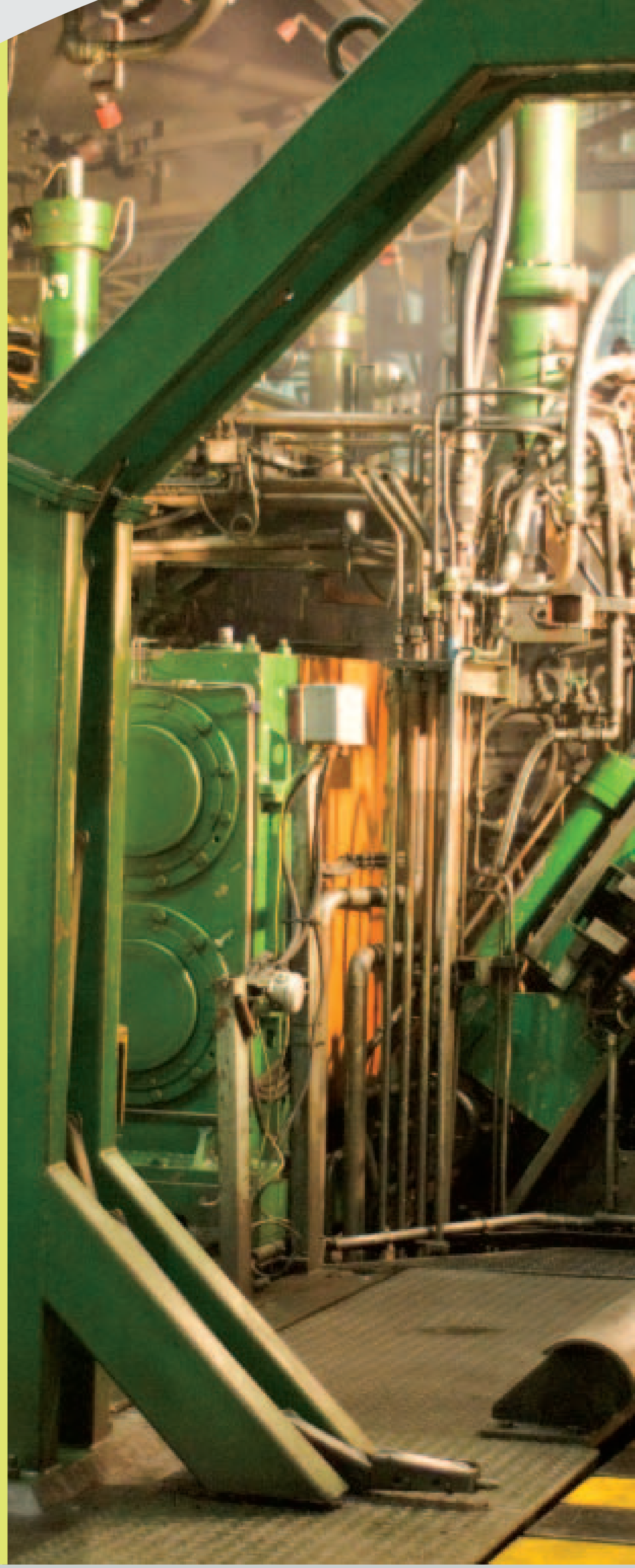
HULAMIN

2008 Annual Report

Introduction



Hulamin is an independent producer of semi-finished and fabricated aluminium products, situated in South Africa. We are focused on the South African and other specific or niche markets around the world.

We create value through meeting our customers' needs for high-value aluminium semi-fabricated products. In doing so, we contribute to the upliftment of the standard of living in the Southern African region, stimulating business activities associated with adding value to the large quantities of primary aluminium produced in the region.

With export activities stretching over 60 countries, we cater to customers around the globe, whilst distinguishing ourselves as a key supplier to South African industry. We are committed to developing South African aluminium manufacturing and making a meaningful contribution to sustainable development in Southern Africa.

Each of our businesses shares a passion for aluminium, a unique metal with a superior range of benefits, and endless application possibilities.

Contents

Group operations

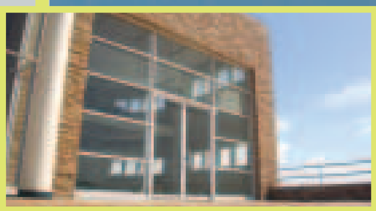
Hulamin Rolled Products

Hulamin Rolled Products is a modern, globally competitive producer of a range of technologically sophisticated sheet, coil, plate and foil products. It is the only aluminium rolling mill in South Africa and supplies to customers on all continents.

Hulamin Extrusions

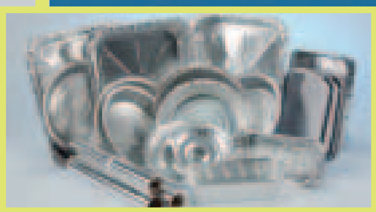
Hulamin Extrusions is the leading extruder in sub-Saharan Africa and is the first-choice supplier in the more technologically sophisticated engineering markets. It is also a leading supplier in the architectural market, having a loyal customer base in fenestration, curtain walling and cladding products.

Hulamin Building Systems



Hulamin Building Systems provides advanced architectural, extrusion-based systems to the construction 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 of aluminium rolled and extruded products to the engineering and fabrication industry. It also distributes a range of aluminium rainwater systems and shade products.

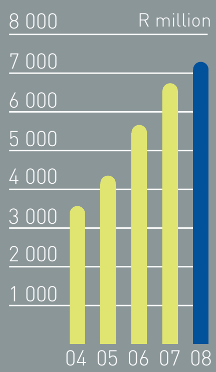
Hulamin Roofing Solutions

Hulamin Roofing Solutions is the only producer of aluminium standing seam roofing and cladding systems in Southern Africa and produces a unique range of aluminium roofing and cladding roll formed systems for the architectural market.

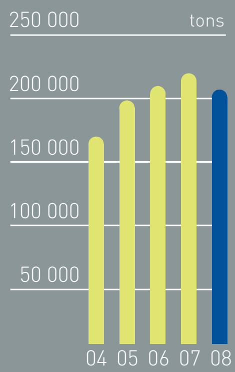
Hulamin is well positioned as a competitive supplier in the rolled products and extrusions market sectors

Hulamin at a glance

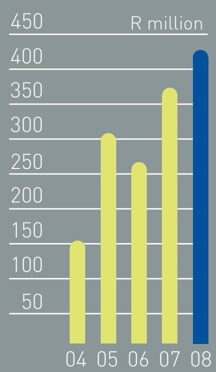
Revenue



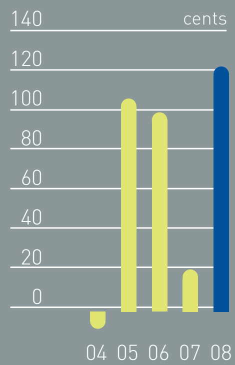
Sales volumes



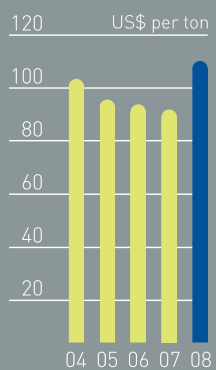
Underlying operating profit



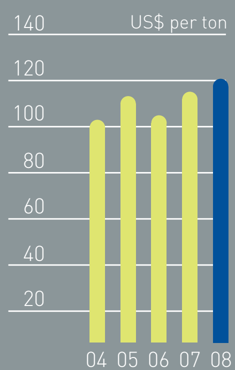
Headline earnings per share



Index of Rolled Products manufacturing costs inflation adjusted



Index of total US$ rolling margins



Hulamin Statement of Value

Our philosophy
Through the commitment to a common purpose we can forge our own destiny. Knowledge and attitude gives us power over our business challenges and personal circumstances.

Our business
We manufacture and market high quality rolled and extruded aluminium products which meet the needs of our customers in South Africa and internationally.

Our core purpose
Our core purpose is to consistently meet or exceed the reasonable expectations of our major stakeholders (which specifically include our employees, customers, suppliers, shareholders and the communities that surround us). We do this by creating value through the manufacture of high-value aluminium semi-fabricated products. In doing so, we contribute to the upliftment of the standard of living in the region. We achieve this by stimulating business activities associated with adding value to the large quantities of primary aluminium produced in the region and through pursuing related business opportunities within which we can further apply our capabilities.

Our vision
We continually seek to grow our business by satisfying the demands of our customers and supporting the growth of aluminium usage in our chosen market sectors. We aim, in our first ten years as a listed company, to double the size of our business.
Our logo, the Circle of Synergy, shows our commitment to partnerships with our suppliers, customers and the communities in which we operate.

Our statement of value
We deliver on our promises.

Our promises
- Earn a reputation for excellent customer service
- Generate respectable profits in our operations
- Set the benchmark in our industry for safe and responsible manufacturing
- Assist all employees to uplift their skill levels

Business objectives

Grow Rolled Products sales volumes
Sales volumes declined from 193 000 tons in 2007, to 180 000 tons in 2008

Achieve the most profitable product mix
Rolled Products has grown its high value products from 60% of sales in 2007 to 63% of sales in 2008

and deliverables

Maintain a competitive cost structure

Rolled Products unit costs increased by 8% in real terms from 2007 to 2008

Grow the Southern African market for semi-fabricated aluminium products

Hulamin grew its sales of rolled and extruded aluminium products in the local market by 1% in 2008

Our values

Mutual respect

We treat each other as we would like ourselves to be treated. We respect the rights and fair expectations of others – this has particular importance in our diverse society.

Working safely and responsibly

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. Furthermore, every employee has the additional responsibility to ensure zero harm to our environment.

Honesty and integrity

We behave in ways that are ethical and result in trust, openness and fairness.

Customer value

We strive to exceed our customers' expectations. We recognise that our customers have alternatives. We strive to be our customers' first-choice supplier.

Teamwork

We are all team players. We achieve more working together than the total of everyone's efforts working alone. Our logo symbolises our commitment to teamwork.

The standards we set ourselves

Our success will be measured by the extent to which:

- We are respected and admired by all our stakeholders
- We are regarded as an employer of choice
- We are filled with pride in our achievements
- We make the world a better place

Chairman's statement

Hulamin achieved record earnings in 2008 and continued to build its reputation as an important niche player in the global aluminium industry. The foundation for this performance has been laid by the Hulamin values, relaunched in 2008, which have become a way of life for all Hulamin employees.

In addition to the delivery of a strong financial and operational performance in 2008, the business continued to build for the future and made good progress with its current expansion project which will result in additional Rolled Products capacity, improved product mix and lower unit costs.

During 2008, additional steps were also taken around cost positioning, geographical representation and market exposure which are dealt with in more detail in the Chief Executive's review.

Hulamin's strategy will be employed in a manner appropriate to trading in the current global economic turmoil which has severely impacted the aluminium industry. Nevertheless, the fundamental demand drivers for products with proven benefits remain unchanged and this strategy will ensure that Hulamin is in a good position to capitalise on the inevitable recovery that will follow the current global recession.

Transformation

Having successfully concluded the introduction of black shareholders in 2007, Hulamin continues to focus on all aspects of transformation. Some commendable developments in its employment equity programme include having black people represent 54% of its managers while 50% of learnerships and apprenticeships have been granted to female employees. The total number of female employees has increased more than threefold in the last four years.

Safety, health and environment

Safety performance continues to improve and was at record levels in 2008 while new innovations have been introduced to uplift overall employee health. The company also continues to make good progress with its high priority HIV awareness and treatment programme.

In 2008, Hulamin again set new standards in environmental responsibility. Its impact on the natural environment has been significantly improved through a number of new measures that focus particularly on air quality, effluent, and the efficient usage of water and electricity.

Being the largest company in the KwaZulu-Natal midlands, Hulamin understands its responsibility in uplifting the surrounding community and has steadily increased its CSI profile, particularly in the areas of poverty relief, education and crime prevention. In line with its improved financial performance, Hulamin increased its CSI expenditure to record levels in 2008.

Our commitment was recognised at the KwaZulu-Natal Top Business Awards 2008 which saw Hulamin win the Top KwaZulu-Natal Manufacturing Company award for 2008.

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.

Appreciation

On behalf of the board, I would like to sincerely thank all at Hulamin for delivering another good performance, responding to the emerging global economic crisis with determination, while continuing to build a platform for further growth.

I would also like to thank my fellow board members for their support and counsel as we guide the company in its service towards all stakeholders.

Prospects

There is no doubt that difficult times lie ahead as a result of the dramatically weaker global economic climate which developed over the past year.

Although South Africa has a number of positive factors in its favour, including a sound and responsible banking system, the 2010 FIFA World Cup and the government's commitment to large infrastructure related investments, the current environment offers very limited visibility and abundant uncertainty.

Against the global forces that threaten all businesses, South African banks have a responsibility to the entire economy to limit the spillover of the global financial crisis into the real economy. Appropriate monetary policy responses are also important to assist the South African manufacturing industry to withstand the current economic conditions.

True value is created in difficult times and I have every confidence in the ability of the Hulamin team to manage through this period and emerge stronger from the immediate challenges.

Mafika Mkwanazi
Chairman

Chief Executive's review

Hulamin is well positioned as a competitive supplier in the rolled products and extrusions market sectors in South Africa and globally, and has achieved considerable growth in recent years. The company has further growth opportunities and is presently increasing its manufacturing capacity by approximately 25%. This increased capacity is coming on stream at a time when Hulamin's markets have been severely affected by the global recession. While this downturn in business has interrupted Hulamin's market penetration and hence its growth momentum, the fundamental factors underpinning Hulamin's competitive position have not changed. These include being able to run at high levels of capacity utilisation and with an attractive product mix, and operating in a lower cost environment than many other players in the industry. The business has responded to the current market weakness by implementing several urgent actions and is simultaneously proceeding with the necessary measures to maintain its growth objectives.

2008 financial performance

Hulamin experienced a reduction of 6% in sales volumes compared with the previous year. The reduction arose in both the Rolled Products and Extrusions operations and was particularly pronounced in the second half of the year as the global downturn took effect. The combination of firmer rolling margins, higher London Metal Exchange (LME) aluminium prices for much of 2008, and a weakening in the Rand/Dollar exchange rate did however result in turnover increasing by 8% from R6,6 billion to R7,1 billion.

In 2007 Hulamin incurred once-off costs of R168 million in respect of a Black Economic Empowerment shareholding structuring arrangement and the listing on the JSE Limited. Ignoring the effect of those costs, the operating profit for 2008 reflects an increase of 22% over 2007 and represents a compound increase of 33% per annum over the last four years.

Borrowings increased sharply as a result of expenditure on the Rolled Products expansion project and an increase in working capital which was exacerbated by the higher aluminium prices. This higher level of borrowings caused finance costs to increase from R85 million to R118 million.

The 2008 attributable earnings include a benefit of R31 million which arose as a consequence of a reduction in the deferred tax liability, following the reduction of 1% in the national corporate tax rate. By contrast the attributable earnings in 2007 were abnormally low due to the abovementioned structuring costs which were also largely not deductible from taxable income. These abnormal occurrences had a significant impact on the increase in attributable earnings from R41 million in 2007 to R268 million in 2008. Attributable earnings, excluding these abnormal factors, increased by 16%.

The company experienced a cash outflow from operations, after normal capital expenditure, of R93 million. Expenditure on the expansion project of R580 million (including capitalised interest and start-up costs), plus interest expensed of R118 million and dividends of R127 million, led to a net cash outflow of R918 million.

Net borrowings accordingly increased to R1 747 million which is 47% of equity.

Taking into account the increase in borrowings during the last year, and the current economic climate, the board believes that it is prudent to increase the extent of the dividend cover. The board has therefore declared a final dividend of 13 cents per share. This will result in a total dividend for the year of 41 cents which is covered three times by earnings of 124 cents per share.

Impact of global recession on the aluminium industry

The aluminium industry has considerable exposure to several of the industries that have been most severely affected by the global downturn in business activity. These include, *inter alia*, the automotive, transport, building and construction industries. The global recession is therefore having severe consequences throughout the industry, resulting in significant capacity curtailments by both primary and semi-fabricated producers.

After rising to a peak of US$3 300 per ton in July, the price of primary aluminium on the LME fell sharply in the second half of 2008, ending the year below $1 600 per ton. This falls well within the band of US$1 100 per ton to US$2 200 per ton that remained the lower and upper limits between 1990 and 2005.

The sharp reduction in the price has caused endusers to expect that prices may weaken further and thus withdraw from the market to a greater extent than may have been expected. This effect in the latter part of 2008, together with significant destocking throughout the distribution chain, has resulted in a sharp reduction in the global demand for aluminium, including semi-fabricated products, and is expected to continue into 2009.

Industry observers estimate that cuts in primary aluminium production are approaching five million tons which is approximately 13% of the global production of recent years.

Semi-fabricated production capacity cutbacks in the form of reducing utilisation of existing facilities have been widespread while announcements of permanent plant closures have also occurred, albeit on a more

limited scale. In recent years, global rolled products capacity has been increasing by approximately 5% per annum, mainly in China. While several investments in capacity are presently in progress and are expected to come on stream during the next eighteen months, there has been a sharp reduction in the commencement of new projects. Against the background of falling demand and capacity utilisation rates, the industry remains in a position where it is unable to cover its cost of capital, and an increasing number of producers are experiencing operating losses.

Hulamin's strategy remains to target selected market sectors where it is able to compete successfully based on its technological capability and competitive cost position. In response to the current market conditions, the company has implemented measures to reduce its cost base and re-prioritised commissioning activities related to the Rolled Products expansion project. This is planned to enable the company to cover its cost of capital over the full business cycle.

Rolled Products

The Hulamin Rolled Products strategy is to ensure that it remains the preferred supplier in the Southern African region, where it is strongly committed to the growth in consumption of aluminium products. It is also a significant supplier in a number of focused and niche export markets where the company has a well established reputation and has created opportunities to further grow its customer base.

Rolled Products sales slowed in the second half of the year and sales volumes for 2008 were accordingly 13 000 tons lower than in 2007. Total sales of Hulamin's higher value products were similar to prior years and thus the reduction in sales volumes arose mainly from lower value standard type products.

Operating profit before structuring costs improved from R358 million to R453 million, driven by improvements in the sales mix and more favourable exchange rates.

Sales in the local market grew strongly in the first half of the year but reduced again in the second half on the back of weaker demand from the automotive sector and destocking in the distributor sector. Local sales for the full year were similar to the 2007 levels.

Exports of can-end stock continued to increase as the company establishes itself as a supplier to a growing number of beverage can manufacturing plants throughout the world. Sales of this product are expected to continue to grow in 2009 and beyond.

