	40 000	8 041 157	3 496 308	1 036 175	12 613 640	26 509 266	39 122 906
Total	969 167	8 041 157	3 496 308	1 036 175	13 542 807	26 509 266	40 052 073

#Directors' fees due to shareholder nominees on the Hulamin Board are paid to the employer organisation and not to the nominees. For Mr P H Staude the fees from date of listing of Hulamin amounting to R55 000 have been paid to him in his personal capacity.

•The bonuses reflected above are in relation to the 2007 year and are to be paid in 2008.

*This represents the directors' fees and remuneration for the period 1 January 2007 to 30 June 2007, paid to Hulamin non-executive and executive directors who resigned from the Hulamin board on 29 June 2007.

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Directors' remuneration during the 2006 financial year was as follows:

Director	Fees Rand	Cash package Rand	Bonus and performance related payments• Rand	Retirement and medical contributions Rand	Sub-total Rand	Share option gains Rand	Total Rand
Non-executive							
P M Baum#	70 000				70 000		70 000
I Botha# 17.5.06 to 31.12.06	46 667				46 667		46 667
C A P Galego 1.1.06 to 4.8.06	40 833				40 833		40 833
V N Khumalo# 4.8.06 to 31.12.06	29 167				29 167		29 167
L W J Matlhape#	70 000				70 000		70 000
J J Mnisi 1.1.06 to 4.8.06	40 833				40 833		40 833
M H Munro#	70 000				70 000		70 000
C M L Savage	70 000				70 000		70 000
P H Staude#	70 000				70 000		70 000
M P Zambane# 4.8.06 to 31.12.06	29 167				29 167		29 167
Subtotal	536 667	–	–	–	536 667	–	536 667
Executive							
A Fourie#	70 000	2 042 712	882 452	234 447	3 229 611	2 407 614	5 637 225
C D Hughes	–	1 014 000	424 866	140 172	1 579 038	1 715 717	3 294 755
M Z Mkhize	–	1 182 000	485 802	156 132	1 823 934	2 186 752	4 010 686
Previous executive directors*	–	5 643 600	2 305 287	775 795	8 724 682	7 029 024	15 753 706
Subtotal	70 000	9 882 312	4 098 407	1 306 546	15 357 265	13 339 107	28 696 372
Total	606 667	9 882 312	4 098 407	1 306 546	15 893 932	13 339 107	29 233 039

Directors' fees due to shareholder nominees on the Hulamin Board are paid to the employer organisation and not to the nominees.

•The bonuses reflected above are in relation to the 2006 year and were paid in 2007.

*This represents the total remuneration for the financial year ended 31 December 2006, paid to Hulamin executive directors who resigned from the Hulamin board on 29 June 2007.

2. Interest of directors of the company in share-based instruments

The interest of the directors in share options of the company are shown in the table below:

2.1 The Original Tongaat-Hulett Share Option Schemes

Share options prior to the unbundling

	Original option price	Expiring ten years from	Number of options at 31 December 2006	Options exercised prior to unbundling	Number of options at unbundling	Market price of options exercised
Executive director						
A Fourie	R40,00	16 May 2001	10 000		10 000	
	R49,60	13 May 2002	35 000		35 000	
	R31,90	14 April 2003	32 600	20 000	12 600	R138,62
	R47,00	21 April 2004	30 000		30 000	
			107 600	20 000	87 600	
C D Hughes	R31,90	14 April 2003	1 500	1 500	–	R138,03
	R34,50	1 October 2003	4 500		4 500	
	R47,00	21 April 2004	9 600	4 800	4 800	R138,03
			15 600	6 300	9 300	
M Mkhize	R31,90	14 April 2003	3 800	3 800	–	R139,07
	R47,00	21 April 2004	6 800	3 400	3 400	R139,07
			10 600	7 200	3 400	
Total			133 800	33 500	100 300	

Options apportioned after unbundling

a) Options relating to the Tongaat Hulett share price

	Adjusted option price	Expiring 10 years from	Number of options at unbundling	Options exercised post unbundling	Number of options at 31 December 2007	Options time constrained
Executive director						
A Fourie	R30,55	16 May 2001	10 000		10 000	
	R37,88	13 May 2002	35 000		35 000	
	R24,37	14 April 2003	12 600		12 600	
	R35,90	21 April 2004	30 000		30 000	9 000
Total			87 600	–	87 600	9 000
C D Hughes	R24,37	14 April 2003	–		–	
	R26,35	1 October 2003	4 500		4 500	
	R35,90	21 April 2004	4 800		4 800	4 800
			9 300	–	9 300	4 800
M Mkhize	R24,37	14 April 2003	–		–	
	R35,90	21 April 2004	3 400		3 400	3 360
			3 400	–	3 400	3 360
Total			100 300	–	100 300	17 160

b) Options relating to the Hulamin share price

	Adjusted option price	Expiring 10 years from	Number of options at unbundling	Options exercised post unbundling	Number of options at 31 December 2007	Options time constrained
Executive director						
A Fourie	R9,45	16 May 2001	10 000		10 000	
	R11,72	13 May 2002	35 000		35 000	
	R7,53	14 April 2003	12 600		12 600	
	R11,10	21 April 2004	30 000		30 000	9 000
			87 600	–	87 600	9 000
C D Hughes	R7,53	14 April 2003	–		–	
	R8,15	1 October 2003	4 500		4 500	
	R11,10	21 April 2004	4 800		4 800	4 800
			9 300	–	9 300	4 800
M Mkhize	R7,53	14 April 2003	–		–	
	R11,10	21 April 2004	3 400		3 400	3 360
			3 400	–	3 400	3 360
Total			100 300	–	100 300	17 160

2.2 Tongaat-Hulett Group Share Appreciation Right Scheme (SARS) 2005

Rights prior to unbundling

	Number of rights granted in 2005	Number of rights granted in 2006	Number of rights at 31 December 2006	Rights exercised prior to unbundling	Number of rights at unbundling	Market price of rights exercised
Executive director						
A Fourie	37 381	23 249	60 630		60 630	
C D Hughes	14 960	11 982	26 942	14 952	11 990	R146,30
M Z Mkhize	16 201	12 458	28 659	15 996	12 663	R146,30
	68 542	47 689	116 231	30 948	85 283	
Original grant price	R57,58	R96,09				
Expiring seven years from	10 May 2005	25 April 2006				

Rights apportioned after unbundling

a) Rights relating to the Tongaat Hulett share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of rights at unbundling	Rights exercised post unbundling	Number of rights at 31 December 2007	Rights time constrained
Executive director						
A Fourie	37 381	23 249	60 630		60 630	25 806
C D Hughes	4 549	7 441	11 990		11 990	11 990
M Z Mkhize	4 927	7 736	12 663		12 663	12 663
	46 857	38 426	85 283	–	85 283	50 459
Adjusted grant price	R43,98	R73,39				
Expiring seven years from	10 May 2005	25 April 2006				

b) Rights relating to the Hulamin share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of rights at unbundling	Rights exercised post unbundling	Number of rights at 31 December 2007	Rights time constrained
Executive director						
A Fourie	37 381	23 249	60 630		60 630	25 806
C D Hughes	4 549	7 441	11 990		11 990	11 990
M Z Mkhize	4 927	7 736	12 663		12 663	12 663
	46 857	38 426	85 283	–	85 283	50 459
Adjusted grant price	R13,60	R22,70				
Expiring seven years from	10 May 2005	25 April 2006				

2.3 Tongaat-Hulett Group Long Term Incentive Plan 2005

Conditional awards prior to the unbundling

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards exercised prior to unbundling	Number of conditional awards at unbundling	Market price of conditional awards exercised
Executive director						
A Fourie	18 528	9 909	28 437	16 650	11 787	R146,30
C D Hughes	6 965	4 201	11 166	6 439	4 727	R146,30
M Z Mkhize	7 543	4 343	11 886	6 895	4 991	R146,30
	33 036	18 453	51 489	29 984	21 505	
Original grant price	R57,58	R96,09				
Expiring three years from	10 May 2005	25 April 2006				

Conditional awards after unbundling

a) Conditional awards relating to the Tongaat Hulett share price

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at unbundling	Conditional awards exercised post unbundling	Number of conditional awards at 31 December 2007	Number of conditional awards time constrained
Executive director						
A Fourie	5 637	6 153	11 787		11 787	11 787
C D Hughes	2 118	2 609	4 727		4 727	4 727
M Z Mkhize	2 294	2 697	4 991		4 991	4 991
	10 049	11 459	21 505	–	21 505	21 505
Adjusted grant price	R43,98	R73,39				
Expiring three years from	10 May 2005	25 April 2006				

b) Conditional awards relating to the Hulamin share price

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at unbundling	Conditional awards exercised post unbundling	Number of conditional awards at 31 December 2007	Number of conditional awards time constrained
Executive director						
A Fourie	5 637	6 153	11 787		11 787	11 787
C D Hughes	2 118	2 609	4 727		4 727	4 727
M Z Mkhize	2 294	2 697	4 991		4 991	4 991
	10 049	11 459	21 505	–	21 505	21 505
Adjusted grant price	R13,60	R22,70				
Expiring three years from	10 May 2005	25 April 2006				

2.4 Tongaat-Hulett Group Deferred Bonus Plan 2005

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at 31 December 2006	Conditional awards exercised prior to unbundling	Number of conditional awards at unbundling	Market price of conditional awards exercised
Executive director						
A Fourie	3 314	2 693	6 007	6 007		R146,30
	3 314	2 693	6 007	6 007	–	
Original grant price	R57,76	R91,86				
Expiring three years from	4 May 2005	3 March 2006				

The deferred bonus shares were purchased by the participating employee on 4 May 2005 in respect of the 2005 award and 3 March 2006 in respect of the 2006 award.

2.5 Hulamin Limited Share Appreciation Rights Scheme 2007

	Number of rights granted in 2007	Number of rights at 31 December 2007	Rights time constrained
Executive director			
A Fourie	88 000	88 000	88 000
C D Hughes	40 000	40 000	40 000
M Z Mkhize	37 500	37 500	37 500
	165 500	165 500	165 500
Grant price	R22,87		
Expiring seven years from	20 August 2007		

2.6 Hulamin Limited Long Term Incentive Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Conditional awards time constrained
A Fourie	36 500	36 500	36 500
C D Hughes	16 000	16 000	16 000
M Z Mkhize	15 000	15 000	15 000
	67 500	67 500	67 500
Issue price	R23,51		
Expiring three years from	20 August 2007		

2.7 Hulamin Limited Deferred Bonus Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Conditional awards time constrained
Executive director			
A Fourie	11 100	11 100	11 100
	11 100	11 100	11 100
Issue price	R23,50		
Expiring three years from	1 March 2007		

The deferred bonus shares were purchased by the participating employee on 8 August 2007 in respect of the 2007 award.

2.8 MSOP Share Appreciation Right Plan

	Number of rights granted in 2007	Number of rights at 31 December 2007	Conditional awards time constrained
Executive director			
M Z Mkhize	218 930	218 930	218 930
	218 930	218 930	218 930
Grant price	R21,44		
Expiring five years from	31 August 2007		

2.9 MSOP Share Grant Plan

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Conditional awards time constrained
Executive director			
M Z Mkhize	73 110	73 110	73 110
	73 110	73 110	73 110
Issue price	R0,00		
Expiring five years from	31 August 2007		

3. Interest of directors of the company in share capital

The aggregate holdings as at 31 December 2007 of those directors of the company holding issued ordinary shares of the company are detailed below.

No directors held any holdings as at 31 December 2006.

	Direct beneficial shares	Indirect beneficial shares	Held by associates	Shares total
Executive director				
A Fourie	35 701			35 701
Non-executive directors				
J B Magwaza	5 760			5 760
M E Mkwanazi			8 000	8 000
P H Staude	50 427			50 427
Subtotal	56 187	–	8 000	64 187
Total	91 888	–	8 000	99 888

There have been no changes in the above interests between the year-end and 11 February 2008.

Basis of preparation

1. **Compliance with International Financial Reporting Standards (IFRS)**

The combined (company) and consolidated (group) financial statements are prepared in compliance with IFRS, interpretations of those standards and applicable legislation.

The following accounting standards, interpretations and amendments to the standards, that are applicable to the group, were adopted during the current financial year:

IFRIC 8 – Scope of IFRS 2

IFRIC 10 – Interim financial reporting and impairment

IFRS 7 – Financial instrument disclosures

AC 503 – Accounting for BEE transactions

The following accounting standards, interpretations and amendments to the standards, that are applicable to the group, have been adopted prior to their commencement:

IFRIC 11 – IFRS 2 – Group and treasury shares in relation to IFRS 2

The following accounting standards, interpretations and amendments to the standards, that are applicable to the group, have not yet become effective and have not been adopted prior to their commencement:

IAS 1 – Amendment providing for a revision of the presentation of financial statements

IAS 23 – Borrowing Costs – Amendment requiring borrowings costs to be included in the cost of assets that take a substantial period of time to get ready for use

IFRS 2 – Share-based Payments – Amendment

IFRS 3 (Revised) – Business Combinations

IFRS 8 – Operating Segments

IFRIC 14 – Limit on defined benefit assets

IAS 27 (Revised) – Consolidated and Separate Financial Statements

2. **Underlying concepts**

The financial statements are prepared using the historical cost convention and on the going concern basis.

The financial statements are prepared using accrual accounting whereby the effects of transactions and other events are recognised when they occur rather than when the cash is received.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported only when a currently legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies resulting from the initial application of a Standard or an Interpretation are accounted for in accordance with the transitional provisions in the accounting standard. If no such guidance is given, they are applied retrospectively.

Changes in accounting estimates resulting from new information or new developments are recognised in the income statement in the period they occur.

Prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively.

3. Judgements made by management

There were no material judgements made by management, in the application of accounting policies that could have a significant effect on the amounts recognised in the financial statements other than those dealt with below.

4. Recognition of assets and liabilities

Assets and liabilities are recognised when it is probable that future economic benefits associated with them will flow to and from the group respectively, and when their costs or fair values can be measured reliably.

Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets are recognised based on trade dates.

5. Derecognition of assets and liabilities

Financial assets or parts thereof are derecognised, when the contractual rights to receive the cash flows have expired or been transferred and substantially all the risks and rewards of ownership or control have passed.

All other assets are derecognised on disposal or when the substantial risks and rewards associated with ownership have passed to another party, or when no future economic benefits are expected from its use.

Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

6. **Foreign currencies**

The functional currency of each entity within the group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the exchange rates ruling on the dates of the transactions, i.e. dates on which the transactions first qualify for recognition. Foreign exchange gains and losses resulting from the settlement of these transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in equity as qualifying cash flow hedges. The group's functional and presentation currency is South African Rand.

Gains and losses arising from changes in the fair value of foreign exchange contracts (except cash flow hedges when deferred in equity) as well as gains and losses arising on translation are recognised in the income statement in the period in which they arise.

7. **Hedge accounting**

Hedge accounting is adopted when all the IFRS requirements are fulfilled, which includes documenting at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. In addition, the group documents the assessment, both at hedge inception and on an ongoing basis, of the hedge effectiveness.

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognised asset, liability or firm commitment.

A cash flow hedge is the hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with an asset or a liability that could affect profit or loss or a highly probable forecast transaction that could affect profit or loss.

The gain or loss on the hedged item attributable to the hedged risk in a fair value hedge is included in the carrying amount of the hedged item and recognised in the income statement. The gain or loss on the hedged instrument is also recognised in the income statement.

The portion of the gain or loss on the hedging instrument in a cash flow hedge that is determined to be effective is recognised directly in equity, whilst the ineffective portion is recognised in the income statement.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses recognised in equity are recognised in the income statement in the same period in which the asset or liability affects the income statement.

If a hedge results in the recognition of a non-financial asset or non-financial liability, any associated gains or losses recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria (including when it becomes ineffective), when the hedge instrument is sold, terminated or exercised when, for cash flow hedges, the forecast transaction is no longer expected to occur or when the hedge designation is revoked.

The hedging reserve accumulates all movement in the fair value of financial instruments designated as hedges of transactions that have yet to be recognised on the balance sheet. When the underlying transaction is recognised, the related accumulated hedging reserve is released to the income statement.

8. **Post balance sheet events**

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date.

9. **Comparative figures**

Comparative figures are restated in the event of a change in accounting policy or prior period error.

10. **Segment reporting**

The group's primary operating divisions are the Rolled Products and Extrusions divisions and are the primary reporting segments. Revenue is also disclosed by geographical area.

Basis of consolidation

11. **Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the group exercises control, or up until the point it ceases to exercise control. Inter-company transactions, balances and unrealised gains and losses on transactions between group entities are eliminated on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the group.

The company financial statements recognise the interests in subsidiaries at cost.

12. **Associates**

Associates are accounted for using the equity method from the date on which it becomes an associate. The use of the equity method is discontinued from the date that it ceases to have significant influence over an associate.

The associate is accounted for at cost in the company accounts.

13. **Joint ventures**

The group accounts for joint ventures using the equity method of accounting where the investment is carried at cost plus post–acquisition changes in the group's share of net assets of the joint venture, less any provision for impairment.

