

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

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FINANCIAL HIGHLIGHTS

	12 months to 31 March 2011	12 months to 31 March 2010	15 months to 31 March 2010
Revenue (Rmillion)	9 681	8 789	11 136
Profit from operations (Rmillion)	1 338	1 500	1 691
Operating profit (Rmillion)	1 606	1 535	3 687
Headline earnings (Rmillion)	806	815	858
Headline earnings per share - basic (cents)	760,5	788,5	826,5
Annual dividend per share (cents)	250,0	275,0	275,0

CURRENCY CONVERSION GUIDE

	31 March 2011	Closing rate at 31 March 2010	31 December 2008
Rand/US dollar	6,80	7,39	9,30
Rand/Metical	0,22	0,24	0,36
Rand/Euro	9,66	9,95	12,93

	12 months to 31 March 2011	Average rate for period 12 months to 31 March 2010	12 months to 31 December 2008
Rand/US dollar	7,19	7,81	8,27
Rand/Metical	0,21	0,27	0,34
Rand/Euro	9,49	11,03	12,17

REPORT OF THE INDEPENDENT AUDITORS

to the members of Tongaat Hulett Limited

Report on the Financial Statements

We have audited the annual financial statements and the consolidated annual financial statements of Tongaat Hulett Limited, which comprise the statement of financial position as at 31 March 2011, the income statement, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information and the directors' report, as set out on page 56 and pages 60 to 112.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa No. 61 of 1973 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the

purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and consolidated financial position of Tongaat Hulett Limited as at 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa No. 61 of 1973.


Deloitte & Touche

Audit KZN

Registered Auditors

Per JAR Welch

Partner

26 May 2011

2 Pencarrow Park

Pencarrow Crescent

La Lucia Ridge Office Estate

La Lucia, 4051

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit DL Kennedy Risk Advisory NB Kader Tax and Legal Services L Geeringh Consulting L Bam Corporate Finance JK Mazzacco Human Resources CR Beukman Finance TJ Brown Clients NT Mtoba Chairman of the Board MJ Comber Deputy Chairman of the Board.

Regional Leader: GC Brazier

A full list of partners and directors is available on request.

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

The directors are responsible for the preparation and integrity of the consolidated annual financial statements of the company and other information included in this report that has been prepared in accordance with International Financial Reporting Standards.

The directors, supported by the Audit and Compliance Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent external auditors on the results of their statutory audit, that the company's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that the company's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

In preparing the financial statements, the company has used appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and have complied with all applicable accounting standards. The directors are of the opinion that the financial statements fairly present the financial position of the company at 31 March 2011 and the results of its

operations for the year then ended. The directors are also of the opinion that the company will continue as a going concern in the year ahead.

The independent external auditors concur with the above statements by the directors.

The company's independent external auditors, Deloitte & Touche, have audited the financial statements and their unqualified report appears on page 59.

The annual financial statements were approved by the Board of directors on 26 May 2011 and are signed on its behalf by:



J B Magwaza
Chairman



P H Staude
Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2011

CERTIFICATE BY COMPANY SECRETARY

I certify that the company has lodged with the Registrar of Companies all returns that are required of a public company in terms of the Companies Act

No. 61 of 1973 of South Africa in respect of the year ended 31 March 2011 and that all such returns are true, correct and up to date.



M A C Mahlari
Company Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2011

DIRECTORS' STATUTORY REPORT

The directors have pleasure in submitting the annual financial statements for the year ended 31 March 2011.

NATURE OF BUSINESS

Tongaat Hulett is an agri-processing business that includes the integrated components of land management, property development and agriculture. The activities are dealt with in detail in the integrated annual report.

FINANCIAL RESULTS

The net profit attributable to shareholders for the year ended 31 March 2011 amounted to R833 million (15 months to 31 March 2010: R2,898 billion). This translates into a headline earnings per share of 760,5 cents (2010: 826,5 cents) based on the weighted average number of shares in issue during the year.

DIVIDENDS

An interim dividend number 166 of 110 cents per share was paid on 20 January 2011 and a final dividend number 167 of 140 cents per share has been declared and is payable on 21 July 2011 to shareholders registered at the close of business on 15 July 2011.

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

Last date to trade ordinary shares "CUM" dividend	Friday	8 July 2011
Ordinary shares trade "EX" dividend	Monday	11 July 2011
Record date	Friday	15 July 2011
Payment date	Thursday	21 July 2011

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 11 July 2011 and Friday 15 July 2011, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by United Kingdom transfer secretaries will be paid in British currency at

the rate of exchange ruling at the close of business on Friday 8 July 2011.

SHARE CAPITAL

There was no change in the authorised capital of the company.

During the year, 1 134 530 fully paid ordinary shares of R1,00 each were issued by way of a scrip distribution to shareholders in respect of the final dividend for 2010.

During the period, 202 422 shares were allotted (there were no shares allotted to directors) in respect of options exercised in terms of the company's employee share incentive schemes for a total consideration of R6 million. Details of the unissued ordinary shares and the company's share incentive schemes are set out in notes 11, 34 and 35.

At the previous AGM, a general authority was granted by shareholders for the company to acquire its own shares in terms of the Companies Act. The directors consider that it will be advantageous for the company were this general authority to continue. Such authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time. Shareholders will be asked to consider a special resolution to this effect at the forthcoming AGM meeting with the proviso that the number of ordinary shares acquired in any one financial year may not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed.

In compliance with the Listings Requirements of the JSE Limited ("JSE"), the acquisition of shares or debentures ("securities") pursuant to a general authority may only be made by a company subject to such acquisitions:

- being effected through the order book operated by the JSE trading system;

DIRECTORS' STATUTORY REPORT continued

- being authorised thereto by the company's articles of association;
- being authorised by the shareholders of the company in terms of a special resolution of the company in general meeting which will be valid only until the next AGM of the company; provided that such authority will not extend beyond 15 months from the date of the resolution;
- not being made at a price greater than ten percent above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The JSE should be consulted for a ruling if the company's securities have not traded in such five business day period.

Further, in terms of the listings requirements of the JSE, the directors consider that in their opinion, taking into account the effect of the maximum acquisition by the company of shares issued by it as referred to above:

- the company and its subsidiaries (together "the group") will be able, in the ordinary course of business, to pay its debts for a period of 12 months from 26 May 2011;
- the assets of the company and of the group will be in excess of the liabilities of the company and the group for a period of 12 months from 26 May 2011. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the company's latest audited group annual financial statements;
- the ordinary capital and reserves of the company and the group will be sufficient for the company's and the group's present requirements for 12 months from 26 May 2011;
- the working capital of the company and the group for a period of 12 months from 26 May 2011 will be adequate for the company's and the group's requirements.

SUBSIDIARY COMPANIES AND JOINT VENTURES

The principal subsidiaries and joint ventures of the company are reflected in note 26.

The attributable interest of the company in the results of its consolidated subsidiaries and joint ventures for the year ended 31 March 2011 is as follows:

	12 months to 31 March 2011	15 months to 31 March 2010
In the aggregate amount:		
Net profit (Rmillion)	670	935
Net losses (Rmillion)	29	96

DIRECTORATE

During the period, T H Nyasulu and TV Maphai resigned from the Board in July 2010 and March 2011 respectively. The composition of the Board, at 31 March 2011, is as follows: J B Magwaza (Chairman), P H Staude (CEO), B G Dunlop, F Jakoet, J John, R P Kupara, A A Maleiane, M Mia, T N Mgoduso, N Mjoli-Mncube, M H Munro, C B Sibisi and R H J Stevens.

Directors retiring by rotation at the AGM in accordance with article 61 of the articles of association are B G Dunlop, F Jakoet, N Mjoli-Mncube, and M H Munro. These directors are eligible and offer themselves for re-election. Details of each of these retiring directors are set out on pages 53 to 55. R H J Stevens will retire at the AGM, having reached the mandatory retirement age.

DIRECTORS' SHAREHOLDINGS

At 31 March 2011, the present directors of the company beneficially held a total of 277 161 ordinary shares equivalent to 0,26 percent in the ordinary listed share capital of the company (31 March 2010: 224 162 shares equivalent to 0,22 percent). Details of the directors' shareholdings and interests in the share incentive schemes are provided in notes 33 and 34. There has been no change in these holdings between 31 March and 26 May 2011.

AUDIT AND COMPLIANCE COMMITTEE

The Companies Act 2008, as amended, (the Act) came into effect on 1 May 2011. The Audit and Compliance Committee has considered the provisions of the Act and is taking the necessary steps to ensure compliance. The committee confirms that during the period under review it carried out its functions responsibly and in accordance with its terms of reference as detailed in the Corporate Governance section of the integrated annual report. In addition, the committee is satisfied that the designated auditors of the company are independent of the company.

POST BALANCE SHEET EVENTS

There were no material events between the balance sheet date and the date of this report.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2011

Tongaat Hulett Limited

Company		Rmillion	Note	Consolidated	
2010	2011			2011	2010
ASSETS					
Non-current assets					
2 387	2 386	Property, plant and equipment	1	7 665	7 710
256	363	Growing crops	2	2 608	2 041
	294	Defined benefit pension fund asset	32	294	
143	239	Long-term receivable and prepayment	3	135	
		Goodwill	4	230	240
8	31	Intangible assets	5	32	9
2		Investments	6	7	10
3 696	3 917	Subsidiaries and joint ventures	7		
<hr/>				<hr/>	<hr/>
6 492	7 230			10 971	10 010
Current assets					
1 521	1 283	Inventories	8	1 365	1 373
720	436	Trade and other receivables		1 457	1 580
658	613	Major plant overhaul costs		331	256
102	141	Derivative instruments	9	11	9
9	11	Tax		6	
	9	Cash and cash equivalents	10	350	140
32	73				
<hr/>				<hr/>	<hr/>
8 013	8 513	TOTAL ASSETS		14 491	13 368
EQUITY AND LIABILITIES					
Capital and reserves					
139	140	Share capital	11	140	139
1 519	1 524	Share premium		1 524	1 519
		BEE held consolidation shares	12	(868)	(935)
1 062	1 143	Retained income		5 305	4 691
403	415	Other reserves		(1 301)	(841)
<hr/>		Shareholders' interest		<hr/>	<hr/>
3 123	3 222			4 800	4 573
<hr/>		Minority interests in subsidiaries		840	870
3 123	3 222	Equity		<hr/>	<hr/>
				5 640	5 443
Non-current liabilities					
1 704	1 746	Deferred tax	13	1 365	1 272
341	447	Long-term borrowings	14	1 345	1 103
1 066	977	Non-recourse equity-settled BEE borrowings	15	761	787
		Provisions	16	510	546
297	322				
<hr/>		Current liabilities		<hr/>	<hr/>
3 186	3 545	Trade and other payables	17	4 870	4 217
1 414	1 106	Short-term borrowings	14	1 938	2 131
1 768	2 437	Derivative instruments	9	2 930	2 077
3	2	Tax		2	3
1					6
<hr/>		TOTAL EQUITY AND LIABILITIES		<hr/>	<hr/>
8 013	8 513			14 491	13 368

INCOME STATEMENTS

for the year ended 31 March 2011

Tongaat Hulett Limited

Company				Consolidated	
15 months to	12 months to			12 months to	15 months to
31 March	31 March			31 March	31 March
2010	2011	Rmillion	Note	2011	2010
8 155	6 250	REVENUE		9 681	11 136
788	620	Profit from operations		1 338	1 691
47	5	Bulk sales / capital profit on land		23	52
13	2	Capital profit on other items		4	13
(33)	(43)	BEE IFRS 2 charge and transaction costs		(46)	(35)
	288	Valuation adjustments:		288	
		Defined benefit pension fund asset recognition			
		Zimbabwe consolidation take-on gain			1 969
		Other valuation adjustments		(1)	(3)
815	872	Operating profit after corporate transactions	18	1 606	3 687
		Share of associate company's (loss)/profit		(2)	1
(478)	(369)	Financing costs	20	(484)	(489)
104	8	Finance income	20	12	37
441	511	PROFIT BEFORE TAX		1 132	3 236
(113)	(137)	Tax	21	(261)	(208)
328	374	NET PROFIT		871	3 028
		Attributable to:			
328	374	Shareholders of Tongaat Hulett		833	2 898
		Minority (non-controlling) interest		38	130
328	374			871	3 028
		EARNINGS PER SHARE (cents)	23		
		Basic		786,0	2 791,6
		Diluted		764,3	2 736,0

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2011

Tongaat Hulett Limited

Company			Consolidated	
15 months to 31 March 2010	12 months to 31 March 2011	Rmillion	12 months to 31 March 2011	15 months to 31 March 2010
328	374	PROFIT FOR THE YEAR	871	3 028
17	(3)	OTHER COMPREHENSIVE INCOME	(542)	(1 445)
		Movement in non-distributable reserves:		
23	(4)	Foreign currency translation	(539)	(1 462)
(6)	1	Hedge reserve	(4)	23
		Tax on movement in hedge reserve	1	(6)
345	371	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	329	1 583
		Total comprehensive income attributable to:		
345	371	Shareholders of Tongaat Hulett	358	1 689
		Minority (non-controlling) interest	(29)	(106)
345	371		329	1 583

