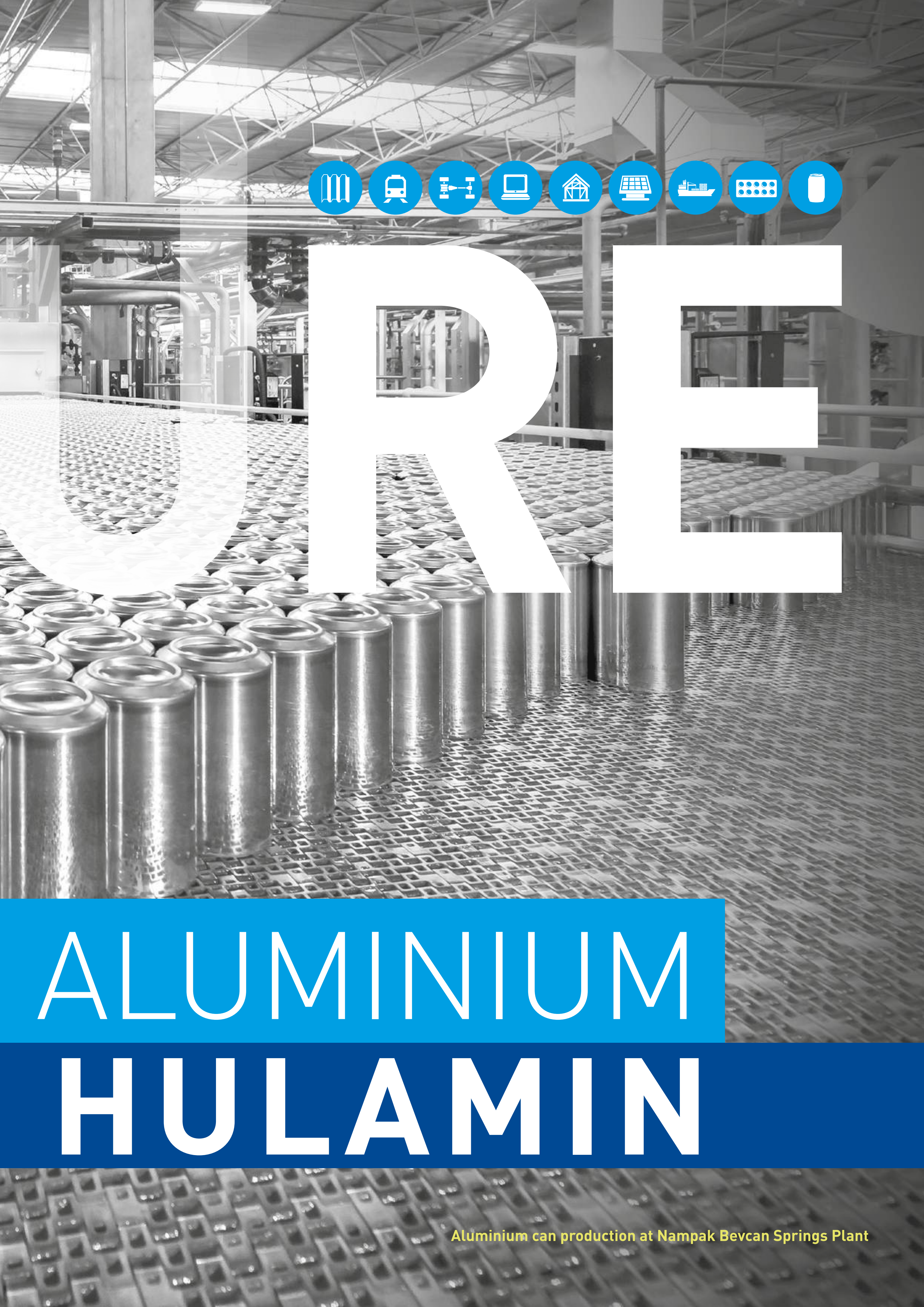
Integrated Annual Report

for the year ended 31 December 2014

HULAMIN

Think future. Think aluminium.


THINK
FUT
THINK
THINK



ALUMINIUM
HULAMIN

Aluminium can production at Nampak Bevcan Springs Plant

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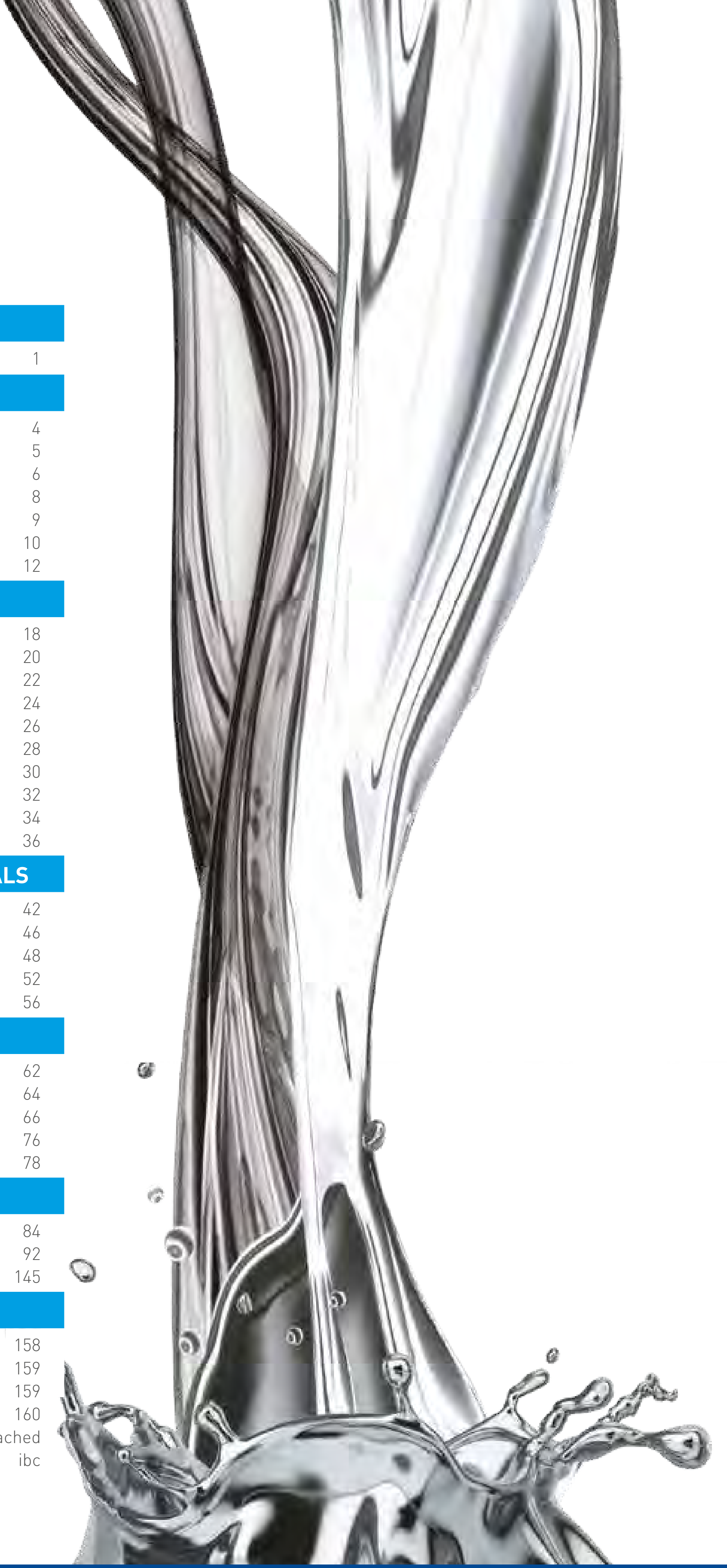

NAVIGATION

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ABOUT THIS REPORT

2014 represents Hulamin's 74th anniversary of unlocking sustainable value through aluminium beneficiation.

This integrated report provides a comprehensive review of how Hulamin creates sustainable value. It provides insight into the group's business model, changes in the external environment and the risks and opportunities that arise therefrom. The report details the strategic response of the group to these material issues and the group's governance structures which support the delivery of its strategic objectives. The report provides stakeholders with a greater understanding of the reliance of the group's business model on financial, manufactured, intellectual, human, social and natural capitals. It also sets out the financial and non-financial performance of the group and the impact of the group's operations on these capitals and provides insight into the prospects and future outlook for the group.

The scope of this report includes Hulamin Limited and its subsidiaries, listed on page 8. The report covers the financial reporting period 1 January 2014 to 31 December 2014.

In compiling this integrated report, the following frameworks have been considered:

- International Integrated Reporting Framework, December 2013
- King Report on Corporate Governance (King III)
- JSE Limited Listings Requirements
- Companies Act 71 of 2008, as amended, and the Companies Regulations
- International Financial Reporting Standards

ASSURANCE

The Audit Committee provides an oversight role to this integrated report. The committee has reviewed the completeness and accuracy of this report and is satisfied that the report is an accurate reflection of the group's integrated performance.

Certain elements of this report have been independently assured. This assurance forms part of a combined assurance approach adopted by the group.

MATERIALITY AND COMPARABILITY

Materiality has been applied to qualitative and quantitative disclosures and content of this report. An item is considered material if it could influence the decisions of the group and its stakeholders.

There have been no significant changes to the content and scope of this report from prior years. In attempts to enhance the comparability of information, certain comparative figures may have been restated and these have been noted as such.

FORWARD LOOKING INFORMATION

The report contains some forward looking information regarding the financial and non-financial performance and position of the group. Hulamin believes this forward looking information to be realistic at the time of the issue of the report. These statements include uncertainties, assumptions and risks about future events and circumstances, which may result in actual results differing from those anticipated. Forward looking information has not been independently reviewed by the external auditors.

BOARD APPROVAL

The board acknowledges its responsibility for ensuring the integrity of the integrated annual report and to the best of its knowledge and belief the integrated annual report for 2014 addresses all material issues and presents fairly the integrated performance of the organisation and its impacts. The report has been prepared in line with best practice and the board confirms that it has approved the release of the 2014 integrated annual report.

FEEDBACK FROM OUR STAKEHOLDERS

Hulamin is committed to building stronger stakeholder relationships, which are enhanced through various communications. Stakeholders are encouraged to provide feedback on this integrated report and the type of information you would like to see in future reports to Noma.Kanyile@hulamin.co.za, which will enable the group to gauge the accuracy and standard of its integrated reporting.

Mafika Mkwanazi
Chairman
19 February 2015

David Austin
CFO and acting CEO

ASSURANCE OBTAINED

Content	Assurance providers
Annual financial statements	PricewaterhouseCoopers Inc
Review of internal controls	Ernst & Young Advisory Services (Pty) Ltd
BEE contributor level	AQRate Verification Services
Sustainability report (selected information)	KPMG Services (Pty) Ltd

IR *Our integrated annual report for 2014 is also available online at ir.hulamin.com*

SR *For full sustainability report for 2014 is available online at www.hulamin.com*

THINK
FUTURE
THINK ALUMINIUM
THINK HULAMIN

AN OVERVIEW

KEY PERFORMANCE INDICATORS

FINANCIAL PERFORMANCE INDICATORS

NORMALISED EARNINGS
UP **76%** TO
R355
million

BASIC **HEPS**
INCREASED BY
96% TO
112
cents

POSITIVE CASH FLOW
BEFORE FINANCING ACTIVITIES OF
R183
million

FINAL CASH
DIVIDEND PER SHARE
DECLARED OF
25
cents

CAPITAL EXPENDITURE
INCREASED TO
R335
million

IMPROVED
CONTRIBUTIONS FROM
KEY PRODUCTS
IMPROVED

NON-FINANCIAL PERFORMANCE INDICATORS

RECORD
SAFETY PERFORMANCE

5-YEAR
ROLLING SLAB
DEAL SIGNED WITH
ISIZINDA ALUMINIUM

NEW
NEW B-BBEE
TRANSACTION INCLUDING
EMPLOYEE SHARE OPTION SCHEME

ON TIME
ALUMINIUM
RECYCLING PLANT PROJECT
PROCEEDING ON TIME AND BUDGET

RAMP UP
RAMP UP OF
COMMERCIAL PRODUCTION
OF CAN BODY STOCK

SALIENT FEATURES

		2014	2013
Financial performance			
Revenue	R million	**8 039**	7 560
EBITDA[1]	R million	**660**	527
Operating profit (excluding impairment)	R million	**542**	317
Attributable earnings[2]	R million	**385**	(1 345)
Headline earnings per share	cents	**112**	57
Normalised earnings[8]	R million	**355**	201
Return on equity[3]	%	**9,9**	4,5
Net borrowings to shareholder equity[4]	%	**11,4**	18,0
Net asset value per share	cents	**1 200**	1 066
Current ratio		**3,2**	3,4
Cash flow before financing activities	R million	**183**	135
Capital expenditure	R million	**335**	148
Sales volumes			
Hulamin group sales volumes	'000 tons	**214**	211
Rolled products sales volumes	'000 tons	**196**	190
Economic indicators			
Average Rand/US Dollar exchange rate	R	**10,85**	9,66
Share statistics			
Total shares in issue	million	**319,6**	319,3
Share price (closing)	cents	**810**	515
Market capitalisation	R billion	**2,6**	1,6
Employees			
Total number of employees		**1 920**	1 876
Employee cost to turnover	%	**9,7**	10,1
Skills development spending	R million	**21,8**	14,6
Safety			
Lost time injury frequency rate		**0,08**	0,54
Total recordable frequency case rate		**0,58**	1,00
Social and transformation			
B-BBEE expenditure	R billion	**6,2**	5,4
CSI spend	R million	**2,5**	0,8
Enterprise development spend	R million	**69**	50
Environment			
Carbon emissions intensity[6]	MT CO_2e/MT production	**1,75**	1,85
Energy consumption intensity[7]	GJ/MT production	**11,77**	11,28
Water consumption intensity	Kℓ/MT production	**3,00**	2,82

Notes

1 *Earnings before interest, taxation, depreciation, amortisation and impairment of property, plant and equipment and intangible assets*
2 *Includes R1,53 billion impairment charge, after taxation for the 31 December 2013 financial year*
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 (excluding borrowings)*
6 *Using the Eskom emission factor*
7 *Consumption of LPG and electricity*
8 *Refer to page 121*

Refer to the audited financial statements on page 92 for more information on the financial results and to our reliance and impact on key capitals on page 41.

FIVE-YEAR REVIEW

	2014 R’000	2013 R’000	2012 R’000	2011 R’000	2010 R’000
INCOME STATEMENT					
Revenue	**8 038 918**	7 560 007	6 541 997	6 905 444	5 808 667
EBITDA[1]	**659 988**	527 209	407 573	383 333	411 132
Operating profit/(loss)	**585 133**	(1 805 371)	101 087	169 945	218 233
Net finance costs	**(45 707)**	(63 357)	(62 909)	(61 910)	(116 923)
Share of profits of associates and joint ventures	**–**	–	181	1 187	2 654
Profit/(loss) before tax	**539 426**	(1 868 728)	38 359	109 222	103 964
Taxation	**(154 498)**	523 769	(9 106)	(29 546)	(30 716)
Net profit/(loss) attributable to shareholders	**384 928**	(1 344 959)	29 253	79 676	73 248
Headline earnings attributable to shareholders	**358 355**	183 005	78 921	80 121	74 813
BALANCE SHEET					
Property, plant, equipment, intangibles and investments	**2 756 925**	2 553 218	4 737 134	5 003 167	5 074 879
Retirement benefit asset	**138 854**	161 468	177 179	37 615	73 819
Deferred tax asset	**25 450**	27 815	33 632	21 225	22 102
Current assets	**3 348 149**	2 987 371	2 537 421	2 457 088	2 186 972
Total assets	**6 269 378**	5 729 872	7 485 366	7 519 095	7 357 772
Equity holders’ interest	**3 833 817**	3 402 810	4 747 597	4 669 625	4 609 534
Borrowings: non-current and current	**686 144**	804 482	772 079	828 609	982 836
Deferred tax liability	**477 702**	405 311	962 518	940 205	941 260
Retirement benefit obligations	**236 369**	225 826	233 242	169 740	147 909
Current liabilities (excluding current borrowings)	**1 035 346**	891 443	769 930	910 916	676 233
Total equity and liabilities	**6 269 378**	5 729 872	7 485 366	7 519 095	7 357 772
CASH FLOW					
Net cash inflow/(outflow) from operating activities	**518 046**	282 958	98 392	287 074	(53 732)
Net cash outflow from investing activities	**(335 358)**	(147 666)	(26 045)	(135 090)	(228 010)
Net cash (outflow)/inflow from financing activities	**(124 724)**	27 912	(62 651)	(156 523)	241 768
Net cash increase/(decrease) for the year	**57 964**	163 204	9 696	(4 539)	(39 974)

RATIOS AND STATISTICS

		2014	2013	2012	2011	2010
EARNINGS						
Earnings per share (basic)	(cents)	**120**	(422)	9	25	26
Headline earnings per share (basic)	(cents)	**112**	57	25	25	27
Dividend per share*	(cents)	**25**	–	–	–	–
Dividend cover*	(times)	**4,5**	–	–	–	–
PROFITABILITY						
Operating margin[2]	(%)	**6,7**	4,2	2,8	2,5	3,8
Return on capital employed[3]	(%)	**10,8**	5,5	2,8	2,6	3,4
Return on equity attributable to shareholders[4]	(%)	**9,9**	4,5	1,7	1,7	1,8
FINANCIAL						
Net debt to equity[5]	(%)	**11,4**	18,0	15,6	17,3	20,8
Current ratio[6]		**3,2**	3,4	3,3	2,7	3,2
Liquidity ratio[7]		**1,3**	1,3	1,3	1,3	1,5

DEFINITIONS

1 *Earnings before interest, taxation, depreciation, amortisation and impairment of property, plant and equipment and intangible assets*

2 *Operating profit (excluding impairment of property, plant and equipment and intangible assets) expressed as a percentage of revenue*

3 *Operating profit (excluding impairment of property, plant and equipment and intangible assets) expressed as a percentage of average capital employed*

4 *Headline earnings expressed as a percentage of average equity*

5 *Current and non-current borrowings less cash divided by total equity*

6 *Current assets divided by current liabilities*

7 *Current assets (excluding inventories) divided by current liabilities*

* *No dividends were declared in financial years 2010 to 2013. Dividend cover is calculated based on headline earnings per share*

THE GROUP

Hulamin is a leading, mid-stream aluminium semi-fabricator and fabricator of aluminium products located in Pietermaritzburg, KwaZulu-Natal and Midrand, Gauteng, supported by sales offices in South Africa, Europe and the USA. As the only major aluminium rolling operation in sub-Saharan Africa, Hulamin is one of the largest mineral beneficiating exporters in South Africa, with over 60% of its sales exported to leading manufacturers around the world, focusing on specific product and end-use markets.

Hulamin is committed to the growth of the regional Southern African aluminium industry and making a meaningful contribution to sustainable development in Southern Africa. Hulamin employs over 1 900 people and contributes materially to the sustainability of the local Pietermaritzburg community.

HISTORY

The origin of Hulamin dates back to 1935 when the Aluminium Company of Canada Limited (Alcan) opened a sales office in South Africa, which was followed in 1940 by the registration of the Aluminium Company of South Africa (ALCOSA). During and after World War II, demand for semi-fabricated aluminium developed to the point where an aluminium rolling mill was opened in 1949 at the current Pietermaritzburg site.

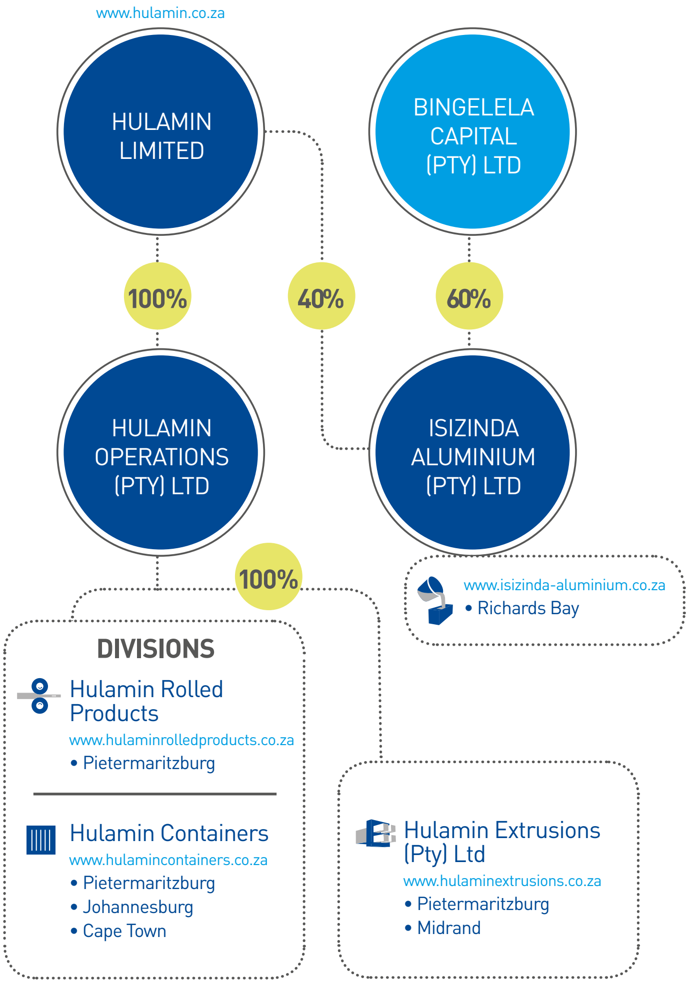
GROWTH

The company has grown and expanded its operations to cover a full range of rolled and extruded aluminium products.

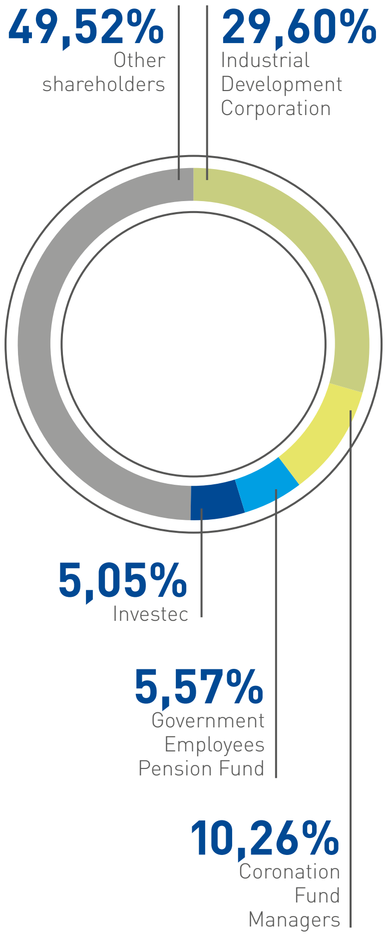
Hulamin operates modern aluminium rolling equipment as a result of its two recent major expansion projects. The first was completed in 2000 at a cost of R2,4 billion and increased annual capacity to 200 000 tons. The second expansion project, at a cost of R950 million and completed in 2010, increased nameplate capacity further and the capability for the production of higher-value products, thin gauge foil and heat-treated plate.

In 2007, Hulamin unbundled from Tongaat Hulett Limited and listed on the main board of the JSE in the Aluminium sub-sector of the Industrial Metals and Mining sector.

HULAMIN GROUP STRUCTURE



SHAREHOLDERS
at 31 December 2014



PRIMARY OPERATING SEGMENTS

The group is organised into two major operating divisions, namely Hulamin Rolled Products and Hulamin Extrusions which offer different core products, and are the basis on which the group reports its primary segment information.

HULAMIN ROLLED PRODUCTS

Semi-fabrication of rolled aluminium products

Principal activities

Hulamin Rolled Products is a modern, globally-competitive producer of a range of technologically sophisticated sheet, coil and plate products. Focusing on high-quality, tight tolerance and complex products, the Rolled Products business provides customers with a unique mix of technical expertise, high technology manufacturing capability and responsive customer service.

The Rolled Products operation, which is based in Pietermaritzburg, KwaZulu-Natal, includes re-melting and recycling facilities, direct chill ingot casting, continuous casters, hot, cold and foil rolling mills and a range of further finishing processing lines.

Key markets

Rolled Products is the only rolling mill in South Africa and supplies customers on all continents, with the majority of its products being exported to customers in North America, Western Europe and the Far and Middle East for use in the packaging, automotive and transportation, engineering, and building and construction markets. Hulamin Containers, a downstream business in the rolled products segment, is South Africa's leading producer of rigid aluminium foil containers for the catering industry and for household use.

Key strategic focus areas

- Operational performance
- Rolling slab and melting ingot supply
- Local market growth and opportunities
- Cost competitiveness
- Secondary melting processing

HULAMIN EXTRUSIONS

Semi-fabrication of extruded aluminium products

Principal activities

Hulamin Extrusions is a leading local supplier of aluminium extrusions. The business operates from two plants, one in Midrand, Gauteng and one in Pietermaritzburg, KwaZulu-Natal, with a sales office in Johannesburg.

Key markets

Hulamin Extrusions supplies the local engineering and architectural markets with a wide range of extruded aluminium profiles in both standard and custom shapes. Hulamin Extrusions also holds a 49% share in Almin Metal Industries Limited, a Zimbabwean extrusion-intensive business.

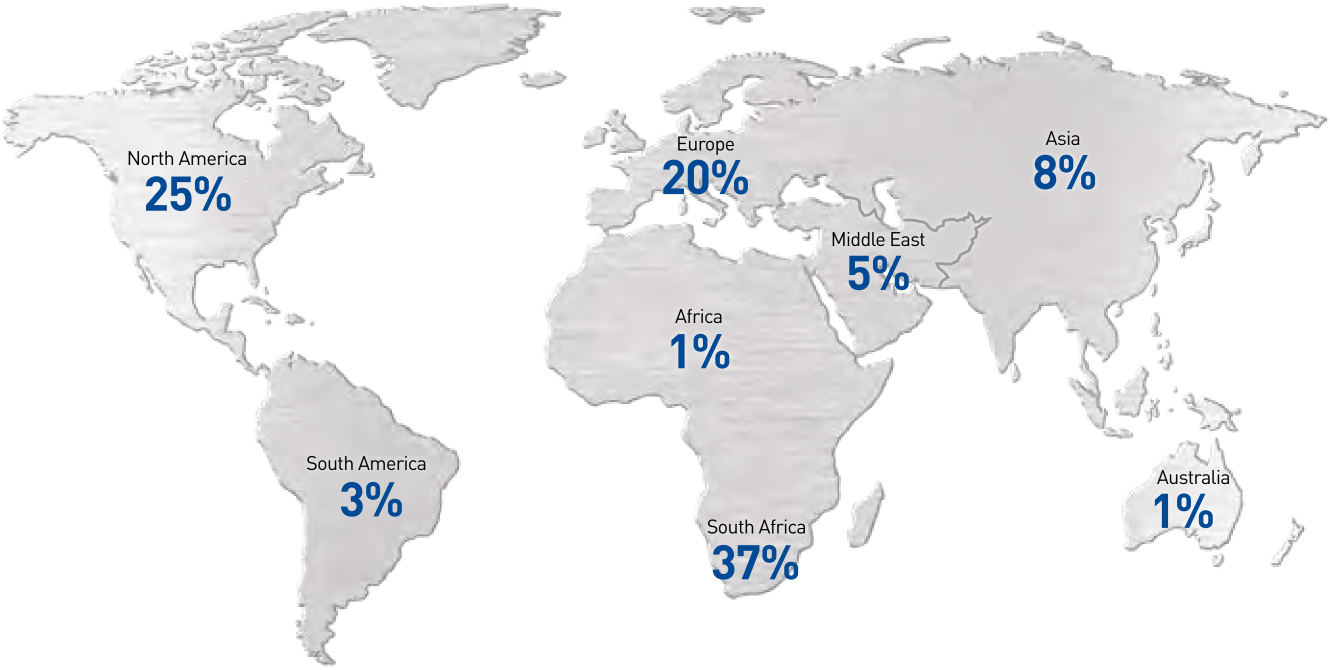
Key strategic focus areas

- Billet supply
- Threat from imports
- Market opportunities
- Cost competitiveness
- Secondary metal supply

R'000	Rolled Products	Extrusions
Revenue	7 288 391	750 527
EBITDA*	599 226	60 762
Normalised earnings	326 625	31 730
Total assets	5 897 340	372 038

* *Earnings before interest, taxation, depreciation and impairment of property, plant and equipment and intangible assets*

GLOBAL REVENUE



CHAIRMAN'S REPORT

Mafika Edmund Mkwanazi

THE ENVIRONMENT IN WHICH WE OPERATE

The headwinds that have buffeted South Africa's manufacturing sector continued in 2014. Demand for South African made goods was impacted by both domestic issues and global factors. These included increased competition from imports, weak mining and construction activity, a decline in the demand for capital equipment, energy supply challenges and labour-related productivity stoppages impacting the effectiveness of supply chains. Hulamin has not been immune to these challenges and I applaud management for continually finding ways to mitigate their impact on the business.

It is important to stimulate South Africa's manufacturing sector, both by levelling the playing fields with appropriate import tariffs and by pursuing economic policies that favour local beneficiation over the export of raw materials. In particular, it is imperative that when we face periods of severe limitations of key resources such as electricity, we ensure that priority is given to locally beneficiated products and job creation.

High-tech industries such as aluminium provide a cradle for the birth of a skilled work force and encourage investment in modern manufacturing equipment. If we do not stem the decline of key industrial capacity we will lose these skills forever and the resultant capacity to compete as a nation.

It is worth noting that after rebasing its economy in early 2014, Nigeria has overtaken South Africa as the largest economy in Africa. However, both South Africa and Nigeria face stiff challenges in providing jobs for their burgeoning populations. This requires strong partnerships between industry and government and we applaud government for the actions it has taken and in particular:

- Introducing legislation aimed at curbing exports of ferrous and non-ferrous scrap which are a key input for some sectors of our industry.
- Having introduced the Manufacturing Competitiveness Enhancement Programme which is an incentive programme aimed at supporting enterprises with competitiveness improvement interventions.
- Continued roll-out of the Customs Modernisation Programme which is under the guidance of SARS' Customs and Excise unit. This programme is aimed at among others strengthening capacity at ports of entry and reducing turnaround times of imported goods.
- Continued efforts to secure favourable access to the USA market for South African made goods through AGOA.

> “High-tech industries such as aluminium provide a cradle for the birth of a skilled workforce and encourage investment in modern manufacturing equipment.
>
> It is important to stimulate South Africa's manufacturing sector, both by levelling the playing fields with appropriate import tariffs and by pursuing economic policies that favour local beneficiation over the export of raw materials.”

SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT

2015 marks a milestone for Hulamin as we will be celebrating 75 years of contributing to community development and South Africa's industrial development and capacity.

Hulamin remains committed to sustainable growth and prosperity recognising the interconnectedness of both. Therefore, maintaining and strengthening good relations with all stakeholders, who include government, the communities we operate in, capital providers and employees remain top priorities. We continue to make good progress in improving our carbon foot print monitoring, recording and reporting among a range of other sustainable improvements. Sustainability is covered extensively in pages 42 to 59 of this report.

AVAILABILITY OF ROLLING SLAB AND EXTRUSION BILLET

Long-term security of local supply of both rolling slab and extrusion billet had been a concern for many years. It was, therefore, pleasing when BHP Billiton announced on 24 November 2014 that Isizinda Aluminium, a consortium comprising Hulamin and Bingelela Capital, had been chosen as the successful bidders for the Bayside Casthouse. We hope that this will be the catalyst for the development of an aluminium hub in the Richards Bay IDZ that will allow local industry to benefit from the Hillside smelter. The details of this transaction are covered in more detail later in the report.

BUSINESS PERFORMANCE

I am glad to report a good set of results for 2014. I am also encouraged by management's efforts and focus on our core competencies and key product streams that are paying off in the form of increased profitability. While the weak Rand has assisted by bringing our cost base more in line with that of our international competitors, producing technically demanding products to global quality standards is something we are very proud of. I would also like to acknowledge the leadership our CFO David Austin who ably steered the business in the absence of CEO Richard Jacob who was on extended sick leave.

CONCLUSION

Hulamin's financial performance improved during 2014 but it is clear that conditions will remain challenging in the future. Nonetheless, the board and I are confident in the strategic direction of the business and look forward to an improved manufacturing performance and resulting benefits for all stakeholders. I would like to thank the board, the executive and employees for their commitment and hard work during the year.

Mafika E Mkwanazi
Chairman

19 February 2015

EXECUTIVE REPORT

David Alan Austin

> “Global markets for beneficiated aluminium products are growing and despite fierce competition, prices in niches in which we specialise are stable.”

PERFORMANCE AND STRATEGIC POSITIONING

Hulamin reported record profits for 2014 with normalised earnings up 76% at R355 million. Another landmark achievement was our safety performance with only two LTIs (lost time injuries) taking place during the year.

The strong growth in profits came from an increase in Dollar conversion margins, selling price less cost of metal, coupled with a weaker Rand/Dollar exchange rate and an overall 1,6% growth in volumes. Expenses were well contained assisted by a general fall in global freight rates.

GLOBAL TRADING ENVIRONMENT

There are clearly distinct markets for aluminium rolled products, extruded products and castings. Hulamin manufactures and sells rolled products and extruded products both of which are classified as semi-manufactured since they fall midstream between unbenefitiated aluminium and final end user products.

The total global market for rolled products was about 23 million tons in 2014 with the extrusion market of a similar size. CRU forecasts world consumption of rolled products to be growing at 5% per annum. Foil and packaging, each comprising around 25% of end user markets, are the largest individual sectors but transport is the fastest growing due to the rapid adoption of aluminium body sheet in the auto industry. Regionally, Asia is the largest market with China on its own making up around one third of global consumption.

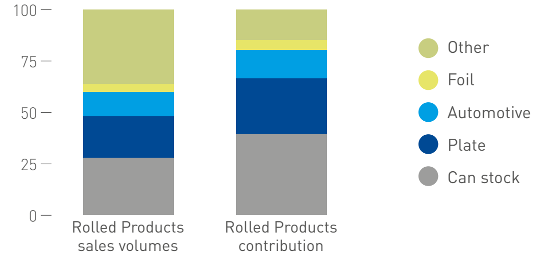
Globally, capacity utilisation is currently at 70% for rolled products but growth in capacity is forecast to be slightly faster than growth in consumption. Substantial new capacity is being installed in China and the Middle East and this will place pressure on conversion margins, particularly for standard commodity type products. There is a wide divergence in the conversion price of different rolled products ranging from $500 per ton for certain commodity type products to over $3 000 per ton for aerospace type products. Supply/demand patterns also differ from region to region leading to significant price differentials between markets.

SALES PERFORMANCE

Group revenue grew by 6,3% in 2014 to just over R8 billion. Sales volumes increased by 1,6% to 214 000 tons. Rolled products volumes increased by 3% from 190 000 tons to 196 000 tons with 70% being exports. Extruded products are only sold into the South African market and sales volumes of these products decreased by 13% as imports continued to increase their market share in difficult conditions.

Our sales by region is shown on page 9 and the proportionate contribution by major product stream to profit is detailed in the graph below. We increased our focus on our core product streams and just three streams, beverage can stock, plate and automotive products accounted for 81% of our total contribution from rolled products. However, these same three streams only accounted for 60% of our total sales volumes.

Rolled Products sales volumes versus contribution (%)



Sales in our home base, South Africa, increased from 35% to 37% of total volume. GDP growth in SA was only 1,5% in 2014, down from the 2,3% recorded in 2013. The impact of the economic slowdown was compounded by the continued rise of imports and, as stated above, sales of extruded products fell 13%. Sales of rolled products were boosted by our commencement of supply of can body stock into the local market.

Automotive is our largest local product stream and we supply the local automotive market with both finstock and tubestock for use in heat exchangers as well as extruded material for suspension components. Many of the vehicles in which these products are used by leading OEMs are subsequently exported.

Beverage can products are our core business and comprised 39% of total contribution, up from 38% in the previous year. We supply can end to the local market and are also qualified suppliers to all the major global can makers. We export approximately 80% of the can end we produce. The recent conversion of the South African beverage can market from tin body stock to aluminium body stock provides a wonderful local growth opportunity and we supplied 5 500 tons of can body stock (CBS) to Nampak in 2014. We expect this product stream to grow rapidly in the local market in the future.

Plate products, including heat treatable plate, accounted for 28% of total contribution. Local market sales include tanker plate for use in petrol tankers whilst most of our heat treatable plate is exported to the USA. Heat treatable plate is a high value product, similar to aerospace products, and we were pleased to renew our supply contract with Tesla Motors North America. North America is our second largest market after South Africa and 25% of our sales, were to North America in 2014. These sales included significant sales of distributor commodity type products.

Europe is a key market for us and conditions were stable but competitive. Can end sales were satisfactory and we continue to seek growth in these markets. During the year we exited a number of unprofitable product streams and in total, revenue into Europe remained at 20% of total sales.

Sales in Asia fell from 11% to 8% of total revenue and conditions in these markets are very difficult with prices falling in an oversupplied market. As a result we exited a number of unprofitable contracts and were able to reposition some business from Asia to Australia.

In line with our focus on the key product streams, sales of commodity products declined year on year.

OPERATIONAL PERFORMANCE

Overall, our manufacturing performance fell short of expectations in 2014. Total rolled products production amounted to 194 000 with an aggregate recovery or yield of 65% against a target of 67%. Whilst our focus on high value product streams was expected to reduce total production volumes, the reduction was greater than anticipated.

Far and away our best performing product stream in 2014 was the plate plant which operated at 103% of capacity achieving consistently good recoveries and excellent on time delivery performance (OTD).

Plant performance for our largest stream, can end and tab, was variable and recoveries were below target. Quality and OTD were adversely affected by problems on the coating line due to technical difficulties with a particular coating agent and the impact of a significant headcount reduction in this area as part of the 2013 right sizing exercise. An alternative coating agent is now in use and key skills have been added. The ramp up to full commercial production of can body stock (CBS) commenced in the second half of the year and was very successful. Can end and can body share a number of production facilities and processes and the additional effort needed to launch can body placed further pressure on can end resources during this period. The can body stock stream is now stable and an improved performance is expected from both can end and can body in 2015.

Production of automotive products was generally stable with good recoveries and OTD. A surface contamination issue arose at the end of the year which resulted in quality claims and a deterioration in OTD performance. The problem has been corrected and delivery performance is now back on schedule.

Performance of the foil stream remained disappointing. Other commodity products are manufactured both to dispose of process scrap from key products and also to make use of spare capacity when available. In general, production in this area met expectations.

Construction of our new R300 million aluminium recycling plant commenced during the year and is proceeding on budget and on time. The furnaces will be tested in May 2015 and then production will start to ramp up in the third quarter of 2015. Total capacity of the new facility is 50 000 tons and it will handle light gauge plant and customer process scrap as well as used beverage cans (UBCs). The plant will provide us with metal units at a considerable energy and cost saving as compared to freshly smelted remelt ingot (pig). This will also provide a source of income to numerous collectors or pickers who may otherwise have had no income. Aluminium scrap is one of the most valuable scrap products available in SA which will encourage a high rate of recycling. Aluminium is infinitely recyclable and in some parts of the world recycling rates for UBCs are above 90%. Hulamin is actively engaging with all relevant parties to promote recycling in South Africa.

FINANCIAL PERFORMANCE

Hulamin reported an attributable loss of R1,3 billion in the prior year, 2013. The loss arose from an impairment charge of R2,1 billion that recognised that the carrying value of property plant and equipment was higher than its anticipated future value in use or fair value. Headline earnings which exclude impairments amounted to R183 million in that year.

In 2014, Hulamin reported record earnings whatever the measurement basis applied. Normalised earnings of R355 million increased by 76% over those of 2013 with headline earnings per share of 112 cents up from 57 cents in the previous year. We emphasise normalised earnings as a performance indicator since it excludes non-recurring type gains and losses such as those arising from the sale of capital assets and the conversion of the retirement benefit fund. The determination of normalised earnings is shown in note 22.

Rand turnover increased by 6,3% to R8 billion. Turnover includes metal sold and is affected by LME, geographic premium and product mix. The small increase in overall volumes and a weakening in the average rand dollar exchange rate impacted favourably.

Expenses were generally well contained with freight costs down in dollar terms following a sharp fall in freight rates across most markets. Operating profit (EBIT) amounted to R585 in 2014. Interest costs fell from R63 million to R46 million despite higher interest rates due to a fall in net borrowings. The effective tax rate was 28,6% and with assessed loses now fully utilised cash tax payment will resume.

EXECUTIVE REPORT | CONTINUED

The balance sheet is strong with a net debt equity ratio of only 11,4%, well below the 18,0% of the previous year. The net asset value is R12,00 per share and although the share price has subsequently risen to levels around R9, this is still well below underlying NAV.

Operating cash flow before working capital rose by R103 million to R597 million. Working capital increases required R79 million of this amount, significantly less than the R211 million required in 2013. Although in rand terms inventory increased by 8% to R2 billion, the actual quantity of material on hand fell from 67 000 tons to 60 000 tons. Our target is to maintain inventory under 50 000 tons but this will only be possible once plant variability is eliminated. EBITDA to sales increased from 7,0% to 8,2%.

Capital expenditure increased significantly from R148 million in the previous year to R335 million in the current year. The aluminium recycling plant and other projects amounted to R92 million with the bulk of the expenditure being spent on ensuring that our plant is maintained to the highest standards thereby improving overall reliability. We spent R16 million on improving shop floor safety in 2014 and similar amounts are budgeted for 2015 and 2016.

R118 million of the residual was utilised to repay loans and net borrowings, loans less cash, fell from R612 million in 2013 to R437 million at the year end. We have concluded a new five year R270 million loan facility with Nedbank to finance the R300 million aluminium recycling plant we are currently building. The recycling plant, which will lower energy consumption and provide new jobs, has been financed through Nedbank's "Fairshare 2030"programme.

Given the strong results and cash flows the board decided to resume payment of dividends to shareholders. Hulamin intends to follow a policy of distributing one third of earnings each year by way of dividends to be paid one third as an interim dividend and two-thirds as a final dividend.

ISIZINDA "THE HUB"

In 2009, BHP Billiton announced that they would close their downstream aluminium casthouse at Bayside and would in future concentrate on the production of basic melting ingot at their Hillside smelter. This was to be a phased process with rod casting already having ceased, billet terminated in September 2009 and slab scheduled to halt in June 2012. Hulamin has, for many years, relied on BHP Billiton for the supply of 100 000 tons of rolling slab, representing approximately one-third of total requirements.

BHP Billiton did not close Bayside in 2012 but kept producing slab while also seeking an acceptable solution for key stakeholders. In November 2014, we announced that Hulamin has entered into a strategic partnership with the Bingelela consortium to form Isizinda Aluminium, a black empowered company that will acquire the Bayside casthouse from BHP Billiton, subject to Competition Commission approvals. Hulamin will hold a minority stake in Isizinda Aluminium and Isizinda will supply Hulamin with rolling slab for at least the next five years.

The transaction has tremendous positive implications for the downstream aluminium industry and discussions are already taking place around the possibility of restarting the casting of both billet and rod.

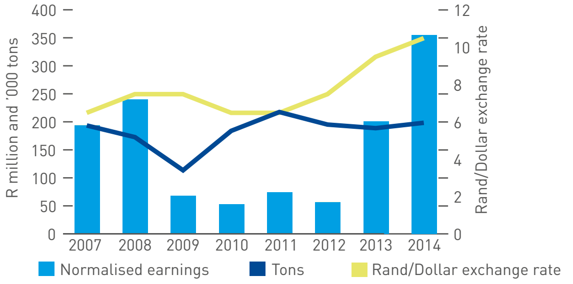
THE ROAD AHEAD

Record earnings in 2014 is just one of many landmarks in the Hulamin story and before extrapolating forwards it may be useful to reflect on how we got here.

