TONGAAT-HULETT
AUDITED GROUP RESULTS FOR YEAR ENDED 31 DECEMBER 2006

- Revenue of R7,8 billion (2005: R6,9 billion)
- Operating profit of R1,02 billion (2005: R730 million)
- Headline earnings of R703 million (2005: R466 million)
- Annual dividend of 550 cents per share (2005: 400 cents per share)
- Unbundling and listing of Hulett Aluminium
- BEE equity participation in Tongaat-Hulett and Hulett Aluminium

COMMENTARY

Headline earnings increased by 51% to R703 million in 2006, compared to R466 million in 2005. This increase was due to a 40% growth in operating profit to R1,02 billion (2005: R730 million), a reduction in finance costs and an improvement in the result from the Xinavane mill, in Mozambique, which is equity accounted as an associate.

Tongaat-Hulett Sugar's operating profit increased by 42% to R356 million (2005: R251 million), including dividends from Triangle Sugar in Zimbabwe. An increase in domestic and export realisations more than offset lower sales volumes. In South Africa, domestic sales were 469 264 tons (2005: 474 387 tons) with raw sugar export volumes at 316 104 tons (2005: 386 876 tons) as a consequence of lower production. The 2006 South African crop was the second lowest in 10 years, mainly due to adverse growing conditions impacting on cane yields and quality. This resulted in utilisation of 72% of installed cane crushing capacity. The 2006 results include an effective world sugar price for exports of 12,8 US cents per pound at an average R6,56/US dollar (2005: 9,0 US cents per pound at R6,58/US dollar). The drive to reduce costs and the focus on additional cane supplies continue. Dividends of R61 million (2005: R19 million) were received from Triangle Sugar in Zimbabwe.

Total sugar production in 2006 was 1,067 million tons, which was 8% below the 1,160 million tons produced in 2005. Production in South Africa was 666 000 tons (2005: 753 000 tons). In Swaziland, Tambankulu Estates produced the raw sugar equivalent of 55 000 tons (2005: 56 000 tons). Triangle's sugar production increased 1,7% to 240 000 tons despite the difficulties of operating in Zimbabwe. In Mozambique sugar production at Xinavane increased to 65 000 tons (2005: 61 000 tons) while Mafambisse decreased to 41 000 tons (2005: 54 000 tons) due to extreme drought conditions placing pressure on irrigation.

Tongaat-Hulett is well positioned to take advantage of being a low cost sugar producer with preferential market access and to benefit from the global drive to renewable energy through bio-fuels and electricity cogeneration. The imminent R1,3 billion expansion of the Mozambique operations and the recent completion of the Muda dam near Mafambisse are indicative of Tongaat-Hulett being poised to capitalise on growth opportunities. The recent acquisition of 50,35% of Hippo Valley

Estates increases the ability to capitalise on the synergies with Triangle Sugar, particularly when the socio-economic environment in Zimbabwe improves.

African Products' operating profit reduced to R96 million in 2006 (2005: R112 million) under difficult trading conditions. Starch and glucose selling prices were under pressure from imports and maize input costs were higher, resulting in depressed trading margins. Maize costs rose towards import parity levels as a result of the smaller 2005/6 crop. Sales volumes in the domestic market increased by 3,7% with growth in excess of 13,5% being achieved in value added spray dried glucose. Overhead cost increases were contained to levels below inflation for the third consecutive year, as the benefits of the organisational restructuring process were achieved. World starch and glucose markets saw significant changes in the last quarter of 2006 with international prices increasing by over 30% in certain instances driven by a 60% increase in world corn prices. The effect of these changes combined with a move in the South African 2006/7 season maize price towards export parity levels should benefit African Products during the second half of 2007. African Products has priced 35% of its maize requirements for 2007, following its back-to-back pricing model.

Moreland achieved operating profit of R325 million (2005: R231 million) which was an increase of 41%. Tongaat-Hulett's prime land, the well-established property development platform and continuing solid market demand are being capitalised upon. Significant contributions were achieved from the commercial, industrial and resorts portfolios, including RiverHorse Valley Business Estate, Umhlanga Ridge Town Centre, the Marriott International 5-star Hotel site in the Umhlanga Triangle and Zimbali Coastal Resort. Development approvals have been secured for Izinga and Kindlewood residential developments. Other new phases and developments likely to be launched in 2007 include Zimbali Lakes, Sibaya at Umdloti, Umhlanga Triangle Ridgeside commercial precincts, Umhlanga Ridge Town Centre residential precincts, Bridge City, Kindlewood at Mt Edgecombe South and Shongweni.

Hulett Aluminium grew its operating profit by 32% to R422 million (2005: R319 million), with the Group's share being 50% thereof. Sales revenue exceeded R5 billion for the first time. Sales volume growth continued and record annual rolled products sales of 183 000 tons (2005: 173 000 tons) were achieved. Local market sales of both extrusions and rolled products grew firmly, with increases of 15% and 11% respectively. Strong sales into the distributor, automotive and transport sectors were achieved. The higher LME price of aluminium continued throughout 2006, resulting in reductions in rolling margins while benefits accrued from the metal price lag effect on cost of sales. Manufacturing costs increased due to sharp rises in metal and energy costs, and from spot purchases of LP Gas during the SAPREF supply disruptions, which also had a significant negative impact on volumes in 2006. Benefits are expected in 2007 from further volume growth, improved product mix and cost controlling actions. In October 2006, a R950 million rolled products expansion project was approved, to grow annual capacity to 250 000 tons and increase output of high margin products, including light gauge foil and heat-treated plate. Project contracts totalling R63 million have been concluded.

