TONGAAT HULETT
AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2018

- Revenue of R16,982 billion (2017: R17,915 billion) -5,2%
- Operating profit of R1,958 billion (2017: R2,333 billion) -16,1%
- Headline earnings of R617 million (2017: R982 million) -37,2%
- Operating cash flow (after working capital) of R2,275 billion (2017: R3,176 billion) -28,4%
- Annual dividend of 160 cents per share (2017: 300 cents per share)

COMMENTARY

Tongaat Hulett's operating profit for the year ended 31 March 2018 totalled R1,958 billion (2017: R2,333 billion). The sugar operations were adversely affected by the dynamics of imports into the South African market, low international sugar prices and the impact of stronger local currencies on export realisations. Sugar production reflected a partial recovery from the drought conditions of the previous two seasons. Operating profit from the starch and glucose operation improved in the second half of the year, benefitting from more competitive maize costs. Land conversion and development activities led to a number of sales in new markets and operating profit which was in line with the previous year.

The various sugar operations recorded operating profit of R837 million (2017: R1,271 billion). Total sugar production increased to 1 171 000 tons (2017: 1 056 000 tons). The price of raw sugar in the world market remained under pressure during the year.

The Zimbabwe sugar operations generated operating profit of R563 million (2017: R504 million). Local market sales continued to grow, assisted by the refinery optimisation project that increased the availability of refined sugar for the industrial market. The ethanol operation performed well with improved margins. Low dam levels during peak growing periods limited irrigation, which affected cane yields, resulting in reduced sugar production of 392 000 tons (2017: 454 000 tons). Higher standing cane valuations reflect the improvement in the sugarcane crop to be harvested, which benefitted from increased water availability, supported by the recently commissioned Tugwi-Mukosi dam (currently 78% full) and accelerated sugarcane root replanting, as limited replanting had occurred during the drought. The past year saw a major transition in the leadership of the Government, creating more positive local and international sentiment.

The South African sugar operations, including downstream activities, recorded operating profit of R86 million (2017: R390 million). Improved rainfall in the coastal areas of KwaZulu-Natal saw production increase to 513 000 tons (2017: 353 000 tons). The recovery in production was negated by high volumes of imported sugar into the local market when, over several months, upward revisions to the import duty were not implemented timeously. This was followed by a period during which zero duty was erroneously applied. Imports into the South African market increased to 520 000 tons in the twelve months to December 2017, dropping the industry's sales into the local market to some 1,18 million tons compared to 1,64 million tons in the previous year. The impact was prolonged by the storage of large quantities of sugar that were imported during the period. The displaced locally-produced sugar was exported in the latter part of the year and was impacted by a low world price and a stronger Rand. The South African sugar industry has taken measures to regain its local market share by ensuring local prices are more responsive to international markets; by applying for an increase in the US dollar-based reference price used in the calculation of the duties, as published in the Government Gazette on 11 May 2018; and through increased involvement in the process to implement duty revisions timeously. Voermol, the animal feeds operation, performed well.

The Mozambique sugar operations recorded operating profit of R159 million (2017: R308 million). Sugar production increased to 218 000 tons (2017: 198 000 tons) and good progress was made with export sales into deficit regional markets. The strengthening of the Metical against the US dollar put pressure on local prices and it contributed, together with low international prices, to reduced export realisations. Lower revenue and inflation-driven increases in Metical-based costs reduced margins. The construction of the 90 000 ton sugar refinery at the Xinavane sugar mill is progressing well, with commissioning targeted for September 2018. The refined sugar production will replace imported white sugar, satisfy the country's growing industrial demand and realise a meaningful price premium in export markets.

The starch and glucose operation recorded operating profit of R572 million (2017: R510 million). Higher sales volumes arose from the initiative to replace customers' imported volumes with local production, new business development and growth in export markets. Margins benefitted from lower maize prices, that traded closer to export parity levels after the record crop of 16,8 million tons and were negatively impacted by a stronger Rand. Improved plant capacity utilisation and an ongoing focus on operational efficiencies contributed further to improved profitability.