Hulamin underwent a fundamental change in 2 000 when it increased nominal rolling capacity from 50 000 tons to 200 000 tons. A mill of such size would always be heavily focused on exports given the local market requirements for rolled products of only 50 000 tons at that time. However, as South Africa was generally regarded as a low cost jurisdiction, exports would be able to compete well in global markets.

In June 2007, Hulamin was listed on the Johannesburg Stock Exchange as part of the unbundling of Tongaat Hulett. The graph below plots normalised earnings from 2007 to 2014 as bars. On the same chart two line graphs have been added, one showing the tons of rolled products sold in each of the years and the other the average Rand/Dollar exchange rate that prevailed. It is readily apparent that there has been little correlation between volume and profit over the eight year period. It is equally apparent that there has been a strong correlation between the Rand/Dollar exchange rate and profit. A R950 million capacity expansion programme came on stream in 2009 and was expected to add substantial foil capacity. However, for a number of reasons this additional capacity did not result in improved profitability in the ensuing years.

Normalised earnings versus sales tons versus exchange rate



There is no doubt that the Rand inflation rate in South Africa has exceeded that of the first world economies and appears set to continue to do so. Energy costs, once low by global standards, have risen sharply and, in particular, the cost of the LPG gas we use for heating and melting is considerably more expensive than the gas available in, for example, North America. Economic theory suggests that over the long term, interest and inflation rate differentials between countries will be countered by changes in currency exchange rates. Looking at the same graph the exchange rate has declined over the period but it does not do so uniformly. Consequently, profits in 2010 were negatively impacted by a Rand/Dollar exchange rate that was, on average, stronger in 2010 than it was in 2009.

The global market place is in a constant state of flux. The rise in Chinese rolled products consumption, which now comprises more than a third of the global total, coupled with a massive investment in production capacity over the last ten years, has created some fundamental changes. Other BRIC nations such as Brazil and India have also invested heavily in their aluminium industries and major smelting and rolling capacity is currently being brought on line in the Middle East to take advantage of low energy costs. These changes in market dynamics coupled with long logistics chains to our export destinations, render our commodity product exports at best, only marginally profitable.

The large divergence in prices between commodity products and high value products was discussed earlier. Hulamin has developed core competencies in some of these high value products and, in particular, in the manufacture of heat treatable plate and coated can end stock. We are qualified suppliers to most of the global can makers including Rexam, Ball, Canpak and Crown and also supply Nampak locally. The demanding specifications required in making these products provide barriers to entry and concentrating on these niche products will provide far greater profit opportunities.

The fast growing SA beverage can market provides an opportunity not only to shorten logistics chains but also to narrow our product range and lengthen production runs. In the future, certain of our mills will be focused almost exclusively on beverage can products and this will allow for better recoveries.

In order to successfully sell technically demanding products into first world markets one has to meet and sustain first world standards. This presents a major challenge and one which can only be successfully met by continuing to invest heavily in training and developing our workforce. Leadership on the shop floor is an area we have identified that can, if properly developed, hugely benefit both quality and recoveries.

For a number of years considerable uncertainty has existed around the future supply of rolling slab and other metal units to Hulamin. The Isizinda Hub, discussed elsewhere in this report, will help mitigate these risks and, by creating a larger downstream value-added local aluminium industrial hub, will also strengthen the case for a local smelter in an electricity constrained country. Our new R300 million aluminium recycling plant will also help address these concerns.

South Africa is one of the few countries in the world with a local rolling industry that does not impose duties on imported products. The rapid growth in installed global rolling capacity means that many producers will seek to unload excess production at uneconomic prices into unprotected foreign markets so as to maintain higher prices in their own markets. Hulamin has lodged an application with ITAC for duty protection and, we anticipate the investigation phase of the adjudication to commence shortly. If the application is unsuccessful and if low priced imported products dominate, this may place our recycling investment at risk since the recycled metal only has value to the extent it can be resold as beverage can products at competitive prices.

South African manufacturers face many infrastructure related challenges not least of which is electricity. It is very encouraging to hear that Government intends taking serious action to address key issues and their success in this area will impact heavily on the future success of all local industry.

NEW B-BBEE TRANSACTION AND ESOP

When Hulamin listed in 2007 it created an empowerment structure and an employee share ownership plan. However, as the Hulamin share price fell substantially after listing, neither scheme vested significantly.

In line with our Hulamin values and strategic objective of maintaining a level 4 or better contributor rating under the recently implemented new BEE Codes, we will ask shareholders to approve a new B-BBEE transaction, including an employee share ownership scheme (ESOP), at the annual general meeting in April 2015.

A circular providing full details of the planned transactions will be sent to shareholders and published in March.

APPRECIATION

Hulamin has a lot of very impressive plant and equipment. However, the success of our business is not determined by our machines but by our people. Thank you all for a great team effort in 2014 and I know we can count on you for an even better performance in 2015. In particular, I would like to thank my Exco colleagues for their help and support without which I would not have been able to also fill the role of acting CEO in the second half of the year during Richard Jacob's medical leave of absence.

We have commenced an employee climate survey with the help of Deloitte and Talent Map and the findings will be shared transparently with employees. Whilst we cannot promise to resolve all concerns raised, we can promise to take them seriously.

We will ask shareholders to approve a new Employee Share Ownership Scheme (ESOP) at the forthcoming AGM and, if approved, this will give all employees a direct financial interest in the performance of Hulamin.

75TH ANNIVERSARY

Hulamin celebrates seventy five years of operations at our Edendale site in Pietermaritzburg this year. Over this time we have played an important role in the lives of our many employees, their families and communities. We have always sort to abide by our core values of mutual respect, honesty, integrity and teamwork and we were an enlightened employer long before it was legally required or even fashionable.

PROSPECTS

Global markets for beneficiated aluminium products are growing and despite fierce competition, prices in the niches in which we specialise are stable. Local market prices will be influenced by the level of imports and particularly those products that are sold into the South African market at prices lower than that in the exporter's home market.

We will continue to focus on our core competencies and product streams in 2015. Our efforts to simplify the business and establish clear accountability will improve manufacturing performance and in particular, production recoveries. Significant changes in the rand dollar rate of exchange will continue to impact directly on profitability.

Load shedding will have a fundamental impact on the entire South African economy in 2015. Hulamin is currently cutting back 10% of its electricity consumption in terms of an agreement with both the Msunduzi Municipality and Eskom. Power disruptions in January and February had a substantial impact on production and the reality is that Hulamin will lose at least 10% of production and profits if power disruptions continue.

Richard Jacob has made an excellent recovery following an extended medical leave of absence and will resume his post as CEO on 1 March 2015.

D A Austin

David A Austin
CFO and acting CEO

19 February 2015

THINK

FUTURE

THINK ALUMINIUM

THINK **HULAMIN**

THE BUSINESS

THE WORLD OF ALUMINIUM

BAUXITE MINING AND ALUMINA PRODUCTION

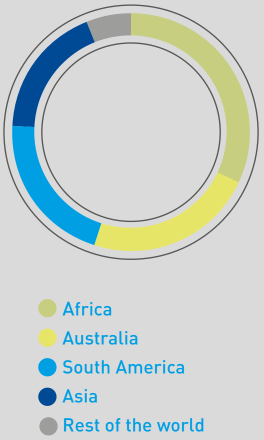
Bauxite mining

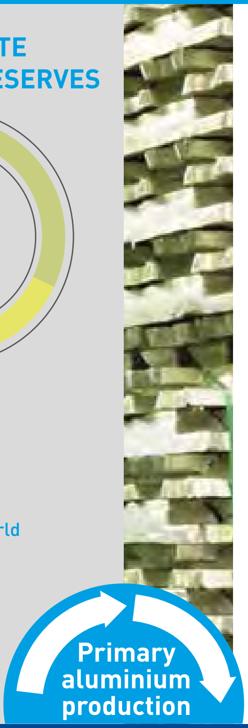
Aluminium production starts with raw material bauxite. Bauxite is a mineral found mostly in a belt around the equator. Bauxite, containing 15 to 25% aluminium, is the only ore that is used for commercial extraction of aluminium today. Global estimated bauxite resources are estimated to be 55 to 75 billion tons and at the current rate of extraction, these reserves will last 250 to 340 years.

Alumina production

Aluminium oxide (alumina) is extracted from bauxite in a refinery. Alumina is then used to produce primary aluminium.

GLOBAL BAUXITE RESOURCES RESERVES



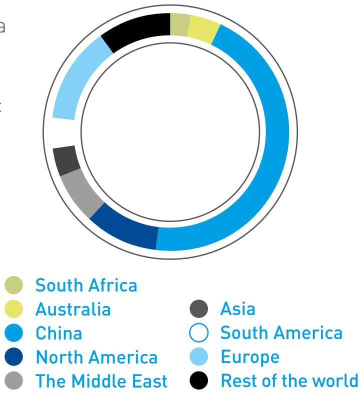


PRIMARY ALUMINIUM PRODUCTION

The production of primary aluminium takes place in large production lines. In the smelting process alumina is refined into aluminium. The aluminium atom in alumina is bonded to oxygen. These bonds have to be broken by electrolysis to produce aluminium metal. Alumina is transported into pots (large containers) and is dissolved in an electrolytic bath. Liquid aluminium is drawn from the cells using specialised vehicles and is cast into ingots and billets for further processing.

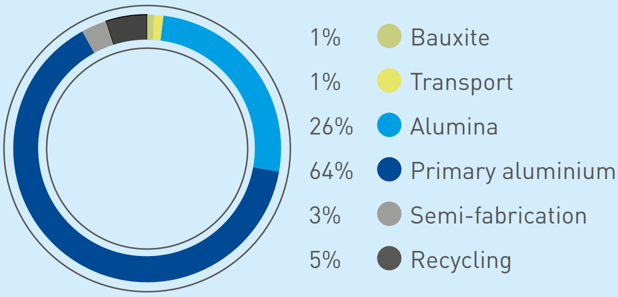
Aluminium is a global commodity traded on the London Metal Exchange (LME). The price moves according to global supply and demand.

WORLD PRODUCTION OF PRIMARY ALUMINIUM AT SMELTERS IN 2013



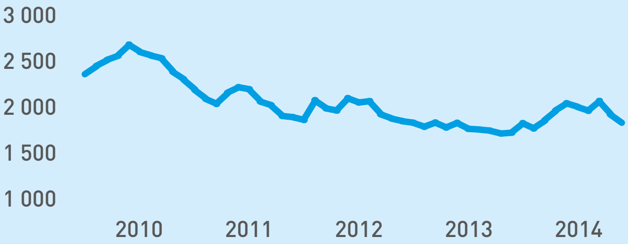
THE WORLD'S STOCK OF ALUMINIUM IN USE IS LIKE A RESOURCE BANK. AROUND 75% OF ALUMINIUM EVER PRODUCED IS STILL IN USE, AND SOME OF IT HAS BEEN THROUGH COUNTLESS RECYCLE LOOPS

CO_2 EMISSIONS IN THE PRODUCTION OF ALUMINIUM PROCESS



PRIMARY ALUMINIUM PRICE PER THE LME

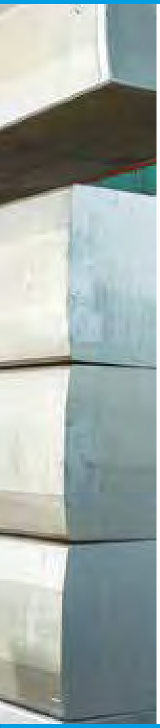
($ PER TON)



ABOUT 7% OF THE EARTH'S CRUST IS ALUMINIUM, MAKING IT THE THIRD-MOST ABUNDANT ELEMENT AFTER OXYGEN AND SILICON

ONLY 5% OF THE ENERGY REQUIRED TO PRODUCE PRIMARY ALUMINIUM IS NEEDED TO REMELT ALUMINIUM FOR NEW USES

CASTING OF ALUMINIUM VALUE-ADDED PRODUCTS



Aluminium casting

Primary aluminium is alloyed with other elements such as copper, manganese and silicon for additional strength, corrosion resistance and other properties. These are then cast into billets, remelt ingots, slabs, rods and other castings for further processing.

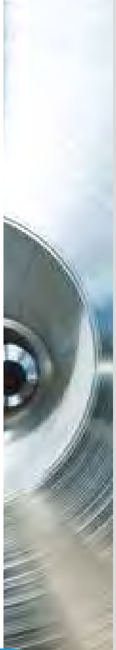
Billet

These log-shaped castings are produced in various diameters and lengths using a vertical direct chill process. They are used for producing extrusions, also known as profiles, that find major end use in construction, industrial and transportation purposes, as well as for forging purposes in automotive industries.

Slab

These cuboid shaped ingots are the input to the rolling process and are produced using a similar technique to billet. Slab is used to produce rolled aluminium products.

SEMI-FABRICATION OF ALUMINIUM



Extruding

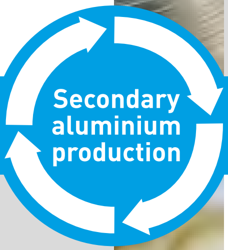
Aluminium can be extruded and shaped into a variety of tubes and profiles. Aluminium billets are heated to 500 degrees Celsius and pressed through shaping tools, to make profiles and various products.

Foundry casting

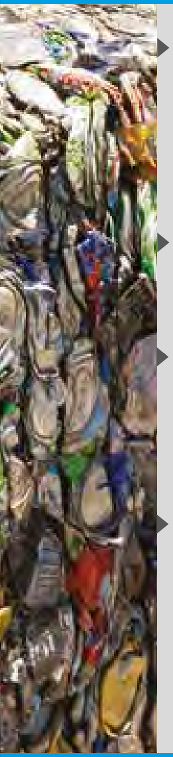
The properties of aluminium change when small quantities of other metals are added to produce aluminium alloys. These can give greater strength, brilliance, corrosion resistance and ductility, all depending on what the metal is to be used for. And they can make aluminium easier to form into an endless variety of products.

Rolling

Aluminium can be processed in a cold and hot condition. Aluminium is a ductile material. It can be rolled from 60 cm to 2 to 6 mm. Final foil products can be as thin as 0,006 mm and still be completely impermeable to light, aroma or taste. The metal itself forms a protective oxide coating and is highly corrosion resistant. Various types of surface treatment can further improve these properties.

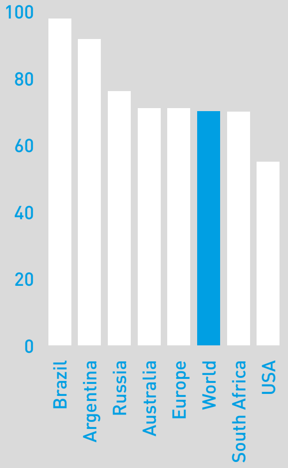


RECYCLING

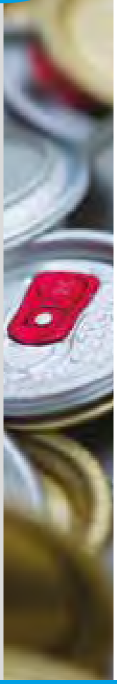


- Aluminium is one of the most environmentally friendly metals in terms of how it is produced and applied. It can be easily recycled, while keeping its distinctive properties.
- Aluminium can be endlessly recycled without loss in quality (secondary aluminium production).
- Only 5% of the energy required to produce primary aluminium is needed to remelt aluminium for new uses (secondary aluminium production).
- The world's stock of aluminium in use is like a resource bank. Around 75% of aluminium ever produced is still in use, and some of it has been through countless recycle loops.

USED BEVEREAGE CAN RECYCLING RATE



MANUFACTURING AND USE

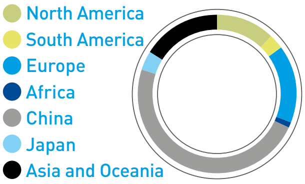


Aluminium fabricated products are used throughout the world and throughout many different sectors.

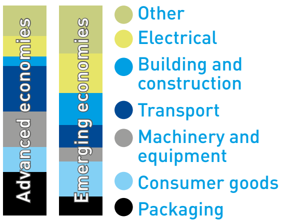
In developed countries the demand for aluminium comes mostly from the rapidly growing transport industry, which is driven by an expanding auto market. Mature countries traditionally use more aluminium in the light vehicles production. Due to the lightness, aluminium makes cars more energy efficient.

Developing countries are expanding their food and infrastructure to satisfy the needs of a growing population, migrating to large cities. Therefore, the packaging and construction sector represents the biggest consumer of aluminium across developing countries.

GLOBAL CONSUMPTION OF ALUMINIUM PRODUCTS IN 2013

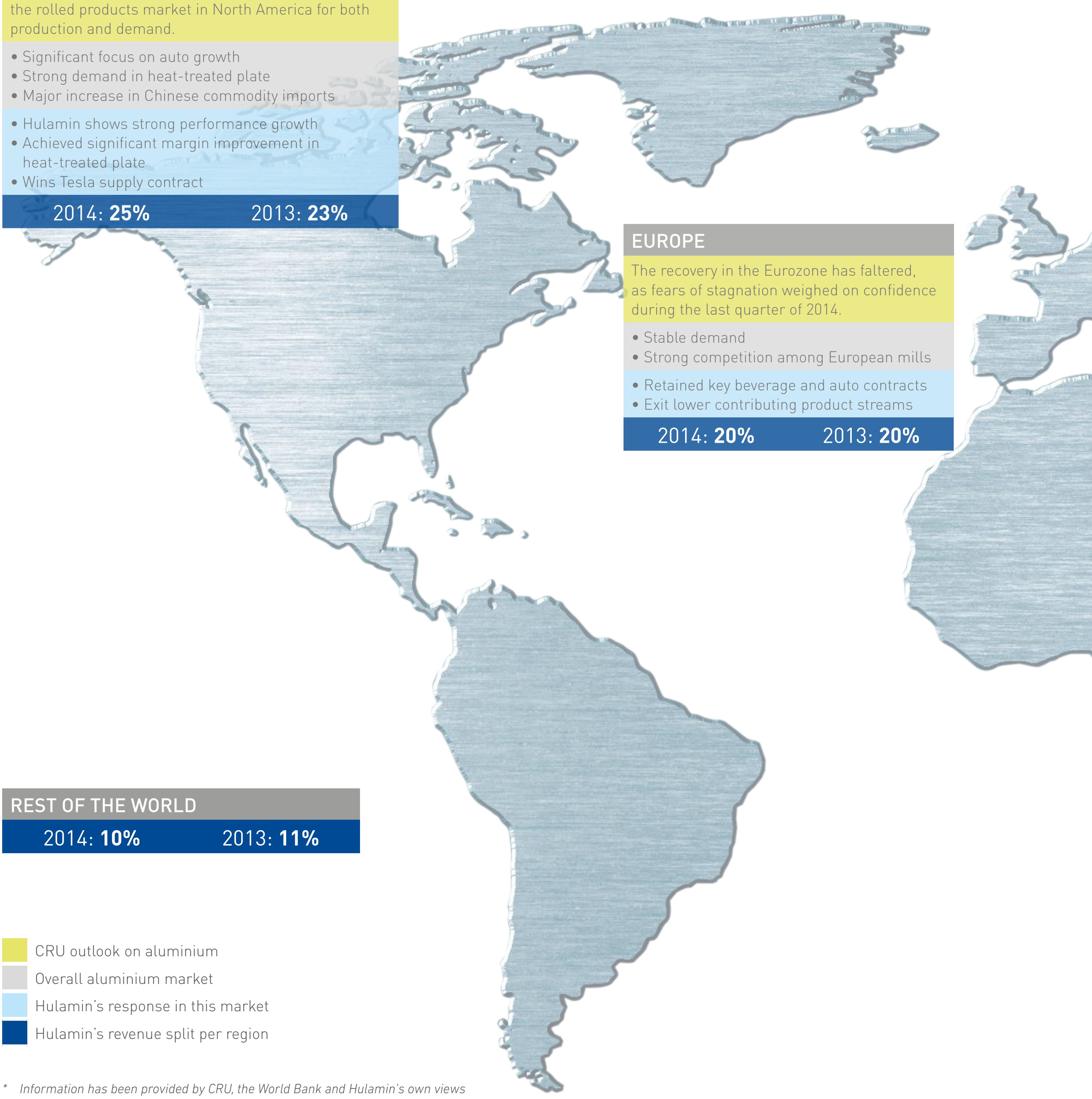


GLOBAL CONSUMPTION OF PRIMARY AND SECONDARY ALUMINIUM 2013



HULAMIN AND GLOBAL ALUMINIUM MARKETS

Hulamin is a leading mid-stream aluminium semi-fabricator and fabricator that exports in excess of 60% of its product throughout the world. Global economic factors, together with changes in the supply and demand of aluminium-based products, affect our strategy and regional focus areas.



NORTH AMERICA

The automotive sector remains the key growth story for the rolled products market in North America for both production and demand.

- Significant focus on auto growth
- Strong demand in heat-treated plate
- Major increase in Chinese commodity imports

- Hulamin shows strong performance growth
- Achieved significant margin improvement in heat-treated plate
- Wins Tesla supply contract

2014: **25%** 2013: **23%**

EUROPE

The recovery in the Eurozone has faltered, as fears of stagnation weighed on confidence during the last quarter of 2014.

- Stable demand
- Strong competition among European mills

- Retained key beverage and auto contracts
- Exit lower contributing product streams

2014: **20%** 2013: **20%**

REST OF THE WORLD

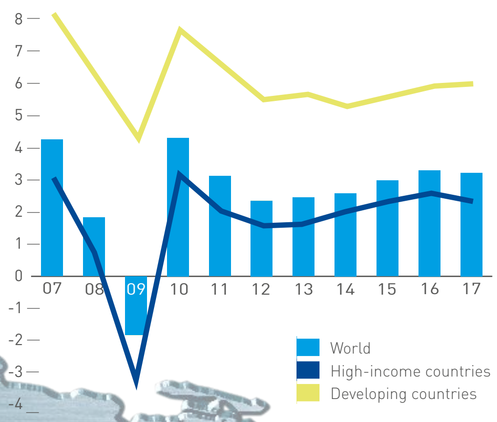
2014: **10%** 2013: **11%**

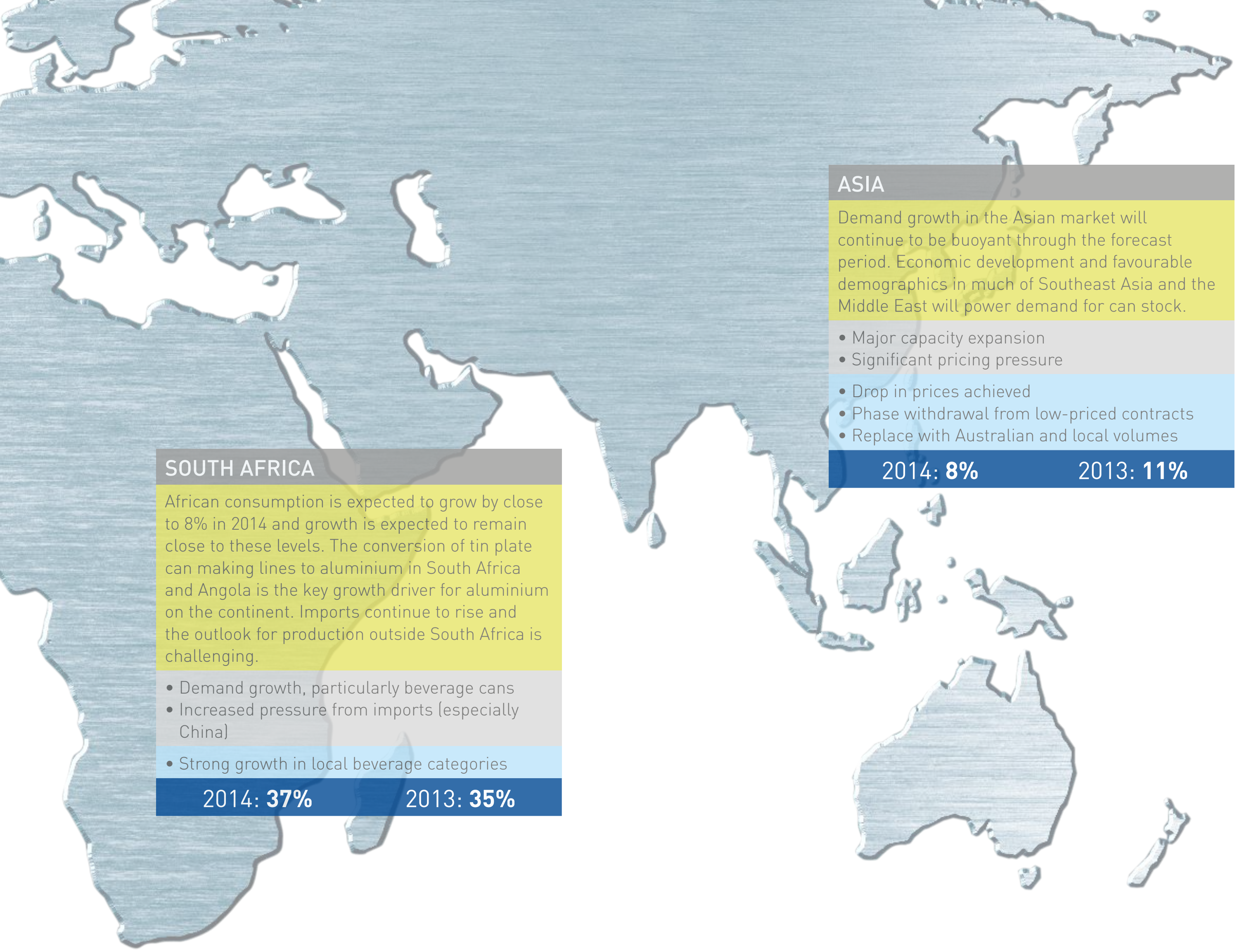
🟨 CRU outlook on aluminium
⬜ Overall aluminium market
🟦 Hulamin's response in this market
■ Hulamin's revenue split per region

* *Information has been provided by CRU, the World Bank and Hulamin's own views*

The world economy is still struggling to gain momentum as many high-income countries continue to grapple with the legacies of the global financial crisis. The recovery in high-income economies has been uneven, as some (the United States and the United Kingdom) have exceeded pre-crisis output peaks, but others (the Euro Area) are still below earlier peaks. Middle-income economies have also been less dynamic than in the past for cyclical reasons, but also due to a structural slowdown. Low-income countries continue to grow at a robust pace, despite a challenging global environment. The key features of the lackluster global recovery have been accommodative monetary policies, falling commodity prices, and weak trade. These are expected to persist, although financial conditions are projected to tighten gradually. Risks to this fragile recovery are significant and tilted to the downside. The key policy challenge for developing countries is to adjust monetary and fiscal policies to changing cyclical conditions while addressing headwinds to long-term growth by implementing structural reforms.

Global economic growth rates (%)





ASIA

Demand growth in the Asian market will continue to be buoyant through the forecast period. Economic development and favourable demographics in much of Southeast Asia and the Middle East will power demand for can stock.

- Major capacity expansion
- Significant pricing pressure

- Drop in prices achieved
- Phase withdrawal from low-priced contracts
- Replace with Australian and local volumes

2014: **8%** 2013: **11%**

SOUTH AFRICA

African consumption is expected to grow by close to 8% in 2014 and growth is expected to remain close to these levels. The conversion of tin plate can making lines to aluminium in South Africa and Angola is the key growth driver for aluminium on the continent. Imports continue to rise and the outlook for production outside South Africa is challenging.

- Demand growth, particularly beverage cans
- Increased pressure from imports (especially China)

- Strong growth in local beverage categories

2014: **37%** 2013: **35%**

THE ROLE OF HULAMIN AND ALUMINIUM IN SOUTH AFRICA

Aluminium is a driver of industrialisation, an enabler of innovation and a sustainable metal which is infinitely recyclable.

SOUTH AFRICA'S ECONOMIC VISION

- **Job creation (downstream fabrication development, recycling, mid-stream growth)**
- **Balance national accounts (export fabricated aluminium products rather than primary aluminium)**
- **Manage carbon footprint through aluminium's energy bank properties**
- **Environmental sustainability**
- **Growth in local downstream fabrication**
- **Transformation of the economy**
- **Achieve National Development Plan (NDP)/IPAP goals**
- **Human capital development**
- **Improve South African competitiveness**
- **Promote technology development**
- **Industry success/world-class aluminium supply package**
- **Investment opportunities**

THE ROLE OF ALUMINIUM IN AN EMERGING ECONOMY LIKE SOUTH AFRICA

DRIVER OF ECONOMIC GROWTH AND CONTRIBUTOR TO NATIONAL ACCOUNTS

- Aluminium has a broad industry demand and can act as a catalyst for investment in a wide range of manufacturing applications
- As more aluminium is sold into the local economy, more aluminium can be recycled and reused. This stimulates investments in low-carbon recycling projects

ENERGY BANK

- Aluminium smelters are a substantial base load customer of Eskom and a beneficiator of the country's abundant coal reserves.
- As local demand and supply of aluminium increases, more aluminium will be able to be recycled and reused, thereby placing less demand on the country's electricity resources
- Aluminium is infinitely recyclable, with little loss and degradation, and the recycling of aluminium has a very low energy footprint
- The use of aluminium promotes a reduction of carbon

KEY INPUT FOR FABRICATION

- Aluminium is a key input in a wide variety of industries and product applications
- A strong local supply industry will therefore facilitate investment in downstream fabrication as the region expands, thereby continuing to improve the competitiveness of South Africa and the region

SOURCE OF LIVELIHOOD

- Employment and subsistence (informal – scrap collection and formal)
- Entrepreneurship (strong aluminium supply industry supports the growth of new downstream businesses)

VEHICLE FOR TECHNOLOGICAL INNOVATION

- Aluminium has advantageous physical properties which are aligned with technological innovation
- Supports the development of endless applications

LEADER IN RECYCLING

- Major purchaser of scrap
- Reduce aluminium industry energy usage (closed-loop)
- Reduce aluminium industry carbon footprint
- Catalyst for the development of other recycling industries

Hulamin is the vehicle by which primary aluminium can be channelled into the downstream industry locally and regionally to be used in a broad range of product applications.

HULAMIN'S ROLE IN DEVELOPING THE LOCAL ECONOMY

CREATOR OF ECONOMIC VALUE AND HUMAN CAPITAL DEVELOPER

- We contribute to national current accounts through the exportation of semi-fabricated aluminium
- A provider of employment, mentor and develop SMMEs
- We support and promote investment in downstream fabrication industries in South Africa
- We procure the majority of our goods and services from local markets

LEADER IN SOUTH AFRICAN ALUMINIUM VALUE CHAIN

- We are the largest supplier of aluminium raw materials to the South African manufacturing industry
- Promoter of the development and innovation of aluminium technology and use
- Being a strategic asset to South Africa we assist to promote and drive foreign direct investment in downstream manufacturing
- Our world-class asset base and knowledge unlocks the properties inherent in primary aluminium for use in a variety of industries and product applications
- Aluminium is 100% recyclable – we are a leader in recycling
- We promote the use of aluminium in the local economy

REGIONAL SOCIAL PARTNER/STABILISER

- We are committed to transformation/B-BBEE
- We support our economy in procuring the majority of our goods and services locally
- Social investment is key to the upliftment of our communities
- We are a major regional employer

EXPORT MANUFACTURER

- We are an earner of foreign currency and support the national current account

PREFERRED SUPPLIER OF ALUMINIUM MANUFACTURING INPUTS

- We are committed to supplying quality goods locally and internationally
- The development of aluminium products supports downstream industries – an enabler of economic growth

MAJOR PARTNER IN METALS SEMI-FABRICATION

- Technology – developer and partner in government support programmes
- A partner of government and other industry players to support the NDP vision

LEADER IN MANUFACTURING EXCELLENCE

- Developer and provider of skilled people
- Benchmark in metals processing

POSITIVE COUNTER TO ALUMINIUM SMELTING CARBON FOOTPRINT

- Stimulator of aluminium usage
- Leader in metals recycling in local economy

THE VISION OF HULAMIN AND OUR RESPONSE TO DEVELOPING THE SOUTH AFRICAN ECONOMY

- **Obtain low-cost, sustainable metal supply from smelters and aluminium scrap**
- **Increase local/regional sales**
- **Develop a focused product range – packaging, automotive and infrastructure sectors**
- **Secure a competitive energy/gas supply**
- **Establish recycling capability**
- **Progress B-BBEE and ownership transformation**
- **Procure support for aluminium as a strategic industry in the local economy**
- **Develop a platform for growth phase (as the region expands and develops)**

EXTERNAL ENVIRONMENT, OPPORTUNITIES AND THREATS

GLOBAL PRIMARY ALUMINIUM INDUSTRY

SITUATION AND TRENDS

- Steady growth in global consumption of aluminium (driven predominantly by China, but also Brazil, India and North America)
- However, global supply in excess of demand, resulting in underperformance of LME aluminium price relative to other metal commodities
- Concerns over slower Chinese economic growth, volatile emerging market currencies and the curtailing of the Federal Reserve's bond-buying programme have contributed to accelerated decline in the LME aluminium price
- Predominance of high metal premiums in recent years, which have insulated marginal smelters from impact of low LME aluminium price. However, high premiums and increased volatility have put pressure on producer and consumer sectors
- Impact of growing pressure to reduce carbon emissions and changing energy environments will place pressure on high-cost smelters
- Global shift towards recycling scrap as an alternative input to primary aluminium gaining momentum

IMPACT, OPPORTUNITIES AND THREATS

①
- High, rising and volatile metal premiums put pressure on producers and consumers, introduce "margin squeeze" risk, impact demand for aluminium products, put pressure on establishment and maintenance of multi-year/long-term contracts

②
- Falling LME puts pressure on high-cost, marginal producers

SOUTH AFRICAN PRIMARY ALUMINIUM INDUSTRY

SITUATION AND TRENDS

- Cost (labour) and price pressures (low LME aluminium price) on local BHP Billiton aluminium smelter
- Local aluminium smelter is significant electricity consumer and has been the focus of significant negative media attention and public sentiment due to the preferential deal which it has with Eskom while local electricity supply is constrained and other consumers have incurred sharp escalations in electricity pricing
- Local smelter exports the majority of primary aluminium in an unbeneficiated form, while the Bayside value-added products (VAP) casthouse is underutilised, leading to large-scale importation of aluminium VAPs by the local downstream industry at high cost. Opportunity for this to be addressed by growth of Isizinda Aluminium
- Proposed carbon tax legislation will have a significant negative impact on the aluminium smelters which could potentially render them unviable; however, the local downstream industry, which is reliant on these smelters, is not carbon intensive

IMPACT, OPPORTUNITIES AND THREATS

③
- Upward pressure on primary metal pricing to local semi-fabrication industry

④
- Viability of local primary aluminium smelters under pressure:
  - – Pressure on BHP Billiton's Hillside smelter remains

⑤
- Isizinda Aluminium can provide linkage between local smelter and downstream aluminium semi-fabrication and fabrication. (The transaction is subject to Competition Commission approval).

OPPORTUNITIES AND THREATS AFFECTING OUR VALUE DRIVES

AVAILABILITY OF CAPITAL AND INCENTIVES
⑨

CONVERSION MARGINS AND METAL PRICES
① ③
⑩ ⑫

PRIMARY INPUT SUPPLY AND COSTS (GAS, ELECTRICITY, LABOUR)
⑥

PRICE AND AVAILABILITY OF ALUMINIUM SCRAP INPUTS
⑦ ⑪
⑯

🔴 Risks

🟢 Opportunities

* *Refer to the section on risk management on pages 76 to 77 for more information on our response to these principal risks*

OPPORTUNITIES AND THREATS AFFECTING OUR VALUE DRIVES

AVAILABILITY OF ROLLING SLAB

5

AVAILABILITY OF PRIMARY ALUMINIUM

2 4 8

LOCAL/ REGIONAL MARKET DEMAND AND MIX

9 13 14 15

EXPORT MARKET DEMAND AND MIX

13

SOUTH AFRICAN ECONOMIC AND POLITICAL ENVIRONMENT

SITUATION AND TRENDS

- Industrialisation is a national priority. Government policy is seeking to restructure the economy toward more value-adding, labour-intensive and environmentally sustainable growth. Focus on improving exports of beneficiated products
- National focus on energy efficiency and recycling initiatives
- South African government is becoming increasingly aware of role for trade agreements and regulatory frameworks to protect and support the economy
- Labour costs escalating above inflation, combined with significant volatility and unrest in labour relations
- Availability and supply shortages of local gas and increasing and high pricing. Opportunities to unlock shale gas
- Constraints in availability of electricity supply and increased load shedding as well as increasing prices

IMPACT, OPPORTUNITIES AND THREATS

- 6 Increasing local cost base and reduction in supply availability (labour, electricity and gas)
- 7 Scrap export legislation will promote local processing of scrap for the benefit of local industry
- 8 Proposed carbon tax legislation will have a significant negative impact on smelters and could, in turn, severely impact downstream fabricators
- 9 Aluminium can play a significant role in supporting downstream fabrication and industrialisation, job creation, development of high-technology applications and industries and promoting reduced carbon intensity in the economy

GLOBAL ALUMINIUM SEMI-FABRICATION MARKET

SITUATION AND TRENDS

- Significant demand growth in packaging, transport and infrastructure applications driven largely by the growth in developing economies
- Significant growth in automotive consumption of rolled products in developed countries and ongoing development of new applications for aluminium
- Significant roll-out of capacity in low-cost regions such as China and Middle East
- Trade politics continues to influence global flows of aluminium semi-fabricated products
- Global shift towards recycling scrap as an alternative input to primary aluminium gaining momentum

IMPACT, OPPORTUNITIES AND THREATS

- 10 11 Conversion margins under pressure due to additional capacity roll-out in low-cost and government-incentivised regions
- Increased global demand for secondary metal impacts on price and availability thereof
- 12 Increased pressure from imports on domestic manufacturing
- 13 Growth in demand for new and non-traditional applications for aluminium, such as consumer electronics and military markets. Significant growth in automotive sectors forecast

REGIONAL MARKET DEVELOPMENT

SITUATION AND TRENDS

- Rapid population expansion and urbanisation in sub-Saharan Africa resulting in increased infrastructure and transport spend growth, rising income levels and increasing consumer spend, leading to growing per capita spend on aluminium
- Ongoing efforts by African states to secure regional economic development and industrial integration

IMPACT, OPPORTUNITIES AND THREATS

- 14 Growing regional consumption of aluminium primarily in consumer applications and packaging, transport and construction/infrastructure
- 15 Opportunities for increased investment in downstream fabrication industries in South Africa to capitalise on growth in the region
- 16 Increasing availability of aluminium scrap in the region

STRATEGIC OBJECTIVES

	1 ACHIEVE BENCHMARK OPERATIONAL PERFORMANCE	2 ACHIEVE GLOBAL COST COMPETITIVENESS
OBJECTIVE	In order for Hulamin to remain competitive and sustainable, it must improve operational performance levels to targeted levels based on global benchmarks for similar operations. This includes optimising the following operational variables: • **Manufacturing excellence** – throughput, quality, recoveries, consumption efficiencies and equipment reliability • **Customer satisfaction** – quality, on-time delivery and long-term reliability • **Sales mix, margin and volume** – maximise profitability while simplifying the business where possible Underpinning the achievement of world-class operational performance is the necessity for skilled and motivated employees.	Hulamin needs to continue to reduce its input costs in a sustainable manner to remain globally competitive. Hulamin is, accordingly, focusing on its major cost items, primarily the cost of employment, energy and price of aluminium. The following actions are in progress to address cost competitiveness: • Conversion of gas supply from LP gas, which is supplied in trucks from various oil refineries, to natural or methane-rich gas at a substantial saving • Sourcing more than 25% of metal as scrap (at a price below the LME aluminium price), thereby displacing higher-cost primary metal supply (growth in local market demand and recycling capacity are prerequisites) • Reduction in the cost of processing secondary metal units processed on site (process scrap) • Strategic sourcing and commodity management approach to drive reduction in input costs • Consumption efficiency improvement initiatives (gas, rolling oils, packaging, paints and lacquer) • Logistics optimisation initiatives
STRATEGIC RISKS	Refer to risk management on page 76 for detail on the principal strategic risk associated with this strategic objective	Refer to risk management on page 76 for detail on the principal strategic risk associated with this strategic objective
KEY PERFORMANCE INDICATOR	• Deploy and sustain the Integrated Manufacturing Approach (IMA) • Develop a cost-competitive culture • Develop optimised product mix • Volume growth • Margin improvement • Develop and execute a process capability and competency framework • Maintain a cost-competitive skilled workforce	• Reduce gas unit costs • Primary metal supply pricing • Achieve 25% of metal inputs from scrap • Maintain a cost-competitive skilled workforce • Logistics and coatings costs
2014 HIGHLIGHTS	• Production yields achieved by Rolled Products below target • Reorganising of strategic skills within the workforce to better optimise skill sets to processes in the business • Rolled Product sales volume has grown by 3% • Strong performance from all companies within the Hulamin group • Improved contribution from high margin products	• Three-year wage agreement with hourly-paid employees in force • Construction of the aluminium recycling plant is on budget and on time to be commissioned in the third quarter of 2015 • Negotiations near completion in respect of natural gas supply to Hulamin's operations in Pietermaritzburg
KEY CAPITALS SUPPORTING THE DELIVERY OF OUR STRATEGY		

3 **GROW LOCAL AND REGIONAL SALES**	4 **SECURE, COMPETITIVE ALUMINIUM SUPPLY**	5 **SUPPORTIVE REGULATORY ENVIRONMENT**
Hulamin has a competitive advantage in the local and regional economy but, to date, this market has been able to support only around 30% to 40% of Hulamin's sales. With the growth in sub-Saharan Africa and the corresponding increase in per capita income, the consumption of aluminium in the region is set to grow significantly. This will allow Hulamin to focus its product range and will also increase the availability of aluminium scrap in the region, with its attendant benefits. Hulamin and the established local aluminium supply industry is well placed to support and promote the growth and investment in local downstream fabrication of a wide variety of product applications, increased supply of which is necessary to meet the burgeoning demand in the region.	Hulamin and the local downstream aluminium industry are dependent on primary aluminium supply from the BHP Billiton Hillside smelter in Richards Bay. As the smelter is a large consumer of electricity at a time when this resource is in short supply locally, it has recently been the subject of much public scrutiny. Hulamin is also dependent on the importation of billet for its extrusions operations and the supply of 100 000 tons of rolling slab from the Bayside casthouse which supplements the 200 000 tons produced by Hulamin's remelt and casting facility. The growth in sales of aluminium to the local market, particularly for use in beverage cans (with its high turnaround cycle), creates the opportunity for increasing use of competitively-priced scrap by Hulamin instead of primary aluminium.	The aluminium industry presents the local economy with significant opportunities for economic growth, industrial development, job creation, transformation and energy efficiency. Hulamin recognises its leadership role in working with government to realise these opportunities. Hulamin and the aluminium industry, in turn, require the support of government to assist to manage the unfair competition from low-priced imports, making appropriate infrastructure available at an appropriate cost (e.g. gas pipeline), ensuring the retention and availability of aluminium scrap generated in South Africa, prescribing local content requirements in infrastructure projects, stimulating the attractiveness of the region for foreign direct investment, continued competitiveness investment support and ensuring that the imposition of carbon pricing measures are competitive and non-punitive.
Refer to risk management on page 76 for detail on the principal strategic risk associated with this strategic objective	Refer to risk management on page 76 for detail on the principal strategic risk associated with this strategic objective	Refer to risk management on page 76 for detail on the principal strategic risk associated with this strategic objective
• Aluminium can market • New local and regional market development • Expand presence in sub-Saharan Africa • New product development initiatives	• Sustainability and optimisation of the Bayside casthouse • Sustainability of BHP Billiton Hillside smelter	• Import tariffs • Local scrap protection • Carbon tax • Incentives and grants
• Successful processing of aluminium beverage can body stock products by Hulamin and ramping up with local demand requirements • Rejuvenated sales and market development team • Niche product mix focus	• BHP Billiton has announced the acquisition of the Bayside casthouse by Isizinda Aluminium of which Hulamin is a strategic partner • A five-year supply contract for rolling slab from Isizinda Aluminium has been concluded • Construction of the aluminium recycling plant is on budget and on time to be commissioned in the third quarter of 2015 • Continued growth in pace of conversion of the regional beverage can market to the all-aluminium can	• Scrap export legislation promulgated in August 2013 • Growth in regional beneficiation of aluminium • Approved investment in aluminium recycling facility • Application for import duties and tariffs has been lodged with ITAC

Refer to the reliance and impact on key capitals section on page 41 for more information on how the key capitals support the delivery of our strategy and how we have fared against our key performance indicators

ISIZINDA ALUMINIUM – UNLOCKING OPPORTUNITIES

Isizinda Aluminium (Isizinda) is a strategic partnership between Bingelela Capital (Bingelela) and Hulamin. Bingelela is a KwaZulu-Natal based black economic empowerment group with a majority black female ownership. Bingelela owns a majority 60% stake in Isizinda while Hulamin holds the remaining 40%. Isizinda means "Hub" in isiZulu and our vision is to make Richards Bay the hub of aluminium beneficiation in Southern Africa with metal from the Hillside smelters flowing to all industry participants.