The Board has declared a final dividend of 350 cents per share, which brings the total annual dividend to 550 cents per share (2005: 400 cents per share).

OUTLOOK

A detailed cautionary announcement was made on 14 December 2006, which provided the proposed transaction framework to further enhance shareholder value, leading towards the creation in 2007 of two separately listed, focused companies:

- Tongaat-Hulett, an agri-processing business which includes integrated components of land management, property development and agriculture; and
- Hulett Aluminium (Hulamin), an independent niche producer of aluminium rolled, extruded and other semi-fabricated and finished products.

This will be achieved by the listing of Hulamin on the JSE followed immediately by the unbundling of Hulamin by Tongaat-Hulett to its shareholders. It will be accompanied by the simultaneous introduction of broad based Black Economic Empowerment (BEE) equity participation in both Tongaat-Hulett and Hulamin. The capital structures of both businesses will be optimised, including facilitating the BEE equity participation, a R500 million share buy-back and retaining the balance sheet capacity to take advantage of growth opportunities.

These transactions will have a considerable impact on the headline earnings to be reported in 2007. Once the requisite agreements have been signed, the financial effects have been finalised and the date of unbundling and listing Hulamin established, a final announcement will be made and the circular and pre-listing documents posted to shareholders, which is anticipated to be in May 2007.

The fundamental profit drivers remain in place in both Tongaat-Hulett and Hulamin. Profit from operations of both these entities is expected to grow in the year ahead.

For and on behalf of the Board

C M L Savage	**P H Staude**
Chairman	Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

16 February 2007

THE TONGAAT-HULETT GROUP LIMITED

Registration No. 1892/000610/06 Share code TNT Issuer code THGL ISIN ZAE000007449

Audited Group Results and Final Dividend Declaration

for the year ended 31 December 2006

Income Statement

Rmillion	Note	2006	2005
Revenue		**7 848**	6 926
Operating profit	1	**1 020**	730
Share of associate company's loss		**(4)**	(25)
Net financing costs	2	**(23)**	(60)
Profit before tax		**993**	645
Tax	3	**(269)**	(162)
Net profit		**724**	483
Attributable to:			
Shareholders		**723**	472
Minority interest		**1**	11
		724	483
Headline earnings attributable to shareholders		**703**	466
Earnings per share (cents)			
Net profit per share			
Basic		**685.3**	458.2
Diluted		**667.8**	447.2
Headline earnings per share			
Basic		**666.4**	452.4
Diluted		**649.4**	441.5
Annual dividend per share (cents)		**550.0**	400.0
Interim paid		**200.0**	120.0
Final proposed		**350.0**	280.0
Currency conversion			
Rand/US dollar average		**6.77**	6.37
Rand/US dollar closing		**7.00**	6.35
Rand/GB pound closing		**13.73**	10.92

Balance Sheet

Rmillion	**2006**	2005
ASSETS		
Non-current assets		
Property, plant and equipment	**4 270**	4 093
Growing crops	**212**	182
Long-term receivable	**203**	203
Goodwill	**21**	21
Intangible assets	**14**	12
Investments	**320**	57
	5 040	4 568
Current assets	**4 016**	3 360
Inventories	**1 595**	1 456
Trade and other receivables	**1 879**	1 337
Derivative instruments	**33**	41
Cash and cash equivalents	**509**	526
TOTAL ASSETS	**9 056**	7 928
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**107**	104
Share premium	**932**	821
Retained income	**3 868**	3 651
Other reserves	**50**	37
Shareholders' interest	**4 957**	4 613
Minority interests in subsidiaries	**76**	75
Equity	**5 033**	4 688
Non-current liabilities	**1 401**	1 357
Deferred tax	**1 055**	936
Long-term borrowings	**49**	138
Provisions	**297**	283
Current liabilities	**2 622**	1 883
Trade and other payables (note 7)	**1 388**	1 119
Short-term borrowings	**1 174**	702
Derivative instruments	**16**	18
Tax	**44**	44
TOTAL EQUITY AND LIABILITIES	**9 056**	7 928
Number of shares (000)		
– in issue	**106 591**	103 896
– weighted average (basic)	**105 497**	103 018
– weighted average (diluted)	**108 261**	105 552
Debt to equity	**24.3%**	17.9%
Net debt to equity	**14.2%**	6.7%