14. **Business combinations**

Business combinations – IFRS 3

The cost of an acquisition, which is within the scope of IFRS 3 Business combinations, is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost over the group's share in the fair value of the assets, liabilities and contingent liabilities acquired is recognised as goodwill and any excess of the fair value of the assets, liabilities and contingent liabilities over the cost is recognised in the income statement.

Business combinations – common control transactions

Common control transactions are accounted for using the predecessor values method, in accordance with the principles of FAS 141, an accounting standard issued by the United States Financial Accounting Standards Board. Application of the predecessor value method results in the recording of the transaction and the results of operations as if it had taken place at the beginning of the earliest period presented.

The assets and liabilities of the acquired entity are recorded at book values. The predecessor values are adjusted to ensure uniform accounting policies.

The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are recorded as an adjustment to retained earnings.

At 31 December 2006, Hulamin Limited acquired the assets and liabilities of The Hulamin Joint Venture through a transaction under common control, and consequently the results of operations for 2006 are presented as though the transaction had occurred at 1 January 2005. The effects of inter-company transactions have been eliminated in determining the results of operations for the period. Similarly, the consolidated balance sheets with related notes have been presented as though the assets and liabilities of the combining entities had been transferred at 1 January 2005.

Assets

15. **Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the estimated cost of dismantling and removing the assets.

Depreciation is calculated so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Depreciation is charged from the dates the assets are available for use.

Where the useful lives of significant parts of an item are different from the item itself, these parts are depreciated over their useful lives.

The methods of depreciation, useful lives and residual values are reviewed annually.

Gains and losses on disposals are recognised within other income/expenses in the income statement.

16. **Intangible assets**

    The group's only intangible asset is computer software. Software license and development costs are capitalised and amortised over their useful lives.

17. **Impairment of assets**

    At each reporting date the carrying amount of the tangible and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Value in use is estimated based on discounted future cash flows expected to be derived from an asset or cash-generating unit.

    If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the income statement. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

    If an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the income statement.

18. **Leasing**

    A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

    Leases are classified as finance leases or operating leases at the inception of the lease.

    Finance leases are recognised as assets and liabilities at the lower of the fair value of the asset and the present value of the minimum lease payments at the date of acquisition, being payments over the lease term, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor including any amounts guaranteed by the company or by a party related to the company.

    Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. Finance costs are charged to the income statement over the term of the lease at interest rates applicable to the lease on the remaining balance of the obligations.

    Rentals payable under operating leases are recognised in the income statement on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the user's benefit.

19. **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to make the sale.

The specific identification basis is used to arrive at the cost of items that are not interchangeable. The first-in-first-out method and weighted average method is used to arrive at the cost of items that are interchangeable.

20. **Financial assets**

Financial assets are initially measured at fair value plus transaction costs. However, transaction costs in respect of financial assets classified as at fair value through profit or loss are expensed.

Financial assets classified as at fair value through profit or loss are measured at fair value with gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Financial assets classified as held-to-maturity financial assets are measured at amortised cost less any impairment losses recognised to reflect irrecoverable amounts.

Loans and receivables, which include trade receivables, are measured at amortised cost less impairment losses, which are recognised in the income statement. The carrying values of loans and receivables are assumed to approximate their fair values.

Available-for-sale financial assets are measured at fair value with gains or losses being recognised directly in equity. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted. Cumulative gains and losses, including that deferred in equity, are recognised in the income statement on impairment. Any reversal of impairment losses on equity instruments is recognised directly in equity.

Financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In particular, the trade receivables provision is established where there is objective evidence that the group will not collect all amounts due according to the original terms of receivables.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The fair value of commodity futures is determined by reference to quoted prices at the balance sheet date.

21. **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised, although contingent liabilities are disclosed.

Equity and Liabilities

22. Equity

Transactions relating to the acquisition and sale of shares in the company, together with their associated incremental direct costs, are accounted for in equity. Other transactions are accounted for directly in equity only if permitted by the standards.

23. Deferred tax

Deferred tax is provided in full using the liability method, on temporary differences arising between tax bases of the assets and liabilities and their carrying amounts in the financial statements. A deferred tax asset is only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, unless specifically exempt. It is measured at the tax rates that have been enacted or substantially enacted at the balance sheet date and is not discounted.

Deferred tax arising on investments in subsidiaries, associates and joint ventures is recognised except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

24. Financial liabilities

Financial liabilities are initially measured at fair value net of transaction costs. However, transaction costs in respect of financial liabilities classified as at fair value through profit or loss are expensed.

Gains and losses arising from changes in the fair value of financial liabilities at fair value through profit or loss are presented in the income statement within other operating income.

Financial liabilities (excluding liabilities designated in a hedging relationship) that are not designated on initial recognition as financial liabilities at fair value through the income statement are measured at amortised cost.

Derivative liabilities are measured at fair value.

25. Employment benefit obligations

Post-employment benefit obligations

Certain employees of the group are members of The Tongaat-Hulett Pension Fund, which is a defined benefit fund, as are certain employees of the Tongaat Hulett group. Whilst the fair value of plan assets exceeds plan liabilities, the manner of splitting of the fund between the Hulamin and Tongaat Hulett groups is still being concluded. Due to the uncertainty regarding apportionment, no surplus has been recognised on the group's balance sheet. In addition, as there is no stated policy for the charging of the net defined benefit costs, the company recognised the contributions paid as the net defined benefit cost.

Contributions to defined contribution plans are recognised in the income statement as they accrue.

Post-retirement medical aid benefits and retirement gratuities

Provisions for post-retirement medical aid benefits and gratuities payable on retirement are calculated on an actuarial basis, being present value of future liability, for services rendered to date. Actuarial gains and losses are recognised over the lesser of ten years or the employees' average remaining working lives.

Employee benefit costs

The cost of short-term employee benefits, including the expected cost of short-term accumulating compensated absences, is recognised in the income statement in the period in which the service is rendered and is not discounted.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

26. Shareholders for equity dividends

Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity. Secondary tax on companies in respect of such dividends is recognised as a liability when the dividends are recognised as a liability and are included in the tax charge in the income statement.

27. Provisions

Provisions are recognised when the group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured as the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

Income statement

28. Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed, when the amount of the revenue and the related costs can be reliably measured and when it is probable that the debtor will pay for the goods.

Interest income is accrued on a time basis using the effective interest rate method.

29. Borrowing costs

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

30. Taxation

The charge for current tax is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible, using tax rates that are applicable to taxable income.

31. Share-based payments

The group's employee share incentive schemes, including the Employee Share Ownership Plan and the Management Share Ownership Plan, are accounted for as equity settled share-based payments. The fair value of the incentives at the grant date is expensed on a straight-line basis over the period during which the incentive vests. Fair value is determined based on an estimate of the incentives that will vest and any non-market conditions, using the Black-Scholes and binomial tree valuation models, and these estimates are reviewed annually.

For those schemes where the group purchases shares (or where in the past the Tongaat Hulett group has purchased shares) in order to settle the benefit granted, any cost in excess of the fair value of the benefit granted is recognised in equity.

The transaction for the introduction of broad-based BEE investors will result in the participants acquiring Hulamin Limited shares and is accounted for as an equity settled share-based payment. The fair value of the transaction at the grant date has been expensed in 2007. Fair value was determined using a Monte Carlo valuation model.

Sources of estimation uncertainty

32. Sources of estimation uncertainty

The key assumptions and sources of estimation uncertainty at the balance sheet date, that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

Useful lives and residual values of assets

Items of property, plant and equipment are depreciated over their useful lives taking into account residual values. The estimated lives and residual values are assessed annually taking into account technological innovation, product life cycles, maintenance programmes and projected disposal values.

Post-employment benefit obligations

Actuarial valuations of post-retirement benefit obligations are based on assumptions which include employee turnover, mortality rates, the discount rate, expected long-term rate of return on retirement plan assets, healthcare costs, inflation rates and salary increments.

FINANCIAL RISK MANAGEMENT

1. Financial risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance, and uses derivative financial instruments to hedge certain risk exposures.

Hedging is carried out by a central treasury department (group treasury) under policies approved by the board of directors, and in close co-operation with the group's operating units.

1.1 Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar.

Foreign exchange risk arises from future commercial transactions or recognised assets or liabilities that are denominated in a currency that is not the group's functional currency, which is South African Rand. The group's risk management policy is to hedge its currency exposure related to import transactions, foreign currency liabilities, foreign currency assets and the value added portion of export transactions. Aluminium purchases and sales are determined with reference to the US Dollar and it is the group's policy to hedge all currency exposure on aluminium, while the value added portion of export transactions is hedged from invoice date. The group uses foreign exchange contracts, transacted with commercial banks, to manage these risks.

Had the South African Rand been 5% weaker or stronger against the US Dollar at 31 December, the after tax profit for the year would have been higher or lower by R3 101 000 (2006: R3 296 000). The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains/losses on translation of US Dollar denominated trade receivables and financial assets and liabilities at fair value through profit or loss that are offset by equivalent gains/losses in currency derivatives – except for certain US Dollar denominated commodity futures contracts that were not hedge accounted in 2006. Aside from the abovementioned 2006 exception, profit is no more sensitive to movements in currency exchange rates in 2007 than in 2006, as all foreign currency denominated assets and liabilities are hedged through foreign exchange contracts. The effect of the above change in currency exchange rates on equity would be negligible in both 2007 and 2006. The change in equity is mainly from foreign exchange losses/gains on translation of US Dollar-denominated cash flow hedging instruments.

Commodity price risk

The group purchases and sells aluminium at prices that fluctuate with movements of prices on the London Metal Exchange and is thus exposed to commodity price risk. This commodity price risk is hedged by futures contracts.

Had the price of aluminium been 5% weaker or stronger at 31 December, the effect on after tax profit for the current and previous year would have been negligible. The sensitivity of profits to changes in aluminium prices is a result of commodity price gains/losses on aluminium futures contracts that were all hedge accounted in 2007 but some of which were not in 2006. For this reason profit is less sensitive to movement in commodity prices in 2007 than 2006. The above change in aluminium prices would have no effect on equity in both 2007 and 2006. Equity is not affected because all commodity price derivatives are in fair value hedge relationships.

Interest rate risk

The group has no significant interest-bearing assets and interest rate risk is solely related to borrowings. As the group's borrowings bear interest at variable rates, it does not have any fair value exposure but it is exposed to future cash flow risks. Had interest rates for the year been 0,5 percentage points higher or lower and been applied to the period end net debt, the interest expense for the year would have been higher or lower by R4 142 535 (2006: R 3 769 140).

The group analyses the impact on profit and loss of defined interest rate shifts – taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. The analysis is only for liabilities that represent the major interest-bearing positions. The group did not cover exposure to interest rate risk in 2007 and 2006.

1.2 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. All deposits are held with major South African banks and all foreign exchange hedging transactions are undertaken with these banks or Anglo Finance SA (Pty) Limited, a subsidiary of Anglo American plc. All aluminium futures are undertaken with major London Metal Exchange broker companies.

Creditworthiness of local trade debtors is assessed when credit is first extended and is reviewed on a monthly basis thereafter. This assessment establishes credit limits that, where felt necessary, are supplemented by credit insurance. 90% of the invoice value of all export trade debtors is covered by insurance.

Quantitative data on credit risk is disclosed in the notes to the annual financial statements on cash and cash equivalents (note 10), derivative financial instruments (note 9) and trade and other receivables (note 8).

1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, flexibility in funding is maintained through ensuring availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity reserve being the excess of available facilities over forecast net borrowings.

The group's facility utilisation at the period end was:

	Notes	2007 R'000	2006 R'000
Total borrowing facilities		**1 452 828**	817 354
Less:			
Non-current borrowings	12	**663 611**	2 829
Current borrowings	16	**257 042**	814 525
Committed undrawn facilities		**532 175**	–

Financial liabilities with contractual maturity dates beyond a year from 31 December 2007 comprise non-current borrowings and derivative liabilities. Quantitative data on liquidity risk is disclosed in the notes to the annual financial statements on trade and other receivables (note 8) and non-current borrowings (note 12).

2. Capital risk management

The group's objectives when managing capital are to maintain the optimum mix of liquidity and low cost of capital and to be able to finance future growth.

The group does not target specific capital ratios, with current and future borrowings being evaluated against the group's expected operating cash flows and capital investment needs. Capital adequacy and liquidity are managed by monitoring net debt to equity, interest cover and debt service ratios.

The group's net debt to equity at the period end was as follows:

	Notes	2007 R'000	2006 R'000
Non-current borrowings	12	**663 611**	2 829
Current borrowings	16	**257 042**	814 525
The Hulamin Joint Venture	33	**–**	396 320
Total borrowings		**920 653**	1 213 674
Less: cash and cash equivalents	10	**(92 146)**	(63 526)
Net borrowings		**828 507**	1 150 148
Equity holders' interest		**3 494 151**	2 912 318
Net debt to equity	(%)	**23,7**	39,5

BALANCE SHEETS as at 31 December 2007

		Group		Company	
		2007	2006	2007	2006
	Notes	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**4 166 987**	3 939 255	**–**	3 842 230
Intangible assets	3	**26 162**	23 212	**–**	23 212
Investments in associates and joint ventures	4	**3 784**	1 765	**–**	64 746
Subsidiaries	5	**–**	–	**7 260 458**	201 620
Deferred tax asset	6	**16 373**	–	**16 373**	–
		4 213 306	3 964 232	**7 276 831**	4 131 808
Current assets					
Inventories	7	**964 145**	988 978	**–**	824 504
Trade and other receivables	8	**1 013 603**	1 050 353	**–**	943 224
Derivative financial assets	9	**47 005**	67 980	**–**	67 980
Income tax prepaid		**–**	–	**–**	1 368
Cash and cash equivalents	10	**92 146**	63 526	**–**	8 420
		2 116 899	2 170 837	**–**	1 845 496
Total assets		**6 330 205**	6 135 069	**7 276 831**	5 977 304
EQUITY					
Share capital and share premium	11	**989 492**	592 887	**1 081 275**	592 887
BEE reserve		**174 686**	–	**134 686**	–
Employee share-based payment reserve		**21 085**	–	**21 085**	–
Hedging reserve		**988**	7 749	**–**	7 749
Retained earnings		**2 307 900**	2 311 682	**5 958 022**	2 297 303
Equity holders' interest		**3 494 151**	2 912 318	**7 195 068**	2 897 939
Minority interest		**35 142**	38 433	**–**	–
Total equity		**3 529 293**	2 950 751	**7 195 068**	2 897 939
LIABILITIES					
Non-current liabilities					
Borrowings	12	**663 611**	2 829	**–**	2 335
Deferred income tax liabilities	13	**894 203**	899 815	**–**	895 964
Retirement benefit obligations	14	**107 505**	98 632	**39 690**	87 352
		1 665 319	1 001 276	**39 690**	985 651
Current liabilities					
Trade and other payables	15	**734 665**	932 278	**–**	848 382
Borrowings	16	**257 042**	814 525	**–**	814 463
The Hulamin Joint Venture	33	**–**	396 320	**–**	396 320
Derivative financial liabilities	9	**47 626**	34 549	**–**	34 549
Income tax liability		**96 260**	5 370	**42 073**	–
		1 135 593	2 183 042	**42 073**	2 093 714
Total liabilities		**2 800 912**	3 184 318	**81 763**	3 079 365
Total equity and liabilities		**6 330 205**	6 135 069	**7 276 831**	5 977 304

INCOME STATEMENTS for the year ended 31 December 2007

	Notes	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
Revenue		6 568 371	5 476 140	2 904 732	4 791 362
Cost of sales	18	(5 837 665)	(4 867 571)	(2 631 399)	(4 306 853)
Gross profit		730 706	608 569	273 333	484 509
Other operating income	17	7 630	341	9 499	(479)
Selling and marketing expenses	18	(271 571)	(260 891)	(102 080)	(202 420)
Administrative expenses	18	(108 848)	(98 374)	(25 737)	(75 758)
Underlying operating profit		357 917	249 645	155 015	205 852
Metal price lag	19	22 119	182 782	8 970	182 782
Operating profit before corporate structuring costs		380 036	432 427	163 985	388 634
Corporate structuring costs	20	(168 389)	(10 000)	(139 590)	(10 000)
Operating profit		211 647	422 427	24 395	378 634
Share of joint venture's and associate company's profit/(loss)		216	(310)	–	–
Finance income	21	–	–	54 987	9 853
Finance costs	21	(85 262)	(222 119)	(46 584)	(222 022)
Profit before tax		126 601	199 998	32 798	166 465
Tax	22	(89 131)	11 379	(53 665)	20 787
Net profit/(loss) for the year		37 470	211 377	(20 867)	187 252
Attributable to:					
Equity holders of the company		40 761	204 072	(20 867)	187 252
Minority interest		(3 291)	7 305	–	–
		37 470	211 377	(20 867)	187 252
Earnings per share attributable to the equity holders of the company	23				
Basic (cents)		19	100		
Diluted (cents)		19	99		

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STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2007

	Share capital R'000	Share premium R'000	Consolidated shares R'000	Hedging reserve R'000
GROUP				
Balance at 1 January 2006	10 000	2 887	–	14 020
Value of employee services	–	–	–	–
Settlement of employee service charge	–	–	–	–
Cash flow hedges transferred to income statement	–	–	–	(14 020)
Cash flow hedges created net of tax	–	–	–	7 749
ABSA subscription for shares	1 100	578 900	–	–
Transfer to retained income	–	–	–	–
Net profit/(loss) for the year	–	–	–	–
Loss for the year – company	–	–	–	–
Profit before tax of joint venture	–	–	–	–
Partners' capital account eliminated on common control transaction	–	–	–	–
Consideration in excess of predecessor values of business net of tax	–	–	–	–
Consideration paid	–	–	–	–
Less predecessor values of business involved in common control transaction	–	–	–	–
Deferred tax on common control transaction	–	–	–	–
Balance at 31 December 2006	**11 100**	**581 787**	**–**	**7 749**
Shares issued	14 096	474 292	–	–
Consolidated "A" and "B" class shares	–	–	(91 783)	–
Value of employee services	–	–	–	–
Reversal of settlement of employees service charge	–	–	–	–
Settlement of employee share incentives	–	–	–	–
Transfer of reserve on settlement of employee options	–	–	–	–
Tax on share options	–	–	–	–
BEE investors' share capital contribution	–	–	–	–
Charge on introduction of BEE investors	–	–	–	–
Cash flow hedges transferred to income statement	–	–	–	(7 749)
Cash flow hedges created net of tax	–	–	–	988
Deferred tax on prior year common control transaction reversed	–	–	–	–
Normal tax on prior year common control transaction	–	–	–	–
Net profit for the year	–	–	–	–
Dividends paid	–	–	–	–
Balance at 31 December 2007	**25 196**	**1 056 079**	**(91 783)**	**988**

The prior year figure for realised capital surpluses has been reclassified as retained earnings.