Land conversion and development activities delivered operating profit of R661 million (2017: R641 million) from the sale of 96 developable hectares (2017: 75 developable hectares). Interest in the newly opened prime location at Tinley Manor on the coastline north of Ballito realised a sale of 28 hectares, while 35 hectares were sold in Umhlanga Hills and Marshall Dam in Cornubia for integrated well-located affordable neighbourhoods. Further sales were concluded for a retirement offering, a new tertiary education campus, offices, urban amenities and high-intensity mixed-use precincts. Profit per developable hectare is influenced by the degree of enhancement through urban planning, land use integration and the density, location and intensity of infrastructure investment, and was in line with anticipated ranges communicated previously. Further investments were made during the year into planning and infrastructure that underpins future sales, mainly in areas where sales negotiations are underway or enquiries are being received.

Tongaat Hulett's operating cash flow (after working capital) was R2,275 billion (2017: R3,176 billion). Improved operating cash flows generated by the starch and glucose operation provided some mitigation for the cash impact of lower profits from the sugar operations. In the land conversion and development activities, cash outflows exceeded cash inflows by R68 million (2017: R900 million net inflow). Capital expenditure totalled R2,168 billion (2017: R1,209 billion) with the commencement of the refinery project in Mozambique and the considerable investment in sugarcane root replanting after the drought. Finance costs of R878 million (2017: R810 million) were commensurate with the borrowings levels. Overall, the year reflected a net cash outflow after dividends of R1,324 billion (2017: R544 million inflow). Tongaat Hulett's net debt at 31 March 2018 was R6,463 billion, compared to R4,780 billion at 31 March 2017.

Taking the above into account, headline earnings for the year decreased by 37% to R617 million (2017: R982 million).

A final dividend of 60 cents per share (2017: 200 cents per share) has been declared bringing the annual dividend to 160 cents per share (2017: 300 cents per share).

OUTLOOK

Sugar – Increasing returns by growing sugar production from available milling capacity and developing key markets and products

Tongaat Hulett, through proactive cane development and irrigation initiatives, will grow sugar production utilising its available milling capacity of 2 000 000 tons per annum, benefitting from evolving preferential regional trade access and growth in sugar consumption.

Tongaat Hulett, in collaboration with multiple stakeholders, continues to expand the sugarcane supply to its sugar mills, contributing significantly to the socio-economic dynamics of the communities in which it operates. Across all its sugar operations, approximately 34 000 hectares of new cane land has been planted over the past six years, mainly in communal areas. The existing sugarcane footprint, given regular growing conditions and the completion of the planting partnerships already underway, should produce some 1 600 000 tons of sugar. Total sugar production in 2018/19 is estimated to be between 1 310 000 tons and 1 450 000 tons. The production estimate is underpinned by improved water availability at all operations, and cane yields that reflect the benefit of agricultural improvement plans and the replanting of sugarcane roots after the drought.

Governments are generally supportive of protecting domestic sugar markets from imported sugar, particularly against the background of the high rural job impact of the sugar industry. In Zimbabwe and Mozambique, the effectiveness of various protection measures has become meaningful. In South Africa, the South African Sugar Association has applied for an increase in the US dollar-based reference price, used in the calculation of the duties, from US$566 to US$856 per ton. A decision is expected in 2018. The Department of Economic Development has supported the application. The industry has committed itself to provide further support to small-scale growers and expand community sugarcane farming in rural areas. Higher duty protection would assist in rebuilding margins of both growers and millers. The sugar industry has reduced local prices in response to competition from imports and to recover local market share.

The South African sugar industry recently adopted changes to its structures to accommodate the South African Farmers Development Association ("SAFDA"), a new grower group that provides small-scale, emerging growers with improved representation within the industry. This significant step towards transformation will ensure a more sustainable industry body in the future.

In Mozambique, Tongaat Hulett is encouraging a broader participation in the rural economy through the planned conversion of some 5 000 hectares of its sugarcane farms to local farmers, over the next three years.

