

CHAIRMAN'S STATEMENT



JB Magwaza
CHAIRMAN

It gives me great pleasure in my first year as Chairman to present my statement to our shareholders. It is pleasing to refer to the continued growth in earnings in the current reporting period, particularly in terms of profit from operations and headline earnings, as detailed in this annual report. The financial year-end has changed to the end of March, which corresponds with the sugar season in all the countries in which we operate. Tongaat Hulett remains well positioned with its agriculture and agri-processing components of the business and in land conversion and development activities.

CHAIRMAN'S SUCCESSION AND DIRECTORATE

There were some key changes to the composition of our Board during the period under review. Cedric Savage and Elisabeth Bradley retired at the last Annual General Meeting on 29 April 2009, having reached the mandatory retirement age. Cedric served the company industriously for thirty-one years, seven of which were spent as a non-executive Chairman. The foundations of the company's current success are built on the leadership and wisdom of people like Cedric. Elisabeth joined the company in 1987 and provided a remarkable contribution as a director over a period spanning twenty-one years. Her knowledge and experience were of significant benefit to the board. We extend to them both our gratitude and very best wishes for the future.

Phillip Baum and John Williams resigned from our Board with effect from 14 August 2009 as a result of Anglo American's disposal of its shareholding in Tongaat Hulett, and we thank them sincerely for their contribution to the business.

We were delighted to welcome two new independent non-executive directors to our Board, who bring a valuable advantage and perspective to the Board in light of the broad geographic spread of our operations. Rachel Kupara, a seasoned director of various companies based in Zimbabwe, was appointed with effect from 8 October 2009. Adriano Maleiane, a former Governor of the Central Bank of Mozambique, amongst his many other achievements, was appointed on 23 November 2009. Their appointment enhances the dynamics of our Board, and adds value to our deliberations.

Hixonia Nyasulu, having served on the Tongaat Hulett Board for the past ten years and deciding to create an opportunity for succession, has communicated her intention to resign from the Board with effect from the Annual General Meeting on 27 July 2010. In advance of her resignation, Thandeka Mgoduso was appointed as a non-executive director with effect from 21 May 2010. Thandeka is a director of companies, including Ayavuna Women's Investment, and will provide continuity in respect of Tongaat Hulett's BEE equity initiative. We take this opportunity to express our gratitude to Hixonia for her sterling contribution to Tongaat Hulett and wish her success in her current and future endeavours.

ANGLO AMERICAN'S DISPOSAL OF ITS SHAREHOLDING IN TONGAAT HULETT

Anglo American sold its shareholding in Tongaat Hulett to institutional investors in August 2009. The 51,2 million shares held by Anglo American (which constituted 50 percent of Tongaat Hulett's listed equities)

were all sold in the single book build equity placing process. The book build process highlighted the strong demand and interest in Tongaat Hulett by local and international fund managers. The company's shares are now widely held and the liquidity of the listed equity has been substantially increased.

BUSINESS SUSTAINABILITY

The company is committed to enhancing the growth of its business and adding value in a responsible and sustainable manner. Substantial improvements continue to be achieved in order to create value for current stakeholders and future generations.

Despite our continued efforts to ensure highest standards of safety and occupational health, regrettably there were fatalities recorded during the year under review which the CEO expands upon in his report. Our deepest condolences go out to all the families, friends and colleagues concerned. An outcome from this tragedy is our strengthened resolve to eliminate fatalities across all our operations. Some highlights were witnessed in the area of safety, including the notable decrease in the Lost Time Frequency Rate.

Tongaat Hulett was again included in the JSE's Socially Responsible Investment index for the sixth year in a row, ranked among the thirty best performers and noted as one of the ten consistent best performers for the past three years. The company continues to explore ways of advancing principles and practices of sustainable development in the course of pursuing prosperity for all its stakeholders.

Looking ahead, the Board is optimistic that with a clear strategic platform supported by a strong management approach to environmental stewardship, social performance and economic prosperity, the company will continue on a strong and resilient footing.

DIVIDEND DECLARATION

The Board declared a final distribution by way of the issue of fully paid ordinary shares as a scrip distribution payable to ordinary shareholders. As an alternative, a final dividend of 175 cents per share will be paid to shareholders who elect not to take up the scrip distribution. The final dividend, which, together with the interim dividend of 100 cents per share, amounts to a total dividend of 275 per share for the financial period ended 31 March 2010.

CORPORATE GOVERNANCE

As the custodian of corporate governance the Board continues to be committed to principles of corporate discipline, ethical leadership, transparency, integrity and accountability, and has complied in all material respects with the recommendations and requirements embodied in the King II Report on Corporate Governance and requirements of the JSE.

The recent introduction of The King Code of Governance Principles (King III) proves that sound corporate governance continues to be a crown value guiding the conduct of thriving businesses. Tongaat Hulett embraces this latest development and is taking steps to ensure application of its relevant principles.

Pertinent legislative changes such as the new Companies Act, the Competition Amendment Act and the Consumer Protection Act amongst others, continue to receive the necessary attention they deserve, and the company is well poised to meet the demands and challenges they pose.

APPRECIATION

I conclude by expressing my appreciation to Peter Staude and his very competent and diligent executive team who have consistently delivered outstanding performance, and have played a pivotal role in entrenching a results and performance driven culture across the organisation, to the benefit of all stakeholders.

I would also like to take this opportunity to thank the Board, which provides much assurance with its dynamic wealth of experience and wise counsel and makes my Chairmanship an enjoyable experience.

I also wish to thank all members of staff, who are the heart and soul of our organisation. Your commitment and dedication is commendable and appreciated.



J B Magwaza
CHAIRMAN

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010