Employee share-based payment reserve R'000	BEE reserve R'000	Partners' capital account R'000	Realised capital surpluses R'000	Retained earnings R'000	Share-holders' interest R'000	Minority interest R'000	Total equity R'000
–	–	103 595	293	2 388 082	2 518 877	31 128	2 550 005
4 830	–	–	–	–	4 830	–	4 830
(4 830)	–	–	–	–	(4 830)	–	(4 830)
–	–	–	–	–	(14 020)	–	(14 020)
–	–	–	–	–	7 749	–	7 749
–	–	–	–	–	580 000	–	580 000
–	–	–	(293)	293	–	–	–
–	–	251 480	–	(47 408)	204 072	7 305	211 377
–	–	–	–	(47 408)	(47 408)	7 305	(40 103)
–	–	251 480	–	–	251 480	–	251 480
–	–	(355 075)	–	–	(355 075)	–	(355 075)
–	–	–	–	(29 285)	(29 285)	–	(29 285)
–	–	–	–	(396 320)	(396 320)	–	(396 320)
–	–	–	–	355 075	355 075	–	355 075
–	–	–	–	11 960	11 960	–	11 960
–	**–**	**–**	**–**	**2 311 682**	**2 912 318**	**38 433**	**2 950 751**
–	–	–	–	–	488 388	–	488 388
–	–	–	–	–	(91 783)	–	(91 783)
21 087	–	–	–	–	21 087	–	21 087
12 223	–	–	–	–	12 223	–	12 223
–	–	–	–	(24 542)	(24 542)	–	(24 542)
(12 225)	–	–	–	12 225	–	–	–
–	–	–	–	7 272	7 272	–	7 272
–	40 000	–	–	–	40 000	–	40 000
–	134 686	–	–	–	134 686	–	134 686
–	–	–	–	–	(7 749)	–	(7 749)
–	–	–	–	–	988	–	988
–	–	–	–	(11 960)	(11 960)	–	(11 960)
–	–	–	–	11 960	11 960	–	11 960
–	–	–	–	40 761	40 761	(3 291)	37 470
–	–	–	–	(39 498)	(39 498)	–	(39 498)
21 085	**174 686**	**–**	**–**	**2 307 900**	**3 494 151**	**35 142**	**3 529 293**

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2007 continued

	Share capital R'000	Share premium R'000	Hedging reserve R'000
COMPANY			
Balance at 1 January 2006	10 000	2 887	14 020
Value of employee services	–	–	–
Share-based payment settled	–	–	–
Cash flow hedges transferred to income statement	–	–	(14 020)
Cash flow hedges created net of tax	–	–	7 749
ABSA subscription for shares	1 100	578 900	–
Transfer to retained income	–	–	–
Net profit/(loss) for the year	–	–	–
Loss for the year – company	–	–	–
Profit before tax of joint venture	–	–	–
Partners' capital account eliminated on common control transaction	–	–	–
Consideration in excess of predecessor values of business net of tax	–	–	–
Consideration paid	–	–	–
Less predecessor values of business involved in common control transaction	–	–	–
Deferred tax on common control transaction	–	–	–
Balance at 31 December 2006	**11 100**	**581 787**	**7 749**
Shares issued	14 096	474 292	–
Value of employee services	–	–	–
Reversal of settlement of employees service charge	–	–	–
Settlement of employee share incentives	–	–	–
Transfer of reserve on settlement of employee options	–	–	–
Tax on value of share options	–	–	–
Charge on introduction of BEE investors	–	–	–
Cash flow hedges transferred to income statement	–	–	(7 749)
Deferred tax on prior year common control transaction reversed	–	–	–
Normal tax on prior year common control transaction	–	–	–
Consideration received in excess of the net assets of business sold to Hulamin Operations (Pty) Limited	–	–	–
Advance payment for acquisition of "B" class shares from MSOP/ESOP trusts	–	–	–
Employee provisions (net of tax) of staff transferred to Hulamin Operations	–	–	–
Net loss for the year	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2007	**25 196**	**1 056 079**	**–**

The prior year figure for realised capital surpluses has been reclassified as retained earnings.

	Employee share-based payment reserve R'000	BEE reserve R'000	Partners' capital account R'000	Realised capital surpluses R'000	Retained earnings R'000	Share-holders' interest R'000	Minority interest R'000	Total equity R'000
	–	–	103 595	293	2 390 523	2 521 318	–	2 521 318
	4 314	–	–	–	–	4 314	–	4 314
	(4 314)	–	–	–	–	(4 314)	–	(4 314)
	–	–	–	–	–	(14 020)	–	(14 020)
	–	–	–	–	–	7 749	–	7 749
	–	–	–	–	–	580 000	–	580 000
	–	–	–	(293)	293	–	–	–
	–	–	251 480	–	(64 228)	187 252	–	187 252
	–	–	–	–	(64 228)	(64 228)	–	(64 228)
	–	–	251 480	–	–	251 480	–	251 480
	–	–	(355 075)	–	–	(355 075)	–	(355 075)
	–	–	–	–	(29 285)	(29 285)	–	(29 285)
	–	–	–	–	(396 320)	(396 320)	–	(396 320)
	–	–	–	–	355 075	355 075	–	355 075
	–	–	–	–	11 960	11 960	–	11 960
	–	**–**	**–**	**–**	**2 297 303**	**2 897 939**	**–**	**2 897 939**
	–	–	–	–	–	488 388	–	488 388
	21 087	–	–	–	–	21 087	–	21 087
	12 223	–	–	–	–	12 223	–	12 223
	–	–	–	–	(23 253)	(23 253)	–	(23 253)
	(12 225)	–	–	–	11 286	(939)	–	(939)
	–	–	–	–	4 864	4 864	–	4 864
	–	134 686	–	–	–	134 686	–	134 686
	–	–	–	–	–	(7 749)	–	(7 749)
	–	–	–	–	(11 960)	(11 960)	–	(11 960)
	–	–	–	–	11 960	11 960	–	11 960
	–	–	–	–	3 760 972	3 760 972	–	3 760 972
	–	–	–	–	(89 283)	(89 283)	–	(89 283)
	–	–	–	–	56 498	56 498	–	56 498
	–	–	–	–	(20 867)	(20 867)	–	(20 867)
	–	–	–	–	(39 498)	(39 498)	–	(39 498)
	21 085	**134 686**	**–**	**–**	**5 958 022**	**7 195 068**	**–**	**7 195 068**

CASH FLOW STATEMENTS for the year ended 31 December 2007

	Notes	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated before working capital changes	25	596 016	596 519	236 061	534 953
Changes in working capital	26	(142 388)	(260 389)	(102 579)	(216 715)
Interest received		–	–	54 987	9 853
Interest paid		(100 373)	(224 117)	(49 623)	(224 020)
Cash generated from operations		353 255	112 013	138 846	104 071
Income tax payment		(13 359)	(1 448)	(5 106)	(1 368)
Net cash inflow from operating activities		339 896	110 565	133 740	102 703
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment		(392 529)	(231 323)	(158 810)	(189 398)
Additions to intangible assets		(5 067)	(3 881)	(1 452)	(3 881)
Proceeds on disposal of property, plant and equipment		886	46	–	–
Decrease/(increase) in loans to subsidiaries		–	–	26 263	(31 401)
(Increase)/decrease in investment in joint ventures and associates		(6 336)	(2 074)	9 817	(29 031)
Increase in investment in subsidiary		–	–	(89 283)	–
Net cash outflow from investing activities		(403 046)	(237 232)	(213 465)	(253 711)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) in long-term borrowings		660 782	(740 344)	–	(740 282)
(Decrease)/increase in short-term borrowings		(1 023 311)	317 973	(344 588)	317 964
Shares issued		396 605	580 000	488 388	580 000
Settlement of share options net of reversals		(12 316)		(11 030)	
BEE investors' contribution		40 000	–	–	–
Dividends paid	27	(39 498)	–	(39 498)	–
Net cash inflow from financing activities		22 262	157 629	93 272	157 682
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(40 888)	30 962	13 547	6 674
Cash, cash equivalents and bank overdrafts at beginning of year		41 559	10 597	(13 547)	(20 221)
Cash, cash equivalents and bank overdrafts at end of year	10	671	41 559	–	(13 547)

INDEX TO THE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. BUSINESS SEGMENT ANALYSIS

The group is organised into two major operating divisions, namely Hulamin Rolled Products and Hulamin Extrusions. The divisions are the basis on which the group reports its primary segment information. The Rolled Products segment manufactures rolled semi-fabricated aluminium products, which include heat treated plate, can end stock, closure sheet, bright tread plate, thin gauge foil and superior finish painted and clad products. The Extrusions segment manufactures extruded aluminium products, which include small, large and complex extruded sections.

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

2007	Revenue R'000	Operating profit R'000	Total assets R'000	Total liabilities R'000	Capital expenditure R'000	Depreciation and amortisation R'000
Rolled Products	5 791 457	207 042	5 965 256	2 544 430	364 999	163 628
Extrusions	776 914	4 605	364 949	256 482	27 530	18 397
Group total	**6 568 371**	**211 647**	**6 330 205**	**2 800 912**	**392 529**	**182 025**

Inter-segmental revenue amounted to R46 489 000 in Hulamin Rolled Products and R21 490 000 in Hulamin Extrusions.

2006	Revenue R'000	Operating profit R'000	Total assets R'000	Total liabilities R'000	Capital expenditure R'000	Depreciation and amortisation R'000
Rolled Products	4 788 198	378 366	5 768 533	2 953 212	189 529	156 847
Extrusions	687 942	44 061	366 536	231 106	41 794	17 152
Group total	**5 476 140**	**422 427**	**6 135 069**	**3 184 318**	**231 323**	**173 999**

Inter-segmental revenue amounted to R65 582 000 in Hulamin Rolled Products and R19 314 000 in Hulamin Extrusions.

The entities that were previously included in the Commercial Products segment have been restructured and incorporated into Hulamin Rolled Products and Hulamin Extrusions.

Geographical analysis of revenue	2007 R'000	2006 R'000
South Africa	2 555 907	2 283 875
North America	1 303 075	1 405 219
Europe	879 193	610 460
Asia	784 327	597 324
Middle East	629 201	344 790
Australasia	215 118	65 757
South America	105 254	111 453
Rest of Africa	96 296	57 262
	6 568 371	5 476 140

The segments are all based and managed in South Africa.

2. PROPERTY, PLANT AND EQUIPMENT

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
Group					
2007					
At cost					
Balance at beginning of year	4 812 261	541 599	3 900 631	92 422	277 609
Additions	392 529	13 700	56 618	30 612	291 599
Borrowing costs capitalised	15 111	–	–	–	15 111
Disposals	(17 445)	–	(16 582)	(863)	–
Balance at end of year	5 202 456	555 299	3 940 667	122 171	584 319
Accumulated depreciation					
Balance at beginning of year	873 006	50 396	762 894	59 716	–
Charge for the year (note 18)	179 908	10 836	158 646	10 426	–
Disposals	(17 445)	–	(16 582)	(863)	–
Balance at end of year	1 035 469	61 232	904 958	69 279	–
Carrying value at 31 December 2007	4 166 987	494 067	3 035 709	52 892	584 319
2006					
At cost					
Balance at beginning of year	4 579 066	524 505	3 790 810	91 023	172 728
Additions	231 323	17 094	109 822	1 524	102 883
Borrowing costs capitalised	1 998	–	–	–	1 998
Transfers	–	–	125	(125)	–
Disposals	(126)	–	(126)	–	–
Balance at end of year	4 812 261	541 599	3 900 631	92 422	277 609
Accumulated depreciation					
Balance at beginning of year	700 515	40 094	609 391	51 030	–
Charge for the year (note 18)	172 501	10 302	153 505	8 694	–
Transfers	–	–	8	(8)	–
Disposals	(10)	–	(10)	–	–
Balance at end of year	873 006	50 396	762 894	59 716	–
Carrying value at 31 December 2006	3 939 255	491 203	3 137 737	32 706	277 609

Property, plant and equipment with a book value of R3 828 511 000 is encumbered as security for borrowing facilities from Standard Bank and Rand Merchant Bank (note 12).

Plant and machinery with a book value of R18 954 000 (2006: R22 297 000) is encumbered as security for secured finance lease obligations (note 12).

Prior year figures for CWIP have been combined with additions in line with the current classification.

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
2. PROPERTY, PLANT AND EQUIPMENT continued					
Company					
2007					
At cost					
Balance at beginning of year	4 617 317	530 129	3 772 436	82 764	231 988
Additions	158 810	–	268	–	158 542
Borrowing costs capitalised	3 039	–	–	–	3 039
Disposal	(4 779 166)	(530 129)	(3 772 704)	(82 764)	(393 569)
Balance at end of year	–	–	–	–	–
Accumulated depreciation					
Balance at beginning of year	775 087	49 406	673 175	52 506	–
Charge for the year (note 18)	79 980	5 559	69 998	4 423	–
Disposal	(855 067)	(54 965)	(743 173)	(56 929)	–
Balance at end of year	–	–	–	–	–
Carrying value at 31 December 2007	–	–	–	–	–
2006					
At cost					
Balance at beginning of year	4 425 921	513 195	3 669 881	81 772	161 073
Additions	189 398	16 934	102 555	992	68 917
Borrowing costs capitalised	1 998	–	–	–	1 998
Balance at end of year	**4 617 317**	**530 129**	**3 772 436**	**82 764**	**231 988**
Accumulated depreciation					
Balance at beginning of year	619 122	39 203	535 236	44 683	–
Charge for the year (note 18)	155 965	10 203	137 939	7 823	–
Balance at end of year	**775 087**	**49 406**	**673 175**	**52 506**	–
Carrying value at 31 December 2006	**3 842 230**	**480 723**	**3 099 261**	**30 258**	**231 988**

The following methods and rates were used during the year for both group and company:

Buildings	Straight line	30 to 50 years
Plant and machinery	Straight line	4 to 40 years
Vehicles	Straight line	4 years
Equipment	Straight line	5 to 10 years
Furniture	Straight line	5 to 10 years

The weighted average interest rate used for borrowing costs capitalised is 10,1%.

A register of land and buildings is available for inspection at the company's registered office.

Prior year figures for CWIP have been combined with additions in line with the current classification.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
3. INTANGIBLE ASSETS				
Software costs – internally generated and capitalised				
At beginning of year	18 258	14 400	18 258	14 400
Additions	3 474	3 858	1 452	3 858
Disposal	–	–	(19 710)	–
At end of year	21 732	18 258	–	18 258
Accumulated amortisation:				
At beginning of year	111	–	111	–
Charge for the year	730	111	334	111
Disposal	–	–	(445)	–
At end of year	841	111	–	111
Carrying value at end of year	20 891	18 147	–	18 147
Software costs – other external				
At beginning of year	9 947	9 924	9 947	9 924
Additions	1 593	23	–	23
Disposal	–	–	(9 947)	–
At end of year	11 540	9 947	–	9 947
Accumulated amortisation:				
At beginning of year	4 882	3 495	4 882	3 495
Charge for the year	1 387	1 387	694	1 387
Disposal	–	–	(5 576)	–
At end of year	6 269	4 882	–	4 882
Carrying value at end of year	5 271	5 065	–	5 065
Total software costs				
Cost	33 272	28 205	–	28 205
Accumulated amortisation	7 110	4 993	–	4 993
Carrying value at end of year	26 162	23 212	–	23 212
Intangible assets are amortised over their useful lives, currently five to fifteen years on the straight-line basis.				
4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES				
At beginning of year	1 765	1	64 746	62 672
Impairment of loan	(4 532)	–	–	–
Loans	6 335	2 074	(9 817)	2 074
Cumulative share of post-acquisition profit/(loss)	216	(310)	–	–
Disposal	–	–	(54 929)	–
At end of year	3 784	1 765	–	64 746

During the year the shareholding in associate Richards and Barlow (Pty) Limited was increased from 45% to 50%.