Tongaat Hulett remains focussed on various initiatives to increase domestic sales, including the ongoing development of its leading sugar brands; improvements in marketing and distribution activities; and the investment in a refinery in Mozambique. The refinery will deliver a step change improvement to the sales mix in Mozambique, as sugar, previously sold into world price related markets, will now be redirected to the local market. The new financial year will benefit from three months of refined sugar production, with the full year benefit being realised in 2019/20. The prospect of an economic recovery in Zimbabwe is expected to translate into further growth in domestic demand, particularly in the industrial sugar market.

Tongaat Hulett is increasing its presence in a number of countries in the region where sugar deficits exist. The sugar deficit in these countries currently totals some 1,6 million tons, with a large portion supplied from outside the continent. Sugar consumption per capita in these countries averages 10 kg per annum (Brazil: 53 kg, South Africa: 33 kg) which, combined with higher population and economic growth rates, is conducive to a growing demand. This total deficit is anticipated to exceed 2,0 million tons by 2020. Regional trade preferences and agreements are gathering momentum. In the region, Tongaat Hulett already realises a premium over world market prices, supported by high quality products and services, and where possible, by leveraging its sugar brands. The Huletts Refined and Huletts SunSweet sugar brands are already available in targeted markets, such as Kenya.

All sugar operations continue to prioritise the reduction of the cost base, building on the successes of previous years. Cost reduction initiatives are focussed on bought-in goods, services, logistics, marketing and manpower costs across all the business areas. Given the high fixed cost nature of the sugar operations, unit costs of sugar production will reduce further with the benefit of future volume increases.

Attention continues on how best to unlock opportunities in ethanol production and electricity generation to maximise the value extracted from sugarcane. Future ethanol production in South Africa currently looks particularly promising.

Starch and Glucose – Improved maize outlook and consolidation of volume growth

The starch and glucose operation is focussed on growing sales volumes and margins by continuing to replace imports with local production, by enhancing its product mix through new business development and by targeting selected export markets. Sales into Sub-Saharan Africa and other regional markets are accelerating from a low base.

Working together with customers, further opportunities are being explored to increase sales volumes through customer exports. Market development to increase the production of value-added modified starches is progressing well. These initiatives are supported by further improvements to the use of available production, which still has more than 15% spare capacity, and in operating efficiencies.

Following the previous year's record maize crop of 16,8 million tons, a new season crop of 12,8 million tons is anticipated. With carry-over stock of more than 4,0 million tons, total maize supply is expected to be sufficient and maize prices should remain competitive, close to export parity levels, sustaining the improved margins. Sales volume growth is expected to moderate from the prior year, with the impact of muted domestic consumer demand being offset by ongoing benefits from the import replacement project and from new business volumes being in place for the full year. The ongoing focus on operating efficiencies and cost reduction will continue to contribute to profit.

Land Conversion and Development – Continuing to create value for all stakeholders through an all-inclusive approach to land development activities

Tongaat Hulett has a portfolio comprising 7 612 developable hectares of prime land in KwaZulu-Natal, near Durban and Ballito, which over a number of years, will be converted out of sugarcane into urban land usage. Of this land, some 47% (3 566 developable hectares) has been released formally from agriculture through approvals granted by the national government in response to applications made with the support of local and provincial government. Environmental approvals, which provide clarity regarding timing and suitability for ultimate usage, have been received for specified, market-aligned developments on 1 485 developable hectares.

Considerable progress has been made towards bringing land to shovel-ready stage, with Tongaat Hulett having invested R979 million into land earmarked for future sales, to create a sound planning and infrastructure platform. Available shovel-ready land currently totals 185 developable hectares, exceeding the 171 hectares sold over the past two years. In the socially and economically important Cornubia area alone, investments of R489 million have been made.

The recent environmental approval for Tinley Manor represents an important new opportunity for Tongaat Hulett. Sales negotiations have commenced over 66 hectares, including 20 hectares for an internationally-branded coastal resort, the first of its kind in South Africa. Other planning processes currently underway are expected to open new development areas around King Shaka International Airport. The first zoning approvals were granted at Ntshongweni west of Durban in April 2018.

Land development activities involve considerable cash inflows and outflows that occur over an extended period and may not coincide within a financial year. Strong cash inflows are anticipated, mainly in the second half of the next financial year, when a considerable number of property transfers are registered. As several infrastructure projects in the region are completed or nearing completion, cash outflows will be below those of the previous two years.

