

PORTFOLIO OF LAND FOR CONVERSION IN KWAZULU-NATAL

MAY 2015







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INTRODUCTION

Tongaat Hulett has an unequalled portfolio of some 8 091 developable hectares of land in prime locations in KwaZulu-Natal. The conversion of the land portfolio is a key enabler of Tongaat Hulett's drive to achieve value creation for all stakeholders through an all-inclusive approach to growth and development. The value created per hectare of land sold is increasing with the steadily improving land conversion platform and varies with usage and location.

Successful conversion of land to its highest value use near a major city such as Durban or in an area with natural endowments such as the north coast of KwaZulu-Natal is an important opportunity for business and government to collaborate to create value for society. It is major enabler of regional competitiveness, investment, economic development and social delivery.

Such conversion is a collaborative exercise between multiple role-players and cannot be undertaken sustainably in the long term in isolation from successful rural development and competitive, livable cities. In KwaZulu-Natal, Tongaat Hulett has established working relationships with provincial and local authorities in the inextricably linked areas of sugar and cane activities (the planting of 28 687 hectares in the past four years has created some 7 175 direct jobs in rural areas, with a further 12 000 hectare project currently underway in

collaboration with the Jobs Fund), the development of urban areas (such as Cornubia) and maximising the future benefit of renewable energy.

One of the key objectives is to develop and grow the presence of black property developers, owners and service providers.

This document updates and expands on that published in November 2014 and is intended to provide a more holistic overview of Tongaat Hulett's portfolio of prime land in KwaZulu-Natal, current dynamics and the company's overarching strategic vision and approach to land conversion activities. Details relating to conversion status, intended usage, profit and sales dynamics are provided for each of the land assets from which sales are anticipated to come over the next five years.

It contains details of the transactions concluded in the financial year to 31 March 2015, during which 108 developable hectares were sold, generating profit of R829 million, following on the sale of 259 developable hectares in the previous year, which generated profit of R1 080 billion.

The following table provides an overview of recent profit generated per developable hectare for a representative range of locations and land uses:

| AREA | DESCRIPTION | PROFIT GENERATED (R million per developable hectare) |
|------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------|
| RIDGESIDE | Prime, high-density, urban mixed use precinct with sea views | 34 |
| UMHLANGA RIDGE TOWN CENTRE | High-density, urban mixed use precinct | 25 to 30 |
| IZINGA / KINDLEWOOD | Low-density, high-end residential | 3.5 to 6.7 |
| CORNUBIA INDUSTRIAL AND BUSINESS ESTATE | Light industrial, logistics, warehousing and business park | 6 to 9.5 |
| CORNUBIA RETAIL PARK AND N2 BUSINESS PARK | General business, offices, retail | 7 to 11.8 |
| MOUNT MORELAND NORTH | Long-term land, far from shovel ready and without clear land use or infrastructure in place | 2.4 |



The purpose of the expanded document is to communicate to a wide range of stakeholders the extent to which the portfolio's scale and location, combined with collaborative long-term strategic planning and investment in urban land-use design, infrastructure and market development, create a platform for a catalytic and transformative impact on the value to be created from the land conversion process.

The portfolio update is intended to be a "living" document, with updates to be produced on at least a biannual basis and is available for download at www.tongaat.com.



KEY CONCEPTS

HECTARES

Gross hectares refers to the total area of land, defined by a line around its boundary. It is a reasonably exact figure, amended only through refined detailed survey.

Within the gross hectares of a land asset, some portions are allocated for purposes other than development, including land that is environmentally important, very steep or geologically unsuitable. Deducting the areas of these 'undevelopable' portions from the gross hectare area results in an approximate area of developable hectares of land that is suitable for development.

Early assessments are made of the developable extents of all land assets and are refined as planning progresses through various stages.

THE LAND PORTFOLIO IS CATEGORISED AS FOLLOWS:

Based on consideration of demand under current market conditions and interest, the anticipated timelines to shovel ready, infrastructural availability and the intended commercial approach and style of selling.