Isizinda has acquired the Bayside casthouse in Richards Bay, KwaZulu-Natal from BHP Billiton, subject to approval by the Competition Commission. In addition to the acquisition of the Bayside casthouse, Isizinda has concluded a five-year metal supply agreement with BHP Billiton that will see liquid metal supplied by the nearby, BHP Billiton owned Hillside smelter, directly to the Bayside casthouse. Hulamin, in turn, has concluded a matching slab off take agreement with Isizinda, securing the supply of rolling slab to Hulamin for the next five years and beyond.

The acquisition of the Bayside casthouse includes more than just the equipment and machinery used in the production of rolling slab. In 2009, as part of a restructure of its South African assets, BHP Billiton closed and mothballed casting facilities for aluminium wire rod, rim alloy and extrusion billet (rod, rim and billet) at the Bayside casthouse. Thereafter, these value added products were imported while the majority of Hillside's output was exported as beneficiated metal and a number of downstream industry players that relied on the local supply of these value-added product lines downsized and/or closed down. These three additional operating lines are still in existence at the Bayside casthouse even though they are not in current use.

POTENTIAL

In line with the strategic objectives and vision of Isizinda (to unlock the potential of aluminium and aluminium beneficiated products within South Africa), discussions with key strategic stakeholders in South Africa (such as local and national government and local downstream users of these value-added product lines) to form partnerships will be held to assess future opportunities to reopen these lines and unlock new potential for these aluminium related products in South Africa.

These operating lines will bring new opportunities for economic development and reduce South Africa's reliance on imported finished products. Value-added products (rod, rim and billet) from these operating lines are used in many different sectors within the South African economy on a daily basis.

ROD

Aluminium wire rod is used pervasively in electrical transmission applications due to its superior conductivity and non-corrosive nature. With the expansion and need for electricity in growing economies such as South Africa and neighbouring countries, the manufacture of wire rod locally will reduce our need for imports and create valuable skilled jobs in the local economy. Every-day products produced from aluminium rod wire, rod and bar include chain-link fence material, aluminium antennas and zippers.

Frank Bradford (Director), Zodwa Manase (Chairman), Sizwe Khumalo (CEO) and Hector Molale (Director)
not in the picture: Phiwo Thango (Director)

RIM

Rim alloy is used in the manufacture of aluminium alloy wheels. Trade & Investment KwaZulu-Natal (TIKZN) has identified aluminium alloy wheel production in KwaZulu-Natal as a key strategic investment within the province in order to support the local motor industry in the establishment of the Durban Automotive Cluster.

BILLET

Extrusion Billet is an aluminium "log" that is produced in many different diameters and cut to various lengths. The billet is heated and forced through a die to produce the desired shape of the customer. Extrusion billet can be used in the manufacturing of windows, doors, shower enclosures, computer heat sinks, and decorative trim.

By unlocking these operating lines, it is envisioned that Richards Bay will become the hub of aluminium beneficiaton in Southern Africa. Isizinda's Bayside casthouse and the Hillside smelter owned by BHP Billiton are key strategic assets in aluminium beneficiation situated in Richards Bay. Local innovation and economic development can follow and in turn create Richards Bay as an aluminium beneficiary development zone through investment in these other operational lines that will benefit the Southern African economy.

Aluminium is a light-weight, innovative product that is used in meaningful ways daily by people throughout the globe. Examples of such innovative ways are beverage cans, motor vehicle body panels (automotive is a large strategic sector within South Africa), electricity conduction and the use in white appliances (such as air conditioners, microwaves and fridges).

LEADERSHIP

The leadership team of Isizinda Aluminium has a wealth of knowledge in the aluminium industry. The CEO of Isizinda (Sizwe Khumalo) has been active in the aluminium industry for more than 20 years. His industry experience ranges from working as a chemical engineer to leading operations and process teams, including those at the BHP Billiton's Hillside smelter when it was newly commissioned.

The strategic partnership between Bingelela and Hulamin, places Isizinda in a position to further develop the beneficiation of aluminium in South Africa that will benefit all stakeholders.

See products application of aluminium on page 36 for more information on daily uses of aluminium products.

THE VISION OF ISIZINDA ALUMINIUM IS TO MAKE RICHARDS BAY THE HUB OF ALUMINIUM BENEFICIATION IN SOUTHERN AFRICA THROUGH STRATEGIC STAKEHOLDER PARNERSHIPS

KEY RESOURCES HULAMIN RELIES ON

KEY RESOURCES (CAPITALS) IMPACTING HULAMIN[1]

Financial capital

Gearing ratio (net debt over total capital): 11% (book value); 16% (market value)
Debt to equity ratio: 11% (book value); 16% (market value)

Equity

- Book value: R3,8 billion; market value: R2,6 billion
- 30% non-public shareholders (Industrial Development Corporation)
- 70% public shareholders
- 25 cents per ordinary share dividend declared for the year ended 31 December 2014

Borrowings

- Net borrowings: R437 million (all current)
- Total committed three-year borrowing facilities of R1,45 billion (Nedbank) include a general 360-day facility of R250 million and a revolving working capital facility of R1,2 billion secured against inventory and receivables
- Net interest of R46 million accrued for the year ended 31 December 2014

Cash generation

- Net cash inflow before financing activities for the year ended 31 December 2014: R183 million

Manufactured capital

Local aluminium smelters

Hillside aluminium smelter (source of primary aluminium for Hulamin's remelt and casting operation)

Bayside casting facility

Bayside casthouse (source of one-third of Hulamin's requirements for rolling slab for the rolling operation)

Hulamin operations

Remelt and casting

Hulamin's remelt operations consist of:

- Three slab production lines, fed by reverberatory melting furnaces, with a slab capacity of around 240 000 tons per year
- An aluminium reclamation operation
- Two twin roll casters, which are able to process scrap and primary metal into coil, with the capacity to produce 20 000 tons of coil per year

Rolling

Hulamin is a conventional flat rolled aluminium products producer and operates hot, cold and foil rolling mills. Finishing equipment includes coil coating lines, slitting, sheet cut-to-length lines, cleaning and tension levelling and foil finishing facilities. A state-of-the-art plate plant is equipped with a range of equipment including sawing, stretching and plate cut-to-length lines

Extruding

Hulamin manufactures the majority of the extrusion dies for its two extrusion plants. Heated billet is placed in an extrusion press which pushes the softened metal through the die to produce the desired profile. Finishing options include powder coating, anodising and fabrication

Scrap processing

Hulamin operates an aluminium reclamation operation which consists of a shredding line, de-coater and induction furnace which is used to process light and coated scrap to produce aluminium sows that are fed into the three slab production lines. A R300 million investment in a scrap sorting, processing and recycling facility was approved in 2013 and will come online in the third quarter of 2015.

Natural capital

Local aluminium smelter

Reliance of midstream and downstream aluminium industry on the utilisation by aluminium smelter of scarce (and carbon intensive) electricity to produce primary aluminium

Hulamin operations

Reliance of remelt, casting, rolling and extruding operations of Hulamin on water, gas and electricity

Aluminium scrap

Increasing availability of customer and consumer aluminium scrap decreases reliance on the smelters, creates prospects of improved economic returns for the midstream and downstream participants in the aluminium value chain, facilitates the development of a strong aluminium collection and recycling industry which, in turn, creates jobs

Social, relationship and intellectual capital

Government

Government support for the aluminium industry, including government's stance on:

- Tariffs and duties in respect of competing imported semi-fabricated and finished aluminium products
- Benefits provided by the aluminium value chain in terms of beneficiating electricity

Suppliers (metal)

Relationship with BHP Billiton in respect of the supply of primary aluminium melting ingot from Hillside and the supply of rolling slab from Bayside

Suppliers (non-metal)

Relationship with key non-metal suppliers, including:

- Gas (LPG)
- Electricity
- Government (municipality, port, etc)
- Maintenance, spares and consumables
- Rolling oils
- Paints and lacquers

Customers and markets

Relationship with customers

- Mainly export-based business due to small size of local market
- Increasing use of aluminium by local fabricators and industries, e.g. aluminium cans
- Customer risk spread in terms of geography and industry
- Mix of standard distributor products as well as specialised products supplied in terms of supply contracts
- Quality and on-time delivery increasingly critical components
- China and Middle East increasing capacity and capabilities and threatening both local and export markets

Intellectual

Extensive knowledge, technical skills and capabilities in respect of aluminium melting, casting, rolling, finishing and extruding

Human capital

- Management and leadership skills and experience
- Key engineering, metallurgical and manufacturing experience and key competencies and capabilities

BUSINESS MODEL IN BRIEF

What we do

Hulamin transforms primary aluminium into semi-fabricated products (rolled products and extruded products) which can be used by downstream fabricators in a broad range of industries, thereby unlocking the intrinsic remarkable properties of aluminium for use in a variety of end-use applications.

Metal inputs

Hulamin remelts primary aluminium received from the BHP Billiton Hillside smelter, together with process and bought-in scrap, in its remelt and casting facilities to cast around two-thirds of its rolling slab and one-third of its extrusion billet requirements. The aluminium is alloyed with other materials, usually iron, silicon, zinc, copper, manganese and magnesium, to create metals with a wide range of different properties and strength characteristics.

One-third of Hulamin's rolling slab requirements is bought in from the Bayside casthouse.

Two-thirds of Hulamin Extrusion's extrusion billet requirements are imported following the decision by BHP Billiton in 2009 to cease supply of all value-added products apart from rolling slab. Aluminium slab and billet are the feedstock for the rolling and extruding processes respectively.

Rolled products

In the rolling operation, aluminium slab is passed through a number of pairs of rolls to reduce its thickness down to plate material with thicknesses of 6 to 250 mm and further down as low as 2 mm for subsequent cold rolling to sheet and coil with thicknesses as low as 0,2 mm. Further rolling can produce the thinnest of foil with a thickness as low as 0,006 mm.

The rolling of cast aluminium changes its metallic structure and the metal takes on new characteristics and properties, with improved strength and ductility.

Extruded products

The extrusion process involves a preheated billet being squeezed through an opening in a die forming the cross-section of the extrusion or profile.

Operating costs

Apart from metal costs, the major operating costs related to the rolling and extruding processes comprise labour, energy, maintenance, coatings and consumables costs. Logistics costs related to the export of rolled products are also a significant cost.

Markets

Hulamin Rolled Products is primarily an export business (in excess of 60%), due to the current small size of the local aluminium downstream industry relative to the capacity of the Hulamin plant, which has the necessary scale to be globally competitive.

Hulamin Extrusions is a supplier to the domestic market.

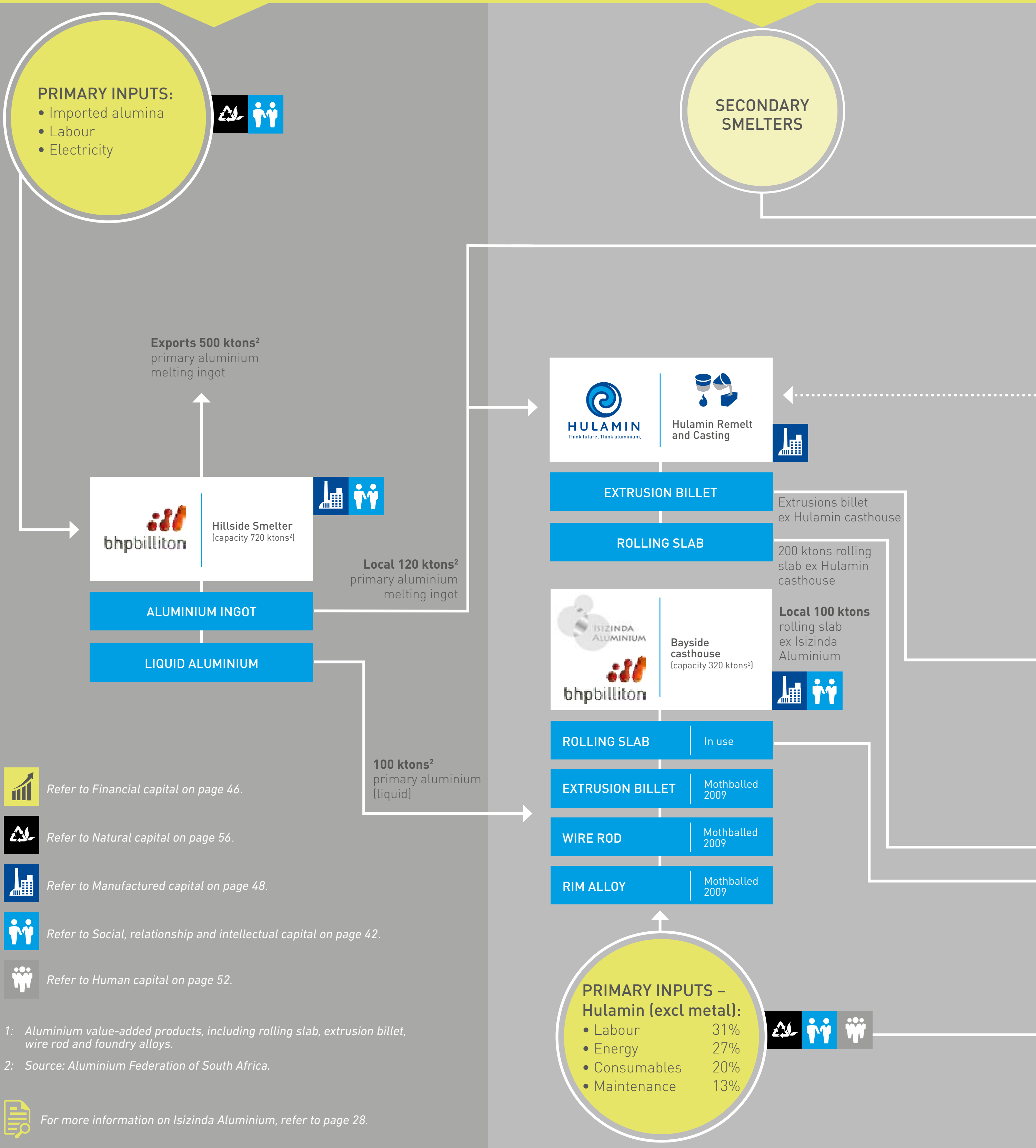
In addition to recovering the metal cost component in its products, Hulamin earns a conversion margin as compensation for the costs of rolling, extruding and finishing its various products.

1: *The capitals listed here reference into the business model graphic refer to page 32.*

THE BUSINESS MODEL

PRIMARY ALUMINIUM SMELTING

SECONDARY SMELTING AND VAPS[1] CASTING



PRIMARY INPUTS:
- Imported alumina
- Labour
- Electricity

Exports 500 ktons[2]
primary aluminium
melting ingot

bhpbilliton
Hillside Smelter
(capacity 720 ktons[2])

ALUMINIUM INGOT

LIQUID ALUMINIUM

Local 120 ktons[2]
primary aluminium
melting ingot

100 ktons[2]
primary aluminium
(liquid)

SECONDARY SMELTERS

HULAMIN
Think future. Think aluminium.
Hulamin Remelt and Casting

EXTRUSION BILLET

ROLLING SLAB

Extrusions billet
ex Hulamin casthouse

200 ktons rolling
slab ex Hulamin
casthouse

ISIZINDA ALUMINIUM
bhpbilliton
Bayside casthouse
(capacity 320 ktons[2])

Local 100 ktons
rolling slab
ex Isizinda
Aluminium

ROLLING SLAB	In use
EXTRUSION BILLET	Mothballed 2009
WIRE ROD	Mothballed 2009
RIM ALLOY	Mothballed 2009

PRIMARY INPUTS – Hulamin (excl metal):

• Labour	31%
• Energy	27%
• Consumables	20%
• Maintenance	13%

Refer to Financial capital on page 46.

Refer to Natural capital on page 56.

Refer to Manufactured capital on page 48.

Refer to Social, relationship and intellectual capital on page 42.

Refer to Human capital on page 52.

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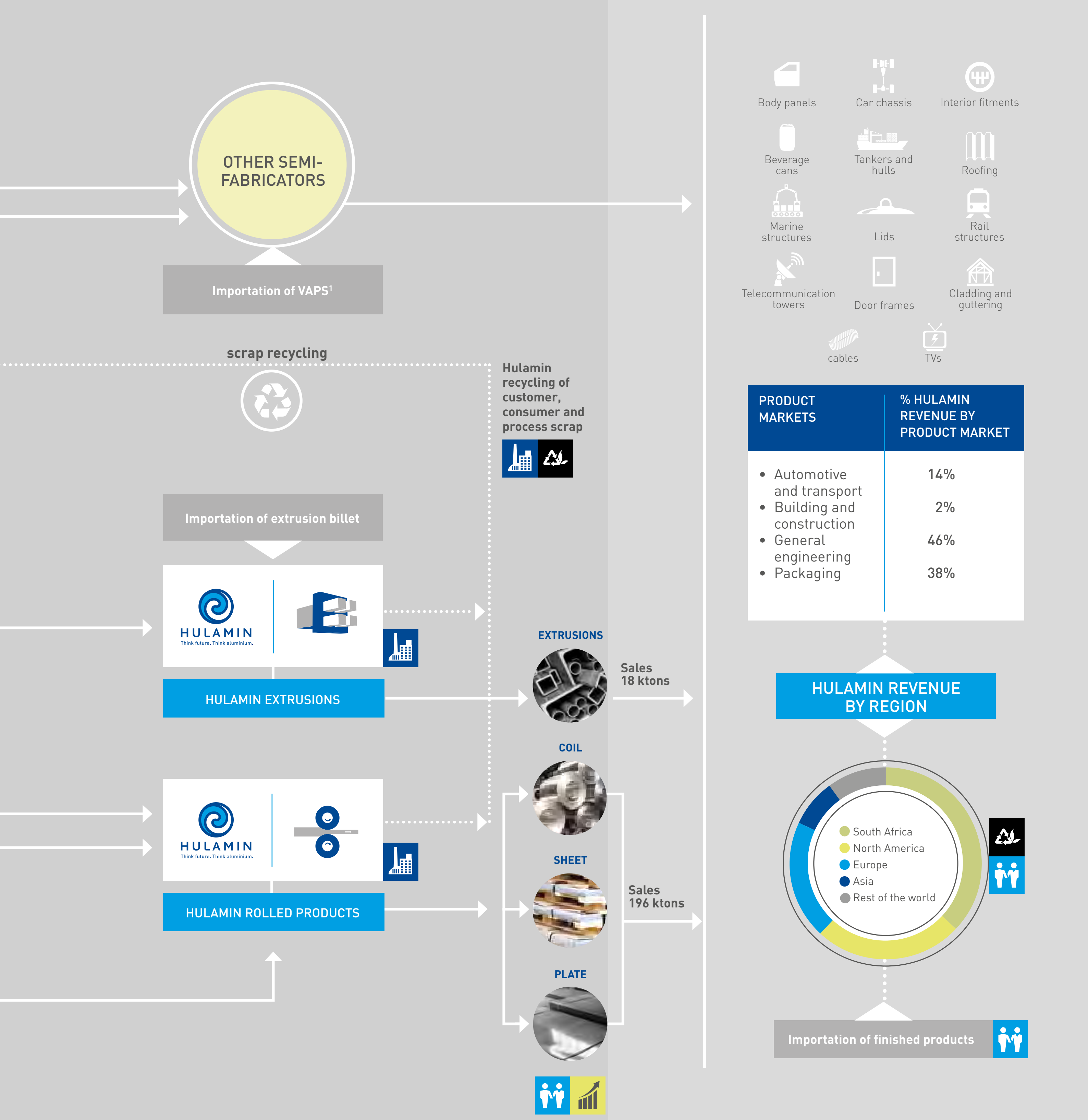
[1] Aluminium value-added products, including rolling slab, extrusion billet, wire rod and foundry alloys.

[2] Source: Aluminium Federation of South Africa.

For more information on Isizinda Aluminium, refer to page 28.

SEMI-FABRICATION

FABRICATORS/END INDUSTRIES



PRODUCT MARKETS	% HULAMIN REVENUE BY PRODUCT MARKET
Automotive and transport	14%
Building and construction	2%
General engineering	46%
Packaging	38%

HOW WE ADD VALUE TO ALUMINIUM

HULAMIN – ADDING VALUE TO PRIMARY ALUMINIUM

REMELT AND CASTING OPERATIONS

Bought-in scrap and scrap from Hulamin's manufacturing processes are melted together with primary aluminium and alloying elements such as magnesium, manganese, zinc, silicon and copper in Hulamin's remelt operation.

The molten metal is then treated, filtered and skimmed before being cast into rolling slab and extrusion billet, the feedstock for the rolling and extruding processes.

ADDING VALUE

By adding small amounts of other elements to pure aluminium, strong alloys are produced which can be further conditioned in the heating, rolling, extruding and finishing processes to create products with the appropriate properties that our customers require.

Since aluminium is an infinitely recyclable product, all scrap produced in Hulamin's manufacturing processes, as well as scrap recovered from our local fabrication customers and post-consumer scrap, is remelted and reused.

THE ROLLING PROCESS

The rolling process must produce plate, coil or sheet with not only accurate dimensions, but such other attributes as flatness, edge quality and correct thickness profile, specified physical properties and freedom from surface defects.

In the hot rolling process, slab is heated and then processed through the reversing hot roughing mill (where the thickness of the rolling slab is reduced by up to 95% and the length increased by up to 24 times) before being transferred to the hot finishing mill to ensure that it is rolled to a tight tolerance intermediate thickness.

In the cold rolling process, hot rolled coils are further rolled, at ambient temperature, to achieve the required tight gauge tolerances and mechanical properties required. Foil rolling is a specific cold rolling process designed for very thin products and certain alloys. Hulamin's stand-alone foil mills can reduce cold rolled products to gauges as low as six microns.

ADDING VALUE

Hot rolling increases density, strength and ductility and cold rolling is used to further harden and strengthen the product, balancing between strength and ductility as required.

Further finishing processes deliver the appropriate properties and qualities required for each specific product application, and include:

- **Annealing:** A re-heating process performed to regulate the mechanical properties or permit further reductions in thickness during cold rolling
- **Coating:** The application of paint and lacquer to clean and pre-treated aluminium coil, followed by oven curing, is required for certain applications such as beverage can ends
- **Processing:** Further processing is often required to obtain the appropriate widths, lengths or coil sizes, flatness and metal surface cleanliness required by customers. This is achieved through further processing through precision slitters, cut-to-length lines, shears, tension levellers, embossing rolls and degreasing lines

THE EXTRUSION PROCESS

Extrusion billet is heated and passed through an extrusion press, a powerful hydraulic device in which a ram pushes the softened metal through a unique die to produce the desired profile.

The completed extrusion is cut off the die, cooled, mechanically treated and aged to give it the required mechanical strength properties, and may be further coated, anodised and/or fabricated to provide the final specification required by the customer.

ADDING VALUE

The extrusion process supports unlimited possibilities for design. With the appropriate alloy and controlled thermal treatment, extrusions offer a wide range of application opportunities.

Hulamin, as the leading semi-fabricator in Southern Africa, plays a key role in the local aluminium industry by unlocking and enhancing the extraordinary properties of aluminium for use in a broad and growing set of product applications on which society is dependent.

The production of semi-fabricated aluminium products, with the wide range of precise dimensions, properties and other characteristics required for each particular product application and customer, requires a comprehensive set of complex and technologically-advanced processes.

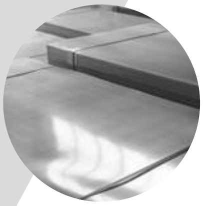
OUR PRODUCTS

COIL

Typical alloys:
1XXX, 3XXX, 4XXX, 5XXX, 7XXX, 8XXX, 9XXX

EXTRUSIONS

Typical alloys:
6XXX



PLATE

Typical alloys:
1XXX, 5XXX, 6XXX

SHEET

Typical alloys:
1XXX, 3XXX, 4XXX, 5XXX, 7XXX, 9XXX

PRIMARY MARKETS AND APPLICATIONS FOR OUR PRODUCTS

AUTOMOTIVE AND TRANSPORTATION

Key properties:

Lightweight, corrosion resistant, recyclable, strong and ductile

- **Automotive clad tube stock and finstock** – used in the manufacture of automotive heat exchangers such as radiators, charge aircoolers, condensers and evaporators
- **Plate and heat-treated plate** – used in the production of aerospace components, truck bodies, trailers, tankers, boats and train wagons
- **Heatshield products** – used for containing heat within engine compartments

GENERAL ENGINEERING AND DURABLE CONSUMER GOODS

Key properties:

Corrosion resistant, excellent heat and electricity conductor, strong and ductile and aesthetically pleasing

- **General engineering coil and sheet products** – used in items such as electronics, computers, office products and durable consumer goods
- **Plate and heat-treated plate** – used in vacuum chambers for the manufacture of computer chips, plasma displays, distribution boards and numerous other applications
- **Finstock products** – used in the manufacture of domestic and industrial air-conditioning systems
- **Extrusions** – numerous applications and developing opportunities such as solar components

BUILDING AND CONSTRUCTION

Key properties:

Lightweight, corrosion resistant, good reflective qualities, strong and long life

- **Painted and mill finish building coil and sheet** – used in a wide range of applications including roofing, cladding, ceilings, gutters and downpipes
- **Extrusions** – used in the manufacture of various household frames and other industrial applications

PACKAGING

Key properties:

Lightweight, corrosion resistant, impermeable, odourless and recyclable

- **Can body and coated can-end and tab stock** – used in the manufacture of cans for the beverage industry
- **Converter foil** – used in the production of laminated cartons and confectionery packets for the food and beverage market
- **Household foil**
- **Rigid container foil**
- **Laminated foil**
- **Closure sheet** – for use in the manufacture of bottle caps

PRODUCTS AND APPLICATIONS OF ALUMINIUM

BUILDING AND ENGINEERING

Aluminium is recognised as one of the most energy efficient and sustainable construction materials. Using aluminium in buildings can even help the structure qualify for green building status under LEED (Leadership in Energy and Environmental Design). The modern day skyscraper would not be possible without the use of aluminium. With aluminium's durability, high strength-to-weight ratio, design flexibility and contributions to energy savings, it is the material of choice for architects and designers. There are many parts of a building that is made from aluminium such as:

- Door frames
- Window frames
- Siding
- Roofs
- Curtain walls
- Entire facades

Our extruded aluminium sections are used in the manufacture of various industrial applications such as ladders, doors, windows, showers and scaffolding. Our coated and uncoated building products are used in a wide range of structures in the building and construction industry such as roofs, facades, panels, components, awnings, cladding gutters and downpipes, ceilings and many more.

AUTOMOTIVE AND TRANSPORT

The use of aluminium in automotive and commercial vehicles is accelerating as it offers the fastest, safest, most environmentally friendly and cost-effective way to increase performance, boost fuel economy and reduce emissions while maintaining or improving safety and durability. Independent studies have confirmed that aluminum in automobiles have a 20 percent smaller life cycle CO_2 footprint than steel.

Many different parts of different forms of transportation are made of aluminum such as:

- Car body panels
- Engines
- Chassis
- Heat exchangers
- Interior fitments
- Tanker and truck body panels
- Aeroplane body panels
- Train wagons

AUTOMOTIVE IN SOUTH AFRICA

Locally in South Africa, Hulamin supports the automotive industry and supply products that are used in many different aspects of transport. Notably is that most tanker truck body panels on South African roads are made with Hulamin produced aluminium. The locally made Mercedes Benz C-Class includes product made at our factories of which is also exported throughout the globe. The local C-Class is produced with aluminium body panels that can create an opportunity for Hulamin in the future as the economies-of-scale for aluminium body panels increases.

TESLA MOTORS NORTH AMERICA

Hulamin is proud to be associated with Tesla Motors in North America. Tesla Motors is an American company that designs, manufactures, and sells electric cars and electric vehicle powertrain components. Our quality plate products are supplied and used in the production of these electric motor vehicles.

The uses of aluminium are varied and diverse. Today it is used in commerce, transportation and other industries. Some of its applications are well known, while others are not so obvious. Apart from consumer products, the metallic element is also used in glass creation.

USE IN HOUSEHOLDS

Aluminium is used by millions of people across the world on a daily basis at home from cooking to packaging, recreation through to in the actual construction of homes. Aluminium is used in:

- Window frames
- Doors
- Kitchen utensils
- Saucepans
- Refrigerators
- Shower frames
- Microwaves
- Air conditioners
- Stoves
- Pots and pans
- Golf clubs
- Solar panels

PACKAGING

One of the most popular uses of aluminium is packaging. Trays, foils, bottle caps and cans are usually made of this metallic element. It is also used for thermos, utensil lids and storage boxes. It is also applied as a foil container, bottle tops and foil wrappings. Aluminium is preferred because it keeps food safe from harmful elements in the environment.

Because of this, aluminium is widely used in the industry. This metallic element is corrosion-resistant. Compared to iron, aluminium oxide is not destructive. It is protective. The metal is impermeable. It doesn't affect the taste or smell of food packaging. Most importantly, the metal has no toxic elements.

South Africa has recently changed to the all-aluminium beverage can. Aluminium cans are the most sustainable beverage package and are infinitely recyclable. They chill quickly, provide a superior metal canvas to print on and, perhaps most importantly, protect the flavour and integrity of our favourite beverages. When you recycle a can, it can be back on the shelf in as little as 60 days in a continuous recycling loop.

THINK
FUTURE
THINK ALUMINIUM
THINK HULAMIN

RELIANCE AND IMPACT ON KEY CAPITALS

SOCIAL, RELATIONSHIP AND INTELLECTUAL CAPITAL

Social, relationship and intellectual capital encompasses our relationships with communities, groups of stakeholders and other networks and promotion of innovative thinking. It incorporates shared values and behaviours and provides us with our social licence to operate. Interaction with key stakeholders, consideration of their concerns and earning their trust are central to maintaining and developing this capital.

2014 AREAS OF FOCUS	HOW WE FARED
Extension of our long-term slab supply	Refer to our Isizinda Aluminium story on page 28
Improve on our preferential procurement, enterprise development and skills development	Overall increase in our preferential procurement spend Continued support of SMMEs and enterprise development
Unlock the opportunities in the recycling of aluminium	Refer to the Manufactured capital section on pages 48 to 51
Improve our health and safety record	Record safety performance Commitment to the improved health of our employees and communities Refer to the Human capital section on pages 52 to 55
Reduction of our carbon footprint and support environmental initiatives	Challenges have been met in reducing our carbon footprint Refer to the Natural capital section on pages 56 to 59

2015 AND BEYOND FOCUS AREAS
Improve on our preferential procurement, enterprise development and skills development
Extend our commitment to B-BBEE and the beneficiation of enterprise development of the community, supplies and customers
Continue to improve the health and safety of our employees and the communities we work with
Reduce our carbon footprint in line with global standards and seek alternative sustainable supplies
Improve the quality of product provided to our customers together with innovating key product streams
Strengthen relationships with all our key stakeholders

Aluminium Beneficiation Initiative

In 2014, Hulamin and BHP Billiton collaborated to form the Aluminium Beneficiation Initiative (ABI), an economic development initiative focused on developing and supporting high-level entrepreneurs in aluminium fabrication or beneficiation. The initiative plans to identify, support, and train 100 to 150 entrepreneurs and guide them into sustainable businesses within three years.

A key objective of the ABI is to grow local market usage of aluminium. This will have a positive impact on the local economy by promoting job creation and providing an opportunity for skills transfer.

The value-add downstream aluminium projects envisaged will ideally result in products that are currently being imported, being locally produced. The project will commence in 2015. A foundational element of ensuring the success of the participating entrepreneurs, and ultimately the success of this project, include putting into place mentors and coaches who will guide, advise and provide general direction to the selected candidates. This will be required particularly in so far as manufacturing, fabrication and technical/technology aspects of the businesses.

The aluminium industry in South Africa depicts an industry that exports large volumes of unbeneficiated material while at the same time imports finished products. Through ABI, Hulamin and BHP Billiton want to promote a business model for the industry that will encourage local sales through significant beneficiation or value add.

Small Enterprise Financial Agency (SEFA) have partnered with the ABI in creating an Aluminium Fund that will be utilised for this intitiative.

KEY STAKEHOLDER RELATIONSHIPS, RELIANCE AND IMPACT

Hulamin recognises that in order to create sustainable value for all, it needs to be responsive to all stakeholder expectations. To meet these expectations it is crucial to build trust and respect with our stakeholders since this will impact positively on our reputation allowing us to engage proactively on issues of mutual interest.

Stakeholders	Stakeholder importance to Hulamin	Expectations and concerns
Government	Local, provincial and national government, including regulatory authorities. They license us to operate and provide a supportive regulatory environment through: – tariffs and duties to level the uneven regimes between South Africa and our trading partners; and – benefits associated to the aluminium value chain for local development in terms of beneficiary electricity.	Continual and responsible contribution to regional development: • Facilitate downstream development • Job retention and creation • Transformation and empowerment • Safer workplaces • Healthy competition among businesses • Energy consumption reduction
Providers of capital	Shareholders, investment community, creditors and lenders who provide us with the financial capital required to sustain our growth. This is covered in detail under the Financial capital section on pages 46 to 47.	Sustainable growth and returns on investment: • Sustainable returns • Supportive regulatory and business environment • Future growth for the business
Customers	We are reliant on customers and potential customers to sustain revenue generation and growth. The majority of our sales are to export customers. We are focused on growing the local and regional markets This is covered in detail in various sections of this report, such as pages 36 and 38.	Reliable service, good quality products and competitive prices: • Long-term security of supply • Consistent supply of products • Improved manufacturing capability and product range
Suppliers	Suppliers of metal and other products and service providers are important as we are reliant on them to provide safe, good quality and good value products and reliable services that support growth.	Continued growth and relationships: • Long-term supply contracts • Efficient payment cycles
Employees	Employees are the key underpin to achieve operational performance and objectives. This is covered in detail under the Human capital section on pages 52 to 55.	Provision of gainful and safe employment: • Employment security • Safe working environment • Competitive remuneration and benefits packages • Workforce transformation • Information and communication • Participation and empowerment
Communities	We build and nurture existing relationships, and create a conduit to better understand community needs and interests. This allows for us to contribute to transformation, enterprise development and various corporate social investment initiatives.	Responsive contribution to community interests and needs: • Support for key community developments and activities • Sponsorships and donations • Employment opportunities • Support for environmental initiatives

SOCIAL, RELATIONSHIP AND INTELLECTUAL CAPITAL | CONTINUED

COMMITMENT TO OUR COMMUNITIES

Recently Hulamin realigned our Corporate Social Investment policy to invest in fewer but more substantial projects with particular focus on historically disadvantaged communities as it is imperative to make a difference by adding value to the development of these communities. Our Corporate Social Investment programme focuses primarily on education, health, development of community skills, welfare, environment and crime prevention with a secondary focus on sport.

Programme	Length of our association
Thandanani Children's Foundation Founded in 1989, is a non-profit organisation based in Pietermaritzburg that facilitates community-based care and support for orphans and other vulnerable children.	More than 5 years
Pietermaritzburg and District Community Chest Assists selected organisations within the greater Pietermaritzburg community, thus making a significant impact on the lives of many underprivileged, disadvantaged people, including many of the aged within these communities.	More than 10 years
Protec Pietermaritzburg An organisation which provides quality mathematics and physical science enrichment education to grades 9 to 12 students from disadvantaged communities in the greater Pietermaritzburg and KZN midlands region.	More than 5 years
Maritzburg United Football Club (MUFC) Hulamin is a major sponsor of the reserve team. Hulamin committed to supporting MUFC's U19 team for the 2014/5 season. Hulamin believes this move will fast-track the development of talent and help facilitate players' progression into the professional ranks.	2014/5 football season
CANSA A non-profit organisation that aims to lead the fight against cancer in South Africa. It provides support to all people affected by cancer, enables research into the disease, and educates the public.	More than 2 years

DEVELOPING FUTURE BUSINESS, UNLOCKING ECONOMIC GROWTH

Hulamin's Enterprise Development objective is to facilitate the development of sustainable businesses that will create jobs and add stimulus to the economy. Hulamin is committed to this process by providing business opportunities to new enterprises and support for Small, Medium and Micro Enterprises (SMMEs) through the provision of professional, financial and logistical support as well as various start-up support services. An important element is the emphasis on the value chain, where Hulamin has influence to create opportunities for new businesses as customers or suppliers.

The Department of Trade and Industries has set out a target of at least 3% of the net profit after tax to be spent on economic development. We have continued to meet and exceed this target.

Hulamin's Enterprise Development Initiatives

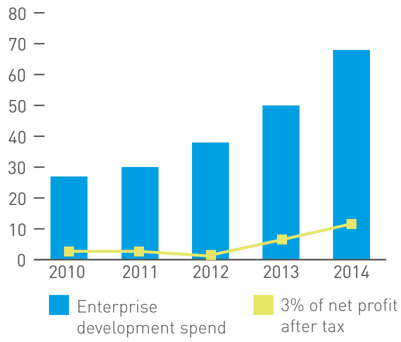
Hulamin has been strategically involved in providing development support to many SMMEs and initiatives, such as:

- Business Support Centre
- Sasami (Pty) Ltd
- Wenza-Okuhle (Pty) Ltd
- Omalume Manufacturing and Services CC
- Zee Industrial Corporation (Pty) Ltd
- Shesha Mfana
- Aluminium Beneficiation Initiative

FUTURE LEADERS INNOVATING TODAY

Today, innovation performance is a crucial determinant of competitiveness and national progress. Moreover, innovation is important to help address global challenges, such as climate change and sustainable development. At Hulamin, we strive for innovation in order to provide the best quality product for our customers, promote economic development and develop future innovators and leaders.

Enterprise development spend (R million)



See the online sustainability report for more detail on each of the aspects of social, relationship and intellectual capital

Hulamin as a leader of technology and engineering

UKZN's Hulamin-sponsored solar car was revealed to South Africa by a team of 11 engineering students at Howard College campus. It competed against 14 other solar cars from overseas and from all over South Africa in the 2014 Sasol Solar Challenge, coming in as the first South African team and third overall. The competition ran from 27 September to 4 October 2014.

The 4,5 metre-long space-age car has six square metres of solar panels covering its top surface. The car has been named iKlwa, which translates from isiZulu to "a short and agile spear", and describes how the students expect this car to cut through the air.

"We are extremely grateful to Hulamin for their support," said UKZN team leader, Kirsty Veale. "They have not only helped us with funds, but also with their technical expertise in the use of aluminium, and they have supplied us with as much aluminium as we need."

The project also drew on students from the Durban University of Technology and included electronic and computer engineering students, as well as computer science students.

The Hulamin iKlwa is scheduled to race again in the World Solar competition to be held in Australia later in 2015.

PREFERENTIAL PROCUREMENT

Business relationships with companies who actively pursue sound employment equity and black economic empowerment programmes are encouraged in support of the economic empowerment of black South Africans.

The future of the country and Hulamin are dependent on growing the economic involvement in mainstream business, on a sustainable basis, of all previously disadvantaged groups. Business will only be sustainable with the empowerment of black South Africans going forward. Our intervention programme of preferential procurement is meant to achieve these objectives.

Over the last 12 months Hulamin spent R6,2 billion in total with B-BBEE enterprises. Of this total, R206 million was spent with Qualifying Small Enterprises (QSEs) and Emerging Micro enterprises (EMEs), R232 million on black enterprises (greater than 50% black-owned), and R47 million with black woman-owned businesses (greater than 30% black woman-owned). B-BBEE expenditure now represents 93,39% of total expenditure for the period after exclusions such as imported goods and services and VAT. Hulamin met and exceeded our targeted spend of R60 million with wholly African-owned entities for 2014 with a final spend of R70,7 million.

Developing local football

Hulamin announced a one-year sponsorship of Maritzburg United Football Club (MUFC) U19 team for the 2014/5 season for the sum of R750 000.

The sponsorship will help expose the local young players to a range of development opportunities in football and in the broadcasting field helping to produce better-rounded and better equipped players on and off the field. It will fast-track talent development for transition into first teams, locally and offshore, as well as facilitate progression to the professional ranks.

Hulamin considers itself as an integral part of the Msunduzi community in which it operates and is committed to helping improve the lives of those living and working within the region with particular focus on previously disadvantaged communities. It is important for Hulamin to use opportunities such as supporting MUFC to add value to the development of the local communities.

FINANCIAL CAPITAL

Financial capital identifies and monitors our performance. This includes how we obtain our funding, through financing or through generating by means of our productivity. It's the pool of funds generated and that are available to the Hulamin for use in the production of products and includes debt and equity.

2014 AREAS OF FOCUS	HOW WE FARED
Increase our return to shareholders	Normalised earnings has increased by 76% to R355 million
Re-invest capital into new strategic projects	The R300 million investment into our aluminium recycling facility is expected to be online in the third quarter of 2015
Reduce our borrowings levels to more sustainable levels	Net borrowings has reduced to R437 million

2015 AND BEYOND FOCUS AREAS
Focus on core competencies and key product streams to increase overall contribution
Identify measures that will limit the effects of load-shedding on the overall profitability of the business
Continue to improve on returns to shareholders, including the revival of the dividend policy

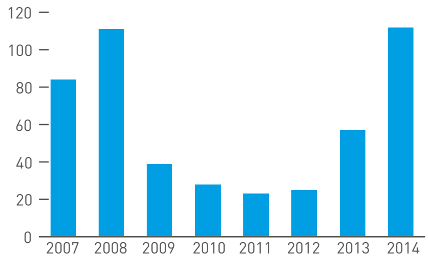
FINANCIAL PERFORMANCE

The group has reported record earnings for the 2014 financial year that have been bolstered from a growth in Rolled Product sales volumes and a weakening in the South African Rand compared to other major currencies.

Basic headline earnings for the group increased by 96% to R358 million, of which Hulamin Rolled Products contributed R326 million and Hulamin Extrusions contributed R32 million. Note 2 of the group financial statements disclose more information on our operating segment's contributions.

In order to better monitor underlying performance of the group, management reports results excluding abnormal or non-recurring type gains and losses. The resultant normalised earnings has shown an increase of 76% to 111 cents per share. The calculation of normalised earnings is shown in note 22 of the group financial statements.

Headline earnings per share (cents)



CASH FLOW

Hulamin continued to focus on its operating cash flows. With the weakening in the South African Rand against major currencies, our cash generated from operating activities increased to R518 million compared to R283 million in 2013. The increase in cash generated from operating activities has assisted the group to decrease our overall net borrowings to R437 million compared to R612 million reported in 2013 and in turn decreasing our net interest expense.

The group has committed to our investment of R300 million in the construction of our new aluminium recycling facility that is due to be fully operational in the third quarter of 2015. The new 50 000 ton facility will allow us to optimally recycle aluminium scrap generated in the plant and from our customer base. For more information on our new aluminium recycycling facility, refer to Manufactured capital on page 48.