Tongaat Hulett carries out land conversion activities in close collaboration with the public sector, communities and other businesses. These partnerships continue to increase in scope and socio-economic impact, with private sector investment currently underway on land previously sold amounting to R7,8 billion, supporting 55 000 construction jobs, with 5 800 permanent jobs to be sustained as projects are completed. Tongaat Hulett's development activities are supporting a comprehensive, embedded social programme; are yielding increasing numbers of opportunities for well-located, affordable neighbourhoods; and are enabling transformation of ownership and participation in the real estate value chain.

Significant negotiations are currently underway over some 300 developable hectares spread over Ridgeside, Sibaya, Cornubia, Bridge City, Umhlanga Ridge Town Centre, Kindlewood, iNyaninga and Tinley Manor.

Conclusion

Tongaat Hulett is a proactive and resilient organisation working in collaboration with all its stakeholders in a focussed, constructive, mutual value-adding and developmental manner. It is well-positioned to benefit, and be a key development partner, as agriculture and agri-processing in Sub-Saharan Africa develops from a low base. It has operations in six countries in Southern Africa, significant sugarcane and maize processing facilities, a unique land conversion platform, a growing animal feeds position, opportunities to further grow ethanol production and electricity generation, and possibilities in cassava processing.

Overall, Tongaat Hulett's earnings for the 2018/19 year will be impacted by a wide-range of dynamics. The organisation is focussed on driving improved performance within its areas of influence and using its experience to navigate influences outside its control. Earnings and cash flows are expected to exceed those of the 2017/18 year.

For and on behalf of the Board

Bahle Sibisi
Chairman

Peter Staude
Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

24 May 2018

TONGAAT HULETT LIMITED

Registration number: 1892/000610/06 JSE share code: TON ISIN: ZAE000096541

AUDITED RESULTS

for the year ended 31 March 2018

Income Statement

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
Revenue	**16 982**	17 915
Operating profit	**1 958**	2 333
Net financing costs (note 1)	**(878)**	(810)
Profit before tax	**1 080**	1 523
Tax (note 2)	**(249)**	(428)
Profit for the year	**831**	1 095
Profit attributable to:		
Shareholders of Tongaat Hulett	**713**	983
Minority (non-controlling) interest	**118**	112
	831	1 095
Earnings per share (cents)		
Basic	**618.0**	853.6
Diluted	**618.0**	853.6

Headline earnings attributable to Tongaat Hulett shareholders (note 3)	**617**	982
Headline earnings per share (cents)		
Basic	**534.8**	852.7
Diluted	**534.8**	852.7
Dividend per share (cents)	**160.0**	300.0
Currency conversion		
Rand/US dollar closing	**11.89**	13.38
Rand/US dollar average	**13.00**	14.09
Rand/Metical average	**0.21**	0.22
Rand/Euro average	**15.15**	15.45
US dollar/Euro average	**1.17**	1.10

Segmental Analysis

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
REVENUE		
Sugar		
Zimbabwe	**3 918**	4 399
Swaziland	**210**	236
Mozambique	**1 584**	1 723
South Africa	**6 332**	6 405
Sugar operations - total	**12 044**	12 763
Starch operations	**3 913**	4 172
Land Conversion and Developments	**1 025**	980
Consolidated total	**16 982**	17 915
OPERATING PROFIT		
Sugar		
Zimbabwe	**563**	504
Swaziland	**29**	69
Mozambique	**159**	308
South Africa	**86**	390
Sugar operations - total	**837**	1 271
Starch operations	**572**	510
Land Conversion and Developments	**661**	641
Centrally accounted and consolidation items	**(59)**	(74)
Other capital items	**(39)**	
BEE IFRS 2 charge and transaction costs	**(14)**	(15)
Consolidated total	**1 958**	2 333
FURTHER ANALYSIS OF SUGAR OPERATING PROFIT		
Sugar operations - before cane valuations	**467**	1 128
Zimbabwe	**363**	748
Swaziland	**4**	67
Mozambique	**71**	168
South Africa	**29**	145
Cane valuations - income statement effect	**370**	143
Zimbabwe	**200**	(244)
Swaziland	**25**	2
Mozambique	**88**	140
South Africa	**57**	245
Sugar operations - after cane valuations	**837**	1 271
Zimbabwe	**563**	504
Swaziland	**29**	69
Mozambique	**159**	308
South Africa	**86**	390

Segmental Analysis continued

Detailed below is a revenue and cost analysis of the Zimbabwe, Mozambique and South Africa sugar operations which is provided in the respective currencies of each country and is unaudited.

