

CHAIRMAN'S STATEMENT



JB Magwaza
CHAIRMAN

It gives me great pleasure in my last year as Chairman of Tongaat Hulett, to present my statement to shareholders. It is pleasing to refer to another successful year, with the company delivering outstanding results achieved in the current reporting period and continuing to create value for our shareholders, particularly in the face of the challenges experienced in the sugar markets. Revenue, operating profit, operating cash flow and headline earnings all increased as detailed in the financial results. I am delighted with the momentum and value reflected in land conversion and development activities and the solid performance from the starch operations. Sugar performance was hampered by severe market conditions, as fully outlined in the CEO's review.

CHAIRMAN'S SUCCESSION AND DIRECTORATE

I have had the privilege of working for the company for over 39 years, both in an Executive and Non-executive capacity and as Independent Non-executive Chairman since 2009. As I will be retiring at the conclusion of the forthcoming Annual General Meeting (AGM) on 30 July 2014, I am pleased to congratulate and welcome Bahle Sibisi in his new role as Non-executive Chairman of the board with effect from 30 July 2014. I have every confidence that he will provide valuable guidance to the Board, and make a positive contribution to the company's continued growth. Owing to Bahle's participation in the Tongaat Hulett BEE equity structure, the Board appointed Jenitha John, who is an independent non-executive director and currently chairman of the Audit and Compliance Committee, as Lead Independent Director as required by the JSE Listings Requirements and in accordance with the King Code, in situations where the Chairman of the Board is not independent. This appointment is also with effect from 30 July 2014.

During the year, Bruce Dunlop retired from the Board and company after 33 years of service. Bruce has had an extensive career with Tongaat Hulett and on behalf of the board I thank him for his dedication and commitment. He continues to offer his services to the company in a consultative capacity.

BUSINESS SUSTAINABILITY

Tongaat Hulett seeks to create value through a sustainable and holistic approach for all stakeholders. The process of engaging with the widest range of stakeholders in order to understand the societal context is long established and integrated into the business. The company has an ethical responsibility to address significant societal and environmental challenges such as increased demand for natural resources, water scarcity and continued climate change. As a forward thinking business, I am confident that the company will be able to turn these challenges into opportunities. For the business to prosper and deliver sustained shareholder value, the focus must be on the meaningful pursuit of value creation for all stakeholders. The



sustainability report which commences on page 39 considers the key themes of how the business manages its six capitals (natural, human, manufacturing, social and relationship, financial and intellectual), and demonstrates the various initiatives undertaken by the business in this key arena.

The safety of employees across all operations continues to be an area of high priority, with the company currently driving a zero harm campaign that seeks to transform the organisational culture from one where stakeholders rely on management support and systems to an interdependent culture where individuals look after each other and prevent injuries across the company's stakeholder society. Despite all continued efforts to ensure the highest standards of safety and occupational health, regrettably there was one fatality recorded during the year under review. I extend my heartfelt condolences to the affected family, friends and colleagues.

Tongaat Hulett continues on the crucial journey of advancing various initiatives in the sustainability arena, which include renewable energy, carbon management, water resource management, effluent and waste management, climate change and sustainable agriculture. Various components of these themes are covered in the sustainability report.

The Board is looking to the future with optimism on the company's ability to meet the challenges and many exciting opportunities in achieving its business sustainability objectives, given its strong strategic platform, sustainable agricultural and business practices and astute stakeholder engagement. I am immensely proud of the leadership demonstrated by management and recognize that stakeholder expectations continue to increase in various areas.

DIVIDEND

A final gross cash dividend of 210 cents per share has been declared. The final dividend, together with the interim dividend of 150 cents per share, amounts to a total dividend of 360 cents per share for the financial year ended 31 March 2014, which compares with the 340 cents per share paid out in the previous year, reflecting an increase of 6 percent.

STAKEHOLDER ENGAGEMENT

Tongaat Hulett has a proud history of maintaining positive relationships with its stakeholders. Regular interface with the investment community, shareholders, governments, small-scale and commercial private farmers and their representative bodies, communities, employees are part of the organisational culture. The sustainability report expands on the many initiatives and activities undertaken by the company in stakeholder management.

CORPORATE GOVERNANCE

As the custodian of corporate governance, the Board continues to maintain its commitment to principles of corporate discipline, ethical leadership, transparency, integrity and accountability. The board confirms that it applies in all material respects, the principles embodied in King III, the listing requirements of the JSE, the Companies Act and other pertinent legislation by which it is bound.

Tongaat Hulett continues to strive to embed best practice corporate governance principles. The company's approach is to view corporate governance not as a mere compliance exercise, but as an integral part of how business is conducted, and continuing to build a lasting legacy whilst creating long-term value for stakeholders. I am proud of the pivotal role played by the Board in providing ethical leadership and setting a tone of integrity in the company. This can only ensure that the company is sustainable now and going into the future.

APPRECIATION

I conclude by expressing my gratitude and appreciation to the Board for its continued wisdom, stewardship and strategic guidance over the years. It has been a privilege for me to be part of Tongaat Hulett over so many years and to bear witness to the remarkable growth of the business. To the CEO Peter Staude and the executive team, the Board joins me in thanking you for your sterling efforts in implementing a robust strategy and business plan that underpin so much of our consistent success. I also applaud the loyalty and dedication of our employees, who have once again been instrumental in producing another successful year. Finally, I also wish to express our sincere appreciation to all our stakeholders whose continued support and commitment to the business as it continues to deliver on its strategic objectives is greatly appreciated.

J B Magwaza

Chairman

Amanzimnyama
Tongaat, KwaZulu-Natal
22 May 2014