LAND IN KEY FOCUS AREAS FROM WHICH SALES ARE EXPECTED TO COME WITHIN 5 YEARS

These are land assets located in areas that enjoy substantial policy support from government for conversion, on which processes toward shovel ready and provision of necessary infrastructure have commenced and for which it is assessed that demand exists or is expected to exist within the period based on an assessment of the various demand drivers, as described on pages 5-8.

Within this category, certain land assets have been featured where Tongaat Hulett is actively and intensively involved with or about to become involved with commercial negotiations and sales processes.

LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND 5 YEARS

For land in this category, ongoing analysis is carried out on changing market dynamics, infrastructural developments and government strategies and policy to ensure the early identification of opportunities to accelerate the process of conversion. Planning processes, in collaboration with stakeholders, towards getting all of these land assets to a shovel ready state are well advanced.

LAND ANTICIPATED TO BE SOLD BEFORE BECOMING SHOVEL READY

The need to conclude sales that make more land available early for priority social and economic initiatives is increasing. To achieve this, in certain cases it is of value to conclude sales on land that is not yet shovel ready. Land where this is expected to be the case is highlighted on the relevant maps (see map legend on page 10). The most prominent instance of this currently is for the provision of government subsidised housing. 930 developable hectares have been earmarked for

this purpose, of which 722 developable hectares lie within the key focus areas from which sales are expected to come within five years.

PROFIT

Profit is a product of sales revenue, which is an outcome of choices regarding land usage and density, pricing strategy, commercial approach and timing, and conversion cost. In this document, an indication of profit or of a range of profit is provided, based on current market dynamics and what is currently being achieved. The profit indication is the cash profit after costs, without any escalation or discounting for time.

URBANISATION AND DENSIFICATION

Considerations of equity, accessibility and efficiency, within a context of increasing urbanisation, have led to a policy environment that encourages densification of South African cities. According to estimates by the United Nations, by 2030, 71 percent of the South African population will live in urban areas and by 2050 this figure will have increased to 80 percent. The area between Umhlanga and Ballito is planned to become an intensive corridor where densification is particularly appropriate. Owing to varying market conditions over time, initial developments frequently struggle to achieve the full density potential of their location. Tongaat Hulett has developed various mechanisms to allow for early, lower intensity development to kickstart activity and thereafter create a pathway to densification over time, with additional value creation and realisation without the need to sell additional hectares.

This dynamic is currently evident in both the commercial and residential precincts of Umhlanga Ridge Town Centre, precinct four of Ridgeside and the N2 Business Park in the Cornubia New Town and is likely to become increasingly important across the portfolio over time.

RELEASE FROM AGRICULTURE

Tongaat Hulett's land assets in KwaZulu-Natal are predominantly situated in areas deemed agricultural in terms of the Subdivision of Agricultural Land Act 70 of 1970 and must therefore be formally released from this status to be developed for non-agricultural applications.

Release from Agriculture can only occur with the support of both the provincial and national departments of agriculture and within the parameters of the prevailing provincial and municipal strategic and spatial plans.

Tongaat Hulett's intentions for its land assets are well aligned with the relevant municipal plans. The portfolio's location in the primary growth and development corridors of the province places it in a good position to enjoy policy support

for conversion.

Tongaat Hulett's ongoing role in sustaining and developing the agricultural and rural economy of the province of KwaZulu-Natal is a key requirement for sustained progress in achieving the necessary approvals for Release from Agriculture.

SHOVEL READY

Ultimately, to develop top structures on land requires a number of planning permissions to be granted by a variety of government bodies. The key permissions include release from agriculture as well as Environmental Impact Assessments (EIA), zoning and sub-divisional approvals. A piece of land is described as shovel ready when the processes of these various approvals are sufficiently advanced that within a short space of time (generally around six months or less) and with a high level of certainty, physical work on both infrastructure and buildings could commence. Progress towards being shovel ready is a key consideration in the ability to realise optimum value from a land asset.