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2011

Tongaat Hulett Limited

Rmillion	Share Capital			Share Premium	BEE Held Consolidation Shares	Capital Redemption Reserve Funds	Share-based Payment Reserve	Hedging and Translation Reserves	Retained Income	Shareholders' Interest	Minority (non-controlling) Interest	Total
	Ordinary	B Ordinary	A Preferred Ordinary									
CONSOLIDATED												
Balance at 1 January 2009	103	10	25	1506	(1 023)	33	344	(26)	2 087	3 059	276	3 335
Share capital issued	1			13						14		14
Amortisation of BEE IFRS 2 charge					29					29		29
Share-based payment charge							39			39		39
Settlement of share-based payment awards							(22)			(22)		(22)
Consolidation of subsidiaries											755	755
Change of interest in subsidiary											(7)	(7)
Allocation of BEE amount					59				(30)	29	(29)	
Dividends paid									(264)	(264)		(264)
Dividends paid - minorities											(19)	(19)
Total comprehensive income for the period								(1 209)	2 898	1 689	(106)	1 583
Retained earnings									2 898	2 898	130	3 028
Movement in hedge reserve								17		17		17
Foreign currency translation								(1 226)		(1 226)	(236)	(1 462)
Balance at 31 March 2010	104	10	25	1 519	(935)	33	361	(1 235)	4 691	4 573	870	5 443
Share capital issued	1			5						6		6
Amortisation of BEE IFRS 2 charge					42					42		42
Share-based payment charge							42			42		42
Settlement of share-based payment awards							(27)			(27)		(27)
Consolidation of subsidiaries											1	1
Loan account movement											2	2
Reallocation					25				(28)	(3)	3	
Dividends paid									(191)	(191)		(191)
Dividends paid - minorities											(7)	(7)
Total comprehensive income for the year								(475)	833	358	(29)	329
Retained earnings									833	833	38	871
Movement in hedge reserve								(3)		(3)		(3)
Foreign currency translation								(472)		(472)	(67)	(539)
Balance at 31 March 2011	105	10	25	1 524	(868)	33	376	(1 710)	5 305	4 800	840	5 640
COMPANY												
Balance at 1 January 2009	103	10	25	1 506				(11)	1 125			3 137
Share capital issued	1			13								14
Share-based payment charge							39					39
Settlement of share-based payment awards							(21)					(21)
Dividends paid and accrued									(391)			(391)
Total comprehensive income for the period								17	328			345
Retained earnings									328			328
Movement in hedge reserve								17				17
Balance at 31 March 2010	104	10	25	1 519				6	1 062			3 123
Share capital issued	1			5								6
Share-based payment charge							42					42
Settlement of share-based payment awards							(27)					(27)
Dividends paid and accrued									(293)			(293)
Total comprehensive income for the year								(3)	374			371
Retained earnings									374			374
Movement in hedge reserve								(3)				(3)
Balance at 31 March 2011	105	10	25	1 524				3	1 143			3 222

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2011

Tongaat Hulett Limited

Company			Consolidated	
15 months to 31 March 2010	12 months to 31 March 2011	Rmillion	12 months to 31 March 2011	15 months to 31 March 2010
		Cash generated from operations		
678	767	Operating profit before dividends	1 606	3 687
137	105	Dividends received		
815	872	Operating profit	1 606	3 687
(77)	(17)	Profit on disposal of property, plant and equipment	(35)	(87)
		Adjustments for:		
(53)	(13)	Growing crops and other non-cash flow items	(622)	(729)
230	151	Depreciation	344	521
	(288)	Defined benefit pension fund asset recognition	(288)	
		Zimbabwe consolidation take-on gain		(1 969)
(52)	(40)	Tax payments	(111)	(257)
863	665	Cash generated from operations	894	1 166
		Cash required by operations		
676	277	Inventories	11	497
57	(84)	Trade and other receivables	(7)	57
432	(312)	Trade and other payables	(216)	235
1 165	(119)	(Increase)/decrease in working capital	(212)	789
2 028	546	Cash flow from operations	682	1 955
(374)	(361)	Net financing costs	(472)	(452)
1 654	185	Cash flow from operating activities	210	1 503
		Cash flows from investing activities		
		Expenditure on property, plant and equipment		
(25)	(20)	- New	(396)	(1 416)
(195)	(132)	- Replacement	(323)	(280)
(137)	(39)	- Major plant overhaul costs	(87)	(291)
(7)	(26)	Expenditure on intangible assets	(26)	(7)
3	2	Capital expenditure on growing crops	(43)	(76)
88	18	Proceeds on disposal of property, plant and equipment	41	110
(1 216)	(5)	Investments - subsidiary	(5)	
		Investments - unlisted		8
(1 489)	(202)	Net cash used in investing activities	(839)	(1 952)
165	(17)	Net cash flow before dividends and financing activities	(629)	(449)
		Dividends paid		
(366)	(293)	Ordinary and preferred ordinary shares	(191)	(264)
		Minorities	(7)	(19)
(366)	(293)	Dividends paid	(198)	(283)
(201)	(310)	Net cash flow before financing activities	(827)	(732)
		Cash flows from financing activities		
513	579	Borrowings raised	1 103	652
		Non-recourse equity-settled BEE borrowings	(26)	(4)
14	6	Shares issued	6	14
(18)	(20)	Settlement of share-based payment awards	(27)	(22)
(314)	(214)	Inter-group loans		
195	351	Net cash from financing activities	1 056	640
(6)	41	Net increase/(decrease) in cash and cash equivalents	229	(92)
38	32	Balance at beginning of year	140	229
		Foreign exchange adjustment	(18)	(61)
		Exchange rate translation loss	(1)	(5)
		Consolidation of subsidiaries		69
32	73	Cash and cash equivalents at end of year	350	140

ACCOUNTING POLICIES AND FRAMEWORK

The annual financial statements are prepared in accordance with the accounting policies which fully comply with International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous year.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and of its subsidiaries. The results of subsidiaries are included from the date effective control was acquired and up to the date effective control ceased. Investments in joint ventures are accounted for on the proportionate consolidation method from the effective date of acquisition and up to the effective date of disposal. All material inter-company balances and transactions are eliminated. Special purpose entities which were established in a recent black economic empowerment transaction have been and will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from Tongaat Hulett's equity therein. The interests of minority shareholders is initially measured at the date of acquisition at the minority's proportion of the net fair value of the assets and liabilities consolidated and thereafter, the minority's share of changes in equity since the date of acquisition. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of Tongaat Hulett except to the extent that the minority has a binding obligation and the financial ability to cover such losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including refurbishment, less accumulated depreciation and impairment. Cost includes the estimated cost of dismantling and removing the assets. Interest and other costs incurred on major capital projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

Assets held under finance lease agreements are capitalised at fair value and the corresponding liabilities to the lessor are raised. Lease finance charges are charged to profit or loss over the term of the relevant lease using the effective interest rate method. Land and capital work in progress are not depreciated. All other fixed assets, including major factory overhaul costs, are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their use. Maintenance expenditure on the company's sugar mills following the cessation of crushing for the season is carried forward as a current asset and charged against the following season's income. Where significant parts of a fixed asset item have different useful lives to the item itself, these component parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

During the year under review, property, plant and equipment were depreciated on the straight line basis using the rates set out below:

Agricultural land improvements	50 to 99 years
Buildings	30 to 50 years
Plant and equipment	4 to 40 years
Vehicles	4 to 12 years
Furniture and equipment	3 to 10 years

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised on the straight line basis over its expected useful life, which in the case of software is four years and over three to seven years in the case of cane supply agreements. An intangible asset with an indefinite useful life is not amortised, but is tested

ACCOUNTING POLICIES AND FRAMEWORK continued

annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

GROWING CROPS

Growing crops comprise roots and standing cane. The carrying value is determined as follows:

- Roots at current replacement cost of planting and establishment, amortised over the period of their productive life;
- Standing cane at the estimated cane price and sucrose content less harvesting, transport and over the weighbridge costs.

GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

ASSOCIATE COMPANIES

Associates are those companies, which are not subsidiaries or joint ventures, over which Tongaat Hulett exercises significant influence. Results of associates are equity accounted. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as Tongaat Hulett is committed to providing financial support to such associates.

The carrying value of investments in associates represents the cost of each investment including goodwill, the share of post acquisition retained income or losses and other movements in reserves.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value determined in general on the first-in-first-out and average methods. The cost of finished goods and work in progress comprises direct materials, labour and appropriate overhead costs. Progress payments are deducted from work in progress where applicable. Development properties comprise land valued at cost and development expenditure attributable to unsold properties. Obsolete and slow moving inventories are identified and suitable reductions in value are made where necessary.

MAIZE PURCHASE CONSTRUCTIVE OBLIGATIONS

Certain maize purchase commitments are recognised as constructive obligations. Maize that relates to such a constructive obligation is recognised as inventory, the related liability is recognised as a current liability and to the extent that the final purchase price includes a financing element, this is recognised as interest over the period of the obligation.

DEFERRED TAX

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which does not affect either taxable profit or accounting profit.

IMPAIRMENT

At the date of each statement of financial position, Tongaat Hulett reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the

recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

RESEARCH AND DEVELOPMENT

Expenditure on research is charged to profit or loss in the year in which it is incurred. Development costs are reviewed annually and are expensed if they do not qualify for capitalisation. The amount of development cost recognised as an asset is amortised over the estimated useful life of the related development but not exceeding five years.

REVENUE

Revenue comprises sales arising from normal trading activities excluding intra-group transactions and is recognised when the significant risks and rewards of the goods are transferred to the buyer. In respect of the sale of township properties, sales are recognised when the relevant agreements are unconditional and binding on the purchaser, the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price, zoning and final conditions of establishment have been obtained and servicing arrangements and costs are substantially finalised. Bulk land sales are recognized when the relevant agreements are unconditional and binding on the purchaser and the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price. In the determination of revenue, cash and settlement discounts, rebates and VAT are excluded.

FOREIGN CURRENCIES

The functional currency of each entity within Tongaat Hulett is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates

of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the date of the statement of financial position.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities whose functional currencies are different to Tongaat Hulett's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling at the date of the statement of financial position;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised directly in equity. On disposal of such an entity, this reserve is recognised in profit or loss.

FINANCIAL INSTRUMENTS

Recognition

A financial asset or financial liability is recognised in the statement of financial position for as long as Tongaat Hulett is a party to the contractual provisions of the instrument. Purchases of derivatives are recognised on trade date and sales are recognised on settlement date. Gains or losses on derecognition of financial assets or liabilities are recognised in profit or loss.

Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by Tongaat Hulett are held at amortised cost, using the effective interest rate method, after deducting

ACCOUNTING POLICIES AND FRAMEWORK continued

accumulated impairment losses. Receivables with no fixed maturity are held at cost.

- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses.
- Fair value through profit or loss financial assets, available for sale and cash equivalent investments are held at fair value.
- Financial liabilities are measured at amortised cost, except for held-for-trading financial liabilities and derivatives, which are held at fair value.
- Unlisted investments are recorded at cost.

Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are carried at fair value, and are not part of a hedging relationship, are accounted for as follows:

- Fair value through profit or loss financial assets are recognised in profit or loss for the year.
- Available for sale and cash equivalent investments are taken to equity until the financial asset is disposed of, or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the year.

For the purposes of hedge accounting, hedges are classified into two categories:

- Fair value hedges, which hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment; and
- Cash flow hedges, which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised in profit or loss for the period. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss for the period.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' equity and the ineffective portion is recognised in profit or loss for the period. For cash flow hedges affecting future transactions, the gains or losses, which are recognised in shareholders' equity, are transferred to profit or loss in the same period in which the hedged transaction affects profit or loss. Where the hedged transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss that had previously been recognised in shareholders' equity is included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Set-off

Where the redemption of debt, raised for major capital projects, is provided for by sinking funds or financial instruments which allow for the legal right of set-off against the debt on the repayment date, and it is expected that the debt will be settled in this way, the related income statement, statement of cash flows and statement of financial position items are set off.

Financial guarantee contracts

Where financial guarantee contracts are entered into, these are regarded as insurance contracts and accounted for as insurance arrangements.

GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When the conditions attaching to government grants have been complied with they are recognised in profit or loss. When they are for expenses or losses already incurred, they are recognised immediately in profit or loss.

EMPLOYEE BENEFITS

Retirement funds

The assets of the defined benefit and defined

contribution schemes are held separately from those of Tongaat Hulett and are administered and controlled by trustees.

There is one defined benefit scheme in South Africa for employees that previously covered The Tongaat-Hulett Group Limited and in 2010/11 covered Tongaat Hulett and Hulamin. This scheme is actuarially valued at intervals of not more than three years using the projected unit credit method. The actuarial valuation of The Tongaat-Hulett Pension Fund as at 31 December 2009 revealed an actuarial surplus, a portion of which was allocated to the employer surplus account with the balance remaining in the Fund. The allocation to the employer surplus account, which was approved by the trustees in August 2010, was split between the participating employers, Tongaat Hulett and Hulamin, as in the past, proportionate to their share of the liabilities in the Fund at the valuation date. Consequently an amount of R129 million (2010: R79 million) was recognised in the results to 31 March 2011, net of the employer contribution holiday for the period. The employer surplus account is being utilised for a contribution holiday.

Following the unbundling of Hulamin from The Tongaat-Hulett Group in 2007, The Tongaat-Hulett Group Pension Fund was required to be split between the employers and the manner in which the funds proceed following the unbundling also needed clarity, as reported previously. In December 2010 approval was granted by the trustees for the filings with the Financial Services Board (FSB) on the detail and basis of the splitting of the old fund into two new funds - one for Tongaat Hulett and one for Hulamin.

Following this clarity on the fund, the IFRS standard IAS 19 requires that, in these circumstances, the employer recognise on its statement of financial position the relevant “defined benefit asset” relating to the accounting surplus, with a corresponding increase in earnings at the time of recognition. The detail of the accounting standards on this matter are contained in IAS 19, IFRIC 14 and AC 504. Where an asset is to be recognised, IAS 19 limits the amount that should be recognised. IFRIC 14, updated in January 2010, provides guidance on this matter. AC 504, issued in October 2010, provides guidance on the application of IFRIC 14.