Prior year joint venture figures shown with subsidiaries have been restated in line with the current classification (note 5).

Details of associates and joint ventures are included in note 36.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
5. SUBSIDIARIES				
Investment in shares in subsidiaries	–	–	6 668 836	69 075
Loans to subsidiaries	–	–	591 622	135 984
Loans from subsidiaries	–	–	–	(3 439)
	–	–	7 260 458	201 620

Prior year joint venture figures shown with subsidiaries have been restated in line with the current classification and shown under investments in associates and joint ventures (note 4).

Details of subsidiaries are included in note 36.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
6. DEFERRED TAX ASSET				
At beginning of year	–	–	–	–
Accounted for in equity	4 863	–	4 863	–
Income statement				
Current year relief on earnings	11 510	–	11 510	–
At end of year	16 373	–	16 373	–
Deferred income tax asset analysed as follows:				
Provisions	11 510	–	11 510	–
Share schemes	4 863	–	4 863	–
	16 373	–	16 373	–
7. INVENTORIES				
Raw materials	360 592	355 280	–	284 388
Work-in-progress	270 111	366 708	–	353 826
Finished goods	257 500	185 662	–	109 455
Consumable stores	75 942	81 328	–	76 835
	964 145	988 978	–	824 504

Inventories with a carrying value of R29 145 000 (2006: R21 400 000) have been reduced by R10 595 000 (2006: R5 384 000) to net realisable value.

Inventories with a carrying value of R818 989 533 are encumbered as security for borrowing facilities (note 12).

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
8. TRADE AND OTHER RECEIVABLES				
Trade receivables	910 985	930 330	–	817 796
Less: Provision for impairment of receivables	(9 530)	(4 617)	–	(1 838)
	901 455	925 713	–	815 958
Sundry receivables	104 159	115 409	–	109 097
Prepayments	7 989	9 231	–	9 231
Related party receivables	–	–	–	8 938
	1 013 603	1 050 353	–	943 224

There is no significant concentration of risk in respect of any particular customer or industry segment, with the exception of one debtor, which forms 23% (2006: 25%) of trade debtors.

Trade and other receivables with a book value of R917 760 081 (including inter-company debtors) have been ceded as security for borrowing facilities (note 12).

The fair values of trade and other receivables approximate their carrying cost.

	2007 R'000	2006 R'000
Trade receivables that are neither overdue nor impaired. The credit quality of these debtors is sound	879 080	855 212
The ageing analysis of trade receivables past due but not impaired at the period end, is as follows:		
Overdue by less than 60 days	12 940	63 247
Overdue by more than 60 days	9 435	7 254
	22 375	70 501

Trade receivables that were impaired are provided for in full. No collateral is held on these receivables. Export receivables are insured at 90% of invoice value.

The movement in the provision for impairment is as follows:	2007 R'000	2006 R'000
At 1 January	4 617	7 744
Written off or reversed during the year	(4 533)	(7 744)
Impaired trade receivables – provided for in full	9 446	4 617
At 31 December	9 530	4 617

The group had the following uncovered export trade debtors at the period end.

	Foreign amount '000	2007 Rand amount R'000	2006 Rand amount R'000
Pounds sterling	589	8 064	11 228
Euro currency	1 200	12 064	10 637
US Dollar	9 874	67 222	70 969
		87 350	92 834

	Notes	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
9. DERIVATIVE FINANCIAL INSTRUMENTS					
Forward foreign exchange contracts – designated as hedging instruments	9.1	**6 653**	10 249	**–**	10 249
Forward foreign exchange contracts – not designated as hedging instruments	9.1	**(4 060)**	13 305	**–**	13 305
Commodity futures – designated as hedging instruments	9.2	**(3 214)**	27 016	**–**	27 016
Commodity futures – not designated as hedging instruments	9.2	**–**	(17 139)	**–**	(17 139)
		(621)	33 431	**–**	33 431
Grouped as:					
Financial assets		**47 005**	67 980	**–**	67 980
Financial liabilities		**(47 626)**	(34 549)	**–**	(34 549)
		(621)	33 431	**–**	33 431

The credit quality of all derivative financial assets is sound. None are overdue or impaired and the group does not hold collateral on derivatives. The group's maximum exposure to counterparty credit risk on derivative assets at 31 December 2007 amounted to R1 315 032 (2006: R9 876 753).

9. DERIVATIVE FINANCIAL INSTRUMENTS continued

9.1 Foreign currency management

The following forward exchange contracts are designated as hedging instruments at the period end:

	2007 Foreign amount '000	2007 Rand amount R'000	2007 Fair value asset/ (liability) R'000	2006 Foreign amount '000	2006 Rand amount R'000	2006 Fair value asset/ (liability) R'000
Imports						
Pound Sterling	3 398	47 828	(375)	324	4 439	8
Euro	18 242	190 443	660	3 795	34 986	140
US Dollar	31 924	227 759	(2 666)	9 184	64 288	(2 875)
Swiss Franc	4 230	26 932	(1 264)	–	–	–
Other		1 974	(38)		1 579	(6)
		494 936	(3 683)		105 292	(2 733)
Maturing in:						
2007		–	–		105 292	(2 733)
2008		378 250	(4 441)		–	–
2009		116 686	758		–	–
		494 936	(3 683)		105 292	(2 733)
Exports						
US Dollar	(64 400)	(463 196)	10 336	(72 506)	(507 542)	11 850
Euro	–	–	–	(9 363)	(86 312)	1 176
Pound Sterling	–	–	–	(852)	(11 692)	(44)
		(463 196)	10 336		(605 546)	12 982
Maturing in:						
2007		–	–		(605 546)	12 982
2008		(463 196)	10 336		–	–
		(463 196)	10 336		(605 546)	12 982
Net total included in cash flow hedges		31 740	6 653		(500 254)	10 249
Grouped as:						
Financial assets			22 882			13 897
Financial liabilities			(16 229)			(3 648)
			6 653			10 249

Fair value is calculated as the difference between the contracted value and the value to maturity at the period end.

9. DERIVATIVE FINANCIAL INSTRUMENTS continued

9.1 Foreign currency management continued

The following forward exchange contracts have been entered into to cover foreign currency risk, but were not designated as hedging instruments for accounting purposes at the period end:

	2007			2006		
	Foreign amount '000	**Rand amount R'000**	**Fair value asset/ (liability) R'000**	Foreign amount '000	Rand amount R'000	Fair value asset/ (liability) R'000
Exports						
US Dollars	(94 146)	(645 056)	(2 537)	89 147	624 029	11 605
Euro	(9 653)	(95 962)	(1 896)	–	–	–
Pounds Sterling	(1 965)	(27 601)	373	–	–	–
		(768 619)	(4 060)		624 029	11 605
Maturing in:						
2007		–	–		624 029	11 605
2008		(768 178)	(3 980)		–	–
2009		(441)	(80)		–	–
		(768 619)	(4 060)		624 029	11 605
Borrowings						
US Dollar	–	–	–	(24 192)	(169 342)	1 700
Maturing in:						
2007					(118 585)	214
2008					(50 757)	1 486
		–	–		(169 342)	1 700
Net total		(768 619)	(4 060)		454 687	13 305
Grouped as:						
Financial assets			10 492			26 166
Financial liabilities			(14 552)			(12 861)
			(4 060)			13 305

Fair value is calculated as the difference between the contracted value and the value to maturity at the period end.

9. DERIVATIVE FINANCIAL INSTRUMENTS continued

9.2 Commodity price management

The following futures contracts were designated as hedging instruments at the period end:

	2007 Tons '000	2007 Contracted value R'000	2007 Fair value asset/ (liability) R'000	2006 Tons '000	2006 Contracted value R'000	2006 Fair value asset/ (liability) R'000
Net aluminium futures purchases maturing in:						
2007			–	21 675	399 536	27 016
2008	17 400	286 109	3 257		–	–
2009	75	1 261	(43)		–	–
	17 475	287 370	3 214	21 675	399 536	27 016
Grouped as:						
Financial assets			13 631			27 917
Financial liabilities			(16 845)			(901)
Total (included in fair value hedges)			(3 214)			27 016

The following futures contracts were entered into to cover exposures to commodity price risk but were not designated as hedging instruments for accounting purposes at the period end (2007: none):

	2006 Tons '000	2006 Contracted value R'000	2006 Fair value asset/ (liability) R'000
Net aluminium futures sales maturing in 2006	(18 000)	(338 493)	(17 139)
Grouped as:			
Financial liabilities			(17 139)

Fair value is calculated as the difference between the contracted value and the value to maturity at the period end.

		Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
10. CASH AND CASH EQUIVALENTS					
Bank balances		**91 813**	54 276	**–**	8 152
Cash on hand		**333**	9 250	**–**	268
		92 146	63 526	**–**	8 420
Effective interest rates	(%)	**9,25**	7,50	**–**	7,50
Cash of R29 905 027 has been ceded as security for borrowing facilities (note 12).					
Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:					
Cash and cash equivalents		**92 146**	63 526	**–**	8 420
Bank overdrafts (note 16)		**(91 475)**	(21 967)	**–**	(21 967)
		671	41 559	**–**	(13 547)
11. SHARE CAPITAL					
11.1 Authorised					
240 000 000 ordinary shares of 10 cents each (2006: 12 000 000 ordinary shares of R1 each)		**24 000**	12 000	**24 000**	12 000
34 000 000 A ordinary shares of 10 cents each		**3 400**	–	**3 400**	–
21 000 000 B ordinary shares of 10 cents each		**2 100**	–	**2 100**	–
Total authorised share capital		**29 500**	12 000	**29 500**	12 000

The B ordinary shares comprise:

8 000 000	B1 shares
10 000 000	B2 shares
3 000 000	B3 shares

The authorised share capital was increased in 2006 from 10 000 000 to 12 000 000 ordinary shares of R1 each and on 1 April 2007 to 24 000 000 shares of R1 each. Immediately thereafter each R1 share was divided into 10 shares of 10 cents each.

On 18 April 2007, the authorised share capital was further increased by the creation of A ordinary shares amounting to R3 400 000 divided into 34 000 000 shares of 10 cents each, and B ordinary shares (B1, B2 and B3 class shares as detailed above) amounting to R2 100 000 divided into 21 000 000 shares of 10 cents each.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
11. SHARE CAPITAL continued				
11.2 Issued				
Opening balance				
(11 100 000 ordinary shares of R1 each)*	11 100	10 000	11 100	10 000
(2006: 10 000 000 ordinary shares of R1 each)				
Issued during year				
(104 611 566 ordinary shares of 10 cents each)	10 461	1 100	10 461	1 100
(2006: 1 100 000 ordinary shares of R1 each)				
Issued during year				
(25 000 000 A ordinary shares of 10 cents each)	2 500	–	2 500	–
Issued during year				
(11 346 230 B ordinary shares of 10 cents each)	1 135	–	1 135	–
Closing balance				
(251 957 796 ordinary shares of 10 cents each)	25 196	11 100	25 196	11 100
Share premium				
Opening balance	581 787	2 887	581 787	2 887
Premium on shares issued	474 292	–	474 292	–
ABSA subscription	–	578 900	–	578 900
Closing balance	1 056 079	581 787	1 056 079	581 787
Consolidated A and B shares	(91 783)	–	–	–
Share capital and share premium	989 492	592 887	1 081 275	592 887

*On 1 April 2007 the ordinary shares were sub-divided into 10 cent shares resulting in 111 000 000 ordinary shares of 10 cents each.

The 104 611 566 ordinary shares of 10 cents each issued during the year consist of the following:

– Capitalisation award of 104 578 344 shares out of share premium.
– The issue of 33 222 shares in respect of share options exercised since 1 July 2007.

11. SHARE CAPITAL continued

11.3 A ordinary shares and B ordinary shares

The A ordinary shares and B ordinary shares are unlisted and carry full voting rights. The A ordinary shares have no entitlements to any dividends or other shareholder distributions.

The A ordinary shares are eliminated in the group accounts as they are held by an entity related to the introduction of broad-based BEE investors, and this entity is consolidated into the group results.

The B ordinary shares are held in employee trusts, which trusts are consolidated and thus the shareholding eliminated on consolidation.

11.4 Unissued

Under option to employees

In terms of the Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Scheme, employees have been granted options to subscribe for 2 262 288 Hulamin shares. The weighted average exercise price for these options is R10,15 per share.

Details of the Employee Share Incentive Schemes are set out in note 35.

Under the control of the directors

At 31 December 2007, 21 266 778 unissued shares (2006: nil) were under the control of the directors, for the purpose, *inter alia*, of existing employee share incentive schemes.

	Effective interest rates %	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
12. NON-CURRENT BORROWINGS					
Secured loans:					
Finance leases	12,02	**2 828**	3 337	–	2 781
Standard Bank	11,40	**594 750**	–	–	–
Rand Merchant Bank	11,29	**66 600**	–	–	–
Unsecured loans:					
HypoVereinsbank Export Credit Repaid	LIBOR +0,4	–	154 438	–	154 438
HypoVereinsbank Export Credit Repaid	LIBOR +0,4	–	7 612	–	7 612
		664 178	165 387	–	164 831
Less:					
Current portion included in current borrowings		**567**	162 558	–	162 496
		663 611	2 829	–	2 335
Borrowing payments by financial year (including interest):					
2008		**76 758**	914	–	762
2009		**104 468**	914	–	762
2010		**121 981**	914	–	762
2011		**116 546**	914	–	762
Thereafter		**719 676**	152	–	–
Book value of assets encumbered as security for finance lease obligations (note 2).		**18 954**	22 297	–	13 756

The facilities with Standard Bank and Rand Merchant Bank referred to above and the amounts owing in respect of the bank overdraft and FNB call loan (note 16) are collectively secured by mortgage and notarial bonds over the moveable and immoveable assets of Hulamin Operations (Pty) Limited, and the cession of book debts, cash and material investments in and claims against wholly owned subsidiaries.

The fair value of borrowings approximates their carrying values.

In terms of the company's articles of association the borrowing powers of the group are subject to any regulations made by the company in a general meeting to restrict the borrowing powers, failing which they are at the discretion of the directors. To date no such regulation has been imposed.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
13. DEFERRED INCOME TAX LIABILITY				
At beginning of year	899 815	929 976	895 964	928 711
Accounted for in equity	9 956	(11 960)	35 037	(11 960)
Income statement				
Current year (relief)/charge on earnings	(14 025)	(17 560)	4 828	(20 304)
Prior years' charge	(1 543)	(641)	(160)	(483)
Disposal (note 32)	–	–	(935 669)	–
At end of year	894 203	899 815	–	895 964
Deferred income tax liabilities are analysed as follows:				
Accelerated tax depreciation	937 902	952 932	–	941 716
Provisions and leave pay accruals	(36 829)	(43 015)	–	(36 681)
Assessed loss	(2 397)	(121)	–	–
Share schemes	(2 409)	–	–	–
Deferred tax on common control transaction recorded in equity	–	(11 961)	–	(11 961)
Other	(2 064)	1 980	–	2 890
	894 203	899 815	–	895 964
14. RETIREMENT BENEFIT OBLIGATIONS				
Post-retirement medical aid provision	92 024	84 779	39 690	77 718
Retirement gratuity provision	15 481	13 853	–	9 634
	107 505	98 632	39 690	87 352
The movement on these provisions is detailed in note 28.				
15. TRADE AND OTHER PAYABLES				
Trade payables	620 336	740 123	–	661 906
Accruals and other payables	114 329	192 155	–	175 864
Related party payables	–	–	–	10 612
	734 665	932 278	–	848 382

		Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000

16. CURRENT BORROWINGS

		Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
Current portion of non-current borrowings		**567**	162 558	**–**	162 496
Bank overdrafts		**91 475**	21 967	**–**	21 967
First National Bank call loan		**165 000**	–	**–**	–
Loan from The Tongaat-Hulett Group		**–**	630 000	**–**	630 000
		257 042	814 525	**–**	814 463
Effective interest rates are as follows:					
Bank overdrafts	(%)	**13,00**	10,50	**–**	10,50
First National Bank call loan	(%)	**12,00**	–	**–**	–
Loan from The Tongaat-Hulett Group	(%)	**–**	7,73	**–**	7,73

No fixed repayment terms have been set on the call loan and bank overdrafts. The bank overdrafts and the First National Bank call loan are secured (note 12).

