



 *Tongaat Hulett* MAY 2015

Financial Results for the Year Ended 31 March 2015



Financial Highlights

R million	12 months to 31 March 2015	12 months to 31 March 2014	% Change
Revenue	16 155	15 716	+ 2,8%
Operating Profit	2 089	2 374	- 12,0%
Cash Flow from Operations	2 533	2 173	+ 16,6%
Net Cash Flow before Dividends	848	553	R295 million improvement
Tongaat Hulett Net Debt at 31 March	3 992	4 320	R328 million improvement
Headline Earnings	945	1 106	- 14,6%
Dividends per share (cents)	380	360	+ 5,6%

Tongaat Hulett	Operating Profit		Revenue	
R million	12 months to 31 March 2015	12 months to 31 March 2014	12 months to 31 March 2015	12 months to 31 March 2014
Sugar				
Zimbabwe	386	330	3 471	2 896
Swaziland	29	70	203	211
Mozambique	130	168	1 804	1 704
SA agriculture, milling, refining and downstream value added activities	261	340	6 143	6 224
Sugar operations - total	806	908	11 621	11 035
Starch operations	561	482	3 447	3 210
Land Conversion and Developments	829	1 080	1 087	1 471
Centrally accounted and consolidation items	(86)	(75)	-	-
BEE IFRS 2 charge and transaction costs	(21)	(21)	-	-
Total	2 089	2 374	16 155	15 716

Land Conversion Activities

- **Operating profit: R829 million from the sale of 108 developable hectares**
 - **2014: R1 080 million from 259 developable hectares**
- **Sales largely from**
 - **Cornubia: R8,2 million per developable hectare**
 - **Izinga / Kindlewood: R6,3 million per developable hectare**
 - **Umhlanga Ridge Town Centre: > R25 million per developable hectare**
- **Momentum on larger land sales continued, with single sales of**
 - **19 developable hectares in Izinga**
 - **27 developable hectares in new area of Cornubia**



Starch Operations

- Operating profit: R561 million (2014: R482 million)
- Overall sales volume growth of 4%
 - Local growth of 18 026 tons (4,3%): confectionary, coffee / creamer, canning, prepared foods, and paper making sectors
 - Export growth of 4 274 tons (7,6%)
- Starch and glucose processing margins in line with prior year
 - Improvements in sales mix, co-product recoveries and capacity utilisation
 - Improvements in operational efficiencies and focus on cost management



Sugar Operations

Benefit of:

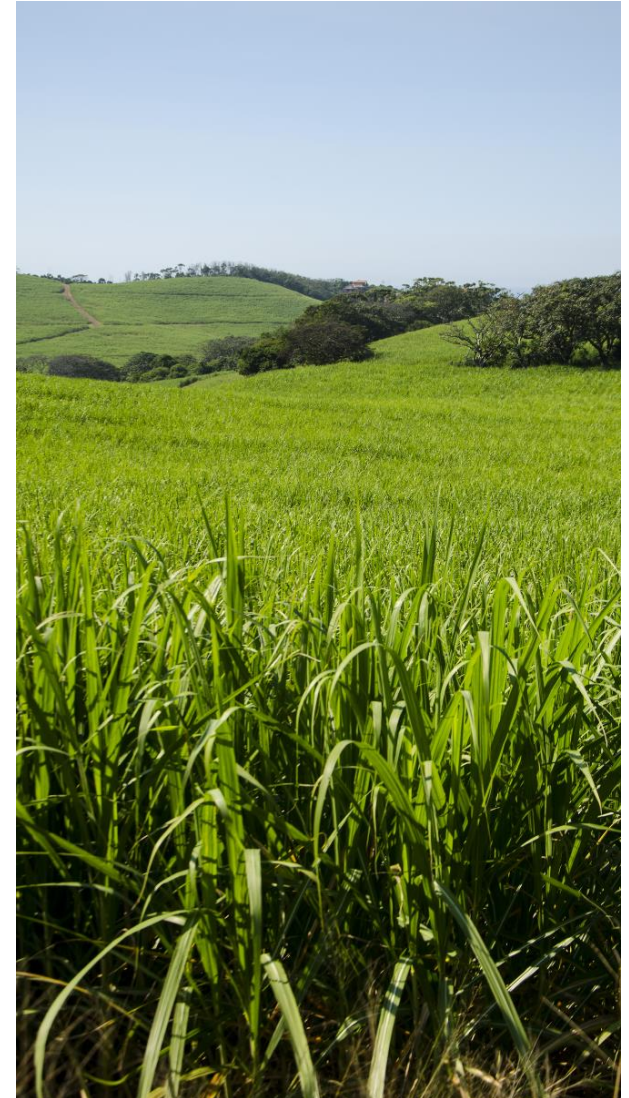
- **Cost reductions**
 - over past two years
 - after absorbing input price increases
- **Higher local market sales in Zimbabwe**
- **Cane valuations**
 - large negative impact in 2013/14 (price reductions) not repeated in 2014/15
 - 2014/15: more new cane planted / replanted

Offset by:

- **Lower sugar production levels (South Africa and Zimbabwe)**
- **Price reductions (especially in the EU and the knock-on effect of lower world prices)**

Exchange rates:

- **Export proceeds**
- **Earnings conversion on consolidation**
- **R/\$ input cost pressure: while sugar price lower in US\$**



Further Analysis of Sugar Operating Profit

R million	12 months to 31 March 2015	12 months to 31 March 2014
Sugar operations - before cane valuations	710	1 061
Zimbabwe	320	571
Swaziland	40	56
Mozambique	215	272
South Africa	135	162
Cane valuations - income statement effect	96	(153)
Zimbabwe	66	(241)
Swaziland	(11)	14
Mozambique	(85)	(104)
South Africa	126	178
Sugar operations - after cane valuations	806	908
Zimbabwe	386	330
Swaziland	29	70
Mozambique	130	168
South Africa	261	340

Zimbabwe - Revenue and Cost Breakdown

	2014/15 US\$ million	2013/14 US\$ million	2012/13 US\$ million
REVENUE	314	286	380
Sugar sales	292	260	360
Other activities	22	26	20
Sugar stock movement	- 28	35	10
REVENUE ADJUSTED	286	321	390
LESS COSTS			
Payments for 3rd party cane	70	76	92
Goods/services/transport/marketing, salaries/wages	135	146	186
Root replant costs	21	3	12
Offcrop costs carried in	14	20	16
Depreciation/amortisation	17	19	19
Profit before cane valuations	29	57	65
Cane valuations - income statement effect	6	- 24	9
Operating profit	35	33	74
Raw sugar production (tons)	445 000	488 000	475 000
Sugar sales (tons)	491 000	426 000	456 000