Sales of heat treated plate reduced below 2007 levels in line with the reduction in enduser demand, compounded by destocking in the distribution chain. Sales of brazing sheet into the automotive sector also reduced, while sales of light gauge foil remain capacity constrained pending the commissioning of the new foil mills in 2009.

Late in 2007, Hulamin established a sales office in Europe as part of its strategy to sell more of its products directly to endusers and distribution outlets, complemented by sales through established traders and intermediaries. A similar move in the USA saw the establishment of a sales office in Dallas during the second half of 2008. These changes were made in response to enduser requests to deal directly with Hulamin. These measures, together with further improvements in the sales mix, resulted in an improvement of 7.9% in the average dollar margin per ton of export sales.

Manufacturing remains a key contributor to business performance. Supply and infrastructure reliability and other internal inefficiencies negatively impacted on customer service and on-time delivery, and will remain extremely important areas of focus for the business for 2009.

Significant increases were experienced in energy and alloying costs, which rose by 57% and 204% respectively, as a result of increases in the prices of gas, electricity, and magnesium and other hardeners. These significant price increases led to total manufacturing costs increasing by 25%, despite the increases in all other costs being limited to 10%. A number of cost reduction projects are in progress which will further strengthen the company's competitive cost position. Sustainable cost improvements exceeding R50 million per annum were achieved during the year and further improvements are expected to be made in 2009.

Rolled Products inventories increased in physical terms by 24% largely as a consequence of slowing revenue recognition and problems in scrap recycling.

A steadily increasing proportion of export sales are being concluded on a DDP (delivered to customer) basis as opposed to a CIF (delivered to port) basis. In the case of CIF transactions, revenue is recognised at the time that the product is loaded onto the ship in Durban whereas in the case of DDP sales, revenue is recognised upon material arrival at the customer's premises. This gives rise to an increasing volume of export shipments being reflected as inventory for a longer period prior to revenue recognition.

The changes in Hulamin's sales mix have given rise to higher volumes of certain types of process scrap which are slower to recycle, and this has resulted in an accumulation of process scrap. Measures to deal with this have been successfully implemented and the excess scrap inventory is now being reduced.

There are three downstream operations within Rolled Products, namely, Hulamin Containers, Hulamin Roofing Solutions and Hulamin Engineering Solutions. Hulamin Containers and Hulamin Roofing Solutions have shown pleasing growth and financial performance. Factors underpinning the rationale for the investment in Hulamin Engineering Solutions have changed and it has therefore been decided to exit from this investment. Negotiations in that regard are presently in progress.

Rolled Products expansion project

Work on the expansion project has progressed well. Several elements of the project have already been completed on schedule. It is expected that the remaining elements will also be completed on schedule although sharp cost increases have been experienced in some areas and are likely to cause the final project cost to exceed the original budget cost by approximately 2%. In spite of this, the final installed cost will be considerably below current replacement cost.

The largest element of the expansion project is in foil production capacity. Foil finishing facilities are fully commissioned and operational, having been relocated and expanded ahead of the foil rolling mill expansion. Installation of the foil rolling mills has commenced and first sales of foil produced in the expanded operation are expected to take place in the third quarter of 2009.

The twin roll casters and hot mill and cold mill upgrades are also complete. Although the additional capacity is yet to be fully utilised, the improved operational capability has met expectations.

The number of people employed on the project has reduced from a peak of 746 to 320 at the end of 2008. The safety performance by the project team has continued to be exceptional with only a single lost time injury experienced during the 1,7 million hours worked to date. This equates to a lost time injury frequency rate of 0,12.

The expansion project is being completed at a time when market conditions are weak and it is planned that the initial ramp up of capacity will be slower than originally planned. The commissioning of this additional capacity will be managed in line with prevailing market conditions. In addition to creating additional capacity, the project also creates opportunities to achieve an improved sales mix and operating unit cost reductions.

Extrusions

Sales volumes in 2008 were similar to the previous year as local demand for our products was impacted by the continued weakening in residential construction, while some segments of the industrial market were impacted by the import of end-products from China. Operating profit before structuring costs decreased from R22 million to R12 million due to metal price movements and ongoing market development costs.

Hulamin continues to grow its position in the architectural sector, through a number of initiatives currently in progress.

Hulamin has repurchased the 30% shareholding in Hulamin Extrusions that was acquired by Hydro Aluminium in 1997. The effective date of the repurchase was 1 December 2008.

Responding to market conditions

Hulamin's strategy of having a position in all major regional markets and being a multi-product producer with exposure to all significant enduser segments has limited the impact of what might have been an even more severe downturn in sales.

In response to the sharply weaker market conditions, Hulamin is reducing output in a manner which will not compromise its growth capability. This has entailed extending the plant closure over the Christmas period, eliminating overtime work in areas affected by declining sales volumes and reducing manufacturing activities to a five-day week where appropriate. Recruitment has been frozen and contract positions have largely been eliminated.

Although not the basis for the decision, the exit from the investment in Hulamin Engineering Solutions will generate cash. Other cash-generation measures include a sharp reduction in normal capital expenditure and actions to reduce inventories in line with the lower level of business activity. These measures will fund the remaining expenditure on the expansion project, reduce interest charges and enable the business to actively manage its borrowings at a lower level.

Hulamin has a robust business model which generates returns that are above the industry average and which are expected to improve further as the business progresses towards its full potential. This rate of progress will be affected by the global recession which also introduces considerable uncertainty into business forecasting. The company expects lower sales volumes for 2009, particularly during the first quarter while customers across all regions and market sectors continue to reduce their inventory levels. It is however expected that the benefits of an improving product mix, cost reduction projects and a weaker exchange rate will continue to underpin future earnings.

Alan Fourie

Alan Fourie

Chief Executive Officer

Directorate

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1 **Mafika Edmund Mkwanazi** (54)
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 business positions including chief executive officer of Metro Rail Services from 1995 to 1996, executive director of Spoornet from 1996 to 1998, managing director of Transnet from 2000 to 2003, chairman of Western Areas, Letseng Diamonds and Orlyfunt Holdings from 2003 to 2006, and he is also the chairman of the BEE entity Shamsko Investment Holdings. Other directorships he holds include Nedbank and Stefanutti & Stocks. He was appointed to the Hulamin board in 2007.

2 **Philip Michael Baum** (54)
Non-executive Director
Chief executive officer of Anglo American's Ferrous Metals and Industries division, member of Anglo American plc's Executive Committee
BCom; LLB; Higher Diploma Tax Law

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

3 **Lungile Constance Cele** (55)
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 Limited 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.

4 **Vusi Noel Khumalo** (46)
Non-executive Director
Senior manager: Industrial Development Corporation
BCompt (Hons); CA (SA)

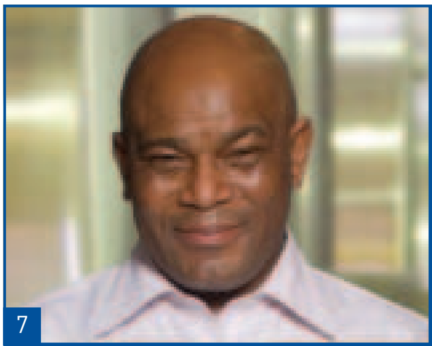
Vusi joined the IDC in 1998 and in his current position is responsible for managing IDC's investment portfolio. His directorships include Atlantis Forge, Ernani Investments and Golden Frontiers Citrus. He was appointed to the Hulamin board in 2006.

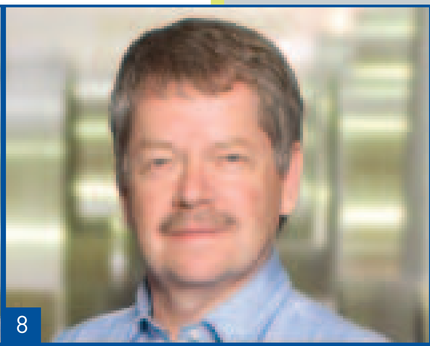
5 **Thabo Patrick Leeuw** (45)
Independent Non-executive Director
Executive director: Thesele Group
BCom (Accounting); BCompt (Hons)
Management Advancement Programme (MAP)

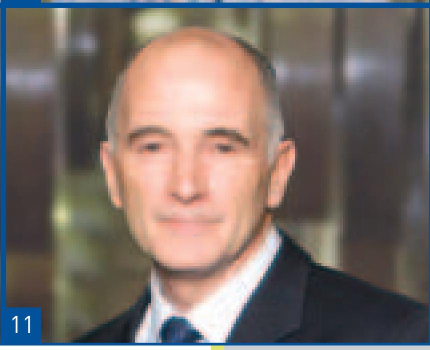
Thabo is the executive director and founder shareholder of Thesele. He served articles at Deloitte & Touche, and has held financial management positions in Afric Oil (a subsidiary of Worldwide Africa Investment Holdings), Oceana Fishing, National Sorghum Breweries and Old Mutual Employee Benefits. He 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.

6 **Johannes Bhekumuzi Magwaza** (66)
Non-executive Director
Director of companies
BA (Psychology & Social Anthropology)
MA (IR); 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.







7 **Sibusiso Peter-Paul Ngwenya** (55)
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 Igagasi 99.5 radio stations and Sebenza Forwarding and Shipping Consultancy. He was appointed to the Hulamin board in 2007 as an alternate to Johannes Bhekumuzi Magwaza.

8 **Peter Heinz Staude** (55)
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 chairman of Trade and Investment KwaZulu-Natal.

9 **John Griffith Williams** (44)
Non-executive Director
General manager: Corporate Finance, Anglo American
MA; MEng; MBA; CDip AF; 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 Company. He was appointed to the Hulamin board in April 2006, resigned in March 2007 and was re-appointed in September 2007.

10 **Alan Fourie** (59)
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.

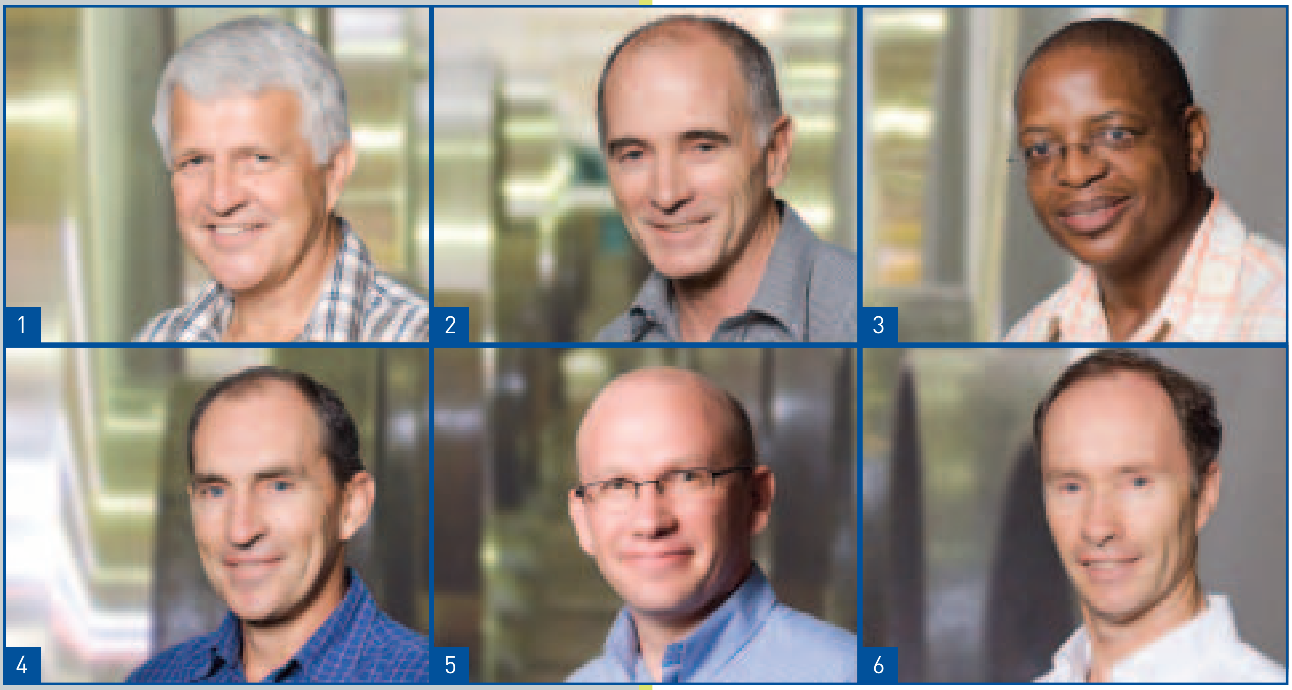
11 **Charles Daniel Hughes** (53)
Chief Financial Officer
BAcc; CA (SA)

Charles joined Hulamin in 1979 and was appointed financial director of Hulamin in 2003 and chief financial officer in 2007. Charles is also director of a number of Hulamin subsidiaries.

12 **Moses Zamani Mkhize** (47)
Executive Director: Foil products
Higher Diploma (Electrical Engineering); BCom (Hons)

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.

Executive Committee



1 **Alan Fourie** (59)
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 officer in 2007.

2 **Charles Hughes** (53)
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 the financial, information technology and procurement affairs of the company and is on the board of Hulamin Extrusions.

3 **Moses Mkhize** (47)
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 of Hulamin Rolled Products and for the downstream business, Hulamin Containers. Moses has held a broad range of operational management positions.

4 **Frank Bradford** (48)
BSc (Eng); Graduate Diploma in Engineering (GDE); MBA

Frank's career at Hulamin spans 16 years. He is responsible for sheet and plate products in Hulamin 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.

5 **Richard Jacob** (43)
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.

6 **Colin Little** (52)
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 & Barlow (a joint venture with Duro Pressings in the architectural finished products market).

7 **Kenneth Mshengu** (56)
BA; HDPM; Industrial Relations Diploma (IRD)
Executive Business Programme (EBP)

Kenneth's career at Hulamin started 18 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.

8 **Wolfgang Ortner** (48)
Metallurgist; Management Development Programme (MDP)

Wolfgang joined Hulamin in October 2007. He is responsible for Hulamin's international marketing activities in Europe and North America. Wolfgang has held a broad range of management positions at ALCOA and then AMAG Rolled Products, where he was a senior executive. He currently resides in Austria.

9 **Doug Timmerman** (54)
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 also responsible for engineering, planning, technology, the integration of all the manufacturing areas of Rolled Products, and leading the expansion project approved in 2006.

Sustainability report

Message from the Chief Executive

Hulamin has built on its rich heritage and has established an enviable position in the local community, in the South African economy and in the global aluminium industry. This reputation is not built on a single achievement or performance, but rather on meeting and exceeding a range of expectations from stakeholders.

In 2008, we relaunched an updated Hulamin Vision and Values, which is presented in the front section of this report. In the current uncertain economic climate, living out these values is a critical foundation on which the long-term health of the business is built. One dimension of this value system is preparing for our future health, building a business that is healthier tomorrow than today. Hence we are pleased to present to you this Sustainability Report which is a summary of the progress made in 2008.

Alan Fourie

Top KwaZulu-Natal Manufacturer Award

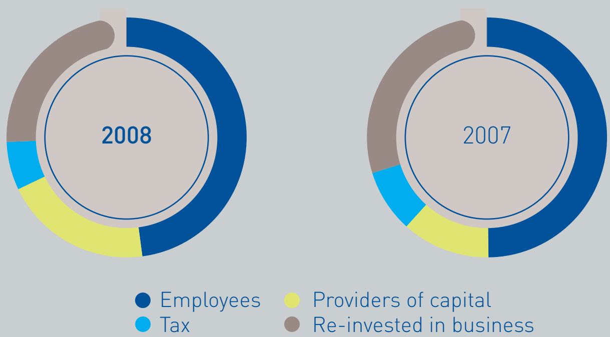
In September 2008, Hulamin was presented with the 2008 Top Manufacturing Company Award at the KwaZulu-Natal Top Business Awards ceremony, beating a list of 43 strong contenders which included all the major manufacturing companies in KwaZulu-Natal. The organisers explained that the awards serve to publicly acknowledge excellence in corporate governance and sustainability. Winners are viewed as significant contributors to the process of building the province's future. KwaZulu-Natal Top Business CEO, Grant Adlam, says "By communicating achievements of successful companies in the province, this might serve as an example and an inspiration to others to do business in our province."

Economic value

Value-added analysis

	2008 R'000	2007 R'000
Turnover	**7 119 973**	6 568 371
Bought-in materials and services	**5 890 932**	5 519 097
Value added by operations	**1 229 041**	1 049 274
Applied as follows:		
To pay employees salaries, wages and benefits	**588 965**	522 817
To pay providers of capital	**245 520**	124 760
Interest on borrowings	**118 253**	85 262
Dividends to ordinary shareholders	**127 267**	39 498
Taxation	**79 527**	89 131
Re-invested in business	**315 029**	312 566
Depreciation	**173 514**	179 908
BEE costs		134 686
Retained earnings	**141 515**	(2 028)
	1 229 041	1 049 274

Distribution of value-added



Enterprise development

Promoting development

Hulamin contributes to the development, sustainability, financial and operational independence of black owned businesses as a contribution to normalising the economy, job creation and local economic growth.

In 2008 the business supported 10 African-owned SMMEs, whose collective turnover is in excess of R25 million and who employ 168 people. These businesses supply a range of goods and services such as pallet manufacturing, industrial cleaning, landscaping, transport and security. The examples that illustrate this commitment include Mandla Ngcobo's drum refurbishment business, John Majo's Hulabond fitting service and TWDM Timbers' pallet making enterprise.

Hulamin has supported the Business Support Centre (BSC) for many years. During this time, it has been funded by both Hulamin and BSi Steel. These two companies have teamed up and contributed R300 000 during 2008. The BSC's objectives are to develop Small Medium and Micro Enterprises (SMMEs) to participate fully in the economy. The BSC is actively mentoring a number of Hulamin contractors to fully comply with the various statutory requirements. The BSC's database, consisting of over 100 emerging entrepreneurs, is lodged within Hulamin's supplier database as part of ongoing efforts to develop SMME support within Hulamin.

Preferential procurement

Building partnerships

Hulamin promotes the development of black owned businesses and in particular African wholly owned entities as preferred suppliers. As a result, the number of registered preferential suppliers has increased from 200 at the end of 2007 to close to 300 in 2008.

These suppliers range from multinationals to single person owned SMMEs. Major contracts covered by Hulamin's programme include liquid petroleum gas, dross processing, road transportation, IT systems management, export containerisation, freight forwarding and clearing services.

