

CHAIRMAN'S STATEMENT



Cedric Savage
Chairman

It gives me great pleasure in this, being my last Chairman's Statement of Tongaat Hulett, to congratulate the CEO, Peter Staude, his executive and staff for the outstanding results achieved in 2008 under difficult economic and business circumstances.

I have had the privilege of working for the company for 31 years. Having joined the company in August 1977, 24 years were spent in an executive capacity and the past 7 years as the non-executive Chairman of Tongaat Hulett. During this period the shape and scale of Tongaat Hulett has changed considerably, but it has always been led by an impressive team of top business and professional people. In line with world trends, the company has moved from an industrial conglomerate to a more focused agri-processing business, which includes integrated components of land management, property development and agriculture.

My successor as Chairman will be elected by the Board before the forthcoming Annual General Meeting. Ideally, I would have wished to welcome the new incumbent in this Annual Report, but I can say with confidence that the new appointee will be appropriate and respected, knowing the strength and experience of the existing Board members available for the position.

Following the corporate restructuring process in 2007 and the introduction of our broad based Black Economic Empowerment (BBBEE) equity partners, the Board has benefited greatly from BBBEE participation and involvement and continues to be sensitive to the wider needs of all its stakeholders. In this regard, it was pleasing to be accredited as a Level Four Contributor in Tongaat Hulett's BBBEE status verification process, conducted by the National Empowerment Rating Agency.

Growth in Earnings

I am delighted to be able to refer to another successful year for Tongaat Hulett. The earnings of the company are now more reflective of the restructured company and are not as distorted as in 2007 due to the major restructuring that took place.

The Board has declared a final dividend of 150 cents per share which, together with the interim dividend of 160 cents per share, amounts to a total annual dividend of 310 cents per share for the 2008 year.

Board Changes

I would like to take the opportunity to welcome Mrs Fatima Jakoet, Dr Vincent Maphai and Mrs Nonhlanhla Mjoli-Mncube who joined the Board as non-executive directors on 1 October 2008. They are widely experienced and their insight and contributions to the Board in the future will be greatly valued.

Mrs Elisabeth le Roux Bradley, who joined the Board in 1987, is due to retire with effect from the forthcoming Annual General Meeting on

29 April 2009, having reached mandatory retirement age. On behalf of the Board I thank her as a non-executive director, the Chairman of the Audit and Compliance Committee and a member of the Remuneration Committee. She has made an outstanding contribution and we wish her every happiness in her retirement.

Business Sustainability

The company continues to strive to achieve its stated employment equity, training and development, and affirmative action procurement targets and has made pleasing inroads in this area. Substantial improvements continue to be achieved in safety performance at all operations of the company.

Comprehensive HIV and AIDS management programmes are in place encouraging employees to know their status through Voluntary Counselling and Testing (VCT). 80% of the employees in South Africa, 70% in Swaziland, 65% in Mozambique and 69% in Zimbabwe have had their status determined.

Tongaat Hulett was again included in the JSE Socially Responsible Investment (SRI) index for the fifth year in a row, and was ranked among the 21 top performing listed companies on the index. The inclusion in the SRI index once again recognises and provides an important benchmark for the company's sustainability initiatives.

The company is well placed for meeting the many challenges it faces in achieving its triple bottom line objectives.

Corporate Governance

The company is committed to maintaining the highest standards of corporate governance. The Board complies in all material respects with the recommendations and requirements embodied in the King II Report on Corporate Governance and the related requirements of the JSE.

Tongaat Hulett's corporate governance reporting was acknowledged when it won the Mid Cap Category Award at the Chartered Secretaries of Southern Africa's Annual Report Awards in 2008, which highlights the benchmark for governance reporting in Africa.

The Board continues to endorse the underlying principles of openness, integrity, accountability, transparency and social responsibility. The company has recognised the need to provide timeous, relevant and meaningful reporting to all stakeholders.

Appreciation

In conclusion, I wish to pay tribute to a group of outstanding people both at Board and executive level, with whom I have worked and benefited from during my time at Tongaat Hulett and over the years, too many to mention by name. Peter Staude and his competent executive team have played a pivotal role in entrenching a culture of performance and productivity, which has enhanced the capacity of all our people to cope with the demands of a challenging business environment and I extend to them my sincerest appreciation and thanks.

I also wish to record my congratulations to every member of the staff of the company, all of whom have combined to produce another memorable year of achievement.

I have no doubt that Tongaat Hulett, from its well-established and sound platform, will continue its sustainable growth into the future.



Cedric Savage

Chairman

Amanzimnyama
Tongaat, KwaZulu-Natal

19 February 2009