Mozambique - Revenue and Cost Breakdown

	2014/15 Metical million	2013/14 Metical million	2012/13 Metical million
REVENUE	5 171	5 035	5 644
Sugar sales	4 943	4 857	5 452
Other activities	228	178	192
LESS COSTS			
Payments for 3rd party cane	402	318	350
Goods/services/transport/marketing, salaries/wages	2 887	2 785	3 052
Root replant costs	313	167	339
Offcrop costs carried in	429	466	421
Depreciation/amortisation	522	495	442
Profit before cane valuations	618	804	1 040
Cane valuations - income statement effect	- 245	- 308	368
Operating profit	373	496	1 408
Raw sugar production/sales (tons)	271 000	249 000	235 000

South Africa - Revenue and Cost Breakdown

	2014/15 R million	2013/14 R million	2012/13 R million
REVENUE *	5 229	5 265	4 467
Sugar sales - own production	4 138	4 206	3 554
Other activities	1 091	1 059	913
LESS COSTS			
Payments for 3rd party cane/SASA levies	2 102	2 194	1 809
Goods/services/transport/marketing, salaries/wages	2 658	2 558	2 325
Root replant costs	94	44	74
Offcrop costs carried in	139	182	131
Depreciation/amortisation	101	125	85
Profit before cane valuations	135	162	43
Cane valuations - income statement effect	126	178	265
Operating profit	261	340	308
Raw sugar production (tons)	541 000	634 000	486 000

* Revenue after SA Industry Redistribution/Sugar Purchases

Further Cost Reductions

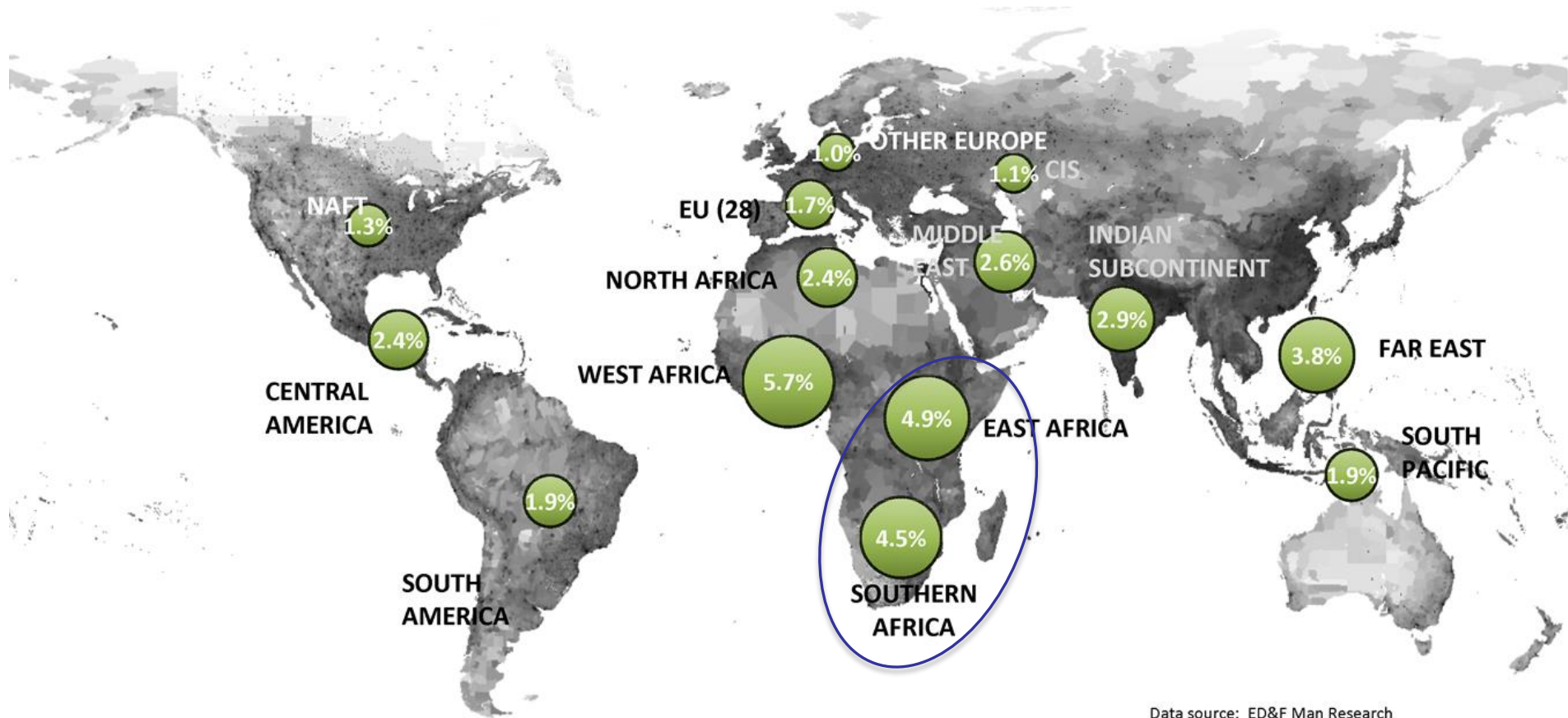
Goods, Services, Transport, Marketing, Salaries and Wages	Zimbabwe US \$ (million)	Mozambique Metical (million)	South Africa Rands (million)
Costs in 2012/13 (money of the day)	186	3 052	2 325
Price increases, salaries & wages, inflation etc. (per annum over last 2 years)	3%	7%	8%
2012/13 Costs adjusted to money of today	197	3 494	2 712
2014/15 Costs	135	2 887	2 658
Effective reduction in money of today	62	607	54

Unit costs of product benefit from volume growth and better yields as milling costs and many of the agricultural costs per hectare are fixed

