ANNUAL FINANCIAL STATEMENTS

for the 15 month period ended 31 March 2010

CONTENTS

Financial and Segmental Results with 15 Month Comparatives 56
Report of the Independent Auditors 59
Directors' Approval of Annual Financial Statements 60
Certificate by Company Secretary 60
Directors' Statutory Report 61
Statements of Financial Position 64
Income Statements 65
Statements of Other Comprehensive Income 66
Statements of Changes in Equity 67
Statements of Cash Flows 68
Accounting Policies and Framework 69
Notes to the Financial Statements 75
Independent Reporting Accountants' Assurance Report 110

FINANCIAL HIGHLIGHTS

	15 month to 31 March 2010	12 month to 31 December 2008
Revenue (Rmillion)	**11 136**	7 106
Profit from operations (Rmillion)	**1 691**	1 132
Net profit attributable to shareholders (Rmillion)	**2 898**	649
Headline earnings (Rmillion)	**858**	583
Earnings per share - basic (cents)	**2 791,6**	629,7
Headline earnings per share - basic (cents)	**826,5**	565,6
Annual dividend per share (cents)	**275,0**	310,0

CURRENCY CONVERSION GUIDE

	Closing rate at		
	31 March 2010	31 December 2008	31 December 2007
US dollar	**7,39**	9,30	6,84
Euro	**9,95**	12,93	9,99
Metical	**0,24**	0,36	0,29

	Average rate for period		
	15 months to 31 March 2010	12 months to 31 December 2008	12 months to 31 December 2007
US dollar	**8,23**	8,27	7,05
Euro	**11,40**	12,17	9,67
Metical	**0,29**	0,34	0,27

REPORT OF THE INDEPENDENT AUDITORS

to the members of Tongaat Hulett Limited

Report on the Financial Statements

We have audited the annual financial statements and the consolidated annual financial statements of Tongaat Hulett Limited, which comprise the directors' report, the statement of financial position as at 31 March 2010, the income statement, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows for the 15 month period then ended, a summary of significant accounting policies and other explanatory notes, as set out on page 56 and pages 60 to 107.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and consolidated financial position of Tongaat Hulett Limited as at 31 March 2010 and its financial performance and its cash flows for the 15 month period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche
Audit KZN
Registered Auditors
Per JAR Welch
Partner

26 May 2010

2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
Durban

National Executive: GG Gelink – Chief Executive, AE Swiegers – Chief Operating Officer, GM Pinnock – Audit, DL Kennedy – Tax, Legal and Risk Advisory, L Geeringh – Consulting, L Bam – Corporate Finance, CR Beukman – Finance, TJ Brown – Clients & Markets, NT Mtoba – Chairman of the Board, CR Qually – Deputy Chairman of the Board

Regional Leader: G Brazier

A full list of partners and directors is available on request.

DIRECTORS' APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the 15 month period to 31 March 2010

The directors are responsible for the preparation and integrity of the annual financial statements of the company and other information included in this report that has been prepared in accordance with International Financial Reporting Standards.

The directors, supported by the Audit and Compliance Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent auditors on the results of their statutory audit, that the company's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that the company's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

In preparing the financial statements, the company has used appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and have complied with all applicable accounting standards. The directors are of the opinion that the financial statements fairly present the financial position of the company for the 15 month period to 31 March 2010 and the results of its operations for the period then ended. The directors are also of the opinion that the company will continue as a going concern in the year ahead.

The independent external auditors concur with the above statements by the directors.

The company's independent external auditors, Deloitte & Touche, have audited the financial statements and their unqualified report appears on page 59.

The annual financial statements were approved by the board of directors on 26 May 2010 and are signed on its behalf by:

J B Magwaza
Chairman

P H Staude
Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010

CERTIFICATE BY COMPANY SECRETARY

I certify that the company has lodged with the Registrar of Companies all returns that are required of a public company in terms of the Companies Act in respect of the 15 month period to 31 March 2010 and that all such returns are true, correct and up to date.

M A C Mahlari
Company Secretary

Amanzimnyama
Tongaat KwaZulu-Natal

26 May 2010

DIRECTORS' STATUTORY REPORT

The directors have pleasure in submitting the annual financial statements of the company for the 15 month period to 31 March 2010.

NATURE OF BUSINESS

Tongaat Hulett is an agri-processing business that includes the integrated components of land management, property development and agriculture. The activities are dealt with in detail in the Annual Report.

CHANGE IN FINANCIAL YEAR END

Tongaat Hulett has changed its financial year end from 31 December to 31 March which corresponds with the sugar season in all the countries in which Tongaat Hulett operates.

FINANCIAL RESULTS

The net profit attributable to shareholders for the 15 month period to 31 March 2010 amounted to R2,898 billion (2008 - R649 million). This translates into a headline earnings per share of 826,5 cents (2008 – 565,6 cents) based on the weighted average number of shares in issue during the period.

DIVIDENDS

An interim dividend number 164 of 100 cents per share was paid on 17 September 2009 and a final distribution number 165 for the financial period ended 31 March 2010, by way of the issue of fully paid ordinary shares of R1,00 each as a scrip distribution payable to ordinary shareholders registered at the close of business on 16 July 2010 has been declared. As an alternative to this final distribution, ordinary shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a cash dividend of 175 cents per ordinary share in lieu of the scrip distribution, which will be paid only to shareholders who so elect, on or before 12:00 on Friday, 16 July 2010. A circular relating to the scrip distribution and the cash dividend alternative will be posted to shareholders on or about 18 June 2010.

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

Last date to trade ordinary shares "CUM" dividend	Friday	9 July 2010
Ordinary shares trade "EX" dividend	Monday	12 July 2010
Record date	Friday	16 July 2010
Payment date	Thursday	22 July 2010

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 12 July 2010 and Friday 16 July 2010, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by the United Kingdom transfer secretaries will be paid in British currency at the rate of exchange ruling at the close of business on Friday 9 July 2010.

SHARE CAPITAL

There was no change in the authorised capital of the company.

During the period, 430 246 shares were allotted (including 61 818 shares to directors) in respect of options exercised in terms of the company's employee share incentive schemes for a total consideration of R14 million. Details of the unissued ordinary shares and the company's share incentive schemes are set out in notes 11, 34 and 35.

Shareholders will be asked to consider an ordinary resolution at the forthcoming annual general meeting to place unissued shares of the company up to five percent of the number of shares in issue at 27 July 2010 under the control of the directors until the following annual general meeting.

At the previous annual general meeting, a general authority was granted by shareholders for the company to acquire its own shares in terms of the Companies Act. The directors consider that it will be advantageous for the company were this general authority to continue. Such authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time. Shareholders will be asked to consider a special resolution to this effect at the forthcoming annual general meeting with the proviso that the number of ordinary shares acquired in any one financial year may not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed.

In compliance with the Listings Requirements of the JSE Limited ("JSE"), the acquisition of shares or debentures ("securities") pursuant to a general authority may only be made by a company subject to such acquisitions:

- being effected through the order book operated by the JSE trading system;
- being authorised thereto by the company's articles of association;
- being authorised by the shareholders of the company in terms of a special resolution of the company in general meeting which will be valid only until the next annual general meeting of the company; provided that such authority will not extend beyond 15 months from the date of the resolution;

- not being made at a price greater than ten percent above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The JSE should be consulted for a ruling if the company's securities have not traded in such five business day period.

Further, in terms of the Listings Requirements of the JSE, the directors consider that in their opinion, taking into account the effect of the maximum acquisition by the company of shares issued by it as referred to above:

- the company and its subsidiaries (together "the group") will be able, in the ordinary course of business, to pay its debts for a period of 12 months from 26 May 2010;
- the assets of the company and of the group will be in excess of the liabilities of the company and the group for a period of 12 months from 26 May 2010. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the company's latest audited group annual financial statements;
- the ordinary capital and reserves of the company and the group will be sufficient for the company's and the group's present requirements for 12 months from 26 May 2010;
- the working capital of the company and the group for a period of 12 months from 26 May 2010 will be adequate for the company's and the group's requirements.

SHARE SCHEMES

Shareholders will be asked to consider ordinary resolutions in relation to the amendments of the share schemes at the forthcoming annual general meeting, more specifically an ordinary resolution that the provisions of the Tongaat Hulett Share Appreciation Right Scheme ("SAR"), Tongaat Hulett Long Term Incentive Plan ("LTIP") and the Tongaat Hulett Deferred Bonus Plan ("DBP") (collectively referred to as "the Plans") be amended to ensure compliance with the Schedule 14 of the JSE Listing Requirements and, where appropriate, the King Code of Governance Principles – 2009 and the King Report on Governance for South Africa – 2009 ("King III").

The main points of the amendments are summarised as follows:

- The maximum number of Shares that may be issued under the Plans is set to 13 000 000, amounting to approximately (9,4%) of all issued share capital. This requirement replaces the previous limit which was expressed as 10% of the issued share capital. This limit is permitted to be increased proportionately to reflect changes in capital structure, as specified in the Rules. In addition, it is clarified that shares purchased in the market in settlement of the Plans and awards that are forfeited are excluded from this limit.
- The limit of a fixed number of shares, namely 1 200 000, that can be allocated to any participant under any of the Plans has been added.
- The Plans have been amended to confirm the requirement that employees' base pay, grade, performance and retention requirement form the primary basis upon which awards under the SAR and LTIP are made.
- The discretion afforded to the Remuneration Committee in the case of termination of employment of a participant has been limited within a specific framework and certain of the provisions applicable to good leavers are harmonised.
- King III requires the application of company performance conditions to govern the vesting of awards under the Plans, and precludes the application of retesting. The application of company performance conditions has been applied since the approval of the Plans. Future awards will have relevant performance conditions, will not provide for retesting, and will apply the principle of graduated vesting as recommend by King III.
- Certain points of clarity and administrative changes to the Plans as required by the JSE Listing Requirements and King III are proposed and will be available for inspection at the Company's offices (21 days) before the annual general meeting.

No new awards under the Company's two previous plans, namely The Tongaat-Hulett Group Limited 2001 Share Option Scheme and The Tongaat-Hulett Group Limited Employee Share Incentive Scheme have been made since 2004 and these plans are winding down as participants exercise their outstanding awards, all of which have vested and will be settled by shares issued from unissued share capital as provided for in the rules governing their operation. No changes are thus being made to the rules of these plans.

Shareholders will also be asked to consider an ordinary resolution that the provisions of the Tongaat Hulett Long Term Incentive Plan ("LTIP") be amended to make provision for the introduction of retention awards without Company performance vesting conditions.

The purpose of such awards of unconditional LTIPs is to assist with key and high potential employee retention and talent management. The King III Report on Corporate Governance notes that: "When companies face the risk of losing key employees, remuneration policies to retain them may be adopted. Incentive schemes to encourage retention should be established separately, or should be clearly distinguished, from those relating to reward performance and should be disclosed in the annual remuneration report voted on by shareholders." These awards will be made on a targeted basis where key and high potential employee retention risks exist.

Any such awards for executive directors will be awarded on the basis that a significant portion of any LTIP award will be subject to company performance vesting conditions.

The retention awards will complement the existing LTIP awards and awards under the SAR and DBP and the combined value of all the awards will remain within market benchmarks and within the Plan limits set in the ordinary resolution above. The terms of the retention awards will, apart from the absence of company performance conditions, be identical to the existing conditional awards awarded under the LTIP.

SUBSIDIARY COMPANIES AND JOINT VENTURES

The principal subsidiaries and joint ventures of the company are reflected in note 26.

The attributable interest of the company in the results of its consolidated subsidiaries and joint ventures for the 15 month period to 31 March 2010 is as follows:

	15 months to 31 March 2010	12 months to 31 Dec 2008
In the aggregate amount of:		
Net profit - (R million)	935	506
Net losses- (R million)	96	5

DIRECTORATE

During the period, Mr C M L Savage and Mrs E le R Bradley retired from the Tongaat Hulett Board at the close of business of the annual general meeting having reached the mandatory retirement age in terms of the articles of association of the company. In addition, Messrs P M Baum and J G Williams resigned from the board in August 2009. Two new independent non-executive directors were appointed to the board. The composition of the board, at 31 March 2010, is as follows: J B Magwaza (Chairman), P H Staude (CEO), B G Dunlop, F Jakoet, J John, R P Kupara, A A Maleiane, T V Maphai, M Mia, N Mjoli-Mncube, M H Munro, T H Nyasulu, C B Sibisi and R H J Stevens.

Directors retiring by rotation at the annual general meeting in accordance with article 61 of the articles of association are Messrs J B Magwaza, R H J Stevens and C B Sibisi, and Mrs J John. These directors are eligible an offer themselves for re-election. Mrs R P Kupara and Mr A A Maleiane were appointed during the course of the 15 month period to 31 March 2010 and Ms T N Mgoduso was appointed on 21 May 2010. These directors, who are required to retire at the annual general meeting in accordance with article 59 of the articles of association, are eligible and offer themselves for election. Details of each of these retiring directors are set out on pages 53 to 55.

DIRECTORS' SHAREHOLDINGS

At 31 March 2010, the present directors of the company beneficially held a total of 224 162 ordinary shares equivalent to 0,22 percent in the company (31 December 2008 – 120 929 shares equivalent to 0,12 percent). Details of the directors' shareholdings and interests in the share incentive schemes are provided in notes 33 and 34. There has been no change in these holdings between 31 March and 26 May 2010.