Hulamin spent over R1,4 billion in total with BEE enterprises in 2008. Of this total, R167 million was spent on Qualifying Small Enterprises (QSEs), R195 million on black enterprises and R12 million on black woman owned businesses. This expenditure represents 22% of total expenditure for 2008 (after exclusions) and shows a significant increase on the 18% spent in 2007.

Wholly African owned entities were again prioritised in 2008. Compared with expenditure of R32 million in 2007 and of R8 million only five years ago, a total of R34 million was achieved.

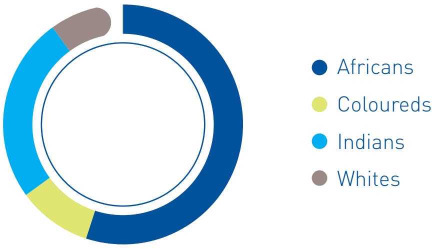
Hulamin BBBEE expenditure report

Year	Total spend	All BBBEE spend	Qualifying small enterprises spend	Black (>50%) spend	Black women spend
2007	5 701 757 094	1 040 490 868	142 892 469	106 822 256	8 348 285
2008	**6 585 562 659**	**1 430 043 248**	**166 843 326**	**195 410 278**	**12 294 777**

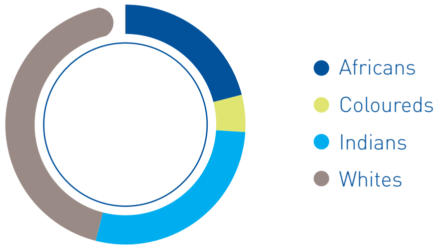
Drum refurbishment business

Hulamin assisted Mandla Ngcobo from Pietermaritzburg to establish a drum refurbishment business for Hulamin's Alpaste products. More than 300 drums per month are refurbished or repaired and cleaned for re-use by Hulamin. This project has positive environmental spin-offs as these drums were previously disposed of to landfills after being used only once. The second phase of this project will kick off in 2009, and will involve collecting used drums from Hulamin's customers nationally.

Hulamin racial composition



Management racial composition



Human capital – investing in our people

Employment equity

Employment equity remains one of Hulamin's key strategic objectives. Steps have been taken to improve the racial and gender mix at all levels within the organisation, paying special attention to the advancement of Africans and females at management levels and above.

With direction provided by the Hulamin Employment Equity Committee and chaired by the CEO, accelerating and maintaining progress on action plans to ensure that targets are met has been extended to all operations in the group. These plans include: targeted recruitment and selection, training and development, coaching and mentoring, continuing partnerships with tertiary education institutions, so as to enhance our ability to attract and develop the right people from designated groups, talent and performance management programmes and managing cultural diversity.

Hulamin has maintained the results achieved in implementing the Employment strategy in 2007, with 54% of management and 89% of skilled and supervisory positions filled by black employees in 2008.

The scope of the talent pipeline has been increased to include engineering bursary holders at high school level paying special attention to Africans and females. A major focus has been on local talent with the intention of being in a stronger position to retain skills that are in high demand such as engineers, technicians and artisans.

Employment equity committees, which exist at both corporate and operational levels, continue to monitor and evaluate progress. The Transformation Committee is chaired by a non-executive director and the Hulamin Employment Equity Committee is chaired by the CEO. The main objectives of these committees are to provide direction, facilitate the implementation of employment equity strategies, set targets, review progress and make recommendations to the board.

Occupational categories

	Male			Female				White	Foreign nationals		
	A	C	I	A	C	I	W	male	Male	Female	Total
Legislators, senior officials and managers	5		1					15	1		22
Professionals	18	5	32	1	1	2	7	54	11		131
Technicians and associate professionals	59	13	68	35	2	8	17	44	3		249
Clerks	65	14	65	36	14	19	26	4		2	245
Service and sales workers	20	7	17	7	7	7	13	9	1	1	89
Skilled agricultural and fishery workers											
Craft and related trades workers	108	31	119	14	1	3	2	45	1		324
Plant and machine operators and assemblers	915	129	273	110	30	15	1	16			1 489
Elementary occupations				4	2						6
Permanent	1 190	199	575	207	57	54	66	187	17	3	2 555
Non-permanent											
Total	**1 190**	**199**	**575**	**207**	**57**	**54**	**66**	**187**	**17**	**3**	**2 555**

Key: A = African, C = Coloured, I = Indian, W = White

Safety

Protecting our most important assets

Hulamin strives to create an environment in which employees work without fear or risk of personal injury, by working with them to take responsibility for their own safety, caring for the safety of their peers and entrenching safety as a personal value.

Educational programmes established in previous years continue to entrench safety awareness, with positive results in 2008. The Behaviour-based Safety programme (BBS), using the principle of peer pressure, continues to have had an impact at shop floor level, resulting in improvements in the Lost Time Injury Frequency Rate (LTIFR) and the Total Recordable Case Frequency Rate (TRCFR) to record levels. The Visible Felt Leadership (VFL) initiative, at director and management level, concentrates on observation of compliance, coaching, and supporting safety agreements, and drives safety education from the top down.

Other initiatives introduced include the Standard Operating Procedure (SOP) baseline observations based on the safety hazards related to the specific tasks on machines and processes. There is continuous communication on Safety and Health topics, including relevant articles published in the in-house newsletter, synchronised to SHE initiatives. Safety talks at operational areas are effective tools to cascade information to shop floor level and have been reprioritised in 2008.

Additional measures have been introduced to monitor the progress of Safety performance. An annual maturity assessment is conducted using the Bradley Curve, which is a statistical measure of organisational safety maturity.

Comparative safety performance

	2008	2007
LTIFR	0,35	0,61
TRCFR	1,19	1,78
Fatalities		
Near misses	192	203

OHSAS 18001

One of the highlights of 2008 has been achieving OHSAS 18001 certification in August 2008 at both the Pietermaritzburg Rolled Products and Extrusions plants. This achievement reflects the hard work and commitment of the SHE team and all the employees of Hulamin

Safety awards

The Safety awards programme was introduced in 2007 and enhanced in 2008. Unlike the 2007 Safety awards, that were based only on the Behaviour-based Safety success at departmental level, this year's awards were based on total safety performance, and included the Health and Safety representatives.

Joshua Nzimande, on accepting his award as Best Coach outlined his work as a BBS coach.

"I coach employees to work safely all the time within and outside the company, to identify and report at risk behaviour and conditions, to report near misses and to discuss hotspots, to conduct daily SHE talks and weekly PACT re-enforcement, to complete baseline check lists so that safe behaviour becomes a way of life."

Safety leadership course

A pilot external safety leadership course was conducted for area managers and engineers in June 2008. The aim was to entrench leadership practices: "model the way", "inspire a shared vision", "challenge the process", "enable others to act" and "encourage the heart". Some fun team exercises were conducted to reinforce the principles introduced.

Among the comments from delegates:

"The best course I have attended in recent years!! Learnt a lot about myself and how to improve as a manager".

"It was a rollercoaster ride. Learning about oneself is tough, but I will do it again".

"It makes you see that great leadership requires commitment, no matter what the challenges, to achieve your goals".

Employee health

Ensuring well-being

Hulamin places a high priority on the health and well-being of all its employees. The business has well established facilities and programmes in support of employee health and it continued to support and maintain these initiatives during 2008.

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 assist in monitoring compliance with applicable health related regulations.

Voluntary HIV/AIDS testing is offered throughout the year and anti-retroviral programmes have continued to be run successfully. The cost of these programmes amounts to over R500 000 annually. There are 71 employees participating in ARV treatment, which is available to them at no cost.

The Wellness programmes held in May and December 2008 have again proven to be popular.

Number of employees undergoing testing for HIV/AIDS – inclusive of Wellness and VCT weeks:

2006	1 451
2007	1 577
2008	1 576

Noise Induced Hearing Loss (NIHL) remains the highest incidence occupational illness. In 2008 three claims were submitted to the Workman's Compensation Commissioner (WCC), which reflects little improvement on prior years. Hulamin is working through the Behaviour-based Safety programme to improve the use and quality of protective equipment.

Female employees are encouraged to report pregnancies to the Clinic as early as possible in order for risk assessments to be conducted in consultation between employees and their respective area managers.

Personal testimony

My life changed in 2005 when I found out that I was infected with HIV. After testing at Hulamin, I was totally devastated at hearing of my positive status, but pretended as if things were OK.

My CD4 count was low and I was advised to start ARV treatment immediately as I was getting sicker and sicker. At this time, I received a lot of encouragement from the company doctor who told me that there was life after HIV.

Initially I declined to take them. I had heard people say that ARVs make you sick and have very bad side effects. I continued to get worse and my CD4 count dropped to four and I weighed only 54 kg. At this point, I decided to give ARVs a chance as I was expecting to have to go to hospital and to die. I told myself that even though I am HIV positive, God will help me to survive.

Initially my skin itched a little as a result of the ARVs but after four months I had no more side effects. I am fit, eating well and feel healthy. ARVs have helped me a lot and I thank Dr Dunton and the Clinic staff for encouraging me to go on treatment.

I encourage everyone to go for testing, to know your status and get treated. I have accepted myself with my condition and I love the person that I have become. I am overcoming my personal challenge. My CD4 is now 257 and I have gained 16 kg.

Anonymous employee

Company doctor comments on the Wellness programmes:

"Every year new patients who suffer from hypertension, diabetes and HIV are diagnosed through screening," said company doctor, John Dunton. "Those diagnosed would not have known and their conditions would likely have continued to deteriorate if they had not been given the opportunity to be tested during the Wellness day events. The Wellness day events reminds everyone to take responsibility for their own health and to have basic wellness tests done at least once a year. It can happen to me!"

Training and development

Unlocking talent

Hulamin is dedicated to developing and promoting the talent of its employees and securing a pipeline of talented individuals from the local community.

Hulamin's investment in learning and development amounts to 4,7% of payroll, exceeding international benchmarks. In 2008, Hulamin was awarded the "Top Training Company" award by the manufacturing, engineering and related services seta (Merseta), which bears testimony to Hulamin's achievements in skills development.

Hulamin's learning and development strategy emphasises competency. Competency models describe activities and behaviours required for each job using a common set of programmes, terms and scales.

Multi-learning approach – blended learning

A number of integrated programmes have been applied such as the Goal Oriented Learning (GOL) programme, piloted in 2006, which has been extended through all Rolled Products operations in 2008. Progress in 2008 has seen 361 operators and 122 coaches and assessors trained. Mission Directed Work Teams that were launched in Hulamin Extrusions in 2007, have progressed well with 18 active teams at the end of 2008.

Blended learning is the application of a range of learning techniques to reach the desired learning outcome. The first phase establishment of an E-learning centre equipped with 12 personal computers, and an E-learning administration training system for use in the blended learning programme was completed in 2008.

The mentorship programme is used to transfer technical and job related skills while coaching is used to complement career development and retention strategies. Participation in the programme improved in 2008 by training a further 20 managers as coaches and 70 candidates either as mentors or mentees.

Pipeline programmes

Pipeline programmes include in-service training, apprenticeships, learnerships and a bursary scheme. Complementing these programmes are broadly defined career streams, which aim to align employees' career aspirations with their jobs and formal studies.

Since its inception in 2004, the apprenticeship scheme has produced 20 artisans and a further 36 candidates are in the pipeline. More than 90% of the annual recruits are sourced internally and successfully complete the programme within three years, a year earlier than the prescribed four-year period.

The Operations Career Streams is a technical development programme aimed at providing employees with a national qualification in manufacturing operation. A pilot project consisting of 12 employees, studying for the national qualification in Metal and Engineering Manufacturing process was launched in 2008 and will be extended to the entire organisation in 2009.

The Technical Development Programme (TDP) seeks to provide training for four engineers and technicians in every two-year cycle. Candidates are sourced both internally and externally from the bursary scheme and in-service training.

In order to ensure a continuous supply of candidates in the programme, the bursary scheme students' pool has been increased by approximately 120%, from 12 in 2008 to 26 in 2009.

Retention strategies

Retaining key employees remained a challenge in 2008 due to the skills shortage experienced for most of the year. Integrated individual development plans encompassing formal sponsored education, structured business exposure though involvement in task teams, projects and strategic meetings have been introduced in 2008. Support structures include quarterly panel discussions on jobs and career aspirations as well as mentoring and coaching.

Workforce representivity

The Learnership programme has a focus on people with disability. Eight such candidates completed a programme on Business Administration in 2008, which will lead towards a national qualification.

Through the apprenticeship programme, two female employees have already qualified as artisans and an additional 16 are at various levels of the programme.

Environmental stewardship

Preserving our place in harmony with the environment

Having a positive impact on the environment through responsible manufacturing practices is an important value for Hulamin.

Hulamin Rolled Products and Hulamin Extrusions (Pietermaritzburg) achieved ISO 14001 certification in November 2005 and underwent a re-certification in 2008. The Hulamin Extrusions Epping plant has completed the first stage ISO 14001 audit in 2008. This certification process involves the identification and significance rating of environmental impacts. It also involves the setting of targets and objectives related to these issues.

Hulamin wins training award

Hulamin is one of four companies to have been awarded the "Top Training Company" by Merseta (Manufacturing, Engineering and Related services Sector Education and Training Authority) in 2008. These four companies were honoured as supporters of the national skills development strategy.

All recipients received a substantial discretionary grant over a two-year period for further training and development. The grant is an incentive to promote and support training interventions in Merseta organisations, according to Mark Anderson, client liaison officer at Merseta's KwaZulu-Natal office.

The following are the main areas of focus in Hulamin's environmental programme:

- Air quality management;
- Waste management;
- Effluent management;
- Storm water management; and
- Natural resource conservation.

Air quality

The management and control of air quality is addressed by means of the Air Quality and Reduction Plan. Under this system, a source inventory has been established and direct monitoring of the scheduled (listed) and non-scheduled activities is maintained. All scheduled stacks are monitored and are within statutory limits. In spite of this level of achievement, actions are being implemented to further reduce emissions. Fence line monitoring, although not required in terms of current regulations, is in place.

The following parameters were monitored in 2008 based on permit requirements.

Pollutant	Direct (monitored directly from stack)
SO_2 (sulphur dioxide)	✓
Particulate (total)	✓
Cl_2 (chlorine)	✓
HCl (hydrogen chloride)	✓

Results for 2008

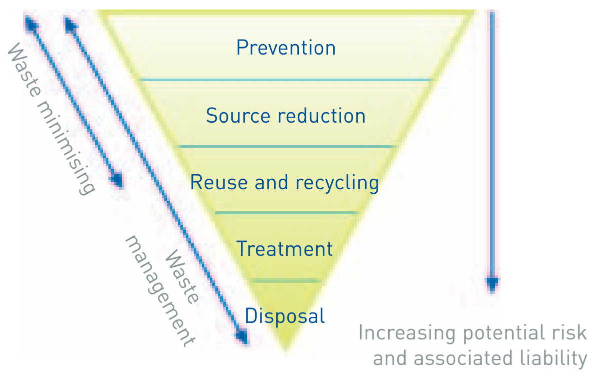
For the benefit of international comparison, emissions of pollutants such as hydro-carbons and oxides of nitrogen are included with the mass of carbon dioxide emissions, and are recorded as a mass of Carbon Dioxide Equivalent (CO_{2e}).

The following figures form a new baseline measurement created in 2008 and will be used as a measure against future performance:

Emissions arising from the use of Liquid Petroleum Gas CO_{2e} – 91680 Mt

Emissions arising from the use of Low Sulphur Oil CO_{2e} – 23721 Mt

Waste hierarchy



Waste management

Hulamin introduced a waste management strategy in 2008 based on the principle of addressing waste in a systematic approach as illustrated in the triangle above.

There has been a reduction in Aluminium Hydroxide waste skips from 42 skips/month in 2007 to an average of 25 skips/month in 2008. The improvement is as a result of the Coil Coating Line process change and less dosing of flocculants, which results in less sludge.

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

Most of Hulamin's scrap is recycled through the remelting facility with an in-house scrap bin system collecting scrap by alloy type and delivering it to the remelt facility for processing back into rolling ingot or extrusion billet form.

Projects to improve the recycling processes, which started in 2007 and completed in 2008, include:

- Improvements to the de-coating of coated scrap;
- Installation of a baling system to prepare the decoated scrap for recycling; and
- Replacement of scrap baling equipment with trim choppers that produce forms of scrap that can be charged directly into the de-coating operation.

Some scrap types, such as foil for which Hulamin has no suitable equipment are processed offsite by third party smelters. Approximately 500 tons of metal per month is recycled into usable form and returned to Hulamin.

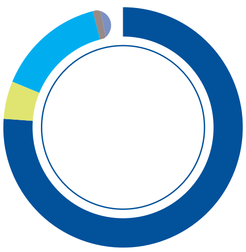
Hulamin also undertakes a number of scrap buy-back arrangements with customers, which equates to a few hundred tons each month of additional scrap recycling.

Scrap metal units are also purchased from reputable sources other than our customers: the most successful new venture in 2008 was Kwanda Ferro-Alloy African Resources, who is contracted to Eskom to manage scrap cable sales.

Dross is a by-product of the recycling process and offers the opportunity for metal reclamation. A third party processor of dross is located adjacent to Hulamin's Pietermaritzburg plant, with three rotary tumbling furnaces processing 800 to 1 000 tons of dross each month. In 2008, 6 429 tons of Aluminium were recovered.

Hulamin manages a non-aluminium recycling programme. Almost 400 tons of waste was recycled in 2008. The breakdown by product is shown below:

Percentage of recycled material by type



Effluent management

In 2008, Hulamin's Pietermaritzburg sites spent approximately R6 million to operate and maintain its effluent plants so that the final discharge effluent to sewer meets the requirements of the effluent permits and Schedule A of the Municipal By-laws. An average of 9 000 kl/month of effluent is discharged from the main central plant at Edendale and 1 000 kl/month at the Camps Drift plant. The operation of these effluent plants is outsourced and includes the provision of certified analyses of outflows.

Limited quantities of Hexavalent Chromium are used on the Pietermaritzburg site. Although there is little routine effluent, any waste that is generated is reduced at source to Trivalent Chromium, and then transported by pipeline to the central plant from where it is treated with the other effluent and discharged.

Storm water management

In order to manage the risk of effluent entering the storm water system, there are four interceptor pits on the outlets of the storm water discharge. These interceptor pits are designed to skim the insoluble liquids and pump this to the respective effluent plants.

There is a rope skip system at the central effluent plant to skim any paints/paste contamination. During 2008, a new and more efficient rope skip system was installed for oil contamination skimming.

Daily cleaning and weekly monitoring of oil contamination is conducted at all four interceptor pit discharge points.

Noise reduction in Camps Drift site

In response to complaints from surrounding residents regarding noise levels generated from the Camps Drift plant in 2007, a dampening system to reduce the noise to acceptable levels was implemented in 2008.