More Favourable Sugar Markets

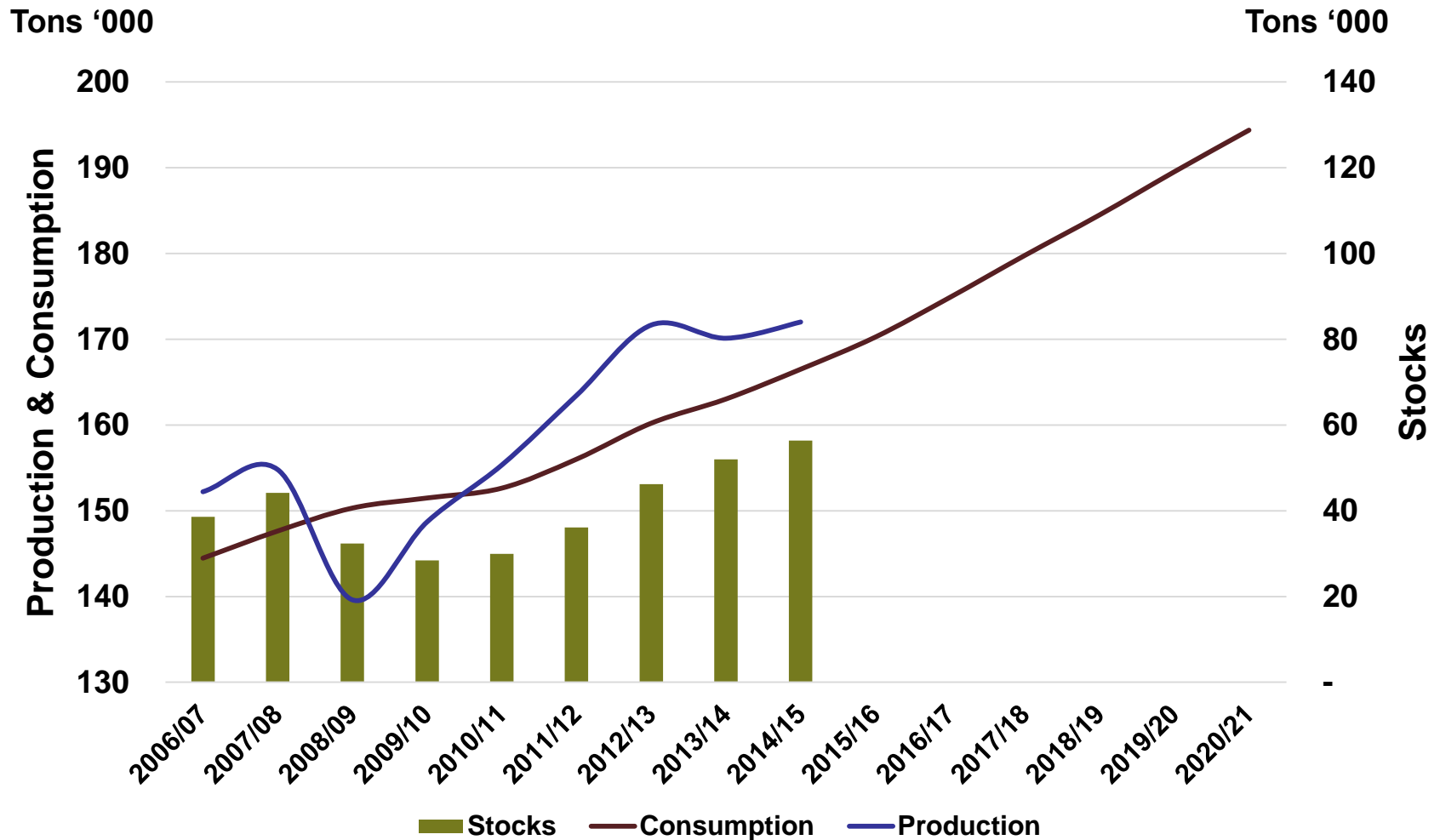


Forecast Annual Consumption Growth



- Global demand growth of some 2% per annum
- Demand growth in Eastern and Southern Africa of some 700 000 tons per annum over the four years 2015/16 - 2018/19

World Sugar Production Volatile



Capturing and Growing Local Market Sales

- Improvements in local market protection
 - South Africa - second application for tariff increase
 - Mozambique
 - Substantial increase in reference price imminent
 - Per capita consumption currently 8 kg - significant room for growth
- Leading sugar brands
 - Hulett's is the leading South African and Zimbabwean sugar brand
 - Botswana and Namibia have Blue Crystal and Marathon as the leading sugar brands



Regional Sugar Exports

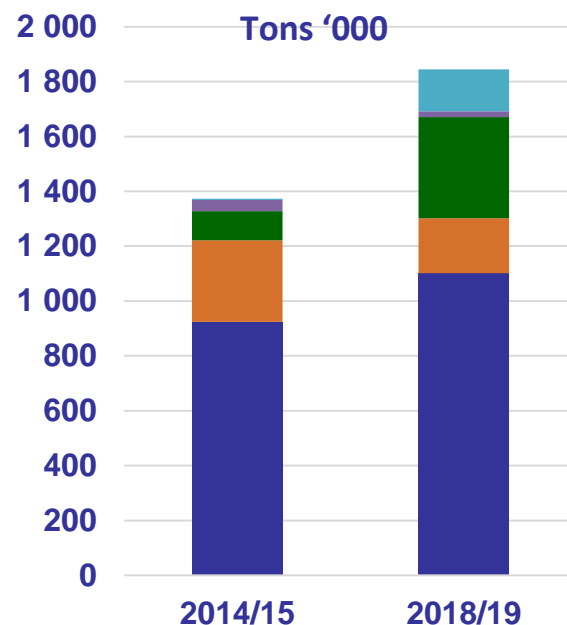
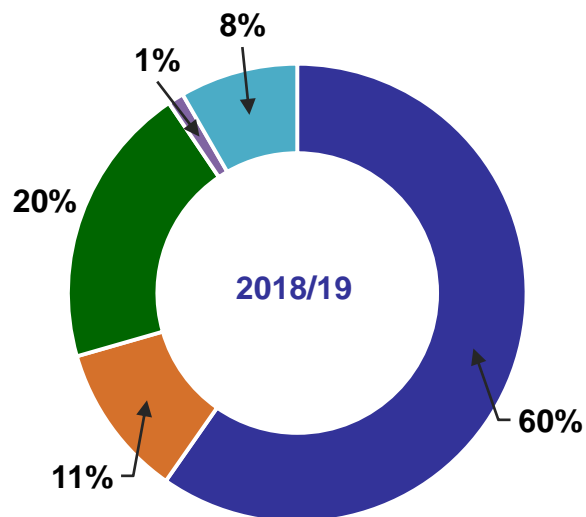
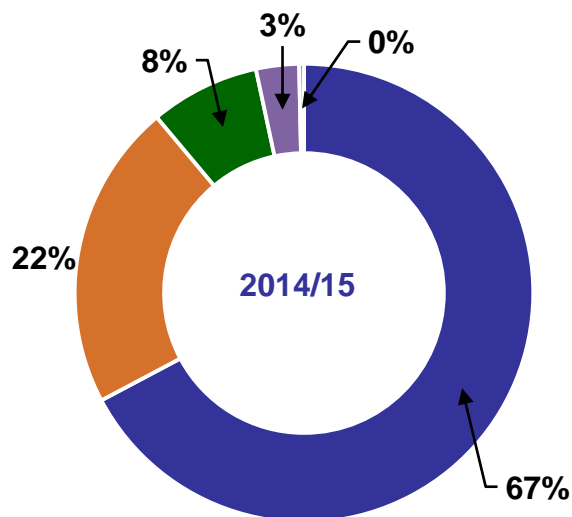
Tongaat Hulett