ZIMBABWE US$ million	2018	2017	2016	2015	2014	2013
Revenue	302	312	257	314	286	380
Sugar sales	279	287	233	292	260	360
Other activities	23	25	24	22	26	20
Sugar stock movement	(12)	(5)	6	(28)	35	10
Revenue adjusted for stock movements	290	307	263	286	321	390
Less Costs						
Payments for 3rd party cane	75	62	58	70	76	92
Goods/services/transport/marketing, salaries/wages	145	145	141	135	146	186
Offcrop costs carried in	15	20	20	14	20	16
Depreciation/amortisation	11	15	16	17	19	19
Profit before root depreciation, replant costs and cane valuations	44	65	28	50	60	77
Root depreciation/replant costs #	(16)	(12)	(18)	(21)	(3)	(12)
Cane valuations - income statement effect	15	(17)	(9)	6	(24)	9
Operating profit	**43**	**36**	**1**	**35**	**33**	**74**
Raw sugar production (tons)	392 000	454 000	412 000	445 000	488 000	475 000
Sugar sales (tons)	412 000	463 000	403 000	491 000	426 000	456 000

MOZAMBIQUE Metical million	2018	2017	2016	2015	2014	2013
Revenue	7 380	7 711	4 790	5 171	5 035	5 644
Sugar sales	7 130	7 288	4 405	4 943	4 857	5 452
Other activities	250	423	385	228	178	192
Less Costs						
Payments for 3rd party cane	790	750	363	402	318	350
Goods/services/transport/marketing, salaries/wages	4 665	4 444	2 948	2 887	2 785	3 052
Offcrop costs carried in	490	506	542	429	466	421
Depreciation/amortisation	495	502	520	522	495	442
Profit before root depreciation, replant costs and cane valuations	940	1 509	417	931	971	1 379
Root depreciation/replant costs #	(611)	(756)	(688)	(313)	(167)	(339)
Cane valuations - income statement effect	410	627	345	(245)	(308)	368
Operating profit	**739**	**1 380**	**74**	**373**	**496**	**1 408**
Raw sugar production/sales (tons)	218 000	198 000	232 000	271 000	249 000	235 000

SOUTH AFRICA SUGAR (including downstream activities) Rand million	2018	2017	2016	2015	2014	2013
Revenue *	5 475	5 082	4 279	5 229	5 265	4 467
Sugar sales	4 389	4 074	3 285	4 138	4 206	3 554
Other activities	1 086	1 008	994	1 091	1 059	913
Less Costs						
Payments for 3rd party cane/SASA levies	2 192	2 080	1 631	2 102	2 194	1 809
Goods/services/transport/marketing, salaries/wages	2 677	2 418	2 475	2 658	2 558	2 325
Offcrop costs carried in	262	193	169	139	182	131
Depreciation/amortisation	164	116	93	101	125	85
Profit before root depreciation, replant costs and cane valuations	180	275	(89)	229	206	117
Root depreciation/replant costs #	(151)	(130)	(137)	(94)	(44)	(74)
Cane valuations - income statement effect	57	245	141	126	178	265
Operating profit/(loss)	**86**	**390**	**(85)**	**261**	**340**	**308**
Raw sugar production (tons)	513 000	353 000	323 000	541 000	634 000	486 000

Root depreciation from 2016 and root replant costs in prior years.
* Revenue net of industry redistribution/sugar purchases.