AUDIT AND COMPLIANCE COMMITTEE

The Corporate Laws Amendment Act No 24 of 2006 (the Act) came into effect on 14 December 2007. The Tongaat Hulett Audit and Compliance Committee has considered the provisions of the Act and has taken the necessary steps to ensure compliance. The committee confirms that during the period under review it carried out its functions responsibly and in accordance with its terms of reference as detailed in the Corporate Governance section of the Annual Report. In addition, the committee is satisfied that the designated auditors of the company are independent of the company.

EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

There were no material events between the date of the statement of financial position and the date of this report.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2010

Tongaat Hulett Limited

Company 31 December 2008	Company 31 March 2010	Rmillion	Note	Consolidated 31 March 2010	Consolidated 31 December 2008
		ASSETS			
		Non-current assets			
2 372	2 387	Property, plant and equipment	1	**7 710**	4 659
130	256	Growing crops	2	**2 041**	742
366	143	Long-term receivable and prepayment	3		196
		Goodwill	4	**240**	99
4	8	Intangible assets	5	**9**	6
265	2	Investments	6	**10**	268
1 904	3 696	Subsidiaries and joint ventures	7		
5 041	6 492			**10 010**	5 970
2 147	1 521	**Current assets**		**3 358**	3 587
1 401	720	Inventories	8	**1 373**	1 709
706	658	Trade and other receivables		**1 580**	1 647
	102	Major plant overhaul costs		**256**	
2	9	Derivative instruments	9	**9**	2
38	32	Cash and cash equivalents	10	**140**	229
7 188	8 013	**TOTAL ASSETS**		**13 368**	9 557
		EQUITY AND LIABILITIES			
		Capital and reserves			
138	139	Share capital	11	**139**	138
1 506	1 519	Share premium		**1 519**	1 506
		BEE held consolidation shares	12	**(935)**	(1 023)
1 125	1 062	Retained income		**4 691**	2 087
368	403	Other reserves		**(841)**	351
3 137	3 123	**Shareholders' interest**		**4 573**	3 059
		Minority interests in subsidiaries		**870**	276
3 137	3 123	**Equity**		**5 443**	3 335
1 903	1 704	**Non-current liabilities**		**3 708**	2 865
469	341	Deferred tax	13	**1 272**	582
1 155	1 066	Long-term borrowings	14	**1 103**	1 212
		Non-recourse equity-settled BEE borrowings	15	**787**	792
279	297	Provisions	16	**546**	279
2 148	3 186	**Current liabilities**		**4 217**	3 357
957	1 414	Trade and other payables	17	**2 131**	1 849
1 166	1 768	Short-term borrowings	14	**2 077**	1 373
23	3	Derivative instruments	9	**3**	23
2	1	Tax		**6**	112
7 188	8 013	**TOTAL EQUITY AND LIABILITIES**		**13 368**	9 557

INCOME STATEMENTS

for the 15 month period ended 31 March 2010 | Tongaat Hulett Limited

Company 12 months to 31 December 2008	Company 15 months to 31 March 2010	Rmillion	Note	Consolidated **15 months to 31 March 2010**	Consolidated 12 months to 31 December 2008
5 694	8 155	REVENUE		**11 136**	7 106
827	788	**Profit from operations**		**1 691**	1 132
6	47	Capital profit on land		**52**	22
49	13	Capital profit on insurance claim		**13**	49
(31)	(33)	BEE IFRS 2 charge and transaction costs		**(35)**	(33)
		Valuation adjustments:			
		Zimbabwe consolidation take-on gain		**1 969**	
(7)		Other valuation adjustments		**(3)**	2
844	815	**Operating profit after corporate transactions**	18	**3 687**	1 172
		Share of associate company's profit		**1**	
(360)	(478)	Financing costs	20	**(489)**	(325)
126	104	Finance income	20	**37**	45
610	441	**PROFIT BEFORE TAX**		**3 236**	892
(98)	(113)	Tax	21	**(208)**	(212)
512	328	**NET PROFIT**		**3 028**	680
		Attributable to:			
512	328	Shareholders of Tongaat Hulett		**2 898**	649
		Minority (non-controlling) interest		**130**	31
512	328			**3 028**	680
		EARNINGS PER SHARE (cents)	23		
		Basic		**2 791,6**	629,7
		Diluted		**2 736,0**	616,8

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the 15 month period ended 31 March 2010

Tongaat Hulett Limited

Company: 12 months to 31 December 2008	Company: 15 months to 31 March 2010	Rmillion	Consolidated: **15 months to 31 March 2010**	Consolidated: 12 months to 31 December 2008
512	328	**PROFIT FOR THE PERIOD**	**3 028**	680
(15)	17	**OTHER COMPREHENSIVE INCOME**	**(1 445)**	11
		Movement in non-distributable reserves:		
		Foreign currency translation	**(1 462)**	26
(21)	23	Hedge reserve	**23**	(21)
6	(6)	Tax on movement in hedge reserve	**(6)**	6
497	345	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**1 583**	691
		Total comprehensive income attributable to:		
497	345	Shareholders of Tongaat Hulett	**1 689**	633
		Minority (non-controlling) interest	**(106)**	58
497	345		**1 583**	691

STATEMENTS OF CHANGES IN EQUITY

for the 15 month period ended 31 March 2010

Tongaat Hulett Limited

Rmillion	Share Capital Ordinary	B Ordinary	A Preferred Ordinary	Share Premium	BEE Held Consolidation Shares	Capital Redemption Reserve Funds	Share-based Payment Reserve	Hegding and Translation Reserves	Retained Income	Shareholders' Interest	Minority Interest	Total
CONSOLIDATED												
Balance at 1 January 2008	103	10	25	1 517	(1 053)	33	314	(10)	1 796	2 735	223	2 958
Share capital issued				7						7		7
Amortisation of BEE IFRS 2 charge					30					30		30
Reallocation of exercised options				(18)			18					
Share-based payment charge							27			27		27
Settlement of share-based payment awards							(15)			(15)		(15)
Change of interest in subsidiary											(8)	(8)
Allocation of BEE amount									(22)	(22)	22	
Dividends paid									(336)	(336)		(336)
Dividends paid - minorities											(19)	(19)
Total comprehensive income for the period								(16)	649	633	58	691
Retained earnings									649	649	31	680
Movement in hedge reserve								(15)		(15)		(15)
Foreign currency translation								(1)		(1)	27	26
Balance at 31 December 2008	103	10	25	1 506	(1 023)	33	344	(26)	2 087	3 059	276	3 335
Share capital issued	1			13						14		14
Amortisation of BEE IFRS 2 charge					29					29		29
Share-based payment charge							39			39		39
Settlement of share-based payment awards							(22)			(22)		(22)
Consolidation of subsidiaries											755	755
Change of interest in subsidiary											(7)	(7)
Allocation of BEE amount					59				(30)	29	(29)	
Dividends paid									(264)	(264)		(264)
Dividends paid - minorities											(19)	(19)
Total comprehensive income for the period								(1 209)	2 898	1 689	(106)	1 583
Retained earnings									2 898	2 898	130	3 028
Movement in hedge reserve								17		17		17
Foreign currency translation								(1 226)		(1 226)	(236)	(1 462)
Balance at 31 March 2010	104	10	25	1 519	(935)	33	361	(1 235)	4 691	4 573	870	5 443
COMPANY												
Balance at 1 January 2008	103	10	25	1 517		29	320	4	1 051	3 059		
Share capital issued				7						7		
Reallocation of exercised options				(18)			18					
Share-based payment charge							27			27		
Settlement of share-based payment awards							(15)			(15)		
Dividends paid									(438)	(438)		
Total comprehensive income for the period								(15)	512	497		
Retained earnings									512	512		
Movement in hedge reserve								(15)		(15)		
Balance at 31 December 2008	103	10	25	1 506		29	350	(11)	1 125	3 137		
Share capital issued	1			13						14		
Share-based payment charge							39			39		
Settlement of share-based payment awards							(21)			(21)		
Dividends paid and accrued									(391)	(391)		
Total comprehensive income for the period								17	328	345		
Retained earnings									328	328		
Movement in hedge reserve								17		17		
Balance at 31 March 2010	104	10	25	1 519		29	368	6	1 062	3 123		

STATEMENTS OF CASH FLOWS

for the 15 month period ended 31 March 2010

Tongaat Hulett Limited

Company 12 months to 31 December 2008	Company 15 months to 31 March 2010	Rmillion	Consolidated 15 months to 31 March 2010	Consolidated 12 months to 31 December 2008
		Cash generated from operations		
515	678	Operating profit before dividends	**3 687**	1 137
329	137	Dividends received		35
844	815	Operating profit	**3 687**	1 172
(57)	(77)	Profit on disposal of property, plant and equipment	**(87)**	(74)
		Adjustments for:		
		Zimbabwe consolidation take-on gain	**(1 969)**	
35	(53)	Growing crops and other non-cash flow items	**(729)**	(297)
191	230	Depreciation	**521**	244
(44)	(52)	Tax payments	**(257)**	(163)
969	863	Cash generated from operations	**1 166**	882
		Cash required by operations		
(357)	676	Inventories	**497**	(366)
(150)	57	Trade and other receivables	**57**	96
322	432	Trade and other payables	**235**	353
(185)	1 165	Decrease/(increase) in working capital	**789**	83
784	2 028	Cash flow from operations	**1 955**	965
(234)	(374)	Net financing costs	**(452)**	(280)
550	1 654	**Cash flow from operating activities**	**1 503**	685
		Cash flows from investing activities		
		Expenditure on property, plant and equipment		
(236)	(25)	- New	**(1 416)**	(1 317)
(186)	(195)	- Replacement	**(280)**	(221)
(38)	(137)	- Major plant overhaul costs	**(291)**	(38)
(1)	(7)	Expenditure on intangible assets	**(7)**	(2)
(3)	3	Growing crops	**(76)**	(167)
78	88	Proceeds on disposal of property, plant and equipment	**110**	96
(699)	(1 216)	Investments - subsidiary		(55)
		Investments - unlisted	**8**	
7		Long-term receivable and prepayment		7
(1 078)	(1 489)	Net cash used in investing activities	**(1 952)**	(1 697)
(528)	165	**Net cash flow before dividends and financing activities**	**(449)**	(1 012)
		Dividends paid		
(438)	(366)	Ordinary and preferred ordinary shares	**(264)**	(336)
		Minorities	**(19)**	(19)
(438)	(366)	Dividends paid	**(283)**	(355)
(966)	(201)	Net cash flow before financing activities	**(732)**	(1 367)
		Cash flows from financing activities		
1 052	513	Borrowings raised	**652**	1 160
		Non-recourse equity-settled BEE borrowings	**(4)**	(20)
7	14	Shares issued	**14**	7
(9)	(18)	Settlement of share-based payment awards	**(22)**	(11)
(67)	(314)	Inter-group loans		
983	195	Net cash from financing activities	**640**	1 136
17	(6)	**Net (decrease)/increase in cash and cash equivalents**	**(92)**	(231)
21	38	Balance at beginning of period	**229**	396
		Foreign exchange adjustment	**(61)**	55
		Exchange rate translation (loss)/gain	**(5)**	9
		Consolidation of subsidiaries	**69**	
38	32	**Cash and cash equivalents at end of period**	**140**	229

ACCOUNTING POLICIES AND FRAMEWORK

The annual financial statements are prepared in accordance with the accounting policies which fully comply with International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous year.

Tongaat Hulett's Zimbabwean operations, which were previously accounted for on a dividend received basis, were consolidated during the current period, giving rise to a balance sheet take-on gain of R1,969 billion, as determined within the measurement period in accordance with IFRS 3 Business Combinations (revised 2008). This standard has been early adopted and has been applied prospectively with no restatement of comparatives.

In addition, the new IFRS standards that became applicable during the current financial period were adopted, including IAS 1 Presentation of Financial Statements (revised), IAS 23 Borrowing Costs and IFRS 8 Operating Segments. The adoption of these new standards has resulted in certain disclosure reclassifications but has not resulted in any changes in accounting policy.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and of its subsidiaries. The results of subsidiaries are included from the date effective control was acquired and up to the date effective control ceased. Investments in joint ventures are accounted for on the proportionate consolidation method from the effective date of acquisition and up to the effective date of disposal. All material inter-company balances and transactions are eliminated. Special purpose entities which were established in a recent black economic empowerment transaction have been and will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from Tongaat Hulett's equity therein. The interests of minority shareholders is initially measured at the date of acquisition at the minority's proportion of the net fair value of the assets and liabilities consolidated and thereafter, the minority's share of changes in equity since the date of acquisition. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of Tongaat Hulett except to the extent that the minority has a binding obligation and the financial ability to cover such losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including refurbishment, less accumulated depreciation and impairment. Cost includes the estimated cost of dismantling and removing the assets. Interest and other costs incurred on major capital projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

Assets held under finance lease agreements are capitalised at fair value and the corresponding liabilities to the lessor are raised. Lease finance charges are charged to profit or loss over the term of the relevant lease using the effective interest rate method. Land and capital work in progress are not depreciated. All other fixed assets, including major factory overhaul costs, are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their use. Maintenance expenditure on the company's sugar mills following the cessation of crushing for the season is carried forward as a current asset and charged against the following season's income. Where significant parts of a fixed asset item have different useful lives to the item itself, these component parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

During the year under review, property, plant and equipment were depreciated on the straight line basis using the rates set out below:

Agricultural land improvements	50 to 99 years
Buildings	30 to 50 years
Plant and equipment	4 to 40 years
Vehicles	4 to 12 years
Furniture and equipment	3 to 10 years

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised on the straight line basis over its expected useful life, which in the case of software is four years and over three to seven years in the case of cane supply agreements. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

GROWING CROPS

Growing crops comprise roots and standing cane. The carrying value is determined as follows:

- Roots at current replacement cost of planting and establishment and subsequently reduced in value over the period of its productive life;
- Standing cane at the estimated sucrose content less harvesting, transport and over the weighbridge costs.

GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

ASSOCIATE COMPANIES

Associates are those companies, which are not subsidiaries or joint ventures, over which Tongaat Hulett exercises significant influence. Results of associates are equity accounted. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as Tongaat Hulett is committed to providing financial support to such associates.

The carrying value of investments in associates represents the cost of each investment including goodwill, the share of post acquisition retained income or losses and other movements in reserves.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value determined in general on the first-in-first-out and average methods. The cost of finished goods and work in progress comprises direct materials, labour and appropriate overhead costs. Progress payments are deducted from work in progress where applicable. Development properties comprise land valued at cost and development expenditure attributable to unsold properties. Obsolete and slow moving inventories are identified and suitable reductions in value are made where necessary.

MAIZE PURCHASE CONSTRUCTIVE OBLIGATIONS

Certain maize purchase commitments are recognised as constructive obligations. Maize that relates to such a constructive obligation is recognised as inventory, the related liability is recognised as a current liability and to the extent that the final purchase price includes a financing element, this is recognised as interest over the period of the obligation.

DEFERRED TAX

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which does not affect either taxable profit or accounting profit.

IMPAIRMENT

At the date of each statement of financial position, Tongaat Hulett reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

RESEARCH AND DEVELOPMENT

Expenditure on research is charged to profit or loss in the year in which it is incurred. Development costs are reviewed annually and are expensed if they do not qualify for capitalisation. The amount of development cost recognised as an asset is amortised over the estimated useful life of the related development but not exceeding five years.

REVENUE

Revenue comprises sales arising from normal trading activities excluding intra-group transactions and is recognised when the significant risks and rewards of the goods are transferred to the buyer. In respect of the sale of township properties, sales are recognised when the relevant agreements are unconditional and binding on the purchaser, the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price, zoning and final conditions of establishment have been obtained and servicing arrangements and costs are substantially finalised. In the determination of revenue, cash and settlement discounts, rebates and VAT are excluded.

FOREIGN CURRENCIES

The functional currency of each entity within Tongaat Hulett 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 rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the date of the statement of financial position.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities whose functional currencies are different to Tongaat Hulett's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling at the date of the statement of financial position;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised directly in equity. On disposal of such an entity, this reserve is recognised in profit or loss.

FINANCIAL INSTRUMENTS

Recognition

A financial asset or financial liability is recognised in the statement of financial position for as long as Tongaat Hulett is a party to the contractual provisions of the instrument. Purchases of derivatives are recognised on trade date and sales are recognised on settlement date. Gains or losses on derecognition of financial assets or liabilities are recognised in profit or loss.

Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by Tongaat Hulett are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses. Receivables with no fixed maturity are held at cost.
- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses.
- Fair value through profit or loss financial assets, available for sale and cash equivalent investments are held at fair value.
- Financial liabilities are measured at amortised cost, except for held-for-trading financial liabilities and derivatives, which are held at fair value.
- Unlisted investments are recorded at cost.

Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are carried at fair value, and are not part of a hedging relationship, are accounted for as follows:

- Fair value through profit or loss financial assets are recognised in profit or loss for the year.
- Available for sale and cash equivalent investments are taken to equity until the financial asset is disposed of, or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the year.

For the purposes of hedge accounting, hedges are classified into two categories:

- Fair value hedges, which hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment; and
- Cash flow hedges, which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised in profit or loss for the period. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss for the period.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' equity and the ineffective portion is recognised in profit or loss for the period. For cash flow hedges affecting future transactions, the gains or losses, which are recognised in shareholders' equity, are transferred to profit or loss in the same period in which the hedged transaction affects profit or loss. Where the hedged transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss that had previously been recognised in shareholders' equity is included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Set-off

Where the redemption of debt, raised for major capital projects, is provided for by sinking funds or financial instruments which allow for the legal right of set-off against the debt on the repayment date, and it is expected that the debt will be settled in this way, the related income statement, statement of cash flows and statement of financial position items are set off.

Financial guarantee contracts

Where financial guarantee contracts are entered into, these are regarded as insurance contracts and accounted for as insurance arrangements.

GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When the conditions attaching to government grants have been complied with they are recognised in profit or loss. When they are for expenses or losses already incurred, they are recognised immediately in profit or loss.

EMPLOYEE BENEFITS

Retirement funds

The assets of the defined benefit scheme and defined contribution schemes are held separately from those of Tongaat Hulett and are administered and controlled by trustees.

The 2001 Surplus Apportionment Plan was approved by the Financial Services Board in May 2007. During 2008 and 2009/10, Tongaat Hulett became unconditionally entitled to its share of the employer surplus account pursuant to the 2001 apportionment plan and to its share of the 2007 surplus respectively and these amounts were recognised as an asset by Tongaat Hulett. The manner in which the fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between employers participating in the fund of the share of the actuarial surplus attributed to the employer surplus account has yet to be finalised and/or become unconditional. Consequently, no further surplus apportionment has been recognised in the statement of financial position.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

Post-retirement medical aid benefits and retirement gratuities

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Actuarial gains and losses are amortised over ten years beginning in the year that the actuarial gain or loss arises.

SHARE-BASED PAYMENTS

The company enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2 Share-based Payment is accounted for in terms of the scheme on the basis that the instruments are equity-settled. The total amount to be expensed on a straight line basis over the vesting period is determined with reference to the fair value of the awards determined at the grant date. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

CORPORATE TRANSACTION CONCLUDED IN 2007 – 25% BEE EQUITY PARTICIPATION TRANSACTIONS

Broad based 18% interest held by strategic partners, cane and infrastructure communities

The broad based BEE equity participation of 18%, involving strategic partners, cane and infrastructure communities, is held by two SPVs, the TH Infrastructure SPV (10%) and the yoMoba SPV (8%).

The cost related to this 18% broad based BEE equity participation was measured and recognised at the grant date in June 2007, resulting in a once-off IFRS 2 cost of R320 million being recognised in profit or loss in 2007.

The BEE TH Infrastructure SPV participation interest, concluded in 2007, of R1,289 billion was funded through a combination of notional vendor financing (R821 million), preference share funding (R458 million) and equity and shareholders' loans of R10 million. The BEE yoMoba SPV participation interest of R1,031 billion was funded through a combination of notional vendor financing (R657 million), preference share funding (R367 million) and equity and shareholders' loans of R8 million. The SPV's participation interests are in the form of preferred ordinary shares which are entitled to receive a fixed coupon every year for a period of seven years. After seven years the preferred ordinary shares will cease to receive preferred ordinary dividends. Tongaat Hulett has therefore committed to pay a fixed coupon on these preferred ordinary shares of R100 million in aggregate on an annual basis and the preferred ordinary shares will not receive any ordinary dividends for the duration of the seven year period. In terms of the notional vendor finance arrangement between the respective SPVs and Tongaat Hulett (R821 million in respect of the BEE TH Infrastructure SPV and R657 million in respect of the BEE yoMoba SPV), Tongaat Hulett will be entitled to repurchase, at a price of R0,01 per share, such number of shares as determined in accordance with a repurchase formula, subject to the external funding claims in the SPV. The number of shares repurchased will be a function of the value of the shares subscribed for at par, the notional return required by Tongaat Hulett and the success of the earn-in initiatives by the respective BEE partners. In compliance with IFRS, the two BEE SPVs are consolidated by Tongaat Hulett and consequently the preferred ordinary shares are reflected as treasury shares in the consolidated statement of financial position and are taken into account where relevant when calculating earnings per share. The external debt of the SPVs, amounting to R787 million in aggregate at 31 March 2010 (31 December 2008 – R792 million), is thus reflected on the consolidated statement of financial position and the funding charge incurred by the SPVs is reflected in the consolidated income statement. This BEE debt does not have recourse to Tongaat Hulett and will effectively be equity-settled. After seven years the preferred ordinary shares will convert into Tongaat Hulett listed ordinary shares.

BEE 7% employee interest

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP). The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components namely a share appreciation right scheme and a share grant scheme. The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. These shares have specific repurchase terms at maturity (five years from grant). They are a separate class of restricted shares which, other than for the repurchase terms, rank pari passu with ordinary shares and become ordinary shares on maturity.

The IFRS 2 costs relating to the 7% BEE employee transaction is amortised over 5 years, having commenced in the second half of 2007.

The BEE employee equity participation trusts' subscription consideration for the new class of share ("B ordinary shares") was funded through contributions by the respective operating entities in Tongaat Hulett and the notional vendor finance provided to the employees, which will be recovered at the maturity of the scheme through the repurchase by Tongaat Hulett of so many B ordinary shares as equate in value to the amount of the outstanding notional vendor funding. The repurchase formulae take into account a notional funding requirement based, inter alia, on the ordinary dividend declared each year.

In accordance with IFRS, the ESOP Share Trust and MSOP Share Trust are consolidated by Tongaat Hulett and consequently the B ordinary shares are reflected as treasury shares in the consolidated financial statements and are taken into account where relevant when calculating diluted earnings per share.

JUDGMENTS MADE BY MANAGEMENT

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgments or assessments. The items for consideration have been identified as follows:

- **Growing crop valuation:**
  Growing crops are required to be measured at fair value less harvesting, transport and over the weighbridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated cane price. These estimates can vary from the actuals when the cane is harvested.

- **Future development expenditure provision/ accrual at Tongaat Hulett Developments:**
  Judgment is applied in determining total project costs, which are supported by estimates from professional consultants and consulting engineers for services infrastructure. These costs are reviewed by management three to four times a year during the forecasting process, and if necessary estimates are revised accordingly.

- **Asset lives and residual lives:**
  Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

- **Impairment of assets:**
  Ongoing assessments are made regarding any potential impairment of assets across Tongaat Hulett, using valuation models prescribed under IFRS.

- **Decommissioning and rehabilitation obligations in respect of the environment:**
  Tongaat Hulett monitors and assesses its obligations arising from decommissioning of plant and rehabilitation of the environment on an ongoing basis.

- **Post-retirement benefit obligations:**
  Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.

- **Valuation of financial instruments:**
  The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the date of the statement of financial position.

KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year, other than in respect of The Tongaat-Hulett Pension Fund, as described under Employee Benefits on page 72.

NEW OR REVISED IFRS STANDARDS APPLICABLE TO FUTURE PERIODS

IAS 19 Employee Benefits, which was amended in 2004, provides an option, which entities may elect to adopt either now or at a later date, that allows for the accounting of actuarial gains/losses, either by recognising them through the income statement over the expected remaining lives of participants, or outside the income statement in the Statement of Other Comprehensive Income. The statement covers pension fund accounting and the provisions for post-retirement medical costs and retirement gratuities. This alternate accounting treatment of actuarial gains/losses will be assessed once decisions have been made on how the fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between employers participating in the share of the actuarial surplus attributed to the employer surplus account.

The following relevant new standards and interpretations were also in issue but not effective for the current period. Tongaat Hulett is in the process of evaluating the effects of these new standards and interpretations but they are not expected to have a significant impact on Tongaat Hulett's results and disclosures:

IAS 7	Statement of Cash Flows
IAS 18	Revenue
IAS 17	Leases
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates
IAS 31	Interests in Joint Ventures
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 38	Intangible Assets.

NOTES TO THE FINANCIAL STATEMENTS

1. PROPERTY PLANT AND EQUIPMENT (Rmillion)

Consolidated	Total	Land, improvements and buildings	Plant and equipment	Vehicles and other	Capitalised leased plant and vehicles	Capital work in progress
Carrying value at beginning of period	4 659	740	1 971	843	88	1 017
Consolidation of subsidiaries	3 534	2 127	544	863		
Additions	1 731	32	283	95	1	1 320
Disposals	(23)	(7)	(7)	(9)		
Depreciation	(521)	(115)	(265)	(138)	(3)	
Transfers		2	1 759	165		(1 926)
Currency alignment	(1 670)	(519)	(514)	(419)	(28)	(190)
Carrying value at end of period	7 710	2 260	3 771	1 400	58	221
Comprising:						
31 March 2010						
At cost	10 083	2 534	5 425	1 825	78	221
Accumulated depreciation	2 373	274	1 654	425	20	
	7 710	2 260	3 771	1 400	58	221
31 December 2008						
At cost	6 670	949	3 391	1 201	112	1 017
Accumulated depreciation	2 011	209	1 420	358	24	
	4 659	740	1 971	843	88	1 017
Company						
Carrying value at beginning of period	2 372	452	1 588	136	1	195
Additions	255	14	189	19	1	32
Disposals	(10)	(6)	(4)			
Depreciation	(230)	(7)	(196)	(26)	(1)	
Transfers		2	87	19		(108)
Carrying value at end of period	2 387	455	1 664	148	1	119
Comprising:						
31 March 2010						
At cost	4 096	541	3 077	357	2	119
Accumulated depreciation	1 709	86	1 413	209	1	
	2 387	455	1 664	148	1	119
31 December 2008						
At cost	3 899	531	2 847	325	1	195
Accumulated depreciation	1 527	79	1 259	189		
	2 372	452	1 588	136	1	195

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R311 million (31 December 2008 - R287 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R232 million (31 December 2008 - R143 million).