Regional Markets into which Tongaat Hulett has exported over the past three years



- Tongaat Hulett has over 30 years experience in selling to regional markets
- Sales comprise value-added bagged exports that achieve a premium to the world price of sugar
- Sales volumes have been in the order of 100 000 tons per annum - mainly white sugar from South Africa
- Increase the extent of sugar that the Mozambique and Zimbabwe operations supply into the region

Tongaat Hulett - Sugar Markets



Local

EU

Regional

USA

World

Growing Sugar Production



Sugar Production Growth

Indicative - Next 4 Years

Tons Raw Sugar	2014/15 Actual	2018/19 Target	Growth will come from ^		
			Regular Growing Conditions	Additional Hectares: New cane already planted, net of cane losses and future planting partially grant funded	Yield and Sugar Recovery Improvements
South Africa	541 000	847 000	42%	38%	20%
Zimbabwe	445 000	606 000	34%	21%	45%
Mozambique	271 000	307 000	11%	13%	76%
Swaziland RSE	57 000	61 000	25%	-	75%
Total	1 314 000	1 821 000	37%	30%	33%

Unit cost reduction

- Overheads - 90% fixed
- Milling costs - 80% fixed
- Agriculture - 90% fixed per hectare



Sugar Production Growth

> 2,1 million Tons from Existing Capacity

Tons Raw Sugar	2010/11 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/2016 Early Estimate	2015/16 Expectations Had Growing Conditions Been Regular	2018/19 Target*
South Africa	455 000	486 000	634 000	541 000	< 421 000	720 000	847 000
Zimbabwe	333 000	475 000	488 000	445 000	470 000 - 485 000	525 000	606 000
Mozambique	164 000	235 000	249 000	271 000	273 000 - 290 000	290 000	307 000
Swaziland RSE	54 000	58 000	53 000	57 000	55 000 - 59 000	59 000	61 000
Total	1 006 000	1 254 000	1 424 000	1 314 000	< 1 255 000	1 594 000	1 821 000

South African Sugar Industry



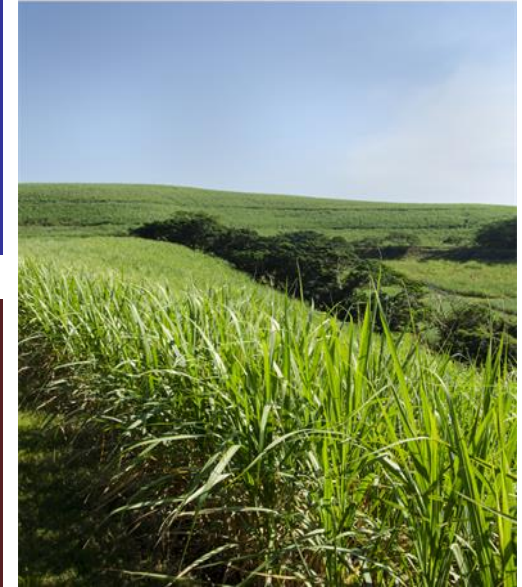
Socio-Economic Impact of SA Sugar Industry

KZN has the highest proportion of rural dwellers

- Population of 10,7 million people
- 5,8 million or 54% live in rural areas - the national average is 37%

22 490 registered growers in the South African Sugar Industry

- 21 107 Small-scale growers of which 19 627 are located in KZN
- 1 383 Commercial growers of which 1 232 are located in KZN



	Industry	Grower Share (KZN & Mpumalanga)	KZN Grower Share
Revenue per annum	R12,7 billion	R7,9 billion	R6,2 billion
Current revenue of Communal and Small-scale growers	-	R760 million	R590 million
Current revenue to Land Reform growers	-	+R1 billion	+R570 million

Socio-Economic Impact of SA Sugar Industry

	Current (Based on 2013/14)	Potential
Area under cane (hectares)	332 528	> 400 000
Cane tons	15 902 000	+ - 21 000 000
Small-scale grower (tons)	1 443 000	+ - 6 000 000
Small-scale grower (numbers)	19 627	+ - 70 000
Land Reform growers (hectares)	51 540	?
Employed (direct plus indirect) and their dependants	860 000	1 105 000
Land available for cane development - Tongaat Hulett catchment		> 200 000 hectares



Success of the South African Sugar Industry

- Productive farming and milling

- Local market protection

Current brown price (ex mill)

- Malawi 41 US c/lb

Zambia 33 US c/lb

South Africa 25 US c/lb

- Direct support to small-scale and land reform growers
- Ethanol
- Electricity generation



Growing Starch and Glucose



Starch and Glucose

Attractive prospects for growth

Improving capacity utilisation and market mix

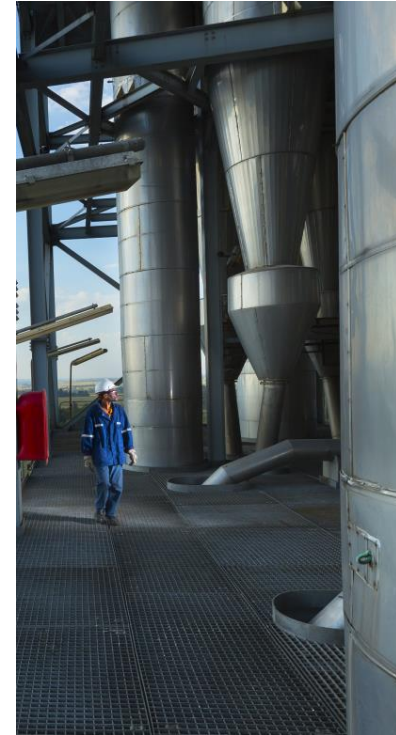
- Available upstream capacity (wet mill) - 15%
- R120 million investment in downstream capacity for Coffee Creamers
 - Project commissioning October 2015
 - Immediate replacement of imported volumes under long term contracts
 - Releasing capacity for other growth sectors
- 4,3% local market growth 2014/15, forecast 5,5% in 2015/16

Continued improvements in operating efficiencies

- Investments in plant and asset care programmes and technical training
- Significant improvements in operational efficiency

Maize dynamics

- Carry out crop 2014/15 reducing impact of poor 2015/16 crop of 9,76 million tons (2014/15: 14,31 million tons)
- Mix of contracting includes higher proportion of maize based customers
- Benefits of lower international maize price and currency



Momentum in Land Development



PORTFOLIO OF LAND FOR
CONVERSION IN KWAZULU-NATAL

MAY 2015

 *Tongaat Hulett*

Go to www.tongaat.com for an updated copy of the
Portfolio of Land for Conversion in KZN

