# TONGAAT HULETT
# INTERIM RESULTS FOR THE
# SIX MONTHS ENDED 30 SEPTEMBER 2014

- Revenue of R8,073 billion (2013: R7,854 billion) +2,8%
- Operating profit of R1,510 billion (2013: R1,381 billion) +9,3%
- Operating cash flow of R2,413 billion (2013: R2,402 billion) +0,5%
- Headline earnings of R773 million (2013: R663 million) +16,6%
- Interim dividend of 170 cents per share (2013: 150 cents per share) +13,3%

## COMMENTARY

The encouraging results for the half-year ended 30 September 2014 were achieved with various improvements in the sugar operations at a time when revenue is being negatively affected by lower international sugar prices. The starch operations delivered a strong performance. Land conversion and development activities continue to unlock substantial value, albeit with operating profit recognised in this half-year being below that reported in the same period last year. Overall, revenue increased by 3% to more than R8 billion and operating profit reflected a 9% increase to exceed R1,5 billion.

The starch operation increased operating profit to R264 million (2013: R232 million). Domestic sales volumes grew 5%, with increases in the coffee/creamer, confectionary and paper making sectors. Starch and glucose processing margins were in line with the prior year as the operation continued to benefit from competitive local maize costs and good co-product recoveries. Improved operational efficiencies and a focus on costs have remained key drivers.

Operating profit from the various sugar operations totalled R864 million (2013: R684 million). As expected, there has been less of an impact of lower cane valuations at this half-year compared to last year. Operating profit before cane valuations was at a similar level to that of the same period last year. Total sugar revenue increased by 3%, while sugar production is below last year - a year in which there was a substantial increase. Sugar producers worldwide that are exposed to the current low world price are under pressure when one considers the substantial input cost increases over the past decade. The various protection measures implemented in each country of operation to improve local market sales volumes are starting to produce some benefits. The business experienced the impact on revenue of lower international prices, particularly for exports into the European Union (EU). At the same time, there has been a continued drive to reduce the costs of sugar production across all the operations, retaining the substantial reductions achieved in the 2013/14 year, including off-crop expenditure, while having to absorb input price increases.

The South African sugar operations, including the agriculture, milling, refining and various downstream activities recorded operating profit of R259 million (2013: R248 million). These operations, which grew sugar production substantially last year to 634 000 tons, are expecting sugar production this season to be between 525 000 tons and 595 000 tons due to low rainfall in KwaZulu-Natal (KZN). Production for the season is still expected to be well above the level of two seasons prior. The impact of the dry conditions has been partially mitigated by 11 554 hectares of new cane developments that are being harvested for the first time this year. The overall increase in the reference price used in the import duty calculation, to protect the local market against unfair import competition, has had a limited impact over the last six months. Local market sales were depressed by an estimated 120 000 tons of sugar that were imported before the adjustment to the reference price in April 2014. The two week industry-wide strike impacted on export sales volumes in the first half of the year. All the available cane is expected to be milled by the end of the season.

The Zimbabwe sugar operations' operating profit for the half-year amounted to R344 million (US$32 million) compared to the R232 million (US$23 million) in the same period last year. This period has seen higher sales volumes, mainly due to improved local market protection (tariffs and import licences) implemented in April 2014. Export prices into the EU are lower than those earned last year. The negative effect of cane valuations at the half-year was lower than that experienced last year. The movement in the Rand/US dollar exchange rate impacted positively on the conversion of US dollar profits into Rands on consolidation. The Zimbabwe sugar operations are expecting a decrease in sugar production to between 440 000 tons and 475 000 tons for the full year (prior year: 488 000 tons) mainly as a consequence of no cane being diverted from the independent ethanol plant at Chisumbanje (39 000 tons sugar equivalent in the prior year) and after experiencing the impact of low dam levels for irrigation at the end of 2013, which only recovered in early 2014.