Land, agricultural improvements and buildings to which Tongaat Hulett has rights in Zimbabwe, have been included in the consolidation of the Zimbabwe subsidiaries.

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

2. GROWING CROPS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Carrying value at beginning of period	**742**	353	130	98
Consolidation of subsidiaries	**342**			
Gain arising from physical growth and price changes	**1 231**	145	76	20
Increase due to increased area under cane	**141**	185	54	17
Decrease due to reduced area under cane	**(8)**	(9)	(4)	(5)
Currency alignment	**(407)**	68		
Carrying value at end of period	**2 041**	742	256	130
The carrying value comprises:				
Roots	**895**	497	144	83
Standing cane	**1 146**	245	112	47
	2 041	742	256	130
Area under cane (hectares):				
South Africa	**13 910**	11 417	13 910	11 417
Mozambique	**22 609**	20 534		
Swaziland	**3 767**	3 750		
Zimbabwe	**27 753**			
	68 039	35 701	13 910	11 417

3. LONG-TERM RECEIVABLE AND PREPAYMENT (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Long-term receivable				
Advances to an export partnership - at fair value				
Carrying value at beginning of period	**196**	203	196	203
Settlement	**(196)**		(196)	
Fair value adjustment due to reduction in tax rate		(7)		(7)
Carrying value at end of period		196		196
Prepayment				
Contribution to the BEE Employee Share Ownership Plan	**136**	136	132	132
Contribution to the BEE Management Share Ownership Plan	**91**	91	78	78
	227	227	210	210
Less Accumulated amortisation at end of period	**(72)**	(43)	(67)	(40)
At beginning of period	**(43)**	(13)	(40)	(12)
Charge for the period	**(29)**	(30)	(27)	(28)
Less BEE share ownership plan consolidation shares	**(155)**	(184)		
			143	170
Carrying value at end of period		196	143	366

The prepayment relates to awards made in terms of the company's BEE employee share ownership plans, details of which are set out in note 35.

4. GOODWILL (Rmillion)

	Consolidated	
	31 March 2010	31 December 2008
Carrying value at beginning of period	**99**	42
Consolidation of subsidiaries	**207**	
Increase in shareholding in subsidiaries		46
Currency exchange rate changes	**(66)**	11
Carrying value at end of period	**240**	99

Goodwill is attributable to the Mozambique and Zimbabwe sugar operations and a Botswana subsidiary. Goodwill is tested annually for impairment. The recoverable amount of goodwill was determined from the "value in use" discounted cash flow model. The value in use cash flow projections, which cover a period of twenty years, are based on the most recent budgets and forecasts approved by management and the extrapolation of cash flows which incorporate growth rates consistent with the average long-term growth trends of the market. As at 31 March 2010, the carrying value of goodwill was considered not to require impairment.

5. INTANGIBLE ASSETS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Cost at beginning of period	**17**	16	12	11
Additions	**7**	2	7	1
Disposals		(2)		
Currency alignment	**(2)**	1		
At end of period	**22**	17	19	12
Accumulated amortisation at beginning of period	**11**	10	8	7
Charge for the period	**3**	2	3	1
Disposals		(2)		
Currency alignment	**(1)**	1		
At end of period	**13**	11	11	8
Carrying value at end of period	**9**	6	8	4
The carrying value comprises:				
Software	**4**	6	3	4
Cane supply agreements	**5**		5	
	9	6	8	4

6. INVESTMENTS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Unlisted shares at cost	**7**	265		263
Loans	**3**	3	2	2
Carrying value of investments (Directors' valuation)	**10**	268	2	265

The original investment in Triangle Sugar was recorded at cost at a nominal value with the subsequent investment of R263 million included in unlisted shares at 31 December 2008. Triangle Sugar was consolidated during the current period (refer to note 27) and the carrying value of the investment is now included in Subsidiaries and Joint Ventures (refer to note 7).

A schedule of unlisted investments is available for inspection at the company's registered office.

7. SUBSIDIARIES AND JOINT VENTURES (Rmillion)

	Company	
	31 March 2010	31 December 2008
Shares at cost less amounts written off	**2 733**	1 255
Indebtedness by	**1 498**	1 302
Indebtedness to	**(535)**	(653)
	3 696	1 904

	Consolidated	
	31 March 2010	31 December 2008
Tongaat Hulett's proportionate share of the assets, liabilities and post-acquisition reserves of joint ventures, which comprise in the main, Effingham Development and Tongaat Hulett/IFA Resort Developments and which are included in the consolidated financial statements are set out below:		
Property, plant and equipment	**8**	8
Current assets	**283**	328
Less: Current liabilities	**(68)**	(93)
Interest in joint ventures	**223**	243

7. SUBSIDIARIES AND JOINT VENTURES (Rmillion) continued

Tongaat Hulett's proportionate share of the trading results of the joint ventures is as follows:

	Consolidated	
	15 months to 31 March 2010	12 months to 31 December 2008
Revenue	**21**	10
Profit before tax	**19**	16
Tax	**(4)**	(4)
Net profit after tax	**15**	12

Tongaat Hulett's proportionate share of cash flows of the joint ventures is as follows:

	Consolidated	
	15 months to 31 March 2010	12 months to 31 December 2008
Cash flows from operating activities	**(4)**	8
Net cash used in investing activities	**(38)**	(48)
Net movement in cash resources	**(42)**	(40)

8. INVENTORIES (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Raw materials	**464**	386	464	386
Work in progress	**14**	13	13	13
Finished goods	**204**	933	120	891
Consumables	**402**	180	123	111
Development properties	**289**	197		
	1 373	1 709	720	1 401

Included in raw materials is an amount of R360 million (31 December 2008 - R305 million) that relates to the constructive obligation that has been recognised on maize procurement contracts.

9. DERIVATIVE INSTRUMENTS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
The fair value of derivative instruments:				
Forward exchange contracts - hedge accounted	**9**	(17)	9	(17)
Forward exchange contracts - not hedge accounted		(1)		(1)
Futures contracts - hedge accounted	**(3)**	(3)	(3)	(3)
	6	(21)	6	(21)
Summarised as:				
Derivative assets	**9**	2	9	2
Derivative liabilities	**(3)**	(23)	(3)	(23)
	6	(21)	6	(21)

Further details on derivative instruments are set out in note 25.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit and cash advanced, repayable on demand and excludes bank overdrafts.

11. SHARE CAPITAL (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Authorised:				
150 000 000 ordinary shares of R1,00 each	**150**	150	150	150
30 000 000 A preferred ordinary shares of R1,00 each	**30**	30	30	30
6 000 000 B1 ordinary shares of R1,00 each	**6**	6	6	6
10 500 000 B2 ordinary shares of R1,00 each	**11**	11	11	11
3 200 000 B3 ordinary shares of R1,00 each	**3**	3	3	3
10 redeemable preference shares of R1,00 each				
	200	200	200	200
Issued and fully paid:				
103 677 229 (31 December 2008 - 103 246 983) ordinary shares of R1,00 each	**104**	103	104	103
25 104 976 A preferred ordinary shares of R1,00 each	**25**	25	25	25
5 422 829 B1 ordinary shares of R1,00 each	**6**	6	6	6
3 296 657 B2 ordinary shares of R1,00 each	**3**	3	3	3
1 021 422 B3 ordinary shares of R1,00 each	**1**	1	1	1
	139	138	139	138

Under control of the directors:
- for the purposes of the employee share option schemes 9 595 431 shares (31 December 2008 - 9 082 047 shares).
- in terms of a shareholders' resolution 5 162 349 shares (31 December 2008 - 5 153 918 shares).

Details of the employee share incentive schemes are set out in note 34. Following the unbundling of Hulamin in 2007, the options granted to employees in terms of the original employee share option schemes which had not been exercised at the unbundling date were converted into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as described in note 34. At 31 March 2010 employees have an option to subscribe for 667 500 shares at an average price of R32,85 per share (31 December 2008 - 1 099 590 shares at an average price of R32,39 per share) in respect of the Tongaat Hulett component and the equivalent of approximately 105 000 shares in respect of the Hulamin component (31 December 2008 - 143 000 shares).

The original share option schemes were replaced in 2005 with a new share incentive scheme comprising the Share Appreciation Right Scheme 2005 the Long Term Incentive Plan 2005 and the Deferred Bonus Plan 2005.

12. BEE HELD CONSOLIDATION SHARES (Rmillion)

	Consolidated	
	31 March 2010	31 December 2008
25 104 976 A preferred ordinary shares of R1,00 each	**839**	839
5 422 829 B1 ordinary shares of R1,00 each	**136**	136
3 296 657 B2 ordinary shares of R1,00 each	**46**	46
1 021 422 B3 ordinary shares of R1,00 each	**45**	45
	1 066	1 066
Less amount attributable to A preferred ordinary shareholders	**(59)**	
Less amortisation of IFRS 2 charge on shares relating to the employee share ownership plans (refer to notes 3 and 35)	**(72)**	(43)
	935	1 023

13. DEFERRED TAX (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Balance at beginning of period	**582**	673	469	487
Currency alignment	**(214)**	3		
Consolidation of subsidiaries	**1 038**			
Accounted for in equity	**6**	(6)	6	(6)
Current period Income Statement (relief)/charge on:				
Earnings before exceptional items	**(16)**	(11)	(134)	(7)
Rate change adjustment	**(154)**	(22)		(17)
Prior periods' charge/(relief)	**30**	(55)		12
Balance at end of period	**1 272**	582	341	469
Comprising temporary differences relative to :				
Property, plant and equipment	**1 220**	409	428	382
Growing crops	**336**	102	72	36
Export partnership		142		142
Current assets	**114**	78	40	29
Current liabilities	**(34)**	(26)	(25)	(25)
Tax losses	**(108)**	(5)	(65)	
Other	**(256)**	(118)	(109)	(95)
	1 272	582	341	469

14. BORROWINGS (Rmillion)

	Effective interest rate (%)	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Long-term		**1 103**	1 212	1 066	1 155
Short-term and bank overdraft		**2 077**	1 373	1 768	1 166
		3 180	2 585	2 834	2 321
Long-term borrowings comprise:					
Secured:					
SA Rand					
Repayable 2011/2012	6,25	**17**	35		
Finance leases (refer to note 29)	8,50	**1**	1	1	1
Foreign					
Repayable 2011/2016	21,50	**17**	35		
Finance leases (refer to note 29)	8,93	**13**			
		48	71	1	1
Unsecured:					
SA Rand					
Long-term portion repayable 2011/2015	3 month JIBAR + 1,35	**1 155**	1 200	1 155	1 200
Foreign					
Repayable 2011/2012	nil	**5**	9		
		1 160	1 209	1 155	1 200
Long-term borrowings		**1 208**	1 280	1 156	1 201
Less: current portion included in short-term borrowings		**105**	68	90	46
		1 103	1 212	1 066	1 155

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R311 million (31 December 2008 - R287 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R232 million (31 December 2008 - R143 million).

Short-term borrowings comprise call loans and bank overdrafts with various South African financial institutions at interest rates linked to the prime overdraft rate as well as short-term borrowings in Mozambique equivalent to R226 million (31 December 2008 - R143 million) and in Zimbabwe equivalent to R62 million (31 December 2008 - nil).

Summary of future loan repayments by financial year:

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Rmillion	111	98	93	798	3

In terms of the company's articles of association the borrowing powers of Tongaat Hulett are limited to R8 165 million.

15. NON-RECOURSE EQUITY-SETTLED BEE BORROWINGS (Rmillion)

The non-recourse equity-settled BEE borrowings comprise:

	Effective interest rate (%)	Consolidated 31 March 2010	Consolidated 31 December 2008
4 122 000 Class A redeemable preference shares	8,486 nacs	**287**	365
4 122 000 Class B redeemable preference shares	10,873 nacs	**482**	438
Accrued dividends		**18**	40
		787	843
Less: BEE cash resources			51
		787	792

These borrowings relate to Tongaat Hulett's black economic empowerment partners, yoMoba SPV (Pty) Limited and TH Infrastructure SPV (Pty) Limited which have been fully consolidated in terms of IFRS. yoMoba SPV (Pty) Limited owns 11 157 767 A preferred ordinary shares and TH Infrastructure SPV (Pty) Limited owns 13 947 209 A preferred ordinary shares in Tongaat Hulett.

The preference shares are redeemable by no later than 30 June 2014 and have a fixed coupon payable semi-annually on 2 January and 1 July each year. The total debt due will be settled by the SPVs utilising preferred ordinary dividends received from Tongaat Hulett and by the shares that they hold in Tongaat Hulett and will have no further impact on the cash flows of Tongaat Hulett. These SPVs will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

16. PROVISIONS (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Post-retirement medical aid obligations	**304**	223	236	223
Retirement gratuity obligations	**145**	55	61	55
Other	**97**	1		1
	546	279	297	279

Further details on provisions are set out in note 32.

17. TRADE AND OTHER PAYABLES (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Accounts payable	**1 750**	1 476	1 033	584
Maize obligation - interest bearing	**381**	373	381	373
	2 131	1 849	1 414	957

The directors consider that the carrying amount of trade and other payables approximates their fair value.