The application of these standards confirm the recognition of the amounts previously allocated to the Tongaat Hulett Employer Surplus Account in the Fund and recognised in Tongaat Hulett’s financial statements.

A further accounting recognition was required for the year ended 31 March 2011. IFRIC 14 and AC 504 specify the criteria to be used in determining the amount to be recognised which represents the difference between the estimated future IAS 19 service cost /contribution rate and the actual actuarially determined contribution rate over a relevant period. An amount of R288 million has been recognised in profit in respect of this “defined benefit pension fund asset”.

The defined benefit pension fund accounting disclosures are detailed in note 32.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

Post-retirement medical aid benefits and retirement gratuities

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Actuarial gains and losses are amortised over ten years beginning in the year that the actuarial gain or loss arises.

SHARE-BASED PAYMENTS

The company enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2 Share-based Payment is accounted for in terms of the scheme on the basis that the instruments are equity-settled. The total amount to be expensed on a straight line basis over the vesting period is determined with reference to the fair value of the awards determined at the grant date. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-

ACCOUNTING POLICIES AND FRAMEWORK continued

based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

CORPORATE TRANSACTIONS CONCLUDED IN 2007 **25% BEE EQUITY PARTICIPATION TRANSACTIONS**

Broad based 18% interest held by strategic partners, cane and infrastructure communities

The broad based BEE equity participation of 18%, involving strategic partners, cane and infrastructure communities, is held by two SPVs – the TH Infrastructure SPV (10%) and the yoMoba SPV (8%).

The cost related to this 18% broad based BEE equity participation was measured and recognised at the grant date in June 2007, resulting in a once-off IFRS 2 cost of R320 million being recognised in profit or loss in 2007.

The BEE Infrastructure SPV participation interest, concluded in 2007, of R1,289 billion was funded through a combination of notional vendor financing (R821 million), preference share funding (R458 million) and equity and shareholders' loans of R10 million. The BEE yoMoba SPV participation interest of R1,031 billion was funded through a combination of notional vendor financing (R657 million), preference share funding (R367 million) and equity and shareholders' loans of R8 million. The SPV's participation interests are in the form of preferred ordinary shares which are entitled to receive a fixed coupon every year for a period of seven years. After seven years the preferred ordinary shares will cease to receive preferred ordinary dividends. Tongaat Hulett has therefore committed to pay a fixed coupon on these preferred ordinary shares of R100 million in aggregate on an annual basis and the preferred ordinary shares will not receive any ordinary dividends for the duration of the seven year period. In terms of the notional vendor finance arrangement between the respective SPVs and Tongaat Hulett (R821 million in respect of the BEE TH Infrastructure SPV and R657 million in respect of the BEE yoMoba SPV), Tongaat Hulett will be entitled to repurchase, at a price of R0,01 per share, such number of shares as determined in accordance with a repurchase formula,

subject to the external funding claims in the SPV. The number of shares repurchased will be a function of the value of the shares subscribed for at par, the notional return required by Tongaat Hulett and the success of the earn-in initiatives by the respective BEE partners. In compliance with IFRS, the two BEE SPVs are consolidated by Tongaat Hulett and consequently the preferred ordinary shares are reflected as treasury shares in the consolidated financial statements and are taken into account where relevant when calculating earnings per share. The external debt of the SPVs, amounting to R761 million in aggregate at 31 March 2011 (31 March 2010 – R787 million), is thus reflected on the consolidated statement of financial position and the funding charge incurred by the SPV is reflected in the consolidated income statement. This BEE debt does not have recourse to Tongaat Hulett and will effectively be equity-settled. After seven years the preferred ordinary shares will convert into Tongaat Hulett listed ordinary shares.

BEE 7% employee interest

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP). The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components namely a share appreciation right scheme and a share grant scheme. The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. These shares have specific repurchase terms at maturity (five years from grant). They are a separate class of restricted shares which, other than for the repurchase terms, rank *pari passu* with ordinary shares and become ordinary shares on maturity.

The IFRS 2 costs relating to the 7% BEE employee transaction is amortised over 5 years, having commenced in the second half of 2007.

The BEE employee equity participation trusts' subscription consideration for the new class of share ("B ordinary shares") was funded through contributions by the respective operating entities in Tongaat Hulett and the notional vendor finance provided to the employees, which will be recovered at the maturity of the scheme through the repurchase by

Tongaat Hulett of so many B ordinary shares as equate in value to the amount of the outstanding notional vendor funding. The repurchase formulae take into account a notional funding requirement based, inter alia, on the ordinary dividend declared each year.

In accordance with IFRS, the ESOP Share Trust and MSOP Share Trust are consolidated by Tongaat Hulett and consequently the B ordinary shares are reflected as treasury shares in the consolidated financial statements and are taken into account where relevant when calculating diluted earnings per share.

JUDGMENTS MADE BY MANAGEMENT

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgments or assessments. The items for consideration have been identified as follows:

- **Growing crop valuation:**
Growing crops are required to be measured at fair value less harvesting, transport and over the weighbridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated cane price. These estimates can vary from the actuals when the cane is harvested.
- **In Tongaat Hulett Developments, project cost of sales determination and cost allocation to sites includes a future development expenditure accrual:**
Judgement is applied in determining total project costs, which are supported by estimates from professional consultants and consulting engineers for services infrastructure. These costs are reviewed by management three to four times a year during the forecasting process and if necessary, estimates are revised accordingly. At the outset as well as during the life of a project, judgement is applied in determining the sales prices per saleable sites or bulk square metres, which is supported with input from estate agents, external property valuers and management on an ongoing basis as well as during the forecasting process. Cost of sales allocation to sites is apportioned in proportion to sales values.

- **Asset lives and residual lives:**
Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.
- **Impairment of assets:**
Ongoing assessments are made regarding any potential impairment of assets across Tongaat Hulett, using valuation models prescribed under IFRS.
- **Decommissioning and rehabilitation obligations in respect of the environment:**
Tongaat Hulett monitors and assesses its obligations arising from decommissioning of plant and rehabilitation of the environment on an ongoing basis.
- **Post-retirement benefit obligations:**
Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.
- **Pension fund defined benefit asset:**
IAS 19 requires that the employer recognise on its statement of financial position the relevant "Defined Benefit Asset" relating to the accounting surplus in the defined benefit pension fund, with a corresponding increase in earnings at the time of recognition. Where an asset is to be recognised, IAS 19 limits the amount that should be recognised. Further detail is provided in note 32.
- **Valuation of financial instruments:**
The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the date of the statement of financial position.

ACCOUNTING POLICIES AND FRAMEWORK continued

KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

NEW OR REVISED IFRS STANDARDS APPLICABLE TO FUTURE PERIODS

The following relevant new standards and interpretations were also in issue but not effective for the current period. Tongaat Hulett is in the process of evaluating the effects of these new standards and interpretations but they are not expected to have a significant impact on Tongaat Hulett's results and disclosures:

IFRS 1:	First-time Adoption of International Financial Reporting Standards
IFRS 2:	Share-based Payment
IFRS 7:	Financial Instruments: Disclosures
IFRS 9:	Financial Instruments
IAS 1:	Presentation of Financial Statements
IAS 12:	Income Taxes
IAS 24:	Related Party Disclosures
IAS 27:	Consolidated and Separate Financial Statements
IAS 34:	Interim Financial Reporting
IFRIC 13:	Customer Loyalty Programmes
IFRIC 19:	Extinguishing Financial Liabilities with Equity Instruments.

NOTES TO THE FINANCIAL STATEMENTS

1 PROPERTY, PLANT AND EQUIPMENT (Rmillion)

Consolidated	Total	Land, improvements and buildings	Plant and equipment	Vehicles and other	Capitalised leases	Capital work in progress
Carrying value at beginning of year	7 710	2 260	3 771	1 400	58	221
Consolidation of subsidiaries	2		2			
Additions	719	34	366	273	1	45
Disposals	(6)	(2)	(1)	(3)		
Depreciation	(344)	(43)	(207)	(92)	(2)	
Transfers		7	36	17		(60)
Currency alignment	(416)	(140)	(174)	(90)	(5)	(7)
Carrying value at end of year	7 665	2 116	3 793	1 505	52	199
Comprising:						
31 March 2011						
At cost	10 323	2 417	5 638	1 997	72	199
Accumulated depreciation	2 658	301	1 845	492	20	
	7 665	2 116	3 793	1 505	52	199
31 March 2010						
At cost	10 083	2 534	5 425	1 825	78	221
Accumulated depreciation	2 373	274	1 654	425	20	
	7 710	2 260	3 771	1 400	58	221
Company						
Carrying value at beginning of year	2 387	455	1 664	148	1	119
Additions	152	13	101	17	1	20
Disposals	(2)	(1)		(1)		
Depreciation	(151)	(6)	(126)	(18)	(1)	
Transfers		7	32	12		(51)
Carrying value at end of year	2 386	468	1 671	158	1	88
Comprising:						
31 March 2011						
At cost	4 239	560	3 208	380	3	88
Accumulated depreciation	1 853	92	1 537	222	2	
	2 386	468	1 671	158	1	88
31 March 2010						
At cost	4 096	541	3 077	357	2	119
Accumulated depreciation	1 709	86	1 413	209	1	
	2 387	455	1 664	148	1	119

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R787 million (2010: R311 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R291 million (2010: R232 million).

Land and agricultural improvements, to which Tongaat Hulett has rights in Zimbabwe, have been included in the consolidation of the Zimbabwe subsidiaries.

The register of land and buildings is available for inspection at the company's registered office.

NOTES TO THE FINANCIAL STATEMENTS continued

2. GROWING CROPS (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Carrying value at beginning of year	2 041	742	256	130
Consolidation of subsidiaries		342		
Gain arising from physical growth and price changes	611	1 231	58	76
Increase due to increased area under cane	102	141	55	54
Decrease due to reduced area under cane	(8)	(8)	(6)	(4)
Currency alignment	(138)	(407)		
Carrying value at end of year	2 608	2 041	363	256
The carrying value comprises:				
Roots	1 179	895	221	144
Standing cane	1 429	1 146	142	112
	2 608	2 041	363	256
Area under cane (hectares)				
South Africa	18 859	13 910	18 859	13 910
Mozambique	24 664	22 609		
Swaziland	3 838	3 767		
Zimbabwe	28 494	27 753		
	75 855	68 039	18 859	13 910

In terms of IAS 41 Agriculture sugar cane growing crops are accounted for as biological assets and are measured and recognised at fair value. Changes in the fair value, replanting and agricultural operating costs incurred are included in profit and loss.

- The fair value of roots is determined on a current amortised cost basis, which is adjusted for cost increases, and the amortisation takes place over the life of the roots (between approximately 6 and 12 years).
- The fair value of standing cane is determined by the growth of the cane, the yield, sucrose content, selling prices (including specifics such as European Union exports), less costs to harvest and transport, over-the-weighbridge costs and costs into the market.

The statement of financial position reflects the following in respect of growing crops:

	2011					2010
	South Africa	Swaziland	Zimbabwe	Mozambique	Total	
Roots						
Hectares under cane	18 859	3 838	28 494	24 664	75 855	68 039
Amortised root value (Rand per hectare)	11 718	12 261	12 993	21 915	15 540	13 148
Standing cane						
Hectares for harvest	17 047	3 756	28 229	24 047	73 079	67 419
Standing cane value (Rand per hectare)	8 356	23 032	22 865	23 057	19 552	17 000
Yield						
Tons cane per hectare	54	124	98	85	85	91
Balance Sheet (Rmillion)						
Roots	221	47	370	541	1 179	895
Standing cane	142	87	646	554	1 429	1 146
Total	363	134	1 016	1 095	2 608	2 041

The statement of financial position reflects the following in respect of growing crops: continued

	Rmillion
Carrying value at beginning of year	2 041
Change in fair value *	662
Foreign currency translation	(138)
Other	43
Carrying value at end of year	2 608

The IAS 41 fair value change included in profit or loss for the year ended 31 March 2011 is as follows:

	Rmillion		Rmillion
Roots	332	South Africa	109
Standing cane	330	Swaziland	7
		Zimbabwe	283
		Mozambique	263
Change in fair value *	662	Change in fair value *	662

* This represents the change in fair value from opening balance sheet date to closing balance sheet date. The agricultural costs actually incurred in generating this increase in fair value are charged to cost of sales.

3. LONG-TERM RECEIVABLE AND PREPAYMENT (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Long-term receivable				
Carrying value at beginning of year - advances to an export partnership		196		196
Settlement - export partnership		(196)		(196)
Pension fund employer surplus account allocation (refer to note 32)	216		216	
	216		216	
Less current portion of employer surplus account allocation	(81)		(81)	
Carrying value at end of year	135		135	
Prepayment				
Contribution to the BEE Employee Share Ownership Plan	136	136	132	132
Contribution to the BEE Management Share Ownership Plan	91	91	78	78
	227	227	210	210
Less Accumulated amortisation at end of year	(114)	(72)	(106)	(67)
At beginning of year	(72)	(43)	(67)	(40)
Charge for the year	(42)	(29)	(39)	(27)
Less BEE share ownership plan consolidation shares	(113)	(155)		
			104	143
Carrying value at end of year	135		239	143

The prepayment relates to awards made in terms of the company's BEE employee share ownership plans, details of which are set out in note 35.