17. OTHER OPERATING INCOME

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
Valuation adjustments on non-derivative items (note 17.1)	**16 230**	(71 533)	**13 574**	(72 353)
Valuation adjustments on derivative items (note 17.2)	**(8 600)**	71 874	**(4 075)**	71 874
	7 630	341	**9 499**	(479)

17.1 Valuation adjustments on non-derivative items

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
Foreign loan	**(1 628)**	(50 783)	**(1 628)**	(50 783)
Accrued interest on foreign loan	**(116)**	(318)	**(116)**	(318)
Export receivables	**18 721**	(22 881)	**11 468**	(23 701)
Import payables	**(63)**	1 327	**28**	1 327
Other	**(684)**	1 122	**3 822**	1 122
	16 230	(71 533)	**13 574**	(72 353)

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
17. OTHER OPERATING INCOME continued				
17.2 Valuation adjustments on derivative items				
Forward foreign exchange contracts:				
not designated as hedging instruments	**6 623**	34 180	**(3 905)**	34 180
Forward foreign exchange contracts:				
cash flow hedges, transfer from equity	**(548)**	(6 461)	**(4 850)**	(6 461)
Forward aluminium purchase and sale contracts:				
cash flow hedges, transfer from equity	**–**	12 732	**–**	12 732
Forward aluminium purchase and sale contracts:				
fair value hedges and contracts not designated				
as hedging instruments	**(14 675)**	31 423	**4 680**	31 423
	(8 600)	71 874	**(4 075)**	71 874

17.3 The ineffective portion of fair value hedges is recognised in profit or loss and amounts to a loss of R1 981 038 (2006: R4 425 242 gain). The ineffective portion of cash flow hedges is recognised in profit or loss and amounts to a gain of R1 259 776 (2006: R172 477 gain).

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
18. EXPENSES BY NATURE				
Raw materials and other costs	5 660 935	4 600 065	2 616 835	4 093 596
Employee benefit expense (note 18.3)	522 817	456 742	192 664	341 179
Depreciation (note 2)	179 908	172 501	79 980	155 965
Amortisation of intangible assets (note 3)	2 117	1 498	1 028	1 498
Inventory recognised as an expense (note 7)	5 211	1 682	5 211	1 682
Operating leases (rental on leased premises)	7 707	5 398	854	444
Increase/(decrease) in provision for impairment of debtors	4 913	(3 127)	(35)	(756)
Auditors' remuneration (note 18.1)	3 751	2 007	2 269	1 423
(Profit)/loss on disposal of property, plant and equipment	(886)	70	–	–
	6 386 473	5 236 836	2 898 806	4 595 031
Classified as:				
– cost of sales	5 837 665	4 867 571	2 631 399	4 306 353
– selling and marketing expenses	271 571	260 891	102 080	202 420
– administrative expenses	108 848	98 374	25 737	75 758
– corporate structuring costs	168 389	10 000	139 590	10 000
	6 386 473	5 236 836	2 898 806	4 595 031
18.1 Auditors' remuneration				
Audit fees	2 741	1 861	1 384	1 308
Fees for other services	704	49	704	49
Prior year (over)/underprovision	140	(50)	140	(50)
Expenses	166	147	41	116
	3 751	2 007	2 269	1 423
18.2 Directors' emoluments				
Executives				
– Cash package	8 041	9 882	5 315	8 691
– Retirement, medical and insurance benefits	1 036	1 307	708	1 157
– Bonus	3 496	4 098	1 992	3 632
– Fees	40	70	40	70
Non-executives				
– Fees	929	537	929	537
	13 542	15 894	8 984	14 087

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
18. EXPENSES BY NATURE continued				
18.3 Employee benefit expense				
Salaries and wages	463 933	418 924	163 473	311 006
Retirement benefit costs:				
Defined contribution scheme (note 28)	5 148	4 537	1 878	3 418
Defined benefit scheme (note 28)	18 787	17 188	6 857	12 630
Post-retirement medical aid costs (note 28)	11 250	9 126	7 529	8 161
Staff gratuities (note 28)	2 612	2 137	1 511	1 650
Share-based costs (note 35)	21 087	4 830	11 416	4 314
	522 817	456 742	192 664	341 179

19. METAL PRICE LAG

Underlying operating profit represents operating profit before metal price lag and corporate structuring costs.

Hulamin's metal purchases and sales are both priced on the basis of the prevailing London Metal Exchange price, as well as prevailing exchange rates, and thus the company is largely protected from metal price movements. However, the pricing of metal sales lags that of metal purchases due to the holding of metal inventories by the company, and this metal pricing lag gives rise to profits and losses. The unusually large metal price lag benefit in 2006 arose as a consequence of the sharp increase in aluminium prices in that year. In the current period the metal price was more stable and the metal price lag has also been hedged, which has resulted in this benefit being reduced in 2007.

Prior year metal price lag figures previously shown in cost of sales have been restated in line with the current classification.

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000

20. CORPORATE STRUCTURING COSTS

The group has completed a number of transactions to facilitate the unbundling and listing of Hulamin Limited, and the introduction of broad-based BEE investors. The costs related to these transactions are as follows:

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
The legal, tax, accounting and other costs related to the unbundling, listing, BEE and funding transactions and renaming of the group	**19 026**	10 000	**16 309**	10 000
Costs in respect of partial early vesting of share incentives	**8 932**	–	**8 932**	–
Share-based payment costs related to the MSOP and ESOP schemes*	**5 745**	–	**–**	–
Share-based payment costs related to the introduction of broad-based BEE investors	**134 686**	–	**114 349**	–
	168 389	10 000	**139 590**	10 000

* The total share-based payment cost relating to the MSOP and ESOP schemes is R86 186 531 and this will be expensed over the five-year vesting period of the schemes.

The 2006 comparative figure previously shown in cost of sales has been restated in line with the current classification.

21. NET FINANCE COSTS

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
Interest paid				
Non-current loan interest	**(42 639)**	(178 657)	**(4 597)**	(178 564)
Current loan interest	**(57 734)**	(45 460)	**(45 026)**	(45 456)
Interest capitalised	**15 111**	1 998	**3 039**	1 998
Financing costs	**(85 262)**	(222 119)	**(46 584)**	(222 022)
Interest received				
Hulamin Extrusions	**–**	–	**3 666**	5 157
Aluminium City Partnership	**–**	–	**3 040**	4 696
Hulamin Operations	**–**	–	**48 281**	–
Finance income	**–**	–	**54 987**	9 853
Net finance costs	**(85 262)**	(222 119)	**8 403**	(212 169)

		Group		Company	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
22. TAX					
South African normal taxation:					
Current					
– current year		**(110 160)**	(6 821)	**(55 401)**	–
– prior year under provision		**(943)**	–	**–**	–
Deferred					
– current year (note 13)		**14 025**	17 560	**(4 828)**	20 304
– current year (note 6)		**11 510**	–	**11 510**	–
– prior year overprovision		**1 543**	640	**160**	483
Secondary tax on companies		**(5 106)**	–	**(5 106)**	–
		(89 131)	11 379	**(53 665)**	20 787
South African income tax is levied on the company and its subsidiaries and not the group.					
Estimated assessable losses available for set-off against future taxable income are as follows:					
Total assessable losses		**8 264**	417	**–**	–
Normal rate of taxation	(%)	**29,0**	29,0	**29,0**	29,0
Adjusted for:					
Listing costs	(%)	**4,3**	–	**16,6**	–
BEE and IFRS 2 costs	(%)	**31,3**	–	**101,3**	–
STC	(%)	**4,1**	–	**15,6**	–
Other non-allowable items	(%)	**1,8**	1,7	**1,1**	2,3
Joint venture income not taxed	(%)	**–**	(36,4)	**–**	(43,8)
Effective rate of taxation	(%)	**70,5**	(5,7)	**163,6**	(12,5)

The 2006 comparative figures do not incorporate any charge or liability for taxation on the results of The Hulamin Joint Venture, as the relevant income tax is the responsibility of the partners in the joint venture.

The profit before tax of the joint venture for 2006 was R251 480 000.

23. EARNINGS PER SHARE

Basic earnings per share is calculated using the weighted average number of ordinary shares in issue during the year. For purposes of diluted earnings per share, the weighted average number of shares in issue is adjusted for the dilutive effect of employee share options.

The weighted average number of shares in issue at 31 December 2006 has been retrospectively adjusted to account for the subdivision of the R1 shares into 10 shares of 10 cents each and the capitalisation award of 104 577 344 shares prior to the listing of the company on the main board of the JSE Limited in June 2007.

Reconciliation of denominators used for basic and diluted earnings per share:

	Number of shares December 2007	Number of shares December 2006
Basic EPS - weighted average number of shares	**215 589 370**	204 637 618
Share options	**2 763 896**	1 746 176
Diluted EPS - weighted average number of shares	**218 353 266**	206 383 794

	Group	
	2007 R'000	2006 R'000
24. HEADLINE EARNINGS		
Profit attributable to ordinary shareholders:	**40 761**	204 072
(Profit)/loss after tax on disposal of property, plant and equipment	**(886)**	70
Headline earnings	**39 875**	204 142
Headline earnings per share		
Basic (cents)	**18**	100
Diluted (cents)	**18**	99

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
25. CASH GENERATED BEFORE WORKING CAPITAL CHANGES				
Operating profit	211 647	422 427	24 395	378 634
Adjusted for:				
Revaluation of financial instruments	34 052	(7 158)	–	(7 158)
Impairment of loan to associate	4 532	–	–	–
Depreciation	179 908	172 501	79 980	155 965
Amortisation of intangible assets	2 117	1 498	1 028	1 498
(Profit)/loss on disposal of property, plant and equipment	(886)	70	–	–
Movement in retirement benefit obligation	8 873	7 181	4 894	6 014
BEE share-based payment costs	134 686	–	114 348	–
Employee share-based costs	21 087	–	11 416	–
	596 016	596 519	236 061	534 953
26. CHANGES IN WORKING CAPITAL				
Decrease/(increase) in inventories	24 833	(282 289)	58 023	(216 553)
Decrease/(increase) in trade and other receivables	36 750	(351 897)	(42 009)	(337 260)
(Decrease)/increase in trade and other payables	(203 971)	373 797	(118 593)	337 098
	(142 388)	(260 389)	(102 579)	(216 715)
27. DIVIDENDS				
Interim for current year, paid 27 August 2007 – 18 cents (2006: nil)	39 498	–	–	–

A final dividend for the year ended 31 December 2007 of 30 cents per share was declared on 11 February 2008 and is payable on 10 March 2008 and has not been accrued.

28. RETIREMENT BENEFITS

Retirement benefit schemes

The group contributes towards retirement benefits for substantially all permanent employees who are required to be a member of either The Tongaat-Hulett Pension Fund or the Metal Industries Provident Fund. These schemes are governed by the relevant fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of the group. The scheme assets are administered by boards of trustees, each of which includes elected representatives.

Defined contribution scheme

Contributions to the Metal Industries Provident Fund scheme amounted to R5 148 000 Group, R1 878 000 Company (2006: R4 537 000 Group, R3 418 000 Company) and were expensed during the year.

Defined benefit pension scheme

There is one funded defined benefit scheme (The Tongaat-Hulett Pension Fund) for all employees of Tongaat Hulett and Hulamin Limited and its subsidiaries. The Financial Services Board has approved the appointment plan for the actuarial surplus at 31 December 2001. The subsequent unbundling of the group from Tongaat Hulett will require an agreement on the division of the fund between the members related to Hulamin and Tongaat Hulett. As no agreement has yet been reached on this division of the fund, nor on any contractual or stated policy for changing the defined benefit costs to the parties to the fund, the fund is accounted for as a defined contribution scheme. Accordingly the assets and the liabilities of the entire fund are disclosed in this note. The group's contribution is based on 9,5% of employee pensionable emoluments. Contributions of R18 787 000 Group, R6 857 000 Company (2006: R17 188 000 Group, R12 630 000 Company) were expensed during the year.

The Fund is actuarially valued at intervals of not more than three years using the projected unit credit method. In the statutory actuarial valuation of the scheme as at 31 December 2004 the Fund was certified by the reporting actuary to be in a sound financial position.

An actuarial valuation of liabilities, based on the existing benefits, carried out as at 31 December 2007 in accordance with IAS 19 showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

28. RETIREMENT BENEFITS continued

Defined benefit pension scheme continued

Details of the valuation of The Tongaat-Hulett Group Pension Fund are as follows:

		2007 R'000	2006 R'000
Fair value of plan assets			
Balance at beginning of year		5 944 800	4 553 500
Expected return on scheme assets		460 000	348 300
Employer contributions		44 900	39 300
Members' contributions		35 700	31 300
Benefits paid		(456 600)	(181 200)
Acquisitions – transfer values received/(disposals)		(15 200)	(8 400)
Actuarial gain		530 400	1 162 000
Balance at end of year		6 544 000	5 944 800
Present value of defined benefit obligation			
Balance at beginning of year		4 202 400	3 464 200
Current service cost		96 600	80 700
Interest cost		322 100	265 500
Members' contributions		35 700	31 300
Benefits paid		(456 600)	(181 200)
Acquisitions – transfer values received/(disposals)		(15 200)	(8 400)
Actuarial loss		259 300	550 300
Balance at end of year		4 444 300	4 202 400
Fund assets less member liabilities, before reserves		2 099 700	1 742 400
Asset information			
Equities		3 896 300	4 623 800
Fixed interest bonds		647 000	804 000
Property		150 500	8 000
Cash		1 850 200	509 000
		6 544 000	5 944 800
Actual return on scheme assets		990 300	1 511 000
The principal actuarial assumptions are:			
Discount rate	(%)	8,25	8,00
Salary increase	(%)	5,75	5,25
Pension increase	(%)	4,75	4,25
Expected rate of return on assets	(%)	8,00	8,00
Experience gains and (losses) on:			
Plan liabilities:		(136 900)	(429 000)
Percentage of the present value of the plan liabilities	(%)	3,3	10,2
Plan assets		530 400	1 162 000
Percentage of plan assets	(%)	8,9	19,6

Estimated contributions payable by the group in 2008 are R48 000 000 (2007: R43 000 000).

		Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
28. RETIREMENT BENEFITS continued					
Post-retirement medical aid benefits					
The group has undertaken to contribute to the medical aid costs after retirement of employees engaged prior to 30 June 1996.					
The obligation is unfunded.					
Amounts recognised in the balance sheet:					
Present value of unfunded obligations		106 049	93 806	51 608	86 536
Unrecognised actuarial losses		(14 025)	(9 027)	(11 918)	(8 818)
Liability in the balance sheet		92 024	84 779	39 690	77 718
The liability can be reconciled as follows:					
Balance at beginning of year		84 779	79 206	77 718	72 975
Total expense accrued		11 250	9 126	7 529	8 161
Benefit payments		(4 005)	(3 553)	(3 825)	(3 418)
Staff transferred to Hulamin Operations		–	–	(41 732)	–
Balance at end of year		92 024	84 779	39 690	77 718
Amounts recognised in the income statement are as follows:					
Interest costs		7 509	6 304	5 219	5 785
Current service costs		1 929	1 691	745	1 278
Actuarial loss recognised		1 812	1 131	1 565	1 098
		11 250	9 126	7 529	8 161
The principal actuarial assumptions are:					
Discount rate	(%)	8,25	8,00	8,25	8,00
Health care cost inflation	(%)	5,75	5,25	5,75	5,25
Sensitivity of healthcare cost trend rates:					
1% increase in trend rate – effect on the aggregate of the service and interest costs		1 980	1 711	428	1 487
1% increase in the trend rate – effect on the obligation		17 186	15 059	5 213	13 668
1% decrease in trend rate – effect on the aggregate of the service and interest costs		(1 579)	(1 367)	(368)	(1 190)
1% decrease in trend rate – effect on the obligation		(13 877)	(12 174)	(4 480)	(11 069)
Estimated contributions payable in the next financial year		4 397	3 767	4 183	3 623
Experience loss on plan liabilities		3 248	4 720	3 541	4 930
Experience loss as a percentage of liabilities	(%)	3,06	5,03	6,86	5,70

		Group		Company	
		2007 R'000	2006 R'000	2007 R'000	2006 R'000
28. RETIREMENT BENEFITS continued					
Retirement gratuities					
The group has in the past made discretionary payments, on retirement, to eligible employees who have remained in service until retirement age, and have completed a minimum service period.					
The obligation is unfunded.					
Amounts recognised in the balance sheet:					
Present value of unfunded obligations		18 556	15 685	–	11 786
Unrecognised actuarial losses		(3 075)	(1 832)	–	(2 152)
Liability in the balance sheet		15 481	13 853	–	9 634
The liability can be reconciled as follows:					
Balance at beginning of year		13 853	12 245	9 634	8 382
Total expense accrued		2 612	2 137	1 511	1 650
Gratuity payments		(984)	(529)	(311)	(398)
Staff transferred to Hulamin Operations		–	–	(10 834)	–
Balance at end of year		15 481	13 853	–	9 634
Amounts recognised in the income statement are as follows:					
Interest costs		1 307	1 093	490	791
Service costs		922	803	342	582
Actuarial loss recognised		383	241	679	277
		2 612	2 137	1 511	1 650
The principal actuarial assumptions are:					
Discount rate	(%)	8,25	8,00	8,25	8,00
Salary inflation rate	(%)	5,75	5,25	5,75	5,25

Estimated retirement gratuity payments during the year ended 31 December 2008 for the group are R1 142 000 and for the company are nil.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
29. LEASE COMMITMENTS				
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	**914**	908	**–**	756
Later than one year and not later than five years	**2 894**	3 631	**–**	3 024
Later than five years	**–**	152	**–**	–
	3 808	4 691	**–**	3 780
Less: future finance charges	**(980)**	(1 354)	**–**	(999)
Present value of lease obligations	**2 828**	3 337	**–**	2 781
Payable:				
Not later than one year	**566**	510	**–**	448
Later than one year and not later than five years	**2 262**	2 696	**–**	2 333
Later than five years	**–**	131	**–**	–
	2 828	3 337	**–**	2 781
Book value of plant and equipment encumbered as security for finance lease obligations (note 2).	**18 954**	22 297	**–**	13 756
Operating lease commitments, amounts due:				
Not later than one year	**7 987**	4 064	**–**	1 631
Later than one year and not later than five years	**12 829**	8 931	**–**	6 403
Later than five years	**1 794**	3 469	**–**	3 470
	22 610	16 464	**–**	11 504
In respect of:				
Property	**12 273**	5 190	**–**	230
Plant and machinery	**10 337**	11 274	**–**	11 274
	22 610	16 464	**–**	11 504

The group leases offices and warehouses under non-cancellable operating lease agreements.