18. OPERATING PROFIT (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Revenue	**11 136**	7 106	8 155	5 694
Cost of sales	**(9 629)**	(5 578)	(6 986)	(4 680)
Administration expenses	**(947)**	(459)	(533)	(400)
Marketing and selling expenses	**(332)**	(179)	(189)	(151)
Other income	**1 463**	242	341	364
Profit from operations	**1 691**	1 132	788	827
Capital profit from land (refer to note 19)	**52**	22	47	6
Capital profit on insurance claim (refer to note 19)	**13**	49	13	49
BEE IFRS 2 charge and transaction costs	**(35)**	(33)	(33)	(31)
Valuation adjustments:				
Zimbabwe consolidation take-on gain	**1 969**			
Other	**(3)**	2		(7)
Operating profit after corporate transactions	**3 687**	1 172	815	844
Disclosable items included in operating profit:				
Dividends received from subsidiaries:				
Triangle Sugar		35		35
Other subsidiaries			137	294
Profit on disposal of plant and equipment	**6**	3	2	2
Amortisation of intangible assets	**3**	2	3	1
Depreciation charged:				
Buildings	**115**	11	7	6
Plant and equipment	**265**	186	196	169
Vehicles and other	**141**	47	27	16
Growing crops fair valuation	**1 288**	153	128	29
Management fees paid to subsidiaries			1	1
Management fees paid to third parties	**4**	4		
Technical fees paid	**11**	11	11	11
Operating lease charges (property, plant and vehicles)	**27**	16	23	14
Share-based payments:				
IFRS 2 charge on share options, SARS, LTIP and DBP	**39**	27	26	18
BEE IFRS 2 charge (refer to note 3)	**29**	30	27	28
Auditors' remuneration:				
Fees	**12**	6	6	4
Other services	**2**	2	1	1
Net (losses)/gains on:				
Fair value hedges, losses on the hedging instrument	**(15)**	(4)	(15)	(4)
Fair value hedges, gains on the hedged item	**15**	4	15	4
Valuation adjustments on financial instruments and other items:				
Translation of foreign currency:				
- foreign cash holdings	**(5)**	9		
- other	**(44)**	193		
Other financial instruments	**5**	(15)	2	(15)

19. CAPITAL PROFITS (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Comprises:				
Surplus on sale of land	**52**	22	47	6
Surplus on insurance claim	**13**	49	13	49
Capital profits before tax	**65**	71	60	55
Tax (refer to note 21)		(3)		(3)
Capital profits after tax	**65**	68	60	52

20. NET FINANCING (COSTS)/INCOME (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Net financing costs comprise:				
Interest paid - external	**(577)**	(428)	(419)	(304)
Interest capitalised	**88**	103		
Interest paid - subsidiaries			(59)	(56)
Financing costs	**(489)**	(325)	(478)	(360)
Interest received - external	**37**	45	15	15
Interest received - subsidiaries			89	111
Finance income	**37**	45	104	126
Net financing costs	**(452)**	(280)	(374)	(234)

21. TAX (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Earnings before capital profits:				
Current	**331**	196	196	75
Deferred	**(16)**	(11)	(134)	(7)
Rate change adjustment (deferred)	**(154)**	(22)		(17)
Secondary tax on companies	**39**	44	39	44
Prior periods	**8**	2	12	
	208	209	113	95
Capital profits:				
Current		3		3
Tax for the period	**208**	212	113	98
Foreign tax included above	**36**	25		

21. TAX (Rmillion) continued

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Tax charge at normal rate of South African tax	**906**	250	124	171
Adjusted for:				
Non-taxable income	**(19)**	(48)	(64)	(106)
Zimbabwe consolidation take-on gain	**(551)**			
Assessed losses of foreign subsidiaries	**(20)**	(3)		
Non-allowable expenditure	**27**	24	2	3
Foreign tax rate variations	**(28)**	(38)		
Rate change adjustment (deferred)	**(154)**	(22)		(17)
Secondary tax on companies	**39**	44	39	44
Capital gains		3		3
Prior periods	**8**	2	12	
Tax charge	**208**	212	113	98
Normal rate of South African tax	**28,0%**	28,0%	28,0%	28,0%
Adjusted for:				
Non-taxable income	**(0,6)**	(5,2)	(14,5)	(17,4)
Zimbabwe consolidation take-on gain	**(17,0)**			
Assessed losses of foreign subsidiaries	**(0,6)**	(0,4)		
Non-allowable expenditure	**0,8**	2,7	0,5	0,5
Foreign tax rate variations	**(0,9)**	(4,3)		
Rate change adjustment (deferred)	**(4,8)**	(2,5)		(2,7)
Secondary tax on companies	**1,2**	4,9	8,8	7,2
Capital gains		0,3		0,5
Prior periods	**0,3**	0,3	2,7	
Effective rate of tax	**6,4%**	23,8%	25,5%	16,1%

Normal tax losses of R537 million (31 December 2008 - R17 million) have been utilised to reduce deferred tax. No deferred tax asset has been raised in respect of the tax losses of foreign subsidiaries that may not be utilised in the short term or may expire in terms of applicable tax legislation.

22. HEADLINE EARNINGS (Rmillion)

	Consolidated	
	15 months to 31 March 2010	12 months to 31 December 2008
Profit attributable to shareholders	**2 898**	649
Less Zimbabwe consolidation take-on gain	**(1 969)**	
Less after tax effect of:	**(71)**	(66)
Capital profit on sale of land	**(52)**	(22)
Capital profit on insurance claim	**(13)**	(49)
Fixed assets and other disposals	**(8)**	3
	(73)	(68)
Tax charge on profit on insurance claim	**2**	3
Tax relief on loss on disposal of other fixed assets		(1)
Headline earnings	**858**	583
Headline earnings per share (cents)		
Basic	**826,5**	565,6
Diluted	**810,0**	554,2

23. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of relevant ordinary shares and qualifying preferred ordinary shares in issue during the year. In the case of basic earnings per share the weighted average number of shares in issue during the 15 month period to 31 March 2010 is 103 810 807 (31 December 2008 - 103 070 228). In respect of diluted earnings per share the weighted average number of shares is 105 922 176 (31 December 2008 - 105 224 655).

24. DIVIDENDS (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Ordinary share capital				
Final for previous year, paid 26 March 2009 - 150 cents (31 December 2008 - 160 cents)	**155**	165	155	165
Interim for current period, paid 17 September 2009 - 100 cents (31 December 2008 - 160 cents)	**103**	165	103	165
B ordinary share capital				
Final for previous year, paid 26 March 2009 - 150 cents (31 December 2008 - 160 cents)	**15**	16	15	16
Interim for current period, paid 17 September 2009 - 100 cents (31 December 2008 - 160 cents)	**10**	16	10	16
A preferred ordinary share capital				
Interim for current period, paid 30 June 2009 - 203 cents (30 June 2008 - 203 cents)	**51**	51	51	51
Final for current period, paid 31 December 2009 - 203 cents (31 December 2008 - 203 cents)	**51**	51	51	51
Accrued for three months to 31 March 2010 - 102 cents (31 March 2009 - nil)	**25**		25	
	410	464	410	464
Less dividends relating to BEE treasury shares	**(146)**	(128)	(19)	(26)
	264	336	391	438

The final ordinary dividend for the 15 month period ended 31 March 2010, being a scrip distribution with a cash alternative of 175 cents per share, declared on 26 May 2010 and payable on 22 July 2010 has not been accrued.

25. FINANCIAL RISK MANAGEMENT (Rmillion)

Financial instruments consist primarily of cash deposits with banks, unlisted investments, derivatives, accounts receivable and payable and loans to and from associates and others. Financial instruments are carried at fair value or amounts that approximate fair value.

Categories of financial instruments	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Financial assets				
Derivative instruments in designated hedge accounting relationships	**9**	2	9	2
Unlisted shares at cost	**10**	268	2	265
Loans and receivables at amortised cost	**1 976**	2 072	792	1 110
	1 995	2 342	803	1 377
Financial liabilities				
Derivative instruments in designated hedge accounting relationships	**3**	23	3	23
Financial liabilities at amortised cost	**5 229**	4 490	4 193	3 231
Non-recourse equity-settled BEE borrowings	**787**	792		
	6 019	5 305	4 196	3 254

Risk management is recognised as being dynamic, evolving and integrated into the core of running the business. The approach to risk management in Tongaat Hulett includes being able to identify and describe / analyse risks at all levels throughout the organisation, with mitigating actions being implemented at the appropriate point of activity. The very significant, high impact risk areas and the related mitigating action plans are monitored at a Tongaat Hulett risk committee level. Risks and mitigating actions are given relevant visibility at various appropriate forums throughout the organisation.

In the normal course of its operations, Tongaat Hulett is exposed to inter alia capital, credit, foreign currency, interest, liquidity and commodity price risks. In order to manage these risks, Tongaat Hulett may enter into transactions, which make use of derivatives. They include forward exchange contracts (FECs) and options, interest rate swaps and commodity futures and options. Separate committees are used to manage risks and hedging activities. Tongaat Hulett does not speculate in or engage in the trading of derivative instruments. Since derivative instruments are utilised for risk management, market risk relating to derivative instruments will be offset by changes in the valuation of the underlying assets, liabilities or transactions being hedged. The overall risk strategy remains unchanged from previous years.

Capital risk management

Tongaat Hulett's overall strategy around capital structure remains unchanged from previous years and is continually reviewed in budgeting and business planning processes. Tongaat Hulett manages its capital to ensure that its operations are able to continue as a going concern while maximising the return to stakeholders through an appropriate debt and equity balance. The capital structure of Tongaat Hulett consists of debt, which includes borrowings, cash and cash equivalents and equity.

Credit risk

Financial instruments do not represent a concentration of credit risk because Tongaat Hulett deals with a variety of major banks and its accounts receivable and loans are spread among a number of major industries, customers and geographic areas. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In addition, appropriate credit committees review significant credit transactions before consummation. Where considered appropriate, use is made of credit guarantee insurance. A suitable provision is made for doubtful debts. Financial guarantee contracts are accounted for as insurance arrangements.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Past due trade receivables

Included in trade receivables are debtors which are past the expected collection date (past due) at the reporting date and no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. No collateral is held over these balances. A summarised age analysis of past due debtors is set out below:

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Less than 1 month	**23**	32	17	26
Between 1 to 2 months	**26**	10	16	10
Between 2 to 3 months	**9**	47	4	1
Greater than 3 months	**416**	317	1	2
Total past due	**474**	406	38	39

Provision for doubtful debts

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Set out below is a summary of the movement in the provision for doubtful debts for the period:				
Balance at beginning of period	**11**	8	5	3
Currency alignment	**(1)**	1		
Amounts written off during the period		(1)		
Increase in allowance recognised in profit or loss	**8**	3	2	2
Balance at end of period	**18**	11	7	5

Foreign currency risk

In the normal course of business, Tongaat Hulett enters into transactions denominated in foreign currencies. As a result Tongaat Hulett is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. A variety of instruments are used to minimise foreign currency exchange rate risk in terms of its risk management policy. In principle it is the policy to cover foreign currency exposure in respect of liabilities and purchase commitments and an appropriate portion of foreign currency exposure on receivables. There were no speculative positions in foreign currencies at period end. All foreign exchange contracts are supported by underlying transactions. Tongaat Hulett is not reliant on imported raw materials to any significant extent. The fair value of the forward exchange contracts was established with reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

Forward exchange contracts that constitute designated hedges of currency risk at period end are summarised as follows:

	Consolidated				Company			
			31 March 2010	31 December 2008			31 March 2010	31 December 2008
	Average contract rate	Commitment (Rmillion)	**Fair value of FEC (Rmillion)**	Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	Fair value of FEC (Rmillion)	Fair value of FEC (Rmillion)
Imports								
US dollar	7,64	10			7,64	10		
Exports								
US dollar	7,98	175	**8**	(19)	7,98	175	8	(19)
Australian dollar	7,13	22	**1**	2	7,13	22	1	2
		197	**9**	(17)		197	9	(17)
Net total		207	**9**	(17)		207	9	(17)

The hedges in respect of imports and exports are expected to mature within approximately one year.

The fair value is the estimated amount that would be paid or received to terminate the forward exchange contracts in arm's length transactions at the statement of financial position date.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Forward exchange contracts that do not constitute designated hedges of currency risk at period end are summarised as follows:

	Consolidated				Company			
			31 March 2010	31 December 2008			31 March 2010	31 December 2008
	Average contract rate	Commitment (Rmillion)	**Fair value of FEC (Rmillion)**	Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	Fair value of FEC (Rmillion)	Fair value of FEC (Rmillion)
Imports								
US dollar	7,74	3		(1)	7,74	3		(1)

Although not designated as a hedge for accounting purposes, these forward exchange contracts represent cover of existing foreign currency exposure.

Tongaat Hulett has the following uncovered foreign receivables:

	Consolidated			Company		
	Foreign amount (million)	**31 March 2010 (Rmillion)**	31 December 2008 (Rmillion)	Foreign amount (million)	31 March 2010 (Rmillion)	31 December 2008 (Rmillion)
US dollar	2	**16**	27	2	14	27
Australian dollar	3	**18**	35	3	18	35
New Zealand dollar		**1**				
		35	62		32	62

The impact of a 10% strengthening or weakening of the Rand on the uncovered Australian dollar receivable will have a R2 million (31 December 2008 - R3 million) impact on profit before tax and a R1 million (31 December 2008 - R2 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered US dollar receivable will have a R2 million (31 December 2008 - R3 million) impact on profit before tax and a R1 million (31 December 2008 - R2 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered New Zealand dollar receivable will have a R0,1 million (31 December 2008 - nil) impact on profit before tax and a R0,1 million (31 December 2008 - nil) impact on equity.