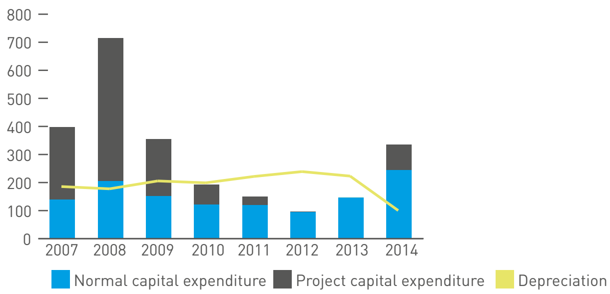
WORKING CAPITAL

Inventories rose by R152 million to R1 959 million at December 2014. Rolled Products inventory totalled 56 000 tons, which is below last year's amount, however above our target level of 55 000 tons. Manufacturing performance fell short of targets and introduced additional variability into the forecasting process which impacted negatively on inventory levels. Inventory at Extrusions was inflated by a large replenishment order that was in transit at year end.

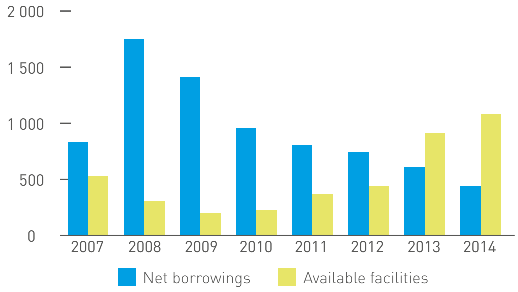
Although trade receivables increased from R827 million to R931 million, they were well managed. All export debtors and around 90% of local debtors were covered by credit insurance. Trade payables remained broadly in line with activity levels of the group.

DIVIDENDS

The board has proposed the resumption of Hulamin's three-times dividend cover payment policy, of which two-thirds will be paid as a final dividend. In accordance with this policy, a final dividend of 25 cents per share has been declared for the 2014 financial year.



Capital expenditure (R million)



Net borrowings (R million)

FINANCIAL GOVERNANCE

Accounting policies

The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC interpretations, SAICA Financial Reporting guides, the requirements of the Companies Act, No 71 of 2008, as amended, and the Listings Requirements of the JSE Limited.

No new accounting standards issued were adopted in the current year; however, amendments to some standards (as and when they have become effective) have been adopted in the current year of which can be found in note 1 of the group financial statements.

Financial controls and risk management

The internal control systems are designed to provide reasonable assurance against material losses and misstatement of financial results, and are intended to manage all significant risks. The safeguarding and prevention of misuse of assets is an important aspect of internal control. An internal financial control framework has been developed, in line with King III, to improve the identification of financial reporting risks and to provide additional assurance that controls are adequate to address the risk of material misstatements of financial results. During 2014, internal control frameworks were tested by the internal audit function. Areas of non-compliance were reported and discussed with management, following which action plans were implemented to address the risk of material misstatement of financial results. Refer to the corporate governance section on page 66 for more information

Going-concern assertion

The board has formally considered the going-concern assertion for the group and is of the opinion that it is appropriate for the forthcoming year.

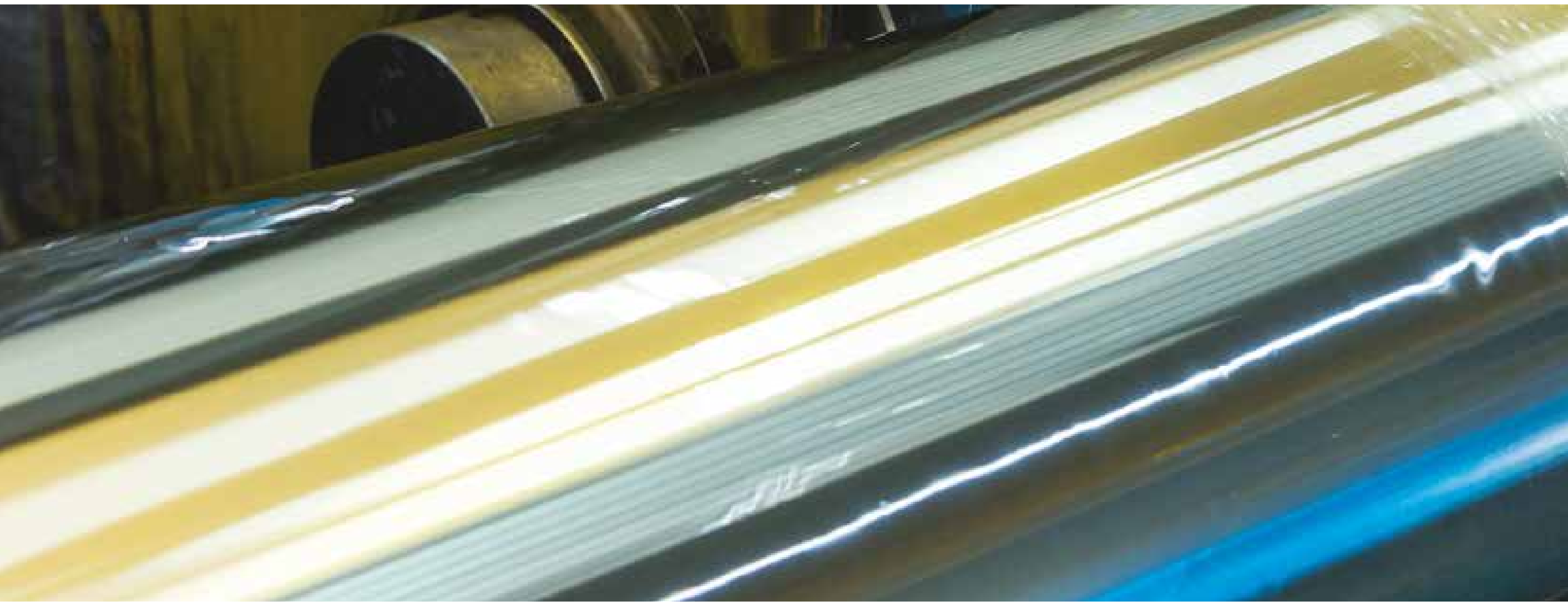
Refer to the executive report on page 12 for more detail on financial capital and the results for the current year

MANUFACTURED CAPITAL

Manufactured capital is the infrastructure, plant and equipment that we use to produce our products. It includes assets that are produced by other entities and those manufactured internally and excludes intellectual capital such as software. The management of these assets is a key business imperative and is considered an essential element in achieving manufacturing excellence and operational performance. Our high-tech, state-of-the-art rolling and semi-fabrication assets are central to our operations. The implementation of asset maintenance and care policies will improve asset utilisation and profitability.

2014 AREAS OF FOCUS	HOW WE FARED
Invest in a new plant for used beverage can recycling	Construction of the R300 million plant is on track, within budget and expected to be online in the third quarter of 2015
Implement compliance requirements for ISO 55000 Certification	Initial compliance requirements have been implemented with Phase 2 of the full compliance requirements underway
Ramp up can body stock production	Ramp up of can body stock is in progress and on track. Commercial qualification with customer completed in 2014
Development and implementation of an asset risk maintenance policy and governance structure	The development of the asset risk maintenance policy has been completed with the implementation phase currently underway

2015 AND BEYOND FOCUS AREAS
Continue the ramp up of can body stock to full requirements
Utilise our asset base to its full potential to achieve maximum contribution
Complete the construction of the recycling plant for the recycling of the all-aluminium can ramp up



KEY CAPITAL RELIANCES

Local aluminium smelters

Hillside aluminium smelter (source of primary aluminium for Hulamin's remelt and casting operation)

Bayside casting facility

Bayside aluminium smelter and casthouse (source of one-third of Hulamin's requirements for rolling slab for the rolling operation)

Hulamin operations

Remelt and casting Hulamin's remelt operations consist of:

- Three slab production lines, fed by reverberatory melting furnaces, with a slab capacity of around 240 000 tons per year
- An aluminium reclamation operation
- Two twin roll casters, which are able to process scrap and primary metal into coil, with the capacity to produce 20 000 tons of coil per year

Rolling

Hulamin is a conventional flat rolled aluminium products producer and operates hot, cold and foil rolling mills. Finishing equipment includes coil coating lines, slitting, sheet cut-to-length lines, cleaning and tension levelling and foil finishing facilities. A state-of-the-art plate plant is equipped with a range of equipment including sawing, stretching and plate cut-to-length lines.

Extruding

Hulamin manufactures the majority of the extrusion dies for its two extrusion plants. Heated billet is placed in an extrusion press which pushes the softened metal through the die to produce the desired profile. Finishing options include powder coating, anodising and fabrication.

Scrap processing

Hulamin operates an aluminium reclamation operation which consists of a shredding line, de-coater and induction furnace which is used to process light and coated scrap to produce aluminium sows that are fed into the three slab production lines.
A R300 million investment in a scrap sorting, processing and recycling facility was approved in 2013 and will be online in the third quarter of 2015.

ASSET MANAGEMENT STRATEGY

The purpose of the asset risk management strategy is to provide a structured approach to the implementation of an asset risk management system, based on ISO 55000 and ISO 31000 principles. Our asset management strategy is aligned with international best practice. The focus is on asset care, operation and maintenance while considering the asset performance and the effect of external factors.

Key areas of focus:

Business risk assessment

To identify potential assets that pose a high risk to the overall business objectives.

Operation task criticality

To determine activities related to assets that can cause harm to people and the environment while performing these activities.

Equipment criticality analysis

To identify the most significant equipment and determine the most appropriate approach to the development of maintenance tasks.

Spares criticality analysis

To determine inventory categories and develop an approach for a specific spare or material.

Asset acquisition risk management

To determine issues that should be included in the specification of the asset such as training, integration of systems, energy considerations, critical spares and technology.

HIGH-TECH STATE-OF-THE-ART ASSET BASE

MANUFACTURED CAPITAL | CONTINUED

IMA

Hulamin has developed an Integrated Manufacturing Approach (IMA) to ensure that it achieves its goals and objectives. IMA is Hulamin's operational excellence programme and defines the manner in which to standardise, improve and sustain Hulamin. The programme consists of four pillars, namely standardised business processes, controlled manufacturing processes, reliable equipment and improvement projects.

The IMA is a continuous process of uplifting standards, improving systems and sustaining them. This allows us to deliver value to the customer and to increase the value of Hulamin.

The reliable equipment pillar of IMA manages our impact on manufactured capital. It allows us to:

- Capture and analyse our maintenance history
- Identify improvement opportunities
- Learn from our failures
- Measure our performance
- Standardise on best practice processes
- Sustain the improvements we made

ASSET CARE

The asset care team ensures that equipment is kept in good, functional condition and contributes to safe working conditions and prevents environmental damage.

Our dedicated asset care team is focused on furthering the:

- Development and implementation of Asset Risk Management policies and governance
- Development and implementation of centralised work planning and control
- Development and implementation of improved material management systems

Our reliance on manufactured capital and our approach to the management thereof allow for us to extract the benefits and value of our assets.

OPERATIONAL STATISTICS FOR 2014

Repairs and maintenance	**R203 million** (2013: R177 million)
Group production	**214 000 tons** (2013: 211 000 tons) Rolled Products 196 000 tons Extrusions 18 000 tons
Additions	**R305 million** (2013: R131 million)
Disposals at cost	**R59 million** (2013: R1 million)
Carrying amount	**R2 697 million** (2013: R2 515 million)

RECYCLING PLANT ON TRACK

Hulamin has invested in the infrastructure needed to recycle Used Beverage Cans (UBCs) and other end-of-life and customer scrap in the most effective and environmentally responsible manner. The recycling centre is estimated to cost R 300 million, which will further advance our manufactured capital. The construction of this plant is within budget and on track to meet the initial deadline of the third quarter of 2015.

STRATEGIC ASSET BASE

The strategic assets of Hulamin can be separated into three key areas of which all are important to the overall state-of-the-art facilities that contribute to produce our products.

GROUP ASSETS

Remelt and casting equipment

Melting and holding furnaces are used to melt and blend primary aluminium, alloying elements and scrap aluminium. The casting launder and moulds are used to solidify the molten aluminium into rolling slab. There are three slab production lines with a capacity of 240 000 tons per year.

Infrastructure

Buildings, roads, pipelines and other services essential for production.

Recycling plant

Coated and painted scrap is also processed via the aluminium reclamation operation which consists of a shredding line, de-coater and induction furnace. The processed scrap is fed into the slab production lines above.

Strategic spares

Spares, which are essential to production, are on hand in the event of breakdowns and urgent repairs.

HULAMIN ROLLED PRODUCTS

Mills

Hulamin has state-of-the-art rolling mills, which roll the slab into coils. The hot mills roll heated slab, substantially reducing it thickness and multiplying its length by up to 24 times. The cold mills further roll the hot-rolled coils to achieve the required gauges and properties.

Slitters

These items of equipment form part of the finishing processes. These high-tech machines allow for a high-quality product that meets customers' specific needs.

Plate plant

The aluminium plate plant is a technologically advanced process that includes heat treatment, sawing, stretching and cut-to-length lines.

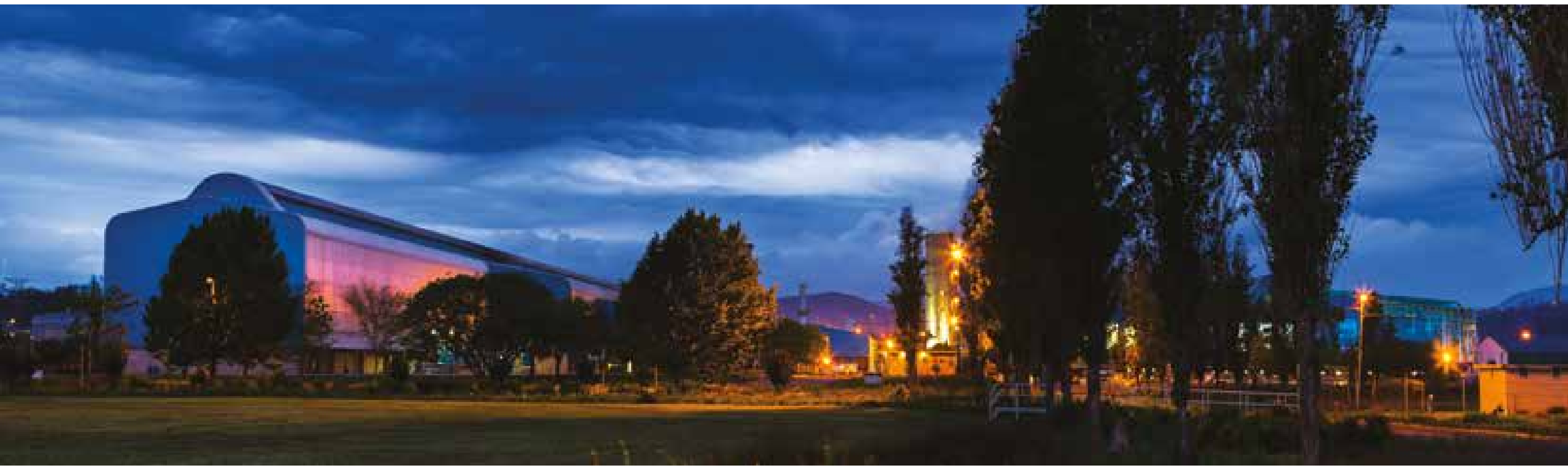
Coating

Coils can be coated with paint or lacquer using rollers and then oven-cured. The coil coating process is designed to ensure highly consistent quality.

HULAMIN EXTRUSIONS

Extrusions

Billet presses push softened metal through dies to create desired profiles, which are then finished by either coating, anodising or fabrication. Hulamin has two extrusion plants, both of which boast these advanced technologies.



HUMAN CAPITAL

Human capital is considered a core asset at Hulamin. The skills of our people are the foundation for our success. Hulamin appreciates the importance of its people and the key role that they play in achieving objectives through strategy implementation. Our people are equipped with the knowledge, skills and motivation that give Hulamin a leading advantage.

Our workforce consisted of 1 920 employees at December 2014 (2013: 1 876 employees), of which 93% are black, 13% are women and 0,9% are persons with disabilities. We are reliant on the skills, education and experience of our employees, particularly those who have unique skills that are required by our business. These are core and specialist skills which include among others, metallurgical engineering, rolling, roll-grinding, surface treatment and casting. We are dependent on these skills in various aspects of our business, including, manufacturing, design, operating, maintenance and project planning.

2014 AREAS OF FOCUS	HOW WE FARED
Invest in our talent	R21,8 million spent in skills development (2013: R14,6 million)
Emphasise the employment of black and female employees	Increased black and female representation across all areas of the business
Foster a culture that rewards performance	A detailed plan in respect of the 3Rs project was developed to ensure the process was well managed and this was completed by the targeted date of 31 December 2014. The final phase of the project entails developing the competency model is currently in progress
Build symbiotic relations with labour unions and strengthen internal communication relationships with employees	Strengthening of relationships with labour unions and employees continue to remain important to Hulamin
Implement and roll out the new safety strategy	The new safety strategy has been rolled out yielding significant safety improvements

2015 AND BEYOND FOCUS AREAS
Strive to meet our employment equity targets
Complete the final implementation phase of the 3Rs project throughout our organisation
Continue strengthening existing ties with our employees and out labour unions
Complete the internal safety projects to review the current internal standards, determine the gap in line with international best practice, develop a project plan, and execute against this plan
Continue the holistic approach to health in terms of primary, occupational and employee wellbeing. Routine health risks audit will be conducted in each of the manufacturing departments.

EMPLOYMENT EQUITY

Hulamin is committed to addressing the imbalances with regard to race, gender and disability in our workforce. Employment equity is an integral component of Hulamin's business strategy and is focused on the following aspects:

- the elimination of unfair discrimination within the workplace, and
- the implementation of affirmative action measures to achieve equitable representation of designated groups across all occupational levels within the organisation.

The drive towards employment equity is supported by various measures. Skills development programmes and various investments in talent are centred on employment equity. There are various employment equity committees that are further supported by the Transformation, Social and Ethics Committee and the Broad-based Black Economic Empowerment Committee.

During 2014 we have extended our commitment to employment equity in the following areas:

Female representation	• We have recruited five females at a D band and 10 females at a C band level during 2014. In addition we have recently appointed our second African female area manager • The 2014 in-service trainee intake comprises 17 trainees, 7 of whom are women • Since the inception of the apprentice training programme, 19 females have qualified as artisans and have been placed into permanent positions • 3 females who previously occupied shop floor positions have been appointed into team leader positions
African representation	• During the past 2014 Hulamin has recruited 8 Africans at D band in key areas of the business such as finance, metallurgical engineering and maintenance.
Persons with disabilities	• Efforts remain focused on improving the training and development of employees with disabilities in order to improve their skills sets as well their employment prospects
Black representation	• Black representation at a D band level and above has increased from 61% in 2013 to 64% in 2014

EMPLOYMENT EQUITY TARGETS

Criterion	Target %	Status 2014 %	Status 2013 %
Black representation at senior management	58	45	42
Black representation at middle management	85	75	69
Black representation at skilled and supervisory level	91	93	92
Women at senior management	12	10	7
Women at middle management	20	20	16
Women at skilled and supervisory level	15	13	13
People with disabilities	1,5	0,9	1,3

EMPLOYEE PARTICIPATION

Employees are key to all aspects of Hulamin's performance and future success. Hulamin's employee representation strategy is based on open communication and consultation with its employees and their representatives.

Formal communication with employees and their representatives takes place regularly and at various levels, including the Departmental Action Forums, where employees meet with line management, and the Employee Relations Committee, where employee representatives meet with senior management. In addition, employees regularly engage with management through weekly Visible Felt Leadership structures.

SKILLS DEVELOPMENT

Employees are key to all aspects of Hulamin's performance and future success. Hulamin's employee representation strategy is based on open communication and consultation with its employees and their representatives.

A Training Committee has been established which functions in accordance with requirements of the Skills Development Act and the MERSETA. This committee is guided by terms of reference which clearly define the roles and responsibilities of the committee and the representation in respect of the employees, the employer and organised labour.

EMPLOYEES ARE KEY **TO HULAMIN'S PERFORMANCE AND SUCCESS**

KEY CAPITAL RELIANCES

- **Management and leadership skills and experience**
- **Key engineering, metallurgical and manufacturing experience and key competancies and capabilities**
- **Skills, education and experience of existing employees and new joiners to the group**

HUMAN CAPITAL | CONTINUED

BUILDING LEADERSHIP AND MANAGEMENT CAPABILITY

The 3Rs (Roles, Responsibilities and Routines) project is a critical intervention in developing leadership in the organisation. The project is underway and the main objectives of the project are to:

- Standardised roles, responsibilities and routines across the organisation
- Improve and develop employee competence and capability through the development of a structured competency model, the identification of competency gaps and implementing interventions to close these gaps.

The process to develop roles, responsibilities and routines for all staff positions within the organisation is underway. A detailed project plan was developed to ensure the process was well managed and was completed by the targeted date of 31 December 2014. A coaching model and methodology has been developed to ensure that the 3Rs process is entrenched and supported within the organisation.

The final phase of the project entails developing the competency model for general management and specialist functions, determining the competency gaps and implementing the appropriate training and development interventions to address skills gaps, such management and leadership development programmes and shift leader development programmes.

INVESTMENT IN OUR TALENT

The talent management strategy has been refined to ensure that Hulamin has the appropriate plans and interventions in place that enable the organisation to have the right skills in place as cost-effectively as possible to meet future needs.

Some of our investment programmes currently underway include:

- Management development programme
- Shift leader development programme
- Developing technical competence
- Shopfloor competence training
- IMA visual management
- Learnerships for people with disabilities
- The engineers-in-training programme
- Apprenticeship training programme

Our investment	2014
Total skills development spend	R21,8 million
Investment in pipeline management programmes	R3,6 million
Investment in bursary scheme	R1,8 million
Number of employees in company sponsored education programmes	103
Number of employees currently in learnership programmes	35

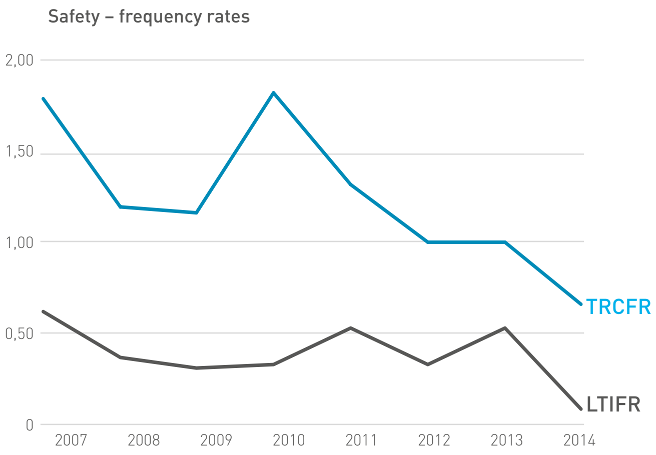
SAFETY

Hulamin is committed to the wellbeing of employees and providing a safe working environment that ensures that the business continues to function effectively and to retain and attract skilled people in future.

Hulamin has embedded a culture of safety in the organisation to ensure that its plants are operated safely and employees are protected from injury or from harm due to incidents or exposure. To achieve this employees and the teams in which they work are guided and supported in taking responsibility for their own safety. Hulamin seeks to continuously improve its safety performance by measuring and monitoring both leading and lagging indicators which are aligned to industry best practice.

Hulamin is audited for verification and compliance in line with the OHSAS 18001 management standard. In 2014 a successful recertification audit was conducted and the current certificate is valid until 2017.

In 2013, a strategy was developed that focuses on two key pillars: culture and risk. The cultural pillar addresses behavioural change and the risk pillar addresses the safety systems. Based on the results of an independent GAP audit, the safety strategy was revised in 2014. A combination of this key strategy and the commitment to safety across the organisation has had a positive effect on our safety results:



Safety – frequency rates

The Total Recordable Case Frequency Rate **(TRCFR)** and the Lost Time Injury Frequency Rate **(LTIFR)** is the number of recordable injuries divided by the number of hours worked, multiplied by 200 000.

SKILLS DEVELOPMENT SPEND UP **49%** TO **R21,8** million

HEALTH

Hulamin believes that the good health of employees is essential to motivation, capability and productivity. To this end, we offer benefits for employees and their families and friends. The enhancement of employee health also contributes to reduced absenteeism and promotes good working relationships.

A Health Care Centre is manned by employees with the appropriate skills, competencies and qualifications in the field of medicine and Occupational Health Nursing Practices to manage these three components. Several health care programmes are in place include occupational health risk assessment and control measures.

In 2014, 1 081 employees went through Voluntary Counselling and Testing (VCT). Hulamin also provide antiretroviral (ARV) support to employees that are HIV positive. A total of R423 797 was spent on HIV/Aids management in 2014. There were no new noise-induced hearing loss cases reported in 2014.

The focus in 2015 will be to continue the holistic approach to health in terms of primary, occupational and employee wellbeing. Routine health risks audit will be conducted in each of the manufacturing department. The aim is to identify, evaluate and reduce the risks that are hazardous to the health of employees.

Committed to safety

The safety of our employees, stakeholders and members of the public is of the utmost importance to Hulamin. As such, a revised safety strategy was developed during the fourth quarter of 2013. The new strategy was implemented across all levels and all companies within the organisation in 2014.

The newly implemented strategy has shown remarkable progress with significant drops in the LTIFR and TRCFRs and 2014 having shown record improvements in the group's safety (during 2014 there were two lost time injuries incurred throughout the year).

All levels of staff are committed to the group's ongoing focus on safety. As part of the safety strategy, a safety focused risk programme is currently being rolled out with Hulamin having committed in R52 million on improved shopfloor safety systems (R16 million has been spent during 2014 and a further R36 million will be spent over the next two years).

See the online sustainability report for more detail on each of the aspects of human capital.

Note: Limited assurance has been obtained over the following as detailed in the sustainability report:

HIV/Aids spend, employee and contractor lost time injury frequency rate (LTIFR), employee and contractor total recordable frequency rate (TRCFR), number of fatalities, new noise induced hearing loss (NIHL) cases for the year and new dermatitis cases for the year.

NATURAL CAPITAL

Hulamin recognises the need for commitment to all forms of responsible environmental stewardship of its resources and to ensuring that all its activities result in minimal harm to the environment. Addressing environmental sustainability thus has been integrated into the way Hulamin runs its business. Structural changes to the business were put in place to enable and sustain monitoring and reporting environmental sustainability alongside developing plans for continuous improvement, including the assessment of environmental risk.

2014 AREAS OF FOCUS	HOW WE FARED
Identify new technologies and alternative engineered solutions to make meaningful gains in environmental sustainability	Committees and working projects have been commissioned in order to assist with sustainable solutions including electricity, gas and water
Completion of the filter cake waste project	Waste filter cake is now going to the recycler who returns to us the extracted rolling oil. This also reduces demand on rolling oil supply.
The treating of explosive aluminium dust waste	A small project to neutralise a highly reactive aluminium sludge has been successful
Increase the recycling activity of our metal used in beverage can scrap	Refer to the Manufactured capital section on pages 48 to 51

2015 AND BEYOND FOCUS AREAS
Continue our projects to more efficiently consume LPG and move towards more sustainable forms of gas
Our newly established water management team has been tasked to identify and manage water concerns affecting Hulamin and surrounding communities
Work closely with the NCPC, an energy management specialist, in setting up sustainable systems for more efficient energy management
Continue to strive in supporting our communities to recycle aluminium metal scrap

NATURAL RESOURCES WE ARE RELIANT ON

Aluminium smelters are heavily reliant on **electricity**, a scare and carbon-intensive resource, to produce primary aluminium.

The mid- and downstream aluminium industries are reliant on this primary aluminium. This high utilisation of electricity by the smelters is therefore an indirect capital on which Hulamin is reliant. Hulamin also consumes electricity in its remelt, casting, rolling and extrusion activities.

LPG gas and

water are essential resources used in our production.

ABILITY TO REDUCE RELIANCE ON KEY NATURAL RESOURCES

Aluminium is infinitely recyclable. By recycling aluminium, the initial energy intensive process is eliminated. There is an increasing availability of aluminium scrap, including used beverage cans, in the local market. Recycling scrap creates prospects of improved economic returns for the mid- and downstream industry. Further, the collection and recycling industry creates additional employment. In addition, efforts are continuously being made to reduce consumption of energy resources through improved efficiencies and waste management.

OUR COMMITMENT TO REDUCED RESOURCE CONSUMPTION

Every employee at Hulamin is tasked to help sustain our environment. This relates to minimising energy and water consumption and reducing waste to a minimum. To achieve this, we strive to operate as efficiently as possible. Environmental sustainability is driven by our Safety, Health and Environment Committee. Since we pledge to minimise our impact on the environment, we strictly monitor all waste leaving the plant, both effluent waters from our processes as well as solid waste streams. We have contracts with specialist third parties who assist us to manage these waste streams. We also have regular third-party testing of our air emissions. We monitor legislative developments; the latest Waste Act has been reviewed by Hulamin to ensure that we comply with all new requirements.

OUR IMPACT ON NATURAL CAPITAL IN 2014

At the end of 2012, Hulamin set intensity targets for all key environmental parameters (consumption per unit ton produced). In 2013 we made some improvement on our effects on the environment. 2014 was a more challenging year. During the course of the year, we had a number of equipment failures that compromised our ability to reach our production targets. Although production continued, we have limited ability to reduce our baseload energy requirement. This made it difficult to reach the targets we had set ourselves. We do, however, believe that the targets are achievable and will continue to make efforts to reach the targets in 2015.

ALUMINIUM IS INFINITELY RECYCLABLE

NATURAL CAPITAL | CONTINUED

CARBON FOOTPRINT

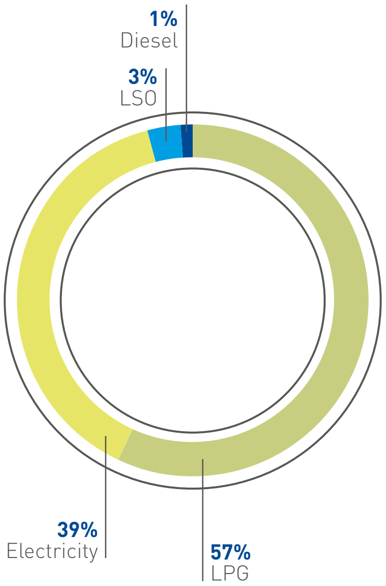
Hulamin continues to track and monitor Greenhouse Gas (GHG) emissions. We have once again conducted our annual carbon footprint analysis in accordance with methods used in previous reporting periods.

Intensity against 1 ton of production	2013	Target 2014	Actual 2014
Carbon footprint (tons CO_2e)	1,85	1,69	1,75
Electricity consumption (GJ)	4,82	4,67	4,81
LPG consumption (GJ)	6,46	6,29	6,96
Water consumption (kℓ)	2,82	2,70	3,00
Waste landfilled (kg)	28,2	25,6	29,2

ENERGY

While Hulamin has made some progress to improve energy efficiency over the last few years, we believe the time has come to step up the momentum. With improved measurement systems in place, Hulamin is now in a good position to formally implement an energy management system. An agreement was reached between Hulamin and the National Cleaner Production Centre (NCPC) (The NCPC is hosted by the CSIR on behalf of the Department of Trade and Industry (dti). The NCPC-SA is a member of UNIDO and UNEP's global resource efficiency and cleaner production network) to provide Hulamin with an energy management specialist as well as a compressed air systems specialist on site to assist setting up sustainable systems for energy management. This project was initiated in late 2014 and we look forward to a new outlook on energy consumption.

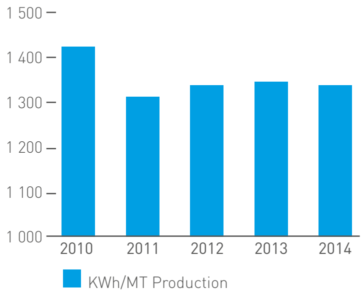
Energy consumption



We continue to reduce our overall energy consumption, mainly through improved LPG (liquid petroleum gas) consumption following the appointment of an LPG specialist.

Hulamin is currently investigating different options to resolve our reliance on LPG. One of the options currently under consideration is to move to the more abundant and cleaner option of LNG (liquid natural gas).

Hulamin electricity intensity

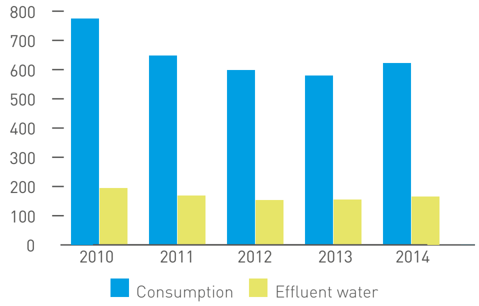


WATER

In recognising shortcomings in the area of water conservation at Hulamin, a water management team has been set up to identify and manage water concerns. The mandate of this team is to identify water risks, monitor and understand monthly consumption data and to develop action plans for risks and opportunities.

Effluent water levels increased in 2014. Efforts to recycle water at the Coil Coating Line resulted in an unexpected processing problem which had taken some time to identify.

Water usage (Klitres)

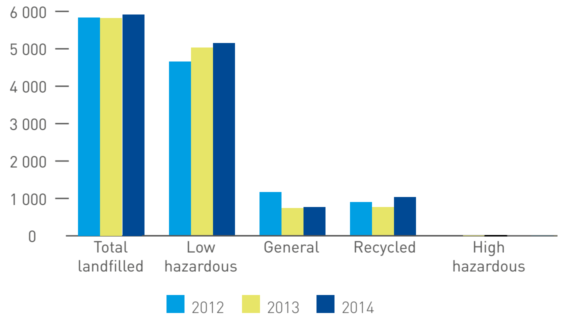


WASTE

While production increased, Hulamin was able to show a decrease in waste levels from 2013 on a per ton of production comparison basis. There were a number of projects initiated that enabled us to lower the waste to landfill volumes such as:

- Our waste management service provider has worked with us to increase recycling levels.
- Improved management of waste emulsion from our hot rolling line enabled more oil to be recycled, and less being sent to landfills.
- Our cold rolling waste filter cake is now being processed through a recycler who returns to us the extracted rolling oil. This has also reduced our demand on rolling oil supply.
- A small project to neutralise a highly reactive aluminium sludge has been successful. The waste is now much safer to handle on site.

Disposed waste volumes (tons)



The greater environment

Hulamin has entered into an agreement with the Duzi Umgeni Conservation Trust (DUCT) for the removal of alien plant invader species and the rehabilitation of an area that runs between our manufacturing sites in Pietermaritzburg. This area is in close proximity to the Umsunduzi river and the activities are expected to benefit the river environment. DUCT's mission is to champion the environmental health of the Umsunduzi and Umgeni rivers. They believe that their vision is ambitious and will only be achieved through progressive, combined and sustained actions by government and civil society. Hulamin is pleased to be associated with this organisation and intends to continue to support of their endeavours.

See the online sustainability report for more detail on each of the aspects of natural capital.

Note: Limited assurance has been obtained over the following as detailed in the sustainability report: direct energy consumption (gigajoules), indirect energy consumption (gigajoules), total carbon footprint (using the Eskom electricity conversion factor), total effluent discharge, general waste disposed, low hazardous waste disposed, high hazardous waste disposed, solid waste recycled, total water consumption and number of environmental incidents.

THINK

FUTURE

THINK ALUMINIUM

THINK **HULAMIN**

GOVERNANCE AND LEADERSHIP

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

RICHARD GORDON JACOB[1] (49)

CHIEF EXECUTIVE OFFICER

Aluminium industry
Corporate and strategic leadership
Commercial strategist
Operational best practice
Rolling technology

RSHE | TSE

DAVID ALAN AUSTIN[2] (57)

CHIEF FINANCIAL OFFICER AND ACTING CEO

Metals trading
Financial management
Financial and corporate governance

RSHE

ZAMANI MOSES MKHIZE (53)

Aluminium industry
Corporate and strategic leadership
Operational best practice
Rolling technology

RSHE

NON-EXECUTIVE DIRECTORS

VUSI NOEL KHUMALO (52)

Public enterprise leadership
Diverse financial experience
Government relations

TSE

JOHANNES BHEKUMUZI MAGWAZA (72)

Corporate and strategic leadership
Human capital strategy

RN | TSE

SIBUSISO PETER-PAUL NGWENYA (61)

Corporate and strategic leadership
Entrepreneurship flair
Public sector leadership
Political insight

TSE

RSHE	*Risk and Safety, Health and Environment Committee*
A	*Audit Committee*
RN	*Remuneration and Nomination Committee*
TSE	*Transformation, Social and Ethics Committee*

Refer to our website at www.hulamin.co.za for detailed résumés of the board

INDEPENDENT NON-EXECUTIVE DIRECTORS

MAFIKA EDMUND MKWANAZI (60)

CHAIRMAN OF THE BOARD

Public enterprise leadership
Corporate and strategic leadership
Government and public sector relations
Private enterprise

RN | RSHE

THABO PATRICK LEEUW (51)

Financial and investment management
Corporate leadership
Best practice in corporate governance

A | RSHE

NOMGANDO ANGELINA MATYUMZA (51)

Human resource best practice
Entrepreneurial flair
Diverse financial experience
Financial governance

A | RN | TSE

GEOFFREY HAROLD WATSON (63)

Aluminium industry
Corporate and strategic leadership
Rolling technology
Strategic marketing
International operations experience

RN

LUNGILE CONSTANCE CELE (61)

Financial and tax management
Human resource best practice
Entrepreneurial flair
Financial governance

A | TSE

PETER HEINZ STAUDE (61)

Corporate and strategic leadership
Operational best practice
Multinational organisations
Aluminium industry

RSHE

SIMON MICHAEL JENNINGS (58)

Multinational beverage packaging
Strategy and marketing
International operations
Corporate, advisory and strategic leadership experience

RSHE

1: Medical leave of absence with effect from 18 July 2014

2: Acting CEO with effect from 18 July 2014

Note: Ages quoted for all board members are at 31 December 2014

EXECUTIVE COMMITTEE

CHIEF EXECUTIVE OFFICER

RICHARD JACOB[1] (49)

Joined Hulamin in 1990

CHIEF FINANCIAL OFFICER AND ACTING CEO

DAVID AUSTIN[2] (57)

Joined Hulamin in 2013

MANUFACTURING

MOSES MKHIZE (53)

Joined Hulamin in 1982

CORPORATE AFFAIRS AND MANAGING DIRECTOR: HULAMIN EXTRUSIONS

HECTOR MOLALE (48)

Joined Hulamin in 1993

HUMAN CAPITAL

MARLENE JANNEKER (43)

Joined Hulamin in 1995

METAL SUPPLY

FRANK BRADFORD (54)

Joined Hulamin in 1990

SALES, MARKETING AND MARKET DEVELOPMENT

DARRYL WEISZ (51)

Joined Hulamin in 2012

1: Medical leave of absence with effect from 18 July 2014

2: Acting CEO with effect from 18 July 2014

Note: Ages quoted for all executive members are at 31 December 2014

Refer to our website at www.hulamin .co.za for a detailed résumé of the executive committee


+082.7

CORPORATE GOVERNANCE

In terms of the JSE Listings Requirements, all JSE-listed companies must comply with the King Code of Governance Principles for South Africa (King III Code).

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

Hulamin applies all the principles of the King III Code and the vast majority of the recommended practices of the King III Code. A summary of how each principle is applied can be found at www.hulamin.co.za.

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 all stakeholders.

COMPOSITION

Hulamin has a unitary board consisting of three executive directors and 10 non-executive directors, of whom seven are independent.

Details of the directors are listed on page 62 and 63 and a brief résumé of each director is available at www.hulamin.co.za.

APPOINTMENTS AND CHANGES TO THE BOARD

D A Austin was appointed as acting Chief Executive Officer with effect from 18 July 2014 while R G Jacob took medical leave of absence.

Appointments to the board of directors follow a formal and transparent process and are a matter for the board of directors as a whole, assisted by the Remuneration and Nomination Committee.

The board endeavours to ensure that it has the right balance of skills, experience, background, independence and business knowledge necessary to discharge its responsibilities.

Newly appointed directors are introduced to the group via a formal induction programme.

BOARD PRACTICES

At board level there is a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making.

The roles of M E Mkwanazi as an independent non-executive Chairman and R G Jacob as the Chief Executive Officer and D A Austin as acting Chief Executive Officer are separate with a clear division of responsibilities, which are set out in the board charter.

SUCCESSION PLANNING

The appointment and performance of the Chairman are reviewed annually. The board and the Remuneration and Nomination Committee are responsible for the succession plan for the Chairman.

ROTATION

In accordance with the company's Memorandum of Incorporation, executive directors in addition to 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. The board charter requires non-executive directors who have served on the board for more than nine years to retire, except in exceptional circumstances. The appointment and removal of directors, as well as changes to the composition of the board, are based on the recommendation of the Remuneration and Nomination Committee. Non-executive directors are chosen for their business skills and expertise appropriate to the strategic direction of the company. There are no term contracts of service between any of the directors and the company or any of its subsidiaries.

REMUNERATION AND EFFECTIVENESS EVALUATION

Non-executive directors' remuneration is not linked to the group's financial performance.

In order to improve the board's effectiveness, evaluations of the board, individual directors, board committees and the Chairman are carried out annually. External evaluations are done every second year. Appropriate measures are taken to address any weaknesses highlighted through the evaluation process.

RESPONSIBILITIES OF THE BOARD

The board's key responsibilities are:

- Approve corporate strategy, including business plans and budgets and bring independent, informed and effective judgement and leadership to bear on the material decisions of the company
- Monitor management's implementation of the approved strategies
- Approve major acquisitions and disposals
- Oversight of the group's systems of internal control, governance, including that of information technology, and risk management
- Guiding the group's values, including principles of ethical business practice and the requirements of being a responsible corporate citizen
- Appointment of the Chairman and Chief Executive Officer, nomination of directors and review of directors' and senior management's remuneration, appointments and succession plan
- Approval of the authorities assigned to the board, its committees and management
- Ensure disputes are resolved as effectively, efficiently and expeditiously as possible
- Monitoring the relationship between management and stakeholders of the company.

The quorum for board meetings is a majority of the directors.

