



CAPITALISING ON TONGAAT HULETT'S STRATEGIC PLATFORM

- A corporate restructuring was completed in 2007 and Hulett Aluminium was listed on the JSE and unbundled, creating two separate, focused listed entities, namely Tongaat Hulett and Hulamin.
- 25% broad based BEE equity participation has been introduced into Tongaat Hulett, including strategic partners, communities surrounding its property developments, small scale cane grower communities around its South African sugar mills and BEE management and employee share ownership schemes.
- The evolving world sugar fundamentals support the strategy of sugar expansions in low cost regions with access to attractive markets. Tongaat Hulett's focus is to increase sugar production substantially from the level of 1 119 000 tons produced in 2007. Sugar milling capacity will be in excess of 1 945 000 tons in the 2009/10 season, including the R1,3 billion Mozambique expansion currently underway. Further expansion opportunities are being developed. Tongaat Hulett is well positioned to benefit from a turnaround in Zimbabwe.
- Opportunities are emerging rapidly for Tongaat Hulett's Southern African cane processing operations to increase realisations from bagasse, molasses and other cane bio-mass in electricity cogeneration and bio-ethanol production. In a world that values environmental benefits, this energy is both renewable and results in reduced carbon dioxide emissions.
- The structural changes taking place in international agricultural commodity markets due to demand for biofuels are beginning to result in the improved competitiveness of local maize farmers and of Tongaat Hulett's starch operations, which have additional capacity for local and export growth.
- There is a worldwide trend towards higher prices for agricultural products, with resultant opportunities to increase realisations from raw sugar, refined sugar, ethanol, fructose and other value added products.
- Property and land developments produced a record breaking performance in 2007 with operating profit increasing by 32% to R428 million from sales of 83 developable hectares and with a capital profit of R48 million being realised.
- Tongaat Hulett's land development processes combined with urban expansion and developments such as the new international airport at La Mercy, Tongaat, are increasing the value of its 14 000 hectares of agricultural land with development potential.
- Tongaat Hulett was accredited by the National Empowerment Rating Agency as a Level Three Contributor in terms of the Department of Trade and Industry BEE scorecard.
- The lost time injury frequency rate improved to 0,14 in 2007 from 0,19 in 2006 with a reduction of close to 90% over the past 5 years.
- Tongaat Hulett's profit from continuing operations grew by 15 % in 2007 to a record R838 million and the outlook is for sustained growth.