Commodity price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities. To hedge prices for Tongaat Hulett's substantial commodity requirements, commodity futures and options are used, including fixed and spot-defined forward sales contracts and call and put options.

The starch operation has secured its maize requirements for the current maize season to 31 May 2010 and a significant portion of its requirements for the year ending 31 May 2011 by using a combination of unpriced procurement contracts and purchases and sales of maize futures.

The fair value of the commodity futures contracts which are set out below, was established with reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

	Consolidated				Company			
			31 March 2010	31 December 2008			31 March 2010	31 December 2008
	Tons	Contract value (Rmillion)	**Fair value (Rmillion)**	Fair value (Rmillion)	Tons	Contract value (Rmillion)	Fair value (Rmillion)	Fair value (Rmillion)
Futures - hedge accounted:								
Maize futures sold	3 500	4	**(3)**	(3)	3 500	4	(3)	(3)
Maize futures purchased	6 800	8			6 800	8		
			(3)	(3)			(3)	(3)
Period when cash flow expected to occur			**2010/11**	2009			2010/11	2009
When expected to affect profit			**2010/11**	2009			2010/11	2009
Amount recognised in equity during the period			**5**	(9)			5	(9)
Amount transferred from equity and recognised in profit or loss			**10**	(4)			10	(4)

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Interest rate risk

Tongaat Hulett is exposed to interest rate risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of these instruments. Tongaat Hulett is also exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the cash management system, which enables Tongaat Hulett to maximise returns while minimising risks. The impact of a 50 basis point move in interest rates will have a R18 million (31 December 2008 - R15 million) effect on profit before tax and a R13 million (31 December 2008 - R11 million) impact on equity.

Liquidity risk

Tongaat Hulett manages its liquidity risk by monitoring forecast cash flows on a weekly basis. There are unutilised established banking facilities in excess of R1 billion (31 December 2008 - R755 million). Tongaat Hulett continues to meet the covenants associated with its long-term unsecured South African debt facility.

Borrowings inclusive of interest projected at current interest rates:

Consolidated	Weighted average effective interest rate (%)	Due within 1 year	1 to 2 years	2 to 5 years	After 5 years	Interest adjustment	Total
31 March 2010							
Bank loans	8,2	1 909	228	1 225		(521)	2 841
Foreign loans	10,2	315	6	14	4	(33)	306
Other borrowings	8,6	413				(17)	396
Financial lease liability	8,9	1	9	6		(2)	14
Other non-interest bearing liabilities		1 671	2				1 673
Net settled derivatives		3					3
Total for Tongaat Hulett		4 312	245	1 245	4	(573)	5 233
Non-recourse equity-settled BEE borrowings		93	81	760		(147)	787
Total including SPV debt		4 405	326	2 005	4	(720)	6 020
31 December 2008							
Bank loans	12,9	1 407	253	661	899	(865)	2 355
Foreign loans	17,7	169	13	26		(30)	178
Other borrowings	13,4	442				(28)	414
Financial lease liability	13,0	1	1			(1)	1
Other non-interest bearing liabilities		1 533	2	5			1 540
Net settled derivatives		23					23
Total for Tongaat Hulett		3 575	269	692	899	(924)	4 511
Non-recourse equity-settled BEE borrowings		66	101	304	515	(194)	792
Total including SPV debt		3 641	370	996	1 414	(1 118)	5 303

26. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT VENTURES (Rmillion)

	Interest of Holding Company			
	Equity		Indebtedness	
	31 March 2010	31 December 2008	**31 March 2010**	31 December 2008
Tongaat Hulett Starch (Pty) Limited	**15**	15	**25**	22
Tongaat Hulett Developments (Pty) Limited Tongaat Hulett Estates (Pty) Limited			**(440)**	(562)
Tongaat Hulett Sugar Limited Tambankulu Estates Limited (Swaziland) Tongaat Hulett Acucareira de Mocambique, SA (Mozambique) (85%) Tongaat Hulett Acucareira de Xinavane, SA (Mozambique) (88%) Tongaat Hulett Acucar Limitada (Mozambique) Triangle Sugar Corporation Limited (Zimbabwe) Hippo Valley Estates Limited (Zimbabwe) (50,3%)	**2 664**	1 186	**1 437**	1 262
The Tongaat Group Limited	**54**	54	**(59)**	(73)
	2 733	1 255	**963**	649

Except where otherwise indicated, effective participation is 100 percent.
A full list of all subsidiaries and joint ventures is available from the company secretary on request.

27. SUBSIDIARIES CONSOLIDATED (Rmillion)

Details of Zimbabwe subsidiaries consolidated and their cash flow effects at the beginning of 2009 are summarised below.

Property, plant, equipment and investments	**3 555**
Growing crops	**342**
Inventories	**255**
Trade and other receivables	**101**
Cash	**69**
Trade and other payables	**(182)**
Provisions	**(289)**
Deferred tax	**(1 038)**
Borrowings	**(33)**
Minority interest	**(755)**
Net assets consolidated	**2 025**
Goodwill arising on consolidation	**207**
	2 232
Zimbabwe consolidation take-on gain	**(1 969)**
Investment in subsidiaries	**263**

28. GUARANTEES AND CONTINGENT LIABILITIES (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Guarantees in respect of obligations of Tongaat Hulett and third parties	**134**	95	2	20
Contingent liabilities	**14**	27	14	25
	148	122	16	45

29. LEASES (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	**3**	1	1	1
Later than one year and not later than five years	**9**	1	1	1
Later than five years	**6**			
	18	2	2	2
Less: future finance charges	**(4)**	(1)	(1)	(1)
Present value of lease obligations	**14**	1	1	1
Payable:				
Not later than one year	**1**			
Later than one year and not later than five years	**7**	1	1	1
Later than five years	**6**			
	14	1	1	1
Operating lease commitments, amounts due:				
Not later than one year	**14**	10	13	10
Later than one year and not later than five years	**17**	18	16	13
	31	28	29	23
In respect of:				
Property	**18**	11	16	6
Plant and machinery	**11**	15	11	15
Other	**2**	2	2	2
	31	28	29	23

30. CAPITAL EXPENDITURE COMMITMENTS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Contracted	**234**	587	43	35
Approved but not contracted	**118**	114	28	80
	352	701	71	115

Funds to meet future capital expenditure will be provided from retained net cash flows and debt financing.

31. RELATED PARTY TRANSACTIONS (Rmillion)

During the period Tongaat Hulett, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra-group transactions are eliminated on consolidation.

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Goods and services:				
Transacted between operating entities within the company			7	5
Between the company and its subsidiaries			326	44
Transacted between subsidiaries within Tongaat Hulett	**335**	117		
Sales to external related parties	**2**	138		138
Tongaat-Hulett Pension Fund contribution cost	**65**	30	57	27
Administration fees and other income:				
Transacted between operating entities within the company			16	7
Between the company and its subsidiaries			45	16
Transacted between subsidiaries within Tongaat Hulett	**132**	57		
Transacted with/between joint ventures within Tongaat Hulett	**7**	1		
Paid to external related parties	**4**	3		
Interest paid:				
Transacted between operating entities within the company			39	48
Between the company and its subsidiaries			12	56
Transacted with/between joint ventures within Tongaat Hulett	**6**	9		
Interest received:				
Transacted between operating entities within the company			496	375
Between the company and its subsidiaries			90	111
Transacted between subsidiaries within Tongaat Hulett	**48**	47		
Transacted with/between joint ventures within Tongaat Hulett	**3**	5		
Sales of fixed assets:				
Between the company and its subsidiaries			3	15
Loan balances:				
Transacted between operating entities within the company			4 305	3 257
Between the company and its subsidiaries			962	649
Pension Fund Loan - Employer Surplus Account	**89**		89	
External related parties		7		7
Dividends received:				
Between the company and its subsidiaries			137	329
Transacted between subsidiaries within Tongaat Hulett	**130**	200		

Other related party information:

Total dividends paid to the holding company and other shareholders - refer to note 24

Directors - refer to notes 33 and 34

Tongaat Hulett Developments is a guarantor on Tongaat Hulett Limited's South African long-term unsecured loan facility.

32. RETIREMENT BENEFITS

Pension and Provident Fund Schemes

Tongaat Hulett contributes towards retirement benefits for substantially all permanent employees who, depending on preference or local legislation, are required to be a member of either a Tongaat Hulett implemented scheme or of various designated industry or state schemes. The Tongaat Hulett schemes are governed by the relevant retirement 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 Tongaat Hulett. The scheme assets are administered by boards of trustees, each of which includes elected employee representatives.

Defined Benefit Pension Scheme

The Tongaat-Hulett Pension Fund (the Fund) is a defined benefit scheme in South Africa and includes employees of Hulamin Limited. The Fund is actuarially valued at intervals of not more than three years using the projected unit credit method. In the statutory actuarial valuation of the scheme as at 31 December 2007 the Fund was certified by the reporting actuary to be in a sound financial position. With effect from 7 December 2001 the Pension Funds Second Amendment Act was promulgated. This Act required the Fund to submit a plan for the apportionment on a fair basis to the employer and past and current members of the Fund of the actuarial surplus as at 31 December 2001. The 2001 apportionment plan was approved by the Financial Services Board in May 2007. During 2008 and 2009/10 Tongaat Hulett became unconditionally entitled to its share of the 2001 employer surplus account and to its share of the 2007 surplus respectively and these amounts were recognised as an asset by Tongaat Hulett.

The manner in which the Fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between the employers participating in the Fund has yet to be finalised and/or become unconditional. Consequently, no further surplus apportionment has been recognised. An actuarial valuation of liabilities, based on the existing benefits, carried out as at 31 December 2009 in accordance with IAS 19 showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

	31 December 2009 Rmillion	31 December 2008 Rmillion
Details of the valuation of the Fund (100%) are as follows:		
Fair value of plan assets		
Balance at 1 January 2009	**5 537**	6 544
Expected return on scheme assets	**395**	520
Employer contributions	**87**	52
Members' contributions	**46**	41
Benefits paid	**(289)**	(549)
Net member transfers	**(12)**	(24)
Actuarial gain/(loss)	**444**	(1 047)
Balance at 31 December 2009	**6 208**	5 537
Present value of defined benefit obligation		
Balance at 1 January 2009	**4 455**	4 444
Current service cost	**134**	118
Interest cost	**319**	350
Members' contributions	**46**	41
Benefits paid	**(289)**	(549)
Net member transfers	**(12)**	(24)
Actuarial loss	**109**	75
Balance at 31 December 2009	**4 762**	4 455
Fund assets less member liabilities, before reserves	**1 446**	1 082

32. RETIREMENT BENEFITS (continued)

Defined Benefit Pension Scheme (continued)

	31 December 2009 Rmillion	31 December 2008 Rmillion
Asset information		
Equities	**3 812**	3 542
Fixed interest bonds	**926**	751
Property	**106**	101
Cash	**1 364**	1 143
	6 208	5 537
Included in the assets of the scheme are ordinary shares held in Tongaat Hulett Limited, stated at fair value	**148**	95
Actual return on scheme assets	**839**	(527)
The principal actuarial assumptions are:		
Discount rate	**9,25%**	7,25%
Salary cost and pension increase	**6,25%**	4,25%
Expected rate of return on assets	**7,25%**	8,25%
Experience gains and (losses) on:		
Plan liabilities	**(106)**	(137)
Percentage of the present value of the plan liabilities	**2,2%**	3,1%
Plan assets	**444**	(1 047)
Percentage of plan assets	**7,2%**	(18,9%)
Estimated contributions payable in the next financial year	**93**	58

Basis used to determine the rate of return on assets
The expected rate of return on assets has been calculated using the discount rate at the beginning of the period, which corresponds to that used in the previous valuation. This is a reasonably conservative approach, adopted on the basis that the additional returns anticipated on certain other asset classes in which the Fund is invested (eg. equities) can only be achieved with increased risk.

Defined Contribution Pension and Provident Schemes
The latest audited financial statements of the defined contribution schemes including the scheme located in Swaziland reflect a satisfactory state of affairs. Contributions of R27 million were expensed during the period (31 December 2008 - R22 million).

Zimbabwe Pension Funds
The Zimbabwe operations' post-retirement provisions have been accounted for on consolidation, as reflected in note 27. The basis for determining the provisions has taken into account relevant assumptions which reflect the current situation in Zimbabwe, which is evolving.

32. RETIREMENT BENEFITS (continued)

Post-Retirement Medical Aid Benefits

In the South African operations, the obligation to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 30 June 1996. A number of pensioners and current employees remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. In Mozambique, Acucareira de Xinavane subsidises the medical contributions in respect of its pensioners. Included in the consolidated amounts for the current period are the post-retirement medical benefits for the Zimbabwe employees.