NOTES TO THE FINANCIAL STATEMENTS continued

4. GOODWILL (Rmillion)

	Consolidated	
	2011	2010
Carrying value at beginning of year	240	99
Consolidation of subsidiaries	8	207
Currency exchange rate changes	(18)	(66)
Carrying value at end of year	<u>230</u>	<u>240</u>

Goodwill is attributable to the Mozambique and Zimbabwe sugar operations and a Botswana and a Namibian subsidiary. Goodwill is tested annually for impairment. The recoverable amount of goodwill was determined from the "value in use" discounted cash flow model. The value in use cash flow projections, which cover a period of twenty years, are based on the most recent budgets and forecasts approved by management and the extrapolation of cash flows which incorporate growth rates consistent with the average long term growth trends of the market. As at 31 March 2011, the carrying value of goodwill was considered not to require impairment.

5. INTANGIBLE ASSETS (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Cost:				
At beginning of year	22	17	19	12
Consolidation of subsidiaries	2			
Additions	26	7	26	7
Currency alignment		(2)		
At end of year	<u>50</u>	<u>22</u>	<u>45</u>	<u>19</u>
Accumulated amortisation:				
At beginning of year	13	11	11	8
Consolidation of subsidiaries	1			
Charge for the year	4	3	3	3
Currency alignment		(1)		
At end of year	<u>18</u>	<u>13</u>	<u>14</u>	<u>11</u>
Carrying value at end of year	<u>32</u>	<u>9</u>	<u>31</u>	<u>8</u>
The carrying value comprises:				
Software and information technology	28	4	27	3
Cane supply agreements	4	5	4	5
	<u>32</u>	<u>9</u>	<u>31</u>	<u>8</u>

6. INVESTMENTS (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Unlisted shares at cost	6	7		
Loans	1	3		2
Carrying value of investments (Directors' valuation)	<u>7</u>	<u>10</u>		<u>2</u>

A schedule of unlisted investments is available for inspection at the company's registered office.

7. SUBSIDIARIES AND JOINT VENTURES (Rmillion)

	Company	
	2011	2010
Shares at cost, less amounts written off	4 703	2 733
Indebtedness by	42	1 498
Indebtedness to	(828)	(535)
	3 917	3 696

	Consolidated	
	2011	2010
Tongaat Hulett's proportionate share of the assets, liabilities and post-acquisition reserves of joint ventures, which comprise in the main, Effingham Development (33%) and Tongaat Hulett/IFA Resort Developments (50%) and which are included in the consolidated financial statements are set out below.		

Property, plant and equipment	7	8
Current assets	345	283
Less: Current liabilities	(110)	(68)
	242	223

Interest in joint ventures

	12 months to 31 March 2011	15 months to 31 March 2010
Tongaat Hulett's proportionate share of the trading results of the joint ventures is as follows:		
Revenue	111	21
Profit before tax	54	19
Tax	(15)	(4)
Net profit after tax	39	15

Tongaat Hulett's proportionate share of cash flows of the joint ventures is as follows:

Cash flows from operating activities	40	(4)
Net cash used in investing activities	(35)	(38)
Movement in net cash resources	5	(42)

8. INVENTORIES (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Raw materials	255	464	209	464
Work in progress	17	14	17	13
Finished goods	178	204	95	120
Consumables	502	402	115	123
Development properties	413	289		
	1 365	1 373	436	720

Included in raw materials is an amount of R164 million (2010: R360 million) that relates to the constructive obligation that has been recognised on maize procurement contracts.

NOTES TO THE FINANCIAL STATEMENTS continued

9. DERIVATIVE INSTRUMENTS (Rmillion)

The fair value of derivative instruments at year end was:

	Consolidated		Company	
	2011	2010	2011	2010
Forward exchange contracts - hedge accounted	3	9	3	9
Forward exchange contracts - not hedge accounted	5		5	
Futures contracts - hedge accounted	1	(3)	1	(3)
	9	6	9	6
Summarised as:				
Derivative assets	11	9	11	9
Derivative liabilities	(2)	(3)	(2)	(3)
	9	6	9	6

Further details on derivative instruments are set out in note 25.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit and cash advanced, repayable on demand and excludes bank overdrafts.

11. SHARE CAPITAL (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Authorised:				
150 000 000 ordinary shares of R1,00 each	150	150	150	150
30 000 000 A preferred ordinary shares of R1,00 each	30	30	30	30
6 000 000 B1 ordinary shares of R1,00 each	6	6	6	6
10 500 000 B2 ordinary shares of R1,00 each	11	11	11	11
3 200 000 B3 ordinary shares of R1,00 each	3	3	3	3
10 redeemable preference shares of R1,00 each				
	200	200	200	200
Issued and fully paid:				
105 014 181 (31 March 2010 - 103 677 229) ordinary shares of R1,00 each	105	104	105	104
25 104 976 A preferred ordinary shares of R1,00 each	25	25	25	25
5 422 829 B1 ordinary shares of R1,00 each	6	6	6	6
3 296 657 B2 ordinary shares of R1,00 each	3	3	3	3
1 021 422 B3 ordinary shares of R1,00 each	1	1	1	1
	140	139	140	139

Under control of the directors:

- for the purposes of the employee share option schemes 9 932 528 shares (2010: 9 595 431 shares).
- in terms of a shareholders' resolution 5 240 588 shares (2010: 5 162 349 shares).

Details of the employee share incentive schemes are set out in note 34. Following the unbundling of Hulamin in 2007, the options granted to employees in terms of the original employee share option schemes which had not been exercised at the unbundling date were converted into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as described in note 34. At 31 March 2011 employees have an option to subscribe for 468 294 shares at an average price of R33,42 per share (2010: 667 500 shares at an average price of R32,85 per share) in respect of the Tongaat Hulett component and the equivalent of approximately 100 000 shares in respect of the Hulamin component (2010: 105 000 shares).

The original share option schemes were replaced in 2005 with a new share incentive scheme comprising the Share Appreciation Right Scheme 2005, the Long Term Incentive Plan 2005 and the Deferred Bonus Plan 2005.

12. BEE HELD CONSOLIDATION SHARES (Rmillion)

	Consolidated	
	2011	2010
25 104 976 A preferred ordinary shares of R1,00 each	839	839
5 422 829 B1 ordinary shares of R1,00 each	136	136
3 296 657 B2 ordinary shares of R1,00 each	46	46
1 021 422 B3 ordinary shares of R1,00 each	45	45
	1 066	1 066
Less amount attributable to A preferred ordinary shareholders	(84)	(59)
Less amortisation of IFRS 2 charge on shares relating to the employee share ownership plans (refer to notes 3 and 35)	(114)	(72)
	868	935

13. DEFERRED TAX (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Balance at beginning of year	1 272	582	341	469
Currency alignment	(65)	(214)		
Consolidation of subsidiaries	(1)	1 038		
Accounted for in equity	(1)	6	(1)	6
Current year Income Statement charge/(relief) on:				
Earnings before capital profits	161	(16)	108	(134)
Rate change adjustment		(154)		
Prior years' (relief)/charge	(1)	30	(1)	
Balance at end of year	1 365	1 272	447	341
Comprising temporary differences relative to :				
Property, plant and equipment	1 161	1 220	459	428
Growing crops	545	336	102	72
Defined benefit pension fund asset	82		82	
Long term receivable	38		38	
Current assets	144	114	31	40
Current liabilities	(89)	(34)	(31)	(25)
Tax losses	(250)	(108)	(95)	(65)
Other	(266)	(256)	(139)	(109)
	1 365	1 272	447	341

NOTES TO THE FINANCIAL STATEMENTS continued

14. BORROWINGS (Rmillion)

		Consolidated		Company	
		2011	2010	2011	2010
Long-term		1 345	1 103	977	1 066
Short-term and bank overdraft		2 930	2 077	2 437	1 768
		4 275	3 180	3 414	2 834
Long-term borrowings comprise:					
	Effective interest rate (%)				
Secured:					
SA Rand					
Repayable 2020/2021	8,60	367			
Repayable 2011/2012	6,25	6	17		
Finance leases (refer to note 29)	7,50	2	1	2	1
Foreign					
Repayable 2011/2016	21,50	11	17		
Finance leases (refer to note 29)	4,30	11	13		
		397	48	2	1
Unsecured:					
SA Rand					
Long-term portion repayable 2011/2015	3 month JIBAR + 1,35	1 065	1 155	1 065	1 155
Foreign					
Repayable 2011/2012	nil	3	5		
Indefinite	nil	5			
		1 073	1 160	1 065	1 155
Long-term borrowings		1 470	1 208	1 067	1 156
Less: current portion included in short-term borrowings		125	105	90	90
		1 345	1 103	977	1 066

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R787 million (2010: R311 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R291 million (2010: R232 million).

Short-term borrowings comprise call loans and bank overdrafts with various South African financial institutions at interest rates linked to the prime overdraft rate as well as short-term borrowings in Mozambique equivalent to R315 million (2010: R226 million) and in Zimbabwe equivalent to R196 million (2010: R62 million).

Summary of future loan repayments by financial year:

Year	2012/13	2013/14	2014/15	2015/16	2016/17	Thereafter
Rmillion	135	129	834	39	37	171

In terms of the company's articles of association the borrowing powers of Tongaat Hulett are limited to R8 460 million.

15. NON-RECOURSE EQUITY-SETTLED BEE BORROWINGS (Rmillion)

		Consolidated	
		2011	2010
The non-recourse equity-settled BEE borrowings comprise:			
	Effective interest rate (%)		
4 122 000 Class A redeemable preference shares	8,486 nacs	229	287
4 122 000 Class B redeemable preference shares	10,873 nacs	515	482
Accrued dividends		18	18
		762	787
Less: BEE cash resources		(1)	
		761	787

These borrowings relate to Tongaat Hulett's black economic empowerment partners, yoMoba SPV (Pty) Limited and TH Infrastructure SPV (Pty) Limited, which have been fully consolidated in terms of IFRS. yoMoba SPV (Pty) Limited owns 11 157 767 A preferred ordinary shares and TH Infrastructure SPV (Pty) Limited owns 13 947 209 A preferred ordinary shares in Tongaat Hulett.

The preference shares are redeemable by no later than 30 June 2014 and have a fixed coupon payable semi-annually on 2 January and 1 July each year. The total debt due will be settled by the SPV's utilising preferred ordinary dividends received from Tongaat Hulett and by the shares that they hold in Tongaat Hulett and will have no further impact on the cash flows of Tongaat Hulett. These SPV's will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

16. PROVISIONS (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Post-retirement medical aid obligations	323	304	254	236
Retirement gratuity obligations	97	145	68	61
Other	90	97		
	510	546	322	297

Further details on provisions are set out in note 32.

17. TRADE AND OTHER PAYABLES (Rmillion)

	Consolidated		Company	
	2011	2010	2011	2010
Accounts payable	1 765	1 750	933	1 033
Maize obligation - interest bearing	173	381	173	381
	1 938	2 131	1 106	1 414

The directors consider that the carrying amount of trade and other payables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS continued

18. OPERATING PROFIT (Rmillion)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Revenue	9 681	11 136	6 250	8 155
Cost of sales	(7 791)	(9 629)	(5 394)	(6 986)
Administration and overhead expenses	(1 249)	(947)	(485)	(533)
Marketing and selling expenses	(235)	(332)	(162)	(189)
Other income (including growing crops fair value change)*	932	1 463	411	341
Profit from operations	1 338	1 691	620	788
Bulk sales / capital profit on land (refer to note 19)	23	52	5	47
Capital profit on other items (refer to note 19)	4	13	2	13
BEE IFRS 2 charge and transaction costs	(46)	(35)	(43)	(33)
Valuation adjustments:				
Defined benefit pension fund asset recognition	288		288	
Zimbabwe consolidation take-on gain		1 969		
Other	(1)	(3)		
Operating profit after corporate transactions	1 606	3 687	872	815

Disclosable items included in operating profit:

Dividends received from subsidiaries			105	137
Profit on disposal of plant and equipment	1	6	1	2
Amortisation of intangible assets	4	3	3	3
Depreciation charged:				
Buildings	43	115	6	7
Plant and equipment	207	265	126	196
Vehicles and other	94	141	19	27
Growing crops : change in fair value *	662	1 288	109	128
Management fees paid to subsidiaries			1	1
Management fees paid to third parties	4	4		
Technical fees paid	10	11	10	11
Operating lease charges (property, plant and vehicles)	25	27	19	23
Share-based payments:				
IFRS 2 charge on share options, SARS, LTIP and DBP	42	39	30	26
BEE IFRS 2 charge	42	29	39	27
Auditors' remuneration:				
Fees	10	12	5	6
Other services	2	2	1	1
Net (losses)/gains on:				
Fair value hedges, losses on the hedged item	(5)	(15)	(5)	(15)
Fair value hedges, gains on the hedging instrument	5	15	5	15
Valuation adjustments on financial instruments and other items:				
Translation of foreign currency:				
- foreign cash holdings	(1)	(5)		
- other	(3)	(44)		
Other financial instruments	(7)	5	(2)	2

* This represents the change in fair value from opening balance sheet date to closing balance sheet date. The agricultural costs actually incurred in generating this increase in fair value are charged to cost of sales.