Statement of Financial Position

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
ASSETS		
Non-current assets		
Property, plant and equipment	**13 922**	13 688
Long-term receivable	**681**	619
Goodwill	**346**	382
Intangible assets	**447**	366
Investments	**25**	28
	15 421	15 083
Current assets	**13 694**	12 871
Inventories	**3 072**	2 949
Growing crops	**2 755**	2 549
Trade and other receivables	**4 556**	4 070
Major plant overhaul costs	**627**	562
Tax	**22**	
Cash and cash equivalents	**2 662**	2 741
TOTAL ASSETS	**29 115**	27 954
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**135**	135
Share premium	**1 544**	1 544
BEE held consolidation shares	**(623)**	(642)
Retained income	**9 401**	9 044
Other reserves	**(286)**	700
Shareholders' interest	**10 171**	10 781
Minority (non-controlling) interest	**1 838**	1 957
Equity	**12 009**	12 738
Non-current liabilities	**8 215**	8 296
Deferred tax	**2 376**	2 537
Long-term borrowings	**5 048**	4 975
Provisions	**791**	784
Current liabilities	**8 891**	6 920
Trade and other payables (note 5)	**4 165**	3 598
Short-term borrowings	**4 077**	2 546
Non-recourse equity-settled BEE borrowings	**603**	623
Tax	**46**	153
TOTAL EQUITY AND LIABILITIES	**29 115**	27 954

Number of shares (000)		
– in issue	**135 113**	135 113
– weighted average (basic)	**115 372**	115 158
– weighted average (diluted)	**115 372**	115 158

Statement of Cash Flows

Summarised consolidated Rmillion	**Audited** **2018**	Audited 2017
Operating profit	**1 958**	2 333
Surplus on disposal of property, plant and equipment	**(106)**	(42)
Depreciation	**1 001**	1 027
Growing crops valuation and other non-cash items	**(271)**	(38)
Operating cash flow	**2 582**	3 280
Change in working capital	**(307)**	(104)
Cash flow from operations	**2 275**	3 176
Tax payments	**(354)**	(482)
Net financing costs	**(878)**	(810)
Cash flow from operating activities	**1 043**	1 884
Expenditure on property, plant and equipment:		
New	**(876)**	(423)
Replacement and plant overhaul	**(299)**	(202)
Root planting costs	**(887)**	(418)
Intangible assets	**(106)**	(166)
Other capital items	**155**	59
Net cash flow before dividends and financing activities	**(970)**	734
Dividends paid	**(354)**	(190)
Net cash flow before financing activities	**(1 324)**	544
Borrowings raised	**1 611**	680
Non-recourse equity-settled BEE borrowings	**(19)**	18
Settlement of share-based payment awards	**(65)**	(65)
Net increase in cash and cash equivalents	**203**	1 177
Balance at beginning of year	**2 741**	1 877
Currency alignment	**(282)**	(313)
Cash and cash equivalents at end of year	**2 662**	2 741

Statement of Changes in Equity

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
Balance at beginning of year	**10 781**	13 273
Total comprehensive income for the year	**(237)**	(2 324)
Retained earnings	**706**	1 012
Movement in hedge reserve		(5)
Foreign currency translation	**(943)**	(3 331)
Dividends paid	**(330)**	(176)
BEE share-based payment charge	**12**	13
Share-based payment charge	**10**	60
Settlement of share-based payment awards	**(65)**	(65)
Shareholders' interest	**10 171**	10 781
Minority (non-controlling) interest	**1 838**	1 957
Balance at beginning of year	**1 957**	2 152
Total comprehensive income for the year	**(95)**	(181)
Retained earnings	**117**	112
Foreign currency translation	**(212)**	(293)
Dividends paid to minorities	**(24)**	(14)
Equity	**12 009**	12 738

Statement of Other Comprehensive Income

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
Profit for the year	**831**	1 095
Other comprehensive income	**(1 163)**	(3 600)
Items that will not be reclassified to profit or loss:		
Foreign currency translation	**(1 155)**	(3 624)
Actuarial (loss)/gain on post-retirement benefits	**(10)**	40
Tax on actuarial (loss)/gain	**2**	(11)
Items that may be reclassified subsequently to profit or loss:		
Hedge reserve		(7)
Tax on movement in hedge reserve		2
Total comprehensive income for the year	**(332)**	(2 505)
Total comprehensive income attributable to:		
Shareholders of Tongaat Hulett	**(237)**	(2 324)
Minority (non-controlling) interest	**(95)**	(181)
	(332)	(2 505)