 *Tongaat Hulett*

Additional Information



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Sugar Production Growth

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South Africa

Cane Milled and Sugar produced	Actual 2012/13 Season#	Actual 2013/14 Season	Actual 2014/15 Season	2018/19 Target*
Total hectares farmed as at 1 April (beginning of the season)	-	116 469	118 182	143 767
Estimated hectares milled	-	92 087	94 653	118 141
Cane yield (tcphm)	-	56,34	46,64	60,94
Cane tons '000	4 451	5 481	4 591	7 200
Cane to Sugar ratio	9,16	8,64	8,48	8,50
Sugar production - raw (tons)	486 000	634 000	541 000	847 000

During this year Tongaat Hulett embarked on a mapping exercise to accurately measure the hectares under cane from all its growers

* Regular growing conditions

tcphm - tons cane per hectare milled

South Africa

New Plantings and Net Gain in Hectares

South Africa	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Actual 2013/14	Actual 2014/15	Target 2015/16 #	Target 2016/17 #	Target 2017/18 #	Target 2018/19 #
Small scale growers	1 636	3 689	4 411	4 297	1 651	885	1 485	1 450	1 450	1 450
Tongaat Hulett Communal leases		110	920	2 946	1 709	2 105	6 015	6 050	6 050	6 050
Commercial and medium scale growers	630	371	1 831	1 884	498	388	-	-	-	-
Tongaat Hulett leased land	1 824	1 436	1 525	2 427	880	330	-	-	-	-
Total	4 090	5 606	8 687	11 554	4 738	3 708*	7 500	7 500	7 500	7 500
Cumulative new plantings since 2009/10 - milling of this cane commenced in 2011/12			4 090	9 696	18 383	29 937	34 675	38 383	45 883	53 383
Cumulative net cane losses since 2007/08			(13 948)	(14 732)	(17 757)	(17 889)	(18 009)	(18 260)	(18 380)	(18 500)
Net change in hectares since 2007/08			(9 858)	(5 036)	626	12 048	16 666	20 123	27 503	34 883

Regular growing conditions

* Reduced from November 2014 target of 5 000 due to poor rainfall during planting season

South Africa

Approved External Grants

Type of Funding	Approved	Cash Received To Date	Application of Funding
Comprehensive agricultural support program (CASP)	R43 million	R31 million	Planting, replanting, ratoon management, irrigation and infrastructure repairs
Recapitalisation and Development Program (RDAP)	R110 million	R99 million	Planting, infrastructure, ratoon management and farm equipment
Vuselela - KZN Department of Economic Development and Tourism	R51 million	R51 million	New cane establishment
Fertilizer Assistance	R29 million	R29 million	Fertilizer inputs to existing communal land
Small-scale farmer assistance schemes	R33 million	R33 million	Drought relief and seed cane schemes
DBSA - Jobs Fund	R150 million	R50 million	Job creation and new cane establishment
Total	R416 million	R293 million	

Zimbabwe

Cane Milled and Sugar produced	Actual 2012/13 Season	Actual 2013/14 Season	Actual 2014/15 Season	2018/19 Target*
Total hectares farmed as at 1 April (beginning of the season)	43 185	44 814	44 749	48 142
Estimated hectares milled	37 473	39 615	40 731	43 811
Cane yield (tcphm)	90,54	90,20	84,92	108,72
Cane tons '000	3 393	3 573	3 459	4 763
Cane to Sugar ratio	8,26	7,97	7,78	7,86
Chisumbanje Estate #	63 000	39 000	-	-
Sugar production - raw (tons)	475 000	488 000	445 000	606 000

tcphm - tons cane per hectare milled

Excluded from yields, hectares farmed and milled, tons cane and cane to sugar ratio

* Regular growing conditions

Zimbabwe

Yields (tons cane per hectare)	2010/11 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2018/19 Target*
Tongaat Hulett	85,04	96,90	99,00	87,64	114,00
Private Growers	47,78	75,75	73,72	80,04	100,18
Zimbabwe	75,51	90,54	90,20	84,92	108,72

Factors contributing to yield performance - 2014/15

- Reduced water application during the 2013/14 season and curtailed root planting for Tongaat Hulett operations

Yields - key factors going forward

- The Tongaat Hulett yield of 114 tons cane per hectare has previously been achieved
- Full irrigation currently underway and accelerated replant implemented
- A comprehensive cropping program that embraces conventional tillage, soil yield potentials, milling season optimisation, use of break crops and effective game control underway
- Improved water use efficiency through the upgrading of bulk water conveyance and storage systems while at the same time enhancing the harvesting of regenerated water
- Engage in focused extension programs aimed at lifting cane yields for private growers

Zimbabwe Operations

Developing Indigenous Private Growers

Impact of Tongaat Hulett initiatives on Rural Communities	Actual 2011/12 Season	Actual 2012/13 Season	Actual 2013/14 Season	Actual 2014/15 Season
Area farmed (hectares) excluding fallow land*	9 501	12 573	14 120	14 726
Area harvested (hectares)	8 966	11 260	13 797	14 601
Tons cane produced (000)	532	853	1 017	1 169
Payments made to private growers	R307 million	R525 million	R591 million	R774 million
Cumulative jobs created	4 750	6 286	6 700	7 363

* Total area farmed 15 880 hectares

Mozambique

Cane Milled and Sugar produced	Actual 2012/13 Season	Actual 2013/14 Season	Actual 2014/15 Season	2018/19 Target*
Total hectares farmed as at 1 April (beginning of the season)	26 789	27 602	28 347	28 772#
Estimated hectares milled	24 333	24 898	25 980	26 205
Cane yield (tcphm)	79,89	81,06	86,17	95,13
Cane tons '000	1 944	2 038	2 239	2 493
Cane to Sugar ratio	8,29	8,11	8,27	8,12
Sugar production - raw (tons)	235 000	249 000	271 000	307 000#

tcphm - tons cane per hectare milled

* Regular growing conditions

Additional 1 050 hectares targeted, which will increase sugar production to 320 000 tons

Mozambique - Agricultural Improvement Plans

Yields (tons cane per hectare)	2014/15 Sugar production (tons)	2007/08 Actual	2013/14 Actual	2014/15 Actual	2018/19 Target*
Xinavane	202 000	77,60	92,86	97,68	104,53
Mafambisse	69 000	46,17	62,41	65,49	78,17
Total average yield	271 000	60,74	81,13	86,17	95,13

Actions underway at Xinavane to increase yields

- Irrigation and drainage improvement projects
- Salinity and sodicity amelioration project
- Reconfiguring cane row layouts
- Training and development of critical staff
- Improvement of harvesting standards
- Improvement of loading and haulage standards

Actions underway at Mafambisse to increase yields

- Improve field layout using laser and GPS systems
- Closer monitoring of crop nutrient requirements through foliar and soil analysis
- Introduction of new varieties - better suited to the new irrigation system being implemented
- Reduction of area allocation from 1 000 hectares to 600 hectares for each section manager
- Improvement of drainage systems