The leases have varying terms, escalation clauses and renewal rights.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
30. CAPITAL EXPENDITURE COMMITMENTS				
The group's capital expenditure commitments in relation to property, plant and equipment are as follows:				
Contracted	**486 568**	95 152	**484 068**	93 832
Approved but not contracted	**395 843**	984 668	**393 163**	978 369
	882 411	1 079 820	**877 231**	1 072 201

Capital expenditure will be funded by a combination of external borrowings and cash flow from operations.

	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
31. RELATED PARTY TRANSACTIONS				
During the year the group, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra–group transactions are eliminated on consolidation.				
Goods				
Sales between the company and joint venture within the group	–	–	21 256	75 939
Derivative financial instruments				
Forward exchange contracts designated as hedging instruments with Anglo South Africa Capital (Pty) Limited included in current assets (note 9.1)	–	13 897	–	13 897
Forward exchange contracts designated as hedging instruments with Anglo South Africa Capital (Pty) Limited included in current liabilities (note 9.1)	–	3 648	–	3 648
Forward exchange contracts not designated as hedging instruments with Anglo South Africa Capital (Pty) Limited included in current assets (note 9.1)	–	26 166	–	26 166
Forward exchange contracts not designated as hedging instruments with Anglo South Africa Capital (Pty) Limited included in current liabilities (note 9.1)	–	12 861	–	12 861
Other				
Administration fee paid to The Tongaat-Hulett Group Limited	683	1 950	683	1 950
Guarantee fee paid to The Industrial Development Corporation	104	425	104	425
Interest paid to The Tongaat-Hulett Group Limited	43 982	43 370	43 982	43 370
Interest received from subsidiaries	–	–	51 947	5 157
Interest received from joint venture	–	–	3 040	4 696
Loan balance owing to The Tongaat-Hulett Group Limited	–	630 000	–	630 000
Loan balance owing to subsidiary	–	–	–	3 438
Loan balance owing by subsidiary	–	–	592 311	198 654
Accounts payable to subsidiary	–	–	–	10 612
Accounts receivable from joint venture within the group	–	–	–	8 938
Amount owing to The Hulamin Joint Venture	–	396 320	–	396 320
Settlement of share option scheme benefits with The Tongaat-Hulett Group Limited	24 540	–	24 540	–

31. RELATED PARTY TRANSACTIONS continued

Key management personnel compensation

Refer note 18.2.

32. DISPOSAL OF OPERATIONS

On 30 June 2007 the company sold its entire business to a subsidiary, Hulamin Operations (Pty) Limited.

Details of the disposal are as follows:

	R'000
Liabilities transferred	
Deferred tax	935 669
Accounts payable	753 660
	1 689 329
Assets disposed	
Hedging reserve	8 313
Fixed assets	3 924 099
Intangible assets	23 636
Investments	237 725
Inventories	766 481
Accounts receivable	1 053 213
Cash	126 414
	6 139 881
Net assets	4 450 552
Purchase price	8 211 524
Consideration received in excess of the net assets of business sold	3 760 972
Discharge of purchase price	
Investment in shares in Hulamin Operations (Pty) Limited	337 500
Investment in preference shares in Hulamin Operations (Pty) Limted	6 300 449
Loan to Hulamin Operations (Pty) Limited	1 573 575
	8 211 524

33. ACQUISITION OF THE HULAMIN JOINT VENTURE'S NET ASSETS AND GROUP RESTRUCTURING UNDER COMMON CONTROL TRANSACTION

At 31 December 2006, the company acquired the assets and liabilities of The Hulamin Joint Venture at fair value but have recognised the assets and liabilities at their book value. The results for 2006 are presented as though the acquisition had taken place on 1 January 2005, in accordance with accounting policy note 14.

Details of assets and liabilities transferred at 1 January 2005 and assets and liabilities acquired at 31 December 2006 are as follows:

	Acquired 31 December 2006 R'000	Transferred 1 January 2005 R'000
Assets		
Inventories	865 749	618 188
Accounts receivable	847 816	528 596
Derivative financial instruments	21 391	35 669
Partners' capital account	–	125 338
Cash resources	–	141
	1 734 956	1 307 932
Liabilities		
Hedging reserve	–	18 053
Loan from Hulett Aluminium (Pty) Limited	–	889 143
Accounts payable	–	400 736
	–	1 307 932
Consideration paid		
Trade liabilities assumed	791 293	
Borrowings assumed	547 343	
Balance owed to joint venture	396 320	
	1 734 956	

34. CONTINGENT LIABILITIES

34.1 The Department of Trade and Industry has raised a dispute with the group relating to previous GEIS claims in the amount of R4 425 000 (2006: R4 180 000). A date for a court hearing of this matter has still to be set.

34.2 Sahara Aluminium Works, a toll processor of the company's coated scrap has claimed that there existed a long-term constructive contract with Hulamin Limited, formerly Hulett Aluminium (Pty) Limited, which would require a ten-year notice period be given before this contract could be terminated. Sahara has thus claimed R17,8 million from Hulamin, largely in respect of the loss of profits that Sahara would have earned over ten years, arising from the early termination of the purported constructive contract. A liability has not been raised for this amount as there is only a remote possibility that Sahara will succeed in its claim.

35. SHARE-BASED PAYMENTS

35.1 Employee share incentive schemes

The adoption of IFRS 2: Share-based Payment in 2005 required that all awards made after 7 November 2002 be accounted for in the financial statements of the company and group.

Details of awards in terms of the company's share incentive schemes are as follows:

THE TONGAAT-HULETT EMPLOYEES SHARE INCENTIVE SCHEME AND THE TONGAAT-HULETT GROUP LIMITED 2001 SHARE OPTION SCHEME (THE ORIGINAL TONGAAT-HULETT SHARE OPTION SCHEMES)

Participating employees were originally awarded share options over Tongaat Hulett shares. On vesting, the employee was entitled to exercise the options and purchase the shares at the option price.

As a result of the unbundling from Tongaat Hulett, participants in these share option schemes who had not exercised their options at the unbundling date converted their existing Tongaat Hulett options into two options, a Tongaat Hulett option and a Hulamin option. Hulamin is obliged to settle all benefits under these share schemes in relation to its own employees using Hulamin shares which will be purchased in the market or issued by Hulamin. The benefit for the Hulamin option will be determined with reference to the Hulamin share price, and the Tongaat Hulett option with respect to the Tongaat Hulett share price.

The original exercise price of each Tongaat Hulett option was apportioned between the Tongaat Hulett and Hulamin options with reference to the volume weighted average prices (VWAP) of both companies for the first 22 trading days after the unbundling. The 22-day VWAPs were R93,89 and R29,04 respectively, with the expiry date being the same as that of the original options. The modification did not result in any incremental fair value being granted to option holders as:

- The sum of the share prices of the Tongaat Hulett share and the Hulamin share was less than that of the original combined Tongaat Hulett group share price immediately before unbundling.
- The grant price of the restructured options was apportioned appropriately in line with the market value of the separate Tongaat Hulett and Hulamin shares.
- Pricing variables such as share price volatility, risk-free rate and dividend yield remained similar immediately after the transaction.

No further awards to Hulamin employees will be made under this scheme.

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT EMPLOYEES SHARE INCENTIVE SCHEME AND THE TONGAAT-HULETT GROUP LIMITED 2001 SHARE OPTION SCHEME (THE ORIGINAL TONGAAT-HULETT SHARE OPTION SCHEMES) continued

Tongaat Hulett original grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 December 2006	Options exercised prior to unbundling	Options forfeited prior to unbundling	Number of options at unbundling
R33,25		4 November 1998	4 000			4 000
R32,90		5 March 1999	19 000			19 000
R40,10		7 May 1999	15 100	3 500		11 600
R30,00		19 May 2000	900			900
R40,00		16 May 2001	54 000	18 600		35 400
R49,60		13 May 2002	97 100	24 400	900	71 800
R31,90	R11,10	14 April 2003	153 400	92 800	1 100	59 500
R34,50	R11,05	1 October 2003	4 500			4 500
R47,00	R15,23	21 April 2004	217 900	62 400	3 600	151 900
			565 900	201 700	5 600	358 600

Tongaat Hulett modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at post unbundling	Options exercised post unbundling	Options forfeited post unbundling	Number of options at 31 December 2007	Options time constrained
R25,40		4 November 1998	4 000			4 000	
R25,13		5 March 1999	19 000	6 000		13 000	
R30,63		7 May 1999	11 600			11 600	
R22,91		19 May 2000	900			900	
R30,55		16 May 2001	35 400			35 400	
R37,88		13 May 2002	71 800			71 800	
R24,37	R8,48	14 April 2003	59 500	300		59 200	
R26,35	R8,44	1 October 2003	4 500			4 500	
R35,90	R11,03	21 April 2004	151 900	1 520		150 380	79 830
			358 600	7 820	–	350 780	79 830

Hulamin modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at post unbundling	Options exercised post unbundling	Options forfeited post unbundling	Number of options at 31 December 2007	Options time constrained
R7,85		4 November 1998	4 000			4 000	
R7,77		5 March 1999	19 000			19 000	
R9,47		7 May 1999	11 600			11 600	
R7,09		19 May 2000	900			900	
R9,45		16 May 2001	35 400			35 400	
R11,72		13 May 2002	71 800			71 800	
R7,53	R2,62	14 April 2003	59 500			59 500	
R8,15	R2,61	1 October 2003	4 500			4 500	
R11,10	R3,60	21 April 2004	151 900	1 050		150 850	79 830
			358 600	1 050	–	357 550	79 830

The estimated fair value of the share options at grant date was determined using a binomial tree valuation model.

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT EMPLOYEES SHARE INCENTIVE SCHEME AND THE TONGAAT-HULETT GROUP LIMITED 2001 SHARE OPTION SCHEME (THE ORIGINAL TONGAAT-HULETT SHARE OPTION SCHEMES) continued

The significant inputs into the model for the 2003/4 awards were:

Share price at grant date	The share price at the date on which the share option is issued, as noted above
Grant price	The grant price as noted above
Expected option life	114 months (assumed leaving percentage of 5%)
Risk-free interest rate	9,02%
Expected volatility	35% – based on historical volatility
Expected dividends	A continuous dividend yield of 3,9% was used
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions – Time	Service obligations of between two to four years
– Non-market	None
– Market	None
Weighted average remaining life:	
– Expected	59 months (2006: 73 months)
– Contractual	120 months

THE TONGAAT-HULETT GROUP SHARE APPRECIATION RIGHTS SCHEME (SARS) 2005

Under the Tongaat-Hulett Share Appreciation Rights Scheme, participating employees were awarded rights to receive shares equal to the difference between the exercise price and the grant price. The vesting of the SARS was conditional on the achievement of performance conditions by Tongaat Hulett over a three-year period.

In advance of the unbundling from Tongaat Hulett partial accelerated vesting was permitted on the early vesting date based on full attainment of the performance conditions. Vesting of the SARS was pro-rated with reference to the proportion of the performance period that had been served by participants up to the unbundling date. This *pro-rata* portion of the SARS was allowed to be exercised from the early vesting date up to the day before the unbundling date.

Following on the unbundling from Tongaat Hulett, participants in the share appreciation right scheme who had not exercised their rights at the unbundling date or whose rights had not vested, converted their existing Tongaat Hulett rights into two rights, a Tongaat Hulett right and a Hulamin right with adjusted exercise prices. The original exercise price of each Tongaat Hulett right was apportioned between Tongaat Hulett and Hulamin rights with reference to the volume weighted average prices (VWAP) of both companies for the first 22 trading days after the unbundling. The 22 day VWAPs were R93,89 and R29,04 respectively. Replacement SARS are not subject to any performance conditions. The vesting and lapse dates of both new SARS are the same as that of the original SARS. Hulamin is obliged to settle all benefits under these SARS in relation to its own employees using Hulamin shares which will be purchased in the market. The benefit for the Hulamin right will be determined with reference to the Hulamin share price, and the Tongaat Hulett right with respect to the Tongaat Hulett share price. The modification did not result in any incremental fair value being granted to option holders as:

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT GROUP SHARE APPRECIATION RIGHTS SCHEME (SARS) 2005 continued

- The sum of the share prices of the Tongaat Hulett share and the Hulamin share was less than that of the original combined Tongaat Hulett group share price immediately before unbundling.
- The grant price of the restructured share appreciation rights was apportioned appropriately in line with the market value of the separate Tongaat Hulett and Hulamin shares.
- Pricing variables such as share price volatility, risk-free rate and dividend yield remained similar immediately after the transaction.

No further awards to Hulamin employees will be made under this scheme.

Tongaat Hulett original grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 December 2006	Rights exercised prior to unbundling	Rights forfeited prior to unbundling	Number of rights at unbundling
R57,58	R17,70	10 May 2005	321 470	111 012	4 742	205 716
R96,09	R31,17	25 April 2006	338 605	64 757	4 259	269 589
			660 075	175 769	9 001	475 305

Tongaat Hulett modified grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at unbundling	Rights exercised post unbundling	Rights forfeited post unbundling	Number of rights at 31 December 2007	Rights time constrained
R43,98	R13,52	10 May 2005	205 716	18 711		187 005	96 319
R73,39	R23,81	25 April 2006	269 589	4 633		264 956	207 628
			475 305	23 344	–	451 961	303 947

Hulamin adjusted grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at unbundling	Rights exercised post unbundling	Rights forfeited post unbundling	Number of rights at 31 December 2007	Rights time constrained
R13,60	R4,18	10 May 2005	205 716	4 405		201 311	96 319
R22,70	R7,36	25 April 2006	269 589			269 589	207 628
			475 305	4 405	–	470 900	303 947

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT GROUP SHARE APPRECIATION RIGHTS SCHEME (SARS) 2005 continued

The estimated fair value of these share appreciation rights at grant date was determined using a binomial tree valuation model and non-market performance conditions based on the following significant inputs:

Share price at grant date	The price at which the share appreciation right is issued, as noted above
Grant price	The grant price as noted above
Expected option life	80 months (assumed leaving percentage of 5%)
Risk-free interest rate	2006 award: 7,22% (2005 award: 8,09%)
Expected volatility	35% – based on historical volatility
Expected dividends	A continuous dividend yield of 4,0% was used for the 2006 award (2005 award: 3,9%)
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions – Time	Three years
– Non-market	None
– Market	None
Weighted average remaining life:	
– Expected	2006 award: 64 months (2005 award: 52 months)
– Contractual	84 months

THE TONGAAT-HULETT GROUP LONG TERM INCENTIVE PLAN (LTIP) 2005

Under the Tongaat-Hulett Long Term Incentive Plan, participating employees were granted conditional awards to receive Tongaat Hulett shares, subject to the achievement of performance conditions by Tongaat Hulett over a three-year period.

In advance of the unbundling from Tongaat Hulett, partial accelerated vesting was permitted based on the attainment of the performance conditions. Vesting of the conditional awards was pro-rated with reference to the proportion of the performance period that had been served by participants up to the unbundling date. This pro-rata portion of the conditional awards vested on the early vesting date and was settled with shares in Tongaat Hulett.

Following on the unbundling from Tongaat Hulett, that portion of the Tongaat Hulett conditional awards that did not vest early were converted into two conditional awards, a Tongaat Hulett conditional award and a Hulamin conditional award with adjusted strike prices. The original exercise price of each Tongaat Hulett conditional award was apportioned between the Tongaat Hulett and Hulamin conditional awards with reference to the volume weighted average prices (VWAP) of both companies for the first 22 trading days after the unbundling. The 22 day VWAPs were R93,89 and R29,04 respectively. The replacement conditional awards are not subject to new performance conditions and will be subject to the original vesting dates. Hulamin is obliged to settle all benefits under these LTIPs in relation to its own employees using Hulamin shares which will be purchased in the market. The benefit for the Hulamin conditional award will be determined with reference to the Hulamin share price, and the Tongaat Hulett conditional award with respect to the Tongaat Hulett share price. The modification did not result in any incremental fair value being granted to option holders as:

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT GROUP LONG TERM INCENTIVE PLAN (LTIP) 2005 continued

- The sum of the share prices of the Tongaat Hulett share and the Hulamin share was less than that of the original combined Tongaat Hulett group share price immediately before unbundling.
- Pricing variables such as share price volatility, risk-free rate and dividend yield remained similar immediately after the transaction.