The Mozambique sugar operations grew operating profit to R226 million (2013: R151 million). An increase in sugar production is expected for the full year to between 265 000 tons and 280 000 tons (prior year: 249 000 tons). In the half-year, sales volumes increased by 5% while average selling prices have remained constant year on year, with improved local market prices and reductions in export prices to the EU. The movement in the Rand/Metical exchange rate had a positive impact on the consolidation of the Mozambique profits into Rands. The negative effect of cane valuations at the half-year was lower than that experienced last year.

The Swaziland sugar operations reported operating profit of R35 million (2013: R53 million) as a result of the lower sucrose price as a consequence of a reduction in export prices into the EU.

Land conversion and development activities generated operating profit of R435 million (2013: R512 million) from the sale of 49 developable hectares. Sales came largely from Cornubia (industrial, business and retail) with an average profit of R9,0 million per developable hectare. Sales in Izinga/Kindlewood averaged profit of R6,7 million per developable hectare and Umhlanga Ridge Town Centre averaged R29,4 million per developable hectare.

The centrally accounted and consolidation items amounted to R42 million (2013: R37 million). Finance costs amounted to R297 million (2013: R298 million) and were commensurate with the lower borrowing levels and higher interest rates.

Operating cash flow generated was R2,4 billion for the six months. Cash flow from operations after working capital was R576 million, an improvement of some R250 million compared to the same period last year. The cash absorbed in working capital was some R1,8 billion (2013: R2,1 billion) at the half-year, being the middle of the sugar season when sugar stocks and debtor levels are usually higher than at the end of the year. Net debt at the end of September has reduced to R4,9 billion (2013: R5,4 billion).

Headline earnings for the half-year grew by 17% to R773 million (2013: R663 million). An interim dividend of 170 cents per share has been declared (2013: 150 cents per share).

**OUTLOOK**

The momentum in unlocking value from land conversion and development continues, with 8 150 developable hectares ultimately earmarked for development. Over the next 5 years, sales are expected to come primarily out of 3 661 developable hectares prioritised in key focus areas comprising the urban expansion north of Durban in the Umhlanga and Cornubia areas, coastal lifestyle areas of Zimbali and Sibaya, business and residential development around the airport, coastal development north of Ballito in Tinley Manor and in the Ntshongweni area west of Durban. An increasingly larger area is benefitting from planning activities and infrastructural investment at key points. Tongaat Hulett continues to work together with Government, related organisations and key stakeholders in the property industry to capture the synergy of each other's unique capabilities and to maximise the value for all stakeholders that can be derived from the region. Global markets will be further assessed through the international launch of Sibaya during the second half of the 2014/15 year. The development of urban residential areas for lower income earners is being accelerated. The potential sale of 42 developable hectares of the prime land in Ridgeside is progressing well. Further sales in the second half of the 2014/15 year are likely to come from Cornubia, Izinga/Kindlewood, Umhlanga Ridge Town Centre and possibly from Sibaya, Compensation and land adjacent to the airport.

The starch operations are well positioned to continue to perform strongly, with sales volume growth underpinned by improved capacity utilisation, enhanced product mix and customer growth prospects into Africa. The business will benefit from the recent large maize crop harvested in South Africa.

Sugar prices remain under pressure with the current low world price. In South Africa, Zimbabwe and Mozambique there is an increasing understanding, up to senior Government levels, of the importance to better protect local markets (especially to secure rural jobs) against imports from other surplus sugar producing countries, confirmed by the upcoming reforms to the EU sugar market. Better import protection would lead to lower exports.

The likely dynamics in the EU market beyond the October 2017 reforms remain uncertain. The average sugar prices earned by the business in 2014/15 for exports into the EU market are expected to be some Euro 25 per ton below those earned in 2013/14, during which year there was a reduction of Euro 155 per ton in the prices achieved.

Tongaat Hulett's sugar production is targeted to grow by some 400 000 tons over the next 4 years. Agricultural improvement programs are now well entrenched and these programs, together with better weather conditions, should lead to higher cane yields and higher sucrose content in the cane, with the marginal cost of this sugar production being some 30% of the current low world sugar price. In South Africa, a 12 000 hectare project for cane development and job creation in rural KZN is an integral part of the growth and development of cane farming in Tongaat Hulett's cane supply areas. The financing of this project includes a Jobs Fund grant for R150 million allocated over some three years, with the first R40 million already received.