19. CAPITAL PROFITS (Rmillion)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Comprises:				
Surplus on sale of land	23	52	5	47
Other surpluses	4	13	2	13
Capital profits before tax	27	65	7	60
Tax				
Capital profits after tax	27	65	7	60

20. NET FINANCING (COSTS)/INCOME (Rmillion)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Net financing costs comprise:				
Interest paid - external	(491)	(577)	(328)	(419)
Interest capitalised	7	88		
Interest paid - subsidiaries			(41)	(59)
Financing costs	(484)	(489)	(369)	(478)
Interest received - external	12	37	3	15
Interest received - subsidiaries			5	89
Finance income	12	37	8	104
Net financing costs	(472)	(452)	(361)	(374)

21. TAX (Rmillion)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Earnings before capital profits:				
Current	93	331		196
Deferred	161	(16)	108	(134)
Rate change adjustment (deferred)		(154)		
Secondary tax on companies	29	39	29	39
Prior years	(22)	8		12
Tax for the year	261	208	137	113
Foreign tax included above	68	36		

NOTES TO THE FINANCIAL STATEMENTS continued

21. TAX (Rmillion) (continued)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Tax charge at normal rate of South African tax	317	906	143	124
Adjusted for:				
Non-taxable income	(15)	(19)	(37)	(64)
Zimbabwe consolidation take-on gain		(551)		
Assessed losses of foreign subsidiaries	(48)	(20)		
Non-allowable expenditure	29	27	2	2
Foreign tax rate variations	(29)	(28)		
Rate change adjustment (deferred)		(154)		
Secondary tax on companies	29	39	29	39
Prior years	(22)	8		12
Tax charge	261	208	137	113
Normal rate of South African tax	28,0%	28,0%	28,0%	28,0%
Adjusted for:				
Non-taxable income	(1,3)	(0,6)	(7,2)	(14,5)
Zimbabwe consolidation take-on gain		(17,0)		
Assessed losses of foreign subsidiaries	(4,3)	(0,6)		
Non-allowable expenditure	2,5	0,8	0,4	0,5
Foreign tax rate variations	(2,5)	(0,9)		
Rate change adjustment (deferred)		(4,8)		
Secondary tax on companies	2,5	1,2	5,7	8,8
Prior years	(1,9)	0,3		2,7
Effective rate of tax	23,0%	6,4%	26,9%	25,5%

Normal tax losses of R610 million (2010: R537 million) have been utilised to reduce deferred tax. No deferred tax asset has been raised in respect of the tax losses of foreign subsidiaries that may not be utilised in the short term or may expire in terms of applicable tax legislation.

22. HEADLINE EARNINGS (Rmillion)

	Consolidated	
	12 months to 31 March 2011	15 months to 31 March 2010
Profit attributable to shareholders	833	2 898
Less Zimbabwe consolidation take-on gain		(1 969)
Less after tax effect of surplus on sale of property:	(27)	(71)
Capital profit on sale of land	(23)	(52)
Capital profit on other items	(4)	(13)
Fixed assets and other disposals	(1)	(8)
	(28)	(73)
Tax charge on profit on other items		2
Tax charge on profit on disposal of other fixed assets	1	
Headline earnings	806	858
Headline earnings per share (cents)		
Basic	760,5	826,5
Diluted	739,6	810,0

23. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of relevant ordinary shares and qualifying preferred ordinary shares in issue during the year. In the case of basic earnings per share the weighted average number of shares in issue during the year was 105 986 145 (15 month period to 31 March 2010: 103 810 807). In respect of diluted earnings per share the weighted average number of shares is 108 983 882 (15 month period to 31 March 2010: 105 922 176).

24. DIVIDENDS (Rmillion)

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Ordinary share capital				
Final for previous year, paid 22 July 2010: 175 cents* (2010: 150 cents)	69	155	69	155
Interim for current year, paid 20 January 2011: 110 cents (2010: 100 cents)	115	103	115	103
B ordinary share capital				
Final for previous year, paid 22 July 2010: 175 cents (2010: 150 cents)	17	15	17	15
Interim for current year, paid 20 January 2011: 110 cents (2010: 100 cents)	11	10	11	10
A preferred ordinary share capital				
Interim for current year, paid 30 June 2010: 203 cents (30 June 2009: 203 cents)	51	51	51	51
Final for current year, paid 31 December 2010: 203 cents (31 December 2009: 203 cents)	51	51	51	51
Accrued for three months to 31 March 2011: 203 cents (31 March 2010: 203 cents)	25	25	25	25
	339	410	339	410
Less dividends relating to BEE treasury shares	(148)	(146)	(21)	(19)
	191	264	318	391

The final ordinary dividend for the year ended 31 March 2011 of 140 cents per share declared on 26 May 2011 and payable on 21 July 2011 has not been accrued.

* A scrip distribution with a cash alternative was offered for this dividend declaration.

NOTES TO THE FINANCIAL STATEMENTS continued

25. FINANCIAL RISK MANAGEMENT (Rmillion)

Financial instruments consist primarily of cash deposits with banks, unlisted investments, derivatives, accounts receivable and payable, and loans to and from associates and others. Financial instruments are carried at fair value or amounts that approximate fair value.

Categories of financial instruments

	Consolidated		Company	
	2011	2010	2011	2010
Financial assets				
Derivative instruments in designated hedge accounting relationships	11	9	11	9
Unlisted shares at cost	7	10		2
Loans and receivables at amortised cost	1 947	1 976	820	792
	1 965	1 995	831	803
Financial liabilities				
Derivative instruments in designated hedge accounting relationships	2	3	2	3
Financial liabilities at amortised cost	6 120	5 229	4 456	4 193
Non-recourse equity-settled BEE borrowings	761	787		
	6 883	6 019	4 458	4 196

Risk management is recognised as being dynamic, evolving and integrated into the core of running the business. The approach to risk management in Tongaat Hulett includes being able to identify and describe / analyse risks at all levels throughout the organisation, with mitigating actions being implemented at the appropriate point of activity. The very significant, high impact risk areas and the related mitigating action plans are monitored at a Tongaat Hulett risk committee level. Risks and mitigating actions are given relevant visibility at various appropriate forums throughout the organisation.

In the normal course of its operations, Tongaat Hulett is inter alia exposed to capital, credit, foreign currency, interest, liquidity and commodity price risks. In order to manage these risks, Tongaat Hulett may enter into transactions, which make use of derivatives. They include forward exchange contracts (FEC's) and options, interest rate swaps and commodity futures and options. Separate committees are used to manage risks and hedging activities. Tongaat Hulett does not speculate in or engage in the trading of derivative instruments. Since derivative instruments are utilised for risk management, market risk relating to derivative instruments will be offset by changes in the valuation of the underlying assets, liabilities or transactions being hedged. The overall risk strategy remains unchanged from previous years.

Capital risk management

Tongaat Hulett's overall strategy around capital structure remains unchanged from previous years and is continually reviewed in budgeting and business planning processes. Tongaat Hulett manages its capital to ensure that its operations are able to continue as a going concern while maximising the return to stakeholders through an appropriate debt and equity balance. The capital structure of Tongaat Hulett consists of debt, which includes borrowings, cash and cash equivalents and equity.

Credit risk

Financial instruments do not represent a concentration of credit risk because Tongaat Hulett deals with a variety of major banks, and its accounts receivable and loans are spread among a number of major industries, customers and geographic areas. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In addition, appropriate credit committees review significant credit transactions before consummation. Where considered appropriate, use is made of credit guarantee insurance. A suitable provision is made for doubtful debts. Financial guarantee contracts are accounted for as insurance arrangements.

Market Risk Sensitivity

Where appropriate, market risk sensitivity has been provided on financial instruments held by Tongaat Hulett. On those instruments where cover is specifically taken out to effectively hedge a position, such as FEC's and maize futures contracts, sensitivity analyses are not provided in respect of these hedge instruments as there is no profit or loss exposure.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Past due trade receivables

Included in trade receivables are debtors which are past the expected collection date (past due) at the reporting date and no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. No collateral is held over these balances. A summarised age analysis of past due debtors is set out below.

	Consolidated		Company	
	2011	2010	2011	2010
Less than 1 month	32	23	21	17
Between 1 to 2 months	16	26	6	16
Between 2 to 3 months	5	9	3	4
Greater than 3 months	320	416	2	1
Total past due	373	474	32	38

Provision for doubtful debts

Set out below is a summary of the movement in the provision for doubtful debts for the year:

Balance at beginning of year	18	11	7	5
Consolidation of subsidiaries	1			
Currency alignment	(1)	(1)		
Amounts written off during the year	(1)			
Increase/(decrease) in allowance recognised in profit or loss		8	(1)	2
Balance at end of year	17	18	6	7

Foreign currency risk

In the normal course of business, Tongaat Hulett enters into transactions denominated in foreign currencies. As a result, Tongaat Hulett is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. A variety of instruments are used to minimise foreign currency exchange rate risk in terms of its risk management policy. In principle it is the policy to cover foreign currency exposure in respect of liabilities and purchase commitments and an appropriate portion of foreign currency exposure on receivables. There were no speculative positions in foreign currencies at year end. All foreign exchange contracts are supported by underlying transactions. Tongaat Hulett is not reliant on imported raw materials to any significant extent. The fair value of the forward exchange contracts were established by reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

Forward exchange contracts that constitute designated hedges of currency risk at year end are summarised as follows:

	Average contract rate	Commitment (Rmillion)	Consolidated		Average contract rate	Commitment (Rmillion)	Company	
			2011 Fair value of FEC (Rmillion)	2010 Fair value of FEC (Rmillion)			2011 Fair value of FEC (Rmillion)	2010 Fair value of FEC (Rmillion)
Imports								
US dollar	7,42	9	(1)		7,42	9	(1)	
UK pound	11,45	1			11,45	1		
Euro	9,77	1			9,77	1		
		11	(1)			11	(1)	
Exports								
US dollar	7,14	173	4	8	7,14	173	4	8
Australian dollar				1				1
		173	4	9		173	4	9
Net total		162	3	9		162	3	9

The hedges in respect of imports and exports are expected to mature within approximately one year.

The fair value is the estimated amount that would be paid or received to terminate the forward exchange contracts in arm's length transactions at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS continued

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Forward exchange contracts that do not constitute designated hedges of currency risk at year end are summarised as follows:

	Consolidated				Company			
	Average contract rate	Commitment (Rmillion)	2011 Fair value of FEC (Rmillion)	2010 Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	2011 Fair value of FEC (Rmillion)	2010 Fair value of FEC (Rmillion)
Imports								
US dollar	7,05	5			7,05	5		
UK pound	11,33	1			11,33	1		
Euro	9,67	59			9,67	59		
		65				65		
Exports								
US dollar	7,93	35	5		7,93	35	5	
Net total		30	5			30	5	

Although not designated as a hedge for accounting purposes, these forward exchange contracts represent cover of existing foreign currency exposure.

Tongaat Hulett has the following uncovered foreign receivables:

	Consolidated			Company		
	Foreign amount (million)	2011 (Rmillion)	2010 (Rmillion)	Foreign amount (million)	2011 (Rmillion)	2010 (Rmillion)
US dollar	3	22	16	3	20	14
Australian dollar	5	36	18	5	36	18
New Zealand dollar			1			
		58	35		56	32

The impact of a 10% strengthening or weakening of the Rand on the uncovered Australian dollar receivable will have a R4 million (2010: R2 million) impact on profit before tax and a R3 million (2010: R1 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered US dollar receivable will have a R2 million (2010: R2 million) impact on profit before tax and a R1 million (2010: R1 million) impact on equity.

Commodity price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities. To hedge prices for Tongaat Hulett's substantial commodity requirements, commodity futures and options are used, including fixed and spot-defined forward sales contracts and call and put options.

Tongaat Hulett Starch has secured its maize requirements for the current maize season to 31 May 2011 and a significant portion of its requirements for the year ending 31 May 2012 by using a combination of unpriced procurement contracts and purchases and sales of maize futures.

The fair value of the commodity futures contracts, which are set out below, were established by reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

	Consolidated				Company			
	Tons	Contract value (Rmillion)	2011 Fair value (Rmillion)	2010 Fair value (Rmillion)	Tons	Contract value (Rmillion)	2011 Fair value (Rmillion)	2010 Fair value (Rmillion)
Futures - hedge accounted:								
Maize futures sold			2	(3)			2	(3)
Maize futures purchased	3 200	5	(1)		3 200	5	(1)	
			1	(3)			1	(3)
Period when cash flow expected to occur			2011/12	2010/11			2011/12	2010/11
When expected to affect profit			2011/12	2010/11			2011/12	2010/11
Amount recognised in equity during the year			3	5			3	5
Amount transferred from equity and recognised in profit or loss			6	10			6	10

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Interest rate risk

Tongaat Hulett is exposed to interest rate risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of these instruments. Tongaat Hulett is also exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the cash management system, which enables Tongaat Hulett to maximise returns while minimising risks. The impact of a 50 basis point move in interest rates will have a R22 million (2010: R18 million) effect on profit before tax and a R16 million (2010: R13 million) impact on equity.

Liquidity risk

Tongaat Hulett manages its liquidity risk by monitoring forecast cash flows on a weekly basis. There are unutilised established banking facilities in excess of R1,5 billion (2010: in excess of R1 billion). Tongaat Hulett continues to meet the covenants associated with its long-term unsecured South African debt facility.

