

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

TRADING STATEMENT FOR THE SIX MONTHS ENDING 30 JUNE 2018

Hulamin continues to deliver strong underlying profit performance (measured in constant currency operating profit before metal price lag), in a challenging environment, building on the momentum established since 2016.

The Company remains focused on delivering on its medium-term objectives of raising conversion fees (rolling margins), increasing scrap consumption and other cost reductions and efficiency gains, thereby improving underlying profitability, whilst positioning the Company for growth.

While trading conditions in the USA remain volatile, Hulamin has increased its engagement with important stakeholders, particularly its customers and the South African Government. In the short term, the Company maintains a full order book at competitive pricing levels.

Hulamin's profits are, however, impacted by, *inter alia*:

- the average performance of the Rand against, in particular, the US Dollar and the Euro, as conversion prices of Hulamin's rolled products are principally foreign-denominated; and
- Metal price lag (the financial impact of the timing difference between when Rand-priced aluminium is bought and sold). Hulamin reduces the impact of this lag on profit and loss by 50%, by way of its hedging programme.

The stronger average level of the currency for the four months to April 2018 (R11.98/US Dollar) relative to the comparative period (R13.29/US Dollar) has had a negative effect on profit before metal price lag, amounting to approximately R87 million.

In addition, the fall in the Rand aluminium price, driven by the appreciable strengthening of the Rand, has resulted in an adverse metal price lag of R100 million over the four months to date. Conversely, a positive metal price lag of R78 million was recorded in the six months ended 30 June 2017. The Rand aluminium price has risen since April 2018, but remains volatile.

Shareholders are accordingly advised that Hulamin's basic earnings per share ("EPS") and basic headline earnings per share ("HEPS") will be at least 55% lower than the prior comparative period of 56 cents per share, resulting in a basic EPS and a basic HEPS being no higher than 25 cents per share.

A further trading statement for the six months ending 30 June 2018 will be issued once there is reasonable certainty on the range of the financial results that will be reported.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's external auditors.

Hulamin's results for the six months ended 30 June 2018 are expected to be released on the Stock Exchange News Service on or about 30 July 2018.

Pietermaritzburg
25 May 2018

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