The general process towards shovel ready and progress against that process across the portfolio is shown in the land conversion and development model on page 12.

INFRASTRUCTURE

The installation of necessary infrastructure is a prerequisite for the optimal use of any land. The role of investment in infrastructure as a catalyst to economic development is now recognised throughout all spheres of government in South Africa. The amplified impact of infrastructure investment in larger cities and towns and the need for new approaches to enhance this is being increasingly appreciated.

Tongaat Hulett's land conversion processes unlock substantial infrastructural investment. Local-scale (neighbourhood) public infrastructure is generally installed by Tongaat Hulett directly and recovered through the sale of land, while medium-scale (metropolitan) and large-scale (regional) infrastructure invariably entail collaboration between Tongaat Hulett and various arms of government.

The principal current obstacle to metropolitan and regional-scale infrastructure delivery lies in financial and organisational capacity limitations faced by government to implement the necessary investment. Tongaat Hulett is working with both the relevant local authorities and other spheres of government to assist in addressing this challenge.



DEMAND DRIVERS

The demand for land is a function of the need for space in buildings for residential or business purposes. It is evident that in a number of areas, eThekweni and the KwaZulu-Natal north coast lag in potential to attract investment that will create demand for such space. In part, the gap arises from a protracted period during which land to accommodate investment demand has been in short supply, arising from challenges in the areas of statutory processes to generate shovel ready land and of inadequate infrastructure. As these challenges are being addressed, the opportunity for the region to become more proactive in attracting investment and building or creating new markets is becoming tangibly more real. Tongaat Hulett is working with a range of government agencies as well as players in the property industry to develop promising market segments. The following is a summary of the range of demand drivers for land in the region.



HIGH-INTENSITY URBAN MIXED USE

Substantial elements of the portfolio have the potential to be positioned into this use over time, enabled by the policy support for densification, the established examples such as Umhlanga Ridge Town Centre and Ridgeside and the infrastructural interventions in favour of public transport currently being made in eThekweni. The principal attractiveness of this driver lies in its efficient use of each hectare of land and hence the high achievable returns per hectare, even in such cases where the real estate product developed (for example, mid-market and affordable housing) is relatively modestly priced. Ridgeside Precincts 1 and 2 have this typology, which is particularly well suited to larger transactions leading to the roll-out of the development by a single agency that is able to optimise the design and management of the final property.



HOUSING MARKETS

The housing market can reasonably be classified into three sub markets, namely mid-market, affordable and government-subsidised. An additional market for high-end residential is more akin to tourism, leisure and coastal development and is described under that heading. Housing demand can usually be satisfied in one of either dominantly residential suburbs or in mixed use urban centres.

MID-MARKET HOUSING

Tongaat Hulett's residential land sales have historically been skewed towards this market. The market consists of higher-earning households, frequently upgrading from an existing home. In the Umhlanga region, Tongaat Hulett has on average been able to meet demand, which varies with economic conditions and in a middle-of-the-road scenario is expected to be in the order of 500 units annually, taking up an average of 25 to 30 developable hectares. Growth and development potential of this market consists primarily of continued growth and consolidation of the Umhlanga region as well as through the opening up of new markets in the Ntshongweni area west of Durban and around Ballito, as well as ensuring better alignment of supply with demand through increased availability of shovel ready land with appropriate infrastructural arrangements in place.

AFFORDABLE HOUSING

There are estimated to be 285 000 households in northern eThekweni, of which 55 000 (i.e. some 20 percent) are looking for houses. This market for affordable housing consists

primarily of households with a monthly household income of between R7 500 and R20 000. New household growth in eThekweni is estimated to be 15 000 annually, of which approximately fifty percent are in this earnings bracket.