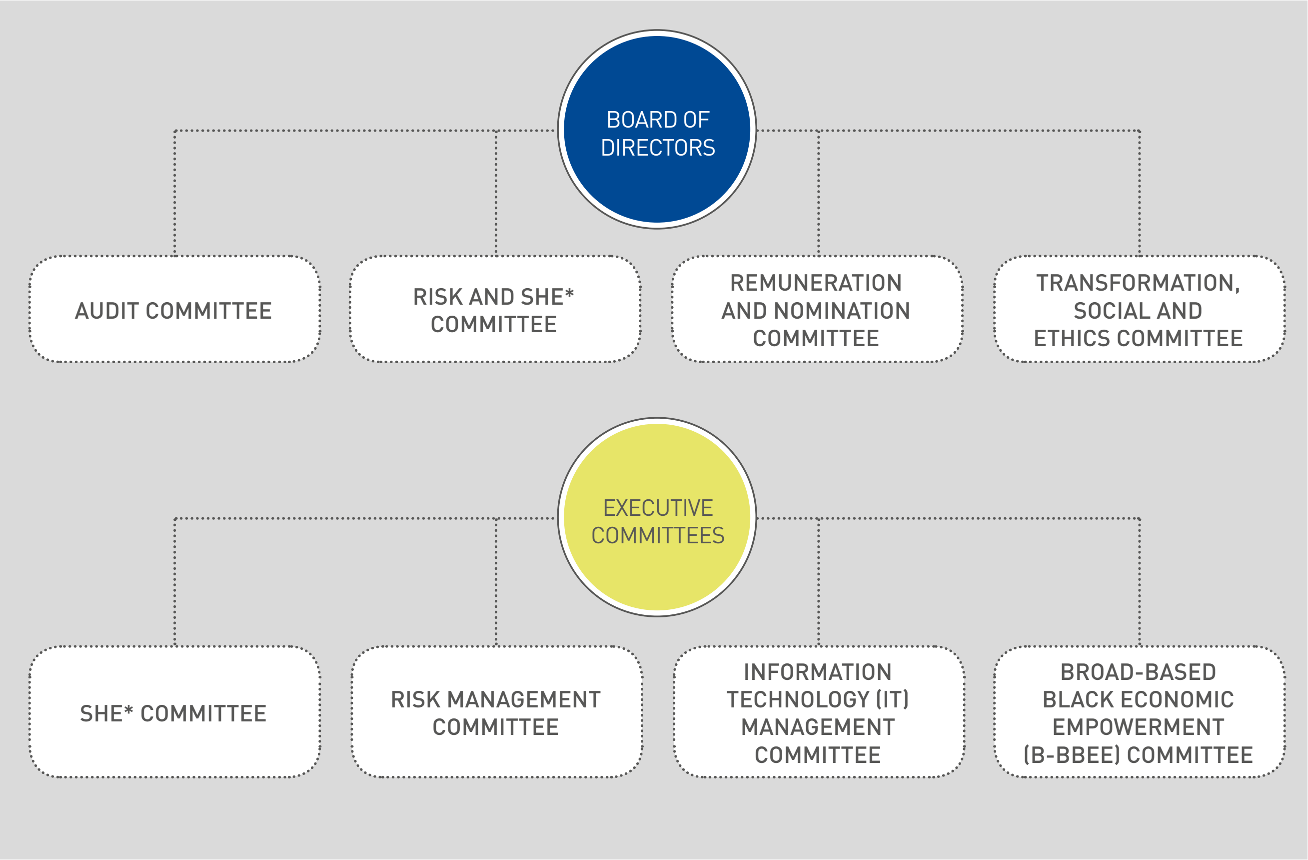
The board is supplied with all relevant information and has unrestricted access to the management of the group and all group information, which enables the directors to adequately discharge their responsibilities. All directors and board committees have full access to the Company Secretary and may, in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

The Company Secretary provides guidance and advice to the board and the group on governance matters and changes in legislation. All directors have access to the advice and services of the Company Secretary.

The responsibilities of the Company Secretary are described in detail in the board charter.

Directors' declarations of interests are tabled annually and additional or amended declarations of interests are circulated at every board meeting.

GOVERNANCE STRUCTURE



THE BOARD AT A GLANCE

	AGE	AUDIT	RISK AND SHE*	REMUNERATION AND NOMINATION	TRANSFORMATION, SOCIAL AND ETHICS
Independent non-executive directors					
M E Mkwanazi (Chairman)	60		Member	Member	
T P Leeuw	51	Chairperson	Member		
N N A Matyumza	51	Member		Chairperson	
G H M Watson	63			Member	
P H Staude	61		Chairperson		
L C Cele	61	Member			Chairperson
S M G Jennings	58		Member		
Non-executive directors					
V N Khumalo	52				Member
J B Magwaza	72			Member	Member
S P P Ngwenya	61				Member
Executive directors					
R G Jacob (CEO)	49		Member		Member
D A Austin (CFO and acting CEO)	57		Member		Acting member
Z M Mkhize	53		Member		

* *Safety, Health and Environment*

CORPORATE GOVERNANCE | CONTINUED

COMMITTEE ATTENDANCE REGISTER

	BOARD	AUDIT	RISK AND SHE*	REMUNERATION AND NOMINATION	TRANSFORMATION, SOCIAL AND ETHICS	AD HOC
Independent non-executive						
M E Mkwanazi	6 of 6		3 of 3	6 of 7		2 of 2
T P Leeuw	6 of 6	3 of 3	3 of 3			2 of 2
N N A Matyumza	6 of 6	3 of 3		7 of 7		
G H M Watson	6 of 6			6 of 7		2 of 2
P H Staude	6 of 6		3 of 3			1 of 2
L C Cele	6 of 6	3 of 3			2 of 2	2 of 2
S M G Jennings	6 of 6		3 of 3			2 of 2
Non-executive						
V N Khumalo	6 of 6	3 of 3[#]			2 of 2	2 of 2
J B Magwaza	5 of 6			7 of 7		1 of 2
S P Ngwenya	6 of 6					2 of 2
Executive						
R G Jacob[1] (CEO)	3 of 6		1 of 3	4 of 7[#]	1 of 2	2 of 2
D A Austin[2]	6 of 6	3 of 3[#]	3 of 3	3 of 7[#]	1 of 2[#]	2 of 2
Z M Mkhize	6 of 6		3 of 3			

[#] *Attendance by invitation.*

[*] *Safety, Health and Environment.*

1 *Medical Leave of Absence with effect from 18 July 2014*

2 *Acting CEO with effect from18 July 2014*

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.

The committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group.

The board has an Audit Committee, a Risk and Safety, Health and Environment Committee, a Remuneration and Nomination Committee and a Transformation, Social and Ethics Committee.

COMMITTED TO
GOOD CORPORATE
GOVERNANCE

BOARD COMMITTEES | CONTINUED

AUDIT COMMITTEE	
Core responsibilities The responsibilities of the committee and details of the execution of the duties of the committee during the year under review are set out in the Report of the Audit Committee on pages 86 to 88.	**Chairman** T P Leeuw (independent non-executive)
	Composition **Independent non-executive directors** N A Matyumza L C Cele Note: *The members were re-elected at the annual general meeting held in April 2014.*
	Frequency of scheduled meetings 3 meetings per annum
	Invitees D A Austin (CFO) V N Khumalo (non-executive director) Representatives of internal and external auditors A P Krull (Financial manager responsible for internal audit)
	Secretary W Fitchat (Company Secretary)

RISK AND SHE* COMMITTEE	
Core responsibilities The responsibilities of the committee are set out in written terms of reference. These terms of reference and the company's risk appetite statement were adopted by the board. The Risk and SHE* Committee's key responsibilities are: • Overseeing and monitoring the development and implementation of a risk management framework, policy, strategy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within Hulamin • Recommend levels of tolerance and appetite for risk to the board • Report to the board information relevant to risk management and procure independent assurance regarding the effectiveness of the risk management process • Oversee and monitor the implementation of safety, health and environment policies, strategies, targets, plans and systems and review the safety, health and environment risk profile.	**Chairman** P H Staude (independent non-executive)
	Composition **Independent non-executive directors** M E Mkwanazi T P Leeuw S M G Jennings **Executive directors** R G Jacob M Z Mkhize D A Austin
	Frequency of scheduled meetings 3 meetings per annum
	Invitees A P Krull (Financial manager) H T Molale (Group Executive: Corporate affairs) D R Weisz (Group Executive: Sales, marketing and market development) D Cantini (Executive: Manufacturing support)
	Secretary W Fitchat (Company Secretary)

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* *Safety, Health and Environment*

CORPORATE GOVERNANCE | CONTINUED

BOARD COMMITTEES | CONTINUED

REMUNERATION AND NOMINATION COMMITTEE

Core responsibilities

The responsibilities of the committee are set out in written terms of reference, which are reviewed periodically.

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

The Chairman of the board serves as chairman of the committee for nomination matters.

Chairman

N A Matyumza (independent non-executive)

Composition

Independent non-executive directors

M E Mkwanazi
G H M Watson

Non-executive directors

J B Magwaza

The nomination of board members to be considered at the annual general meeting of shareholders is the responsibility of the board.

Frequency of scheduled meetings

4 meetings per annum

Invitees

R G Jacob (CEO)
M A Janneker (Group Executive: Human capital)
D A Austin (Acting CEO)

Secretary

W Fitchat (Company Secretary)

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE

Core responsibilities

The responsibilities of the committee are set out in written terms of reference, which are reviewed periodically.

The Transformation, Social and Ethics Committee's key responsibilities are:

- Recommend to the board the strategies and policies to be adopted to ensure the group's Transformation, Social and Ethics targets are achieved
- Align the group's Transformation, Social and Ethics strategy with its overall business strategy
- 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
- Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships
- Review policies and statements on ethical standards and on whistle-blowing.

Chairman

L C Cele (independent non-executive)

Composition

Non-executive directors

J B Magwaza
S P Ngwenya
V N Khumalo

Executive directors

R G Jacob

Group executives

H T Molale
M A Janneker

Frequency of scheduled meetings

2 meetings per annum

Invitees

D A Austin (CFO)

Secretary

W Fitchat (Company Secretary)

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* *Safety, Health and Environment*

GROUP EXECUTIVE COMMITTEES

The group has a number of executive committees consisting of executive directors and other senior executives, with formal terms of reference approved by the board.

EXECUTIVE COMMITTEE

Core responsibilities

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 responsibilities of the committee are set out in written terms of reference, which are reviewed from time to time.

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 business strategies and plans executives 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 (including that of information technology) and risk management are both robust and well managed
- Implement the approved authorities matrix managed within the organisation and approve the appointment of senior managers and the members of the group's other executive committees
- Approve the capital expenditure plans of the group, within the budget approved by the board.

Chairman

R G Jacob (D A Austin – Acting)

Composition

The Executive Committee consists of the executive directors and other senior executives.

The current members are:

F B Bradford
D Cantieni[2]
D A Austin
M Z Mkhize
H T Molale
M A Janneker
P A Taljaard[1]
D R Weisz

Frequency of scheduled meetings

11 meetings per annum

Secretary

W Fitchat (Company Secretary)

1: *Resigned 30 June 2014*

2: *Invitee*

CORPORATE GOVERNANCE | CONTINUED

GROUP EXECUTIVE COMMITTEES | CONTINUED

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMMITTEE

Core responsibilities

The Hulamin B-BBEE Committee reports to the Transformation, Social and Ethics Committee on the six elements of the B-BBEE scorecard, which are: ownership, management control, employment equity, skills development, preferential procurement, enterprise development and socio-economic development.

The B-BBEE Committee's key responsibilities are:

- To provide strategic direction with regard to Hulamin's overall B-BBEE strategy
- Align Hulamin's B-BBEE strategy with the overall business strategy of the company
- Monitor and review B-BBEE progress within Hulamin
- Provide the mandate for the setting of targets for the various B-BBEE elements
- Development of appropriate strategies and processes for the achievement of B-BBEE targets
- Review the progress towards the achievement of the B-BBEE targets and provide direction where challenges are experienced
- Ensure the appropriate communication of the company's B-BBEE strategy and the implementation thereof
- Create a platform for sharing B-BBEE information and relevant experiences from which we can learn
- Review the company's compliance with employment legislation and regulatory requirements, e.g. the Employment Equity Act, Black Economic Empowerment Act
- Report to the Transformation, Social and Ethics Committee.

Chairman

R G Jacob (D A Austin – Acting)

Composition

M A Aldworth
D A Austin
F B Bradford
H de Villiers
M A Janneker
A P Krull
M Z Mkhize
H T Molale
N Kanyile
A K Randles
M Reddy
P A Taljaard[1]
M W Webb
D R Weisz
P Xaba

Frequency of scheduled meetings

4 meetings per annum

Secretary

N Mkhize

RISK MANAGEMENT COMMITTEE

Core responsibilities

While the board is ultimately accountable for risk management through the Risk and SHE* Committee, the implementation of the group's risk management policies and systems of internal control is an integral part of management of the group's operations.

The Risk Management Committee's key responsibilities are:

- Recommend to the Risk and SHE* Committee the risk management strategies and policies of the group
- Review the integrity and appropriateness of the group's systems of risk assessment and management
- Identify new or emerging risks related to all aspects of the business, including financial, operational and compliance risks
- Monitor risk reduction actions
- Review the internal controls that have been implemented to manage significant risks, and the assurance provided in respect of those controls
- Report on its activities to the Risk and SHE* Committee.

Chairman

D A Austin

Composition

F B Bradford
M A Janneker
R G Jacob
A P Krull
D Cantieni[2]
M Z Mkhize
P A Taljaard[1]
A Petticrew
D R Weisz

Frequency of scheduled meetings

3 meetings per annum

Secretary

W Fitchat (Company Secretary)

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* *Safety, Health and Environment*

[1] *Resigned 30 June 2014*

[2] *Invitee*

GROUP EXECUTIVE COMMITTEES | CONTINUED

INFORMATION TECHNOLOGY (IT) MANAGEMENT COMMITTEE

Core responsibilities The IT Management Committee's key responsibilities are: • Ensure that an IT governance charter and policies are established and implemented • Promote an ethical IT governance and management culture • Provide leadership and direction to ensure that the IT function achieves, sustains and enhances the company's strategic objectives • Ensure that an IT governance framework is adopted and implemented and that the board via the Audit Committee receives independent assurance on the effectiveness thereof • Ensure that the IT strategy is integrated within the company's strategic and business processes • Ensure there is a robust process in place to identify and exploit appropriate opportunities to improve the performance and sustainability of the company • Oversee management who is responsible for the implementation of all the structures, processes and mechanisms to execute the IT governance framework • Ensure the company obtains independent assurance on the governance of IT, and that adequate controls are in place for outsourcing IT services • Ensure IT legal risks are addressed • Ensure that there are systems in place for the management of information assets • Ensure that the information security strategy is successfully implemented • Ensure appropriate reporting to the Executive Committee and to board committees.	**Chairman** D A Austin **Composition** H de Villiers L Gertenbach T Hawkins M Reddy I Smith P A Taljaard[1] A P Krull F B Bradford Y Moodley C Fisher **Frequency of scheduled meetings** 6 meetings per annum **Secretary** D Seager

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

Core responsibilities The Safety, Health and 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* • Review of the internal controls to manage SHE* risks • Report to the Risk and SHE* Committee.	**Chairman** R G Jacob (D Cantieni – Acting) **Composition** D A Austin M A Aldworth F B Bradford P Grobler H de Villiers D Jackson M A Janneker P M Lancaster P A Taljaard[1] J White D R Weisz D Cantieni **Frequency of scheduled meetings** 3 meetings per annum **Secretary** D Jackson (Chemist and Environmental Specialist)

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* *Safety, Health and Environment*

1: *Resigned 30 June 2014*

CORPORATE GOVERNANCE | CONTINUED

COMPANY SECRETARY

The board is satisfied that the Company Secretary is appropriately qualified, competent and experienced for his position in a listed company, which was considered at the December 2014 board meeting. Hulamin's Company Secretary plays a pivotal role in the continuing effectiveness of the board, ensuring that all directors have full and timely access to information that helps them to perform their duties and obligations, and enables the board to function effectively.

The Company Secretary's key duties with regard to the directors include, but are not limited to, the following:

- Collating and distributing relevant information, such as board meeting agenda items, and board/committee meeting papers, corporate announcements, investor communications and any other developments affecting the Hulamin group
- Providing guidance to the directors on their individual and collective powers and duties
- Inducting new directors together with the company's sponsor. This includes a briefing of their fiduciary and statutory duties and responsibilities, including those arising from the JSE Listings Requirements
- Providing regular updates on changes to laws and regulations affecting the Hulamin group
- The Company Secretary is responsible for the functions specified in section 88 of the Companies Act, 2008 (as amended). All meetings of shareholders, directors and board committees are properly recorded as per the requirements of the Act.

The Company Secretary is not a director of any of the Hulamin group operations, nor is he related to or connected with any of the directors which could result in a conflict of interest and accordingly it is concluded that an arm's length relationship with the board and its directors is maintained. The Company Secretary reports to the Chief Financial Officer and has a direct channel of communication to the Chief Executive Officer and to the Chairman. The removal of the Company Secretary would be a matter for the board as a whole.

STAKEHOLDER RELATIONSHIPS

Hulamin subscribes to the principles on stakeholder management expressed in the King III Code. Management has developed a strategy and formulated policies for the management of relationships with each stakeholder grouping, and an integrated approach to stakeholder management within the group is adopted to strive for consistency and balance in treatment across stakeholder categories.

The group communicates its strategy, performance and vision through regular presentations to investors, analysts, employees and other stakeholders.

In addition, management regularly meets with investors and institutional stakeholders on a one-to-one basis.

The group website (www.hulamin.co.za) is also used for this purpose. Hulamin invites all shareholders to attend its annual general meeting and also facilitates participation by way of focused proxy solicitation.

Hulamin strives to resolve disputes with its stakeholders effectively and expeditiously. Hulamin has a preference to settle disputes rather than to litigate and uses alternative dispute resolution mechanisms whenever appropriate.

ACCESS TO INFORMATION

Hulamin complies with the requirements of the Promotion of Access to Information Act, 2000. Details are available on Hulamin's website.

During 2014, the Hulamin group received no requests for access to a record under the Promotion of Access to Information Act, 2000.

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 and also outlines the group's position on gifts and entertainment. The Code of Ethics has been actively endorsed by the board and distributed to all employees in the group. The Code is designed to raise ethical awareness, act as a guide in day-to-day decisions and to assure customers and other stakeholders of the group's commitment to ethical behaviour.

An important element of the induction process is to communicate to new employees the Code of Ethics, the group's core values and its compliance procedures.

Compliance by all employees with 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.

POLITICAL DONATIONS

Hulamin does not contribute any funding to political parties, their elected representatives or persons seeking political office.

WHISTLE-BLOWING

Hulamin has an established whistle-blowing policy and has an anonymous reporting facility (the Vuvuzela Ethics Line), enabling employees and other stakeholders to report fraudulent, corrupt or unethical behaviour related to any of the group's activities, without fear of victimisation and retribution. Anonymity is guaranteed and the facility is managed in compliance with the Protected Disclosures Act, No 26 of 2000.

Contact details of the Vuvuzela Ethics
Lines are as follows:
Toll-free number: 080 225 5688
E-mail: Hulamin@hotline.co.za
Website: www.thehotline.co.za

All fraud and theft matters are reported to the Audit Committee. There were no significant frauds or thefts during the period under review.

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 the company's 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.

COMPLIANCE FRAMEWORK

Hulamin's compliance framework rests on the company's comprehensive set of policies in this respect. These are updated when needs be to reflect governance best practice and the changing legal environment. All Hulamin group companies and employees are obliged to comply with these policies.

Non-compliance risks are reviewed by the Risk Management Committee.

No judgement, damages, penalties or fines were recorded and/or levied against any group company, directors or employees during the period under review for non-compliance with any legislation.

WE ARE COMMITTED TO
FAIR DEALING
HONESTY
INTEGRITY

Refer to our website at www.hulamin.co.za for more detail on the group's corporate governance

RISK MANAGEMENT

INTRODUCTION

The employment of an effective risk management process is critical to Hulamin achieving its strategic and operational goals, particularly in the current environment of change and uncertainty.

Hulamin recognises that risk is intrinsic to the business and that there is a balance to be struck between managing risk and exploiting opportunities. The group's response to identified risks includes acceptance, avoidance, transfer and mitigation, as informed by the group's risk appetite and tolerance levels.

It is Hulamin's policy that risks should be understood and managed through a relevant and formal structure to facilitate the achievement of the business' long-term objectives, which objectives recognise the interests of all stakeholders in the business. The formal structure assists in:

- Identifying and evaluating risks
- Setting acceptable risk limits
- Monitoring risk management actions and controls
- Assessing the effectiveness of risk management.

RISK MANAGEMENT FRAMEWORK

Hulamin's risk management framework provides the basis for the implementation of a consistent, efficient and economical approach to identify, evaluate and respond to key risks that may impact Hulamin's objectives. The framework also addresses the specific responsibilities and accountabilities for the Enterprise Risk Management (ERM) process and the reporting of risks and incidents at various levels within Hulamin. The framework, which is based on the ERM framework published by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, assists Hulamin with the aligning of its risk appetite and strategy; pursuing business objectives through transparent identification and management of acceptable risk; prioritising risks to ensure that resources and capital are focused on high-priority risks faced by the group; enhancing risk response decisions; reducing operational surprises and losses; identifying and managing multiple and cross-enterprise risks; seizing opportunities; improving allocation and deployment of capital; ensuring compliance with laws and regulations; and increasing the probability of achieving objectives.

RISK MANAGEMENT REVIEW

- The board of Hulamin is ultimately responsible for the governance of risk of the group and assumes overall ownership thereof.
- The board carries out its responsibilities for risk management via the Risk and Safety, Health and Environment (SHE) Committee which has oversight of the group's enterprise risk management framework, policy and processes.
- There is also a Hulamin Risk Management Committee, a sub-committee of the Hulamin Executive Committee, which together with the Hulamin SHE Committee, is accountable to the Risk and SHE Committee for designing, implementing and monitoring the process of risk management and integrating risk management into the day-to-day activities of the various departments.
- The Hulamin Executive Committee, supported by management, supports Hulamin's risk management philosophy; promotes compliance with the risk appetite; identifies, assesses and manages risks within their spheres of responsibility consistent with risk appetite and tolerances; and manages the implementation of risk reduction actions and appropriate internal controls.
- All Hulamin employees are responsible for executing enterprise risk management in accordance with established directives and protocols.
- A number of external stakeholders often provide information useful in effecting enterprise risk management, but they are not responsible for the effectiveness of Hulamin's enterprise risk management.
- Various external and internal parties provide risk assurance and compliance

PRINCIPAL RISKS

The Risk Management Committee conducts a formal review of the most significant risks and the group's responses to these risks three times a year. These are reviewed by the Risk and SHE Committee three times a year.

The key strategic risks of the group, extracted from the group risk register, are shown in the table on page 77. These risks have been assessed according to materiality and likelihood on an inherent and residual risk basis.

INTERNAL CONTROL AND ASSURANCE

The Hulamin board is responsible for establishing and maintaining an effective system of internal control which is designed to provide reasonable assurance that the group's business objectives will be achieved in accordance with the group's risk appetite.

A key element of the system of internal control is the review by assurance providers who assess the adequacy and effectiveness of the controls.

The group's internal audit function is responsible, inter alia, for the following:

- Effectiveness of internal financial controls: Internal audit provides a written statement annually to the Audit Committee on the effectiveness of the systems of internal financial control; and
- Effectiveness of internal controls and risk management: Internal audit provides a written statement annually to the board on the effectiveness of the systems of internal control and risk management.

Specialist assurance providers are used to assess the adequacy and effectiveness of controls in certain instances. These include environmental and safety audits. The output of the risk management process, in conjunction with the work of the independent assurance providers, indicates to the directors that the controls in place are adequate and effective.

This assurance recognises that the organisation is dynamic and that at any point in time there are new areas of risk exposure which may require management attention. As such, there is a continual focus on ensuring that the control environment is understood and maintained at the required level. Assurance efforts are documented in the combined assurance plan.

KEY STRATEGIC RISKS (THREATS)

Principal risk[1]	Risk response	Link to strategy[2]
Security of local rolling slab supply 5	• Ongoing engagement with key stakeholders regarding the future supply of rolling slab from the Bayside casthouse (purchase is subject to competition commission) • Ongoing optimisation of casting facilities • Continue to locate additional sources of suitable rolling slab • Investment in aluminium scrap separation, processing and recycling facility will increase slab production by improving throughput through reduced melt cycles	4 5
Security of supply and pricing of LPG 6	• Established close contact with refinery in planning shuts • Alternative supplies of LPG are available, although at a price • Additional storage facilities have been created by suppliers • Continue to develop alternative sources of LPG, particularly gas imported through Durban harbour • Pursue the securing of natural or methane-rich gas at competitive rates to reduce dependence on LPG and reduce costs	2 5
Long-term Rand overvaluation 10 12	• Grow local market users of Hulamin's product • Ensure Hulamin is competitive through driving: – Most profitable production mix – Maximisation of sales volumes – Ongoing reduction of cost and improvements in efficiency – Development of world-class capability	1 2 3
Electricity supply disruption 6	• Ability to accommodate peak power demand reductions • Have capacity to reduce demand if required during load shedding • Continue to work with Eskom to ensure Hulamin has adequate electricity allocations	5
Increase in competition in local market from imports 12	• Focus on developing OEM market sectors in South Africa, particularly can body • Re-apply for tariff protection • Enhance non-tariff barriers where possible	1 2 3
Profitability of current high margin export products decline as a result of long-term increase in supply by existing and emerging competitors from low-cost parts of the world 10	• Monitor competitor actions • Pursue manufacturing excellence and low costs • Optimise production mix and entrench positions in profitable market sectors • Continue with progress up the profitability curve and new product development • Develop local and regional sales, including the promotion of local market OEM type products, e.g. can body stock	1 2 3 5
Security of supply and pricing of local melting ingot 2 3 4	• Ongoing engagement with relevant stakeholders to promote the value of the aluminium industry to the local economy • Improve mix of products generating recoverable third-party scrap, thereby placing less reliance on primary metal supply • Explore alternative supply strategies	3 4 5
Use by governments of market-based instruments, specifically aluminium industry to the local economy carbon taxes, to induce behavioural changes that contribute to lower GHG emissions 8	• Ongoing engagement with relevant stakeholders to promote the value of the aluminium industry • Engagement with government regarding an appropriate approach to the levying of carbon tax on the aluminium industry • Ongoing efforts to increase Hulamin's use of third-party scrap inputs in place of primary aluminium • Ongoing efforts to reduce Hulamin's electricity and gas consumption	3 5

Strategic objectives key

[1] *Icons refer to section on external environment, opportunities and threats on pages 24 to 25*

[2] *Refer section on strategic objectives on pages 26 to 27*

1 *Achieve benchmark operational performance*

2 *Achieve global cost competitiveness*

3 *Grow local and regional sales*

4 *Secure competitive aluminium supply*

5 *Supportive regulatory environment*

REMUNERATION REPORT

PHILOSOPHY

The major aim of the reward structures is to enable Hulamin to attract, motivate and retain the best talent as part of an integrated human resources strategy which supports the achievement of Hulamin's strategies and goals. The reward philosophy, policy and strategies also serve to align the interests of management and shareholders and are clearly communicated to the employees concerned.

Hulamin's remuneration philosophy encourages a culture that supports enterprise and innovation through the provision of appropriate short-term and long-term performance-related rewards that are fair and achievable. Guaranteed and variable pay should not be unduly affected by the performance of a particular operation in which an employee works where factors outside the employee's control affect results (e.g. no gratuitous windfalls or penalties as a result of commodity price or currency fluctuations).

REMUNERATION AND NOMINATION COMMITTEE (REMCO)

The role, structure and composition of REMCO are covered in the section on corporate governance. The major guidelines that support the application of the reward philosophy are outlined below.

STRUCTURE OF PACKAGES

The structure of remuneration packages supports business needs, is market-related and competitive. To this end market surveys are conducted annually and appropriate action is taken to ensure that pay levels, structures, composition and mix are in line with market trends generally as well as industry-specific trends where relevant. The appropriate mix between guaranteed and variable pay as well as short-, medium- and long-term elements of compensation are reviewed from time to time taking market trends into consideration.

		Purpose	Detail
Guaranteed pay elements	**Basic salary**	To attract and retain high-performance employees	Remain competitive on our regular benchmark exercises. Increases are based on individual and the division's operational performance
	Company and other contributions	To encourage a lifestyle of saving for retirement and enhance the daily well-being of our employees	Medical aid and retirement benefits
Variable pay elements	**Annual performance bonus scheme**	To serve as a short-term incentive to motivate a common drive towards performance	The annual performance bonus scheme is based on a combination of the achievement of corporate financial targets and an element for individual performance, both of which are determined annually
	Long-term incentives	To incentivise employees to perform based on the long-term interests and objectives of the group	Award long-term commitment to the interests of the group

GUARANTEED PAY

Employees' guaranteed pay generally consists of basic salary plus company contributions towards retirement funding and health benefits.

Benchmarking	Regular benchmark exercises are conducted to compare the guaranteed pay of Hulamin employees with selected appropriate companies
Market premiums	It is recognised that market premiums may be necessary from time to time to attract and retain scarce skills and members of designated groups.
Annual increases	Annual cash salary increases for individuals are determined by taking into account an individual's pay relative to the market as well as his/her performance and anticipated future value to the business.

ATTRACT, MOTIVATE AND RETAIN
THE BEST TALENT
TO ACHIEVE HULAMIN'S
STRATEGIES AND GOALS

VARIABLE PAY

Annual performance bonus scheme

Executive directors and senior managers participate in the company's performance bonus scheme. There were 159 executive and senior management employees who participated in the performance bonus scheme in the year under review.

The performance bonus scheme consists of five different levels. The maximum percentage of cash salary payable under the five levels is capped as follows for employees:

Level of management	Cap
Chief Executive Officer	65%
Executive	50%
Senior Management	30% to 40%
Middle Management	20%

The primary purpose of the performance bonus scheme is to serve as a short-term incentive to motivate a common drive towards performance.
The annual performance bonus scheme is based on a combination of the achievement of corporate financial targets and an element for individual performance, both of which are determined annually. The weighting of the targets are as follows:

Level of management	Financial targets	Individual performance
Executive	70%	30%
Senior and middle management	50%	50%

Financial targets

- The financial targets are related to EBIT; ROCE and HEPS, which all carry an equal weighting.
- The financial targets are related to the budgets of Hulamin as a whole as well as individual business operations.
- All financial targets have an upper (140%) and a lower (60%) limit at which 100% or 0% of the bonus is paid respectively.
- Between the 60% lower limit and 140% upper limit, the performance bonus is calculated on a proportional straight-line basis.

Individual performance

- Hulamin applies sound performance management processes at executive and senior management level to ensure that there is a direct link between performance and variable pay.
- The annual key performance indicators, measures and targets are cascaded into key performance areas and targets for various levels of management throughout the organisation.
- The individual performance rating used in the calculation of payment of bonuses is linked to the individual annual performance assessment ratings achieved.
- The principle of differentiation based on performance is applied whereby exceptional performers may receive individual performance scores that are significantly higher than the average, and similarly, an individual rating penalty will be applied to employees with below average performance.
- Sub-standard performance may result in no performance bonuses being paid.

Executive performance bonus

- Hulamin's executive performance bonuses for the financial year 2014 were calculated on the achievement of financial targets and an assessment of personal performance.
- In respect of the CEO and executives, the achievement of the financial targets for the 2014 financial year was calculated as follows:

	Weighting	Target points	Actual point achieved for 2014	Max bonus as a % of cash salary
CEO				
EBIT	**35,00**	**23,00**	**14,31**	
ROCE and HEPS	**35,00**	**22,50**	**13,15**	
Total	**70,00**	**45,50**	**27,46**	**65,00**
Executives				
EBIT	**35,00**	**17,50**	**11,20**	
ROCE and HEPS	**35,00**	**17,50**	**9,93**	
Total	**70,00**	**35,00**	**21,13**	**50,00**

Guideline

As a general guideline, the payment of bonuses for each component of the respective awards is determined as independent from the other components.

Incremental changes to the bonus scheme may be considered from year to year to bring about gradual improvements, taking into account experience from the previous year as well as market developments and trends.

In measuring performance against the financial targets, actual performance is adjusted to exclude the impact of uncontrollable fluctuations in items such as exchange rates. In addition, the Remuneration and Nomination Committee and the board will consider, when determining whether financial targets have been met, whether any specific, significant abnormal items, such as impairments should be adjusted for.

The Remuneration and Nomination Committee and the board have the discretion to decide on the payment or non-payment of performance bonus awards.

LONG-TERM INCENTIVE PAY

The company's long-term incentives consist primarily of share incentive schemes. The variable component of Hulamin's remuneration packages is structured to include long-term incentives for executives and senior management that are in line with the market, aligned to company performance and take into account the accounting cost, as well as prevailing taxation provisions. To this end, base pay and annual bonus are complemented by share-based schemes which are based on international best practice in the form of:

- a Share Appreciation Right Scheme (SARS);
- a performance-based Long Term Incentive Plan (LTIP); and
- a Deferred Bonus Plan (DBP).

REMUNERATION REPORT | CONTINUED

LTIP and SARS

Under the LTIP and the SARS, rights or shares are offered to eligible executives and senior managers in the form of performance-based conditional awards. A portion of LTIP awards do not bear performance conditions.

The performance conditions governing the vesting of the above-mentioned 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. Grants are set on an annual basis considering the position held by the participating employee, their individual performance, and the expected combined value of the awards.

DBP

The DBP is offered to selected executives to encourage share ownership in Hulamin and the retention of key executives. Where a DBP is offered, the employee may elect to utilise a percentage of their annual bonus to purchase company shares. If the employees' remains employed for the full period, the employee will receive a grant by the company of one extra share for each share pledged and held.

Guideline

As a general guideline, eligible managers may be granted annual awards of shares under the SARS and LTIP with a face value of a percentage of an average cash salary for the grade. The quantum of grants offered is based on the individual's performance rating and market benchmarks in line with prevailing local and international best practice. The percentage of the performance bonus that may be granted to eligible individuals in the form of company shares in terms of the DBP, is also determined by the Remuneration and Nomination Committee at its discretion on an annual basis taking into account prevailing circumstances.

Prior to the listing and unbundling of Hulamin in 2007, selected executives and managers were participants of Tongaat Hulett administered share option and right schemes. Post unbundling; Hulamin was obliged to settle all benefits held by Hulamin participants in the Tongaat Hulett share option and right schemes using Hulamin shares. This has been covered in more detail in note 31 to the annual financial statements.

Overall and individual limits

The maximum number of shares which may be issued in terms of the share schemes may not exceed 31 300 000 shares. The maximum number of shares settled in respect of the share schemes to any participant shall not exceed 3 130 000 shares.

OTHER BENEFITS

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

TERMINATION CONDITIONS FOR EXECUTIVES

- The Chief Executive Officer and executives are subject to a three-month and two-month notice period respectively. Hulamin reserves the right to terminate an executive's employment without notice, for any cause recognised as sufficient by law.
- Executive employment does not allow for payment on termination arising from executive failure or for balloon payments. In the event of early termination there is no automatic entitlement to bonuses or share-based incentives.
- In terms of executive's contracts, there is no automatic severance compensation to executives to change of control. In such cases, the company's retrenchment policy will apply.
- Payments could be considered in order to retain key executives during a period of uncertainty.

NON-EXECUTIVE DIRECTORS' REMUNERATION

- Non-executive directors receive fees for their services on the board and board committees. Directors' fees comprise a fixed element which is paid for holding the office of director, and a variable element which is linked to attendance at regular scheduled meetings of the board and/or sub-committees.
- Non-executive directors, serving on a board sub-committee as an invitee, at the request of the chairman of the board sub-committee, will be paid the same attendance fee as members of that board sub-committee, subject to shareholder approval at the 2015 annual general meeting.
- Fees for non-executive directors are reviewed on an annual basis taking relevant external market data into account. Fees are recommended by the Remuneration and Nomination Committee and are submitted to the board and the shareholders for approval at each annual general meeting.
- Non-executive directors do not participate in the group's performance bonus plan or share incentive schemes.
- J B Magwaza and S P Ngwenya, through their interests in Imbewu Consortium and Makana Investment Corporation respectively, are participants in the Hulamin new B-BBEE transaction.

Refer to note 30 on page 129 of the annual financial statements for detail on the remuneration of directors and prescribed officers for the year


ION
LEVELLER
BRONX
W.L.L. 2000 KG RPLM-57
W.L.L. 2000 KG RPLM-58
RPLM 395
SWL 2000 KG


THINK
FUTURE
THINK ALUMINIUM
THINK HULAMIN

FINANCIAL STATEMENTS

Statutory approvals and reports

Group financial statements

Company financial statements

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL

of the annual financial statements

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 Companies Act, No 71 of 2008, as amended, and the JSE listing requirements, under the supervision of the Chief Financial Officer, Mr D A Austin CA (SA).

In preparing the financial statements, the company and the group have used appropriate accounting policies, supported by reasonable and prudent judgement 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 2014 and the results of their operations for the year then ended. The directors have considered the group's past results, expected future performance and reasonable changes thereto, and access to its funding, material and other resources, and are of the opinion that the company and the group will continue as a going concern.

The directors are responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss.

Based on the results of a formal documented review of Hulamin's system of internal controls and risk management by the internal audit function during the year, the information and explanations given by management and the comment by the independent auditors on the results of their statutory audit, nothing has come to the attention of the directors which indicates that, in all material aspects, Hulamin's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The opinion of the directors is supported by the group's Audit Committee.

The company's independent external auditors, PricewaterhouseCoopers, have audited the financial statements and their unqualified report appears on page 91.

The annual financial statements as set out on pages 92 to 155 were approved by the board of directors on 19 February 2015 and are signed on its behalf by:

Mafika Mkwanazi
Chairman

David Austin
Acting Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal
19 February 2015

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88 of the Companies Act, No 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission for the financial year ended 31 December 2014, all such returns as are required of a public company in terms of the aforesaid Act, and that all such returns are true, correct and up to date.

Willem Fitchat
Company Secretary

Pietermaritzburg, KwaZulu-Natal
19 February 2015

REPORT OF THE AUDIT COMMITTEE

INTRODUCTION

The Hulamin Group Audit Committee ("the committee" or "Audit Committee") presents its report in terms of section 94(7)(f) of the Companies Act, No 71 of 2008, as amended ("the Companies Act"), and as recommended by King III, for the financial year ended 31 December 2014.

The Audit Committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the committee by the board of directors of the company.

MEMBERSHIP AND MEETINGS

The committee comprises three independent non-executive directors, who were appointed by shareholders at the 2013 annual general meeting of the company in terms of section 94(2) of the Companies Act. For the year under review, the audit committee comprised:

- T P Leeuw (Chairman)
- N N A Matyumza
- L C Cele

V N Khumalo, D A Austin (Chief Financial Officer and Acting Chief Executive Officer), the financial manager responsible for internal audit and representatives from the external and internal auditors also attended the committee meetings by invitation.

The audit committee met three times during the year and all members of the committee attended all of these meetings.

Full details of membership of the committee and attendance at committee meetings during the financial year are also set out in the Corporate Governance section of this integrated annual report of the group.

ROLE AND RESPONSIBILITIES

The role and responsibilities of the committee include statutory duties per the Companies Act, and further responsibilities assigned to it by the board. The committee executed its duties in terms of the requirements of King III.

The key responsibilities of the committee are as follows:

- Ensuring the integrity of the financial reporting process, including sound systems of internal control and financial risk management;
- Review of Integrated Annual Reports, Annual Financial Statements, Interim Reports and other financial announcements, including the accounting principles and policies adopted therein and compliance with JSE regulations;
- Monitoring the performance and effectiveness of the independent external auditors and evaluating the qualifications, expertise, resources, fees, scope of work and independence of the external auditors prior to recommending their appointment to the board and shareholders;
- Approving the internal audit work plan and overseeing the conduct of the internal audit and the implementation of internal control enhancements;
- Approving any non-audit services provided by the external auditors;
- Consider the appropriateness of the expertise, resources and experience of the financial function and of the Chief Financial Officer;
- Approving the appointment of an external assurance provider in respect of the sustainability report;
- Performing statutory duties in terms of the Companies Act, as well as to report to the shareholders in respect of the financial year, including those matters in terms of section 94(7)(f) of the Companies Act; and
- Ensuring that the combined assurance model introduced by the King III Code is applied to provide a coordinated approach to assurance activities.

PERFORMANCE OF DUTIES

The Audit Committee is satisfied that, during the year under review, it complied with its legal, regulatory and other responsibilities, conducted its affairs in compliance with a board-approved terms of reference, and discharged its responsibilities contained therein. The committee is therefore pleased to report that it discharged the following responsibilities for the period under review:

External auditor appointment and independence

The committee has satisfied itself that the external auditor was independent of the company, as set out in section 94(8) of the Companies Act, which includes consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors.

The committee ensured that the appointment of the auditor complied with the Companies Act, and any other legislation relating to the appointment of auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and audit fees for the 2014 year as disclosed in note 17.3 of the financial statements of the group and note 6.1 of the financial statements of the company.

There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. The committee approved all engagements for the provision of non-audit services by the external auditor, in terms of the established policy for non-audit services.

The committee has nominated, for election at the annual general meeting, PricewaterhouseCoopers as the external audit firm and Mr H Govind as the designated auditor responsible for performing the functions of auditor, for the 2015 year. The committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and their advisors.

Financial statements and accounting practices

The committee has reviewed the accounting policies and the financial statements of the company and the group for the year ended 31 December 2014, and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

The committee receives and deals with any concern or complaints, whether from within or outside the company, relating to the accounting practices and internal audit of the company, the content or auditing of the company's financial statements, the internal financial controls of the company and related matters. There were no such complaints during the year under review.

Internal financial controls

The committee has overseen a process by which internal audit performed a written assessment of the effectiveness of the company's system of internal control and risk management, including internal financial controls.

Based on the results of the formal documented review of the company's system of internal financial controls by the internal audit function, the information and explanations given by management and the comment by the independent auditors on the results of their statutory audit, including a review of significant issues raised by the internal audit processes and the adequacy of corrective action in response thereto, nothing has come to the attention of the committee which indicates that, in all material aspects, Hulamin's system of internal financial controls was not operating effectively during the year under review.

This written assessment by internal audit formed the basis for the committee's recommendation in this regard to the board, in order for the board to report thereon. The board's opinion on the effectiveness of the system of internal controls and risk management is included on page 84. The committee supports the opinion of the board in this regard.

Integrated reporting, sustainability and combined assurance

The committee fulfils an oversight role regarding the company's integrated report and the reporting process.

The committee considered the company's sustainability information as disclosed in the integrated report and separate sustainability report of the group for the year ending 31 December 2014 and has assessed its consistency with operational and other information known to committee members, and for consistency with the annual financial statements. The committee discussed the sustainability information with management and has considered the conclusion of the external assurance provider. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

The committee recommended to the board the appointment of KPMG Services (Pty) Ltd to perform an assurance engagement on key performance indicators included in the company's 2014 sustainability reporting. The committee determined the scope of this assurance engagement and satisfied itself as to the independence and competency of the external assurance provider.

The committee ensures the combined assurance model is appropriate to address the significant risks facing the business, and is satisfied that the company has optimised the assurance coverage obtained from management, and internal and external assurance providers for the year under review.

The committee has, at its meeting held on 16 February 2015, recommended the 2014 integrated report for approval by the board of directors.

Going concern

The committee has reviewed a documented assessment, including key assumptions, prepared by management of the going concern status of the company as at 31 December 2014 and has made a recommendation to the board in this respect. The board's statement on the going concern status of the company, as supported by the committee, is detailed on page 84.

Governance of risk

The board has assigned oversight of the company's risk management function to the Risk and SHE Committee. The chairman of the Audit Committee attended meetings of the Risk and SHE Committee as a member thereof for the year under review to ensure that information relevant to these respective committees was transferred regularly. The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, and fraud and information technology risks as they relate to financial reporting.

Internal audit

The committee is responsible for ensuring that the company's internal audit function is independent and has the necessary resources, standing and authority within the company to enable it to discharge its duties in terms of the established internal audit charter. Furthermore, the committee oversees cooperation between the internal and external auditors, and serves as a link between the board of directors and these functions.

An internal audit charter is in place which defines the function, responsibility and authority of the group's internal audit activity. The internal audit function's 2014 annual audit plan was approved by the committee.

The internal audit function reports centrally with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the company's operations. The head of the internal audit function, who has direct access to the committee, is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee on a regular basis.

During the year under review, the committee met with the internal and external auditors without management being present.

REPORT OF THE AUDIT COMMITTEE | CONTINUED

Evaluation of the expertise and experience of the financial director and finance function

The committee has satisfied itself during the year under review that the Chief Financial Officer has appropriate expertise and experience.

The committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

On behalf of the audit committee:

Thabo Leeuw
Chairman of the Audit Committee

Pietermaritzburg, KwaZulu-Natal
16 February 2015

DIRECTORS' STATUTORY REPORT

Dear shareholder

The directors have pleasure in presenting their annual report for the year ended 31 December 2014.

Nature of business

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

Financial results

The net profit attributable to shareholders of the group for the year ended 31 December 2014 amounted to R384 928 000 (2013 net loss of R1 344 959 000). This translates into a headline earnings per share of 112 cents (2013: 57 cents) and a normalised earnings per share of 111 cents (2013: 63 cents) based on the weighted average number of shares in issue during the year.

The financial statements on pages 8 to 83 set out the financial position, results of operations and cash flows of the group and company for the financial year ended 31 December 2014.