Borrowings inclusive of interest projected at current interest rates:

Consolidated	Weighted average effective interest rate (%)	Due within 1 year	1 to 2 years	2 to 5 years	After 5 years	Interest adjustment	Total
2011							
Bank loans	7,3	2 492	208	1 017		(455)	3 262
Foreign loans	9,8	645	43	127	219	(62)	972
Other borrowings	8,5	197				(8)	189
Financial lease liability	4,8	8	5	1		(1)	13
Other non-interest bearing liabilities		1 677	1		5		1 683
Net settled derivatives		2					2
Total for Tongaat Hulett		5 021	257	1 145	224	(526)	6 121
Non-recourse equity-settled BEE borrowings		84	80	746		(149)	761
Total including SPV debt		5 105	337	1 891	224	(675)	6 882
2010							
Bank loans	8,2	1 909	228	1 225		(521)	2 841
Foreign loans	10,2	315	6	14	4	(33)	306
Other borrowings	8,6	413				(17)	396
Financial lease liability	8,9	1	9	6		(2)	14
Other non-interest bearing liabilities		1 671	2				1 673
Net settled derivatives		3					3
Total for Tongaat Hulett		4 312	245	1 245	4	(573)	5 233
Non-recourse equity-settled BEE borrowings		93	81	760		(147)	787
Total including SPV debt		4 405	326	2 005	4	(720)	6 020

NOTES TO THE FINANCIAL STATEMENTS continued

26. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT VENTURES (Rmillion)

	Interest of Holding Company			
	Equity		Indebtedness	
	2011	2010	2011	2010
Tongaat Hulett Starch (Pty) Limited	15	15	27	25
Tongaat Hulett Developments (Pty) Limited			(434)	(440)
Tongaat Hulett Estates (Pty) Limited				
Tongaat Hulett Sugar Limited	4 634	2 664	(317)	1 437
Tambankulu Estates Limited (Swaziland)				
Tongaat Hulett Acucareira de Mocambique, SA (Mozambique) (85%)				
Tongaat Hulett Acucareira de Xinavane, SA (Mozambique) (88%)				
Tongaat Hulett Acucar Limitada (Mozambique)				
Triangle Sugar Corporation Limited (Zimbabwe)				
Hippo Valley Estates Limited (Zimbabwe) (50,3%)				
The Tongaat Group Limited	54	54	(62)	(59)
	4 703	2 733	(786)	963

Except where otherwise indicated, effective participation is 100 percent.

A full list of all subsidiaries and joint ventures is available from the company secretary on request.

27. SUBSIDIARIES CONSOLIDATED (Rmillion)

	2011	2010
The company acquired a further 33,3% interest, effective 1 April 2010, in Sugarmark Namibia (Pty) Limited which has a 51% held subsidiary Consolidated Sugar Industries (Namibia) (Pty) Limited. Details of these Namibian subsidiaries consolidated and their cash flow effects are summarised below. The prior year relates to the consolidation of the Zimbabwe subsidiaries.		
Property, plant equipment and investments	3	3 555
Growing crops		342
Inventories	39	255
Trade and other receivables	22	101
Cash		69
Trade and other payables	(47)	(182)
Provisions		(289)
Deferred tax	1	(1 038)
Borrowings	(18)	(33)
Minority interest	(1)	(755)
Net assets consolidated	(1)	2 025
Goodwill arising on consolidation	8	207
	7	2 232
Zimbabwe consolidation take-on gain		(1 969)
Investment in subsidiaries	7	263

28. GUARANTEES AND CONTINGENT LIABILITIES (Rmillion)

	Consolidated 2011	2010	Company 2011	2010
Guarantees in respect of obligations of Tongaat Hulett and third parties	23	134	2	2
Contingent liabilities	12	14	12	14
	35	148	14	16

29. LEASES (Rmillion)

	Consolidated 2011	2010	Company 2011	2010
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	8	3	1	1
Later than one year and not later than five years	6	9	1	1
Later than five years		6		
	14	18	2	2
Less: future finance charges	(1)	(4)		(1)
Present value of lease obligations	13	14	2	1
Payable:				
Not later than one year	7	1	1	
Later than one year and not later than five years	6	7	1	1
Later than five years		6		
	13	14	2	1
Operating lease commitments, amounts due:				
Not later than one year	18	14	16	13
Later than one year and not later than five years	24	17	10	16
	42	31	26	29
In respect of:				
Property	28	18	15	16
Plant and machinery	8	11	8	11
Other	6	2	3	2
	42	31	26	29

30. CAPITAL EXPENDITURE COMMITMENTS (Rmillion)

	Consolidated 2011	2010	Company 2011	2010
Contracted	134	234	33	43
Approved but not contracted	51	118	37	28
	185	352	70	71

Funds to meet future capital expenditure will be provided from retained net cash flows and debt financing.

NOTES TO THE FINANCIAL STATEMENTS continued

31. RELATED PARTY TRANSACTIONS (Rmillion)

During the period Tongaat Hulett, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra-group transactions are eliminated on consolidation.

	Consolidated		Company	
	12 months to 31 March 2011	15 months to 31 March 2010	12 months to 31 March 2011	15 months to 31 March 2010
Goods and services:				
Transacted between operating entities within the company			3	7
Between the company and its subsidiaries			519	326
Transacted between subsidiaries within Tongaat Hulett	322	335		
Sales to external related parties		2		
Tongaat-Hulett Pension Fund contribution cost	56	65	49	57
Administration fees and other income:				
Transacted between operating entities within the company			9	16
Between the company and its subsidiaries			40	45
Transacted between subsidiaries within Tongaat Hulett	129	132		
Transacted with/between joint ventures within Tongaat Hulett	1	7		
Paid to external related parties	4	4		
Interest paid:				
Transacted between operating entities within the company			21	39
Between the company and its subsidiaries			9	12
Transacted with/between joint ventures within Tongaat Hulett	2	6		
Interest received:				
Transacted between operating entities within the company			379	496
Between the company and its subsidiaries			5	90
Transacted between subsidiaries within Tongaat Hulett	99	48		
Transacted with/between joint ventures within Tongaat Hulett	1	3		
Sales of fixed assets:				
Between the company and its subsidiaries				3
Loan balances:				
Transacted between operating entities within the company			4 489	4 305
Between the company and its subsidiaries			786	962
Pension Fund Loan - Employer Surplus Account	97	89	97	89
Dividends received:				
Between the company and its subsidiaries			105	137
Transacted between subsidiaries within Tongaat Hulett	100	130		
Other related party information:				
Total dividends paid to the holding company and other shareholders - refer to note 24				
Directors - refer to notes 33 and 34				
Tongaat Hulett Developments is a guarantor on Tongaat Hulett Limited's South African long-term unsecured loan facility.				

32. RETIREMENT BENEFITS

Pension and Provident Fund Schemes

Tongaat Hulett contributes towards retirement benefits for substantially all permanent employees who, depending on preference or local legislation, are required to be a member of either a Tongaat Hulett implemented scheme or of various designated industry or state schemes. The Tongaat Hulett schemes are governed by the relevant retirement fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of Tongaat Hulett. The scheme assets are administered by Boards of trustees, each of which includes elected employee representatives.

Defined Benefit Pension Scheme

There is one defined benefit scheme in South Africa for employees that previously covered The Tongaat-Hulett Group Limited and in 2010/11 covered Tongaat Hulett and Hulamin. This scheme is actuarially valued at intervals of not more than three years using the projected unit credit method. The actuarial valuation of The Tongaat-Hulett Pension Fund as at 31 December 2009 revealed an actuarial surplus, a portion of which was allocated to the employer surplus account in the Fund with the balance remaining in the Fund. The allocation to the employer surplus account, which was approved by the trustees in August 2010, was split between the participating employers, Tongaat Hulett and Hulamin, as in the past, proportionate to their share of the liabilities in the Fund at the valuation date. Consequently an amount of R129 million (2010: R79 million) was recognised in the results to 31 March 2011, net of the employer contribution holiday for the period. The employer surplus account is being utilised for a contribution holiday and, within the regulatory framework, there is a “loan” from the pension fund to the company in respect of the employer surplus account.

An actuarial valuation of liabilities, based on the existing benefits, carried out as at 31 March 2011 in accordance with IAS 19 Employee Benefits, showed the present value of the obligations to be adequately covered by the fair value of the scheme assets.

Following the unbundling of Hulamin from The Tongaat-Hulett Group in 2007, The Tongaat-Hulett Group Pension Fund was required to be split between the employers and the manner in which the funds proceed following the unbundling also needed clarity, as reported previously. In December 2010 approval was granted by the trustees for the filings with the Financial Services Board (FSB) on the detail and basis of the splitting of the old fund into two new funds - one for Tongaat Hulett and one for Hulamin. The split of the fund between Tongaat Hulett and Hulamin is now clear and the financial position of the Tongaat Hulett portion of the fund is also determinable.

Following this clarity on the fund, the IFRS standard IAS 19 requires that, in these circumstances, the employer recognise on its balance sheet the relevant “defined benefit pension fund asset” relating to a portion of the accounting surplus, with a corresponding increase in earnings at the time of recognition. The detail of the accounting standards on this matter are contained in IAS 19, IFRIC 14 and AC 504. Where an asset is to be recognised, IAS 19 limits the amount that should be recognised. IFRIC 14, updated in January 2010, provides guidance on this matter. AC 504, issued in October 2010, provides guidance on the application of IFRIC 14.

The application of these standards confirm the recognition of the amounts previously allocated to the Tongaat Hulett Employer Surplus Account in the Fund and recognised in Tongaat Hulett’s financial statements.

A further accounting recognition was required for the year ended 31 March 2011. IFRIC 14 and AC 504 specify the criteria to be used in determining the amount to be recognised which represents the difference between the estimated future IAS 19 service cost / contribution rate and the actual actuarially determined contribution rate over a relevant period. The period for this valuation was 12 years. An amount of R288 million has been recognised in profit in respect of this “defined benefit pension fund asset”, being a gross asset amount of R294 million less R6 million as a provision in respect of amounts payable to third parties in due course. If the valuation period used were to vary by 3 years, then the value of the asset would change by approximately R30 million, either way.

NOTES TO THE FINANCIAL STATEMENTS continued

32. RETIREMENT BENEFITS continued

31 March 2011
Rmillion

Details of the IAS 19 valuation of the Fund from 1 January 2011 to 31 March 2011 are as follows:

Fair value of fund assets

Balance at 1 January 2011	4 632
Expected return on scheme assets	101
Benefits paid	(42)
Actuarial loss	(29)
Balance at end of year	<u>4 662</u>

Present value of defined benefit obligation

Balance at 1 January 2011	3 480
Current service cost	23
Interest cost	76
Benefits paid	(42)
Actuarial loss	(18)
Balance at end of year	<u>3 519</u>

Fund assets less member liabilities

Employer surplus account	1 143
	(216)
	<u>927</u>
Defined benefit pension fund asset	(296)
Asset restriction	<u>631</u>

Amounts recognised in the company's statement of financial position:

Non-current assets:

Defined benefit pension fund asset	296
Unrecognised actuarial gains	(2)
	<u>294</u>

Employer surplus account	216
Less current portion included in accounts receivable	(81)
	<u>135</u>

Current assets:

Employer surplus account	81
--------------------------	----

Total amount recognised in the company's statement of financial position

510

The net asset is reconciled as follows:

Employer surplus account	225
Initial recognition at take-on date	294
Net expense recognised in the income statement	(7)
	<u>512</u>

Prepayment recognised	512
Unrecognised actuarial gains	(2)
	<u>510</u>

Net asset at end of year

Amounts recognised in the income statement for the 3 months ended 31 March 2011:

Service costs	23
Interest costs	76
Expected return on scheme assets	(101)
Net actuarial losses recognised	9
	<u>7</u>

32. RETIREMENT BENEFITS continued

Defined Benefit Pension Scheme continued

Asset information	31 March 2011 Rmillion
Equities	2 844
Fixed interest bonds	793
Property	93
Cash and other	932
	<hr/>
	4 662
	<hr/>
Included in the assets of the scheme are ordinary shares held in Tongaat Hulett Limited, stated at fair value	142
Actual return on scheme assets	72
The principal actuarial assumptions (with December 2010 comparatives) are:	
Discount rate	9,10% (8,75%)
Salary cost and pension increase	6,25% (5,88%)
Expected rate of return on assets	9,10% (8,75%)
Experience gains and (losses) on:	
Plan liabilities:	28
Percentage of the present value of the plan liabilities	0,8%
Plan assets:	(29)
Percentage of plan assets	(0,6%)

Estimated contributions payable in the next financial year

With the benefit of the contribution holiday, there will be no cash contributions payable in the next financial year. This benefit amounts to R55 million for the next financial year.

Basis used to determine the rate of return on assets

The expected rate of return on assets has been calculated using the discount rate at the beginning of the period, which corresponds to that used in the previous valuation. This is a reasonably conservative approach, adopted on the basis that the additional returns anticipated on certain other asset classes in which the Fund is invested (e.g. equities) can only be achieved with increased risk.

Defined Contribution Pension and Provident Schemes

The latest audited financial statements of the defined contribution schemes, including the scheme in Swaziland, reflect a satisfactory state of affairs. Contributions of R28 million were expensed during the period (2010: R27 million).

Zimbabwe Pension Funds

The post-retirement benefit provisions for the Zimbabwe operations at 31 March 2011 amount to R185 million (March 2010: R245 million), including the post-retirement medical aid and the retirement gratuity provisions.

NOTES TO THE FINANCIAL STATEMENTS continued

32. RETIREMENT BENEFITS continued

Post-Retirement Medical Aid Benefits

In the South African operations, the obligation to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 30 June 1996. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. In Mozambique, Acucareira de Xinavane subsidises the medical contributions in respect of its pensioners. Included in the consolidated amounts for the current year are the post-retirement medical benefits for the Zimbabwe employees.