"The main sources of noise at Hulamin Rolled Products are related to loading of scrap bins. The dampening system has been successful in reducing these high noise levels", says **Frans Spring**, *Area Manager*.

Energy and natural resource conservation (consumption)
Water consumption has been reduced by 29% in 2008, from an average of 5,02 m^3/ton in 2007 to 3,55 m^3/ton in 2008. This improvement is the cumulative result of a number of projects undertaken in 2008.

A water reservoir level control system was upgraded and commissioned in March 2008 resulting in water consumption improvement at Hulamin's Edendale Plant in Pietermaritzburg.

As part of the current Rolled Products expansion project, new cooling towers were installed in June 2008, also on the Edendale site in Pietermaritzburg. This has resulted in an increase in water cooling capacity and efficiency to cater for the new foil mills. A further 5% reduction in water consumption has been set as a target for 2009.

Between 1998 and 2002, electricity consumption averaged 253 kWh per ton. By 2007, this had been reduced to 137 kWh per ton. In 2008, a further reduction to 134,6 kWh per ton was achieved.

The current improvements were achieved by implementing many small projects, contributing to reduced electricity consumption and energy efficiency. These projects include the removal of food warmers, use of more efficient lighting, air conditioner management and load scheduling. The Rolled Products expansion project currently being completed has made provisions for improved electricity efficiency.

Many projects to improve the efficiency of Liquid Petroleum Gas (LPG) consumption have either been completed or are in progress and include *inter alia* energy recycling, redesign of insulation to prevent energy loss, and load maximisation. Baseline measurements were established in 2008 and current projects indicate likely savings of close to 10% within 12 months.

During 2008, the Edendale Remelt converted from Heavy Furnace Oil (HFO) to Low Sulphur Oil (LSO), resulting in sulphur dioxide emissions being reduced. Although not yet measured on site, comprehensive trials indicated a reduction of 65% .

Thirteen minor environmental incidents were reported in 2008. This compares with 11 incidents reported in 2007.

Corporate social investment (CSI)

Helping our community
Hulamin contributes to improving the quality of life of the people in its region with particular emphasis on historically marginalised communities by making funding available through a number of credible organisations. By committing 1% of earnings after tax to the CSI budget, Hulamin increased the scale of funding it has made available from R1 million in 2007 to R2,4 million in 2008.

In particular Hulamin has made financial resources available for educational development in the local community, with an emphasis on science and engineering programmes. Among these projects, the largest was a donation to Pietermaritzburg Girls' High School, to build a new laboratory in support of their education programmes in the fields of science and technology.

Other significant projects to which Hulamin contributed in 2008 include:

- Establishment of computer centres in five disadvantaged local schools, in association with Inkululeko Technologies.
- Hulamin has a long track record of supporting PROTEC, the Programme for Technological Careers. PROTEC is an organisation focusing on the preparation of scholars for technological careers, by enhancing students' mathematics and physical science skills. Through the support of Hulamin in 2008, PROTEC has enabled 12 students from disadvantaged backgrounds to be trained in preparation for technological careers.
- For the second year in succession, Hulamin contributed to supplying needy children with school uniforms through the CINDI project.
- Hulamin contributed to the local Pietermaritzburg Community Chest, which supports a number of local welfare organisations. As a result Hulamin won a Gold Award, as the top donor among the local companies, at the Pietermaritzburg's Community Chest Awards for 2008.

Hulamin conducts comprehensive assessments on all CSI initiatives to ensure they are feasible, support community priorities, and are in line with Hulamin's CSI strategy/policy as well as the requirements of the DTI's Socio-Economic Development Scorecard.

Business Fighting Crime

Business Fighting Crime (BFC), in partnership with the Pietermaritzburg Chamber of Commerce and Industry, enjoys an excellent relationship with the South African Police Service in Pietermaritzburg. Hulamin's donation to BFC has been used towards the purchase and installation of a large television screen in the court which is dedicated to prosecutions arising from crimes captured on film by the Safe City camera network. This facility, which allows crime recordings captured on video to be presented in court, has made a significant difference to the successful prosecution of offenders.

Hulamin in preparations for 2010 World Cup

With the Soccer World Cup now around the corner, the city of Pietermaritzburg has positioned itself to ensure local communities don't miss out on the sporting excitement in the build up to the World Cup. The upgrade of the city's Harry Gwala and Wadley soccer stadia, which are located close to Hulamin's Edendale plant, are expected to provide training facilities to some of the international teams during the World Cup. The refurbished Wadley Stadium was recently opened in grand style with the Hulamin Soccer Tournament, a South African Football Association (SAFA) tournament for Pietermaritzburg-based teams sponsored by Hulamin in association with uMsunduzi Municipality. The event was attended by SAFA boss Irvin Khoza, soccer legend Lucas Radebe, delegates from the Local Organising Committee (LOC), the Mayor of Msunduzi Municipality Zanele Hlatshwayo, and local supporters.

Hulamin in the fight against child abuse

Lifeline Pietermaritzburg has enabled Hulamin to support Edendale valley's Thokozani project which aims to improve parenting skills in a wide range of socio-economic backgrounds, thereby assisting in the prevention of child abuse. Most Thokozani events take place in rural communities with an emphasis on groups such as school children, teenage mothers, older women, orphans and child-headed families. The success of this project has inspired Hulamin to continue providing its support for the past two years.

Product stewardship

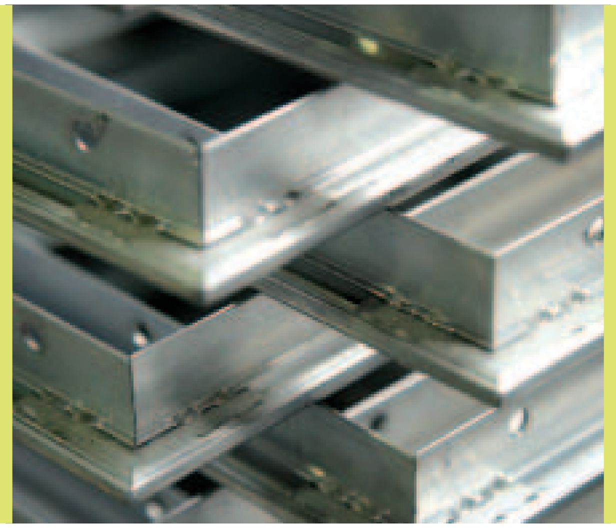
Responsibility through the value chain

Hulamin recognises that product stewardship, beyond the generic benefits of aluminium, offers opportunities for energy consumption reduction, to contribute to the health and safety of users and to environmental conservation.

In 2008, Hulamin completed the ground work for the certification to internationally recognised standards that ensure the products are safe for customers and environmentally responsible. ISO 22000 and HACCP ensure that there are no physical, microbiological or chemical hazards associated with packaging products that come in contact with food, including can-end and tab stock and foil. Final certification will take place early in 2009 once registration is complete, equipment is installed and an awareness programme is conducted.

Restriction of Hazardous Substances (RoHS) prohibits the use of any heavy metals in products for the electrical and electronics market such as television sets, electric frying pans, antennas and satellite dishes. Work started in August 2008 to commence certification and is awaiting final approval.

Hulamin offers its customers attractive scrap recycling terms for waste and off-cut aluminium products. Many of these arrangements have been in place for some years and significantly improve value chain efficiency. These are good examples of how providing value to customers can also be of significant environmental benefit.



Corporate governance

Hulamin Limited 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 believe 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 14 and 15 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. In order to improve the board effectiveness, evaluations of the board, individual directors, board committees and the Chairman 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.
- 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 the management of the group and all group information which enables the directors to adequately discharge their responsibilities. All directors have full access to the Company Secretary and may, in appropriate circumstances, take independent professional advice at the company's expense.

Attendance of directors at board and committee meetings during the year ended 31 December 2008

Director	Board	Audit	Remuneration and Nomination	Transformation
Total meetings	5	4	7	3
Non-executive				
P M Baum	3		7	
L C Cele* (note 1)	5	3	1	3
V N Khumalo (note 2)	5	1	4	
T P Leeuw*	5	4		
J B Magwaza	4		7	3
M E Mkwanazi*	5		1	
P H Staude*	5			
J G Williams (note 3)	5	1		
S P Ngwenya**	4			
Executive				
A Fourie	5		7	3
C D Hughes	5	4		
M Z Mkhize	5			3

* *Independent non-executive director*

** *Alternate director*

Note 1

Resigned as a member of the Remuneration and Nomination Committee with effect from 1 March 2008 and appointed as a member of the Audit Committee with effect from 11 February 2008.

Note 2

Resigned as a member of the Audit Committee with effect from 11 February 2008 and appointed as a member of the Remuneration and Nomination Committee with effect from 1 March 2008.

Note 3

Resigned as a member of the Audit Committee with effect from 11 February 2008.

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 of matters handled by the committees to the board.

Audit Committee

In early 2008, the Audit Committee was reconstituted to consist solely of independent non-executive directors to comply with the Corporate Laws Amendment Act. Its members are T P Leeuw (Chairman) and L C Cele (appointed with effect from 11 February 2008 following the resignation of V N Khumalo and J G Williams on that date). The Chief Financial Officer, V N Khumalo, J G Williams 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 and compliance to JSE regulations;
- Monitor the performance and effectiveness of the external auditors and evaluate the qualifications, expertise, resources, fees, scope of work and independence of the external auditors prior to recommending their appointment to the board and shareholders;
- To approve the internal audit work plan and oversee the conduct of the internal audit and the implementation of internal control enhancements;
- Annually review the committee's terms of reference;
- Approve any non-audit services provided by the external auditors; and
- Consider the appropriateness of the expertise and experience of the Chief Financial Officer.

The Audit Committee exercises its functions through liaison and communication with management and the internal and external auditors. The Audit Committee has confirmed that it is satisfied with the independence of the external auditor for the 2008 financial year, and the expertise and experience of the Chief Financial Officer.

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 V N Khumalo (who was appointed with effect from 1 March 2008 following the resignation of L C Cele on that date). The Chief Executive Officer and T K Mshengu (Human Resources Executive) are invited to attend. M A 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, and that the board Chairman does not 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. N 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, W Ortner, 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 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 senior managers and 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. 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 A Janneker, C J Little, M M F Mabe, M Z Mkhize, T K Mshengu, N Mthembu, R N Nyandeni and D F Timmerman. M A 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.

Safety, Health and Environment Committee

The Safety, Health and Environmental (SHE) Committee members are drawn from the group's senior managers. Its members are A Fourie (Chairperson), M Aldworth, F B Bradford, B Henderson, 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 quarterly basis.

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

- Review SHE performance;
- Review major SHE risks;
- Monitor actions to reduce SHE related risks;
- Identify 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

	2008 R'000	2007 R'000	2006# R'000	2005# R'000	2004# R'000
Financial statistics					
Trading results					
Revenue	**7 119 973**	6 568 371	5 476 140	4 162 695	3 342 865
Underlying operating profit	**411 423**	357 917	249 645	293 171	137 771
Metal price lag	**54 028**	22 119	182 782	25 572	9 985
Operating profit before corporate structuring costs	**465 451**	380 036	432 427	318 743	147 756
Corporate structuring costs		(168 389)	(10 000)		
Operating profit	**465 451**	211 647	422 427	318 743	147 756
Share of joint venture's and associate company's profit/(loss)	**1 111**	216	(310)		
Finance costs	**(118 253)**	(85 262)	(222 119)	(140 047)	(156 711)
Profit/(loss) before tax	**348 309**	126 601	199 998	178 696	(8 955)
Tax	**(79 527)**	(89 131)	11 379	46 812	7 518
Minority interest	**(610)**	3 291	(7 305)	(8 300)	(10 656)
Net profit/(loss) attributable to shareholders	**268 172**	40 761	204 072	217 208	(12 093)
Headline earnings/(loss) attributable to shareholders	**267 666**	39 875	204 142	219 768	(11 142)
Balance sheet					
Property, plant, equipment, intangibles and investments	**4 802 890**	4 196 933	3 964 232	3 899 381	3 940 627
Deferred tax asset	**11 697**	16 373			10 691
Current assets	**2 855 925**	2 116 899	2 170 837	1 495 561	1 400 475
Total assets	**7 670 512**	6 330 205	6 135 069	5 394 942	5 351 793
Equity holders' interest	**3 760 146**	3 494 151	2 912 318	2 518 877	2 292 878
Minority interest		35 142	38 433	31 128	22 828
Borrowings – non-current and current	**1 813 060**	920 653	1 213 674	1 233 606	1 365 630
Deferred tax liabilities	**926 359**	894 203	899 815	929 976	987 198
Retirement benefit obligations	**119 512**	107 505	98 632	91 451	84 717
Current liabilities (excluding current borrowings)	**1 051 435**	878 551	972 197	589 904	598 542
Total equity and liabilities	**7 670 512**	6 330 205	6 135 069	5 394 942	5 351 793
Cash flow					
Net cash (outflow)/inflow from operating activities	**(34 321)**	339 896	110 565	334 594	(33 889)
Net cash outflow from investing activities	**(753 041)**	(403 046)	(237 232)	(143 765)	(85 702)
Net cash inflow/(outflow) from financing activities	**783 422**	22 262	157 629	(171 662)	107 772
Net cash (decrease)/increase for the year	**(3 940)**	(40 888)	30 962	19 167	(11 819)

		2008 R'000	2007 R'000	2006# R'000	2005# R'000	2004# R'000
Ratios and statistics						
Earnings						
Earnings per share	(cents)	**124**	19	100	106	(6)
Headline earnings per share	(cents)	**124**	18	100	107	(5)
Dividend per share*	(cents)	**41**	48			
Dividend cover*	(times)	**3,02**	0,38			
Profitability						
Operating margin (1)	(%)	**6,5**	5,8	7,9	7,7	4,4
Return on capital employed (2)	(%)	**7,9**	7,3	8,8	6,8	3,2
Return on equity attributable to shareholders (3)	(%)	**7,4**	1,2	7,5	9,1	(0,5)
Financial						
Net debt to equity (4)	(%)	**46,5**	23,5	39,0	46,8	57,5
Current ratio (5)		**2:72**	2:41	2:23	2:54	2:34
Liquidity ratio (6)		**1,46**	1,31	1,22	1,34	1,17

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 divided by equity.

(5) Current assets divided by current liabilities.

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

The results for 2004 to 2006 are the combined results of Hulamin Limited and The Hulamin Joint Venture.

* No dividends were declared prior to 2007.

Directors' approval of annual financial statements

For the year ended 31 December 2008

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 judgements 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 2008 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. 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 39.

The annual financial statements were approved by the board of directors on 9 February 2009 and are signed on its behalf by:

M E Mkwanazi
Chairman

A Fourie
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal

9 February 2009

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 2008 and that all such returns are true, correct and up to date.

W Fitchat
Company Secretary

Pietermaritzburg, KwaZulu-Natal

9 February 2009

Report of the independent auditors

to the members of Hulamin Limited

We have audited the group annual financial statements and annual financial statements of Hulamin Limited, which comprise the consolidated and separate balance sheets as at 31 December 2008, the consolidated and separate income statements, the consolidated and separate statements of changes in equity, the consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 40 to 105.

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 management, 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 consolidated and separate financial position of Hulamin Limited as at 31 December 2008, and its consolidated and separate financial performance and its consolidated and separate 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
9 February 2009

Directors' statutory report

Dear Shareholder

The directors have pleasure in submitting the annual financial statements of the company and of the group for the year ended 31 December 2008.

Nature of business

The Hulamin group consists of 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 2008 amounted to R268,2 million (2007: R40,8 million). This translates into a headline earnings per share of 124 cents (2007: 18 cents) based on the weighted average number of shares in issue during the year.

The financial statements on pages 40 to 105 set out more fully the financial position, results of operations and cash flows of the group for the financial year ended 31 December 2008.

Dividends

An interim dividend number 3 of 28 cents per share was paid on 25 August 2008 and a final dividend number 4 of 13 cents per share has been declared and is payable to shareholders registered at the close of business on Friday, 6 March 2009.

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

Last day to trade ordinary shares *"cum"* dividend	Friday, 27 February 2009
Ordinary shares commence trading *"ex"* dividend	Monday, 2 March 2009
Record date	Friday, 6 March 2009
Payment date	Monday, 9 March 2009

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday, 2 March 2009 and Friday, 6 March 2009, 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, 4 March 2009.

Share capital

There was no change in the authorised share capital of the company for the year ended 31 December 2008.

During the year, 132 294 (2007: 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. This resulted in the total issued ordinary share capital (including A ordinary shares and B ordinary shares) rising to R25 209 009, comprising of 252 090 090 ordinary par value shares of ten cents each.

Details of the unissued ordinary shares and the group's share incentive schemes are set out in pages 80 and 95 to 104.

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

1) Hulamin Share Appreciation Right Scheme 2007;
2) Hulamin Long Term Incentive Plan 2007; and
3) Hulamin Deferred Bonus Plan 2007.

These ordinary resolutions are incorporated in the notice of the annual general meeting that appears on pages 108 to 110.

Subsidiary companies and joint ventures

The principal subsidiaries and joint ventures of the group are reflected in note 35.

For the year ended 31 December 2008, Hulamin Operations (Pty) Limited increased its shareholding in Hulett-Hydro Extrusions (Pty) Limited from 70 000 ordinary shares of one cent each (70% of the authorised and issued share capital) to 100 000 ordinary shares of one cent each (100% of the authorised and issued share capital) of Hulett-Hydro Extrusions (Pty) Limited. The share transfer was effected on 10 December 2008.

The attributable interest of the company in the results of its consolidated subsidiaries and joint ventures for the year ended 31 December 2008 is as follows:

		2008	2007
In the aggregate amount of:			
Net profit	(R million)	241,5	80,3
Net losses	(R million)	(44,1)	(21,9)

Special resolutions

Name of subsidiary: Hulamin Operations (Pty) Limited

Registration number: 1999/020410/07

The following special resolution was passed at a shareholders meeting held on 22 August 2008:

1. The company's articles of association was substituted to include an amended article 131 containing the rights, privileges and conditions attaching to the cumulative redeemable preference shares.

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 14 and 15.

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

Mr T P Leeuw

Mr J B Magwaza

Mr M E Mkwanazi

Mr S P Ngwenya

These directors are all eligible and offer themselves for re-election. Details of each of these retiring directors are set out on pages 14 and 15.