Encouraging progress is being made towards establishing regulatory frameworks to turn a portion of South Africa's export sugar into ethanol and to generate more electricity from the fibre component of sugar cane.

Further substantial reductions in the cost of sugar production are targeted for 2015/16, after the consolidation in the current season, which follows the reductions in cost per ton achieved in 2013/14 of 14% in Mozambique, 16% in South Africa and 23% in Zimbabwe.

Tongaat Hulett continues to focus on value creation for all stakeholders through an all-inclusive approach to growth and development. In KZN there are established collaborations with Provincial and Local authorities in the inextricably linked areas of sugar and cane activities (the planting of 24 979 hectares in the previous three years has created some 6 250 direct jobs in rural areas), the development of urban areas (including Cornubia) and maximising the future benefit of renewable energy. In Zimbabwe, Tongaat Hulett, the Government and Local communities are working together on socio-economic initiatives in the south-eastern Lowveld region of the country. One of the key focus areas remains the on-going orderly development of sustainable private sugar cane farmers and at the end of the 2013/14 season, some 813 active indigenous private farmers, farming some 14 000 hectares, employing more than 6 700 people, generated US$58 million in annual revenue. In Mozambique, an estimated 381 000 tons of cane will be delivered from 4 170 hectares in the 2014/15 season, supporting 1 898 indigenous private farmers.

The business is in a good position to benefit from multiple actions across all of its well-grounded strategic thrusts, with its footprint in six SADC countries, its ability to process both sugar cane and maize, electricity generation and ethanol opportunities and increased momentum in land conversion.

Profits and cash flows for the full year are expected to reflect further growth over the 2013/14 year.

For and on behalf of the Board

| | |
|---|---|
| Bahle Sibisi | Peter Staude |
| Chairman | Chief Executive Officer |

Amanzimnyama,Tongaat, KwaZulu-Natal 6 November 2014

# TONGAAT HULETT LIMITED

Registration number: 1892/000610/06 JSE share code: TON ISIN: ZAE000096541

# INTERIM RESULTS

## for the 6 months ended 30 September 2014

### Income Statement

| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
|---|---|---|---|
| **Revenue** | **8 073** | 7 854 | 15 716 |
| **Operating profit** | **1 510** | 1 381 | 2 374 |
| Net financing costs (note 1) | **(297)** | (298) | (609) |
| **Profit before tax** | **1 213** | 1 083 | 1 765 |
| Tax (note 2) | **(336)** | (319) | (538) |
| **Net profit for the period** | **877** | 764 | 1 227 |
| **Profit attributable to:** | | | |
| Shareholders of Tongaat Hulett | **800** | 708 | 1 155 |
| Minority (non-controlling) interest | **77** | 56 | 72 |
| | **877** | 764 | 1 227 |
| **Headline earnings attributable to Tongaat Hulett shareholders** (note 3) | **773** | 663 | 1 106 |
| **Earnings per share (cents)** | | | |
| **Net profit per share** | | | |
| Basic | **700.9** | 632.3 | 1 034.4 |
| Diluted | **700.9** | 625.9 | 1 022.3 |
| **Headline earnings per share** | | | |
| Basic | **677.2** | 592.1 | 990.5 |
| Diluted | **677.2** | 586.2 | 978.9 |
| **Dividend per share (cents)** | **170.0** | 150.0 | 360.0 |
| **Currency conversion** | | | |
| Rand/US dollar closing | **11.26** | 10.08 | 10.56 |
| Rand/US dollar average | **10.64** | 9.78 | 10.13 |
| Rand/Metical average | **0.35** | 0.33 | 0.34 |
| Rand/Euro average | **14.35** | 12.87 | 13.59 |
| US dollar/Euro average | **1.35** | 1.32 | 1.34 |