Cash Flow Statement

Rmillion	**2006**	2005
Operating profit	**1 020**	730
Net financing costs	**(23)**	(60)
Profit on disposal of property, plant and equipment	**(45)**	(19)
Non-cash items:		
Depreciation	**272**	265
Other non-cash items	**(59)**	19
Tax payments	**(152)**	(38)
Change in working capital	**(407)**	(109)
Cash flow from operating activities	**606**	788
Expenditure on property, plant and equipment:		
New	**(281)**	(169)
Replacement	**(163)**	(101)
Major plant overhaul costs capitalised	**(38)**	(35)
Expenditure on intangible assets	**(3)**	(4)
Growing crops disposals	**7**	5
Proceeds on disposal of property, plant and equipment	**78**	42
Investments - shares in Hippo Valley Estates	**(254)**	
Investments - unlisted	**(3)**	(72)
Net cash flow before dividends and financing activities	**(51)**	454
Dividends paid	**(506)**	(247)
Net cash flow before financing activities	**(557)**	207
Borrowings raised/(repaid)	**358**	(558)
Hedges of foreign loans	**19**	(2)
Shares issued	**106**	62
Net decrease in cash and cash equivalents	**(74)**	(291)
Balance at beginning of year	**526**	803
Exchange rate translation gain	**57**	14
Cash and cash equivalents at end of year	**509**	526

Statement of Changes in Equity

Rmillion	**2006**	2005
Balance at beginning of year	**4 613**	4 342
Net profit	**723**	472
Dividends paid	**(506)**	(247)
Share capital issued	**106**	62
Share-based payment reserve	**22**	17
Hedge reserve released to income statement	**(9)**	(4)
Gain from cash flow hedges	**8**	9
Foreign currency translation		(31)
Share of associate's movement in currency translation reserve		(7)
Shareholders' interest	**4 957**	4 613
Minority interests in subsidiaries	**76**	75
Balance at beginning of year	**75**	71
Share of profit	**1**	11
Foreign currency translation		(7)
Equity	**5 033**	4 688

Headline Earnings

Rmillion	**2006**	2005
Profit attributable to shareholders	**723**	472
Less after tax effect of:		
Surplus on disposal of property, plant and equipment	**(21)**	(8)
Estate closure costs	**1**	2
Headline earnings	**703**	466
Headline earnings per share		
Basic	**666.4**	452.4
Diluted	**649.4**	441.5

SEGMENTAL ANALYSIS

Rmillion	Revenue	Operating Profit	Total Assets	Total Liabilities	Capital Employed	Capital Expenditure	Depreciation
2006							
African Products	1 316	96	1 530	250	1 280	101	89
Hulett Aluminium (50%)	2 738	211	3 081	613	2 608	117	86
Moreland	598	325	1 199	368	838	2	1
Tongaat-Hulett Sugar	3 196	295	2 733	379	2 376	262	96
Triangle dividend		61					
Corporate		(51)	513	1 314	506		
Exchange rate translation gain		57					
Exceptional items		26					
Group total	7 848	1 020	9 056	2 924	7 608	482	272
2005							
African Products	1 293	112	1 558	224	1 333	58	88
Hulett Aluminium (50%)	2 081	159	2 695	564	2 403	69	89
Moreland	459	231	645	287	383		
Tongaat-Hulett Sugar	3 093	232	2 423	355	2 061	177	88
Triangle dividend		19					
Corporate		(44)	607	830	567	1	
Exchange rate translation gain		14					
Exceptional items		7					
Group total	6 926	730	7 928	2 260	6 747	305	265

Notes

Rmillion	**2006**	2005
1. Operating profit		

Operating profit includes results of operations, Triangle dividends, restructure costs, valuation adjustments and exceptional items.

Rmillion	**2006**	2005
2. Net financing costs		
Interest paid	**(149)**	(131)
Financial instrument income	**104**	33
Interest received	**22**	38
	(23)	(60)
3. Tax		
Normal	**(88)**	(51)
Deferred	**(118)**	(113)
Rate change adjustment (deferred)		28
Secondary tax on companies	**(63)**	(26)
	(269)	(162)
4. Capital expenditure commitments		
Contracted	**169**	112
Approved but not contracted	**640**	187
	809	299
5. Operating lease commitments	**45**	39
6. Guarantees and contingent liabilities	**79**	44

7. Trade and other payables

Included in trade and other payables is the maize obligation (interest bearing) of R130 million (2005: R110 million).

8. Audited results

The Group financial statements for the year ended 31 December 2006 have been audited by Deloitte & Touche. Their unqualified audit opinion is available for inspection at the registered office of the company.

9. Basis of preparation

The audited Group financial statements for the year ended 31 December 2006 have been prepared in accordance with the Group's accounting policies which fully comply with International Financial Reporting Standards and are consistent with those applied in the previous year. The Group continues to account for its Zimbabwean operations, including Triangle Sugar, on a dividend received basis.

DIVIDEND DECLARATION

Notice is hereby given that the Board has declared a final dividend (number 159) of 350 cents per share for the year ended 31 December 2006 to shareholders recorded in the register at the close of business on Friday 16 March 2007.

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 March 2007
Ordinary shares trade "EX" dividend	Monday	12 March 2007
Record date	Friday	16 March 2007
Payment date	Thursday	22 March 2007

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 12 March 2007 and Friday 16 March 2007, 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 March 2007.

For and on behalf of the Board

M M L Mokoka
Group Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

16 February 2007