The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

	Consolidated		Company	
	2011 Rmillion	2010 Rmillion	2011 Rmillion	2010 Rmillion
Amounts recognised in the balance sheet:				
Present value of unfunded obligations	361	346	314	289
Unrecognised actuarial losses	(38)	(42)	(60)	(53)
Net liability in balance sheet	323	304	254	236
The liability is reconciled as follows:				
Net liability at beginning of year	304	223	236	223
Subsidiaries consolidated		77		
Currency alignment	(6)	(17)		
Net expense recognised in income statement	47	46	38	36
Contributions	(22)	(25)	(20)	(23)
Net liability at end of year	323	304	254	236
Amounts recognised in the income statement:				
Service costs	6	6	3	3
Interest costs	34	33	25	25
Net actuarial losses recognised	7	7	10	8
	47	46	38	36
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	9,10%	9,00%	9,10%	9,00%
Mozambique	9,25%	11,00%		
Zimbabwe	15,00%	15,00%		
Health care cost inflation rate				
South Africa	7,00%	6,50%	7,00%	6,50%
Mozambique	6,25%	8,00%		
Zimbabwe	13,50%	13,50%		
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - effect on the aggregate of the service and interest costs	1	2	1	1
1% increase in trend rate - effect on the obligation	43	41	36	33
1% decrease in trend rate - effect on the aggregate of the service and interest costs	1	1		
1% decrease in trend rate - effect on the obligation	35	34	30	27
Estimated contributions payable in the next financial year	24	22	22	20
Experience gains / (losses):				
On plan liabilities	4	3	(5)	(9)
Percentage of the present value of the plan liabilities	1,1%	0,9%	(1,6%)	(3,1%)

32. RETIREMENT BENEFITS continued

Retirement Gratuities

Tongaat Hulett has in the past made payments, on retirement, to eligible employees who have remained in service until retirement, and have completed a minimum service period of ten years. The benefit is applicable to employees in the South African and Zimbabwean operations. The unfunded liability for retirement gratuities which is determined actuarially each year comprises:

	Consolidated		Company	
	2011	2010	2011	2010
	Rmillion	Rmillion	Rmillion	Rmillion
Amounts recognised in the balance sheet:				
Present value of unfunded obligations	107	155	80	71
Unrecognised actuarial losses	(10)	(10)	(12)	(10)
Net liability in balance sheet	97	145	68	61
The liability is reconciled as follows:				
Net liability at beginning of year	145	55	61	55
Subsidiaries consolidated		105		
Currency alignment	(4)	(23)		
Net expense recognised in income statement	(39)	16	11	11
Payments made	(5)	(8)	(4)	(5)
Net liability at end of year	97	145	68	61
Amounts recognised in the income statement:				
Service costs	6	7	4	4
Interest costs	10	7	6	6
Net actuarial losses recognised	1	2	1	1
Reduction of provision	(56)			
	(39)	16	11	11
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	9,10%	9,00%	9,10%	9,00%
Zimbabwe	15,00%	15,00%		
Salary inflation rate				
South Africa	7,00%	6,50%	7,00%	6,50%
Zimbabwe	12,50%	12,50%		
Estimated contributions payable in the next financial year	8	11	5	4
Experience losses:				
On plan liabilities	(1)	2	(4)	2
Percentage of the present value of the plan liabilities	(0,9%)	1,3%	(5,0%)	2,8%

NOTES TO THE FINANCIAL STATEMENTS continued

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000)

Executive Directors' Remuneration

The directors' remuneration for the **12 months ended 31 March 2011** was as follows:

Name	Cash Package	Bonus*	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	3 209	1 053	361	4 623
M H Munro	3 018	1 087	354	4 459
P H Staude	5 775	2 599	615	8 989
	<hr/>	<hr/>	<hr/>	<hr/>
	12 002	4 739	1 330	18 071

The directors' remuneration for **15 months ended 31 March 2010** was as follows:

Name	Cash Package	Bonus*	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	3 629	1 600	408	5 637
M H Munro	3 306	1 508	391	5 205
P H Staude	6 407	3 850	686	10 943
	<hr/>	<hr/>	<hr/>	<hr/>
	13 342	6 958	1 485	21 785

Share incentive gains on awards exercised and settled:

	12 months to 31 March 2011	15 months to 31 March 2010
Executive directors:		
B G Dunlop	807	3 314
M H Munro	837	768
P H Staude	7 919	5 132
	<hr/>	<hr/>
	9 563	9 214

Remuneration of the three highest paid executives, other than directors was:

	12 months to 31 March 2011
Average of the three executives:	
Cash package	2 857
Bonus*	884
Retirement and medical contributions	360
	<hr/>
	4 101
	<hr/>
Share incentive gains	1 689

*Bonuses are reported to match the amount payable to the applicable financial period.

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000) continued

Directors' remuneration continued

Name	12 months to 31 March 2011			15 months to 31 March 2010		
	Fees	Other	Total	Fees	Other	Total
Non-executive directors:						
F Jakoet	223	206	429	227	143	370
J John	223	229	452	227	197	424
R P Kupara	223		223	87		87
J B Magwaza	801	79	880	601	64	665
A A Maleiane	223		223	65		65
T V Maphai (to 8 March 2011)	173		173	227		227
T N Mgoduso (from 21 May 2010)	173	27	200			
M Mia	223	272	495	227	322	549
N Mjoli-Mncube	204	261	465	227	191	418
T H Nyasulu (to 27 July 2010)	68		68	227		227
C B Sibisi	223	92	315	227	64	291
R H J Stevens	204		204	227	6	233
Directors who retired/resigned during the year				486	154	640
	2 961	1 166	4 127	3 055	1 141	4 196

Declaration of full disclosure

Other than that disclosed above, no consideration was paid to, or by any third party, or by the company itself, in respect of services of the company's directors, as directors of the company, during the year ended 31 March 2011.

Interest of directors of the company in share capital

The aggregate holdings as at 31 March 2011 of those directors of the company holding issued ordinary shares of the company are detailed below. Holdings are direct and beneficial except where indicated otherwise.

Name	2011	2010
Executive directors:		
B G Dunlop	49 646	46 145
M H Munro	38 847	32 320
P H Staude	175 957	132 606
	264 450	211 071
Non-executive directors:		
J B Magwaza	12 111	11 901
R H J Stevens	600	590
Directors who resigned during the year		600
	12 711	13 091

NOTES TO THE FINANCIAL STATEMENTS continued

34. EMPLOYEE SHARE INCENTIVE SCHEMES

The adoption of IFRS 2 Share-based Payment (IFRS 2) in 2005 required that all awards made after 7 November 2002 be accounted for in the financial statements of the company. IFRS 2 has therefore been applied to The Tongaat-Hulett Group Limited 2001 Share Option Scheme in respect of the awards made on 14 April 2003, 1 October 2003 and 21 April 2004 and to the new share incentive scheme comprising the Share Appreciation Right Scheme 2005 (SARS), the Long Term Incentive Plan 2005 (LTIP) and the Deferred Bonus Plan 2005 (DBP).

Details of awards in terms of the company's share incentive schemes are as follows:

As a result of the unbundling of Hulamín, participants in these share schemes who had not exercised their rights at the unbundling date converted their existing Tongaat-Hulett Group Limited instruments into two components, a Tongaat Hulett Limited component and a Hulamín Limited component, as detailed in the 2007 Annual Report. The obligation to settle these share schemes is in accordance with the following principles, which are in accordance with the Unbundling Agreement. Tongaat Hulett is obliged to settle all benefits under the SARS grants of 2005 and 2006 and the original share options for its own employees using Tongaat Hulett shares. It will settle the outstanding share scheme instruments that arise after the award adjustments for its own employees, by purchasing Tongaat Hulett shares in the market, or by issuing Tongaat Hulett shares. The benefit for the Hulamín component will be determined with reference to the Hulamín share price, and the Tongaat Hulett component with respect to the Tongaat Hulett share price, however, benefits arising from the Hulamín component will be settled using Tongaat Hulett shares.

The Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme (the Original Share Option Schemes)

Under the original share option schemes, participating employees were awarded share options in the company. On vesting, the employee is entitled to purchase shares in the company and immediately sell the shares at the market price, thereby benefiting from the appreciation in the share price.

The option price and number of unexercised options after the unbundling of Hulamín were apportioned into a Tongaat Hulett component (Tongaát Hulett) and a Hulamín component (Hulamín), as detailed in the 2007 Annual Report.

Expiring ten years from	Option price (Rand) Apportioned		Number of options at 31 March 2010		Options exercised 2010/11		Options lapsed/forfeited 2010/11		Number of options at 31 March 2011	
	Tongaát Hulett	Hulamín	Tongaát Hulett	Hulamín	Tongaát Hulett	Hulamín	Tongaát Hulett	Hulamín	Tongaát Hulett	Hulamín
19 May 2000	22,91	7,09	1 000	2 500	1 000	2 500				
12 January 2001	30,44	9,41	8 200	9 800	8 200		9 800			
16 May 2001	30,55	9,45	81 900	97 700	36 900	11 000			45 000	86 700
15 August 2001	32,08	9,92	3 500	3 500	3 500				3 500	
13 May 2002	37,88	11,72	128 500	177 200	30 100				98 400	177 200
14 April 2003	24,37	7,53	129 600	149 700	57 606	4 800			71 994	144 900
1 October 2003	26,35	8,15	30 000	30 000					30 000	30 000
21 April 2004	35,90	11,10	284 800	401 200	61 000		900	6 800	222 900	394 400
			667 500	871 600	198 306	18 300	900	16 600	468 294	836 700

The weighted average fair value costing of the combined Tongaat Hulett and Hulamín components of the outstanding share options granted in 2003 and 2004, determined using the binomial tree valuation model, was R11,14 per share and R16,06 per share respectively (2010: R11,14 and R16,06).

No awards have been made since 21 April 2004 under the original share option schemes, which were replaced by share schemes based on equity settled share appreciation rights, conditional shares, and a deferred annual bonus plan.

The significant inputs into the model for the 2003/4 awards of the original share option schemes were:

Exercise price	The exercise price is the share price at grant date, as noted above, allocated between Tongaat Hulett and Hulamín.
Expected option life	114 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	9,84%
Expected volatility	Expected volatility of 35% is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share option did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 3,9% was used.
Weighted average share price	Tongaát Hulett component: R33,42 (2010: R32,85) and Hulamín component R10,33 (2010: R10,29)
Expected early exercise	Early exercise is taken into account on an expectation basis.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.

Weighted average remaining life:

- Expected	28 months (2010: 34 months)
- Contractual	120 months

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Share Appreciation Right Scheme 2005

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal to the difference between the exercise price and the grant price, less income tax payable on such difference. The employee therefore participates in the after tax share price appreciation in the company. The vesting of the right is conditional on the achievement of Tongaat Hulett performance levels over a performance period.

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

Expiring seven years from	Grant price (Rand) Apportioned		Number of rights at 31 March 2010		Rights granted in 2010/11	Rights exercised in 2010/11	Rights lapsed/forfeited in 2010/11		Number of rights at 31 March 2011	
	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Tongaat Hulett	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
10 May 2005	43,98	13,60	476 432	646 075		157 839	3 793	9 096	314 800	636 979
22 April 2006	73,39	22,70	677 670	812 848		126 907	6 254	12 019	544 509	800 829
20 August 2007	88,84		1 122 029			149 755	23 902		948 372	
25 April 2008	92,74		1 258 873			4 052	24 628		1 230 193	
22 May 2009	75,06		1 558 579			10 648	39 308		1 508 623	
31 May 2010	97,49				1 249 127		10 368		1 238 759	
			5 093 583	1 458 923	1 249 127	449 201	108 253	21 115	5 785 256	1 437 808

The estimated fair value costing of these outstanding share appreciation rights was determined using the binomial tree valuation model and non-market performance conditions, based on the following significant inputs:

Exercise price	The share price at grant date, as noted above.
Expected option life	80 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2010 award: 7,71% (2009 award: 7,66%, 2008 award: 8,75%, 2007 award: 8,19%, 2006 award: 7,22%, 2005 award: 8,09%).
Expected volatility	Expected volatility of 26,78% (2009: 28%, 2008 and 2007: 27% and 2006 and 2005: 35%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share appreciation rights did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 2,5% was used for the 2010 award (2009 award: 3,5%, 2008 and 2007 award: 3,44%, 2006 award: 4,00%, 2005 award: 3,92%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	An increase in headline earnings per ordinary share as determined by the Remuneration Committee. Retesting of the performance condition is not allowed from the 2010 award onwards.
Non-market performance conditions	Growth in headline earnings per share.
Market performance conditions	No market conditions.
Estimated fair value per right at grant date	2010 award: R20,00 (2009 award: R12,54, 2008 award: R16,93, 2007 award: R15,97, the combined TH and Hulamin components: 2006 award: R18,11 and 2005 award: R13,88).
Weighted average remaining life:	
- Expected	2010 award: 74 months (2009 award: 62 months, 2008 award: 49 months, 2007 award: 41 months, 2006 award: 25 months, 2005 award: 13 months).
- Contractual	84 months.

NOTES TO THE FINANCIAL STATEMENTS continued

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Long Term Incentive Plan 2005

Under the long term incentive plan, participating employees are granted conditional awards. These awards are converted into shares on the achievement of performance conditions over a performance period.