This market typically can be serviced with homes of between 50 and 80 square metres as either rental or ownership or a hybrid of the two and in the price range of R350 000 to R800 000. Proximity to public transport routes, places of work and amenities are key considerations, thus the ideal location for such housing is in medium to high-density developments (densities of over 120 units per hectare are achievable and desirable) within or closely adjacent to mixed use or commercial precincts. Umhlanga Ridge Town Centre has partially addressed this demand over the past few years and continues to do so, while Bridge City and various precincts in Cornubia constitute further short-term opportunities. Over time, it is anticipated that this market could require more than 1 000 developable hectares at a take-up rate of up to 60 hectares per annum, and achieving profit that can exceed R3 million per developable hectare, while currently the number of people looking for housing exceeds the available land.

The delivery ambitions can be achieved with the unique ability of Tongaat Hulett to bring suitable land to the market at scale, combined with appropriate collaboration with a number of role players, including government (particularly local government), large developers with the necessary capability and reputation, employers and financial institutions.

GOVERNMENT-SUBSIDISED HOUSING

There is currently a backlog of over 400 000 housing units in eThekweni Municipality to accommodate poor households (roughly defined as those having a monthly

household income of under R7 500). The backlog of housing for these households is a national priority and government has developed, and continues to refine, a number of subsidy mechanisms to address this backlog.

The National Minister of Human Settlements has committed her department to a five-year action plan to roll out one and a half million homes for households in this category through a number of mega projects. EThekweni Municipality has a successful track record of delivery to this market, of the order of 15 000 units per year. Since 2008, Tongaat Hulett has worked in collaboration with government at all levels to initiate Cornubia as a pilot project anticipated to yield some 15 000 units in this market in a good location and in an integrated manner.

Based on the developing momentum in Cornubia, boosting confidence of the replicability of the model, together with the spatial strategies of the respective municipalities, Tongaat Hulett has identified a further 930 developable hectares, having the potential to yield over 90 000 housing units in various locations as tabulated below for sale and development in this market. Since government is the primary implementing agent for this housing market, it is likely that sales in these areas could take place before the land is shovel ready.



HIGH-END MARKETS

The KwaZulu-Natal provincial government has adopted a tourism master plan that, by 2030, the province will be globally renowned as Africa's top beach destination with a unique blend of wildlife, scenic and heritage experiences for all visitors. The vision correctly identifies coastal and beach attractions as central to tourism development. The 70-kilometre stretch of coastline from Umhlanga to the Thukela River constitutes a central opportunity to pursue the vision.

| GOVERNMENT-SUBSIDISED HOUSING | REGION | LAND ASSET | DEVELOPABLE HECTARES |
|---------------------------------------------------------------------------------|--------------------------|----------------|----------------------|
| LAND IN KEY FOCUS AREAS FROM WHICH SALES ARE EXPECTED TO COME WITHIN FIVE YEARS | Umhlanga | Cornubia North | 200 |
| | Airport | Inyaninga West | 187 |
| | Airport | Aberfoyle | 150 |
| | West of Durban | Ntshongweni | 185 |
| | SUB TOTAL | | 722 |
| LAND WHERE SALES ARE ANTICIPATED TO COMMENCE BEYOND FIVE YEARS | Airport | La Mercy West | 52 |
| | Coastal North of Ballito | Descroizilles | 48 |
| | West of Durban | Ntshongweni | 108 |
| | SUB TOTAL | | 208 |
| TOTAL | | | 930 |

Key tourism-related sub markets with their underlying dynamics are as follows:

HIGH-END CITY HOTELS AND RESIDENCES

The Umhlanga region has undisputedly become the preferred location for city hotels in Durban. Presently, there are no international brand five-star hotels in the area, but there is considerable interest, particularly in Ridgeside and Sibaya. Many international hotel brands seek to operate both a conventional hotel and adjacent residences that offer branded, high-end serviced residential and holiday homes and investments to high-end buyers. The usage is capable of generating returns per hectare consistent with other high-density, urban mixed uses. It is not likely to take up large numbers of hectares, but serves more importantly as a benchmark of amenity, brand and value for the region and surrounding land assets.