* Regular growing conditions

Mozambique Operations

Developing Indigenous Private Growers

Impact of Tongaat Hulett initiatives on Small-Scale Growers	Actual 2007/08 Season	Actual 2012/13 Season	Actual 2014/15 Season
Cumulative hectares planted	571	2 952	4 370
Association members	249	1 522	2 018
Tons cane delivered by these growers	45 528	269 496	414 820
Payments made to these growers	R12,4 million	R40,6 million	R61,5 million

Sugar Operations - Dam Levels

Adequate water availability remains an important component of Tongaat Hulett achieving its projected yields going forward. Detailed below is information relevant to water availability for Mozambique and Zimbabwe

Mozambique Dams	Full Volume ML	% Full as at 31 March 2013	% Full as at 31 March 2014	% Full as at 31 March 2015
Corumana Dam - Xinavane	880 000	98,1%	100,0%	54,7%
Muda Dam - Mafambisse	56 000	31,9%	100,0%	90,3%

- The Corumana dam has sufficient water to irrigate the Xinavane estates until the start of the next rainfall season
- The Muda dam currently holds sufficient water to irrigate the Lamego estate for a full two seasons

Sugar Operations - Dam Levels

Zimbabwe Water Systems	Full Volume ML	% Full as at 31 March 2013	% Full as at 31 March 2014	% Full as at 31 March 2015
Mutirikwi - Tokwe System	1 740 206	25,3%	52,6%	49,0%
Manjirenji - Siya System	379 634	35,9%	99,4%	82,0%
Manyuchi system	303 473	80,5%	100,0%	88,3%

- The Mutirikwi-Tokwe system supplies 64,6% of the total allocation
 - The Tokwe-Mukorsi dam will supplement this water system
- The Manjirenji-Siya system supplies 23% of the total allocation
- The Manyuchi system which supplies 12,4% of the total allocation

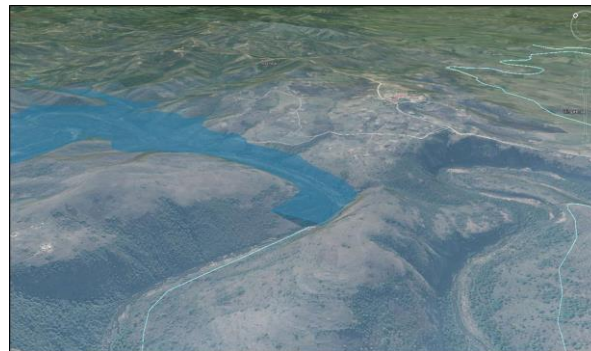
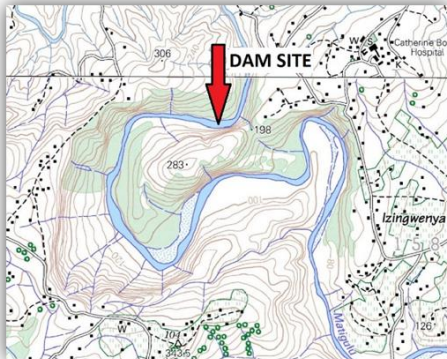


Sugar Operations - Dam Levels

Potential Irrigation Scheme - Amatikulu

Construction of a new dam on the Matigulu River

- 76 million m³ water storage
- Capital cost: R1,4 billion (including irrigation canals and infield infrastructure)
- Potential to irrigate some 4 500 hectares of sugarcane
- Will provide drinking water supply to surrounding communities and local hospital
- Water supply to Gingindlovu - unlocks development potential
- Water supply security for the Amatikulu mill - including potential electricity generating plant



Raw Sugar Production History

Milling Season															
Tons '000	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
South Africa	977	762	868	659	731	760	674	612	652	573	455	486	486	634	541
Mozambique	39	36	71	82	85	115	106	108	108	134	164	233	235	249	271
Swaziland RSE	41	45	50	54	50	56	55	58	56	54	54	59	58	53	57
Zimbabwe *	547	509	578	507	422	430	451	349	298	259	333	372	475	488	445
Total	1 604	1 352	1 567	1 302	1 288	1 361	1 286	1 127	1 114	1 020	1 006	1 150	1 254	1 424	1 314
Capacity	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	2 030	2 030	2 030	2 100	2 100	2 100
% of Capacity	88%	74%	86%	72%	71%	75%	71%	62%	61%	50%	50%	57%	60%	68%	63%

* Hippo Valley acquired in December 2006. Production for Hippo included from the 2000/01 season

Tongaat Hulett Starch

Outlook for South African maize

	1979/80	2010/11	2011/12	2012/13	2013/14	2014/15 Third Production Estimate*
Hectares planted (000 ha)	4 031	2 372	2 699	2 781	2 688	2 653
Yield (t/ha)	3,37	4,37	4,38	4,21	5,32	3,68
Production (000 tons)	13 583	10 360	11 830	11 811	14 307	9 763
Carry in stock (000 tons)	2 115	2 336	994	1 417	589	2 359
Total usage incl. exports (000 tons)	8 324	11 702	11 418	12 639	12 537	10 784
Stock to use ratio	10,02%	8,49%	12,41%	4,66%	18,82%	12,41%

Outlook for World maize / corn

- 2014/15 - Corn production in the US is forecast at 361,1 million tons - yields are higher at 10,73 tons per hectare compared to 9,92 tons per hectare in 2013/14
- Good world corn supplies and currently no supply concerns given the favourable crops harvested internationally
- World corn stocks are forecast to be 10,3% higher than in the prior season and ending stocks are at 15 year highs

Lower International Starch and Glucose prices

- Decreasing corn prices translating to lower starch and glucose margins
- Currency devaluation in commodity based country shielding impact
- Chinese market less competitive due to high domestic corn prices
- Low Starch prices out of India and Turkey placing local prices under pressure

* The estimated production has been calculated using the CEC April 2015 planting intention and expected average yield

Key Drivers Supporting Performance

Improving capacity utilisation and investments in market mix

- Evolving food sector customer mix to higher value products
 - Coffee creamer expansion
 - Customer expansions to replace imports and expand into Africa
 - Modified starches

Operations

- Continued improvements in efficiencies and capacity utilisation
 - Increased investments in asset care
 - Investments in plant infrastructure



Markets

Tons	2013/14 Actual	2014/15 Actual	2015/16 Estimate	% Growth 2014/15 vs. 2013/14	% Growth 2015/16 vs. 2014/15
Alcoholic beverages	173 352	176 489	176 871	1,8%	-0,9%
Coffee creamers	70 734	75 201	93 180	6,3%	23,9%
Confectionery	61 599	67 148	70 750	9,0%	5,4%
Paper	56 486	59 870	60 339	6,0%	0,8%
Prepared foods	12 323	13 696	14 325	11,1%	4,6%
Other	45 712	45 828	47 094	0,3%	2,8%
Total Local	420 206	438 232	462 559	4,3%	5,6%

