



JB MAGWAZA
Chairman

INTRODUCTION AND OVERVIEW

I am pleased to present my statement as Chairman to stakeholders of Tongaat Hulett and to report on activities of the past year.

In a dynamic year, characterised by a number of different factors, headline earnings of R806 million were generated, which was similar to the prior year. The various dynamics relative to the sugar and starch agri-processing and agricultural operations, as well as the land conversion activities, are detailed in this integrated annual report. Tongaat Hulett is well positioned to make substantial progress towards fully utilising its installed sugar milling capacity of some 2 million tons per annum and renewable energy provides substantial future opportunities.

The Board declared a final dividend of 140 cents per share. The final dividend, which, together with the interim dividend of 110 cents per share, amounts to a total dividend of 250 cents per share for the financial year ended 31 March 2011.

BUSINESS SUSTAINABILITY

Tongaat Hulett is a responsible corporate citizen and continues to place high priority on enhancing the growth of its business whilst adding value to its stakeholders in a sustainable manner, including pursuing skills development opportunities for its workforce and promoting successful rural living for surrounding communities.

The safety of employees across all operations continues to be an area of high priority, with the company making every effort in recent years to improve on safety performance. Despite all continued efforts to ensure highest standards of safety and occupational health, there were regrettably four fatalities recorded during the year under review, which the CEO expands upon in his report. Each fatality is one too many and the company seeks to consistently apply the lessons learned from every reported incident. Deepest condolences go out to all affected families, friends and colleagues.

Tongaat Hulett was again included in the JSE's Socially Responsible Investment (SRI) index for the seventh consecutive year, ranked among twenty three best performers and noted as one of eight consistent best performers for the past four years. Other notable achievements include once again taking lead position in the Food & Beverages sector of the Financial Mail's Top Empowerment Companies for 2010, and winning the Best Reporting and Communication Award in the Consumer Products category as voted by the Investment Analysts Society of Southern Africa for the third year running. The Board is justly proud of these achievements and records its continuous support to the management team in its tireless efforts towards sustainable organisational performance.

In the context of operating within ever-changing business environment dynamics, Tongaat Hulett is on an exciting journey where relevant issues that dominate the global agenda such as climate change, carbon disclosure and water disclosure projects and renewable energy are among its priority considerations. The sustainability report contained in this integrated report further addresses this and other key issues in detail.

The Board is confident of the company's ability to meet the many challenges and exciting opportunities in achieving its business sustainability objectives, given its clear strategic platform, sustainable agricultural and business practices and astute stakeholder engagement.

CORPORATE GOVERNANCE

The Board is the custodian of corporate governance and maintains its commitment to principles of corporate discipline, ethical leadership, transparency, integrity and accountability. The Board confirms that it applies the principles embodied in King III and its recommendations as appropriate for the business, as can be seen in the corporate governance section of this integrated report.

The company complies with the listing requirements of the JSE and pertinent legislation to which it is bound. The recently promulgated Companies Act and Consumer Protection Act continue receiving appropriate attention, amongst other key legislation, and the company is well placed to meet the demands and challenges they pose.

CHANGES TO THE BOARD

During the year under review, Vincent Maphai resigned as an independent non-executive director as a result of other business commitments and to focus on his role on the National Planning Commission. We thank him sincerely for his contribution to the Board and wish him success in his current and future endeavours.

Russell Stevens, who joined the Board in 1997, is due to retire with effect from the forthcoming annual general meeting on 29 July 2011, having reached mandatory retirement age. Russell provided invaluable insight and contribution as a director and, on behalf of the Board, I extend to him our gratitude and very best wishes for the future.

APPRECIATION

I conclude by recording my appreciation to the Board for its support and wise counsel. The Board joins me in thanking Peter Staude and his executive team for their hard work and commendable efforts in managing the business in the face of the prevailing operating and economic challenges.

I also wish to express our deep appreciation to all members of staff for their commitment and dedication to Tongaat Hulett.



J B MAGWAZA

CHAIRMAN

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2011