Expiring three years from	Issue price (Rand)	Number of conditional awards 31 March 2010	Conditional awards granted in 2010/11	Conditional awards settled in 2010/11	Conditional awards lapsed/ forfeited in 2010/11	Number of conditional awards at 31 March 2011
20 August 2007	88,84	119 876		75 228	44 648	
25 April 2008	92,74	117 483				117 483
22 May 2009	75,06	151 739				151 739
31 May 2010	97,49		171 916			171 916
		389 098	171 916	75 228	44 648	441 138

The estimated fair value costing of these outstanding conditional share awards was determined using the Monte Carlo Simulation model and non-market performance conditions, based on the following significant inputs:

Exercise price	The share price at grant date, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2010 award: 7,6% (2009 award: 5,82%, 2008 award: 9,22% and 2007 award: 8,81%).
Expected volatility	Expected volatility of 28,57% for the 2010 award (2009 award: 26,73%, 2008 award: 23,46% and 2007 award: 24,49%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the conditional share awards did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 2,5% was used for the 2010 award (2009 award: 3,5%, 2008 award: 3,56% and 2007 award: 3,50%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	50% of the LTIP award will be subject to the TSR condition and 50% will be subject to the ROCE condition. No retesting of the performance condition is allowed.
Non-market performance conditions	Return on capital employed (ROCE).
Market performance conditions	Total shareholder return (TSR).
Estimated fair value per conditional award at grant date	2010 award: R46,55 (2009 award: R40,76, 2008 award: R56,82 and 2007 award: R46,28).
Weighted average remaining life:	
- Expected	2010 award: 26 months (2009 award : 14 months and 2008 award: 1 month).
- Contractual	36 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Deferred Bonus Plan 2005

Under the deferred bonus plan, participating employees purchase shares in the company with a portion of their after tax bonus. These pledged shares are held in trust by a third party administrator for a qualifying period, after which the company awards the employee a number of shares in the company which matches those pledged shares released from the trust.

Expiring three years from	Issue price Rand	Number of conditional awards at 31 March 2010	Conditional awards granted in 2010/11	Conditional awards settled in 2010/11	Number of conditional awards at 31 March 2011
1 March 2008	88,75	28 936		28 936	
2 March 2009	74,72	46 586			46 586
3 March 2010	97,32	39 651			39 651
4 June 2010	100,40		10 768		10 768
			115 173	10 768	28 936
					97 005

The estimated fair value costing of the outstanding deferred bonus share awards was based on the following significant inputs:

Share price at grant date	The price at which the deferred bonus share is issued, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	Not applicable.
Expected volatility	Not applicable.
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected.
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Estimated fair value per deferred bonus share at grant date	June 2010 award: R81,18 (March 2010 award: R78,34, 2009 award: R60,69 and 2008 award: R71,33).
Weighted average remaining life:	
- Expected	June 2010 award: 26 months (March 2010 award: 23 months, 2009 award: 11 months).
- Contractual	36 months.

The deferred bonus shares were purchased by the participating employees on 4 June 2010 in respect of the June 2010 award (2009 award: purchased 2 March 2009 and March 2010 award: purchased 3 March 2010).

NOTES TO THE FINANCIAL STATEMENTS continued

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments

The interest of the directors in share options of the company are shown in the table below:

The Original Share Option Schemes

The option price and number of unexercised options after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

Name	Expiring ten years from	Option price (Rand) Apportioned		Number of options at 31 March 2010		Options lapsed in 2010/11 Hulamin	Number of options at 31 March 2011	
		Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin		Tongaat Hulett	Hulamin
Executive directors:								
B G Dunlop	21 April 2004	35,90	11,10		1 100			1 100
M H Munro	14 April 2003	24,37	7,53	4 900	4 900		4 900	4 900
	1 October 2003	26,35	8,15	30 000	30 000		30 000	30 000
	21 April 2004	35,90	11,10	32 000	32 000		32 000	32 000
				66 900	66 900		66 900	66 900
P H Staude	13 May 2002	37,88	11,72		17 000			17 000
	21 April 2004	35,90	11,10		28 000			28 000
					45 000			45 000
Non-executive director: *								
J B Magwaza	12 January 2001	30,44	9,41		1 600	1 600		
	16 May 2001	30,55	9,45		6 000			6 000
	13 May 2002	37,88	11,72		6 000			6 000
					13 600	1 600		12 000
Total				66 900	126 600	1 600	66 900	125 000

* The non-executive director's share options were awarded when he was an executive director more than eight years ago.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Share Appreciation Right Scheme 2005

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

Name of executive director	Expiring seven years from	Grant price (Rand) Apportioned		Number of rights at 31 March 2010		Rights granted in 2010/11		Rights exercised in 2010/11		Number of rights at 31 March 2011		Rights time constrained Tongaat Hulett
		Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Tongaat Hulett	Hulamin		
B G Dunlop	10 May 2005	43,98	13,60		40 597						40 597	
	22 April 2006	73,39	22,70	23 737	23 737					23 737	23 737	
	20 August 2007	88,84		25 382						25 382		
	25 April 2008	92,74		27 276						27 276		27 276
	22 May 2009	75,06		32 736						32 736		32 736
	31 May 2010	97,49				25 698				25 698		25 698
				109 131	64 334	25 698				134 829	64 334	85 710
M H Munro	10 May 2005	43,98	13,60	21 185	21 185					21 185	21 185	
	22 April 2006	73,39	22,70	20 472	20 472					20 472	20 472	
	20 August 2007	88,84		23 830						23 830		
	25 April 2008	92,74		25 807						25 807		25 807
	22 May 2009	75,06		30 857						30 857		30 857
	31 May 2010	97,49				23 638				23 638		23 638
				122 151	41 657	23 638				145 789	41 657	80 302
P H Staude	10 May 2005	43,98	13,60	92 810	92 810			92 810			92 810	
	22 April 2006	73,39	22,70	62 082	62 082					62 082	62 082	
	20 August 2007	88,84		71 073						71 073		
	25 April 2008	92,74		75 720						75 720		75 720
	22 May 2009	75,06		91 120						91 120		91 120
	31 May 2010	97,49				74 289				74 289		74 289
				392 805	154 892	74 289		92 810		374 284	154 892	241 129

Long Term Incentive Plan 2005

Name of executive director	Expiring three years from	Original Issue price (Rand)	Number of conditional awards at 31 March 2010	Conditional awards granted in 2010/11	Conditional awards settled in 2010/11	Conditional awards lapsed in 2010/11	Number of conditional awards at 31 March 2011	Conditional awards time constrained
B G Dunlop	20 August 2007	88,84	8 503		5 336	3 167		
	25 April 2008	92,74	7 592				7 592	7 592
	22 May 2009	75,06	9 421				9 421	9 421
	31 May 2010	97,49		10 160			10 160	10 160
			25 516	10 160	5 336	3 167	27 173	27 173
M H Munro	20 August 2007	88,84	7 991		5 015	2 976		
	25 April 2008	92,74	7 181				7 181	7 181
	22 May 2009	75,06	8 880				8 880	8 880
	31 May 2010	97,49		9 345			9 345	9 345
			24 052	9 345	5 015	2 976	25 406	25 406
P H Staude	20 August 2007	88,84	23 834		14 956	8 878		
	25 April 2008	92,74	21 142				21 142	21 142
	22 May 2009	75,06	26 316				26 316	26 316
	31 May 2010	97,49		29 475			29 475	29 475
			71 292	29 475	14 956	8 878	76 933	76 933

NOTES TO THE FINANCIAL STATEMENTS continued

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Deferred Bonus Plan 2005

Name of executive director	Expiring three years from	Original Issue price (Rand)	Number of conditional awards at 31 March 2010	Conditional awards granted in 2010/11	Conditional awards delivered in 2010/11	Number of conditional awards at 31 March 2011	Conditional awards time constrained
B G Dunlop	1 March 2008	88,75	2 730		2 730		
	2 March 2009	74,72	4 620			4 620	4 620
	3 March 2010	97,32	3 838			3 838	3 838
	4 June 2010*	100,40		1 031		1 031	1 031
			11 188	1 031	2 730	9 489	9 489
M H Munro	1 March 2008	88,75	3 337		3 337		
	2 March 2009	74,72	4 227			4 227	4 227
	3 March 2010	97,32	3 609			3 609	3 609
	4 June 2010*	100,40		979		979	979
			11 173	979	3 337	8 815	8 815
P H Staude	1 March 2008	88,75	11 219		11 219		
	2 March 2009	74,72	14 171			14 171	14 171
	3 March 2010	97,32	11 959			11 959	11 959
	4 June 2010*	100,40		3 272		3 272	3 272
			37 349	3 272	11 219	29 402	29 402

The deferred bonus shares were purchased by the participating employees on 4 June 2010 in respect of the June 2010 award (2009 award: purchased 2 March 2009 and March 2010 award: purchased 3 March 2010).

The share awards were made and exercised at various times and the average share price for the period was R103,09 (2010 : R87,65).

The gains made by directors are reflected in note 33 under Directors' Emoluments and Interests.

* These awards relate to the 3 month period to 31 March 2010.

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP). An introduction to Tongaat Hulett's BEE equity participation is provided on page 74.

The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components namely a share appreciation right scheme and a share grant scheme.

The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. Tongaat Hulett Limited and its subsidiaries have made contributions to the MSOP Trust and the ESOP Trust (refer to note 3). Due to these shares having specific repurchase rights at maturity (five years from grant), they are a separate class of restricted shares which, other than for the repurchase terms, rank paripassu with ordinary shares and become ordinary shares on repurchase.

The number of shares repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to:

- The grant price of the shares allocated, plus the value of cash dividends paid to ESOP participants
- 80% of the market value (at the outset) of the shares issued in terms of the share appreciation right component of the MSOP
- Nil in respect of the share grant component of the MSOP; and
- The Trusts will distribute the remaining Tongaat Hulett shares to the beneficiaries.

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price which will be equal to the grant price plus the aggregate of all cash dividends received (in the instance of the ESOP) and the market value at maturity of the scheme. The employees therefore participate in the share price appreciation in Tongaat Hulett. Under the share grant scheme, participating employees were granted the right to obtain ordinary shares in Tongaat Hulett on vesting. The value of both the MSOP share appreciation scheme and the MSOP share grant scheme are capped at a level of 10% compounded growth per year.

Employee Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2011	Number of rights allocated at 31 March 2010	Rights allocated/ adjustments in 2010/11	Rights forfeited in 2010/11	Number of rights allocated at 31 March 2011
1 August 2007	28,90	5 422 829	3 549 955	296 155	95 080	3 751 030
1 February 2008	18,38		164 720		15 060	149 660
1 August 2008	17,92		197 350		15 240	182 110
1 February 2009	13,44		156 800		8 800	148 000
1 August 2009	26,88		110 655		8 270	102 385
1 February 2010	24,67		115 270		1 540	113 730
1 August 2010	23,44			56 600	2 060	54 540
1 February 2011	20,74			51 730		51 730
		5 422 829	4 294 750	404 485	146 050	4 553 185

NOTES TO THE FINANCIAL STATEMENTS continued

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS continued

Management Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2011	Number of rights allocated at 31 March 2010	Rights allocated/ adjustments in 2010/11	Rights forfeited in 2010/11	Number of rights allocated at 31 March 2011
1 August 2007	19,80	3 296 657	1 354 850		16 800	1 338 050
1 February 2008	13,93		163 540			163 540
1 August 2008	14,79		166 720		10 230	156 490
1 February 2009	10,56		81 860		6 600	75 260
1 August 2009	24,83		68 380			68 380
1 February 2010	25,14		108 470		6 390	102 080
1 August 2010	30,69			61 640		61 640
1 February 2011	34,31			36 250		36 250
		<u>3 296 657</u>	<u>1 943 820</u>	<u>97 890</u>	<u>40 020</u>	<u>2 001 690</u>

Management Share Ownership Plan - Share Grant Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2011	Number of rights allocated at 31 March 2010	Rights allocated/ adjustments in 2010/11	Rights forfeited in 2010/11	Number of rights allocated at 31 March 2011
1 August 2007	64,00	1 021 422	419 500		5 200	414 300
1 February 2008	54,37		50 660			50 660
1 August 2008	57,39		51 610		3 160	48 450
1 February 2009	52,47		25 320		2 040	23 280
1 August 2009	79,10		21 160			21 160
1 February 2010	82,61		33 580		1 970	31 610
1 August 2010	94,68			19 100		19 100
1 February 2011	101,89			11 210		11 210
		<u>1 021 422</u>	<u>601 830</u>	<u>30 310</u>	<u>12 370</u>	<u>619 770</u>

The estimated fair value costing of these share appreciation rights and share grant rights was determined using option pricing methodology, based on the following significant inputs:

Fixed share price at grant dates	R92,90
Expected option life	57 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	1 August 2010 award: 7,29% and 1 February 2011 award: 6,16% (1 February 2009 award: 7,96%, 1 August 2009 award: 7,97%, 1 February 2010 award: 7,57%, 1 August 2008 award: 10,06%, 1 February 2008 award: 9,62% and 1 August 2007 award: 8,45%)
Expected volatility	The weighted average expected volatility is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years. 1 August 2010 award: 23,09% and 1 February 2011 award: 17,61% (1 February 2009 award: 34,45%, 1 August 2009 award: 29,19%, 1 February 2010 award: 29,47%, 1 August 2008 award: 28,14%, 1 February 2008 award: 28,25% and 1 August 2007 award: 27,00%).
Dividend yield	The dividend yield on valuation date is based on broker forecasts from the financial information vendor, McGregor BFA. 1 August 2010 award: 4,36% and 1 February 2011 award: 2,82% (1 February 2009 award: 4,96%, 1 August 2009 award: 3,77%, 1 February 2010 award: 3,93%, 1 August 2008 award: 4,84%, 1 February 2008 award: 4,88% and 1 August 2007 award: 4,60%).
Expected early exercise	Not applicable.
Time constraints	Five years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.

In addition, the following data is specific to each of the above schemes:

Employee Share Ownership Plan - Share appreciation right scheme	
Exercise price	R92,90 plus cash dividends to be received over the life of the scheme.
Expected dividends	A weighted average dividend yield was used.
Management Share Ownership Plan - Share appreciation right scheme	
Exercise price	R74,32.
Expected dividends	Nil.
Management Share Ownership Plan - Share grant scheme	
Exercise price	Nil.
Expected dividends	Nil.