## Segmental Analysis

| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
|---|---|---|---|
| **REVENUE** | | | |
| Sugar | | | |
| Zimbabwe | **1 824** | 1 324 | 2 896 |
| Swaziland | **146** | 173 | 211 |
| Mozambique | **1 482** | 1 402 | 1 704 |
| South Africa | **2 365** | 2 740 | 6 224 |
| Sugar operations - total | **5 817** | 5 639 | 11 035 |
| Starch operations | **1 740** | 1 594 | 3 210 |
| Land Conversion and Developments | **516** | 621 | 1 471 |
| **Consolidated total** | **8 073** | 7 854 | 15 716 |
| **OPERATING PROFIT** | | | |
| Sugar | | | |
| Zimbabwe | **344** | 232 | 330 |
| Swaziland | **35** | 53 | 70 |
| Mozambique | **226** | 151 | 168 |
| South Africa | **259** | 248 | 340 |
| Sugar operations - total | **864** | 684 | 908 |
| Starch operations | **264** | 232 | 482 |
| Land Conversion and Developments | **435** | 512 | 1 080 |
| Centrally accounted and consolidation items | **(42)** | (37) | (75) |
| BEE IFRS 2 charge and transaction costs | **(11)** | (10) | (21) |
| **Consolidated total** | **1 510** | 1 381 | 2 374 |
| **FURTHER ANALYSIS OF SUGAR OPERATING PROFIT** | | | |
| **Sugar operations - before cane valuations** | **1 454** | 1 458 | 1 061 |
| Zimbabwe | **609** | 642 | 572 |
| Swaziland | **64** | 86 | 56 |
| Mozambique | **556** | 528 | 272 |
| South Africa | **225** | 202 | 161 |
| **Cane valuations - income statement effect** | **(590)** | (774) | (153) |
| Zimbabwe | **(265)** | (410) | (242) |
| Swaziland | **(29)** | (33) | 14 |
| Mozambique | **(330)** | (377) | (104) |
| South Africa | **34** | 46 | 179 |
| **Sugar operations - after cane valuations** | **864** | 684 | 908 |
| Zimbabwe | **344** | 232 | 330 |
| Swaziland | **35** | 53 | 70 |
| Mozambique | **226** | 151 | 168 |
| South Africa | **259** | 248 | 340 |

## Statement of Financial Position

| Condensed consolidated<br>Rmillion | **Unaudited 30 September 2014** | Unaudited 30 September 2013 | Audited 31 March 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **11 737** | 11 173 | 11 279 |
| Growing crops (note 4) | **4 623** | 4 191 | 5 005 |
| Long-term receivable | **502** | 475 | 485 |
| Goodwill | **358** | 326 | 338 |
| Intangible assets | **65** | 73 | 70 |
| Investments | **20** | 17 | 18 |
| | **17 305** | 16 255 | 17 195 |
| **Current assets** | **10 176** | 8 781 | 6 781 |
| Inventories | **4 503** | 4 345 | 2 416 |
| Trade and other receivables | **3 935** | 3 347 | 3 298 |
| Cash and cash equivalents | **1 738** | 1 089 | 1 067 |
| **TOTAL ASSETS** | **27 481** | 25 036 | 23 976 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Share capital | **135** | 134 | 135 |
| Share premium | **1 544** | 1 539 | 1 543 |
| BEE held consolidation shares | **(695)** | (724) | (700) |
| Retained income | **7 983** | 7 026 | 7 412 |
| Other reserves | **2 764** | 1 889 | 2 172 |
| **Shareholders' interest** | **11 731** | 9 864 | 10 562 |
| Minority interest in subsidiaries | **1 808** | 1 555 | 1 628 |
| **Equity** | **13 539** | 11 419 | 12 190 |
| **Non-current liabilities** | **7 098** | 6 988 | 7 612 |
| Deferred tax | **2 289** | 2 086 | 2 131 |
| Long-term borrowings | **3 449** | 3 489 | 4 094 |
| Non-recourse equity-settled BEE borrowings | **667** | 707 | 691 |
| Provisions | **693** | 706 | 696 |
| **Current liabilities** | **6 844** | 6 629 | 4 174 |
| Trade and other payables (note 5) | **3 454** | 3 403 | 2 742 |
| Short-term borrowings | **3 193** | 3 006 | 1 293 |
| Tax | **197** | 220 | 139 |
| **TOTAL EQUITY AND LIABILITIES** | **27 481** | 25 036 | 23 976 |
| **Number of shares (000)** | | | |
| – in issue | **135 113** | 108 648 | 109 967 |
| – weighted average (basic) | **114 139** | 111 966 | 111 655 |
| – weighted average (diluted) | **114 139** | 113 110 | 112 980 |