Dividends

A final dividend of twenty five cents per ordinary share for the year ended 31 December 2014 (2013: nil) was declared on 19 February 2015 and is payable on 23 March 2015.

Share capital

There were the following changes in the authorised share capital of the company in the year ended 31 December 2014:

- During the year, 328 344 (2013: 1 127 442) ordinary par value shares of 10 cents each were issued in terms of employee share schemes which existed at the time of the unbundling of the company from Tongaat Hulett Limited (no shares were issued to directors). This resulted in the total issued ordinary share capital rising to R31 959 684 or 319 596 836 ordinary par value shares of 10 cents each, after the repurchase of 36 235 470 A ordinary par value shares at par value amounting to R3 623 547.

Details of the unissued ordinary shares and the group's share incentive schemes are set out in notes 11 and 31 of the group financial statements.

The authorised share capital at 31 December 2014 consisted of 800 000 000 ordinary par value shares of 10 cents each, 45 000 000 A ordinary par value shares of 10 cents each, 15 000 000 B1 ordinary par value shares of 10 cents each, 10 000 000 B2 ordinary par value shares of 10 cents each, and 3 000 000 B3 ordinary par value shares of 10 cents each.

Subsidiary companies

The principal subsidiaries of the group are reflected in note 32 of the group financial statements. There were no special resolutions adopted by subsidiaries of Hulamin Limited in 2014.

Directorate

Brief curricula vitae of the directors are listed on the company's website. Details of directors' remuneration are reflected in note 30 of the group financial statements.

Mr D A Austin was appointed acting Chief Executive Officer effective 18 July 2014 whilst Mr R G Jacob took medical leave of absence.

Non-executive directors are subject to retirement by rotation and re-election by shareholders at an annual general meeting at least once every three years. Directors retiring at the annual general meeting in accordance with the Memorandum of Incorporation are:

Ms L C Cele, Ms N N A Matyumza, Mr S P Ngwenya and Mr R G Jacob. The Remuneration and Nomination Committee, at its meeting on 6 November 2014, recommended that they be re-elected and, all being eligible, offered themselves for re-election.

Directors' and prescribed officers' shareholdings

At 31 December 2014, the present directors and prescribed officer of the company beneficially held a total of 304 211 ordinary par value shares, equivalent to 0,09 percent in the company (2013: 301 935 ordinary par value shares, equivalent to 0,09 percent, were held by directors). Their associates held no ordinary par value shares in the company. Details of the directors' and prescribed officers' shareholdings and interests in the share incentive schemes are set out in notes 30 and 31 of the group financial statements.

There has been no change in the directors' and prescribed officers' shareholdings between 31 December 2014 and 19 February 2015.

Holding company

Hulamin Limited has no holding company at 31 December 2014.

Auditors

PricewaterhouseCoopers continued as auditors of Hulamin Limited and its subsidiaries. At the annual general meeting of 23 April 2015, shareholders will be requested to appoint PricewaterhouseCoopers as auditors of Hulamin Limited for the 2015 financial year and it will be noted that Mr H Govind will be the individual registered auditor that will undertake the audit.

Secretary

The Company Secretary of Hulamin Limited is Mr W Fitchat. His business and postal address appears in the corporate information section of this integrated annual report.

DIRECTORS' STATUTORY REPORT | CONTINUED

Post balance sheet events

The directors are not aware of any matters or circumstances arising between the end of the financial year and the date of these financial statement which materially affect the financial position or results of the company or group.

Approval

The annual financial statements of the group and company set out on pages 92 to 155 have been approved by the board.

Signed on behalf of the board of directors by:

Mafika Mkwanazi
Chairman

David Austin
Acting Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal
19 February 2015

REPORT OF THE INDEPENDENT AUDITORS

to the shareholders of Hulamin Limited

We have audited the consolidated and separate financial statements of Hulamin Limited set out on pages 92 to 155, which comprise the balance sheets as at 31 December 2014 and the income statements, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate 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 about whether the consolidated and separate 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Hulamin Limited as at 31 December 2014, 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 the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

Director: HN Govind
Registered Auditor

Durban
19 February 2015

GROUP BALANCE SHEET

as at 31 December 2014

	Notes	2014 R'000	2013 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	**2 697 148**	2 515 125
Intangible assets	4	**59 777**	38 093
Retirement benefit asset	25	**138 854**	161 468
Deferred tax asset	6	**25 450**	27 815
		2 921 229	2 742 501
Current assets			
Inventories	7	**1 958 934**	1 806 575
Trade and other receivables	8	**1 037 909**	972 619
Derivative financial assets	9	**44 175**	13 889
Cash and cash equivalents	10	**249 106**	192 800
Income tax asset		**2 808**	1 488
Asset held for sale	5	**55 217**	–
		3 348 149	2 987 371
Total assets		**6 269 378**	5 729 872
EQUITY			
Share capital and share premium	11	**1 817 580**	1 817 546
BEE reserve	31.6	**–**	174 686
Employee share-based payment reserve		**41 411**	29 720
Hedging reserve		**6 614**	(31 305)
Retained earnings		**1 968 212**	1 412 163
Total equity		**3 833 817**	3 402 810
LIABILITIES			
Non-current liabilities			
Deferred tax liability	12	**477 702**	405 311
Retirement benefit obligations	13	**236 369**	225 826
		714 071	631 137
Current liabilities			
Trade and other payables	14	**964 827**	826 086
Current borrowings	15	**686 144**	804 482
Derivative financial liabilities	9	**70 519**	65 357
		1 721 490	1 695 925
Total liabilities		**2 435 561**	2 327 062
Total equity and liabilities		**6 269 378**	5 729 872

GROUP INCOME STATEMENT

for the year ended 31 December 2014

		Notes	2014 R'000	2013 R'000
Revenue			**8 038 918**	7 560 007
Cost of sales		17	**(7 119 966)**	(6 914 691)
Gross profit			**918 952**	645 316
Selling, marketing and distribution expenses		17	**(403 104)**	(390 328)
Administrative and other expenses		17	**(88 781)**	(70 830)
Impairment reversal/(charge)		18	**43 405**	(2 122 316)
Other gains and losses		16	**114 661**	132 787
Operating profit/(loss)			**585 133**	(1 805 371)
Interest income		19	**2 453**	1 358
Interest expense		19	**(48 160)**	(64 715)
Profit/(loss) before tax			**539 426**	(1 868 728)
Taxation		20	**(154 498)**	523 769
Net profit/(loss) for the year attributable to equity holders of the company			**384 928**	(1 344 959)
Earnings/(loss) per share		21		
Basic	(cents)		**120**	(422)
Diluted	(cents)		**118**	(417)

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	2014 R'000	2013 R'000
Net profit/(loss) for the year attributable to equity holders of the company	**384 928**	(1 344 959)
Other comprehensive income/(loss) for the year	**28 037**	(4 981)
Items that may be reclassified subsequently to profit or loss	**37 919**	(22 407)
Cash flow hedges transferred to income statement	**43 480**	12 359
Cash flow hedges created	**9 186**	(43 480)
Income tax effect	**(14 747)**	8 714
Items that will not be reclassified to profit or loss	**(9 882)**	17 426
Remeasurement of retirement benefit obligation	**(12 991)**	20 671
Remeasurement of retirement benefit asset	**(733)**	3 531
Income tax effect	**3 842**	(6 776)
Total comprehensive income/(loss) for the year attributable to equity holders of the company	**412 965**	(1 349 940)

GROUP STATEMENT OF CHANGES IN EQUITY

for the year 31 December 2014

	Share capital R'000	Share premium R'000	Consoli-dated shares R'000	Hedging reserve R'000	Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Total equity R'000
Balance at 31 December 2012	35 438	1 785 620	(3 624)	(8 898)	101 099	174 686	2 663 276	4 747 597
Net loss for the year	–	–	–	–	–	–	(1 344 959)	(1 344 959)
Other comprehensive loss net of tax								
– cash flow hedges net of tax	–	–	–	(22 407)	–	–	–	(22 407)
– retirement benefit assets and obligations	–	–	–	–	–	–	17 426	17 426
Ordinary shares issued	112	–	–	–	–	–	–	112
Value of employee services (note 17.1)	–	–	–	–	9 360	–	–	9 360
Settlement of employee share incentives	–	–	–	–	(2 457)	–	(2 146)	(4 603)
Tax on employee share incentives	–	–	–	–	–	–	284	284
Transfer of share-based payment reserve to retained earnings	–	–	–	–	(78 282)	–	78 282	–
Balance at 31 December 2013	35 550	1 785 620	(3 624)	(31 305)	29 720	174 686	1 412 163	3 402 810
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**384 928**	**384 928**
Other comprehensive income net of tax								
– cash flow hedges net of tax	**–**	**–**	**–**	**37 919**	**–**	**–**	**–**	**37 919**
– retirement benefit assets and obligations	**–**	**–**	**–**	**–**	**–**	**–**	**(9 882)**	**(9 882)**
Ordinary shares issued	**34**	**–**	**–**	**–**	**–**	**–**	**–**	**34**
A ordinary shares redeemed (note 31.6)	**(3 624)**	**–**	**–**	**–**	**–**	**–**	**–**	**(3 624)**
Share-based payment costs on A ordinary shares redeemed (note 31.6)	**–**	**–**	**–**	**–**	**–**	**–**	**3 624**	**3 624**
Value of employee services (note 17.1)	**–**	**–**	**–**	**–**	**15 156**	**–**	**–**	**15 156**
Settlement of employee share incentives	**–**	**–**	**–**	**–**	**(3 465)**	**–**	**669**	**(2 796)**
Tax on employee share incentives	**–**	**–**	**–**	**–**	**–**	**–**	**7 044**	**7 044**
De-consolidation of structured entity (note 31.6)	**–**	**–**	**3 624**	**–**	**–**	**–**	**(5 020)**	**(1 396)**
Transfer of BEE reserve to retained earnings (note 31.6)	**–**	**–**	**–**	**–**	**–**	**(174 686)**	**174 686**	**–**
Balance at 31 December 2014	**31 960**	**1 785 620**	**–**	**6 614**	**41 411**	**–**	**1 968 212**	**3 833 817**

GROUP CASH FLOW STATEMENT

for the year 31 December 2014

	Notes	**2014 R'000**	2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated before working capital changes	23	**732 240**	586 817
Changes in working capital	24	**(78 854)**	(211 247)
Cash generated from operations		**653 386**	375 570
Interest paid		**(53 079)**	(65 570)
Interest received		**2 453**	1 358
Income tax payment		**(84 714)**	(28 400)
Net cash inflow from operating activities		**518 046**	282 958
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(305 572)**	(131 165)
Additions to intangible assets		**(29 992)**	(16 659)
Proceeds on disposal of property, plant and equipment		**206**	158
Net cash outflow from investing activities		**(335 358)**	(147 666)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**–**	804 482
Repayment of borrowings		**(118 338)**	(772 079)
Redemption of A ordinary shares	31.6	**(3 624)**	–
Ordinary shares issued		**34**	112
Settlement of share options		**(2 796)**	(4 603)
Net cash (outflow)/inflow from financing activities		**(124 724)**	27 912
Net increase in cash and cash equivalents		**57 964**	163 204
Cash and cash equivalents at beginning of year		**192 800**	29 596
De-consolidation of structured entity	31.6	**(1 658)**	–
Cash and cash equivalents at end of year	10	**249 106**	192 800

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NOTES TO THE GROUP FINANCAL STATEMENTS

for the year ended 31 December 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC interpretations, SAICA Financial Reporting guides, the requirements of the Companies Act, No 71 of 2008, as amended, and the Listing Requirements of the JSE Limited.

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.

1.2 New Accounting Standards

Standards, amendments and interpretations in issue and effective

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. Certain of the group's borrowings and cash positions qualify for offset in terms of IAS 32.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The group has applied the amendment and there has been no significant impact on the group financial statements as a result.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Standards, amendments and interpretations in issue not yet effective

The following new and revised accounting standards, amendments and interpretations that will impact on the financial statements of the group, or may affect the accounting for future transactions or arrangements, have not yet become effective and have not been adopted prior to their commencement:

- Amendment to IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets' (effective 1 July 2016)
- Amendment to IAS 19 regarding contributions to defined benefit plans (effective 1 July 2014)
- Amendment to IAS 24, 'Related party disclosures' (effective 1 July 2014)
- Amendment to IFRS 3, 'Business combinations' (effective 1 July 2014)
- IFRS 9, 'Financial Instruments' (effective from 1 January 2018)
- Amendment to IFRS 13, 'Fair value measurement' (effective 1 July 2014)
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017)

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 financial statements of the group or company, apart from the application of IFRS 9, the impact of which will be assessed.

1. ACCOUNTING POLICIES CONTINUED

1.3 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 on the following pages.

1.4 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.

1.5 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, cancelled or has expired.

1.6 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.

1.7 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, which is detailed in note 33. 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 other comprehensive income, 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 previously recognised in other comprehensive income and accumulated 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 previously recognised in other comprehensive income and accumulated 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, and reflected in revenue (refer to note 16 of the group financial statements).

1. ACCOUNTING POLICIES CONTINUED

1.8 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.

1.9 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.

1.10 Segment reporting

The group determines and reports operating segments based on internal information that is provided to the Hulamin Executive Committee, which is the group's most senior operating decision-making body. It is responsible for allocating resources and assessing performance of the operating segments.

1.11 Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of entities, typically subsidiaries, controlled by the group (including structured entities). Control exists where the group is exposed, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The results of entities controlled by the group 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 treats transactions with non-controlling interests as transactions with equity holders of the group. Gains or losses arising from these transactions are recorded in equity.

1.11.1 Consolidation of structured entities

As at 31 December 2013, Hulamin Limited held a 90% equity interest in Hulamin Operations (Pty) Ltd, with Chaldean Trading 67 (Pty) Ltd ("Chaldean") holding a 10% equity interest as well as a 10% voting-only interest in Hulamin Limited. As at 31 December 2014 Chaldean no longer held an interest in Hulamin Operations (Pty) Ltd.

Chaldean was established for the purpose of assisting Hulamin to achieve an appropriate BEE ownership level, with the benefit of this entity being for Hulamin, and not only the shareholders of Chaldean. Given that Hulamin, in substance, controlled Chaldean, and not withstanding the absence of shareholding in this company by Hulamin, Chaldean was fully consolidated in the consolidated financial statements of the group in the prior financial year. The BEE transaction which resulted in this structure matured on or about 9 July 2014. This resulted in the deconsolidation of Chaldean from the group in the current year.

1.12 Associates

Associates are all entities over which the group has significant influence but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. 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.

The carrying amount of the investment in associate is tested for impairment by comparing the recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

1.13 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.

1.14 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. Acquisition related costs are expensed as incurred.

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 acquired are recognised at the carrying amounts recognised previously in the controlling shareholder's consolidated financial statements. 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.

1. ACCOUNTING POLICIES CONTINUED

ASSETS

1.15 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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, unless ownership is expected to transfer, in which case this will be over the useful life.

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.

1.16 Intangible assets

The group's only intangible asset is computer software. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when all the asset recognition criteria are met. Directly attributable costs that are capitalised as part of the software product comprise mainly software development employee costs.

Computer software costs recognised as assets are amortised over their estimated useful lives of five to fifteen years. Research costs are expensed when incurred.

1.17 Impairment of non-financial 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. 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.

1.18 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 future 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.

1. ACCOUNTING POLICIES CONTINUED

1.19 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.

1.20 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.

Loans and receivables, which include trade receivables, are measured at amortised cost less impairment losses, which are recognised in the income statement.

Available-for-sale financial assets are measured at fair value with gains or losses being recognised in other comprehensive income. 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 carried at amortised cost 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. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty.

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.

1.21 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.

1.22 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents includes cash on hand and deposits held with banks with original maturities of three months or less. In the balance sheet and cash flow statement bank overdrafts are included in borrowings.

1.23 Contingent assets and liabilities

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

EQUITY AND LIABILITIES

1.24 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.

1.25 Consolidated shares

Consolidated shares represent the A class ordinary shares issued to the BEE investors. As this structured entity is consolidated in terms of IFRS, these issued shares of the company are treated as treasury shares. Accordingly, the subscription value of these shares is deducted from equity attributable to the equity holders of the company until the shares are cancelled, reissued or disposed of.

1. ACCOUNTING POLICIES CONTINUED

1.26 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax laws that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax liabilities arising on investments in subsidiaries, associates and joint ventures are 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.27 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 profit or loss are measured at amortised cost. These consist of trade and other payables and interest-bearing borrowings.

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.

1.28 Employment benefit obligations

Pension obligations

The group provides retirement benefits to employees in the form of defined contribution plans. Certain benefits to some employees accrue with service and are therefore accounted for as a defined benefit plan. The assets of all retirement schemes are held separately from those of the group and are administered and controlled by trustees.

Contributions to defined contribution schemes are charged to profit or loss when incurred. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit actuarial valuation method, with actuarial valuations being carried out at the end of each reporting period.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling(if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment, Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

1. ACCOUNTING POLICIES CONTINUED

1.28 Employment benefit obligations continued

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 or losses are recognised in the same manner as those of pension obligations.

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.

1.29 Shareholders for equity dividends

Dividends to equity holders are only recognised as a liability when approved by the board of directors and are included in the statement of changes in equity. Dividends tax 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.

1.30 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

1.31 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the group or company, and when the amount of the revenue and the related costs can be reliably measured.

Revenue of the group comprises revenue from the sale of fabricated and semi-fabricated aluminium products, which comprise a metal component and a conversion margin. Revenue of the company comprises interest income and management and agency fees.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. This occurs when the group entity has delivered products to the customer and the customer has accepted the products. The delivery of products and the transfer of risks are determined by the terms of sale, and specifically by the International Chamber of Commerce Terms of Trade, where these are applicable. Revenue is disclosed net of returns, rebates and discounts, and after eliminating sales within the group.

Management and agency fees are recognised as the services are performed.

1.32 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 (usually more than six months) 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.

1.33 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. The charge for current tax is computed on the results for the year, as adjusted for income that is exempt and expenses that are not deductible, using tax rates and tax laws that are enacted or substantively enacted by the reporting date.

1. ACCOUNTING POLICIES CONTINUED

1.34 Earnings per share

Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year, plus the weighted average number of dilutive potential shares resulting from share options.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 2/2013 issued by the South African Institute of Chartered Accountants (SAICA).

Normalised earnings per share

Normalised earnings per share is one of the measuring bases which the chief operating decision maker uses in assessing performance and in deciding how to allocate resources. The calculation of normalised earnings per share is based on headline earnings generated from the primary business operations of the group excluding abnormal or non-recurring gains and losses, divided by the weighted average number of ordinary shares in issue during the year. The presentation of normalised earnings is not an IFRS requirement and may not be directly comparable with the same or similar measures disclosed by other companies.

1.35 Share-based payments

The group's employee share incentive schemes 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 2007 transaction for the introduction of broad-based BEE investors resulted in the participants acquiring Hulamin Limited shares and has been 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.

1.36 Interest income

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

ESTIMATES AND ASSUMPTIONS

1.37 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, health care 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 31 of the group financial statements.

Impairment of non-financial assets

The recoverable amounts of the assets (or cash-generating units to which they belong) disclosed in notes 3 to 5 of the group financial statements, and note 2 of the company financial statements, were estimated at period end in terms of IAS 36.

The critical estimates and assumptions used in the recoverable amount calculations in respect of the assets of the group are disclosed in note 18 of the group financial statements.

2. OPERATING SEGMENT ANALYSIS

The group is organised into two major operating divisions, namely Hulamin Rolled Products and Hulamin Extrusions. The divisions, which offer different core products, are the basis on which the Group reports its primary segment information. The Hulamin Rolled Products segment, which comprises the Hulamin Rolled Products and Hulamin Containers businesses, manufactures and supplies fabricated and rolled semi-finished aluminium products. The Hulamin Extrusions segment manufactures and supplies extruded aluminium products. Both reportable segments are based and managed in South Africa.

	2014			2013		
	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group total R'000	Hulamin Rolled Products R'000	Hulamin Extrusions R'000	Group total R'000
Revenue						
Segment revenue	7 288 391	750 527	8 038 918	6 783 158	776 849	7 560 007
Inter-segment revenue	–	–	–	–	–	–
Revenue from external customers	7 288 391	750 527	8 038 918	6 783 158	776 849	7 560 007
Earnings						
EBITDA*	599 226	60 762	659 988	469 213	57 996	527 209
Depreciation and amortisation	(105 039)	(13 221)	(118 260)	(193 554)	(16 710)	(210 264)
Impairment reversal/(charge)	43 405	–	43 405	(2 122 316)	–	(2 122 316)
Operating profit/(loss)	537 592	47 541	585 133	(1 846 657)	41 286	(1 805 371)
Interest received	2 453	–	2 453	891	467	1 358
Interest paid	(45 249)	(2 911)	(48 160)	(65 416)	701	(64 715)
Profit/(loss) before tax	494 796	44 630	539 426	(1 911 182)	42 454	(1 868 728)
Taxation	(141 612)	(12 886)	(154 498)	535 479	(11 710)	523 769
Net profit/(loss) for the year	353 184	31 744	384 928	(1 375 703)	30 744	(1 344 959)
Headline earnings						
Net profit/(loss) for the year	353 184	31 744	384 928	(1 375 703)	30 744	(1 344 959)
Loss/(profit) on disposal of property, plant and equipment	6 518	(20)	6 498	(143)	–	(143)
Impairment (reversal)/charge	(43 405)	–	(43 405)	2 122 316	–	2 122 316
Tax effect	10 328	6	10 334	(594 209)	–	(594 209)
	326 625	31 730	358 355	152 261	30 744	183 005
Normalised earnings						
Headline earnings	326 625	31 730	358 355	152 261	30 744	183 005
Adjusted for (net of tax):						
Transaction costs	7 450	–	7 450	–	–	–
Past credit adjustment to PRMA	(11 272)	–	(11 272)	–	–	–
Severance costs	–	–	–	18 438	–	18 438
	322 803	31 730	354 533	170 699	30 744	201 443
Headline earnings per share:						
– Basic (cents)			112			57
– Diluted (cents)			110			57
Normalised earnings per share:						
– Basic (cents)			111			63
– Diluted (cents)			109			62
Total assets	5 897 340	372 038	6 269 378	5 443 306	286 566	5 729 872
Total liabilities	2 339 871	95 690	2 435 561	2 282 253	44 809	2 327 062
Other disclosures						
Additions to property, plant and equipment and intangible assets	314 178	21 386	335 564	126 258	21 566	147 824

* *Earnings before interest, taxation, depreciation, amortisation and impairment of property, plant and intangible assets.*

2. OPERATING SEGMENT ANALYSIS CONTINUED

	2014 R'000	2013 R'000
Analysis of revenue by product market		
Automotive and transport	**1 089 810**	956 661
Building and construction	**180 672**	194 241
General engineering	**3 679 343**	3 741 287
Packaging	**3 089 093**	2 667 818
	8 038 918	7 560 007
Geographical analysis of revenue		
South Africa	**2 959 537**	2 698 489
North America	**1 982 260**	1 747 490
Europe	**1 622 740**	1 540 476
Asia	**658 242**	838 384
Middle East	**455 307**	287 647
Australasia	**58 061**	36 209
South America	**278 278**	388 118
Rest of Africa	**24 493**	23 194
	8 038 918	7 560 007

All non-current assets of the group are located in, or are attributable to, operations in South Africa.

The Hulamin Rolled Products segment includes revenues of R823 283 000 (2013: R659 626 000) which arose from sales to the group's largest customer.

3. PROPERTY, PLANT AND EQUIPMENT

	Total R'000	Land and buildings R'000	Plant and machinery R'000	Vehicles, equipment and other R'000	Capital works under construction R'000
2014					
At cost					
Balance at beginning of year	**6 791 826**	**924 329**	**5 653 492**	**147 667**	**66 338**
Additions	**305 572**	**519**	**46 042**	**–**	**259 011**
Borrowing costs capitalised	**4 919**	**–**	**–**	**–**	**4 919**
Capitalised from capital works under construction	**–**	**1 308**	**57 752**	**14 959**	**(74 019)**
Transfers	**–**	**–**	**(732)**	**732**	**–**
Disposals	**(59 139)**	**(33)**	**(58 812)**	**(294)**	**–**
Reclassification to asset held for sale (note 5)	**(87 890)**	**–**	**(87 890)**	**–**	**–**
Balance at end of year	**6 955 288**	**926 123**	**5 609 852**	**163 064**	**256 249**
Accumulated depreciation and impairment losses					
Balance at beginning of year	**4 276 701**	**508 861**	**3 610 334**	**123 556**	**33 950**
Charge for the year (note 17)	**109 952**	**16 844**	**85 624**	**7 484**	**–**
Transfers	**–**	**(16 107)**	**42 375**	**7 682**	**(33 950)**
Disposals	**(52 435)**	**(20)**	**(52 228)**	**(187)**	**–**
Impairment reversal (note 18)	**(43 405)**	**–**	**(43 405)**	**–**	**–**
Reclassification to asset held for sale (note 5)	**(32 673)**	**–**	**(32 673)**	**–**	**–**
Balance at end of year	**4 258 140**	**509 578**	**3 610 027**	**138 535**	**–**
Carrying value at 31 December 2014	**2 697 148**	**416 545**	**1 999 825**	**24 529**	**256 249**
2013					
At cost					
Balance at beginning of year	6 664 474	924 878	5 462 424	170 840	106 332
Additions	131 165	–	47 674	–	83 491
Borrowing costs capitalised	855	–	–	–	855
Capitalised from capital works under construction	–	222	122 781	4 942	(127 945)
Transfer to intangible assets	(4 412)	–	–	(4 412)	–
Transfers	–	(736)	20 834	(23 703)	3 605
Disposals	(256)	(35)	(221)	–	–
Balance at end of year	6 791 826	924 329	5 653 492	147 667	66 338
Accumulated depreciation and impairment losses					
Balance at beginning of year	1 990 777	148 443	1 754 419	87 915	–
Charge for the year (note 17)	198 546	20 478	165 831	12 237	–
Transfer to intangible assets	(2 029)	–	–	(2 029)	–
Transfers	–	–	(6 272)	6 272	–
Disposals	(241)	(20)	(221)	–	–
Impairment losses (note 18)	2 089 648	339 960	1 696 577	19 161	33 950
Balance at end of year	4 276 701	508 861	3 610 334	123 556	33 950
Carrying value at 31 December 2013	2 515 125	415 468	2 043 158	24 111	32 388

The weighted average interest rate used for borrowing costs capitalised is 7,68% (2013: 7,57%).

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

The group has applied the following methods and rates as at the date of acquisition of each asset during the current and prior years. The useful lives, and accordingly the depreciation rates, are revalued on an annual basis:

Buildings	Straight line	30 to 50 years
Plant and machinery	Straight line	4 to 50 years
Vehicles	Straight line	4 to 10 years
Equipment	Straight line	5 to 20 years
Furniture	Straight line	5 to 10 years

Moveable items of property, plant and equipment with a carrying value of R23 060 000 (2013: R22 753 000) are encumbered as security for borrowing facilities (note 15).

4. INTANGIBLE ASSETS

	2014 R'000	2013 R'000
Software costs – internally generated and capitalised		
At beginning of year	**84 288**	68 485
Additions	**7 840**	11 778
Transfer from property, plant and equipment	**–**	4 025
At end of year	**92 128**	84 288
Accumulated amortisation		
At beginning of year	**54 018**	16 914
Charge for the year (note 17)	**4 766**	9 207
Impairment losses (note 18)	**–**	25 959
Transfer from property, plant and equipment	**–**	1 938
At end of year	**58 784**	54 018
Carrying value at end of year	**33 344**	30 270
Software costs – other external		
At beginning of year	**29 407**	24 139
Additions	**22 152**	4 881
Transfer from property, plant and equipment	**–**	387
At end of year	**51 559**	29 407
Accumulated amortisation		
At beginning of year	**21 584**	12 273
Charge for the year (note 17)	**3 542**	2 511
Impairment losses (note 18)	**–**	6 709
Transfer from property, plant and equipment	**–**	91
At end of year	**25 126**	21 584
Carrying value at end of year	**26 433**	7 823
Total software costs		
Cost	**143 687**	113 695
Accumulated amortisation	**83 910**	75 602
Carrying value at end of year	**59 777**	38 093

Intangible assets are amortised over their useful lives on the straight-line basis and the following rates were applied during the year:

Internally generated	3 to 15 years
Other external	3 to 10 years

The group does not undertake primary research activities and there was no development expenditure incurred which was recognised as an expense in the current and prior years.

5. ASSET HELD FOR SALE

In December 2014, management approved a plan to sell one of its rolling mills. Accordingly, it is presented as an asset held for sale.

A buyer for the rolling mill has been identified and the sale is expected to be completed by June 2015.

At 31 December 2014, the rolling mill was stated at carrying value which did not exceed its fair value less cost to sell (in accordance with IFRS 5) and comprised the following:

	2014 R'000	2013 R'000
Property, plant and machinery	**55 217**	–

6. DEFERRED TAX ASSET

	2014 R'000	2013 R'000
At beginning of year	**27 815**	33 632
Tax credited/(charged) directly to equity	**394**	(74)
Income statement		
Current year charge	**(3 989)**	(4 306)
Prior year credit/(charge)	**801**	(1 208)
Deferred tax credit/(charge) in other comprehensive income	**429**	(229)
At end of year	**25 450**	27 815
Analysis of deferred tax asset		
Fixed assets	**(2 625)**	(363)
Retirement benefit obligations and other provisions	**27 107**	23 876
Other	**968**	4 302
	25 450	27 815
Deferred tax asset to be recovered after more than 12 months	**24 063**	23 875
Deferred tax asset to be recovered within 12 months	**1 387**	3 940
	25 450	27 815

7. INVENTORIES

	2014 R'000	2013 R'000
Raw materials	**530 857**	489 895
Work-in-progress	**514 785**	442 750
Finished goods	**751 600**	711 602
Consumable stores	**161 692**	162 328
	1 958 934	1 806 575

Inventories with a carrying value of R1 780 617 000 (2013: R1 660 570 000) are encumbered as security for borrowing facilities (note 15).

Certain items of inventory were written down (note 17) to net realisable value.

8. TRADE AND OTHER RECEIVABLES

		2014 R'000	2013 R'000
Financial assets		**935 977**	840 442
Trade receivables		**937 403**	834 853
Less: Provision for impairment of receivables		**(6 222)**	(7 835)
		931 181	827 018
Sundry receivables		**4 796**	13 424
Non-financial assets		**101 932**	132 177
Prepayments		**33 754**	24 942
Value-added taxation receivable		**68 178**	107 235
		1 037 909	972 619
As at 31 December, the ageing analysis of trade and sundry receivables, which constitute financial assets, is as follows:			
Receivables that are neither overdue nor impaired		**750 062**	762 932
Receivables overdue but not impaired		**185 915**	77 510
Overdue by less than 60 days		**155 543**	62 679
Overdue by more than 60 days		**30 372**	14 831
Total receivables, net of provision for impairment		**935 977**	840 442
One debtor comprises 22% (2013: 14%) of trade receivables. There is no other significant concentration of risk related to particular customer or industry segments. As at 31 December, the exposure of the group to trade receivables, neither overdue nor impaired, in local and overseas markets, and the extent to which these are subject to credit insurance cover is as follows:			
Local trade receivables		**220 943**	138 799
– Balance subject to credit insurance	(%)	**98**	92
Export trade receivables		**524 323**	610 709
– Balance subject to credit insurance	(%)	**100**	100
		745 266	749 508
Trade receivables covered by credit insurance are subject to a 10% excess.			
Trade and sundry receivables that are impaired are provided for in full. No collateral is held on these receivables. The movement in the provision for impairment is as follows:			
At 1 January		**7 835**	6 359
Receivables written off during the year as uncollectible		**(3 152)**	(707)
Net creation during the year		**1 539**	2 183
At 31 December		**6 222**	7 835

Trade and other receivables with a carrying value of R854 231 000 (2013: R769 795 000) have been ceded as security for borrowing facilities (note 15).

The fair values of the trade and sundry receivables, and the group's maximum exposure to credit risk related thereto, approximate their carrying value.

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

	2014 Foreign amount 000	2014 Rand amount R'000	2013 Rand amount R'000
Euro	**237**	**3 315**	609
Pound Sterling	**–**	**–**	82
US Dollar	**424**	**4 914**	9 095
		8 229	9 786

	2014 R'000	2013 R'000
9. DERIVATIVE FINANCIAL INSTRUMENTS		
Forward foreign exchange contracts – designated as hedging instruments (note 9.1)	**(52 152)**	(47 033)
Forward foreign exchange contracts – not designated as hedging instruments (note 9.1)	**(12 572)**	(9 985)
Commodity futures – designated as hedging instruments (note 9.2)	**38 380**	5 550
	(26 344)	(51 468)
Grouped as:		
Financial assets	**44 175**	13 889
Financial liabilities	**(70 519)**	(65 357)
	(26 344)	(51 468)

The credit quality of all derivative financial assets is sound and there have been no defaults in the past. 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 2014 is made up of exposure on commodity futures and amounted to R38 380 000 (2013: R5 550 000).

The fair value of the financial instruments is determined by applying the methods disclosed in notes 1.20 and 1.27.

The fair value measurement classification of the above financial instruments is level 2 (observable inputs) in accordance with the fair value hierarchy prescribed by IFRS 7 (amended).

9.1 Foreign currency management

The following forward foreign exchange contracts were designated as hedging instruments at the period end.

	2014			2013		
	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						
US Dollar	**2 933**	**33 679**	**(148)**	5 416	56 294	1 431
		33 679	**(148)**		56 294	1 431
Forward sales						
US Dollar	**(103 030)**	**(1 158 354)**	**(52 764)**	(122 888)	(1 257 291)	(44 862)
Euro	**(1 936)**	**(28 019)**	**741**	(2 664)	(37 571)	(3 575)
Pound Sterling	**(124)**	**(2 266)**	**19**	(35)	(587)	(27)
		(1 188 639)	**(52 004)**		(1 295 449)	(48 464)
Net total		**(1 154 960)**	**(52 152)**		(1 239 155)	(47 033)
Maturing in:						
2014		**–**	**–**		(1 239 155)	(47 033)
2015		**(1 154 960)**	**(52 152)**		–	–
		(1 154 960)	**(52 152)**		(1 239 155)	(47 033)
Cash flow hedges		**(1 158 354)**	**(52 764)**		(1 257 291)	(44 862)
Fair value hedges		**3 394**	**612**		18 136	(2 171)
		(1 154 960)	**(52 152)**		(1 239 155)	(47 033)
Grouped as:						
Financial assets			**196**			1 647
Financial liabilities			**(52 348)**			(48 680)
			(52 152)			(47 033)

9. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

9.1 Foreign currency management continued

The following forward foreign 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:

	2014			2013		
	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	**4 100**	**47 076**	**1 452**	810	13 294	774
Euro	**6 317**	**94 797**	**(4 497)**	965	13 458	611
US Dollar	**1 092**	**20 752**	**(787)**	4 610	47 913	(453)
		162 625	**(3 832)**		74 665	932
Forward sales						
US Dollar	**(41 142)**	**(467 732)**	**(11 443)**	(44 647)	(462 357)	(7 581)
Euro	**(7 108)**	**(102 854)**	**2 696**	(10 588)	(149 309)	(2 710)
Pound Sterling	**(426)**	**(7 766)**	**7**	(1 099)	(18 407)	(626)
		(578 352)	**(8 740)**		(630 073)	(10 917)
Net total		**(415 727)**	**(12 572)**		(555 408)	(9 985)
Maturing in:						
2014		**–**	**–**		(555 408)	(9 985)
2015		**(415 727)**	**(12 572)**		–	–
		(415 727)	**(12 572)**		(555 408)	(9 985)
Grouped as:						
Financial assets			**47**			350
Financial liabilities			**(12 619)**			(10 335)
			(12 572)			(9 985)

9. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

9.2 Commodity price management

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

	2014			2013		
	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 purchases/(sales) maturing in:						
2014	**–**	**–**	**–**	(10 600)	(203 510)	5 550
2015	**(17 600)**	**(415 178)**	**38 380**	–	–	–
	(17 600)	**(415 178)**	**38 380**	(10 600)	(203 510)	5 550
Grouped as:						
Financial assets			**43 932**			11 893
Financial liabilities			**(5 552)**			(6 343)
			38 380			5 550
Cash flow hedges			**48 295**			15 445
Fair value hedges			**(9 915)**			(9 895)
			38 380			5 550

10. CASH AND CASH EQUIVALENTS

		2014 R'000	2013 R'000
Bank balances		**98 407**	191 907
Cash on hand		**699**	893
Nedbank call deposit		**150 000**	–
		249 106	192 800
Effective interest rates	%	**4,80**	3,25
Included in bank balances are the following foreign currency denominated accounts:			
Euro		**6 737**	2 468
Pound Sterling		**1**	12 623
US Dollar		**14 699**	11 924
		21 437	27 015

Bank balances with a carrying value of R246 124 000 (2013: R189 470 000) have been ceded as security for borrowing facilities (note 15).

11. SHARE CAPITAL AND SHARE PREMIUM

11.1 Authorised

	2014 R'000	2013 R'000
800 000 000 ordinary shares of 10 cents each (2013: 800 000 000 ordinary shares of 10 cents each)	**80 000**	80 000
45 000 000 A ordinary shares of 10 cents each (2013 45 000 000 A ordinary shares of 10 cents each)	**4 500**	4 500
28 000 000 B ordinary shares of 10 cents each (2013: 28 000 000 B ordinary shares of 10 cents each)	**2 800**	2 800
Total authorised share capital	**87 300**	87 300

The B ordinary shares consist of 15 000 000 B1 shares, 10 000 000 B2 shares and 3 000 000 B3 shares.

11.2 Issued

	2014 R'000	2013 R'000
Ordinary shares		
Opening balance: 319 268 492 ordinary shares of 10 cents each (2013: 318 141 050 ordinary shares of 10 cents each)	**31 926**	31 814
Issued during year: 328 344 ordinary shares of 10 cents each (2013: 1 127 442 ordinary shares of 10 cents each)	**34**	112
Closing balance: 319 596 836 ordinary shares of 10 cents each (2013: 319 268 492 ordinary shares of 10 cents each)	**31 960**	31 926
A ordinary shares		
A ordinary shares of 10 cents each (2013: 36 235 470 A ordinary shares of 10 cents each)	**–**	3 624
Total issued share capital	**31 960**	35 550
Share premium		
Opening balance	**1 785 620**	1 785 620
Consolidated A ordinary shares	**–**	(3 624)
Share capital and share premium	**1 817 580**	1 817 546

11. SHARE CAPITAL AND SHARE PREMIUM CONTINUED

11.3 A ordinary shares

In respect of the prior year, the A ordinary shares were unlisted and carried full voting rights. The A ordinary shares had no entitlements to any dividends or other shareholder distributions. The A ordinary shares were eliminated in the group accounts in the prior year as they were held by an entity related to the introduction of broad-based BEE investors, and this entity was consolidated into the group results. The BEE transaction matured on or about 9 July 2014, and the A ordinary shares were repurchased by the company at *par* value.

11.4 Unissued

Under option to employees:

Details of the employee share incentive schemes, including the share options outstanding at the end of the year, the range of exercise prices and the weighted average contractual lives related thereto, are set out in note 31.

Under the control of the directors:

At 31 December 2014, 6 801 529 unissued ordinary shares (2013: 7 129 873) were under the control of the directors, for the purpose, *inter alia*, of existing employee share incentive schemes.

11.5 Beneficial shareholders holding more than 5% of share capital

Details of beneficial shareholders holding more than 5% of the share capital of the company are set out on page 158.

12. DEFERRED TAX LIABILITY

	2014 R'000	2013 R'000
At beginning of year	**405 311**	962 518
Tax charged/(credited) directly to equity	**4 684**	(2 525)
Income statement		
Current year charge/(credit)	**66 797**	(554 546)
Prior year charge/(credit)	**910**	(136)
At end of year	**477 702**	405 311
The deferred tax liability is analysed as follows:		
Accelerated tax depreciation	**518 026**	484 452
Provisions and leave pay accruals	**(63 166)**	(59 219)
Defined benefit fund	**38 879**	45 211
Assessed loss	**–**	(51 639)
Share schemes	**(14 070)**	(3 032)
Hedging reserve	**2 572**	(12 174)
Trade receivable prepayments	**(6 778)**	–
Other	**2 239**	1 712
	477 702	405 311
Deferred tax liability to be settled after more than 12 months	**479 463**	405 311
Deferred tax liability to be settled within 12 months	**(1 761)**	–
	477 702	405 311

13. RETIREMENT BENEFIT OBLIGATIONS

	2014 R'000	2013 R'000
Post-retirement medical aid provision	**203 445**	196 870
Retirement gratuity provision	**32 924**	28 956
	236 369	225 826

The movements in these provisions are detailed in note 25.

14. TRADE AND OTHER PAYABLES

	2014 R'000	2013 R'000
Trade payables	**779 627**	641 795
Leave pay and bonus accruals	**76 796**	74 062
Sundry accruals and other payables	**108 404**	110 229
	964 827	826 086

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

15. CURRENT BORROWINGS

		2014 R'000	2013 R'000
Nedbank term loan		**614 838**	656 110
Nedbank sale and repurchase loan		**–**	77 024
Pension fund loan (note 25)		**71 306**	71 348
		686 144	804 482
Effective interest rates are as follows:			
Nedbank term loan	(%)	**7,68**	7,35
Nedbank sale and repurchase loan	(%)	**–**	7,52
Pension fund loan	(%)	**6,68**	7,58

The Nedbank term loan comprises a gross loan balance of R652 884 000 (2013: R656 110 000) which has been offset by bank balances of R38 046 000 (2013: nil) in terms of the loan agreements with Nedbank.

The Nedbank term loan is secured against total inventories, total trade receivables and total bank balances; and also against all credit insurance on trade receivables and against insurance on fixed assets.

The current borrowings have no fixed repayment dates.

The fair values of the current borrowings approximate their carrying value.