No further awards will be made and the settlement of all benefits will be in Hulamin Limited shares.

Tongaat Hulett original issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at 31 December 2006	Conditional awards exercised prior to unbundling	Conditional awards forfeited prior to unbundling	Number of conditional awards at unbundling
R57,58	R39,70	10 May 2005	80 528	56 040		24 488
R96,09	R69,08	25 April 2006	45 105	17 096		28 009
			125 633	73 136	–	52 497

Tongaat Hulett modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at unbundling	Conditional awards exercised post unbundling	Conditional awards forfeited post unbundling	Number of conditional awards at 31 December 2007	Conditional awards time constrained
R43,98	R30,32	10 May 2005	24 488			24 488	24 488
R73,39	R52,76	25 April 2006	28 009			28 009	28 009
			52 497	–	–	52 497	52 497

Hulamin modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at unbundling	Conditional awards exercised post unbundling	Conditional awards forfeited post unbundling	Number of conditional awards at 31 December 2007	Conditional awards time constrained
R13,60	R9,38	10 May 2005	24 488			24 488	24 488
R22,70	R16,32	25 April 2006	28 009			28 009	28 009
			52 497	–	–	52 497	52 497

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

THE TONGAAT-HULETT GROUP LONG TERM INCENTIVE PLAN (LTIP) 2005 continued

The estimated fair value of each of these conditional share awards at grant date was determined using a Monte Carlo Simulation model and non-market performance conditions based on the following significant inputs:

Share price at grant date	The price at which the conditional share award is issued, as noted above
Expected option life	34 months (assumed leaving percentage of 5%)
Risk-free interest rate	2006 award: 7,01% (2005 award: 7,44%)
Expected volatility	25,60% for the 2006 award (2005 award: 27,02%)
Expected dividends	A continuous dividend yield of 3,8% was used for the 2006 award (2005 award: 3,9%)
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions – Time	Three years
– Non-market	Return on capital employed (ROCE)
– Market	Total shareholder return (TSR)
Weighted average remaining life:	
– Expected	2006 award: 16 months (2005 award: 4 months)
– Contractual	36 months

THE TONGAAT HULETT GROUP DEFERRED BONUS PLAN 2005

Under the Tongaat-Hulett Deferred Bonus Plan, participating employees purchased shares in Tongaat Hulett with a portion of their after tax bonus.

The pledged shares are held in escrow and are beneficially owned by the participant, who receives dividends on the shares, and may dispose of the pledged shares at any stage. If the participant remains employed for a three-year period, and provided he is still the owner of the pledged shares, the participant will receive one extra share (matching share) for each pledged share held.

The full matching award vested on the early vesting date and an appropriate number of Tongaat Hulett shares were delivered to the participants prior to the unbundling from Tongaat Hulett.

No further awards to Hulamin employees will be made under this scheme.

Issue price	Expiring three years from	Number of conditional awards at 31 December 2006	Conditional awards forfeited in 2007	Conditional awards exercised in 2007	Number of conditional awards at 31 December 2007
R57,76	4 May 2005	3 314		3 314	
R91,86	3 March 2006	2 693		2 693	
		6 007	–	6 007	–

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

TONGAAT HULETT GROUP DEFERRED BONUS PLAN 2005 continued

The fair value of these deferred bonus share awards at grant date was based on the following significant inputs:

Share price at grant date	The price at which the deferred bonus share is issued, as noted above
Expected option life	34 months (assumed leaving percentage of 5%)
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected
Weighted average remaining life:	
– Expected	2006 award: none – early vesting (2005 award: none – early vesting)
– Contractual	36 months or three years

The deferred bonus shares were purchased by the participating employees on 2 March 2006 in respect of the 2006 award (2005 award: purchased over the period from 4 May 2005 to 10 May 2005).

HULAMIN LIMITED SHARE APPRECIATION RIGHTS SCHEME 2007

Under the share appreciation rights scheme, participating employees are awarded the right to receive shares equal to the difference between the exercise price and the grant price.

The vesting of the right is conditional on the achievement by Hulamin of performance conditions over a three-year period.

Grant price	Estimated weighted average fair value per right	Expiring seven years from	Rights granted in 2007	Rights forfeited in 2007	Number of rights at 31 December 2007	Rights time constrained
R22,87	R8,04	20 August 2007	1 697 500		1 697 500	1 697 500
			1 697 500	–	1 697 500	1 697 500

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

HULAMIN LIMITED SHARE APPRECIATION RIGHTS SCHEME 2007 continued

The estimated fair value of these share appreciation rights at grant date was determined using a binomial tree valuation model, based on the following significant inputs:

Share price at grant date	R23,51
Grant price	The grant price as noted above
Risk-free interest rate	8,19%
Expected volatility	34,25%. As Hulamin's shares have only recently been listed the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2,3% was used
Exercise multiple	2,2
Vesting conditions – Time	Three years
– Non-market	An increase in Hulamin Limited headline earnings per ordinary share as determined by the Remuneration Committee. Retesting of the performance condition is allowed
– Market	None
Weighted average remaining life:	
– Expected	80 months
– Contractual	84 months

HULAMIN LIMITED LONG TERM INCENTIVE PLAN 2007

Under the long term incentive plan, participating employees are granted conditional awards. These awards are converted into shares in Hulamin on the achievement of ROCE and TSR performance conditions over a three-year period.

Issue price	Estimated weighted average fair value per right	Expiring three years from	Conditional awards granted in 2007	Conditional awards forfeited in 2007	Number of conditional awards at 31 December 2007	Conditional awards time constrained
R23,51	R7,23	20 August 2007	249 000		249 000	249 000
			249 000	–	249 000	249 000

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

HULAMIN LIMITED LONG TERM INCENTIVE PLAN 2007 continued

The estimated fair value of these conditional share awards at the grant date was determined using a Monte Carlo Simulation model, based on the following significant inputs:

Share price at grant date	R23,51
Risk-free interest rate	8,94%
Expected volatility	34,25%. As Hulamin's shares have only recently been listed the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2,3% was used
Vesting conditions – Time	Three years
– Non-market	Return on capital employed (ROCE)
– Market	Total shareholder return (TSR)
Weighted average remaining life:	
– Expected	32 months
– Contractual	36 months

HULAMIN LIMITED DEFERRED BONUS PLAN 2007

Under the deferred bonus plan, participating employees purchase shares in Hulamin with a portion of their after tax bonus. These pledged shares are held in escrow for a qualifying period, after which Hulamin awards the employee a number of shares in Hulamin Limited which matches those pledged shares released from escrow,

Issue price	Estimated weighted average fair value per bonus share	Expiring three years from	Conditional awards granted in 2007	Conditional awards forfeited in 2007	Number of conditional awards at 31 December 2007	Conditional awards time constrained
R23,44	R22,09	2 March 2007	11 100		11 100	11 100
			11 100	–	11 100	11 100

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

HULAMIN LIMITED DEFERRED BONUS PLAN 2007 continued

The estimated fair value costing of these deferred bonus share awards was based on the following significant inputs:

Share price at grant date	R23,44
Expected option life	34 months (assumed leaving percentage of 5%)
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected
Expected early exercise	Early exercise is taken into account on an expectation basis
Vesting conditions – Time	Three years
– Non-market	None
– Market	None
Weighted average remaining life:	
– Expected	26 months
– Contractual	36 months

The deferred bonus shares were purchased by the participating employee on 8 August 2007 in respect of the 2007 award.

HULAMIN LIMITED MANAGEMENT SHARE OWNERSHIP PLAN (MSOP) AND EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

The MSOP and ESOP schemes were implemented in respect of 5% of the issued share capital of Hulamin.

The MSOP scheme consists of two components, namely a share appreciation scheme and a share grant scheme.

The ESOP scheme consists of a share appreciation scheme, whereby participants share in 50% of the dividends payable to ordinary shareholders.

The MSOP Trust and ESOP Trust were established to acquire and hold Hulamin Limited shares for the benefit of its employees and have received contributions from the employer companies within the Hulamin group on order to acquire the shares. Due to these shares having specific repurchase rights, they are a separate class of restricted shares which, other than for the repurchase terms, rank *pari passu* with ordinary shares.

Hulamin has the right to repurchase from the Trust, at maturity (year 5) of the scheme, a variable number of shares at one cent per share after which the remaining shares would become unrestricted ordinary shares. The number of shares to be repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to:

- 80% of the market value (at the outset) of the shares issued in terms of the share appreciation right component of the MSOP;
- Rnil in respect of the share grant component of the MSOP; and
- The grant price of the shares allocated, plus the value of cash dividends paid to ESOP participants.

35. SHARE-BASED PAYMENTS continued

35.1 Employee share incentive schemes continued

HULAMIN LIMITED MANAGEMENT SHARE OWNERSHIP PLAN (MSOP) AND EMPLOYEE SHARE OWNERSHIP PLAN (ESOP) continued

At maturity of the scheme, the Trust will distribute the remaining Hulamin shares to the beneficiaries.

The value of the benefits in the MSOP scheme are capped at a level of 10% compounded growth per year.

Grant price	Scheme	Estimated fair value per right	Expiring five years from	Rights granted in 2007	Rights forfeited in 2007	Number of rights at 31 December 2007	Rights time constrained
R21,44	MSOP						
	Share appreciation right scheme	R4,46	31 August 2007	2 230 270	17 440	2 212 830	2 212 830
R0,00	MSOP						
	Share grant scheme	R14,07	31 August 2007	744 660	5 820	738 840	738 840
R26,80	ESOP						
	Share appreciation right scheme	R7,90	31 August 2007	7 673 400	204 400	7 469 000	7 469 000

The estimated fair value of these share appreciation rights and share grant rights at grant date was determined using the Black-Scholes call option valuation model, based on the following significant inputs:

Share price at grant date	R24,90
Grant price	The grant price as noted above
Risk-free interest rate	8,11%
Expected volatility	30%. As Hulamin's shares have only recently been listed the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2,3% was used
Attrition rate	4,18% per annum
Vesting conditions – Time	Five years
– Non-market	None
– Market	None
Weighted average remaining life:	
– Expected	56 months
– Contractual	60 months

35. SHARE-BASED PAYMENTS continued

35.2 BEE equity transaction

During the year Hulamin concluded agreements with BEE partners to facilitate the acquisition of an effective 10% interest in Hulamin.

The BEE groups are Imbewu and Makana who have been carefully selected and are expected to play an important role in building the Hulamin business.

The BEE partners have subscribed for 10% of the share capital of Hulamin Operations (Pty) Limited (OPCO) at a cost of R37,5 million and for 25 million A class shares in Hulamin at a cost of R2,5 million. The BEE partners will be entitled to exchange their OPCO shares for shares of an equivalent value in Hulamin seven years after the grant date, and on surrender of the A class shares. For accounting purposes the fair value of the transaction at grant date of R134 686 000 has been determined using a Monte Carlo simulation model based on the following significant inputs:

Share price at grant date	R34,10
Grant date	11 June 2007
Expected option life	Seven years
Lock-in period	Further three years
Risk-free interest rate	Forward swap curve
Expected volatility	30%. As Hulamin's shares have only recently been listed the valuations of appropriate proxy companies were used to estimate the expected Hulamin share price volatility
Expected dividends	A dividend yield of 2,3% was used

36. DETAILS OF INVESTMENTS IN ASSOCIATES, SUBSIDIARY COMPANIES AND JOINT VENTURES

	Shares		Indebtedness	
	31 December 2007 R'000	31 December 2006 R'000	**31 December 2007 R'000**	31 December 2006 R'000
Note: Except where otherwise indicated effective participation is 100%. All the investments are unlisted.				
Associates and joint ventures				
Almin Metal Industries Limited (49%)	–	–	–	–
Bemo Systems (Pty) Limited (25%)	–	–	–	2 074
Richards and Barlow (Pty) Limited (50%)	–	1	–	–
The Aluminium City Partnership	–	–	–	62 672
	–	1	–	64 746
Almin Metal Industries operates under severe long-term restrictions on the transfer of funds to the company. As the above associates are not material, information in respect of assets, liabilities and net income has not been disclosed.				
Subsidiaries				
Hulamin Rolled Products (Pty) Limited*	–	1	–	(1)
Aluminium City (Pty) Limited*	–	–	–	(3 438)
Hulamin Operations (Pty) Limited (90%)	6 668 836	–	591 622	–
Hulett-Hydro Extrusions (Pty) Limited (70%)*#	–	69 074	–	135 984
	6 668 836	69 075	591 622	132 545

*In 2007 these shares were sold to Hulamin Operations

#Hulett-Hydro Extrusions trading as Hulamin Extrusions

Included in the investment in shares in Hulamin Operations is cumulative redeemable preference shares of R6 300 449 337.

The effective interest rate on loans to subsidiaries is 13%. No fixed repayment terms have been set.

The following special purpose vehicles have also been consolidated;

Hulamin Employee Share Ownership Trust

Hulamin Management Share Ownership Trust

Chaldean Trading 67 (Pty) Limited

All the above entities' country of incorporation is South Africa except for Almin Metal Industries Limited which is incoporated in Zimbabwe.

ANALYSIS OF ORDINARY SHAREHOLDERS as at 31 December 2007

	Number of ordinary shareholders	Percentage of total	Number of ordinary shares	Percentage of total
Size of holdings				
1 – 1 000	5 950	64,8	2 274 308	1,05
1 001 – 10 000	2 802	30,5	8 756 378	4,06
10 001 – 100 000	359	3,9	10 076 665	4,67
100 001 – 1 000 000	64	0,7	16 966 679	7,87
Over 1 000 000 shares	10	0,1	177 537 536	82,35
Total listed shares	9 185	100,0	215 611 566	100,00
Public/non-public shareholders				
Non-public shareholders				
Anglo South Africa Capital (Pty) Limited	1		96 773 269	44,88
Industrial Development Corporation	1		64 673 503	29,99
Directors	3		91 888	0,04
Associate of a director	1		8 000	0,01
The Tongaat-Hulett Pension Fund	1		1 265 145	0,59
Public shareholders	9 178		52 799 761	24,49
Total listed shareholders	9 185		215 611 566	100,00

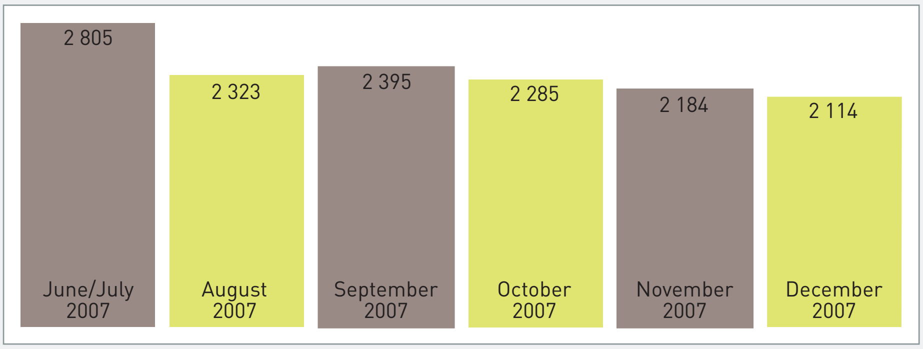
	Number of ordinary shareholders	Percentage of total	Number of shares	Percentage of issued
Beneficial shareholders holding more than 3% of share capital				
Ordinary shares				
Anglo South Africa Capital (Pty) Limited	1		96 773 269	44,88
Industrial Development Corporation	1		64 673 503	29,99
Public Investment Corporation	1		6 653 979	3,09
A class ordinary shares				
Chaldean Trading 67 (Pty) Limited	1	100	25 000 000	100,00
B1 ordinary shares				
Hulamin Employee Share Ownership Trust: No IT 645/2007/PMB	1	100	7 998 556	100,00
B2 ordinary shares				
Hulamin Management Share Ownership Trust: No IT 644/2007/PMB	1	100	2 509 569	100,00
B3 ordinary shares				
Hulamin Management Share Ownership Trust: No IT 644/2007/PMB	1	100	838 105	100,00

SHAREHOLDERS' DIARY

Financial year-end			31 December
Annual general meeting			April
Reports and profit statements:		Interim results	July
		Annual results and final dividend declaration	February
		Annual financial statements	March
Dividends:	Interim	Declared	July
		Paid	August
	Final	Declared	February
		Paid	March

Hulamin volume weighted average share price by month since listing on 25 June 2007

cents per share



HULAMIN LIMITED

Incorporated in the Republic of South Africa
Registration number: 1940/013924/06
Share code: HLM
ISIN: ZAE000096210
"Hulamin" or "the company"

Notice is hereby given that the sixty-eighth annual general meeting of shareholders will be held at the company's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal on Thursday, 17 April 2008 at 14:00, for the following business:

1. To receive and adopt the annual financial statements of the company for the year ended 31 December 2007 including the reports of the directors and the independent auditors.
2. To confirm the appointment of the auditors – PricewaterhouseCoopers for the ensuing year.
3. To authorise the audit committee to approve the auditors' remuneration.
4. To elect directors in place of Messrs P M Baum, V N Khumalo, P H Staude and Ms L C Cele who retire by rotation in accordance with Articles 77 and 78 of the company's Articles of Association ("the Articles") and who, being eligible, offer themselves for re-election. Motions for re-election will be moved individually. Details of each of these retiring directors are set out on pages 16 and 17 of the annual report.
5. To re-elect Mr J G Williams who was appointed as a director by the board of directors on 30 September 2007 and who retires in accordance with Article 86 of the Articles and who, being eligible, offers himself for re-election. His details are set out on page 17 of the annual report.
6. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions:

   6.1 Ordinary Resolution Number 1

   "Resolved as an ordinary resolution that the unissued ordinary shares in the authorised share capital of the company (other than those shares specifically identified in ordinary resolutions numbered 3 to 9) be and they are hereby placed under the control of the directors of the company who are hereby authorised to allot and issue such shares at their discretion upon such terms and conditions as they may determine, subject to the *proviso* that the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to five percent of the number of shares in issue at 17 April 2008 and subject to the provisions of the Companies Act, 61 of 1973, as amended, (the "Act"), the Articles of Association of the company ("the Articles") and the JSE Limited ("JSE") Listings Requirements."