## Statement of Cash Flows

| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
|---|---|---|---|
| Operating profit | **1 510** | 1 381 | 2 374 |
| Profit on disposal of property, plant and equipment | **(29)** | (49) | (75) |
| Depreciation | **309** | 283 | 571 |
| Growing crops and other non-cash items | **623** | 787 | 64 |
| Operating cash flow | **2 413** | 2 402 | 2 934 |
| Change in working capital | **(1 837)** | (2 075) | (761) |
| Cash flow from operations | **576** | 327 | 2 173 |
| Tax payments | **(214)** | (141) | (452) |
| Net financing costs | **(297)** | (298) | (609) |
| **Cash flow from operating activities** | **65** | (112) | 1 112 |
| Expenditure on property, plant and equipment: | | | |
| New | **(75)** | (86) | (117) |
| Replacement | **(143)** | (270) | (429) |
| Major plant overhaul cost changes | **(38)** | (7) | 18 |
| Capital expenditure on growing crops | **(10)** | (39) | (118) |
| Other capital items | **30** | 64 | 87 |
| **Net cash flow before dividends and financing activities** | **(171)** | (450) | 553 |
| Dividends paid | **(237)** | (214) | (253) |
| **Net cash flow before financing activities** | **(408)** | (664) | 300 |
| Borrowings raised / (repaid) | **1 210** | 865 | (258) |
| Non-recourse equity-settled BEE borrowings | **(24)** | (15) | (31) |
| Shares issued | **1** | | 5 |
| Settlement of share-based payment awards | **(149)** | (8) | (15) |
| **Net increase in cash and cash equivalents** | **630** | 178 | 1 |
| Balance at beginning of period | **1 067** | 917 | 917 |
| Foreign currency translation | **41** | (6) | 149 |
| **Cash and cash equivalents at end of period** | **1 738** | 1 089 | 1 067 |

## Statement of Changes in Equity

| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
|---|---|---|---|
| Balance at beginning of period | **10 562** | 8 332 | 8 332 |
| Total comprehensive income for the period | **1 492** | 1 704 | 2 397 |
| Retained earnings | **800** | 708 | 1 142 |
| Movement in hedge reserve | **(9)** | 1 | 4 |
| Foreign currency translation | **701** | 995 | 1 251 |
| Dividends paid | **(231)** | (206) | (240) |
| Share capital issued - ordinary | **1** | | 5 |
| BEE held consolidation shares | **8** | 8 | 16 |
| Share-based payment charge | **48** | 34 | 67 |
| Settlement of share-based payment awards | **(149)** | (8) | (15) |
| **Shareholders' interest** | **11 731** | 9 864 | 10 562 |
| Minority interest in subsidiaries | **1 808** | 1 555 | 1 628 |
| Balance at beginning of period | **1 628** | 1 373 | 1 373 |
| Total comprehensive income for the period | **186** | 190 | 268 |
| Retained earnings | **77** | 56 | 73 |
| Foreign currency translation | **109** | 134 | 195 |
| Dividends paid to minorities | **(6)** | (8) | (13) |
| **Equity** | **13 539** | 11 419 | 12 190 |