The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

	Consolidated		Company	
	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion
Amounts recognised in the statement of financial position:				
Present value of unfunded obligations	**346**	281	289	281
Unrecognised actuarial losses	**(42)**	(58)	(53)	(58)
Net liability	**304**	223	236	223
The liability is reconciled as follows:				
Net liability at beginning of period	**223**	209	223	209
Subsidiaries consolidated	**77**			
Currency alignment	**(17)**			
Net expense recognised in income statement	**46**	30	36	30
Contributions	**(25)**	(16)	(23)	(16)
Net liability at end of period	**304**	223	236	223
Amounts recognised in the income statement:				
Service costs	**6**	2	3	2
Interest costs	**33**	20	25	20
Net actuarial losses recognised	**7**	8	8	8
	46	30	36	30
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	7,25%	9,00%	7,25%
Mozambique	**11,0%**			
Zimbabwe	**15,0%**			
Health care cost inflation rate				
South Africa	**6,50%**	5,00%	6,50%	5,00%
Mozambique	**8,0%**			
Zimbabwe	**13,5%**			
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - effect on the aggregate of the service and interest costs	**2**	3	1	3
1% increase in trend rate - effect on the obligation	**41**	33	33	33
1% decrease in trend rate - effect on the aggregate of the service and interest costs	**1**	2		2
1% decrease in trend rate - effect on the obligation	**34**	28	27	28
Estimated contributions payable in the next financial year	**22**	18	20	18
Experience gains / (losses):				
On plan liabilities	**3**	(22)	(9)	(22)
Percentage of the present value of the plan liabilities	**0,9%**	(7,8%)	(3,1%)	(7,8%)

32. RETIREMENT BENEFITS (continued)

Retirement Gratuities

Tongaat Hulett has in the past made payments, on retirement, to eligible employees who have remained in service until retirement and have completed a minimum service period of ten years. The benefit is applicable to employees in the South African and Zimbabwean operations. The unfunded liability for retirement gratuities which is determined actuarially each year comprises:

	Consolidated		Company	
	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion
Amounts recognised in the statement of financial position:				
Present value of unfunded obligations	**155**	67	71	67
Unrecognised actuarial losses	**(10)**	(12)	(10)	(12)
Net liability	**145**	55	61	55
The liability is reconciled as follows:				
Net liability at beginning of period	**55**	51	55	51
Subsidiaries consolidated	**105**			
Currency alignment	**(23)**			
Net expense recognised in income statement	**16**	9	11	9
Payments made	**(8)**	(5)	(5)	(5)
Net liability at end of period	**145**	55	61	55
Amounts recognised in the income statement:				
Service costs	**7**	3	4	3
Interest costs	**7**	5	6	5
Net actuarial losses recognised	**2**	1	1	1
	16	9	11	9
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	7,25%	9,00%	7,25%
Zimbabwe	**15,0%**			
Salary inflation rate				
South Africa	**6,50%**	5,00%	6,50%	5,00%
Zimbabwe	**12,5%**			
Estimated contributions payable in the next financial year	**11**	5	4	5
Experience losses:				
On plan liabilities	**2**	9	2	9
Percentage of the present value of the plan liabilities	**1,3%**	13,4%	2,8%	13,4%

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000)

Directors' remuneration

Remuneration reported below is for the current 15 month period while the comparative is for a 12 month period.

The directors' remuneration for the **15 month period ended 31 March 2010** was as follows:

	Cash Package	Bonus	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	3 629	1 600	408	5 637
M H Munro	3 306	1 508	391	5 205
P H Staude	6 407	3 850	686	10 943
	13 342	6 958	1 485	21 785

Bonuses are reported to match the amount payable to the applicable financial period.

The directors' remuneration for the **12 months ended 31 December 2008** was as follows:

	Cash Package	Bonus	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	2 541	1 164	287	3 992
M H Munro	2 290	1 065	271	3 626
P H Staude	4 430	2 746	474	7 650
	9 261	4 975	1 032	15 268

Bonuses are reported to match the amount payable to the applicable financial period.

Share incentive gains on awards exercised and settled

	15 months to 31 March 2010	12 months to 31 December 2008
Executive directors:		
B G Dunlop	3 314	710
M H Munro	768	563
P H Staude	5 132	1 789
	9 214	3 062

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000) (continued)

Directors' remuneration (continued)

	15 months to 31 March 2010			12 months to 31 December 2008		
	Fees	**Other**	**Total**	Fees	Other	Total
Non-executive directors:						
P M Baum (to 17 August 2009)	**114**	**46**	**160**	163	65	228
E le R Bradley (to 29 April 2009)	**61**	**84**	**145**	163	228	391
F Jakoet	**227**	**143**	**370**	41		41
J John	**227**	**197**	**424**	163	82	245
R P Kupara (from 8 October 2009)	**87**		**87**			
J B Magwaza	**601**	**64**	**665**	163		163
A A Maleiane (from 23 November 2009)	**65**		**65**			
T V Maphai	**227**		**227**	41		41
M Mia	**227**	**322**	**549**	163	277	440
N Mjoli-Mncube	**227**	**191**	**418**	41		41
T H Nyasulu	**227**		**227**	163		163
C M L Savage (to 29 April 2009)	**197**	**24**	**221**	550	65	615
C B Sibisi	**227**	**64**	**291**	163		163
R H J Stevens	**227**	**6**	**233**	163	40	203
J G Williams (to 17 August 2009)	**114**		**114**	163		163
	3 055	**1 141**	**4 196**	2 140	757	2 897

Declaration of full disclosure

Other than that disclosed above, no consideration was paid to, or by any third party, or by the company itself, in respect of services of the company's directors, as directors of the company, during the period ended 31 March 2010.

Interest of directors of the company in share capital

The aggregate holdings as at 31 March 2010 of those directors of the company holding issued ordinary shares of the company are detailed below. Holdings are beneficial except where indicated otherwise.

	31 March 2010		31 December 2008	
	Direct shares	**Indirect shares**	Direct shares	Indirect shares
Executive directors:				
B G Dunlop	**46 145**		17 384	
M H Munro	**32 320**		19 063	
P H Staude	**132 606**		78 391	
	211 071		114 838	
Non-executive directors:				
J B Magwaza	**11 901**		5 501	
T V Maphai	**600**			
R H J Stevens	**590**		590	
Directors who retired/resigned during the period			22 923	177 487
	13 091		29 014	177 487

34. EMPLOYEE SHARE INCENTIVE SCHEMES

The adoption of IFRS 2 Share-based Payment (IFRS 2) in 2005 required that all awards made after 7 November 2002 be accounted for in the financial statements of the company. IFRS 2 has therefore been applied to The Tongaat-Hulett Group Limited 2001 Share Option Scheme in respect of the awards made on 14 April 2003, 1 October 2003 and 21 April 2004 and to the new share incentive scheme comprising the Share Appreciation Right Scheme 2005 (SARS), the Long Term Incentive Plan 2005 (LTIP) and the Deferred Bonus Plan 2005 (DBP).

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

As a result of the unbundling of Hulamin, participants in these share schemes who had not exercised their rights at the unbundling date converted their existing Tongaat-Hulett Group Limited instruments into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as detailed in the 2007 Annual Report. The obligation to settle these share schemes is in accordance with the following principles, which are in accordance with the Unbundling Agreement. Tongaat Hulett is obliged to settle all benefits under these share schemes for its own employees only, using Tongaat Hulett shares. It will settle the outstanding share scheme instruments that arise after the award adjustments for its own employees, by purchasing Tongaat Hulett shares in the market, or by issuing Tongaat Hulett shares. The benefit for the Hulamin component will be determined with reference to the Hulamin share price and the Tongaat Hulett component with respect to the Tongaat Hulett share price. Benefits arising from the Hulamin component will be settled using Tongaat Hulett shares.

The Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme (the Original Share Option Schemes)

Under the original share option schemes participating employees were awarded share options in the company. On vesting the employee is entitled to purchase shares in the company and immediately sell the shares at the market price, thereby benefiting from the appreciation in the share price.

The option price and number of unexercised options after the unbundling of Hulamin were apportioned into a Tongaat Hulett component (Tongaat Hulett) and a Hulamin component (Hulamin), as detailed in the 2007 Annual Report.

Expiring ten years from	Option price (Rand) Apportioned		Number of options at 31 December 2008		Options exercised 2009/10		Options forfeited 2009/10		Number of options at 31 March 2010	
	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
5 March 1999	25,13	7,77	28 300	114 445	21 700	107 845	6 600	6 600		
7 May 1999	30,63	9,47	88 000	88 000	85 700	85 700	2 300	2 300		
19 May 2000	22,91	7,09	17 100	17 100	16 100	14 600			1 000	2 500
12 January 2001	30,44	9,41	20 300	20 300	12 100	10 500			8 200	9 800
16 May 2001	30,55	9,45	129 000	134 700	47 100	37 000			81 900	97 700
15 August 2001	32,08	9,92	3 500	3 500					3 500	3 500
13 May 2002	37,88	11,72	172 800	191 200	44 300	14 000			128 500	177 200
14 April 2003	24,37	7,53	182 590	165 050	52 990	15 350			129 600	149 700
1 October 2003	26,35	8,15	30 000	30 000					30 000	30 000
21 April 2004	35,90	11,10	428 000	425 600	143 200	24 400			284 800	401 200
			1 099 590	1 189 895	423 190	309 395	8 900	8 900	667 500	871 600

The weighted average fair value costing of the combined Tongaat Hulett and Hulamin components of the outstanding share options granted in 2003 and 2004, determined using the binomial tree valuation model, was R11,14 per share and R16,06 per share respectively (31 December 2008 - R11,14 and R16,06).

No awards have been made since 21 April 2004 under the original share option schemes, which were replaced by share schemes based on equity-settled share appreciation rights, conditional shares and a deferred annual bonus plan.

The significant inputs into the model for the 2003/4 awards of the original share option schemes were:

Exercise price	The exercise price is the share price at grant date as noted above, allocated between Tongaat Hulett and Hulamin.
Expected option life	114 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	9,84%
Expected volatility	Expected volatility of 35% is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share option did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 3,9% was used.
Weighted average share price	Tongaat Hulett component: R32,85 (31 December 2008 - R32,39) and Hulamin component R10,29 (31 December 2008 - R9,91).
Expected early exercise	Early exercise is taken into account on an expectation basis.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Weighted average remaining life:	
- Expected	34 months (31 December 2008 - 44 months).
- Contractual	120 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

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

Share Appreciation Right Scheme 2005

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, less income tax payable on such difference. The employee therefore participates in the after tax share price appreciation in the company. The vesting of the right is conditional on the achievement of Tongaat Hulett performance levels over a performance period.

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

Expiring seven years from	Grant price (Rand) Apportioned Tongaat Hulett	Hulamin	Number of rights at 31 December 2008 Tongaat Hulett	Hulamin	Rights granted in 2009/10 Tongaat Hulett	Rights exercised in 2009/10 Tongaat Hulett	Hulamin	Rights forfeited in 2009/10 Tongaat Hulett	Hulamin	Number of rights at 31 March 2010 Tongaat Hulett	Hulamin
10 May 2005	43,98	13,60	670 910	652 734		192 343		2 135	6 659	476 432	646 075
22 April 2006	73,39	22,70	820 166	829 956		134 244		8 252	17 108	677 670	812 848
20 August 2007	88,84		1 176 206			22 287		31 890		1 122 029	
25 April 2008	92,74		1 290 802					31 929		1 258 873	
22 May 2009	75,06				1 558 579					1 558 579	
			3 958 084	1 482 690	1 558 579	348 874		74 206	23 767	5 093 583	1 458 923

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

Exercise price	The share price at grant date, as noted above.
Expected option life	80 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2009 award : 7,66% (2008 award: 8,75%, 2007 award: 8,19%, 2006 award: 7,22%, 2005 award: 8,09%).
Expected volatility	Expected volatility of 28% (2008 and 2007: 27% and 2006 and 2005: 35%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share appreciation rights did not take into account dividends as no dividend payment was expected. A continuous dividend yield of 3,5% was used for the 2009 award (2008 and 2007 awards: 3,44%, 2006 award: 4,00%, 2005 award: 3,92%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	An increase in headline earnings per ordinary share as determined by the Remuneration Committee. Retesting of the performance condition is allowed.
Non-market performance conditions	Growth in headline earnings per share.
Market performance conditions	No market conditions.
Estimated fair value per right at grant date	2009 award : R12,54 (2008 award: R16,93, 2007 award: R15,97, the combined Tongaat Hulett and Hulamin components: 2006 award: R18,11 and 2005 award: R13,88).
Weighted average remaining life:	
- Expected	2009 award: 74 months (2008 award: 61 months, 2007 award: 53 months, 2006 award: 37 months and 2005 award: 25 months).
- Contractual	84 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

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

Long Term Incentive Plan 2005

Under the long term incentive plan, participating employees are granted conditional awards. These awards are converted into shares on the achievement of performance conditions over a performance period.