16. OTHER GAINS AND LOSSES

	2014 R'000	2013 R'000
(Loss)/profit on disposal of property, plant and equipment	**(6 498)**	143
Insurance proceeds	**–**	33 000
Valuation adjustments on non-derivative items (note 16.1)	**46 349**	118 223
Valuation adjustments on derivative items (note 16.2)	**74 810**	(18 579)
	114 661	132 787

16.1 Valuation adjustments on non-derivative items

	2014 R'000	2013 R'000
Export receivables and hedged items in fair value hedges	**52 939**	129 596
Import payables	**(7)**	67
Foreign currency denominated cash balances	**(6 583)**	(11 440)
	46 349	118 223

16.2 Valuation adjustments on derivative items

	2014 R'000	2013 R'000
Forward foreign exchange contracts and commodity futures: not designated as hedging instruments	**81 728**	(43 603)
Forward foreign exchange contracts: fair value hedges	**(738)**	2 953
Commodity futures: fair value hedges	**(6 180)**	22 071
	74 810	(18 579)

16.3 Ineffective portion of all hedges recognised in profit or loss

	2014 R'000	2013 R'000
Fair value hedges	**1 110**	8 912

16.4 The following amounts are included in revenue

	2014 R'000	2013 R'000
Cash flow hedge losses transferred from equity	**(170 582)**	(141 164)

NOTES TO THE GROUP FINANCIAL STATEMENTS | CONTINUED

for the year ended 31 December 2014

17. EXPENSES BY NATURE

	2014 R'000	2013 R'000
Aluminum and other material costs	**5 381 439**	5 326 164
Utilities and other direct manufacturing costs	**636 620**	575 343
Employment costs (note 17.1)	**776 483**	762 538
Depreciation and amortisation (included in cost of sales)	**118 260**	210 264
Depreciation (note 3)	**109 952**	198 546
Amortisation of intangible assets (note 4)	**8 308**	11 718
Repairs and maintenance	**203 869**	176 842
Freight and commissions	**325 519**	326 895
Other operating income and expenditure (note 17.2)	**169 661**	(2 198)
	7 611 851	7 375 848
Classified as:		
Cost of sales	**7 119 966**	6 914 691
Selling, marketing and distribution expenses	**403 104**	390 328
Administrative and other expenses	**88 781**	70 830
	7 611 851	7 375 849

17.1 Employment costs

	2014 R'000	2013 R'000
Salaries and wages	**720 050**	673 872
Severance costs	**–**	25 608
Retirement benefits costs:		
Defined contribution schemes (note 25)	**42 502**	40 033
Defined benefit scheme (note 25)	**(9 565)**	(11 666)
Post retirement medical aid costs (note 25)	**4 030**	20 262
Retirement gratuities (note 25)	**4 310**	5 069
Share incentive costs	**15 156**	9 360
	776 483	762 538

17.2 Other operating income and expenditure

	2014 R'000	2013 R'000
Other operating income and expenditure includes:		
Write-down of inventories	**9 266**	5 382
Operating leases	**12 899**	10 077
(Decrease)/increase in provision for impairment of debtors	**(1 613)**	1 476
Auditors' remuneration (note 17.3)	**4 391**	3 680

17.3 Auditors' remuneration

	2014 R'000	2013 R'000
Audit fees	**3 844**	3 342
Fees for other services	**362**	160
Expenses	**185**	178
	4 391	3 680

	2014 R'000	2013 R'000
18. IMPAIRMENT OF NON-CURRENT ASSETS		
The impairment reversal/(charge) recognised in the income statement is as follows:		
Rolled Products cash generating unit (note 18.1)	**–**	2 122 316
Rolled Products specific asset impairment reversal (note 18.3)	**(43 405)**	–
Taxation thereon	**12 153**	(594 248)
Net impairment (reversal)/charge	**(31 252)**	1 528 068

The company's shares continued to trade on the Johannesburg Stock Exchange at a discount to underlying net asset value during the period under review. In the circumstances, and as required by IAS 36, management have assessed the recoverable amounts of the assets (or cash-generating units to which they belong) disclosed in notes 3, 4, 7 and 8 (net of liabilities disclosed in note 15) at the period end. The recoverable amount was determined to be the value in use and the assessment compared the estimated value in use based on forecast future cash flows to the carrying amount.

18.1 Rolled Products cash generating unit

The recoverable amount of these assets at 31 December 2014 was above the carrying amount and no impairment charge is thus required. A reversal of the 2013 impairment charge is also not required. In 2013, the carrying values were above the recoverable amount by R2 122 million and a gross impairment charge of this amount was recognised which, after a reduction of R594 248 000 in the related deferred tax liability, decreased shareholders' equity by R1 528 million.

The key assumptions used in the value in use calculation are consistent with those used in the five-year business plan approved by the board of directors. Adjustments were made to the plan forecasts to ensure compliance with the value in use methodology required by IAS 36. Key assumptions include:

Sales volumes – excludes benefits of future capital expenditure and restructuring and adjusted to take account of actual performance against previous forecasts. Annual volume capped at 220 000 tons.

Rolling margins – takes into account current and anticipated changes in market conditions and product mix. Adjusted for inflation in the group's target markets leading to forecast real growth in rolling margins of 1% per annum.

Currency exchange rates – based on a forecast of a major South African financial institution with ZAR:USD rate assumed to rise from an annual average of R10,70 in 2014 to R12,65 in 2019.

A pre-tax discount rate of 14,1% (post-tax 11,3%) was used in the calculation and this rate is similar to the 14,5% (post-tax 11,5%) used in 2013. The decrease in the rate was caused by a decrease in the market risk premium and company specific risk premiums, partly offset by a rise in the general risk free rate. The company specific risk premium takes account of the increased risk caused by the current volatility in the Rand exchange rate, while in 2013 it took account of exchange rate volatility as well as reflecting uncertainty surrounding future rolling slab supplies.

Sensitivity analysis

The determination of a Rolled Products value in use, and any resulting impairment, is particularly sensitive to:

Discount rate – increasing the rate from 11,3% to 12,3% would result in an impairment charge of R264 million.

Rolling margins – lowering average margins by 5% would result in an impairment charge of R1 206 million.

Rate of exchange – a R1,00 strengthening in the ZAR/USD rate for each year in the forecast period would result in an impairment charge of R2 032 million.

18.2 Hulamin Extrusions cash generating unit

It was determined, as at 31 December 2014, that no impairment of the carrying values of the assets of this cash generating unit is required.

18.3 Specific asset impairment reversal

An impairment charge was recognised in respect of one of the group's rolling mills in 2012, when the carrying amount of the rolling mill was higher than the recoverable amount. The recoverable amount was estimated based on its value in use.

In 2014, management committed to a plan to sell this rolling mill and, accordingly, the recoverable amount was reassessed based on the rolling mill's fair value less costs to sell. This resulted in an impairment reversal of R43 405 000. The rolling mill has been reclassified as an asset held for sale and is disclosed in note 5.

	2014 R'000	2013 R'000

19. NET FINANCE COSTS

	2014 R'000	2013 R'000
Interest expense	**48 160**	64 715
Non-current borrowings interest	**–**	35 037
Current borrowings interest	**53 079**	30 533
Interest capitalised	**(4 919)**	(855)
Interest income	**(2 453)**	(1 358)
Net finance costs	**45 707**	63 357

20. TAXATION

		2014 R'000	2013 R'000
South African normal taxation:			
Current			
Current year charge		**83 596**	28 751
Prior year under provision/(credit)		**7**	(3 352)
Deferred			
Current year charge/(credit)		**70 786**	(550 240)
Prior year under provision		**109**	1 072
		154 498	(523 769)
South African income tax is levied on the company and its subsidiaries and not the group.			
Tax rate reconciliation			
Normal rate of taxation	(%)	**28,0**	28,0
Adjusted for:			
Items of a capital nature	(%)	**0,6**	0,1
Prior year adjustment	(%)	**0,0**	(0,1)
Effective rate of taxation		**28,6**	28,0
Estimated tax losses available for set-off against future taxable income against which a deferred tax asset has been raised:		**–**	184 426

21. EARNINGS PER SHARE

21.1 Weighted average number of shares

Basic earnings per share, headline earnings per share and normalised earnings per share are calculated using the weighted average number of ordinary shares in issue during the year. For purposes of calculating diluted earnings per share, headline earnings per share and normalised 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, headline earnings per share and basic normalised earnings per share	**December 2014 Number of shares**	December 2013 Number of shares
Basic EPS – weighted average number of shares	**319 515 636**	319 007 266
Share options	**6 860 351**	3 337 019
Diluted EPS – weighted average number of shares	**326 375 987**	322 344 285

21.2 Earnings/(loss) per share

		2014	2013
Basic	(cents)	**120**	(422)
Diluted	(cents)	**118**	(417)

21. EARNINGS PER SHARE CONTINUED

21.3 Headline earnings per share

		2014 R'000	2013 R'000
Net profit/(loss) for the year		**384 928**	(1 344 959)
Adjustments		**(26 573)**	1 527 964
– Loss/(profit) on disposal of property, plant and equipment		**6 498**	(143)
– Impairment (reversal)/charge		**(43 405)**	2 122 316
– Tax effect		**10 334**	(594 209)
Headline earnings		**358 355**	183 005
Headline earnings per share			
Basic	(cents)	**112**	57
Diluted	(cents)	**110**	57

21.4 Normalised earnings per share

		2014 R'000	2013 R'000
Headline earnings		**358 355**	183 005
Adjusted for (net of tax):			
Transaction costs*		**7 450**	–
Past service costs credit adjustment (note 25)		**(11 272)**	–
Severance costs		**–**	18 438
Normalised earnings		**354 533**	201 443

* *This relates to the aggregate transaction costs incurred during the year in respect of various corporate acquisition, BEE ownership and investment activities.*

		2014 R'000	2013 R'000
Normalised earnings per share			
Basic	(cents)	**111**	63
Diluted	(cents)	**109**	62

22. DIVIDENDS PER SHARE

	2014 R'000	2013 R'000
Dividends per share declared		
25 cents on 319 596 836 ordinary shares (2013: nil)	**79 899**	–
Total	**79 899**	–

The dividend was declared subsequent to year end and therefore it has not been provided for in the group financial statements.

23. CASH GENERATED BEFORE WORKING CAPITAL CHANGES

	2014 R'000	2013 R'000
Operating profit/(loss)	**585 133**	(1 805 371)
Depreciation	**109 952**	198 546
Amortisation of intangible assets	**8 308**	11 718
Impairment (reversal)/charge	**(43 405)**	2 122 316
Loss/(profit) on disposal of property, plant and equipment	**6 498**	(143)
Net movement in retirement benefit asset and obligations	**19 431**	32 497
Employee share-based costs	**15 156**	9 360
Share-based payment costs on A ordinary shares redeemed (note 31.6)	**3 624**	–
Movements in derivatives	**27 543**	17 894
	732 240	586 817

24. CHANGES IN WORKING CAPITAL

	2014 R'000	2013 R'000
Increase in inventories	**(152 359)**	(290 963)
Increase in trade and other receivables	**(65 290)**	(27 396)
Increase in trade and other payables	**138 795**	107 112
	(78 854)	(211 247)

25. RETIREMENT BENEFITS

Retirement benefit schemes

The group contributes towards retirement benefits for substantially all permanent employees who are required to be a member of one of the retirement benefit plans, either pension fund or provident fund, elected by the group. 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.

(a) **Provident fund**

The group's contributions to the Metal Industries Provident Fund scheme, a defined contribution plan, amounted to R10 200 909 (2013: R9 125 592) and were expensed during the year.

(b) **Hulamin Pension fund**

During 2012, members and pensioners accepted an offer made by the fund to convert the benefits of all in service members from defined benefit to defined contribution and to transfer the liabilities for the payment of pensions to an insurer. The group has no further exposure to actuarial or investment risk relating to the defined contribution section of the fund.

In addition to an enhancement of benefits granted by the fund to members and pensioners on conversion, the fund also provided certain members with a further benefit which targeted (but provided no guarantee of), at the date of conversion, equivalent benefits on retirement in terms of the defined contribution basis as would have been obtained had the member remained on the defined benefit basis (the "retirement benefit equalisation value").

The assets relating to the retirement benefit equalisation value are held in the employer surplus account and there is no cross-subsidisation between the retirement benefit equalisation value and the assets held by the fund in terms of the defined contribution section of the fund. In addition to the assets relating to the retirement benefit equalisation value, assets relating to the surplus apportionment to the company are held in the employer surplus account.

The company provides no guarantee in terms of the investment returns that are earned on members' retirement benefit equalisation values. The retirement benefit equalisation value benefit accrues with service and is therefore accounted for as a defined benefit plan in terms of IAS 19 (revised). The group holds no actuarial or investment risk relating to the retirement benefit equalisation value benefit.

An actuarial valuation of the group's defined benefit obligation (in relation to the retirement benefit equalisation value) and assets in the employer surplus account was performed in accordance with IAS 19 (revised) at 31 December 2014.

	2014 **R'000**	2013 R'000
Amounts recognised in the balance sheet are as follows:		
Fair value of plan assets (represents amounts held in employer surplus account)	**147 181**	166 176
Present value of funded obligations	**(8 327)**	(4 708)
Pension fund asset at end of year	**138 854**	161 468
Movement in the defined benefit obligation is as follows:		
Defined benefit obligation at beginning of year	**4 708**	921
Current service cost	**3 138**	3 079
Interest cost	**688**	383
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	**453**	(64)
Actuarial (gains)/losses arising from experience adjustments	**(434)**	633
Benefits paid	**(226)**	(244)
Defined benefit obligation at end of year	**8 327**	4 708
Movement in the fair value of plan assets (amounts held in employer surplus account) is as follows:		
Fair value of plan assets at beginning of year	**166 176**	178 100
Actual return on plan assets	**12 677**	19 228
Interest income	**13 391**	15 128
Remeasurements:		
Return on plan assets, excluding amounts included in interest income	**(714)**	4 100
Benefits paid	**(226)**	(244)
Contribution funded from employer reserves	**(31 446)**	(30 908)
Fair value of plan assets at end of year	**147 181**	166 176

25. RETIREMENT BENEFITS CONTINUED

Retirement benefit schemes continued

(b) Hulamin Pension fund continued

	2014 R'000	2013 R'000
The fair value of plan assets comprises the employer surplus account which comprises:		
Quoted market price in an active market:		
Market risk portfolio	**52 139**	49 774
Conservative portfolio	**7**	34 084
Money market and cash	**23 729**	10 970
Other assets:		
Loan to employer company (note 15)	**71 306**	71 348
	147 181	166 176
Balances in respect of the retirement benefit equalisation value included in the fair value of plan assets at end of year	**52 027**	49 802
The amounts recognised in the income statement are as follows:		
Defined benefit plan (retirement benefit equalisation value)	**(9 565)**	(11 666)
Current service cost	**3 138**	3 079
Net interest income	**(12 703)**	(14 745)
Defined contribution plan	**32 301**	30 908
Employer contribution from reserves (utilisation of employer surplus account)	**31 446**	30 908
Employer cash contribution	**855**	–
	22 736	19 242
Amounts recognised in other comprehensive income are as follows:		
Actuarial losses/(gains) arising from changes in financial assumptions	**453**	(64)
Actuarial (gains)/losses arising from experience adjustments	**(434)**	633
Return on plan assets, excluding amounts included in interest income	**714**	(4 100)
The average duration of the benefit obligation at 31 December 2014 is 24,7 years (2013: 25,8 years).		
Principal actuarial assumptions at the end of the reporting period are as follows:		
Discount rate (%)	**8,80**	8,90
Future inflation rate (%)	**6,15**	6,00
Sensitivity of discount rate:		
1% increase in discount rate – effect on current service cost	**(669)**	(656)
1% increase in discount rate – effect on the obligation	**(1 673)**	(984)
1% decrease in discount rate – effect on current service cost	**861**	851
1% decrease in discount rate – effect on the obligation	**2 153**	1 277

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions maybe correlated. When calculating the sensitivity the same method has been applied as when calculating the liability recognised within the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

25. 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.

	2014 **R'000**	2013 R'000
Amounts recognised in the balance sheet are as follows:		
Present value of unfunded obligations	**203 445**	196 870
Liability in the balance sheet	**203 445**	196 870
The liability can be reconciled as follows:		
Balance at beginning of year	**196 870**	197 416
Total expense accrued	**4 030**	20 262
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	**7 150**	(1 254)
Actuarial losses/(gains) arising from experience adjustments	**4 302**	(11 673)
Benefit payments	**(8 907)**	(7 881)
Balance at end of year	**203 445**	196 870
Amounts recognised in the income statement are as follows:		
Interest costs	**17 411**	16 756
Current service costs	**2 979**	3 506
Past service costs credit adjustment (note i)	**(12 030)**	–
Settlement gains (note ii)	**(4 330)**	–
	4 030	20 262
Amounts recognised in other comprehensive income are as follows:		
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	**7 150**	(1 254)
Actuarial losses/(gains) arising from experience adjustments	**4 302**	(11 673)

note i *During the year, the company changed its medical aid subsidy policy for in-service employees with effect from 1 January 2016, from which date any increases in medical aid subsidisation will be based on CPI plus 1%. This resulted in a past service costs credit adjustment in the current year.*

note ii *During the current year, the company made a voluntary offer to pensioners whereby, interalia, pensioners could elect to accept a once-off lump sum in lieu of continuing to receive PRMA subsidy payments. The settlement gain in the current year arose from certain pensioners electing to receive a once off lump sum in lieu of future PRMA subsidy payments.*

		2014 R'000	2013 R'000

25. RETIREMENT BENEFITS CONTINUED

Post-retirement medical aid benefits continued

Principal risks

Through its PRMA subsidy benefit, the group is exposed to a number of risks, principally changes in:

- Financial assumptions:
  - Discount rate, which is set having regard to the market yield on suitable government bonds taking into account the estimated duration of the liability.
  - Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, taking into account the estimated duration of the liability.
  - Medical inflation rate
- Demographic assumptions:
  - Withdrawal, pre-retirement mortality and ill-health retirement rates
  - Post-retirement mortality
  - Family statistics

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year.

Changes in the principal financial assumptions are detailed below.

		2014 R'000	2013 R'000
Principal finanical assumptions:			
Discount rate	(%)	**8,80**	8,90
Future company subsidy rate for pensioner and in-service members within one year of retirement (medical inflation rate) (note ii)	(%)	**7,90**	7,75
Future company medical subsidy increase for all other in service members (note i)	(%)	**7,15**	7,15
Sensitivity of future company subsidy rate:			
1% increase in future company subsidy rate – effect on the aggregate of the service and interest costs		**3 254**	3 447
1% increase in future company subsidy rate – effect on the obligation		**29 428**	30 185
1% decrease in future company subsidy rate – effect on the aggregate of the service and interest costs		**(2 656)**	(2 792)
1% decrease in future company subsidy rate – effect on the obligation		**(24 224)**	(24 663)
Sensitivity of discount rate:			
1% increase in discount rate – effect on current service cost		**(471)**	(538)
1% increase in discount rate – effect on the obligation		**(23 764)**	(24 225)
1% decrease in discount rate – effect on current service cost		**607**	698
1% decrease in discount rate – effect on the obligation		**29 327**	30 139

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions maybe correlated. When calculating the sensitivity the same method has been applied as when calculating the liability recognised within the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the benefit obligation at 31 December 2014 is 14,1 years (2013: 14,9 years). This number is analysed as follows:

– active members 20,8 years (2013: 21,5 years)
– retired members 10,0 years (2013: 10,1 years)

	2014 R'000	2013 R'000
Estimated benefits payable by the group in the next financial year	**9 115**	8 786

note i *During the year, the company changed its medical aid subsidy policy for in-service employees with effect from 1 January 2016, from which date any increases in medical aid subsidisation will be based on CPI plus 1%. This resulted in a past service costs credit adjustment in the current year.*

note ii *During the current year, the company made a voluntary offer to pensioners whereby, interalia, pensioners could elect to accept a once-off lump sum in lieu of continuing to receive PRMA subsidy payments. The settlement gain in the current year arose from certain pensioners electing to receive a once off lump sum in lieu of future PRMA subsidy payments.*

25. 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.

	2014 R'000	2013 R'000
Amounts recognised in the balance sheet are as follows:		
Present value of unfunded obligations	**32 924**	28 956
Liability in the balance sheet	**32 924**	28 956
The liability can be reconciled as follows:		
Balance at beginning of year	**28 956**	35 826
Total expense accrued	**4 310**	5 069
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	**358**	(149)
Actuarial losses/(gains) arising from experience adjustments	**1 181**	(7 596)
Gratuity payments	**(1 881)**	(4 194)
Balance at end of year	**32 924**	28 956
Amounts recognised in the income statement are as follows:		
Interest costs	**2 545**	3 160
Service costs	**1 765**	1 909
	4 310	5 069
Amounts recognised in other comprehensive income are as follows:		
Remeasurements:		
Actuarial gains arising from changes in financial assumptions	**358**	(149)
Actuarial gains arising from experience adjustments	**1 181**	(7 596)

25. RETIREMENT BENEFITS CONTINUED

Retirement gratuities continued

Principal risks

Through its retirement gratuity benefit, the group is exposed to a number of risks, principally changes in:

- Financial assumptions:
  - Discount rate, which is set having regard to the market yield on suitable government bonds taking into account the estimated duration of the liability.
  - Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, taking into account the estimated duration of the liability.
  - Salary inflation in excess of price inflation
- Demographic assumptions:
  - Withdrawal, pre-retirement mortality and ill-health mortality rates
  - Post-retirement mortality
  - Family statistics

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year.

Changes in the principal financial assumptions are detailed below.

		2014 R'000	2013 R'000
Principal financial assumptions:			
Discount rate	(%)	**8,60**	8,90
Future salary inflation rate	(%)	**7,40**	7,60
Sensitivity of future salary inflation rate:			
1% increase in future salary inflation rate – effect on the aggregate of the service and interest costs		**674**	605
1% increase in future salary inflation rate – effect on the obligation		**4 007**	3 536
1% decrease in future salary inflation rate – effect on the aggregate of the service and interest costs		**(576)**	(519)
1% decrease in future salary inflation rate – effect on the obligation		**(3 482)**	(3 077)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions maybe correlated. When calculating the sensitivity the same method has been applied as when calculating the liability recognised within the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the benefit obligation at 31 December 2014 is 13,6 years (2013: 12,2 years).

Estimated retirement gratuities, payable by the group during the next financial year, are R478 000.

	2014 R'000	2013 R'000

26. LEASE COMMITMENTS

Operating lease commitments, amounts due:		
Not later than one year	**14 463**	12 206
Later than one year and not later than five years	**25 433**	28 907
	39 896	41 113
In respect of:		
Property	**499**	336
Plant and machinery	**39 397**	40 777
	39 896	41 113

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

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

27. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:		
Property, plant and equipment	**226 759**	45 425

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

28. CONTINGENT LIABILITIES

The group has no contingent liabilities as at 31 December 2014 (2013: R300 000).

29. RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and the pension fund are disclosed below:

Loan from pension fund (refer note 15)	**71 306**	71 348

Transactions with key management personnel, which comprises directors (executive and non-executive), prescribed officers and members of the executive committee, are detailed in note 30.

30. DIRECTORS' REMUNERATION AND INTEREST

Directors' and prescribed officer's remuneration during the 2014 financial year

Director	Retainer fees Rand	Attendance fees Rand	Cash package Rand	Bonus and performance related payments^ Rand	Medical aid contributions Rand	Retirement fund contributions Rand	Subtotal Rand	Value of options granted[#] Rand	Total Rand	Gains on exercise of share options Rand
Non-executive										
M E Mkwanazi	419 207	227 664					646 871		646 871	
L C Cele	244 256	114 410					358 666		358 666	
V N Khumalo*	164 171	106 380					270 551		270 551	
T P Leeuw	253 889	127 794					381 683		381 683	
J B Magwaza	192 657	82 668					275 325		275 325	
N N A Matyumza	238 744	128 679					367 423		367 423	
S P Ngwenya	158 659	74 225					232 884		232 884	
P H Staude	189 369	96 167					285 536		285 536	
S M G Jennings	467 656	243 906					711 562		711 562	
G H M Watson	467 579	248 279					715 858		715 858	
Subtotal	2 796 187	1 450 172	–	–	–	–	4 246 359	–	4 246 359	–
Executive										
R G Jacob			3 742 488	1 453 320	94 581	466 986	5 757 375	1 903 095	7 660 470	
D A Austin			2 708 318	824 722	154 824	309 758	3 997 622	617 317	4 614 939	
M Z Mkhize			2 550 648	737 796	164 204	318 006	3 770 654	793 897	4 564 551	
Subtotal	–	–	9 001 454	3 015 838	413 609	1 094 750	13 525 651	3 314 309	16 839 960	–
Prescribed officer										
H T Molale	–	–	1 899 780	735 793	101 224	236 648	2 973 445	532 801	3 506 246	168 153
Total	–	–	1 899 780	735 793	101 224	236 648	2 973 445	532 801	3 506 246	168 153
Total	2 796 187	1 450 172	10 901 234	3 751 631	514 833	1 331 398	20 745 455	3 847 110	24 592 565	168 153

^ *The bonus payments reflected above are in relation to the 2014 year, paid in 2015.*

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

[#] *The value of the equity-settled options granted is the annual expense determined in accordance with IFRS 2 – Share-based Payments.*

Executive Committee members' remuneration during the 2014 financial year*

	Cash package Rand	Bonus and performance related payments^ Rand	Medical aid contributions Rand	Retirement fund contributions Rand	Subtotal Rand	Value of options granted Rand	Total Rand	Gains on exercise of share options Rand
Total	7 379 034	2 252 990	347 146	1 481 212	11 460 382	2 284 484	13 744 866	

* *Excluding executive directors and prescribed officer.*

^ *The bonus payments reflected above are in relation to the 2014 year, paid in 2015.*

30. DIRECTORS' REMUNERATION AND INTEREST CONTINUED

Directors' and prescribed officer's remuneration during the 2013 financial year

Director	Retainer fees Rand	Attendance fees Rand	Cash package Rand	Bonus and performance related payments^ Rand	Medical aid contributions Rand	Retirement fund contributions Rand	Subtotal Rand	Value of options# Rand	Total Rand	Gains on exercise of share options Rand
Non-executive										
M E Mkwanazi	410 802	218 660					629 462		629 462	
L C Cele	233 815	115 670					349 485		349 485	
V N Khumalo*	150 063	68 715					218 778		218 778	
T P Leeuw	275 071	128 795					403 866		403 866	
J B Magwaza	182 219	78 615					260 834		260 834	
N N A Matyumza	257 964	113 250					371 214		371 214	
S P Ngwenya	150 063	39 195					189 258		189 258	
S M G Jennings[1]	206 746	98 226					304 972		304 972	
P H Staude	184 508	90 925					275 433		275 433	
G H M Watson	389 738	198 754					588 492		588 492	
	2 440 989	1 150 805					3 591 794		3 591 794	
Executive										
R G Jacob			3 534 348	1 070 943	86 832	440 969	5 133 092	1 286 939	6 420 031	52 205
D A Austin[2]			1 955 500	502 404	108 993	243 750	2 810 647	277 603	3 088 250	–
C D Hughes[3]			404 128	104 082	23 680	50 379	582 269	290 036	872 305	–
M Z Mkhize			2 411 184	571 048	142 080	300 573	3 424 885	396 852	3 821 737	–
			8 305 160	2 248 477	361 585	1 035 671	11 950 893	2 251 430	14 202 323	52 205
Prescribed officer										
D R Weisz			1 791 500	661 149	84 816	245 438	2 782 903	223 970	3 006 873	–
	2 440 989	1 150 805	10 096 660	2 909 626	446 401	1 281 109	18 325 590	2 475 400	20 800 990	52 205

^ *The bonus payments reflected above are in relation to the 2013 year, paid in 2014.*

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

The value of the equity-settled options granted is the annual expense determined in accordance with IFRS 2 – Share-based Payments.

[1] *S M G Jennings was appointed to the Board on 1 July 2013.*

[2] *D A Austin was appointed from 1 March 2013.*

[3] *C D Hughes retired from the Board on 28 February 2013. His remuneration for the period 1 March 2013 to 31 May 2013 when he retired from the company is included in the table that follows.*

30. DIRECTORS' REMUNERATION AND INTEREST CONTINUED

Executive Committee members' remuneration during the 2013 financial year*

	Cash package Rand	Bonus and performance related payments^ Rand	Medical aid contributions Rand	Retirement fund contributions and payments on retirement Rand	Total Rand	Gains on exercise of share options Rand
Total	8 489 272	2 115 396	474 672	1 071 170	12 150 510	1 923 020

* *Excluding executive directors and prescribed officers. C D Hughes retired from the Board on 28 February 2013. His remuneration for the period 1 March 2013 to 31 May 2013 when he retired from the company is included in this table.*

^ *The bonus payments reflected above are in relation to the 2013 year, paid in 2014.*

No other employee earned more than the executive directors, prescribed officer and executive committee members in the 2013 year.

Interest of directors and prescribed officers of the company in share-based instruments

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

Options related to the Hulamin share price

	Adjusted option price	Expiring 10 years from	Number of options at 31 Dec 2013	Number of options lapsed during 2014	Number of options at 31 Dec 2014	Options time constrained
Executive director						
R G Jacob	R11,10	21 Apr 2004	3 800	**3 800**	–	
			3 800	**3 800**	–	
M Z Mkhize	R11,10	21 Apr 2004	3 400	**3 400**	–	
			3 400	**3 400**	–	
Total			7 200	**7 200**		
Prescribed officer						
H T Molale		21 Apr 2004	2 300	**2 300**	–	
Total			2 300	**2 300**	–	

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30. DIRECTORS' REMUNERATION AND INTEREST CONTINUED

Interest of directors and prescribed officers of the company in share-based instruments continued

Hulamin Limited Share Appreciation Right Scheme 2007

	Number of rights granted in 2009	Number of rights granted in 2011	Number of rights granted in 2013	Number of rights at Dec 2013	**Number of rights granted in 2014**	**Number of rights lapsed 2014**	**Number of rights at Dec 2014**	**Rights time constrained**
Executive director								
D A Austin			234 243	234 243	**196 546**	**–**	**430 789**	**430 789**
R G Jacob	98 933	509 138	1 018 161	1 626 232	**633 100**	**98 933**	**2 160 399**	**1 651 261**
M Z Mkhize	111 958	261 503	470 418	843 879	**201 780**	**111 958**	**933 701**	**672 198**
	210 891	770 641	1 722 822	2 704 354	**1 031 426**	**210 891**	**3 524 889**	**2 754 248**
Prescribed officer								
H T Molale	55 500	167 931	301 714	525 145	**150 157**	**55 500**	**619 802**	**451 871**
	55 500	167 931	301 714	525 145	**150 157**	**55 500**	**619 802**	**451 871**
Grant price	R11,50	R6,91	R4,56		R6,80			
Grant date	24 Jul 2009	25 May 2011	25 Feb 2013		24 Apr 2014			
Grant price			R4,01					
Grant date			27 May 2013					

Hulamin Limited Long Term Incentive Plan 2007 – With Performance Conditions

	Number of rights granted in 2009	Number of rights granted in 2011	Number of rights granted in 2013	Number of rights at Dec 2013	**Number of rights granted in 2014**	**Number of rights lapsed 2014**	**Number of rights at Dec 2014**	**Rights time constrained**
Executive director								
D A Austin			102 232	102 232	**85 780**	**–**	**188 012**	**188 012**
R G Jacob		262 006	381 132	643 138	**236 998**	**262 006**	**618 130**	**618 130**
M Z Mkhize		134 578	205 430	340 008	**88 064**	**134 578**	**293 494**	**293 494**
	–	396 584	688 794	1085 378	**410 842**	**396 584**	**1 099 636**	**1 099 636**
Prescribed officer								
H T Molale		86 422	131 757	218 179	**65 534**	**86 422**	**197 291**	**197 291**
	–	86 422	131 757	218 179	**65 534**	**86 422**	**197 291**	**197 291**
Grant price		R6,91	R4,56		R6,80			
Grant date		25 May 2011	25 Feb 2013		24 Apr 2014			
Grant price			R4,01					
Grant date			27 May 2013					

30. DIRECTORS’ REMUNERATION AND INTEREST CONTINUED

Interest of directors and prescribed officers of the company in share-based instruments continued

Hulamin Limited Long Term Incentive Plan 2007 – Without Performance Conditions

	Number of conditional awards granted in 2012	Number of conditional awards granted in 2013	Number of conditional awards at Dec 2013	Number of conditional awards granted in 2014	Number of conditional awards lapsed 2014	Number of conditional awards at Dec 2014	Conditional awards time constrained
Executive director							
D A Austin		179 073	179 073	**28 583**		**207 656**	**207 656**
R G Jacob		127 186	127 186	**78 999**		**206 185**	**206 185**
M Z Mkhize		68 476	68 476	**29 355**		**97 831**	**97 831**
		374 735	374 735	**136 937**	**–**	**511 672**	**511 672**
Prescribed officer							
H T Molale		43 919	43 919	**21 845**		**65 764**	**65 764**
	–	43 919	43 919	**21 845**	**–**	**65 764**	**65 764**
Grant price		R4,56		R6,80			
Grant date		25 Feb 2013		24 Apr 2014			
Grant price		R4,60					
Grant date		1 Mar 2013					
Grant price		R4,01					
Grant date		27 May 2013					

Hulamin Limited deferred bonus plan 2007

	Number of conditional awards granted in 2012	Number of conditional awards granted in 2013	Number of conditional awards at Dec 2013	Number of conditional awards granted in 2014	Number of conditional awards lapsed 2014	Number of conditional awards at Dec 2014	Conditional awards time constrained
Executive director							
R G Jacob	24 669	32 534	57 203	**–**	**–**	**57 203**	**57 203**
	24 669	32 534	57 203	**–**	**–**	**57 203**	**57 203**
Prescribed officer							
H T Molale							
				–	**–**	**–**	**–**
Grant price	R7,60	R4,55					
Grant date	16 Apr 2012	4 Mar 2013					

30. DIRECTORS' REMUNERATION AND INTEREST CONTINUED

Interest of directors and prescribed officers of the company in share capital

The aggregate holdings as at 31 December 2014 of those directors of the company holding issued ordinary shares of the company are detailed below:

As at 31 December 2014	Direct beneficial shares	Indirect beneficial shares	Held by associates	Shares total
Executive				
R G Jacob	**128 803**			**128 803**
M Z Mkhize	**75 668**			**75 668**
	204 471	**–**	**–**	**204 471**
Non-executive				
L C Cele	**10 000**			**10 000**
J B Magwaza	**5 760**			**5 760**
P H Staude	**91 610**			**91 610**
	107 370	**–**	**–**	**107 370**
Total	**311 841**	**–**	**–**	**311 841**

There have been no changes in the above interests between the year-end and 19 February 2015.

As at 31 December 2013	Direct beneficial shares	Indirect beneficial shares	Held by associates	Shares total
Executive				
R G Jacob	118 897			118 897
M Z Mkhize	75 668			75 668
	194 565	–	–	194 565
Non-executive				
L C Cele	10 000			10 000
J B Magwaza	5 760			5 760
P H Staude	91 610			91 610
	107 370	–	–	107 370
Total	301 935	–	–	301 935

31. SHARE-BASED PAYMENTS

Employee share incentive schemes

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

31.1 The Tongaat-Hulett Group Limited 2001 Share Option Scheme

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.

Tongaat Hulett modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 Dec 2013	**Options exercised in 2014**	**Options forfeited in 2014**	**Number of options at 31 Dec 2014**	**Options time constrained**
R35,90	R11,03	21 Apr 2004	28 900	**28 900**	–	–	
			28 900	**28 900**	–	–	

Hulamin modified grant price	Estimated weighted average fair value per option	Expiring ten years from	Number of options at 31 Dec 2013	**Options expired in 2014**	**Options forfeited in 2014**	**Number of options at 31 Dec 2014**	**Options time constrained**
R11,10	R3,60	21 Apr 2004	121 100	**121 100**	–	–	
			121 100	**121 100**	–	–	

The estimated fair value of the share options at grant date was determined using a binomial tree valuation model. Options were exercised during the year. The volume-weighted average share prices during the year for Tongaat Hulett and Hulamin shares were R141,33 and R7,15 respectively.

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 and four years
– Non-market	None
– Market	None
– Expected remaining life	nil
– Contractual life	120 months

31. SHARE-BASED PAYMENTS CONTINUED

Employee share incentive schemes continued

31.2 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 conditions over a three-year period.

Grant price	Estimated weighted average fair value per right	Expiring seven years from	Number of rights at 31 Dec 2013	**Rights granted in 2014**	**Rights exercised in 2014**	**Rights forfeited/ lapsed in 2014**	**Number of rights at 31 Dec 2014**	**Rights time constrained**
R11,50	R4,76	24 Jul 2009	3 651 789			**3 651 789**		**–**
R6,91	R1,91	25 May 2011	6 448 266		**1 174 975**	**417 518**	**4 855 773**	**–**
R3,60	R0,81	22 Oct 2012	1 871 101		**77 945**		**1 793 156**	**1 793 156**
R4,56	R1,35	25 Feb 2013*	1 838 425		**155 398**	**31 079**	**1 651 948**	**1 651 948**
R4,01	R1,24	27 May 2013	4 131 109		**88 628**	**88 628**	**3 953 853**	**3 953 853**
R6,90	R2,73	24 Apr 2014		**3 450 310**		**157 059**	**3 293 251**	**3 293 251**
			17 940 690	**3 450 310**	**1 496 946**	**4 346 073**	**15 547 981**	**10 692 208**

* *On 25 February 2013 a grant was made to a group of employees who had been excluded from the grant made on 22 October 2012. The term of the award was 32 months to vest on 22 October 2015.*

The volume-weighted average share price during the year for Hulamin shares was R7,15.

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	2014 award: R6,90 (2013 awards: R4,56 (February); R4,01 (May); 2012 award: R3,60; 2011 award: R6,91; 2009 award: R11,50)
Grant price	The grant price as noted above
Risk-free interest rate	2014 award: 8,17% (2013 awards: 6,44%; 2012 award: 6,38%; 2011 award: 7,98%; 2009 award: 8,73%)
Expected volatility	2014 award: 42,22% (2013 awards: 42,70% (February); 42,98% (May); 2012 award: 40,33%; 2011 award: 38,09%; 2009 award: 41,80%)
Expected dividends	2014 award: 0,5% (2013 awards: 4,0% (May); 4,0% (February); 2012 award: 9,85%; 2011 award: 7,56%; 2009 award: 6,54%)
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 was allowed in respect of the 2009 grant.
– Market	None
– Expected remaining life	2014 award: 76 months (2013 awards: 65 months; 2012 award: 58 months; 2011 award: 41 months; 2009 award: nil)
– Contractual life	84 months

31. SHARE-BASED PAYMENTS CONTINUED

Employee share incentive schemes continued

31.3 Hulamin Limited Long Term Incentive Scheme 2007 (with performance conditions)

Under the Long Term Incentive Plan, participating employees are granted conditional awards. These awards are converted into shares in Hulamin on the achievement of Return on Capital Employed (ROCE) and Total Shareholders' Return (TSR) performance conditions over a three-year period.

Estimated weighted average fair value per right	Expiring three years from	Number of conditional awards at 31 Dec 2013	**Conditional awards granted in 2014**	**Conditional awards exercised in 2014**	**Conditional awards lapsed/ forfeited in 2014**	**Number of conditional awards at 31 Dec 2014**	**Conditional awards time constrained**
R4,40	25 May 2011	1 185 082			**1 185 082**	**–**	**–**
R1,10	22 Oct 2012	1 681 839		**9 580**	**148 039**	**1 524 220**	**1 524 220**
R1,97	25 Feb 2013*	691 226		**21 219**	**60 261**	**609 746**	**609 746**
R3,28	27 May 2013	2 508 263		**44 650**	**113 052**	**2 350 561**	**2 350 561**
R6,35	24 Apr 2014		**3 032 483**	**16 045**	**112 246**	**2 904 192**	**2 904 192**
		6 066 410	**3 032 483**	**91 494**	**1 618 680**	**7 388 719**	**7 388 719**

* *On 25 February 2013 a grant was made to a group of employees who had been excluded from the grant made on 22 October 2012. The term of the award was 32 months to vest on 22 October 2015.*

The volume-weighted average share price during the year for Hulamin shares was R7,15.

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	2014 award: R6,90 (2013 awards: R4,56 (February); R4,01 (May); 2012 award: R3,60; 2011 award: R6,91)
Grant price	The grant price as noted above
Risk-free interest rate	2014 award: 7,26% (2013 award: 5,33%; 2012 award: 5,19%; 2011 award: 7,05%)
Expected volatility	2014 award: 46,74% (2013 awards: 45,48% (February); 46,03% (May); 2012 award: 39,11%; 2011 award: 38,24%)
Expected dividends	2014 award: 0,5% (2013 awards: 4,0% (May); 4,0% (February); 2012 award: 6,15%; 2011 award: 3,01%)
Vesting conditions:	
– Time	Three years
– Non-market	Return on capital employed (ROCE)
– Market	Total shareholders' return (TSR)
– Expected remaining life	2014 award: 28 months (2013 awards: 17 months (May); 10 months (February); 2012 award: 10 months)
– Contractual life	36 months

31. SHARE-BASED PAYMENTS CONTINUED

Employee share incentive schemes continued

31.4 Hulamin Limited Long Term Incentive Scheme 2007 (without performance conditions)

Under the Long Term Incentive Plan, participating employees are granted conditional awards. The vesting of the award is conditional on the employee continuing employment with the company or any other employer company until the vesting date.

Estimated weighted average fair value per right	Expiring 3 years from	Number of conditional awards at 31 Dec 2013	**Conditional awards granted in 2014**	**Conditional awards exercised in 2014**	**Conditional awards lapsed/ forfeited in 2014**	**Number of conditional awards at 31 Dec 2014**	**Conditional awards time constrained**
R2,98	22 Oct 2012	540 122		**10 219**	**21 833**	**508 070**	**508 070**
R4,11	25 Feb 2013	329 092		**22 633**	**4 527**	**301 932**	**301 932**
R4,11	1 Mar 2013	144 996				**144 996**	**144 996**
R3,64	27 May 2013	834 282		**21 018**	**31 481**	**781 783**	**781 783**
R6,82	24 Apr 2014		**1 125 905**	**6 866**	**35 898**	**1 083 141**	**1 083 141**
		1 848 492	**1 125 905**	**60 736**	**93 739**	**2 819 922**	**2 819 922**

* *On 25 February 2013 a grant was made to a group of employees who had been excluded from the grant made on 22 October 2012. The term of the award was 32 months to vest on 22 October 2015.*

The volume-weighted average share price during the year for Hulamin shares was R7,15.

The estimated fair value costing of these conditional share awards at the grant date was based on the following significant inputs:

Share price at grant date	2014 award: R6,90 (2013 awards: R4,01 (May); R4,60 (March); R4,56 (February); 2012 award: R3,60)
Grant price	The grant price as noted above
Risk-free interest rate	2014 award: 7,26% (2013 awards: 5,33%; 2012 award: 5,19%)
Expected volatility	2014 award: 46,74% (2013 awards: 46,03% (May); 45,48% (February); 2012 award: 39,11%)
Expected dividends	2014 award: 0,50% (2013 awards: 4,0% (May); 4,0% (February); 2012 award: 6,15%)
Vesting conditions:	
– Time	Three years
– Non-market	None
– Market	None
– Expected remaining life	2014 award: 28 months (2013 awards: 17 months (May); 10 months (February); 2012 award: 10 months)
– Contractual life	36 months

31. SHARE-BASED PAYMENTS CONTINUED

Employee share incentive schemes continued

31.5 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 match those pledged shares released from escrow.

Estimated weighted average fair value per award	Grant date	Number of conditional awards at 31 Dec 2013	**Conditional awards granted in 2014**	**Conditional awards exercised in 2014**	**Number of conditional awards 31 Dec 2014**	**Conditional awards time constrained**
R6,91	16 Apr 2012	37 649			**37 649**	**37 649**
R3,73	4 Mar 2013	54 220			**54 220**	**54 220**
R6,74	14 Mar 2014		**14 907**		**14 907**	**14 907**
		91 869	**14 907**	**–**	**106 776**	**106 776**

The volume-weighted average share price during the year for Hulamin shares was R7,15.

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

Share price at grant date	2014 awards: R6,84 (2013 award: R4,55; 2012 award: R7,60; 2010 award: R8,93)
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
– Expected remaining life	2014 award: 27 months (2013 award: 15 months; 2012: 4 months)
– Contractual life	36 months

The Deferred Bonus Shares were purchased by the participating employees on 20 April 2012, 13 March 2013 and 26 March 2014 in terms of the 2012, 2013 and 2014 awards respectively.

31. SHARE-BASED PAYMENTS CONTINUED

31.6 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 subscribed for 10% of the ordinary share capital of Hulamin Operations (Pty) Ltd (OPCO) at a cost of R37 500 000 and for 25 million A ordinary shares in Hulamin at a cost of R2 500 000. The BEE partners were 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 ordinary 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, was 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 were 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.

The BEE transaction matured on or about 9 July 2014, this has resulted in a deconsolidation of Chaldean from the Hulamin group, including cumulative retained earnings of R5 020 000. The company has repurchased 36 235 470 A ordinary shares from Chaldean at par value (R3 624 000) in terms of BEE transaction agreements. An additional share-based payment charge of R3 624 000 has been recognised in respect of this repurchase. As a result of the maturing of the transaction, the BEE reserve amounting to R174 686 000, reflecting the share-based payment costs of the transaction at grant date (including R40 000 000 contribution by the BEE partners), has been transferred to retained earnings.