Directors' shareholdings

At 31 December 2008, the present directors of the company beneficially held a total of 142 985 ordinary par value shares equivalent to 0,07 percent in the company (2007: 91 888 ordinary par value shares equivalent to 0,04 per cent 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 (2007: 8 000 ordinary par value shares equivalent to 0,01 per cent were held by associates of the directors). Details of the directors' shareholdings and interests in the share incentive schemes are set out in pages 46 to 50. There has been no change in these holdings between 31 December 2008 and 9 February 2009.

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 40 to 105 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

9 February 2009

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 Tongaat Hulett has resulted in the conversion of the existing rights of Hulamin employees to Tongaat Hulett shares, under Tongaat Hulett 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 was apportioned between the Tongaat Hulett and Hulamin elements of these awards. This has been covered in more detail in note 34 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 Limited Share Appreciation Right Scheme 2005, the Tongaat-Hulett Group Limited Long Term Incentive Plan 2005 and the Tongaat-Hulett Group Limited 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). The terms of these schemes are similar to the equivalent Tongaat Hulett scheme to which employees previously belonged. 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 (SARS) and grant awards. Both the share appreciation awards and grant awards 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 104 for further details on the Hulamin BEE equity transaction.

1.3 Directors' remuneration

a) Directors' remuneration during the 2008 financial year was as follows:

Director	Fees Rand	Cash package Rand	Bonus and performance related payments^ Rand	Retirement and medical contributions Rand	Subtotal Rand	Share option gains Rand	Total Rand
Non-executive							
M E Mkwanazi	246 667				246 667		246 667
P M Baum*	142 200				142 200		142 200
L C Cele	197 210				197 210		197 210
V N Khumalo*	142 056				142 056		142 056
T P Leeuw	189 600				189 600		189 600
J B Magwaza	190 700				190 700		190 700
P H Staude	115 867				115 867		115 867
J G Williams*	119 890				119 890		119 890
S P Ngwenya**	170 867				170 867		170 867
Subtotal	1 515 057				1 515 057		1 515 057
Executive							
A Fourie		2 834 328	1 327 350	313 512	4 475 190	648 798	5 123 988
C D Hughes		1 732 116	570 143	217 884	2 520 143	243 904	2 764 047
M Z Mkhize		1 589 472	510 793	214 222	2 314 487	264 172	2 578 659
Subtotal		6 155 916	2 408 286	745 618	9 309 820	1 156 874	10 466 694
Total	1 515 057	6 155 916	2 408 286	745 618	10 824 877	1 156 874	11 981 751

^ The bonuses reflected above are in relation to the 2008 year and are to be paid in 2009.

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

** Included in the 2008 fees is an amount of R55 000 in respect of 2007 fees backdated to July 2007.

1.3 Directors' remuneration continued

b) 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	Subtotal 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•							
(1.1.07 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*							
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*		3 003 900	746 143	420 186	4 170 229	15 493 369	19 663 598
Subtotal	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 the 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 were 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.

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

a) Options related to the Tongaat Hulett share price

	Adjusted option price	Expiring 10 years from	Number of options at 31 December 2007	Options exercised	Number of options at 31 December 2008	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	
			87 600		87 600	
C D Hughes	R26,35	1 October 2003	4 500		4 500	
	R35,90	21 April 2004	4 800		4 800	
			9 300		9 300	
M Z Mkhize	R35,90	21 April 2004	3 400		3 400	
			3 400		3 400	
Total			100 300		100 300	

b) Options related to the Hulamin share price

	Adjusted option price	Expiring 10 years from	Number of options at 31 December 2007	Options exercised	Number of options at 31 December 2008	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	
			87 600		87 600	
C D Hughes	R8,15	1 October 2003	4 500		4 500	
	R11,10	21 April 2004	4 800		4 800	
			9 300		9 300	
M Z Mkhize	R11,10	21 April 2004	3 400		3 400	
			3 400		3 400	
Total			100 300		100 300	

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

Rights apportioned at unbundling

a) Rights relating to the Tongaat Hulett share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of options at 31 December 2007	Rights exercised	Number of options at 31 December 2008	Rights time constrained
Executive director						
A Fourie	37 381	23 249	60 630		60 630	14 438
C D Hughes	4 549	7 441	11 990		11 990	7 441
M Z Mkhize	4 927	7 736	12 663		12 663	7 736
	46 857	38 426	85 283		85 283	29 615
Adjusted grant price	R43,98	R 73,39				
Expiring seven years from	10 May 2005	25 Apr 2006				

b) Rights relating to the Hulamin share price

	Number of rights granted in 2005	Number of rights granted in 2006	Number of options at 31 December 2007	Rights exercised	Number of options at 31 December 2008	Rights time constrained
Executive director						
A Fourie	37 381	23 249	60 630		60 630	14 438
C D Hughes	4 549	7 441	11 990		11 990	7 441
M Z Mkhize	4 927	7 736	12 663		12 663	7 736
	46 857	38 426	85 283		85 283	29 615
Adjusted grant price	R13,60	R22,70				
Expiring seven years from	10 May 2005	25 Apr 2006				

2.3 Tongaat-Hulett Group Limited Long Term Incentive Plan 2005

Conditional awards at unbundling

a) Conditional awards related to Tongaat Hulett share price

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at 31 December 2007	Conditional awards exercised	Number of conditional awards at 31 December 2008	Number of conditional awards time constrained
Executive director						
A Fourie	5 637	6 153	11 790	5 637	6 153	6 153
C D Hughes	2 118	2 609	4 727	2 118	2 609	2 609
M Z Mkhize	2 294	2 697	4 991	2 294	2 697	2 697
	10 049	11 459	21 508	10 049	11 459	11 459
Adjusted grant price	R43,98	R73,39				
Expiring three years from	10 May 2005	25 Apr 2006				

2.3 Tongaat-Hulett Group Limited Long Term Incentive Plan 2005 continued

Conditional awards at unbundling continued

b) Conditional awards related to Hulamin share price

	Number of conditional awards granted in 2005	Number of conditional awards granted in 2006	Number of conditional awards at 31 December 2007	Conditional awards exercised	Number of conditional awards at 31 December 2008	Number of conditional awards time constrained
Executive director						
A Fourie	5 637	6 153	11 790	5 637	6 153	6 153
C D Hughes	2 118	2 609	4 727	2 118	2 609	2 609
M Z Mkhize	2 294	2 697	4 991	2 294	2 697	2 697
	10 049	11 459	21 508	10 049	11 459	11 459
Adjusted grant price	R13,60	R22,70				
Expiring three years from	10 May 2005	25 Apr 2006				

2.4 Hulamin Limited Share Appreciation Right Scheme 2007

	Number of rights granted in 2007	Number of rights at 31 December 2007	Number of rights granted in 2008	Number of rights at 31 December 2008	Rights time constrained
Executive director					
A Fourie	88 000	88 000	118 323	206 323	206 323
C D Hughes	40 000	40 000	56 241	96 241	96 241
M Z Mkhize	37 500	37 500	51 609	89 109	89 109
	165 500	165 500	226 173	391 673	391 673
Grant price	R22,87		R21,99		
Expiring seven years from	20 Aug 2007		30 Apr 2008		

2.5 Hulamin Limited Long Term Incentive Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
Executive director					
A Fourie	36 500	36 500	52 588	89 088	89 088
C D Hughes	16 000	16 000	24 103	40 103	40 103
M Z Mkhize	15 000	15 000	22 118	37 118	37 118
	67 500	67 500	98 809	166 309	166 309
Issue price	R23,51		R21,99		
Expiring three years from	20 Aug 2007		30 April 2008		

2.6 Hulamin Limited Deferred Bonus Plan 2007

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
Executive director					
A Fourie	11 100	11 100	14 119	25 219	25 219
C D Hughes			4 316	4 316	4 316
M Z Mkhize			3 781	3 781	3 781
	11 100	11 100	22 216	33 316	33 316
Issue price	R23,50		R22,25		
Expiring three years from	1 Mar 2007		25 Feb 2008		

The deferred bonus shares were purchased by the participating employees and the transactions were concluded on 6 March 2008 in respect of the 2008 award.

2.7 MSOP Share Appreciation Right Plan

	Number of rights granted in 2007	Number of rights at 31 December 2007	Number of rights granted in 2008	Number of rights at 31 December 2008	Rights time constrained
Executive director					
M Z Mkhize	218 930	218 930		218 930	218 930
	218 930	218 930		218 930	218 930
Grant price	R21,44				
Expiring five years from	31 Aug 2007				

2.8 MSOP Share Grant Plan

	Number of conditional awards granted in 2007	Number of conditional awards at 31 December 2007	Number of conditional awards granted in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
Executive director					
M Z Mkhize	73 110	73 110		73 110	73 110
	73 110	73 110		73 110	73 110
Issue price	–				
Expiring five years from	31 Aug 2007				

3. Interest of directors of the company in share capital

The aggregate holdings as at 31 December 2008 of those directors of the company holding issued ordinary shares of the company amounting to 150 985 shares (2007: 99 888 shares) are detailed below.

As at 31 December 2008	Direct beneficial shares	Indirect beneficial shares	Held by associates	Shares total
Executive				
A Fourie	78 701			78 701
C D Hughes	4 316			4 316
M Z Mkhize	3 781			3 781
	86 798			86 798
Non-executive				
J B Magwaza	5 760			5 760
M E Mkwanazi			8 000	8 000
P H Staude	50 427			50 427
	56 187		8 000	64 187
Total	142 985		8 000	150 985

There have been no changes in the above interests between the year-end and 9 February 2009.

As at 31 December 2007	Direct beneficial shares	Indirect beneficial shares	Held by associates	Shares total
Executive				
A Fourie	35 701			35 701
Non-executive				
J B Magwaza	5 760			5 760
M E Mkwanazi			8 000	8 000
P H Staude	50 427			50 427
	56 187		8 000	64 187
Total	91 888		8 000	99 888

Accounting policies

Basis of preparation

1. Compliance with International Financial Reporting Standards (IFRS)

The 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 existing standards, that are applicable to the group, were adopted during the current financial year:

IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The interpretation provides guidance on how to assess the limit on the amount of the defined benefit surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a minimum funding requirement. This interpretation currently does not have any impact on the group's financial statements and results.

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

IAS 1 (Revised): Presentation of Financial Statements (effective from 1 January 2009)

IAS 23: Borrowing Costs (effective from 1 January 2009)

IAS 27 (Revised): Consolidated and Separate Financial Statements (effective from 1 July 2009)

IFRS 2: Share-based Payments (effective from 1 January 2009)

IFRS 3 (Revised): Business Combinations (effective from 1 July 2009)

IFRS 8: Operating Segments (effective from 1 January 2009)

IFRIC 17: Distributions of Non-cash Assets to Owners (effective from 1 July 2009)

IASB Annual Improvements Project: Improvements to International Financial Reporting Standards 2008 (various effective dates)

The group intends to comply with these standards from the effective dates. Adoption of these standards by the group in future reporting periods is not expected to have a significant impact on the group's financial statements.

2. Underlying concepts

The financial statements are prepared using the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, and are prepared 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 had 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 their 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 in the period in which they arise, except when deferred in equity as qualifying cash flow hedges. The company and group's functional and presentation currency respectively 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. 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.

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 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, prior period error or change in presentation or classification of items in the financial statements.

10. Segment reporting

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

Basis of consolidation

11. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

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 group applies a policy of treating transactions with minority interests as transactions with equity holders of the group. Gains or losses arising from these transactions are recorded in equity.

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 they become an associate. The use of the equity method is discontinued from the date that the group ceases to have significant influence over an associate.

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. Application of the predecessor values 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.

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. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

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. Research costs are expensed when incurred. Software license and development costs are capitalised, provided that all the asset recognition criteria are met, 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 weighted average method, in the case of consumables, and the first-in-first-out method, in the case of all other inventories, 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 derivative assets is calculated as the difference between the contracted value and the value to maturity at the balance sheet date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The value to maturity of commodity futures is determined by reference to quoted prices at the balance sheet date. The value to maturity of interest rate swaps is determined by reference to quoted swap rates at the balance sheet date.

21. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Upon initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less cost to sell.

22. Contingent assets and liabilities

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

Equity and liabilities

23. 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.

24. Consolidated shares

Consolidated shares represent the A class ordinary shares issued to the BEE investors and the B class ordinary shares issued to the ESOP and MSOP share trusts.

25. 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.

26. 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.

The fair value of derivative liabilities is calculated as the difference between the contracted value and the value to maturity at the balance sheet date. The value to maturity of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The value to maturity of commodity futures is determined by reference to quoted prices at the balance sheet date. The value to maturity of interest rate swaps is determined by reference to quoted swap rates at the balance sheet date.

27. 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 Tongaat Hulett.

Previously this fund was accounted for as a group plan but subsequent to the unbundling of Tongaat Hulett this would be classified as a multi-employer plan. Subsequent to the unbundling, sufficient information to determine the proportionate share of defined benefit obligations, plan assets and costs of the plan has not been available and therefore the fund has been accounted for as a defined contribution plan. The manner of determining the proportionate share attributable to Hulamin is in the process of being concluded.

The manner in which the pension fund surplus will be apportioned has not yet been approved by the Trustees. Therefore, Hulamin does not currently have an unconditional right to the surplus as it is not yet certain to whom and to what extent the surplus will be apportioned to Hulamin. The defined benefit plan does currently have a surplus and Hulamin may receive a portion thereof in the future depending on the decision by the Trustees.

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.

28. 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.

29. 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

30. 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.

31. 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.

32. 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.

33. 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 Tongaat Hulett 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 was expensed in 2007. Fair value was determined using a Monte Carlo valuation model.

Sources of estimation uncertainty

34. 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, discount rate, expected long-term rate of return on retirement plan assets, healthcare costs, inflation rates and salary increments.

Share-based payment transactions

The critical estimates and assumptions used in the IFRS 2 calculations are disclosed in note 34.

Impairment of assets

Future cash flows are projected based on expected market conditions and economic variables that include rates of currency exchange, international prices of aluminium, interest rates and inflation. The carrying amounts of assets which are subject to impairment assessment in accordance with IAS 36 are disclosed in notes 2 to 5 of the annual financial statements.

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 cooperation 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 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.

For every 5% weakening or strengthening of the South African Rand against the US Dollar at 31 December, the after tax profit for the year would have been lower or higher by R886 000 (2007: R3 101 000 higher or lower). 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 payables and financial assets and liabilities at fair value through profit or loss that are offset by equivalent gains/losses in currency derivatives. Profit is no more sensitive to movements in currency exchange rates in 2008 than in 2007, as all foreign currency denominated assets and liabilities are hedged through foreign exchange contracts. The above change in currency exchange rates would result in equity being lower or higher by R41 821 000 (2007: negligible). 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 in prices on the London Metal Exchange and is thus exposed to commodity price risk. This commodity price risk is hedged by futures contracts.

For every 5% weakening or strengthening of the price of aluminium at 31 December, the effect on after tax profit for year would have been higher or lower by R335 000 (2007: 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 2008 and 2007. For this reason profit is no more sensitive to movement in commodity prices in 2008 than 2007. The above change in aluminium prices would result in equity being lower or higher by R10 293 000 (2007: nil). The change in equity is mainly from gains/losses on cash flow hedging instruments. Equity was not affected in 2007 because all commodity price derivatives were 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. The group's borrowings bear interest at variable rates and it has fixed the interest rate on R600 000 000 of these borrowings through interest rate swaps (2007: nil). For every 0,5 percentage point increase or decrease in the interest rate at 31 December, the fair value effect on after tax profit for 2008 would have been an increase or decrease by R657 000 (2007: nil).

The group is also exposed to future cash flow risks on the unhedged portion of borrowings. 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 R5 734 000 (2007: R4 143 000).

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.

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 and interest rate hedging transactions are undertaken with these banks. 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 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:	Note	2008 R'000	2007 R'000
Total borrowing facilities		2 052 271	1 452 828
Less:			
Non-current borrowings	13	898 595	663 611
Current borrowings	17	914 465	257 042
Committed undrawn facilities		239 211	532 175

The total borrowing facilities comprise finance leases of R2,3 million and long-term facilities of R900 million (with repayment profiles as set out in note 13 to the annual financial statements), a general short-term facility of R550 million (repayable on 360 days' notice) and a short-term facility of R600 million (reducing by R450 million during 2009 and by a further R150 million on 1 January 2010). Short-term borrowings will thus reduce by R214 million during 2009 and by a further R150 million on 1 January 2010 as detailed in note 17 to the financial statements.

Financial liabilities with contractual maturity dates beyond a year from 31 December 2008 comprise non-current borrowings and derivative liabilities. Financial liabilities with maturity dates less than one year comprise current borrowings, trade and other payables, sundry accruals and derivative liabilities. Quantitative data on liquidity risk is disclosed in note 13 (borrowings) to the annual financial statements.

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 gearing ratios, interest cover and debt service ratios.