Volumes and Financial Data

Volume (tons)	March 2015	March 2014
Local Starch	92 557	88 209
Local Glucose	345 675	331 997
Total Local	438 232	420 206
Export Starch	34 422	31 980
Export Glucose	25 976	24 144
Total Exports	60 398	56 124
Co-Products	172 099	167 388
Total	670 729	643 718

R millions	March 2015	March 2014
Revenue	3 447	3 210
Domestic	2 398	2 221
Exports	423	381
Co-Products	626	608
Operating Profit	561	482

Co-product Pricing

Co-product	Price movement 2015 over 2014	Major price drivers
Germ	Down 6,5%	International edible oil prices
Gluten-60	Up 10,7%	Higher international priced competitive products
Gluten-20	Down 6,9%	Local maize price decline

Background on Starch and Glucose

- Only maize wet miller in SADC
- Use > 630 000 tons maize per annum
- Significant market sectors where we manufacture complementary and substitute products from either maize or sugar cane
- Various market segments
 - Fermentation (alcoholic beverages)
 - Spray drying (coffee and coffee creamers)
 - Binder, adhesives (corrugating and paper lamination)
 - Thickener (food applications)
 - Sweeteners (canning and confectionary)
 - Sizing agent (paper industry and textiles)



Zimbabwe Sugar Operations

Triangle and Hippo Valley Estates

- Operating profit: 2014/15: R386 million (US\$ 35 million)
2013/14: R330 million (US\$ 33 million)
- Lower sugar production
- Recovery of local market sugar sales volumes
 - Progress being made with distribution and marketing initiatives
 - More effective import protection
 - Difficult macro-economic conditions
- Sales volumes included sales from previous season stocks
- Export prices into the EU under pressure
- Positive cane valuation impact in 2014/15 versus negative impact in 2013/14 (price reductions)
 - Increased root replanting
- Cost reductions
- Favourable exchange rates on conversion of earnings from US\$ to Rands

Mozambique Sugar Operations

- Operating profit: 2014/15: R130 million (Metical 373 million)
2013/14: R168 million (Metical 496 million)
- Negative effect of additional imported sugar in the Mozambique market (R77 million profit impact)
- Selling prices down on the the previous year
 - Reduced local market prices due to discounts to combat imports
 - Export prices into the EU under pressure
- Higher sugar production and sales volumes
- Goods and services cost reduction over two years
- Negative offset of cane valuations: root amortisation and impact of price reductions



South African Sugar Operations

(Including Downstream Value Added Activities, Botswana, Namibia, Packing, Marketing, Sales and Distribution)

- Operating profit: R261 million (2014: R340 million)
- Sugar production lower - dry, low rainfall conditions
 - partly mitigated by 11 554 hectares of new cane harvested for first time
- Local market sales were under pressure
- Goods and services cost increases limited to 4%, after absorbing price increases and annual salary and wage increases



Growing Crops - Change in Fair Value

IAS 41 Fair Value Change included in the Income Statement: Period to 31 March

R million	2014/15	2013/14
Roots	+ 197	- 78
Standing cane	- 101	- 75
Change in fair value	96	- 153

R million	2014/15	2013/14
Sugar operations: profit before cane valuations	710	1 061
Cane valuation: change in FV	96	- 153
Operating profit: Sugar total	806	908

- Growing crops are valued at the end of the reporting period
- The change in fair value is taken through the income statement:
 - Roots (+ new roots / - amortisation)
 - Standing cane (sugar content and value)
- As hectares under cane grow and yields increase, a valuation gain is expected

Growing Crops - Change in Fair Value (cont.)

IAS 41 Fair Value Change included in the Income Statement: Year to 31 March

R million	2014/15	2013/14
South Africa	+ 126	+ 178
Swaziland	- 11	+ 14
Zimbabwe	+ 66	- 241
Mozambique	- 85	- 104
Change in fair value	+ 96	- 153

South Africa

- Root planting and greater area under cane
- Lower yields due to drought

Zimbabwe

- Increased root replant
- Price movements

Mozambique

- Amortisation of roots
- Price movements

- **Roots change in fair value:**
 - Amortisation of roots
 - + Hectares planted (- replant restricted)
 - + Change in fair value costing
- **Standing cane change in fair value:**
 - Change in sugar pricing
 - + Change in sugar content
 - +/- Change in quantity of standing cane (+ growth and - harvested)
- All agricultural costs are charged to the income statement as operating costs



Growing Crops on the Tongaat Hulett Balance Sheet

	31 Mar 13	31 Mar 14	31 March 2015				
	Total	Total	Total	South Africa	Swaziland	Zimbabwe	Mozambique
<u>Roots</u>							
Hectares farmed	91 179	92 117	96 126	38 107	3 838	28 494	25 687
Amortised root value (Rands per ha)	25 108	27 484	30 406	30 516	16 660	24 403	34 520
<u>Standing Cane</u>							
Hectares for harvest	82 969	85 059	86 967	29 730	3 831	28 448	24 958
Standing cane value (Rands per hectare)	27 644	29 080	29 319	10 970	28 334	44 060	34 524
Yield (tons cane per ha)	85,7	87,1	82,6	54,4	125,6	100,2	89,5
<u>Statement of financial position</u>							
Roots (R million)	2 289	2 532	2 923	1 164	63	810	886
Standing cane (R million)	2 294	2 473	2 550	326	109	1 253	862
Total (R million)	4 583	5 005	5 473	1 490	172	2 063	1 748

March 2014 (R million)	5 005
Change in fair value	+ 96
Foreign currency translation	+ 296
Other - capex	+ 76
March 2015 (R million)	<u>5 473</u>

Roots - unamortised profile 54% to 77% (average 65%)

Cash Flow

Highlighting Sugar Related Dynamics

R million	2014/15	2013/14	
Operating profit	+ 2 089	+ 2 374	Includes all agricultural costs
Growing crop fair value adjustment	- 96	+ 153	As per income statement
Root planting costs (direct planting, excluding other agricultural costs) charged to operating profit	+ 476	+ 128	Included below #
Other non-cash items	+ 584	+ 407	Includes depreciation etc.
Other proceeds	+ 93	+ 87	
	+ 3 146	+ 3 149	
Working capital	- 44	- 761	Inventories and debtors
Capital expenditure - plant, equipment, other capital	- 732	- 528	
Root planting costs	- 552	- 246	Includes operating costs above # and capex items
	+ 1 818	+ 1 614	
Interest and tax	- 970	- 1 061	Cash flow before dividend = R295 million improvement
Dividends	- 429	- 253	
Net cash flow after dividends	+ 419	+ 300	