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

The financial statements of the group include the financial statements of the company and the associates, subsidiary companies and joint ventures listed in the following table:

Name	Country of incorporation	**% Equity interest 2014**	% Equity interest 2013
Subsidiaries			
Hulamin Rolled Products (Pty) Ltd*	South Africa	**100**	100
Hulamin Systems (Pty) Ltd*	South Africa	**100**	100
Hulamin Operations (Pty) Ltd	South Africa	**100**	90
Hulamin Extrusions (Pty) Ltd*	South Africa	**100**	100
Hulamin North America LLC*	United States of America	**100**	100
Associates			
Almin Metal Industries Limited**	Zimbabwe	**49**	49

* *Subsidiaries of Hulamin Operations (Pty) Ltd.*

** *Investment held by Hulamin Extrusions (Pty) Ltd.*

Almin Metal Industries Limited, an associate company, operates under severe long term restrictions on the transfer of funds to the company and has been fully impaired. Therefore, information in respect of the assets, liabilities, revenues and profit or loss of this company has not been disclosed.

Investment in Isizinda Aluminium RF (Pty) Ltd ("Isizinda")

During the current financial year Hulamin acquired a 40% equity interest in Isizinda, a company established during the year with a nominal share capital. Isizinda signed an agreement to acquire the Bayside casthouse from BHP Billiton on 23 November 2014. The effective date of the transaction is expected to be 1 April 2015, subject to Competition Commission approval.

All the investments are unlisted.

33. FINANCIAL RISK MANAGEMENT

33.1 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.

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 and recognised assets and 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 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 R6 492 000 (2013: higher or lower by R151 000) based on the group's exposure at the balance sheet date. The sensitivity of profits to changes in exchange rates is a result of foreign exchange gains or 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 or losses in currency derivatives. Profit was no more sensitive to movements in currency exchange rates in 2014 than in 2013, as all foreign currency denominated assets and liabilities are hedged through foreign exchange contracts. The above change in currency exchange rates would have resulted in equity being lower or higher by R41 201 000 (2013: R46 052 000). The change in equity is mainly from foreign exchange losses or 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. Due to this commodity price risk having opposing effects on cash and profit, the approach is to hedge approximately 50% of the risk using futures contracts. At 31 December 2014, 51% (2013: 47%) of the risk was hedged.

For every 5% weakening or strengthening of the price of aluminium at 31 December, after tax profit for the year would have been lower or higher by R1 183 000 (2013: higher or lower by R3 213 000) based on the group's exposure at the balance sheet date. The sensitivity of profits to changes in aluminium prices is a result of commodity price gains or losses on aluminium futures contracts that were all hedge accounted in 2014 and 2013. For this reason, profit was no more sensitive to movement in commodity prices in 2014 than in 2013. The above change in aluminium prices would have resulted in equity being lower or higher by R18 272 000 (2013: R16 643 000). The change in equity is mainly from losses or gains on translation of US Dollar-denominated cash-flow hedging instruments.

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 had not fixed the interest rate on any of its borrowings. Consequently, every 0,5 percentage point increase or decrease in the interest rate at 31 December would have no fair value effect on after tax profit (2013: nil) and no effect on equity (2013: nil).

The group is also exposed to future cash flow risks on 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 R2 170 000 (2013: R3 063 000).

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.

CREDIT RISK

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. All deposits are held with major South African banks and all foreign exchange hedging transactions are undertaken with these banks. All aluminium futures are undertaken with a major London Metal Exchange broker which carries a BBB- credit rating, per Standard and Poor's. Foreign currency counterparty rating of all banks transacted with, as rated by Standard and Poor's, is BBB- which equals South Africa's rating.

33. FINANCIAL RISK MANAGEMENT CONTINUED

33.1 Financial risk factors continued

CREDIT RISK continued

Hulamin's credit risk exposure to customers is mainly influenced by individual customer characteristics and there is no significant concentration of risk related to industry segments. In addition to any significant exposures arising from specific customers, credit exposures to both local and overseas customers are detailed in note 8 to the annual financial statements. The creditworthiness of new customers is assessed when credit is first extended and is reviewed on a monthly basis thereafter. The establishment and subsequent maintenance of credit limits is, in the majority of cases, based on the specific amount of credit insurance that can be secured for each new customer. The value of all trade receivables covered by insurance is detailed in note 8.

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).

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	**2014** **R'000**	2013 R'000
Total borrowing facilities		**1 521 348**	1 521 348
Less: Current borrowings	15	**(686 144)**	(804 482)
Committed undrawn facilities		**835 204**	716 866

The total borrowing facilities include a general short-term facility of R250 million and facilities of R1 200 million that are committed for a further two years but, as each drawdown against the R1 200 million is repayable within 12 months, are classified as current. The repayment of each drawdown can either be through cash generated within the business or through a new replacement drawdown (a revolving facility). A pension fund loan facility of R71 million also exists.

There are no financial liabilities with contractual maturity dates beyond a year from 31 December 2014. Financial liabilities with maturity dates less than one year comprise current borrowings, trade and other payables, sundry accruals and derivative liabilities.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

	Less than one year R'000	**One to two years R'000**	**Two to three years R'000**	**Three to four years R'000**	**Greater than four years R'000**	**Total R'000**
2014						
Current borrowings	**686 144**					**686 144**
Trade and other payables (excluding employee benefit payables)	**888 031**					**888 031**
Derivative financial liabilities	**70 519**					**70 519**
	1 644 694	**–**	**–**	**–**	**–**	**1 644 694**
2013						
Current borrowings	804 482					804 482
Trade and other payables (excluding employee benefit payables)	752 024					752 024
Derivative financial liabilities	65 357					65 357
	1 621 863	–	–	–	–	1 621 863

Included in the above amounts payable within a period of less than one year, are financial liabilities in the amount of R976 212 000 (2013: R841 809 000) which are payable within a period of three months, including trade payables in the amount of R779 627 000 (2013: R641 795 000). Trade receivables amounting to R745 266 000 (2013: R749 508 000) are recoverable within a period of three months.

33. FINANCIAL RISK MANAGEMENT CONTINUED

33.2 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.

These objectives result in varying 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:

	Notes	**2014 R'000**	2013 R'000
Current borrowings	15	**686 144**	804 482
Total borrowings		**686 144**	804 482
Less: Cash and cash equivalents	10	**(249 106)**	(192 800)
Net borrowings		**437 038**	611 682
Total equity		**3 833 817**	3 402 810
Total capital		**4 270 855**	4 014 492
Gearing ratio (net debt over total capital)	(%)	**10**	15

34. POST BALANCE SHEET EVENTS

No material changes have taken place in the affairs of the group between the end of the financial year and the date of this report.

COMPANY BALANCE SHEET

as at 31 December 2014

	Notes	2014 R'000	2013 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	2	**3 203 789**	3 135 839
Deferred tax asset	3	**19 685**	19 095
		3 223 474	3 154 934
Current assets			
Income tax asset		**126**	146
		126	146
Total assets		**3 223 600**	3 155 080
EQUITY			
Share capital and share premium	4	**1 817 580**	1 821 170
BEE reserve		**–**	134 686
Employee share-based payment reserve		**41 411**	29 720
Retained earnings		**1 294 123**	1 100 953
Total equity		**3 153 114**	3 086 529
LIABILITIES			
Non-current liabilities			
Post-retirement medical aid provision	5	**70 287**	68 169
		70 287	68 169
Current liabilities			
Trade and other payables		**199**	382
		199	382
Total liabilities		**70 486**	68 551
Total equity and liabilities		**3 223 600**	3 155 080

COMPANY INCOME STATEMENT

for the year ended 31 December 2014

	Notes	2014 R'000	2013 R'000
Revenue		**93 104**	81 667
Administrative expenses	6	**(12 359)**	(8 978)
Impairment of investment in subsidiaries		**–**	(1 239 658)
Operating profit/(loss)		**80 745**	(1 166 969)
Taxation	7	**(23 623)**	(18 621)
Net profit/(loss) for the year attributable to equity holders of the company		**57 122**	(1 185 590)

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2014

	2014 R'000	2013 R'000
Net profit/(loss) for the year attributable to equity holders of the company	**57 122**	(1 185 590)
Other comprehensive loss for the year		
Items that will not be reclassified to profit or loss	**(2 262)**	(1 031)
Remeasurement of post retirement medical obligation	**(3 141)**	(1 432)
Income tax effect	**879**	401
Total comprehensive income/(loss) for the year attributable to equity holders of the company	**54 860**	(1 186 621)

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Share capital R'000	Share premium R'000	Employee share-based payment reserve R'000	BEE reserve R'000	Retained earnings R'000	Total equity R'000
Balance at 31 December 2012	35 438	1 785 620	101 099	134 686	2 287 574	4 344 417
Net loss for the year	–	–	–	–	(1 185 590)	(1 185 590)
Other total comprehensive loss for the year after tax	–	–	–	–	(1 031)	(1 031)
Ordinary shares issued	112	–	–	–	–	112
Value of employee services of subsidiaries	–	–	9 360	–	–	9 360
Settlement of employee share incentives	–	–	(2 457)	–	–	(2 457)
Transfer of share-based payment reserve to retained earnings	–	–	(78 282)	–	–	(78 282)
Balance at 31 December 2013	35 550	1 785 620	29 720	134 686	1 100 953	3 086 529
Net profit for the year	**–**	**–**	**–**	**–**	**57 122**	**57 122**
Other total comprehensive loss for the year after tax	**–**	**–**	**–**	**–**	**(2 262)**	**(2 262)**
Ordinary shares issued	**34**	**–**	**–**	**–**	**–**	**34**
A ordinary shares redeemed (note 4.3)	**(3 624)**	**–**	**–**	**–**	**–**	**(3 624)**
Share-based payment costs on A ordinary shares redeemed (note 4.3)	**–**	**–**	**–**	**–**	**3 624**	**3 624**
Value of employee services of subsidiaries	**–**	**–**	**15 156**	**–**	**–**	**15 156**
Settlement of employee share incentives	**–**	**–**	**(3 465)**	**–**	**–**	**(3 465)**
Transfer of BEE reserve to retained earnings (note 4.3)	**–**	**–**	**–**	**(134 686)**	**134 686**	**–**
Balance at 31 December 2014	**31 960**	**1 785 620**	**41 411**	**–**	**1 294 123**	**3 153 114**

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2014

	2014 R'000	2013 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss)	**80 745**	(1 166 969)
Changes in working capital	**(183)**	4
Movement in retirement benefit obligation	**(1 023)**	(271)
Impairment of investment in subsidiaries	**–**	1 239 658
Employee share-based costs	**15 156**	9 360
Share-based payment costs on repurchase of A ordinary shares (note 4.3)	**3 624**	–
Income tax payment	**(23 314)**	(18 581)
Net cash inflow from operating activities	**75 005**	63 201
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments in subsidiaries	**(67 950)**	(60 856)
Net cash outflow from investing activities	**(67 950)**	(60 856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Ordinary shares issued	**34**	112
Settlement of employee share incentives	**(3 465)**	(2 457)
Repurchase of A ordinary shares (note 4.3)	**(3 624)**	–
Net cash outflow from financing activities	**(7 055)**	(2 345)
Net increase in cash and cash equivalents	**–**	–
Cash and cash equivalents at beginning of year	**–**	–
Cash and cash equivalents at end of year	**–**	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC interpretations, SAICA Financial Reporting guides, the requirements of the Companies Act, No 71 of 2008, as amended, and the Listing Requirements of the JSE Limited.

The financial statements are prepared using the historical cost convention 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.

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.

1.2 Judgements, estimates and assumptions

The accounting estimates and critical judgements applied by the key management of Hulamin Limited are discussed in the group's consolidated financial statements (see note 1.37).

1.3 Principal accounting policies

The principal accounting policies applied by the company are the same as those presented in note 1 to the consolidated group financial statements, to the extent that the group's transactions and balances are applicable to the company financial statements. Principally, the accounting policies which are not directly relevant to the company financial statements are those relating to consolidation accounting.

The accounting policies which are either different, or additional, to those applied by the group are stated as follows:

1.3.1 Subsidiaries

Subsidiaries are all entities over which the group has control, generally accompanying a shareholding of more than one half of the voting rights.

The company financial statements recognise interests in subsidiaries, which include loans granted to subsidiaries by the company, at cost, except in the case of certain limited group reorganisations where net assets are disposed. In these instances, interests in subsidiaries will be based on the carrying amount of the net assets disposed.

1.3.2 Interest income

Interest income comprises interest earned on loan to subsidiary. Interest income is disclosed under revenue in the income statement.

When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

	2014 R'000	2013 R'000

2. INVESTMENT IN SUBSIDIARIES

	2014 R'000	2013 R'000
Investment in shares in subsidiaries	**2 449 071**	2 437 380
– Gross	**2 449 071**	3 677 038
– Impairment loss	**–**	(1 239 658)
Loan to subsidiary	**754 718**	698 459
	3 203 789	3 135 839

Included in the investment in shares in subsidiaries is an investment in cumulative redeemable preference shares of Hulamin Operations (Pty) Ltd.

The effective interest rate on the loan to subsidiary for the year was 11,6%. No fixed repayment terms have been set, and consequently no portion of the loan is considered past due.

The loan to subsidiary is subordinated in favour of Nedbank as security for group borrowings.

3. DEFERRED TAX ASSET

	2014 R'000	2013 R'000
At beginning of year	**19 095**	18 770
Income statement		
Current year charge (note 7)	**(289)**	(76)
Deferred tax credit on other comprehensive items	**879**	401
At end of year	**19 685**	19 095
Deferred income tax asset analysed as follows:		
Post-retirement medical aid provision	**19 680**	19 088
Other	**5**	7
	19 685	19 095
Deferred tax asset to be recovered after more than 12 months	**19 680**	19 088
Deferred tax asset to be recovered within 12 months	**5**	7
	19 685	19 095

4. SHARE CAPITAL AND SHARE PREMIUM

4.1 Authorised

	2014 R'000	2013 R'000
800 000 000 ordinary shares of 10 cents each (2013: 800 000 000 ordinary shares of 10 cents each)	**80 000**	80 000
45 000 000 A ordinary shares of 10 cents each (2013: 45 000 000 A ordinary shares of 10 cents each)	**4 500**	4 500
28 000 000 B ordinary shares of 10 cents each (2013: 28 000 000 B ordinary shares of 10 cents each)	**2 800**	2 800
Total authorised share capital	**87 300**	87 300

The B ordinary shares consist of 15 000 000 B1 shares, 10 000 000 B2 shares and 3 000 000 B3 shares.

4.2 Issued

	2014 R'000	2013 R'000
Ordinary shares		
Opening balance (319 268 492 ordinary shares of 10 cents each) (2013: 318 141 050 ordinary shares of 10 cents each)	**31 926**	31 814
Issued during year (328 344 ordinary shares of 10 cents each (2013: 1 127 442 ordinary shares of 10 cents each)	**34**	112
Closing balance (319 596 836 ordinary shares of 10 cents each) (2013: 319 268 492 ordinary shares of 10 cents each)	**31 960**	31 926
A ordinary shares		
A ordinary shares of 10 cents each (2013: 36 235 470 A ordinary shares of 10 cents each)	**–**	3 624
Total issued share capital	**31 960**	35 550
Share premium		
Opening balance	**1 785 620**	1 785 620
Share capital and share premium	**1 817 580**	1 821 170

4. SHARE CAPITAL AND SHARE PREMIUM CONTINUED

4.3 A ordinary shares

In respect of the prior year, the A ordinary shares were unlisted and carried full voting rights. The A ordinary shares had no entitlements to any dividends or other shareholder distributions. The A ordinary shares were eliminated in the group accounts in the prior year as they were held by an entity related to the introduction of broad-based BEE investors, and this entity was consolidated into the group results. The BEE transaction matured on or about 9 July 2014, and the A ordinary shares were repurchased by the company at par value.

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 subscribed for 10% of the ordinary share capital of Hulamin Operations (Pty) Ltd (OPCO) at a cost of R37 500 000 and for 25 million A ordinary shares in Hulamin at a cost of R2 500 000. 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 ordinary 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, was determined using a Monte Carlo simulation model based on the following significant inputs:

Share price at grant date	R34,10
Grant date	Monday 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 were 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.

The BEE transaction matured on or about 9 July 2014, this has resulted in a deconsolidation of Chaldean from the Hulamin group, including cumulative retained earnings of R5 020 000. The company has repurchased 36 235 470 A ordinary shares from Chaldean at par value (R3 624 000) in terms of BEE transaction agreements. An additional share-based payment charge of R3 624 000 has been recognised in respect of this repurchase. As a result of the maturing of the transaction, the BEE reserve amounting to R134 686 000, reflecting the share-based payment costs of the transaction at grant date, has been transferred to retained earnings.

4.4 Unissued

Under option to employees:

Details of the employee share incentive schemes including the share options outstanding at the end of the year, the range of exercise prices and the weighted average contractual lives related thereto, are set out in the group financial statements.

Under the control of the directors:

At 31 December 2014, 6 801 529 unissued ordinary shares (2013: 7 129 873) were under the control of the directors, for the purpose, *inter alia,* of existing employee share incentive schemes.

5. POST-RETIREMENT MEDICAL AID BENEFITS

The company has undertaken to contribute to the medical aid costs after retirement of employees engaged prior to 30 June 1996. The obligation is unfunded.

		2014 **R'000**	2013 R'000
Amounts recognised in the balance sheet are as follows:			
Present value of unfunded obligations		**70 287**	68 169
Liability in the balance sheet		**70 287**	68 169
The liability can be reconciled as follows:			
Balance at beginning of year		**68 169**	67 009
Total expense accrued		**3 716**	5 455
Remeasurements:			
Actuarial losses/(gains) arising from changes in financial assumptions		**1 402**	(271)
Actuarial losses arising from changes in experience adjustments		**1 739**	1 703
Benefit payments		**(4 739)**	(5 727)
Balance at end of year		**70 287**	68 169
Amounts recognised in the income statement are as follows:			
Interest costs		**5 021**	5 455
Settlement gain (note i)		**(1 305)**	–
		3 716	5 455
Amounts recognised in other comprehensive income are as follows:			
Remeasurements:			
Actuarial (gains)/losses arising from changes in financial assumptions		**1 402**	(271)
Actuarial losses arising from changes in experience adjustments		**1 739**	1 703

Principal risks

Through its PRMA subsidy benefit, the group is exposed to a number of risks, principally changes in:

- Financial assumptions:
  - Discount rate, which is set having regard to the market yield on suitable government bonds taking into account the estimated duration of the liability.
  - Long-term price inflation rate, which is measured by the relationship between the yields of conventional and inflation-linked government bonds, taking into account the estimated duration of the liability.
  - Medical inflation rate.
- Demographic assumptions:
  - Post-retirement mortality
  - Family statistics

The demographic assumptions used in the valuation of the liability are consistent with those of the prior year.

Changes in the principal financial assumptions are detailed below.

		2014	2013
The principal fianancial assumptions:			
Discount rate	(%)	**8,80**	8,90
Future medical inflation rate	(%)	**7,75**	7,75

note i During the current year, the company made a voluntary offer to pensioners whereby, interalia, pensioners could elect to accept a once-off lump sum in lieu of continuing to receive PRMA subsidy payments. The settlement gain in the current year arose from certain pensioners electing to receive a once off lump sum in lieu of future PRMA subsidy payments.

5. POST-RETIREMENT MEDICAL AID BENEFITS CONTINUED

Sensitivity of future medical inflation rate

	2014 R'000	2013 R'000
1% increase in future medical inflation rate – effect on the aggregate of the service and interest costs	**540**	563
1% increase in future medical inflation rate – effect on the obligation	**6 132**	6 329
1% decrease in future medical inflation rate – effect on the aggregate of the service and interest costs	**(471)**	(490)
1% decrease in future medical inflation rate – effect on the obligation	**(5 362)**	(5 503)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity the same method has been applied as when calculating the liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The average duration of the benefit obligation at 31 December 2014 is 8,9 years (2013: 9,3 years).

	2014 R'000	2013 R'000
Estimated benefits payable by the group in the next financial year	**5 926**	5 980

6. ADMINISTRATIVE EXPENSES

	2014 R'000	2013 R'000
Post retirement medical aid costs	**3 716**	5 455
Auditors' remuneration (note 6.1)	**145**	137
Share-based payment costs on A ordinary shares redeemed (note 4.3)	**3 624**	–
Other costs	**4 874**	3 386
	12 359	8 978

6.1 Auditors' remuneration

	2014 R'000	2013 R'000
Audit fees	**137**	130
Expenses	**8**	7
	145	137

6.2 Directors' emoluments

	2014 R'000	2013 R'000
Non-executives		
Fees	**4 246**	3 592
	4 246	3 592

7. TAXATION

		2014 R'000	2013 R'000
South African normal taxation:			
Current			
Current year		**23 334**	20 277
Prior year over provision		**–**	(1 732)
Deferred			
Current year (note 3)		**289**	76
		23 623	18 621
Normal rate of taxation	(%)	**28,0**	28,0
Adjusted for:			
Items of a capital nature	(%)	**1,3**	–
Prior year adjustments	(%)	**–**	(2,4)
Effective rate of taxation	(%)	**29,3**	25,6

8. RELATED PARTY TRANSACTIONS

During the year the company, in the ordinary course of business, entered into the following related party transactions:

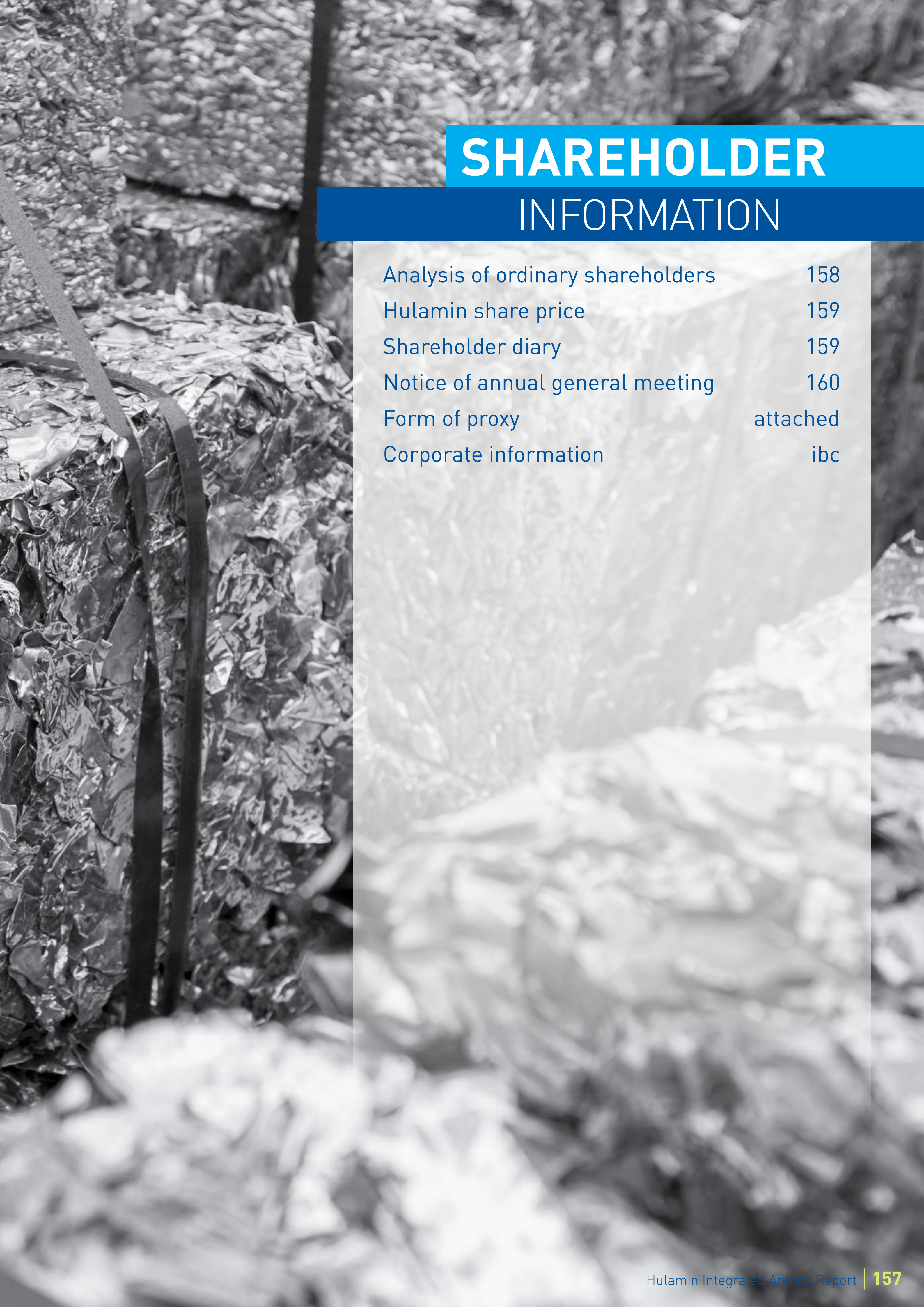
	2014 R'000	2013 R'000
Interest received from subsidiary	**87 916**	77 317
Agency fees received from subsidiary	**80**	75
Management fees received from subsidiary	**5 108**	4 275

Transactions with non-executive directors are detailed in the group annual financial statements.

The following balances were outstanding at the end of the reporting period:

	2014 R'000	2013 R'000
Loan balance owing by subsidiary (note 2)	**754 718**	698 459


THINK
FUTURE
THINK ALUMINIUM
THINK HULAMIN



SHAREHOLDER INFORMATION

ANALYSIS OF ORDINARY SHAREHOLDERS

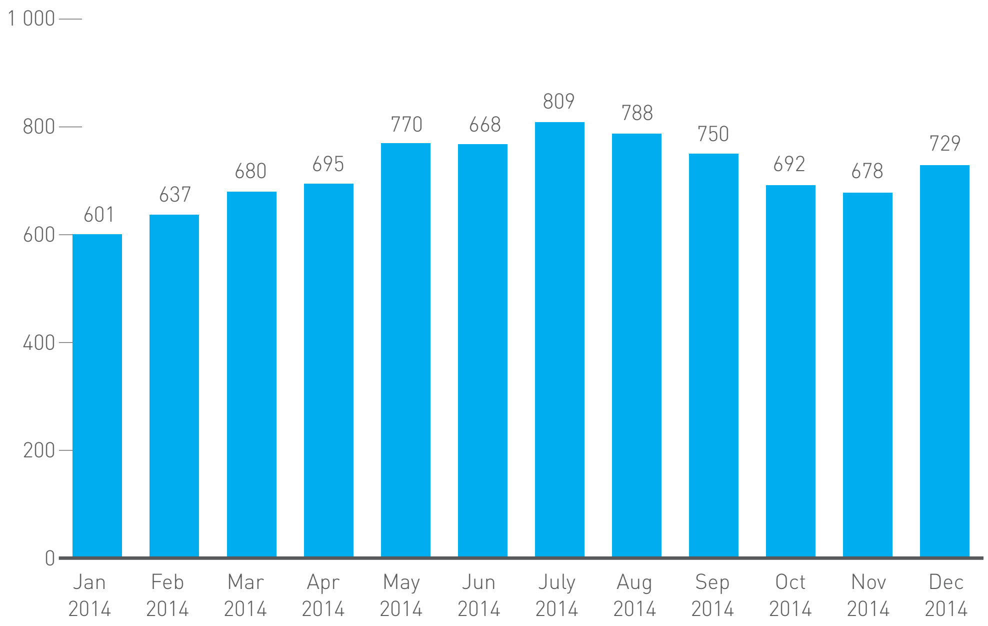
As at 31 December 2014

	Number of ordinary shareholders	Percentage of total	Number of shares	Percentage of issued shares
Size of holdings				
1 – 1 000	2 534	49,99	675 588	0,21
1 001 – 10 000	1 699	33,52	6 954 991	2,18
10 001–100 000	626	12,35	19 576 987	6,12
100 001 – 1 000 000	167	3,29	57 256 055	17,92
Over 1 000 000 shares	43	0,85	235 133 215	73,57
	5 069	100,00	319 596 836	100,00
Public/non-public shareholders				
Non-public shareholders	7	0,14	94 943 376	29,72
Directors of the company	5	0,10	304 211	0,10
Industrial Development Corporation	1	0,02	94 587 954	29,60
Hulamin Management Share Ownership Trust	1	0,02	51 211	0,02
Public shareholders	5 062	99,86	224 653 460	70,28
Total listed shareholders	5 069	100,00	319 596 836	100,00
Beneficial shareholders holding more than 5% of share capital				
Industrial Development Corporation			94 587 954	29,60
Coronation Fund Managers			32 786 971	10,26
Government Employees Pension Fund			17 806 550	5,57
Investec			16 129 142	5,05
Total			161 310 617	50,48

HULAMIN SHARE PRICE

As at 31 December 2014

Hulamin volume weighted average share price by month (cents per share)



SHAREHOLDER DIARY

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

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" or "the group")

Notice is hereby given that the seventy fifth annual general meeting of shareholders will be held at the company's offices, Moses Mabhida Road, Pietermaritzburg, KwaZulu-Natal on Thursday, 23 April 2015 at 14:45, to conduct the business set out below and to consider and, if deemed fit, adopt, with or without modification, the ordinary and special resolutions set out in this notice. Note that all special resolutions, in terms of the Companies Act, No 71 of 2008, as amended ("the Companies Act"), require 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this meeting, to be cast in favour of the resolution for it to be adopted and all other resolutions require the support of the majority being more than 50% (fifty percent) of votes cast by shareholders present or represented at this meeting in order for them to be adopted, unless otherwise noted.

1. To receive, consider and adopt the annual financial statements of the company for the year ended 31 December 2014, including the reports of the directors, the independent auditors and the Audit Committee contained therein.

2. To authorise the directors to reappoint PricewaterhouseCoopers as the independent registered auditors of the company and to re-appoint Mr H Govind as the individual designated auditor who will undertake the audit for the company for the ensuing year.

   The group Audit Committee has evaluated the performance of PricewaterhouseCoopers and has recommended their reappointment as independent registered auditors of the company.

3. To re-elect the following directors who retire by rotation in accordance with Article 33.11 of the company's Memorandum of Incorporation and who, all being eligible, offer themselves for re-election. Motions for re-election will be moved individually.

   Ms L C Cele
   Ms N N A Matyumza
   Mr S P Ngwenya
   Mr R G Jacob

   The profiles of the directors up for re-election appear in this notice of annual general meeting.

   Lungile Constance Cele (62)
   - Independent non-executive director
   - Chairperson of the Transformation, Social and Ethics Committee and a Member of the Audit Committee
   - BCom; Post Grad. Dip Tax; MAcc (Taxation) Executive Leadership Development Programme

   Zee practices as a professional accountant and tax consultant. She serves on the boards of Combined Motor Holdings, Efficient Group Limited, AVBOB, Harith General Partners and Trade and Investment KZN. Zee is a commercial member of the Tax Court and was a member of the Standing Advisory Committee on Company Law until March 2011. She was appointed to the Hulamin board in 2007.

   Nomgando Nomalungelo Angelina Matyumza (52)
   - Independent non-executive director
   - Chairperson of the Remuneration and Nomination Committee, and a member of the Audit Committee
   - Ordained Minister of Religion
   - BCom; BCompt (Hons); CA (SA); LLB

   Nomgando has held various positions in financial and general management and was employed between 1994 and 2004 at Transnet Pipelines, firstly as financial manager and then as deputy CEO. From 2004 to 2008 she was employed at Eskom Distribution as general manager for the Eastern Region. Nomgando is presently an ordained Minister of the African Methodist Episcopal Church at Umlazi, KwaZulu-Natal. She is a director on a number of boards, including Ithala Limited, KZN Growth Fund Managers (Pty) Limited, Wilson Bayley Holmes-Ovcon Limited, Cadiz Holdings Limited and SASOL Limited. She was appointed to the Hulamin board with effect from 1 March 2010.

   Sibusiso Peter-Paul Ngwenya (63)
   - Non-executive director
   - Member of the Transformation, Social and Ethics Committee
   - 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 and a full director of Hulamin in October 2009.

Richard Gordon Jacob (49)

- Chief Executive Officer
- Member of the Risk and SHE Committee, and of the Transformation, Social and Ethics Committee
- BSc (Engineering); MBA

After graduating with a BSc Engineering from the University of Cape Town and following a brief period as an officer in the South African Navy, Richard joined Hulamin in 1990 as an Industrial Engineer. In 1992 he was appointed Manager, Coil Coating Operations, followed by Market and Business Development Manager in 1996. In 2002, Richard was appointed to the Executive Committee and board of Hulett Aluminium, responsible for Coated Products, Communications and Investor Relations. Richard was appointed to the board of Hulamin and as Chief Executive Officer in July 2010.

4. To elect the following independent non-executive directors as independent members of the group Audit Committee and to appoint Mr T P Leeuw as chairman of the group Audit Committee. Motions for election will be moved individually.

Ms L C Cele
Mr T P Leeuw (Chairman) Ms N N A Matyumza

The profiles of the directors up for re-election appear in this notice of annual general meeting:

Thabo Patrick Leeuw (51)

- Independent non-executive director
- Chairman of the Audit Committee and Member of the Risk and SHE Committee
- Executive director: Thesele Group
- BCom (Accounting); BCompt (Hons); Management Advancement Programme

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 Pembani Group), 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 is also the chairman of ICAS Southern Africa (Pty) Limited and a non-executive director of Prudential Portfolio Managers SA and a member of the Eskom Pension and Provident Fund's Strategic Investment Committee. He was also appointed a director of Vodacom Life Assurance Company and Vodacom Insurance Company with effect from December 2012 and of Rhodes Food Group with effect from August 2014. He was appointed to the Hulamin board in 2007.

Please refer above for the profiles of Ms L C Cele and Ms N N A Matyumza.

Note: Ages quoted for all board members are at 31 December 2014.

5. **Approval of non-executive directors' fees**
Directors' fees were approved at the annual general meeting in 2014 and are applicable for the 12-month period ending 31 July 2015.

The board, on the recommendation of the Remuneration and Nomination Committee, proposes that the directors' fees for the period commencing 1 August 2015, be as set out below.

Special resolution number 1
"Resolved as a special 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 and as invitees to board committees, when invited by the chairman of the board committee to attend a meeting as an invitee, for the 12-month period commencing 1 August 2015, be and are hereby approved."

	Present fees to 31 July 2015		**Proposed fees from 1 August 2015**	
	Retainer per annum R	Attendance per meeting R	**Retainer per annum R**	**Attendance per meeting R**
Hulamin board				
Chairman	354 137	30 356	**380 697**	**32 633**
Non-executive directors	129 400	11 091	**139 105**	**11 923**
Audit Committee				
Chairman	93 129	13 304	**100 114**	**14 302**
Non-executive directors – member	54 113	7 730	**58 171**	**8 310**
– invitee		7 730		**8 310**
Risk and Safety, Health and Environment Committee				
Chairman	64 308	9 187	**69 131**	**9 876**
Non-executive directors – member	35 291	5 042	**37 938**	**5 420**
– invitee		5 042		**5 420**
Remuneration and Nomination Committee				
Chairman	64 308	9 187	**69 131**	**9 876**
Non-executive directors – member	35 291	5 042	**37 938**	**5 420**
– invitee		5 042		**5 420**
Transformation, Social and Ethics Committee				
Chairman	64 308	9 187	**69 131**	**9 876**
Non-executive directors – member	35 291	5 042	**37 938**	**5 420**
– invitee		5 042		**5 420**
Ad hoc board committee				
Chairman	64 308	9 187	**69 131**	**9 876**
Non-executive directors – member	35 291	5 042	**37 938**	**5 420**
– invitee		5 042		**5 420**
The fees for the international directors are in Euro				
Hulamin board – International directors				
Non-executive directors (€)	29 769	2 550	**29 921**	**2 563**

As regards the attendance fee, the board of directors typically holds five meetings a year and there are normally four meetings for the Remuneration and Nomination Committee a year and three meetings for each of the other sub-committees of the board.

Shareholder approval is also requested to remunerate non-executive directors who participate in a specially constituted ad hoc board sub-committee as detailed in the table above, and to remunerate non-executive directors who attend a board sub-committee meeting as an invitee at the request of the chairman of the board sub-committee.

6. **Financial assistance**
In terms of the Companies Act, the board may authorise the company to provide financial assistance to a related or inter-related company or corporation, provided such assistance is approved by way of a special resolution of the shareholders adopted within the previous two years and certain requirements as set out in the Companies Act are met, amongst others, that the company meets the solvency and liquidity test. The board seeks such approval from shareholders in order to provide financial assistance to the company's subsidiaries from time to time.

Special resolution number 2
"Resolved as a special resolution, subject to the provisions of the Companies Act, that the provision of any financial assistance by the company to any company or corporation which is related or inter-related to the company (as defined in the Companies Act), on the terms and conditions which the directors may determine, be and is hereby approved."

7. **Remuneration policy – non-binding advisory vote**
King III recommends that, at each annual general meeting, shareholders consider and endorse, as a non-binding advisory vote, the group's remuneration policy. The principles and key elements of the group's remuneration policy are set out on pages 78 to 80 of the integrated annual report.

The Hulamin Remuneration and Nomination Committee has considered the remuneration policy and recommends that shareholders approve the following resolution:

"Resolved that the Hulamin remuneration policy, set out on pages 78 to 80 of the integrated annual report and which is deemed to be part of the annual general meeting notice, be endorsed."

8. Report back from the Transformation, Social and Ethics Committee on social and ethics matters pertaining to the company, which is attached hereto as Annexure A.
9. To transact such other business as may be transacted at an annual general meeting.

Voting and proxies

The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company for purposes of being entitled to receive the notice is Friday, 13 March 2015.

The record date on which shareholders must be recorded as such in the register maintained by the transfer secretaries of the company for the purposes of being entitled to attend and vote at the annual general meeting, is Friday, 17 April 2015. The last day to trade for the purposes of being entitled to attend and vote at the annual general meeting is therefore Friday, 10 April 2015.

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, must be forwarded to reach the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 14:45 on Tuesday, 21 April 2015. Any forms of proxy not lodged by this time may be handed to the chairperson of the annual general meeting immediately prior to its commencement. The completion of a proxy form will not preclude a shareholder from attending the annual general meeting.

Shareholders are encouraged to attend the annual general meeting. All meeting participants (including proxies) will be required to provide identification reasonably satisfactory to the chairman of the meeting. Acceptable forms of identification include valid identity documents, passports and driver's licences.

Electronic participation by shareholders

Should any shareholder (or any proxy for a shareholder) wish to participate in the annual general meeting by way of electronic participation, that shareholder should make application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to the transfer secretaries, at their address below, to be received by the transfer secretaries by no later than 14:45 on Monday, 13 April 2015 in order for the transfer secretaries to arrange for the shareholder (or its representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or its representative) with details as to how to access any electronic participation to be provided. The company reserves the right to elect not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so. The costs of accessing any means of electronic participation provided by the company will be borne by the shareholder (or its representative or proxy). It should be noted, however, that voting will not be possible via the electronic facilities and shareholders wishing to vote their shares will need to be represented at the meeting either in person, by proxy or by letter of representation, as provided for in the annual general meeting notice.

By order of the board

Willem Fitchat
Company Secretary
19 February 2015

Registered office
Moses Mabhida Road
Pietermaritzburg
KwaZulu-Natal

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

ANNEXURE A

The Chairman of the Transformation, Social and Ethics Committee Feedback Report

The Chairman of the Transformation, Social and Ethics Committee, Ms L C Cele, advised that the following, inter alia, were discussed at the Transformation, Social and Ethics Committee meetings held during 2014.

- The terms of reference incorporating the responsibilities prescribed for a Social and Ethics Committee in terms of the Companies Act and the annual work plan.
- Strategy on how Hulamin will achieve its transformation, social and ethics goals.
- Employment equity targets and the progress made in achieving same.
- Hulamin's BEE scorecard report and the impact of the new BBBEE codes.
- Environmental sustainability matters and Hulamin's carbon footprint.
- Report on disputes and stakeholder engagement issues.
- Report on Hulamin's contribution to the greater Pietermaritzburg area and Hulamin's granting of sponsorships, donations and charitable givings.
- Report on the educational development of employees.
- Report following a legal compliance review of labour legislation.
- Assurance from the Risk and Safety Health and Environment Committee that appropriate safety, health and environment policies are implemented.
- Approval of the following codes and policies:
  - Stakeholder management policy
  - Socio economic development policy
  - Code of ethics incorporating code of conduct and ethics pertaining to the procurement staff;
  - Code of conduct for suppliers and service providers
  - Corporate compliance policy
  - Whistle blowing policy
  - Crimes involving dishonesty
  - Conflict of interest and gifts policy.
- Noting the fraud policy and fraud prevention strategy approved by the Audit Committee.

In addition, the committee, whose terms of reference include the functions to be performed by a Social and Ethics Committee, as prescribed by the Companies Act of 2008, wishes to confirm that:

1. Compliance by the group with the United Nations Global Compact Principles and the OECD recommendations is mandatory, which in essence relate to: social, labour, environmental and anti-corruption standards. Any non-compliance is therefore not tolerated by the group.
2. The group complies with the Employment Equity and Black Economic Empowerment Acts, although specific targets have been set for the company to increase its levels of compliance with these Acts over the short to medium term.
3. The group sufficiently complies with its Code of Ethics. The Code of Ethics of the group 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 endorsed by the board and distributed to all employees 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.

FORM OF PROXY

HULAMIN
Think future. Think aluminium.

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

Note: All beneficial shareholders 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 annual general 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, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 14:45 on Tuesday, 21 April 2015. Any forms of proxy not lodged by this time may be handed to the chairperson of the annual general meeting immediately prior to its commencement.

A shareholder entitled to attend and vote at the meeting mentioned below is entitled to appoint a proxy or proxies 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 do hereby appoint

1. of (or failing him/her)

2. of (or failing him/her)

3. the chairman of the annual general 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 at 14:45 on Thursday, 23 April 2015, 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 re-appoint H Govind as the designated auditor			
3	Re-election of directors retiring by rotation:			
3.1	L C Cele			
3.2	N N A Matyumza			
3.3	S P Ngwenya			
3.4	R G Jacob			
4.	Appointment of group Audit Committee members and T P Leeuw as chairman of the group Audit Committee:			
4.1	L C Cele			
4.2	T P Leeuw as chairman			
4.3	N N A Matyumza			
5.	Special resolution number 1: Approval of non-executive directors' fees			
6.	Special resolution number 2: Provision of financial assistance			
7.	Non-binding advisory vote – remuneration policy			

Signed at on this day of 2015

Signature:

NOTES TO THE FORM OF PROXY

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.

Summary in terms of section 58(8)(b)(i) of the Companies Act, 2008, as amended

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing.
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

CORPORATE INFORMATION

Hulamin Limited

(Incorporated in the Republic of South Africa)
Registration number: 1940/013924/06
Share code: HLM
ISIN number: ZAE000096210
Founded: 1940
Listed: 2007
Sector: Industrial Metals and Mining

Business address and registered office

Moses Mabhida Road
Pietermaritzburg, 3201

Postal address
PO Box 74, Pietermaritzburg, 3200

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

Securities exchange listing

South Africa (Primary), JSE Limited

Transfer secretaries

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Corporate information and investor relations

H T Molale
E-mail: hector.molale@hulamin.co.za

Auditors

PricewaterhouseCoopers
3rd Floor
102 Stephen Dlamini Road
Durban, 4001
PO Box 1049, Durban, 4000
Practice number: 905178E
Telephone:+27 31 271 2000
Facsimile:+27 31 202 8220
Website: www.pwc.com/za

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
L C Cele*
S M G Jennings*
V N Khumalo
T P Leeuw*
J B Magwaza
N N A Matyumza*
M E Mkwanazi, Chairman*
S P Ngwenya
P H Staude*
G H M Watson*
**Independent non-executive directors*

Executive directors
R G Jacob, Chief Executive Officer
D A Austin,Chief Financial Officer
M Z Mkhize, Manufacturing Director

Company Secretary

W Fitchat
E-mail: willem.fitchat@hulamin.co.za

HULAMIN

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