The group's gearing ratio at the period end was as follows:		Note	2008 R'000	2007 R'000
Non-current borrowings		13	898 595	663 611
Current borrowings		17	914 465	257 042
Total borrowings			1 813 060	920 653
Less: cash and cash equivalents		10	(66 174)	(92 146)
Net borrowings			1 746 886	828 507
Total equity			3 760 146	3 529 293
Total capital			5 507 032	4 357 800
Gearing ratio (net debt over total capital)	(%)		32	19

Balance sheets
as at 31 December 2008

		Group		Company	
		2008	2007	**2008**	2007
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**4 763 295**	4 166 987		
Intangible assets	3	**29 515**	26 162		
Investments in associates and joint ventures	4	**10 080**	3 784		
Subsidiaries	5			**7 227 412**	7 260 458
Deferred tax asset	6	**11 697**	16 373	**11 697**	16 373
		4 814 587	4 213 306	**7 239 109**	7 276 831
Current assets					
Inventories	7	**1 325 284**	964 145		
Trade and other receivables	8	**1 060 013**	1 013 603		
Derivative financial assets	9	**360 022**	47 005		
Cash and cash equivalents	10	**66 174**	92 146		
		2 811 493	2 116 899		
Assets of disposal group classified as held for sale	11	**44 432**			
		2 855 925	2 116 899		
Total assets		**7 670 512**	6 330 205	**7 239 109**	7 276 831
EQUITY					
Share capital and share premium	12	**990 916**	989 492	**1 082 699**	1 081 275
BEE reserve		**174 686**	174 686	**134 686**	134 686
Employee share-based payment reserve		**48 933**	21 085	**48 933**	21 085
Hedging reserve		**101 652**	988		
Retained earnings		**2 443 959**	2 307 900	**5 901 338**	5 958 022
Equity holders' interest		**3 760 146**	3 494 151	**7 167 656**	7 195 068
Minority interest			35 142		
Total equity		**3 760 146**	3 529 293	**7 167 656**	7 195 068
LIABILITIES					
Non-current liabilities					
Non-current borrowings	13	**898 595**	663 611		
Deferred income tax liabilities	14	**926 359**	894 203		
Retirement benefit obligations	15	**119 512**	107 505	**41 776**	39 690
		1 944 466	1 665 319	**41 776**	39 690
Current liabilities					
Trade and other payables	16	**692 180**	734 665		
Current borrowings	17	**914 465**	257 042		
Derivative financial liabilities	9	**315 589**	47 626		
Income tax liability		**43 666**	96 260	**29 677**	42 073
		1 965 900	1 135 593	**29 677**	42 073
Total liabilities		**3 910 366**	2 800 912	**71 453**	81 763
Total equity and liabilities		**7 670 512**	6 330 205	**7 239 109**	7 276 831

Income statements

for the year ended 31 December 2008

		Group		Company	
		2008	2007	**2008**	2007
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue		**7 119 973**	6 568 371		2 904 732
Cost of sales	19	**(6 235 460)**	(5 815 546)		(2 622 429)
Gross profit		**884 513**	752 825		282 303
Other operating income	18	**60 312**	7 630		9 499
Selling and marketing expenses	19	**(355 859)**	(271 571)		(102 080)
Administrative expenses	19	**(123 515)**	(108 848)	**(7 820)**	(25 737)
Operating profit before corporate structuring costs		**465 451**	380 036	**(7 820)**	163 985
Corporate structuring costs	20		(168 389)		(139 590)
Operating profit		**465 451**	211 647	**(7 820)**	24 395
Share of joint venture's and associate company's profit		**1 111**	216		
Finance income	21			**115 502**	54 987
Finance costs	21	**(118 253)**	(85 262)	**(6)**	(46 584)
Profit before tax		**348 309**	126 601	**107 676**	32 798
Tax	22	**(79 527)**	(89 131)	**(37 093)**	(53 665)
Net profit/(loss) for the year		**268 782**	37 470	**70 583**	(20 867)
Attributable to:					
Equity holders of the company		**268 172**	40 761	**70 583**	(20 867)
Minority interest		**610**	(3 291)		
		268 782	37 470	**70 583**	(20 867)
Earnings per share attributable to the equity holders of the company	23				
Basic (cents)		**124**	19		
Diluted (cents)		**123**	19		

Statements of changes in equity

for the year ended 31 December 2008

	Share capital R'000	Share premium R'000	Consolidated shares R'000	Hedging reserve R'000
Group				
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 investor's 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
Shares issued	13	1 411		
Value of employee services				
Settlement of employee share incentives				
Tax on share options				
Cash flow hedges transferred to income statement				(988)
Cash flow hedges created net of tax				101 652
Net profit for the year				
Purchase of minority interest				
Dividends paid				
Balance at 31 December 2008	**25 209**	**1 057 490**	**(91 783)**	**101 652**

Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Share-holders' interest R'000	Minority interest R'000	Total equity R'000
		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
			1 424		1 424
29 670			29 670		29 670
(1 822)		(3 352)	(5 174)		(5 174)
		(2 246)	(2 246)		(2 246)
			(988)		(988)
			101 652		101 652
		268 172	268 172	610	268 782
		752	752	(35 752)	(35 000)
		(127 267)	(127 267)		(127 267)
48 933	**174 686**	**2 443 959**	**3 760 146**		**3 760 146**

Statements of changes in equity continued

for the year ended 31 December 2008

	Share capital R'000	Share premium R'000	Hedging reserve R'000
Company			
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 net asset value 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	
Shares issued	13	1 411	
Value of employee services			
Settlement of employee share incentives			
Net profit for the year			
Dividends paid			
Balance at 31 December 2008	**25 209**	**1 057 490**	

Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Share-holders' interest R'000	Minority interest R'000	Total equity R'000
		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
			1 424		1 424
29 670			29 670		29 670
(1 822)			(1 822)		(1 822)
		70 583	70 583		70 583
		(127 267)	127 267)		(127 267)
48 933	**134 686**	**5 901 338**	**7 167 656**		**7 167 656**

Cash flow statements

for the year ended 31 December 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated before working capital changes	25	777 516	596 016	(5 735)	236 061
Changes in working capital	26	(486 088)	(142 388)		(102 579)
Cash generated from operations		291 428	453 628	(5 735)	133 482
Interest received				115 502	54 987
Interest paid		(189 088)	(100 373)	(6)	(49 623)
Income tax payment		(136 661)	(13 359)	(44 812)	(5 106)
Net cash (outflow)/inflow from operating activities		(34 321)	339 896	64 949	133 740
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment		(707 870)	(392 529)		(158 810)
Additions to intangible assets		(6 193)	(5 067)		(1 452)
Proceeds on disposal of property, plant and equipment		1 207	886		
Decrease/(increase) in investments in subsidiaries				62 716	(63 020)
(Increase)/decrease in investments in joint ventures and associates		(5 185)	(6 336)		9 817
Acquisition of minority interest in subsidiary		(35 000)			
Net cash (outflow)/inflow from investing activities		(753 041)	(403 046)	62 716	(213 465)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in long-term borrowings		234 984	660 782		
Increase/(decrease) in short-term borrowings		679 455	(1 023 311)		(344 588)
Shares issued		1 424	396 605	1 424	488 388
Settlement of share options net of reversals		(5 174)	(12 316)	(1 822)	(11 030)
BEE investors' contribution			40 000		
Dividends paid	27	(127 267)	(39 498)	(127 267)	(39 498)
Net cash inflow/(outflow) from financing activities		783 422	22 262	(127 665)	93 272
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(3 940)	(40 888)		13 547
Cash, cash equivalents and bank overdrafts at beginning of year		671	41 559		(13 547)
Cash, cash equivalents and bank overdrafts at end of year	10	(3 269)	671		

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Notes to the annual financial statements

for the year ended 31 December 2008

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 Hulamin 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 Hulamin Extrusions segment manufactures extruded aluminium products, which include small, large and complex extruded sections. Both segments are based and managed in South Africa.

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

2008	Revenue R'000	Operating profit R'000	Total assets R'000	Total liabilities R'000	Capital expenditure R'000	Depreciation and amortisation R'000
Hulamin Rolled Products	**6 288 157**	**453 510**	**7 296 674**	**3 641 321**	**682 128**	**155 985**
Hulamin Extrusions	**831 816**	**11 941**	**373 838**	**269 045**	**25 742**	**20 369**
Group total	**7 119 973**	**465 451**	**7 670 512**	**3 910 366**	**707 870**	**176 354**

Inter-segmental revenue amounted to R59 301 000 in Hulamin Rolled Products and R16 255 000 in Hulamin Extrusions.

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
Hulamin Rolled Products	5 791 457	207 042	5 965 256	2 544 430	364 999	163 628
Hulamin 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 493 000 in Hulamin Extrusions.

Geographical analysis of revenue	2008 R'000	2007 R'000
South Africa	**2 852 150**	2 555 907
North America	**1 202 862**	1 303 075
Europe	**954 159**	879 193
Asia	**859 307**	784 327
Middle East	**810 046**	629 201
Australasia	**269 525**	215 118
South America	**120 888**	105 254
Rest of Africa	**51 036**	96 296
	7 119 973	6 568 371

	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					
GROUP					
2008					
At cost					
Balance at beginning of year	5 202 456	555 299	3 940 667	122 171	584 319
Additions	707 870		17 780	1 891	688 199
Borrowing costs capitalised	70 835				70 835
Capitalised from capital works under construction		240 384	394 557	8 885	(643 826)
Disposals	(809)		(287)	(522)	
Transferred to disposal group (note 11)	(15 654)		(8 838)	(6 816)	
Balance at end of year	5 964 698	795 683	4 343 879	125 609	699 527
Accumulated depreciation					
Balance at beginning of year	1 035 469	61 232	904 958	69 279	
Charge for the year (note 19)	173 514	12 751	148 673	12 090	
Disposals	(305)		(57)	(248)	
Transferred to disposal group (note 11)	(7 275)		(2 415)	(4 860)	
Balance at end of year	1 201 403	73 983	1 051 159	76 261	
Carrying value at 31 December 2008	4 763 295	721 700	3 292 720	49 348	699 527
2007					
At cost					
Balance at beginning of year	4 812 261	541 599	3 900 631	92 422	277 609
Additions	392 529		17 506	2 380	372 643
Borrowing costs capitalised	15 111				15 111
Capitalised from capital works under construction		13 700	39 112	28 232	(81 044)
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 19)	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

Property, plant and equipment with a book value of R4 646 366 000 (2007: R3 828 511 000) is encumbered as security for borrowing facilities from Standard Bank and Rand Merchant Bank (note 13).

Plant and machinery with a book value of R16 585 000 (2007: R18 954 000) is encumbered as security for secured finance lease obligations (note 13).

	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 19)	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	Nil				
Carrying value at 31 December 2008	**Nil**				

The weighted average interest rate used for borrowing costs capitalised is 13,0% (2007: 10,1%).

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

The group applied the following methods and rates during the year:

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

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
3. Intangible assets				
Software costs – internally generated and capitalised				
At beginning of year	**21 732**	18 258		18 258
Additions	**3 823**	3 474		1 452
Disposal				(19 710)
At end of year	**25 555**	21 732		
Accumulated amortisation				
At beginning of year	**841**	111		111
Charge for the year	**1 419**	730		334
Disposal				(445)
At end of year	**2 260**	841		
Carrying value at end of year	**23 295**	20 891		
Software costs – other external				
At beginning of year	**11 540**	9 947		9 947
Additions	**2 370**	1 593		
Disposal				(9 947)
At end of year	**13 910**	11 540		
Accumulated amortisation				
At beginning of year	**6 269**	4 882		4 882
Charge for the year	**1 421**	1 387		694
Disposal				(5 576)
At end of year	**7 690**	6 269		
Carrying value at end of year	**6 220**	5 271		
Total software costs				
Cost	**39 465**	33 272		
Accumulated amortisation	**9 950**	7 110		
Carrying value at end of year	**29 515**	26 162		
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	**3 784**	1 765		64 746
Impairment of loan		(4 532)		
Loans	**5 185**	6 335		(9 817)
Cumulative share of post-acquisition profit	**1 111**	216		
Disposal				(54 929)
At end of year	**10 080**	3 784		

Details of associates and joint ventures are included in note 35.

The above loans are unsecured, interest-free and have no fixed terms of repayment.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
5. Subsidiaries				
Investment in shares in subsidiaries			6 696 695	6 668 836
Loans to subsidiaries			530 717	591 622
			7 227 412	7 260 458
Details of subsidiaries are included in note 35.				
6. Deferred tax asset				
At beginning of year	16 373		16 373	
Accounted for in equity	(4 863)	4 863	(4 863)	4 863
Income statement				
Current year relief on earnings	584	11 510	584	11 510
Rate change adjustment	(397)		(397)	
At end of year	11 697	16 373	11 697	16 373
Deferred income tax asset analysed as follows:				
Provisions	11 697	11 510	11 697	11 510
Share schemes		4 863		4 863
	11 697	16 373	11 697	16 373
7. Inventories				
Raw materials	522 908	360 592		
Work-in-progress	337 217	270 111		
Finished goods	326 510	257 500		
Consumable stores	138 649	75 942		
	1 325 284	964 145		
Inventories with a carrying value of R1 204 234 215 (2007: R818 989 533) are encumbered as security for borrowing facilities (note 13).				
8. Trade and other receivables				
Trade receivables	1 013 979	910 985		
Less: provision for impairment of receivables	(7 140)	(9 530)		
	1 006 839	901 455		
Sundry receivables	44 774	104 159		
Prepayments	8 400	7 989		
	1 060 013	1 013 603		

One debtor comprises 14% (2007: 23%) of trade debtors. There is no other significant concentration of risk related to particular customer or industry segments.

Trade and other receivables with a book value of R955 041 104 (2007: R917 760 081) (including inter-company debtors) has been ceded as security for borrowing facilities (note 13).

	Group 2008 R'000	Group 2007 R'000

8. Trade and other receivables continued

	2008 R'000	2007 R'000
Trade receivables that are neither overdue nor impaired	893 378	879 080
Trade receivables overdue	113 461	22 375
Overdue by less than 60 days	83 019	12 940
Overdue by more than 60 days	30 442	9 435
Total trade receivables, net of provision for impairment	1 006 839	901 455

Trade receivables that are 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:

	2008 R'000	2007 R'000
At 1 January	9 530	4 617
Written off or reversed during the year	(9 530)	(4 533)
Impaired trade receivables – provided for in full	7 140	9 446
At 31 December	7 140	9 530

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

	2008 Foreign Amount 000	2008 Rand Amount R'000	2007 Rand Amount R'000
Pounds Sterling	305	4 099	8 064
Euro currency	2	20	12 064
US Dollars	15	143	67 222
		4 262	87 350

9. Derivative financial instruments

		Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Forward foreign exchange contracts – designated as hedging instruments	note 9.1	(40 537)	6 653		
Forward foreign exchange contracts – not designated as hedging instruments	note 9.1	43 787	(4 060)		
Commodity futures – designated as hedging instruments	note 9.2	62 042	(3 214)		
Interest rate swaps – not designated as hedging instruments	note 9.3	(20 859)			
		44 433	(621)		
Grouped as:					
Financial assets		360 022	47 005		
Financial liabilities		(315 589)	(47 626)		
		44 433	(621)		

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 2008 amounted to R62 429 121 (2007: R1 315 032).

9. Derivative financial instruments continued

9.1 Foreign currency management

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

	2008			2007		
	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
Forward purchases						
Pound Sterling	**1 015**	**15 764**	**(1 850)**	3 398	47 828	(375)
Euro	**7 460**	**96 385**	**2 524**	18 242	190 443	660
US Dollar	**16 885**	**154 674**	**8 934**	31 924	227 759	(2 666)
Swiss Franc	**4 179**	**36 182**	**605**	4 230	26 932	(1 264)
Other		**3 604**	**(237)**		1 974	(38)
		306 609	**9 976**		494 936	(3 683)
Maturing in:						
2008					378 250	(4 441)
2009		**306 609**	**9 976**		116 686	758
		306 609	**9 976**		494 936	(3 683)
Forward sales						
US Dollar	**(158 550)**	**(1 485 156)**	**(50 513)**	(64 400)	(463 196)	10 336
		(1 485 156)	**(50 513)**		(463 196)	10 336
Maturing in:						
2008					(463 196)	10 336
2009		**(1 485 156)**	**(50 513)**			
		(1 485 156)	**(50 513)**		(463 196)	10 336
Net total included in cash flow hedges		**(1 178 547)**	**(40 537)**		31 740	6 653
Grouped as:						
Financial assets			**114 871**			22 882
Financial liabilities			**(155 408)**			(16 229)
			(40 537)			6 653

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:

	2008			2007		
	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
Forward sales						
US Dollars	**(72 636)**	**(729 937)**	**38 806**	(94 146)	(645 056)	(2 537)
Euro	**(10 266)**	**(137 799)**	**2 103**	(9 653)	(95 962)	(1 896)
Pounds Sterling	**(1 755)**	**(26 654)**	**2 878**	(1 965)	(27 601)	373
		(894 390)	**43 787**		(768 619)	(4 060)
Maturing in:						
2008					(768 178)	(3 980)
2009		**(894 390)**	**43 787**		(441)	(80)
		(894 390)	**43 787**		(768 619)	(4 060)
Net total		**(894 390)**	**43 787**		(768 619)	(4 060)
Grouped as:						
Financial assets			**92 455**			10 492
Financial liabilities			**(48 668)**			(14 552)
			43 787			(4 060)

9. Derivative financial instruments continued

9.2 Commodity price management

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

	2008			2007		
	Tons	Contracted value R'000	Fair value asset/ (liability) R'000	Tons	Contracted value R'000	Fair value asset/ (liability) R'000
Net aluminium futures (sales)/purchases – maturing in:						
2008				17 400	286 109	(3 257)
2009	(14 200)	(271 610)	62 174	75	1 261	43
2010	75	1 306	(132)			
	(14 125)	(270 304)	62 042	17 475	287 370	(3 214)
Grouped as:						
Financial assets			152 696			13 631
Financial liabilities			(90 654)			(16 845)
Total			62 042			(3 214)
Cash flow hedges			96 932			
Fair value hedges			(34 890)			(3 214)
			62 042			(3 214)

9.3 Interest rate management

The following interest rate swaps have been entered into to cover interest rate risk, but were not designated as hedging instruments for accounting purposes at the period end:

	2008		2007	
	Notional amount R'000	Fair value asset/ (liability) R'000	Notional amount R'000	Fair value asset/ (liability) R'000
Interest rate swaps maturing in 2010 included in financial liabilities	600 000	(20 859)		

		Group		Company	
		2008	2007	**2008**	2007
		R'000	R'000	**R'000**	R'000
10. Cash and cash equivalents					
Bank balances		**60 504**	91 813		
Cash on hand		**5 670**	333		
		66 174	92 146		
Effective interest rates	(%)	**9,00**	9,25		
Cash of R17 677 117 (2007: R29 905 027) has been ceded as security for borrowing facilities (note 13).					
Cash, cash equivalents and bank overdrafts include the following for the purpose of the cash flow statement:					
Cash and cash equivalents		**66 174**	92 146		
Bank overdrafts (note 17)		**(69 443)**	(91 475)		
		(3 269)	671		
11. Assets of disposal group classified as held for sale					
The following assets of Hulamin Engineering Solutions have been presented as held for sale following the approval of the group's board to sell the business, which forms part of the Hulamin Rolled Products business segment. It is management's expectation that this business will be disposed of within the next 12 months.					
Property, plant and equipment		**8 379**			
Inventory		**36 053**			
		44 432			
12. Share capital					
12.1 Authorised					
240 000 000 ordinary shares of 10 cents each (2007: 240 000 000 ordinary shares of 10 cents each)		**24 000**	24 000	**24 000**	24 000
34 000 000 A ordinary shares of 10 cents each (2007: 34 000 000 A ordinary shares of 10 cents each)		**3 400**	3 400	**3 400**	3 400
21 000 000 B ordinary shares of 10 cents each (2007: 21 000 000 B ordinary shares of 10 cents each)		**2 100**	2 100	**2 100**	2 100
Total authorised share capital		**29 500**	29 500	**29 500**	29 500

The B ordinary shares consist of 8 000 000 B1 shares, 10 000 000 B2 shares and 3 000 000 B3 shares.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
12. Share capital continued				
12.2 Issued				
Opening balance				
(251 957 796 ordinary shares of 10 cents each)				
(2007: 11 100 000 ordinary shares of R1 each)	**25 196**	11 100	**25 196**	11 100
Issued during year				
(132 294 ordinary shares of 10 cents each)				
(2007: 104 611 566 ordinary shares of R1 each)	**13**	10 461	**13**	10 461
Issued during year				
(nil A ordinary shares of 10 cents each)				
(2007: 25 000 000 A ordinary shares of 10 cents each)		2 500		2 500
Issued during year				
(nil B ordinary shares of 10 cents each)				
(2007: 11 346 230 B ordinary shares of 10 cents each)		1 135		1 135
Closing balance				
(252 090 090 ordinary shares of 10 cents each)	**25 209**	25 196	**25 209**	25 196
Share premium				
Opening balance	**1 056 079**	581 787	**1 056 079**	581 787
Premium on shares issued	**1 411**	474 292	**1 411**	474 292
Closing balance	**1 057 490**	1 056 079	**1 057 490**	1 056 079
Consolidated A and B shares	**(91 783)**	(91 783)		
Share capital and share premium	**990 916**	989 492	**1 082 699**	1 081 275

12.3 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.