The issue price and number of unexercised conditional awards after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

Expiring three years from	Issue price (Rand) Apportioned Tongaat Hulett	Issue price (Rand) Apportioned Hulamin	Number of conditional awards at 31 December 2008 Tongaat Hulett	Number of conditional awards at 31 December 2008 Hulamin	Conditional awards granted in 2009/10 in Tongaat Hulett	Number of conditional awards settled in 2009/10 Tongaat Hulett	Number of conditional awards settled in 2009/10 Hulamin	Number of conditional awards forfeited in 2009/10 Tongaat Hulett	Number of conditional awards forfeited in 2009/10 Hulamin	Number of conditional awards at 31 March 2010 Tongaat Hulett
22 April 2006	73,39	22,70	77 365	77 365		76 163	76 163	1 202	1 202	
20 August 2007	88,84		126 353					6 477		119 876
25 April 2008	92,74		122 904					5 421		117 483
22 May 2009	75,06				151 739					151 739
			326 622	77 365	151 739	76 163	76 163	13 100	1 202	389 098

The estimated fair value costing of these outstanding conditional share awards was determined using the Monte Carlo Simulation model and non-market performance conditions, based on the following significant inputs:

Exercise price	The share price at grant date as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2009 award: 5,77% (2008 award: 9,22%, 2007 award: 8,81% and 2006 award: 7,01%).
Expected volatility	Expected volatility of 26,73% for the 2009 award (2008 award: 23,46%, 2007 award: 24,49% and 2006 award: 25,60%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the conditional share awards did not take into account dividends as no dividend payment was expected. A continuous dividend yield of 3,50% was used for the 2009 award (2008 award: 3,56%, 2007 award: 3,50% and 2006 award: 3,92%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	50% of the LTIP award will be subject to the TSR condition and 50% will be subject to the ROCE condition. No retesting of the performance condition is allowed.
Non-market performance conditions	Return on capital employed (ROCE).
Market performance conditions	Total shareholder return (TSR).
Estimated fair value per conditional award at grant date	2009 award: R40,76 (2008 award: R56,82, 2007 award: R46,28 and the combined Tongaat Hulett and Hulamin components: 2006 award: R39,78).
Weighted average remaining life:	
- Expected	2009 award: 26 months (2008 award: 13 months and 2007 award: 5 months).
- Contractual	36 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

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

Deferred Bonus Plan 2005

Under the deferred bonus plan, participating employees purchase shares in the company with a portion of their after tax bonus. These pledged shares are held in trust by a third party administrator for a qualifying period, after which the company awards the employee a number of shares in the company which matches those pledged shares released from the trust.

Expiring three years from	Issue price Rand	Number of conditional awards at 31 Dec 2008	Conditional awards granted in 2009/10	Conditional awards settled in 2009/10	Number of conditional awards at 31 March 2010
2 March 2007	90,27	21 537		21 537	
1 March 2008	88,75	28 936			28 936
2 March 2009	74,72		46 586		46 586
3 March 2010	97,32		39 651		39 651
		50 473	86 237	21 537	115 173

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

Share price at grant date	The price at which the deferred bonus share is issued, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	Not applicable.
Expected volatility	Not applicable.
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected.
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Estimated fair value per deferred bonus share at grant date	2010 award: R78,34 and 2009 award: R60,69 (2008 award: R71,33 and 2007 award: R67,53).
Weighted average remaining life:	
- Expected	2010 award: 35 months and 2009 award: 23 months (2008 award: 11 months and 2007 award: 4 months).
- Contractual	36 months.

The deferred bonus shares were purchased by the participating employees on 2 March 2009 in respect of the 2009 award and on 3 March 2010 in respect of the 2010 award (2008 award: purchased 1 March 2008 and 2007 award: purchased 3 August 2007).

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments

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

The Original Share Option Schemes

The option price and number of unexercised options after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

		Option price (Rand) Apportioned		Number of options at 31 December 2008		Options exercised in 2009/10		Number of options at 31 March 2010	
Name	Expiring ten years from	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
Executive directors:									
B G Dunlop	21 April 2004	35,90	11,10	1 100	1 100	1 100			1 100
M H Munro	14 April 2003	24,37	7,53	4 900	4 900			4 900	4 900
	1 October 2003	26,35	8,15	30 000	30 000			30 000	30 000
	21 April 2004	35,90	11,10	32 000	32 000			32 000	32 000
				66 900	66 900			66 900	66 900
P H Staude	13 May 2002	37,88	11,72	17 000	17 000	17 000			17 000
	21 April 2004	35,90	11,10	28 000	28 000	28 000			28 000
				45 000	45 000	45 000			45 000
Non-executive director: *									
J B Magwaza	19 May 2000	22,91	7,09	2 000	2 000	2 000	2 000		
	12 January 2001	30,44	9,41	1 600	1 600	1 600			1 600
	16 May 2001	30,55	9,45	6 000	6 000	6 000			6 000
	13 May 2002	37,88	11,72	6 000	6 000	6 000			6 000
				15 600	15 600	15 600	2 000		13 600
Total				128 600	128 600	61 700	2 000	66 900	126 600

* The non-executive director's share options were awarded when he was an executive director more than seven years ago.

80 000 Tongaat Hulett options and 140 000 Hulamin options relating to a director who retired during the year are excluded from the opening balance.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Share Appreciation Right Scheme 2005

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

Name of executive director	Expiring seven years from	Grant price (Rand) Apportioned Tongaat Hulett	Grant price (Rand) Apportioned Hulamin	Number of rights at 31 December 2008 Tongaat Hulett	Number of rights at 31 December 2008 Hulamin	Rights granted in 2009/10 Tongaat Hulett	Rights exercised in 2009/10 Tongaat Hulett	Rights exercised in 2009/10 Hulamin	Number of rights at 31 March 2010 Tongaat Hulett	Number of rights at 31 March 2010 Hulamin	Rights time constrained Tongaat Hulett
B G Dunlop	10 May 2005	43,98	13,60	40 597	40 597		40 597			40 597	
	22 April 2006	73,39	22,70	23 737	23 737				23 737	23 737	
	20 August 2007	88,84		25 382					25 382		25 382
	25 April 2008	92,74		27 276					27 276		27 276
	22 May 2009	75,06				32 736			32 736		32 736
				116 992	64 334	32 736	40 597		109 131	64 334	85 394
M H Munro	10 May 2005	43,98	13,60	21 185	21 185				21 185	21 185	
	22 April 2006	73,39	22,70	20 472	20 472				20 472	20 472	
	20 August 2007	88,84		23 830					23 830		23 830
	25 April 2008	92,74		25 807					25 807		25 807
	22 May 2009	75,06				30 857			30 857		30 857
				91 294	41 657	30 857			122 151	41 657	80 494
P H Staude	10 May 2005	43,98	13,60	92 810	92 810				92 810	92 810	
	22 April 2006	73,39	22,70	62 082	62 082				62 082	62 082	
	20 August 2007	88,84		71 073					71 073		71 073
	25 April 2008	92,74		75 720					75 720		75 720
	22 May 2009	75,06				91 120			91 120		91 120
				301 685	154 892	91 120			392 805	154 892	237 913

Long Term Incentive Plan 2005

The issue price and number of unexercised conditional awards after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

Name of executive director	Expiring three years from	Issue price (Rand) Apportioned Tongaat Hulett	Issue price (Rand) Apportioned Hulamin	Number of conditional awards at 31 December 2008 Tongaat Hulett	Number of conditional awards at 31 December 2008 Hulamin	Conditional awards granted in 2009/10 Tongaat Hulett	Conditional awards settled in 2009/10 Tongaat Hulett	Conditional awards settled in 2009/10 Hulamin	Number of conditional awards at 31 March 2010 Tongaat Hulett	Number of conditional awards at 31 March 2010 Hulamin	Conditional awards time constrained Tongaat Hulett
B G Dunlop	22 April 2006	73,39	22,70	6 283	6 283		6 283	6 283			
	20 August 2007	88,84		8 503					8 503		8 503
	25 April 2008	92,74		7 592					7 592		7 592
	22 May 2008	75,06				9 421			9 421		9 421
				22 378	6 283	9 421	6 283	6 283	25 516		25 516
M H Munro	22 April 2006	73,39	22,70	5 419	5 419		5 419	5 419			
	20 August 2007	88,84		7 991					7 991		7 991
	25 April 2008	92,74		7 181					7 181		7 181
	22 May 2009	75,06				8 880			8 880		8 880
				20 591	5 419	8 880	5 419	5 419	24 052		24 052
P H Staude	22 April 2006	73,39	22,70	16 431	16 431		16 431	16 431			
	20 August 2007	88,84		23 834					23 834		23 834
	25 April 2008	92,74		21 142					21 142		21 142
	22 May 2008	75,06				26 316			26 316		26 316
				61407	16 431	26 316	16 431	16 431	71 292		71 292

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Deferred Bonus Plan 2005

Name of executive director	Expiring three years from	Issue price (Rand)	Number of conditional awards at 31 Dec 2008	Conditional awards granted in 2009/10	Conditional awards delivered in 2009/10	Number of conditional awards at 31 March 2010	Conditional awards time constrained
B G Dunlop	2 March 2007	90,27	3 357		3 357		
	1 March 2008	88,75	2 730			2 730	2 730
	2 March 2009	74,72		4 620		4 620	4 620
	3 March 2010	97,32		3 838		3 838	3 838
			6 087	8 458	3 357	11 188	11 188
M H Munro	2 March 2007	90,27	2 887		2 887		
	1 March 2008	88,75	3 337			3 337	3 337
	2 March 2009	74,72		4 227		4 227	4 227
	3 March 2010	97,32		3 609		3 609	3 609
			6 224	7 836	2 887	11 173	11 173
P H Staude	2 March 2007	90,27	7 711		7 711		
	1 March 2008	88,75	11 219			11 219	11 219
	2 March 2009	74,72		14 171		14 171	14 171
	3 March 2010	97,32		11 959		11 959	11 959
			18 930	26 130	7 711	37 349	37 349

The deferred bonus shares were purchased by the participating employees on 2 March 2009 in respect of the 2009 award and on 3 March 2010 in respect of the 2010 award (2008 award: purchased 1 March 2008 and 2007 award: purchased 3 August 2007).

The share awards were made and exercised at various times and the average share price for the period was R87,65 (31 December 2008 : R77,80).

The gains made by directors are reflected in note 33 under Directors' Emoluments and Interests.

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP).

The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components, namely a share appreciation right scheme and a share grant scheme.

The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. Tongaat Hulett Limited and its subsidiaries have made contributions to the MSOP Trust and the ESOP Trust (refer to note 3). Due to these shares having specific repurchase rights at maturity (five years from grant date), they are a separate class of restricted shares which, other than for the repurchase terms, rank paripassu with ordinary shares and become ordinary shares on repurchase.

The number of shares repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to :

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

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price which will be equal to the grant price plus the aggregate of all cash dividends received (in the instance of the ESOP) and the market value at maturity of the scheme. The employees therefore participate in the share price appreciation in Tongaat Hulett. Under the share grant scheme, participating employees were granted the right to obtain ordinary shares in Tongaat Hulett on vesting. The value of both the MSOP share appreciation scheme and the MSOP share grant scheme are capped at a level of 10% compounded growth per year.

Employee Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	28,90	5 422 829	3 913 575		363 620	3 549 955
1 February 2008	18,38		181 740		17 020	164 720
1 August 2008	17,92		208 350		11 000	197 350
1 February 2009	13,44			167 640	10 840	156 800
1 August 2009	26,88			115 475	4 820	110 655
1 February 2010	24,67			115 270		115 270
		5 422 829	4 303 665	398 385	407 300	4 294 750

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS continued

Management Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	19,80	3 296 657	1 453 580		98 730	1 354 850
1 February 2008	13,93		167 710		4 170	163 540
1 August 2008	14,79		176 460		9 740	166 720
1 February 2009	10,56			96 110	14 250	81 860
1 August 2009	24,83			72 920	4 540	68 380
1 February 2010	25,14			108 470		108 470
		3 296 657	1 797 750	277 500	131 430	1 943 820

Management Share Ownership Plan - Share Grant Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	64,00	1 021 422	450 070		30 570	419 500
1 February 2008	54,37		51 950		1 290	50 660
1 August 2008	57,39		54 620		3 010	51 610
1 February 2009	52,47			29 740	4 420	25 320
1 August 2009	79,10			22 560	1 400	21 160
1 February 2010	82,61			33 580		33 580
		1 021 422	556 640	85 880	40 690	601 830

The estimated fair value costing of these share appreciation rights and share grant rights was determined using option pricing methodology, based on the following significant inputs:

Fixed share price at grant dates	R92,90
Expected option life	57 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	1 February 2009 award: 7,96%, 1 August 2009 award: 7,97% and 1 February 2010 award: 7,57% (1 August 2008 award: 10,06%, 1 February 2008 award: 9,62% and 1 August 2007 award: 8,45%).
Expected volatility	The weighted average expected volatility is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years. 1 February 2009 award: 34,45%, 1 August 2009 award: 29,19% and 1 February 2010 award: 29,47% (1 August 2008 award: 28,14%, 1 February 2008 award: 28,25% and 1 August 2007 award: 27,00%)
Dividend yield	The dividend yield on valuation date is based on broker forecasts from the financial information vendor, McGregor BFA. 1 February 2009 award: 4,96%, 1 August 2009 award: 3,77% and 1 February 2010 award: 3,93% (1 August 2008 award: 4,84%, 1 February 2008 award: 4,88% and 1 August 2007 award: 4,60%)
Expected early exercise	Not applicable.
Time constraints	Five years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.

Employee Share Ownership Plan - Share appreciation right scheme

Exercise price	R92,90 plus cash dividends to be received over the life of the scheme.
Expected dividends	A weighted average dividend yield was used.

Management Share Ownership Plan - Share appreciation right scheme

Exercise price	R74,32.
Expected dividends	Nil.

Management Share Ownership Plan - Share grant scheme

Exercise price	Nil.
Expected dividends	Nil.