Notes

Summarised consolidated Rmillion	**Audited 2018**	Audited 2017
1. Net financing costs		
Interest paid	**(1 049)**	(973)
Interest capitalised	**45**	34
Interest received	**126**	129
	(878)	(810)
2. Tax		
Normal	**(224)**	(549)
Deferred	**(25)**	121
	(249)	(428)
3. Headline earnings		
Profit attributable to shareholders	**713**	983
Adjusted for:		
Capital profit on disposal of land, cane roots and buildings	**(27)**	(12)
Loss/(surplus) on other capital items	**3**	(4)
Minority (non-controlling) interest	**(1)**	1
Tax on the above items	**(71)**	14
	617	982

4. Growing crops

Growing crops, comprising standing cane, is measured at fair value which is determined using an estimate of cane yields and prices which are unobservable inputs and, in accordance with IFRS, categorised as level 3 under the fair value hierarchy. Changes in fair value are recognised in profit or loss. A change in yield of one ton per hectare on the estimated yield of 81 tons cane per hectare (2017: 76 tons per hectare) would result in a R34 million (2017: R35 million) change in fair value while a change of one percent in the cane price would result in a R28 million (2017: R32 million) change in fair value.

5. Trade and other payables

Included in trade and other payables is the maize obligation (interest bearing) of R486 million (2017: R509 million).

6. Capital expenditure commitments		
Contracted	**398**	104
Approved	**240**	250
	638	354
7. Operating lease commitments	**60**	60
8. Guarantees and contingent liabilities	**91**	96

Notes (continued)

9. Basis of preparation

The summarised consolidated financial statements for the year ended 31 March 2018 have been prepared in accordance with the JSE Limited Listings Requirements for provisional reports, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contains the information as required by International Accounting Standard 34: Interim Financial Reporting and the requirements of the Companies Act of South Africa. This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34 which is available on the website, at the registered office and upon request. The summarised consolidated financial statements have been prepared using accounting policies that comply with IFRS which are consistent with those applied in the consolidated annual financial statements for the year ended 31 March 2017. These summarised consolidated financial statements and the full set of consolidated financial statements were prepared under the supervision of the Chief Financial Officer, M H Munro CA (SA).

Tongaat Hulett has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for Tongaat Hulett for the year ended 31 March 2018. The adoption of these standards had no recognition and measurement impact on the financial results.

10. Audited results

These summarised consolidated financial statements, which have been derived from the audited consolidated financial statements for the year ended 31 March 2018 and with which they are consistent in all material respects, have been audited by Deloitte & Touche. Their unmodified audit opinions on the consolidated financial statements and on the summarised consolidated financial statements are available for inspection at the registered office of the company. The auditor’s report does not necessarily report on all of the information contained in this announcement and any reference to future financial performance included in this announcement has not been audited or reported on. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the registered office of Tongaat Hulett.

11. Subsequent events

There were no material events between 31 March 2018 and the date of this report.

DIVIDEND DECLARATION

Notice is hereby given that the Board has declared a final gross cash dividend (number 181) of 60 cents per share for the year ended 31 March 2018 to shareholders recorded in the register at the close of business on Friday 22 June 2018.

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

Last date to trade ordinary shares "CUM" dividend	Tuesday	19 June 2018
Ordinary shares trade "EX" dividend	Wednesday	20 June 2018
Record date	Friday	22 June 2018
Payment date	Thursday	28 June 2018

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Wednesday 20 June 2018 and Friday 22 June 2018, 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 Tuesday 19 June 2018.

The dividend has been declared from income reserves. A net dividend of 48 cents per share will apply to shareholders liable for the local 20% dividend withholding tax and 60 cents per share to shareholders exempt from paying the dividend tax. The issued ordinary share capital as at 24 May 2018 is 135 112 506 shares. The company's income tax reference number is 9306/101/20/6.

For and on behalf of the Board

M A C Mahlari
Company Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

24 May 2018