12.4 Unissued

Under option to employees:

In terms of the Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme, employees have been granted options to subscribe for 4 189 173 Hulamin shares. The weighted average exercise price for these options is R21,33 per share.

Details of the employee share incentive schemes are set out in note 34.

Under the control of the directors:

At 31 December 2008, 24 256 140 unissued shares (2007: 21 266 778) were under the control of the directors, for the purpose, *inter alia*, of existing employee share incentive schemes.

At 31 December 2008, 9 653 777 unissued B ordinary shares (2007: 9 653 777) were under the control of the directors, for the purpose of the Hulamin Employee Share Ownership Plan and the Hulamin Management Share Ownership Plan.

	Effective interest rates %	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
13. Non-current borrowings					
Secured loans:					
Finance leases	11,89	**2 271**	2 828		
Standard Bank	13,07	**806 346**	594 750		
Rand Merchant Bank	12,94	**90 000**	66 600		
		898 617	664 178		
Less:					
Current portion included in short-term borrowings		**22**	567		
		898 595	663 611		
Borrowing payments by financial year (including interest):					
2009		**119 769**	104 468		
2010		**202 562**	121 981		
2011		**191 113**	116 546		
2012		**179 144**	129 880		
Thereafter		**773 160**	589 796		
Book value of assets encumbered as security for finance lease obligations (note 2).		**16 585**	18 954		

The facilities with Standard Bank and Rand Merchant Bank referred to above and the amounts owing in respect of the bank overdraft, First National Bank call loan and Standard Bank call loan (note 17) 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 and the provision of a guarantee by the company.

The group increased borrowings in order to fund capital expenditure on the Rolled Products expansion project and an increase in working capital.

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 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
14. Deferred income tax liability				
At beginning of year	**894 203**	899 815		895 964
Accounted for in equity	**41 374**	9 956		35 037
Income statement				
Current year charge/(relief) on earnings	**19 093**	(14 025)		4 828
Prior years' charge/(relief) on earnings	**2 592**	(1 543)		(160)
Rate change	**(30 903)**			
Disposal (note 32)				(935 669)
At end of year	**926 359**	894 203		
Deferred income tax liabilities are analysed as follows:				
Accelerated tax depreciation	**937 903**	937 902		
Provisions and leave pay accruals	**(42 895)**	(36 829)		
Assessed loss	**(9 193)**	(2 397)		
Share schemes	**(1 977)**	(2 409)		
Hedging reserve	**39 531**	403		
Other	**2 990**	(2 467)		
	926 359	894 203		
15. Retirement benefit obligations				
Post-retirement medical aid provision	**101 600**	92 024	**41 776**	39 690
Retirement gratuity provision	**17 912**	15 481		
	119 512	107 505	**41 776**	39 690
The movement of these provisions is detailed in note 28.				
16. Trade and other payables				
Trade payables	**535 611**	620 336		
Leave pay and bonus accruals	**48 063**	46 395		
Sundry accruals and other payables	**108 506**	67 934		
	692 180	734 665		

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

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000

17. Current borrowings

		Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Current portion of long-term loans		22	567		
Bank overdrafts		69 443	91 475		
First National Bank call loan		510 000	165 000		
Standard Bank call loan		335 000			
		914 465	257 042		
Effective interest rates are as follows:					
Bank overdrafts	(%)	14,50	13,00		
First National Bank call loan	(%)	13,50	12,00		
Standard Bank call loan	(%)	12,90			

R214 443 000 hereof will be repaid during 2009 and a further R150 000 000 during 2010. The remaining current borrowings have no fixed repayment dates.

The bank overdrafts and call loans are secured (note 13).

The group increased borrowings in order to fund capital expenditure on the Rolled Products expansion project and an increase in working capital.

18. Other operating income

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Valuation adjustments on non-derivative items (note 18.1)	194 538	16 230		13 574
Valuation adjustments on derivative items (note 18.2)	(134 226)	(8 600)		(4 075)
	60 312	7 630		9 499

18.1 Valuation adjustments on non-derivative items

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Foreign loan		(1 628)		(1 628)
Accrued interest on foreign loan		(116)		(116)
Export receivables	256 508	18 721		11 468
Import payables	(6 650)	(63)		28
Foreign currency denominated cash balances	(55 320)	(684)		3 822
	194 538	16 230		13 574

18.2 Valuation adjustments on derivative items

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Forward foreign exchange contracts: not designated as hedging instruments	(219 882)	6 623		(3 905)
Forward foreign exchange contracts: cash flow hedges, transfer from equity	88 574	(548)		(4 850)
Forward aluminium purchase and sale contracts: fair value hedges and contracts not designated as hedging instruments	17 941	(14 675)		4 680
Interest rate swaps not designated as hedging instruments	(20 859)			
	(134 226)	(8 600)		(4 075)

18.3 The ineffective portion of all hedges is recognised in profit or (loss)

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Cash flow hedges	4 460	1 260		
Fair value hedges	(2 549)	(1 981)		
	1 911	(721)		

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
19. Expenses by nature				
Raw materials and other costs	**5 924 913**	5 638 816	**1 515**	2 607 865
Employee benefit expense (note 19.3)	**588 965**	522 817	**6 193**	192 664
Depreciation (note 2)	**173 514**	179 908		79 980
Amortisation of intangible assets (note 3)	**2 840**	2 117		1 028
Writedown of inventories	**13 938**	5 211		5 211
Operating leases (rental on leased premises)	**10 991**	7 707		854
(Decrease)/increase in provision for impairment of debtors	**(2 390)**	4 913		(35)
Auditors' remuneration (note 19.1)	**2 766**	3 751	**112**	2 269
Profit on disposal of property, plant and equipment	**(703)**	(886)		
	6 714 834	6 364 354	**7 820**	2 889 836
Classified as:				
– cost of sales	**6 235 460**	5 815 546		2 622 429
– selling and marketing expenses	**355 859**	271 571		102 080
– administrative expenses	**123 515**	108 848	**7 820**	25 737
– corporate structuring costs		168 389		139 590
	6 714 834	6 364 354	**7 820**	2 889 836

In the current year, metal price lag figures have been included in cost of sales to provide enhanced functional presentation. In prior years, metal price lag figures were shown in a separate line in the income statement, and these have been restated in line with the current classification. Accordingly the 2007 comparative cost of sales figure has reduced by R22,1 million.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
19.1 Auditors' remuneration				
Audit fees	**2 463**	2 741	**100**	1 384
Fees for other services	**160**	704		704
Prior year under provision	**40**	140		140
Expenses	**103**	166	**12**	41
	2 766	3 751	**112**	2 269
19.2 Directors' emoluments				
Executives				
– Cash package	**6 156**	8 041		5 315
– Retirement, medical and insurance benefits	**746**	1 036		708
– Bonus	**2 408**	3 496		1 992
– Fees		40		40
Non-executives				
– Fees	**1 515**	929	**1 515**	929
	10 825	13 542	**1 515**	8 984

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
19. Expenses by nature continued				
19.3 Employee benefit expense				
Salaries and wages	**509 030**	463 933		163 473
Retirement benefit costs:				
Defined contribution scheme (note 28)	**6 245**	5 148		1 878
Defined benefit scheme (note 28)	**26 643**	18 787		6 857
Post-retirement medical aid costs (note 28)	**14 056**	11 250	**6 193**	7 529
Staff gratuities (note 28)	**3 321**	2 612		1 511
Share incentive costs (note 34)	**29 670**	21 087		11 416
	588 965	522 817	**6 193**	192 664
20. Corporate structuring costs				
In 2007 the group completed a number of transactions to facilitate the unbundling and listing of Hulamin Limited, and to facilitate broad-based BEE investors. The costs related to these transactions are as follows:				
The legal, tax, accounting and other costs related to the unbundling, listing, BEE and funding transactions and renaming of the group		19 026		16 309
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		139 590
21. Net finance costs				
Interest paid				
Long-term loan interest	**116 306**	42 639		4 597
Short-term loan interest	**72 782**	57 734	**6**	45 026
Interest capitalised	**(70 835)**	(15 111)		(3 039)
Financing costs	**118 253**	85 262	**6**	46 584
Interest received				
Hulett-Hydro Extrusions (Pty) Limited				(3 666)
Aluminium City Partnership				(3 040)
Hulamin Operations (Pty) Limited			**(115 502)**	(48 281)
Finance income			**(115 502)**	(54 987)
Net finance costs/(income)	**118 253**	85 262	**(115 496)**	(8 403)

22. Tax

		Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
South African normal taxation:					
Current					
– current year		80 159	110 160	30 733	55 401
– prior year (over)/under provision		(3 904)	943	(6 044)	
Deferred					
– current year (note 14)		19 093	(14 025)		4 828
– current year (note 6)		(584)	(11 510)	(584)	(11 510)
– prior year under/(over) provision		2 592	(1 543)		(160)
– rate change adjustment (note 14)		(30 903)			
– rate change adjustment (note 6)		397		397	
Secondary tax on companies		12 677	5 106	12 591	5 106
		79 527	89 131	37 093	53 665
South African income tax is levied on the company and its subsidiaries and not the group.					
Estimated assessable losses available for setoff against future taxable income are as follows:					
Total assessable losses		32 834	8 264		
Normal rate of taxation	(%)	28,0	29,0	28,0	29,0
Adjusted for:					
Listing costs	(%)		4,3		16,6
BEE and IFRS 2 costs	(%)	0,1	31,3		101,3
STC	(%)	3,7	4,1	11,7	15,6
Other (adjustments)/non-allowable items	(%)		1,8	(5,6)	1,1
Rate change adjustment	(%)	(8,9)		0,4	
Effective rate of taxation	(%)	22,9	70,5	34,5	163,6

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.

Reconciliation of denominators used for basic and diluted earnings per share

	Number of shares December 2008	Number of shares December 2007
Basic EPS – weighted average number of shares	**215 668 708**	215 589 370
Share options	**2 248 287**	2 763 896
Diluted EPS – weighted average number of shares	**217 916 995**	218 353 266

24. Headline earnings

		2008 R'000	2007 R'000
Net profit for the year attributable to ordinary shareholders:		**268 172**	40 761
Adjusted for profit on sale of property, plant and equipment		**(506)**	(886)
– Gross		**(703)**	(886)
– Tax effect		**197**	
Headline earnings		**267 666**	39 875
Headline earnings per share			
Basic	(cents)	**124**	18
Diluted	(cents)	**123**	18

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
25. Cash generated before working capital changes				
Operating profit/(loss)	**465 451**	211 647	**(7 820)**	24 395
Impairment of loan in associate		4 532		
Depreciation	**173 514**	179 908		79 980
Amortisation of intangible assets	**2 840**	2 117		1 028
Profit on disposal of property, plant and equipment	**(703)**	(886)		
Movement in retirement benefit obligation	**12 006**	8 873	**2 085**	4 894
BEE share-based payment costs		134 686		114 348
Employee share-based costs	**29 670**	21 087		11 416
Movements in derivatives	**94 738**	34 052		
	777 516	596 016	**(5 735)**	236 061
26. Changes in working capital				
(Increase)/decrease in inventories	**(397 193)**	24 833		58 023
(Increase)/decrease in trade and other receivables	**(46 410)**	36 750		(42 009)
Decrease in trade and other payables	**(42 485)**	(203 971)		(118 593)
	(486 088)	(142 388)		(102 579)

	Group		Company	
	2008	2007	**2008**	2007
	R'000	R'000	**R'000**	R'000
27. Dividends				
Final for 2007 year,				
paid 10 March 2008 – 30 cents	**65 790**		**65 790**	
Interim for current year,				
paid 25 August 2008 – 28 cents (2007: 18 cents)	**61 477**	39 498	**61 477**	39 498
	127 267	39 498	**127 267**	39 498

The final dividend for the year ended 31 December 2008 of 13 cents per share declared on 9 February 2009 and payable on 9 March 2009 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 for the group amounted to R6 245 000 (Rnil company) (2007: R5 148 000 group, R1 878 000 company) and were expensed during the year.

Defined benefit pension scheme

There is one funded defined benefit scheme (The Tongaat-Hulett Pension Fund) for employees of Tongaat Hulett Limited and Hulamin Limited and their subsidiaries. Subsequent to the unbundling of the group from Tongaat Hulett, sufficient information to determine the proportionate share of defined benefit obligations, plan assets and the costs of the plan has not been available and therefore the fund has been accounted for as a defined contribution plan. 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 the actual employee pensionable emoluments. Contributions of R26 643 000 group, (Rnil company) (2007: R18 787 000 group, R6 857 000 company) were expensed during the year. The employer companies have, during the current financial year, agreed on the basis of division of the actuarial surplus at 31 December 2001. The group has fully utilised this surplus allocation as at 31 December 2008.

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 2007 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 2008 in accordance with IAS 19, showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

		Company 2008 R'000	2007 R'000
28. Retirement benefits continued			
Defined benefit pension scheme continued			
Details of the valuation of The Tongaat-Hulett Group Pension Fund are as follows:			
Fair value of plan assets			
Balance at beginning of year		6 544 000	5 944 800
Expected return on scheme assets		520 100	460 000
Employer contributions		51 800	44 900
Members' contributions		40 900	35 700
Benefits paid		(548 500)	(456 600)
Acquisitions – transfer values received/(disposals)		(24 200)	(15 200)
Actuarial (loss)/gain		(1 046 900)	530 400
Balance at end of year		5 537 200	6 544 000
Present value of defined benefit obligation			
Balance at beginning of year		4 444 300	4 202 400
Current service cost		117 700	96 600
Interest cost		349 600	322 100
Members' contributions		40 900	35 700
Benefits paid		(548 500)	(456 600)
Acquisitions – transfer values received/(disposals)		(24 200)	(15 200)
Actuarial loss		75 600	259 300
Balance at end of year		4 455 400	4 444 300
Fund assets less member liabilities, before reserves		1 081 800	2 099 700
Asset information			
Equities		3 541 500	3 896 300
Fixed-interest bonds		750 600	647 000
Property		101 200	150 500
Cash		870 900	1 850 200
Other		273 000	
		5 537 200	6 544 000
Actual return on scheme assets		(526 800)	990 300
The principal long-term actuarial assumptions are:			
Discount rate	(%)	7,25	8,25
Future salary inflation rate	(%)	5,00	5,75
Future pension increase rate	(%)	3,50	4,75
Expected rate of return on assets	(%)	8,25	8,00
Experience gains and (losses) on:			
Plan liabilities:		(137 200)	(136 900)
Percentage of the present value of the plan liabilities	(%)	(3,1)	(3,3)
Plan assets		(1 046 900)	530 400
Percentage of plan assets	(%)	(8,1)	8,9

Estimated contributions payable by the group in 2009 are R57 500 000 (2008: R48 000 000).

		Group		Company	
		2008	2007	2008	2007
		R'000	R'000	R'000	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		125 980	106 049	56 970	51 608
Unrecognised actuarial losses		(24 380)	(14 025)	(15 195)	(11 918)
Liability in the balance sheet		101 600	92 024	41 775	39 690
The liability can be reconciled as follows:					
Balance at beginning of year		92 024	84 779	39 690	77 718
Total expense accrued		14 056	11 250	6 193	7 529
Benefit payments		(4 480)	(4 005)	(4 108)	(3 825)
Staff transferred to Hulamin Operations					(41 732)
Balance at end of year		101 600	92 024	41 775	39 690
Amounts recognised in the income statement:					
Interest costs		8 751	7 509	4 091	5 219
Current service costs		2 141	1 929		745
Actuarial loss recognised		3 164	1 812	2 102	1 565
		14 056	11 250	6 193	7 529
Principal actuarial long-term assumptions:					
Discount rate	(%)	7,25	8,25	7,25	8,25
Future medical inflation rate	(%)	5,00	5,75	5,00	5,75
Sensitivity of future medical inflation rate:					
1% increase in future medical inflation rate – effect on the aggregate of the service and interest costs		2 132	1 980	410	428
1% increase in future medical inflation rate – effect on the obligation		20 457	17 186	5 674	5 213
1% decrease in future medical inflation rate – effect on the aggregate of the service and interest costs		(1 701)	(1 579)	(353)	(368)
1% decrease in future medical inflation rate – effect on the obligation		(16 536)	(13 877)	(4 890)	(4 480)
Estimated contributions payable by the group in the next financial year		4 703	4 397	4 313	4 183
Experience loss on plan liabilities		9 146	3 248	4 063	3 541
Experience loss as a percentage of liabilities	(%)	7,26	3,06	7,13	6,86

		Group		Company	
		2008	2007	**2008**	2007
		R'000	R'000	**R'000**	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.

		Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Amounts recognised in the balance sheet:					
Present value of unfunded obligations		**22 827**	18 556		
Unrecognised actuarial losses		**(4 915)**	(3 075)		
Liability in the balance sheet		**17 912**	15 481		
The liability can be reconciled as follows:					
Balance at beginning of year		**15 481**	13 853		9 634
Total expense accrued		**3 321**	2 612		1 511
Gratuity payments		**(890)**	(984)		(311)
Staff transferred to Hulamin Operations					(10 834)
Balance at end of year		**17 912**	15 481		
Amounts recognised in the income statement:					
Interest costs		**1 576**	1 307		490
Service costs		**1 116**	922		342
Actuarial loss recognised		**629**	383		679
		3 321	2 612		1 511
Principal actuarial assumptions:					
Discount rate	(%)	**7,25**	8,25		8,25
Future salary inflation rate	(%)	**5,00**	5,75		5,75

Estimated retirement gratuities, payable by the group during the next financial year, are R775 000 and payable by the company are nil.