6.2 **Ordinary Resolution Number 2**

"Resolved as an ordinary resolution that subject to the passing of Ordinary Resolution Number 1 above and the approval of a 75% majority of the votes cast by shareholders present in person or represented by proxy at the annual general meeting at which this resolution is proposed, the directors of the company be and are hereby authorised and empowered, by way of a general authority, to allot and issue for cash, all or any of the unissued shares in the capital of the company placed under their control in terms of Ordinary Resolution Number 1 as they in their discretion may deem fit subject to the Act, the Articles and the JSE Listings Requirements, provided that:

- the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue will only be made to "public shareholders" as defined in the Listings Requirements of the JSE and not to related parties;
- this authority is valid until the company's next annual general meeting provided that it shall not extend beyond 15 month's from the date of this annual general meeting;
- in respect of securities which are the subject of the general issue of shares for cash:
    - in the aggregate in any one financial year may not exceed 5% (five per cent) of the company's relevant number of equity securities in issue at 17 April 2008;
    - of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;
    - as regards the number of securities which may be issued, may not exceed 5% and shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application:
    - less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year;
    - plus any securities of that class to be issued pursuant to:
        - a rights issue which has been announced, is irrevocable and is fully underwritten; or
        - acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;

- a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares of the company's issued ordinary share capital in issue prior to such issue; and
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted shall be 10% (ten percent) of the weighted average traded price of the shares in question over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE Limited should be consulted for a ruling if the company's securities have not traded in such 30 business day period."

Hulamin employees are participants of the following employee share incentive schemes prior to the unbundling of the company from Tongaat Hulett:

- The Tongaat-Hulett Group Limited Employee Share Incentive Scheme ("THESIS");
- The Tongaat-Hulett Group Limited 2001 Share Option Scheme ("THSOS");
- The Tongaat-Hulett Group Limited Share Appreciation Right Scheme 2005 ("THSARS");
- The Tongaat-Hulett Group Limited Long Term Incentive Plan 2005 ("THLTIP").

On the unbundling of Hulamin from Tongaat Hulett and in terms of the unbundling agreement, Hulamin undertook to settle the share incentive benefits due to Hulamin employees through the issue or purchase via a third party of Hulamin shares. Details of the awards made including the strike prices and options or rights not exercised are set out in note 35 of the annual financial statements. Ordinary Resolution Number 3 seeks authority to allot and issue ordinary shares for cash to settle the share incentive benefits in terms of the unbundling agreement.

As a consequence of the unbundling of the company no further options, rights or awards are awarded in terms of the above schemes.

6.3 Ordinary Resolution Number 3

"Resolved as an ordinary resolution that the directors of the company be and are hereby authorised by way of a specific authority, to issue up to 5 000 000 shares, of the authorised but unissued shares in the capital of the company, for cash, to beneficiaries of the share schemes, excluding any related parties as defined in the Listings Requirements of the JSE Limited, who held options, rights and conditional awards in the following share schemes at the time of the unbundling:

1) share options in The Tongaat-Hulett Group Limited Employee Share Incentive Scheme ("THESIS") which is applicable to grants made before May 2001; and/or
2) share options in The Tongaat-Hulett Group Limited 2001 Share Option Scheme ("THSOS") which is applicable to grants made between May 2001 and prior to May 2005; and/or

3) rights granted in The Tongaat-Hulett Group Limited Share Appreciation Right Scheme 2005 ("THSARS") which is applicable to grants made in 2005 and 2006; and/or

4) conditional awards granted in The Tongaat-Hulett Group Limited Long Term Incentive Plan 2005 ("THLTIP") which is applicable to grants made in 2005 and 2006.

Details of the original strike prices and the adjusted strike prices determined according to the provisions of the unbundling agreement and the original number of share options, rights granted and conditional awards at unbundling and post unbundling are reflected in note 35 of the annual financial statements for the financial year ended 31 December 2007.

In terms of the unbundling agreement the Tongaat Hulett options in terms of THESIS and THSOS, the Tongaat Hulett rights in terms of THSARS and the Tongaat Hulett conditional awards in terms of THLTIP will be settled with reference to the Tongaat Hulett share price, in Hulamin shares.

The Hulamin options in terms of THESIS and THSOS, the Hulamin rights in terms of THSARS and the Hulamin conditional awards in terms of THLTIP will be settled with reference to the Hulamin share price, in Hulamin shares.

Ordinary Resolution Number 3 is subject to the following limitations under the JSE Listings Requirements:

- to be passed by a 75% majority of members present or represented by proxy and entitled to vote at the annual general meeting excluding any parties and their associates participating in the specific issue of shares for cash;
- the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the discount at which the equity securities are to be issued is not limited as this is dependent on the ruling Tongaat Hulett and Hulamin share prices when beneficiaries, excluding related parties of the company as defined in the Listings Requirements of the JSE Limited, exercise their options, rights and awards.

The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the annual report of which this notice forms part, as set out below:

- The issue of shares for cash will have an effect on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and diluted earnings per share of less than 3%.

- The directors, whose names are given on pages 16 and 17 of the annual report collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by the JSE Listings Requirements.
- Directors' interests in securities are given on pages 52 to 58 of the annual report.
- No director had any material beneficial interest in transactions effected by Hulamin either during the current or immediately preceding financial year, or in an earlier financial year and which remain in any respect outstanding or unperformed. The Hulamin chief executive officer and chief financial officer were paid bonuses of 50% and 30% of cash package, respectively as a consequence of the successful unbundling and listing of Hulamin.
- A general description of the business of the company and its subsidiaries is covered in the introduction to the annual report on page 3.
- The prospects of the business are covered in the chief executive's review in the annual report on page 15.
- In terms of section 7.D.11 of the Listings Requirements of the JSE, the directors, whose names are given on pages 16 and 17 of the annual report, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the group's financial position.
- Corporate information including the name, address of the registered office and of the transfer office, and the company's registration number is reflected on the inside back cover of the annual report.
- Details of the share capital of the company are given in note 11 of the annual financial statements for the year ended 31 December 2007.
- Information on directors and executive management are given on pages 16 to 19 of the annual report.
- There will be no variation in the directors' remuneration as a consequence of the issue of shares for cash.
- Issues of securities in the previous financial year are dealt with in note 11 of the annual financial statements for the year ended 31 December 2007.
- There are no exchange control requirements as all issues will be within the domain of South Africa."

Hulamin adopted the Hulamin Share Appreciation Right Scheme 2007, the Hulamin Long Term Incentive Plan 2007 and the Hulamin Deferred Bonus Plan 2007 schemes at a shareholders' meeting on 19 April 2007. In terms of the resolutions adopted at that meeting, the ordinary shares required for purposes of allotment and issue and the terms of the schemes were put under the control of the directors. Resolutions 6.4 to 6.6 again grant such authority. It is however the intention of the directors to settle the benefits in terms of these share schemes by the purchase of shares via a third party.

6.4 Ordinary Resolution Number 4

"Resolved as an ordinary resolution that the ordinary shares required for the purpose of carrying out the terms of the Hulamin Share Appreciation Right Scheme 2007 ("the HSAR Scheme"), other than those which have specifically been appropriated for the HSAR Scheme in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the HSAR Scheme."

6.5 Ordinary Resolution Number 5

"Resolved as an ordinary resolution that the ordinary shares required for the purpose of carrying out the terms of the Hulamin Long Term Incentive Plan 2007 ("the HLTIP Scheme"), other than those which have specifically been appropriated for the HLTIP Scheme in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the HLTIP Scheme."

6.6 Ordinary Resolution Number 6

"Resolved as an ordinary resolution that the ordinary shares required for the purpose of carrying out the terms of the Hulamin Deferred Bonus Plan 2007 ("the HDBP Scheme"), other than those which have specifically been appropriated for the HDBP Scheme in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the HDBP Scheme."

Hulamin adopted the Hulamin Employee Share Ownership Plan and the Hulamin Management Share Ownership Plan at a shareholders meeting on 19 April 2007. In terms of the resolutions adopted at that meeting, the ordinary shares required for purposes of allotment and issue and the terms of the schemes were put under the control of the directors. Resolutions 6.7 to 6.9 again grant such authority.

6.7 Ordinary Resolution Number 7

"Resolved as an ordinary resolution that the B1 ordinary shares required for the purpose of carrying out the terms of the Hulamin Employee Share Ownership Plan ("the ESOP Plan"), other than those which have specifically been appropriated for the ESOP Plan in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the ESOP Plan."

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6.8 Ordinary Resolution Number 8

"Resolved as an ordinary resolution that the B2 ordinary shares required for the purpose of carrying out the terms of the Hulamin Management Share Ownership Plan ("the MSOP Plan"), other than those which have specifically been appropriated for the MSOP Plan in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the MSOP Plan."

6.9 Ordinary Resolution Number 9

"Resolved as an ordinary resolution that the B3 ordinary shares required for the purpose of carrying out the terms of the Hulamin Management Share Ownership Plan ("the MSOP Plan"), other than those which have specifically been appropriated for the MSOP Plan in terms of ordinary resolutions duly passed at previous general meetings of the company, be and are hereby specifically placed under the control of the directors of the company who be and are hereby authorised to allot and issue those shares in terms of the MSOP Plan."

6.10 Ordinary Resolution Number 10

"Resolved as an ordinary resolution that the proposed fees, set out below, payable to non-executive directors for their services as directors on the board and on board committees as from 1 January 2008 to 30 April 2008 and for the period commencing 1 May 2008, as recommended by the Remuneration and Nomination Committee and the board, be and are hereby ratified and approved."

Type of fee	Fees from 1 January 2007 to date of listing of Hulamin Rand per annum	Present fees to 30 April 2008 Rand per annum	Proposed fees from 1 May 2008 Rand per annum
Hulamin board			
Chairman	n/a	220 000	260 000
Non-executive directors	80 000	110 000	118 800
Audit Committee			
Chairman	n/a	70 000	75 600
Non-executive directors	n/a	35 000	37 800
Remuneration Committee			
Chairman	n/a	50 000	54 000
Non-executive directors	n/a	25 000	27 000
Transformation Committee			
Chairman	n/a	n/a	54 000
Non-executive directors	n/a	n/a	27 000

7. To transact such other business as may be transacted at an annual general meeting.

Voting and proxies

Any shareholder who holds certificated ordinary shares in the company or who holds dematerialised ordinary shares in the company through a Central Securities Depository Participant ("CSDP") and who has selected "own name" registration, may attend, speak and vote at the annual general meeting or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, speak and vote at the annual general meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the company and has not selected "own name" registration, wish to attend, speak and vote at the annual general meeting, such shareholder should timeously inform his CSDP or broker for the purposes of obtaining the necessary letter of representation from such shareholder's CSDP or broker to attend the annual general meeting or timeously provide such shareholder's CSDP or broker with such shareholder's voting instruction in order for the CSDP or broker to vote on such shareholder's behalf at the annual general meeting.

On a show of hands, every member of the company present in person or represented by proxy shall have one vote only. On a poll, every member of the company shall have one vote for every share held in the company by such member.

A proxy form is enclosed for use by shareholders holding certificated ordinary shares in the company or dematerialised ordinary shares in the company through a CSDP and who have selected "own name" registration. Such proxy form, duly completed should be forwarded to reach the company's transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 14:00 on Tuesday, 15 April 2008. The completion of a proxy form will not preclude a member from attending the meeting.

By order of the board

W Fitchat
Company Secretary

18 February 2008

Moses Mabhida Road
Pietermaritzburg
KwaZulu-Natal

HULAMIN

FORM OF PROXY

HULAMIN LIMITED

Incorporated in the Republic of South Africa
Registration number: 1940/013924/06
Share code: HLM
ISIN: ZAE000096210

Note: All beneficial shareowners that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must **not complete this form.**

Instead, they must either provide the CSDP or broker with their voting instructions, or alternatively, should they wish to attend the meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.

Completed Forms of Proxy must be received at the office of the company's transfer secretaries by not later than 14:00 on Tuesday, 15 April 2008. South Africa: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

A member entitled to attend and vote at the meeting mentioned below is entitled to appoint a proxy to attend, speak and, on a poll, to vote in his stead. A proxy need not be a member of the company.

I/We (name in block letters)

(address in block letters)

being the holder/holders of ordinary shares in Hulamin Limited do hereby appoint

1. of (or failing him/her)

2. of (or failing him/her)

3. the chairman of the meeting as my/our proxy to attend and speak and to vote for me/us at the annual general meeting of the company to be held on **Thursday, 17 April 2008**, for the purpose of considering and, if deemed fit, passing, with or without modification, all the resolutions to be proposed thereat, or at any adjournment thereof, as follows:

Resolution	For	Against	Abstain
1. Adoption of annual financial statements			
2. Confirmation of appointment of auditors – retaining of PricewaterhouseCoopers			
3. Remuneration of the auditors			
4. Re-election of directors retiring by rotation: P M Baum			
V N Khumalo			
P H Staude			
L C Cele			
5. Re-election of Mr J G Williams			

Resolution	For	Against	Abstain
6.1 **Ordinary Resolution Number 1** authorising the placing of unissued share capital under the control of directors to a maximum of five percent of the issued share capital			
6.2 **Ordinary Resolution Number 2** authorising directors to issue for cash unissued shares in terms of Ordinary Resolution Number 1			
6.3 **Ordinary Resolution Number 3** authorising directors to issue shares for cash to beneficiaries of share schemes, excluding any related parties, to settle benefits in terms of THESIS; THSOS; THSARS and THLTIP			
6.4 **Ordinary Resolution Number 4** authorising directors to issue shares in terms of the Hulamin Share Appreciation Right Scheme 2007			
6.5 **Ordinary Resolution Number 5** authorising directors to issue shares in terms of the Hulamin Long Term Incentive Plan 2007			
6.6 **Ordinary Resolution Number 6** authorising directors to issue shares in terms of the Hulamin Deferred Bonus Plan 2007			
6.7 **Ordinary Resolution Number 7** authorising directors to issue B1 ordinary shares in terms of the Hulamin Employees Share Ownership Plan			
6.8 **Ordinary Resolution Number 8** authorising directors to issue B2 ordinary shares in terms of the Hulamin Management Share Ownership Plan			
6.9 **Ordinary Resolution Number 9** authorising directors to issue B3 ordinary shares in terms of the Hulamin Management Share Ownership Plan			
6.10 **Ordinary Resolution Number 10** approval of non-executive directors' fees			

Signed at this day of 2008

Signature:

Notes:

1. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A member may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the annual general meeting.
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company's share registrar or waived by the chair of the annual general meeting.
3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
4. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrars of the company.
5. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the member wishes to vote.

CORPORATE INFORMATION

Registration number: 1940/013924/06
Share code: HLM
ISIN number: ZAE000096210

Company secretary
W Fitchat
Appointed 1998

Business address
Moses Mabhida Road
Pietermaritzburg
3201
KwaZulu-Natal
South Africa

Postal address
PO Box 74
Pietermaritzburg
3200
KwaZulu-Natal
South Africa

Contact details
Telephone: +27 33 395 6911
Facsimile: +27 33 394 6335
Website: www.hulamin.co.za
E-mail: hulamin@hulamin.co.za

Bankers
FirstRand Bank Limited
The Standard Bank of South Africa Limited

Attorneys
Bowman Gilfillan
Cox Yeats
Garlicke & Bousfield

Independent external auditors
PricewaterhouseCoopers Inc.

Internal auditors
KPMG
Sizwe Ntsaluba VSP

Securities exchange listings
JSE Limited

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

Transfer Secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001
PO Box 61051
Marshalltown
2107

Designed by motiv
Printed by ince