

INVESTMENT CASE

FROM AN INVESTOR PERSPECTIVE, THE BUSINESS'S STRATEGIC POSITIONING AND OBJECTIVES FOCUS ON THE FOLLOWING KEY POINTS:

GROWING STARCH AND GLUCOSE

- Local and African market growth, supplied from existing available wet-milling capacity with an enhanced product mix.

INCREASING RETURNS FROM THE EXISTING SUGAR ASSET BASE

- Multiple market positions, strong brands, distribution, packing and market opportunities - local, regional, African, EU and other international markets.
- Robust positions in attractive domestic markets with growing consumption-driven demand and which are increasingly well protected and supported, in line with world norms.
- Flexibility to adjust export destinations and market positions outside the domestic markets - which are world price linked and earn a premium - realigning positioning in both the EU (duty-free access) and Africa. Sub-Saharan Africa deficit market opportunities are increasing as consumption grows in the region.
- Substantial existing unutilised milling capacity - little capital expenditure required to use the additional available capacity.
- Main focus is on additional sugar production from increasing cane supplies through higher yields and benefiting from regular growing conditions and improving sugar content/extraction, which typically has a low incremental cost of 4 to 6 US cents per pound (which is less than 50 percent of the current low world sugar price), as milling costs and agricultural costs per hectare are mostly fixed.
- Concerted cost reduction process underway with substantial reductions already achieved over the past two years.

MEDIUM TERM INVESTMENT OPPORTUNITIES

- Platform for future downstream brownfield/greenfield sugar and starch regional expansions.
- Renewable energy - to increase revenue from sugarcane - ethanol production to replace export sugar and electricity generation from fibre.

LAND CONVERSION - SUBSTANTIAL VALUE REALISATION

- Unique land portfolio and well-established development platform - in the fastest-growing area of KwaZulu-Natal.
- Accelerating pace of land conversion, increasing momentum and substantial step-up in value being unlocked, with corresponding cash generation.
- Positive, constructive and inextricable link to sugarcane farming activities.

LEADERSHIP AND STRENGTH OF MANAGEMENT TEAM

- Ability and track record - multiple advanced core competencies, good governance, strong executive and Board leadership.

SOCIO-ECONOMIC POSITIONING AND CONSTRUCTIVE INTERFACES WITH GOVERNMENTS AND SOCIETY

- Strategic positioning in the region is underpinned by the inextricable link between agriculture, sugar production, rural jobs and community development, government and local authorities, unlocking infrastructure investment and the conversion of cane land to development.

SOUND SUSTAINABILITY STRATEGY AND TRACK RECORD -

from environmental stewardship through to the specifics of safety at the operations.

STRONG BALANCE SHEET WITH HIGH-QUALITY ASSETS

INCREASING EARNINGS AND CASH FLOWS - leading to higher dividends.