	Group		Company	
	2008	2007	**2008**	2007
	R'000	R'000	**R'000**	R'000
29. Lease commitments				
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	**910**	914		
Later than one year and not later than five years	**1 972**	2 894		
Later than five years				
	2 882	3 808		
Less: future finance charges	**(620)**	(980)		
Present value of lease obligations	**2 262**	2 828		
Payable:				
Not later than one year	**631**	566		
Later than one year and not later than five years	**1 631**	2 262		
Later than five years				
	2 262	2 828		
Book value of plant and equipment encumbered as security for finance lease obligations (note 2)	**16 585**	18 954		
Operating lease commitments, amounts due:				
Not later than one year	**10 514**	7 987		
Later than one year and not later than five years	**25 538**	12 829		
Later than five years		1 794		
	36 052	22 610		
In respect of:				
Property	**27 507**	12 273		
Plant and machinery	**8 545**	10 337		
	36 052	22 610		

The group leases offices and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
30. Capital expenditure commitments				
The group's capital expenditure commitments in relation to property, plant and equipment are as follows:				
Contracted	**302 273**	486 568		484 068
Approved but not contracted	**186 247**	395 843		393 163
	488 520	882 411		877 231
Capital expenditure will be funded by a combination of external borrowings and cash flow from operations.				
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
Other				
Administration fee paid to Tongaat Hulett Limited		683		683
Guarantee fee paid to Industrial Development Corporation		104		104
Interest paid to Tongaat Hulett Limited		43 982		43 982
Interest received from subsidiaries			**115 502**	51 947
Interest received from joint venture				3 040
Loan balance owing by subsidiary			**530 727**	592 311
Settlement of share option scheme benefits with Tongaat Hulett Limited		24 540		24 540

Key management personnel compensation (refer note 19.2.)

32. Disposal of operations

On 30 June 2007 the company sold its entire business to a wholly owned 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 net asset value of business	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) Limited	6 300 449
Loan to Hulamin Operations (Pty) Limited	1 573 575
	8 211 524

33. Contingent liabilities

33.1 The Department of Trade and Industry has raised a dispute with the group relating to previous GEIS claims in the amount of R4 671 000 (2007: R4 425 000). A date for a court hearing of this matter has still to be set.

33.2 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.

34. Share-based payments

34.1 Employee share incentive schemes

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.

No further awards to Hulamin employees will be made under these schemes.

34. Share-based payments continued

34.1 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 modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 December 2007	Options exercised in 2008	Options forfeited in 2008	Number of options at 31 December 2008	Options time constrained
R25,40		4 Nov 1998	4 000	2 000	2 000		
R25,13		5 March 1999	13 000			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	1 700		33 700	
R37,88		13 May 2002	71 800	5 500		66 300	
R24,37	R8,48	14 April 2003	59 200	800		58 400	
R26,35	R8,44	1 October 2003	4 500			4 500	
R35,90	R11,03	21 April 2004	150 380	13 500	1 800	135 080	
			350 780	23 500	3 800	323 480	

Hulamin modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 December 2007	Options exercised in 2008	Options forfeited in 2008	Number of options at 31 December 2008	Options time constrained
R7,85		4 Nov 1998	4 000	2 000	2 000		
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	1 700		33 700	
R11,72		13 May 2002	71 800	5 500		66 300	
R7,53	R2,62	14 April 2003	59 500	800		58 700	
R8,15	R2,61	1 October 2003	4 500			4 500	
R11,10	R3,60	21 April 2004	150 850	9 950	1 800	139 100	
			357 550	19 950	3 800	333 800	

The estimated fair value of the share options at grant date was determined using a binomial tree valuation model. Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R76,16 and R19,44 respectively.

34. Share-based payments continued

34.1 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	48 months (2007: 59 months)
– Contractual	120 months

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

Under the Tongaat-Hulett Share Appreciation Right 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.

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.

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

34. Share-based payments continued

34.1 Employee share incentive schemes continued

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

Tongaat Hulett modified grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 December 2007	Rights exercised in 2008	Rights forfeited in 2008	Number of rights at 31 December 2008	Rights time constrained
R43,98	R13,52	10 May 2005	187 005	20 694	1 652	164 659	
R73,39	R23,81	25 April 2006	264 956	4 402	12 698	247 856	194 930
			451 961	25 096	14 350	412 515	194 930

Hulamin adjusted grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 December 2007	Rights exercised in 2008	Rights forfeited in 2008	Number of rights at 31 December 2008	Rights time constrained
R13,60	R4,18	10 May 2005	201 311	20 012	1 652	179 647	
R22,70	R7,36	25 April 2006	269 589		15 193	254 396	194 930
			470 900	20 012	16 845	434 043	194 930

Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R76,16 and R19,44 respectively.

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	Headline earnings per share (replacement SARS are not subject to any performance conditions)
– Market	None
Weighted average remaining life:	
– Expected	2006 award: 52 months (2005 award: 40 months)
– Contractual	84 months

34. Share-based payments continued

34.1 Employee share incentive schemes continued

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.

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 any 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.

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

Tongaat Hulett modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at 31 December 2007	Conditional awards exercised in 2008	Conditional awards forfeited in 2008	Number of rights at 31 December 2008	Conditional awards time constrained
R43,98	R30,32	10 May 2005	24 488	24 488			
R73,39	R52,76	25 April 2006	28 009			28 009	28 009
			52 497	24 488		28 009	28 009

Hulamin modified issue price	Estimated weighted average fair value per conditional award	Expiring three years from	Number of conditional awards at 31 December 2007	Conditional awards exercised in 2008	Conditional awards forfeited in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
R13,60	R9,38	10 May 2005	24 488	24 488			
R22,70	R16,32	25 April 2006	28 009			28 009	28 009
			52 497	24 488		28 009	28 009

Options were exercised on a regular basis throughout the year. The volume weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R76,16 and R19,44 respectively.

34. Share-based payments continued

34.1 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) (replacement LTIPs are not subject to any performance conditions)
– Market	Total shareholder return (TSR) (replacement LTIPs are not subject to any performance conditions)
Weighted average remaining life:	
– Expected	2006 award: 4 months
– Contractual	36 months

HULAMIN LIMITED SHARE APPRECIATION RIGHT SCHEME 2007

Under the Share Appreciation Right 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 condition over a three-year period.

Grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 December 2007	Rights granted in 2008	Rights forfeited in 2008	Number of rights at 31 December 2008	Rights time constrained
R22,87	R8,04	20 August 2007	1 697 500		136 000	1 561 500	1 561 500
R21,99	R7,39	30 April 2008		2 143 869	126 109	2 017 760	2 017 760
			1 697 500	2 143 869	262 109	3 579 260	3 579 260

34. Share-based payments continued

34.1 Employee share incentive schemes continued

HULAMIN LIMITED SHARE APPRECIATION RIGHT 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	2008 award: R21,90 (2007 award: R23,51)
Grant price	The grant price as noted above
Risk-free interest rate	2008 award: 9,18% (2007 award: 8,19%)
Expected volatility	2008 award: 38,59% (2007 award: 34,25%)
Expected dividends	2008 award: 3,44% (2007 award: 2,3%)
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	2008 award: 76 months (2007 award: 68 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	Number of rights at 31 December 2007	Conditional awards granted in 2008	Conditional awards forfeited in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
R23,51	R7,23	20 August 2007	249 000		9 000	240 000	240 000
R22,25	R13,02	30 April 2008		309 883		309 883	309 883
			249 000	309 883	9 000	549 883	549 883

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	2008 award: R21,90 (2007 award: R23,51)
Risk-free interest rate	2008 award: 9,74% (2007 award: 8,94%)
Expected volatility	2008 award: 38,59% (2007 award: 34,25%)
Expected dividends	2008 award: 3,44% (20007 award: 2,3%)
Vesting conditions – Time	Three years
– Non-market	Return on capital employed (ROCE)
– Market	Total shareholder return (TSR)
Weighted average remaining life:	
– Expected	2008 award: 28 months (2007 award: 20 months)
– Contractual	36 months

34. Share-based payments continued

34.1 Employee share incentive schemes continued

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 right	Expiring three years from	Number of awards at 31 December 2007	Conditional awards granted in 2008	Conditional awards forfeited in 2008	Number of conditional awards at 31 December 2008	Conditional awards time constrained
R23,44	R22,09	1 March 2007	11 100			11 100	11 100
R22,25	R20,03	25 February 2008		42 000		42 000	42 000
			11 100	42 000		53 100	53 100

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

Share price at grant date	2008 award: R22,20 (2007 award: R23,44)
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	2008 award: 26 months (2007 award: 19 months)
– Contractual	36 months

The deferred bonus shares were purchased by the participating employee on 8 August 2007 in respect of the 2007 award and the transactions for the purchase of the deferred bonus shares for the participating employees in respect of the 2008 award were concluded on 6 March 2008.

34. Share-based payments continued

34.1 Employee share incentive schemes continued

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 in 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.

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	Number of rights at 31 December 2007	Rights granted in 2008	Rights forfeited in 2008	Number of rights at 31 December 2008	Rights time constrained
R21,44	MSOP share appreciation right scheme	R4,46	31 Aug 2007	2 212 830		120 370	2 092 460	2 092 460
R0,00	MSOP share grant scheme	R14,07	31 Aug 2007	738 840		40 230	698 610	698 610
R26,80	ESOP share appreciation right scheme	R7,90	31 Aug 2007	7 469 000	617 653	450 636	7 636 017	7 636 017

34. Share-based payments continued

34.1 Employee share incentive schemes continued

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

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	44 months
– Contractual	60 months

34.2 BEE equity transaction

During the 2007 financial year Hulamin concluded agreements with BEE partners to facilitate the acquisition of an effective 10% interest in Hulamin.

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, which was expensed in full in the 2007 financial year, 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 had only listed a short time before grant date, 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

35. Details of investments in associates, subsidiary companies and joint ventures

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%)

Richards and Barlow (Pty) Limited (50%)

The Aluminium City Partnership

The above associates and joint ventures are held by Hulamin Operations (Pty) Limited.

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.

	Cost of investment		Indebtedness	
	31 December 2008 R'000	31 December 2007 R'000	**31 December 2008 R'000**	31 December 2007 R'000
Subsidiaries				
Hulamin Rolled Products (Pty) Limited*				
Aluminium City (Pty) Limited*				
Hulamin Operations (Pty) Limited (90%)	**6 696 685**	6 668 836	**530 717**	591 622
Hulett-Hydro Extrusions (Pty) Limited* **				
Hulamin North America LLC*	**10**			
	6 696 695	6 668 836	**530 717**	591 622

* Subsidiaries of Hulamin Operations (Pty) Limited.

** The company acquired the remaining 30% shareholding in Hulett-Hydro Extrusions (Pty) Limited which it previously did not hold, effective 1 December 2008.

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

The effective interest rate on loans to subsidiaries is 14,1%. No fixed repayment terms have been set. The loan to Hulamin Operations (Pty) Limited is subordinated in favour of Standard Bank, FirstRand Bank and Chaldean Trading 67 (Pty) Limited.

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 incorporated in Zimbabwe, and Hulamin North America LLC, which is incorporated in the United States of America.

Analysis of ordinary shareholders
as at 31 December 2008

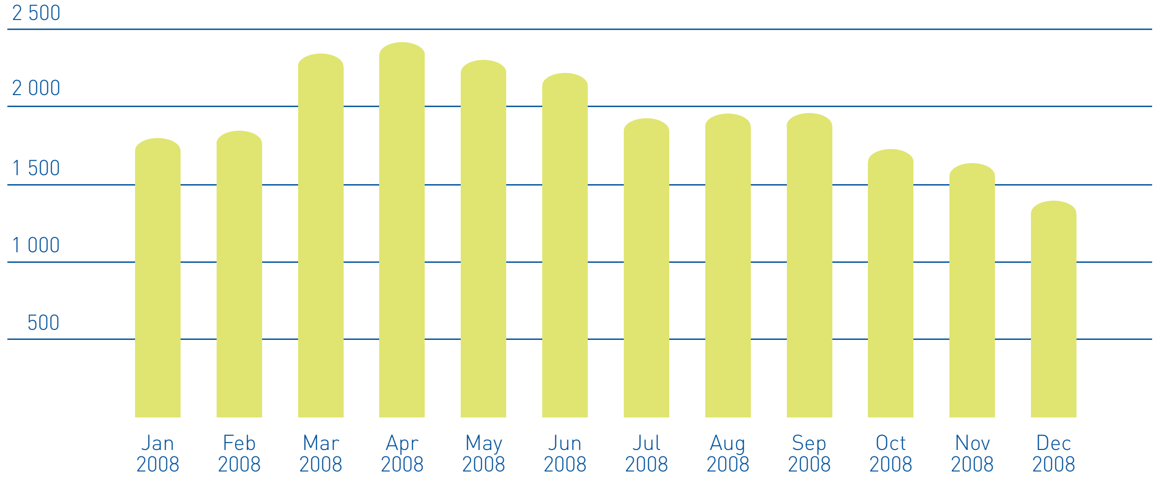
	Number of ordinary shareholders	Percentage of total	Number of ordinary shares	Percentage of total
Size of holdings				
1 – 1 000	4 842	63,0	1 832 309	0,85
1 001 – 10 000	2 431	31,6	7 802 888	3,62
10 001 – 100 000	327	4.3	9 399 347	4,35
100 001 – 1 000 000	77	1,0	19 647 325	9,11
Over 1 000 000 shares	11	0,1	177 061 991	82,07
	7 688	100,0	215 743 860	100,00
Public/non-public shareholders				
Non-public shareholders				
Anglo South Africa Capital (Pty) Limited	1		96 773 269	44,86
Industrial Development Corporation	1		64 673 503	29,98
Directors	5		142 985	0,06
Associate of director	1		8 000	0,00
The Tongaat-Hulett Pension Fund	1		1 265 145	0,59
Public shareholders	7 679		52 880 958	24,51
Total listed shareholders	7 688		215 743 860	100,00

	Number of ordinary shareholders	Percentage of total	Number of shares	Percentage of issued shares
Beneficial shareholders holding more than 5% of share capital				
Anglo South Africa Capital (Pty) Limited	1		96 773 269	44,86
Industrial Development Corporation	1		64 673 503	29,98
A Class ordinary shares				
Chaldean Trading 67 (Pty) Limited	1	100,0	25 000 000	100,00
B1 ordinary shares				
Hulamin Employee Share Ownership trust: No IT 645/2007/PMB	1	100,0	7 998 556	100,00
B2 ordinary shares				
Hulamin Management Share Ownership trust: No IT 644/2007/PMB	1	100,0	2 509 569	100,00
B3 ordinary shares				
Hulamin Management Share Ownership trust	1	100,0	838 105	100,00

Shareholders' diary
as at 31 December 2008

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 share price
Hulamin volume weighted average share price by month, cents per share



Notice of annual general meeting

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-ninth annual general meeting of shareholders will be held at the company's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal on Thursday, 23 April 2009 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 2008 including the reports of the directors and the independent auditors contained therein.
2. To confirm the appointment of the auditors, PricewaterhouseCoopers and to appoint Mr H Ramsumer as the designated auditor to hold office for the ensuing year.
3. To authorise the Audit Committee to approve the auditors' remuneration.
4. To elect directors in place of Messrs T P Leeuw, J B Magwaza, M E Mkwanazi and S P Ngwenya 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 14 and 15 of the annual report.
5. To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions:
   Hulamin adopted the Hulamin Share Appreciation Right Scheme 2007 ("the HSAR Scheme"), the Hulamin Long Term Incentive Plan 2007 ("the HLTIP Scheme") and the Hulamin Deferred Bonus Plan 2007 ("the HDBP Scheme") at a shareholders' meeting on 19 April 2007. It is the intention of the directors to settle the benefits in terms of these share schemes by the purchase of shares via a third party. As the schemes allow the benefits to be settled by the allotment and issue of shares, resolutions were adopted at the meeting to place the shares required for this purpose under the control of the directors. Ordinary Resolution Number 1 amends that general authority to place a specific number of shares, for the purpose of settling the benefits arising in terms of the schemes, under the control of the directors.

   5.1 Ordinary Resolution Number 1

   "Resolved as an ordinary resolution that five million ordinary shares, 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, the HLTIP Scheme and the HDBP Scheme."

   5.2 Ordinary Resolution Number 2

   "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 for the twelve-month period commencing 1 May 2009, as recommended by the Remuneration and Nomination Committee and the board, be and are hereby ratified and approved".

Type of fee	Present fees to 30 April 2009 Rand per annum	Proposed fees from 1 May 2009 Rand per annum
Hulamin board		
Chairman	**260 000**	283 400
Non-executive directors	**118 800**	129 500
Audit Committee		
Chairman	**75 600**	82 400
Non-executive directors	**37 800**	41 200
Remuneration Committee		
Chairman	**54 000**	58 900
Non-executive directors	**27 000**	29 400
Transformation Committee		
Chairman	**54 000**	58 900
Non-executive directors	**27 000**	29 400

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

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, 21 April 2009. The completion of a proxy form will not preclude a shareholder from attending the meeting.

By order of the board

W Fitchat
Company Secretary
20 February 2009

Moses Mabhida Road
Pietermaritzburg
KwaZulu-Natal

Form of proxy

HULAMIN

HULAMIN LIMITED

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

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, 21 April 2009. South Africa: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

A shareholder 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 shareholder of the company.

I/We (name in block letters)

of (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, 23 April 2009, 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 the services of PricewaterhouseCoopers and to appoint Mr H Ramsumer as the designated auditor			
3. Remuneration of the auditors			
4. Re-election of directors retiring by rotation: T P Leeuw			
J B Magwaza			
M E Mkwanazi			
S P Ngwenya			
5.1 Ordinary Resolution Number 1 Authorising directors to issue up to five million ordinary shares in terms of the Hulamin Share Appreciation Right Scheme 2007, the Hulamin Long Term Incentive Plan 2007 and the Hulamin Deferred Bonus Plan 2007			
5.2 Ordinary Resolution Number 2 Approval of non-executive directors' fees			

Signed at this day of 2009

Signature:

Notes:

1. A shareholder'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 shareholder 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 shareholder 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 shareholder'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 Chairman 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 shareholder wishes to vote.

Corporate information

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

Business address
Moses Mabhida Road
Pietermaritzburg
3201

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Facsimile: +27 33 394 6335
Website: www.hulamin.co.za
E-mail: hulamin@hulamin.co.za

Securities exchange listings
South Africa (Primary), JSE Limited

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

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

Directorate
Non-executive directors
P M Baum
L C Cele
V N Khumalo
T P Leeuw
J B Magwaza
M E Mkwanazi, *Chairman*
P H Staude
J G Williams

Alternate
S P Ngwenya

Executive directors
A Fourie, *Chief Executive Officer*
C D Hughes
M Z Mkhize

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