## Statement of Other Comprehensive Income

| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
|---|---|---|---|
| Net profit for the period | **877** | 764 | 1 227 |
| Other comprehensive income | **801** | 1 130 | 1 438 |
| Items that will not be reclassified to profit or loss: | | | |
| Foreign currency translation | **810** | 1 129 | 1 446 |
| Actuarial loss | | | (17) |
| Tax on actuarial loss | | | 5 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Hedge reserve | **(13)** | 2 | 6 |
| Tax on movement in hedge reserve | **4** | (1) | (2) |
| **Total comprehensive income for the period** | **1 678** | 1 894 | 2 665 |
| **Total comprehensive income attributable to:** | | | |
| Shareholders of Tongaat Hulett | **1 492** | 1 704 | 2 397 |
| Minority (non-controlling) interest | **186** | 190 | 268 |
| | **1 678** | 1 894 | 2 665 |

| Notes | | | |
|---|---|---|---|
| Condensed consolidated<br>Rmillion | **Unaudited 6 months to 30 September 2014** | Unaudited 6 months to 30 September 2013 | Audited 12 months to 31 March 2014 |
| **1. Net financing costs** | | | |
| Interest paid | **(331)** | (317) | (646) |
| Interest received | **34** | 19 | 37 |
| | **(297)** | (298) | (609) |
| **2. Tax** | | | |
| Normal | **(267)** | (282) | (513) |
| Deferred | **(69)** | (37) | (29) |
| Rate change adjustment - deferred | | | 4 |
| | **(336)** | (319) | (538) |
| **3. Headline earnings** | | | |
| Profit attributable to shareholders | **800** | 708 | 1 155 |
| Adjusted for: | | | |
| Capital profit on disposal of land and buildings | **(21)** | (46) | (66) |
| Capital profit on other items | **(2)** | | |
| Profit on disposal of plant and equipment | **(6)** | (2) | (1) |
| Tax on the above items | **2** | 3 | 18 |
| | **773** | 663 | 1 106 |

**4. Growing crops**

Growing crops, comprising roots and standing cane, are measured at fair value which is determined using an estimate of cane yields and prices. Changes in fair value are recognised in profit or loss. A change in yield of 1 ton per hectare on the estimated yield of 86 tons cane per hectare would result in a R22 million change in fair value while a change of one percent in the cane price would result in a R20 million change in fair value.

**5. Trade and other payables**

Included in trade and other payables is the maize obligation (interest bearing) of R494 million (30 September 2013: R493 million and 31 March 2014: R334 million).

| | | | |
|---|---|---|---|
| **6. Capital expenditure commitments** | | | |
| Contracted | **192** | 83 | 74 |
| Approved | **238** | 77 | 152 |
| | **430** | 160 | 226 |
| **7. Operating lease commitments** | **88** | 106 | 128 |
| **8. Guarantees and contingent liabilities** | **42** | 48 | 116 |

**9. Basis of preparation and accounting policies**

The condensed consolidated unaudited results for the half-year ended 30 September 2014 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the information as required by International Accounting Standard 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 31 March 2014 and were prepared under the supervision of the Chief Financial Officer, M H Munro CA (SA).

Tongaat Hulett has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for Tongaat Hulett from 1 January 2014. The adoption of these standards had no recognition and measurement impact on the financial results.

## DIVIDEND DECLARATION

Notice is hereby given that the Board has declared an interim gross cash dividend (number 174) of 170 cents per share for the half-year ended 30 September 2014 to shareholders recorded in the register at the close of business on Friday 30 January 2015.

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

| | | |
|---|---|---|
| Last date to trade ordinary shares "CUM" dividend | Friday | 23 January 2015 |
| Ordinary shares trade "EX" dividend | Monday | 26 January 2015 |
| Record date | Friday | 30 January 2015 |
| Payment date | Thursday | 5 February 2015 |

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 26 January 2015 and Friday 30 January 2015, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by the United Kingdom transfer secretaries will be paid in British currency at the rate of exchange ruling at the close of business on Friday 23 January 2015.

The dividend has been declared from income reserves. A net dividend of 144,5 cents per share will apply to shareholders liable for the local 15% dividend withholding tax and 170 cents per share to shareholders exempt from paying the dividend tax. There are no STC credits available for utilisation. The issued ordinary share capital as at 6 November 2014 is 135 112 506 shares. The company's income tax reference number is 9306/101/20/6.

For and on behalf of the Board

**M A C Mahlari**
Company Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

6 November 2014