Cost Reduction Actions- Mozambique Example

Agriculture and Workshops

- Reduce labour cost - productivity improvements, better management and supervisory structures
- Reduce expatriate cost
- Improve procurement and stocking of all major cost items e.g. fertilizer, herbicides, equipment and vehicle spares
- Reduce herbicide usage - improved efficiency of application and general weed control
- Reduce fuel usage - controlled refuelling, introduction of electronic dispensing and monitoring system
- Reduce vehicle and tractor / equipment maintenance costs through efficiencies and upskilling
- Training and motivation of tractor drivers and machinery personnel to reduce breakdowns
- Reduce cane haulage and loading costs

Mills and Stores

- Optimise the Xinavane electrical power generation capacity
- Reduce coal usage
- Reduce the moisture in bagasse - improves steam production
- First line managers accountability - responsible for controlling and reviewing expenditure
- Integrating time and attendance systems with biometric access controls
- Consistently achieving a sugar moisture level of below 0,14% - packing improvements
- Reduce damaged sugar returns from customers - stretch wrapping of bales onto pallets now operational
- Purchase order control system enhancements

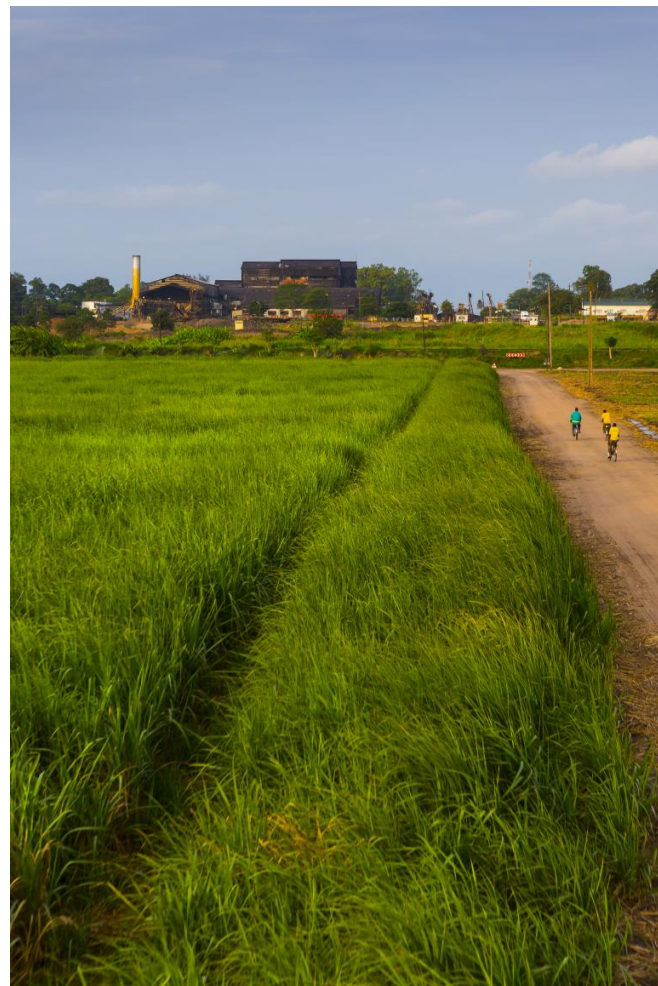
Procurement

- Strategic procurement and practices being implemented

Average Exchange Rates

Average	2014/15	2013/14
Rand/US\$	11,05	10,13
Rand/Euro	13,96	13,59
Rand/Metical	0,35	0,34
US\$/Euro	1,26	1,34
Metical/Euro	40	40

- **Export proceeds: US\$ and Euro**
(exchange rates at time of export - Mozambique and Zimbabwe)
- **Earnings conversion on consolidation**
(at average exchange rates)
 - Zimbabwe : US\$ → Rands
 - Mozambique : Metical → Rands



2007 BEE Transaction - July 2014

SENS Announcement 2 July 2014

Compulsory conversion of the “A Preferred Ordinary” shares in issue into Ordinary shares, listed on the JSE, in terms of the 2007 BEE deal:

- 2007 structure - an 18% participation structure for two strategic / broad-based groupings.
- Original terms and conditions of the transaction agreements have remained in place and have not been altered since their conclusion and approval in 2007.
- 25,1 million “A Preferred Ordinary” shares in Tongaat Hulett, which were funded by the BEE SPVs through external funding, BEE participants’ funding and notional vendor finance in 2007.
- In accordance with the original agreements and approvals, these shares had a 7 year term, within the overall 10 year transaction period.
- On 7 year anniversary (July 2014) - Automatic conversion of the “A Preferred Ordinary” shares to Ordinary shares. The “A Preferred Ordinary” shares thus cease to exist and the A preferred ordinary dividends of some R100 million per annum are no longer payable.
- The converted Ordinary shares will be held by the BEE SPVs for the time being and rank equally (pari passu) with other Ordinary shares and listed on the JSE.
- A calculation has also been performed which determines the number of these converted shares that Tongaat Hulett is entitled to buy-back for the consideration of 1 cent per share (the buy-back right), in order to extinguish the notional vendor finance in the transaction.

2007 BEE Transaction - July 2014 cont.

- This buy-back right is subordinated in favour of the repayment of the external funding and the BEE shareholder loans, which have no recourse to Tongaat Hulett and are well covered by the assets in the BEE SPVs. This means that the buy-back by Tongaat Hulett can only occur after the repayment, in due course, of the external funding in the BEE SPVs – i.e. sometime after the initial 7 year period and prior to the ultimate 10 year duration.
- At the prevailing share price, approximately 4,5 million shares held by the BEE SPVs are required to settle the external funding, which currently amounts to some R650 million in the two BEE SPVs. Simultaneously, in accordance with the original agreements and formulae, at the current share price, Tongaat Hulett is entitled to buy-back the remaining approximately 20,6 million shares for a consideration of 1 cent per share, in due course in this process.
- While the issued share capital of Tongaat Hulett listed on the JSE will now include these approximately 20,6 million shares, that are the subject of the buy-back right, these shares will not be included in the calculations determining earnings per share and headline earnings per share.
- Tongaat Hulett will use the next period to assess how best to take the 2007 BEE participation structure forward, both within the context of the original intent of a transaction structure that spans 10 years and the context of the strategic importance to Tongaat Hulett of meaningful black economic empowerment. Shareholders will continue to be kept updated on the progression of these 2007 transaction structures and should any material changes be required then these would be brought to shareholders for consideration and approval in due course.

Further Information

If you require further information

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