COASTAL RESORTS CATERING TO DOMESTIC, CHARTER AND INCENTIVE MARKETS

This is a lower-intensity land use than the city hotels and is driven by global brand resorts and tour operators. There are currently no such facilities operated by recognised global brands in KwaZulu-Natal or South Africa. The KwaZulu-Natal coastline has the potential to compete with other coastal destinations globally, provided critical mass can be achieved. Tinley Manor is currently being designed and positioned as a pilot location for this usage to act as a catalyst for more instances of this type of development on the north coast. Returns per hectare are initially expected to be modest (in line with low-density residential uses), owing to low development densities and the speculative nature of the first catalytic developments. The strategic objective going forward is to capture further value from surrounding land assets benefitting from proximity to and association with

the resort and from higher pricing premiums as destination value is established in the area.

HIGH-END RESIDENTIAL DEVELOPMENTS

This land use is one in which Tongaat Hulett has been active for some time. Brands such as Zimbali, Mount Edgecombe and Izinga have given Tongaat Hulett considerable brand strength in this market. The strategy going forward is to increase the returns achievable per hectare through higher-intensity development and higher-premium pricing on scarce, low-density sites. Additional markets to increase demand are being sought in the opening of new geographical locations west of Durban and north of Ballito, as well as niched instances of this usage, such as high-end retirement developments.



RESIDENTIAL SERVICES

This driver consists of social facilities such as schools, medical and neighbourhood retail facilities developed in response to demand from growing residential areas. The objective is to ensure that these are catered for and implemented, whether by public or private sector agencies. This usage is typically capable of producing returns per hectare similar to those generated by the nearby residential land use. Where possible, without losing value, the opportunity is sought to arrange for key residential services to be provided prior to or early in the process of development of the adjacent residential areas so as to act as a catalyst for the development of those areas.



OFFICE MARKET

Durban's office market is currently small and lacks dynamism. The South African Property Owners Association (SAPOA) office vacancy survey lists approximately 1,34 million square metres



of office space in Durban (of which Umhlanga comprises approximately 0,27 million and Westville/Hillcrest 0,22 million), compared to 2,38 million in Cape Town, 3,47 million in Tshwane and 3,82 million in Johannesburg (of which 1,53 million is in Sandton). Office development in Durban has historically consisted primarily of buildings constructed for identified tenants, with little speculative development.

Durban should be an attractive office location, given its residential amenity and convenient link to Gauteng (under one-hour flying time). Recently, Durban has seen substantial activity in the development of call centres, for which it could be one of South Africa's most competitive locations and in which Tongaat Hulett is collaborating with regional development agencies to further this competitiveness. Other growth opportunities lie in positioning Durban as an attractive office location for international companies newly entering the South African market, particularly when linked to other facilities (logistics or manufacturing) and in a targeted campaign, together with regional development promotion agencies, to attract specifically targeted bigger corporate office users considering expanding or relocating elsewhere in the country.

Many of Tongaat Hulett's land assets, given their location and context, naturally offer prime office opportunities including new office nodes at Ntshongweni and within the emerging Aerotropolis around the Dube TradePort and King Shaka International Airport.



WAREHOUSING, LOGISTICS, INDUSTRIAL, BUSINESS PARK, MANUFACTURING AND BIG BOX RETAIL

The area between Durban and Richards Bay, given that they constitute the dominant sea ports serving South Africa, is the most attractive location for new industrial and logistics facilities in the region. This sector has historically been an important

component of Tongaat Hulett's land conversion activities. Current limitations on growth primarily relate to lack of abundant shovel ready land and supporting metropolitan and regional-scale infrastructure, together with concerns regarding cost of development and operating costs. All these constraints are areas of focus, where the solution lies in collaboration with relevant government authorities. Within Tongaat Hulett's portfolio, the addition of two new sub-markets – namely, large-scale general industrial (as opposed to light industrial and business park land) at Compensation and opening a new industrial node on the N3 route between Durban and Gauteng at Ntshongweni – offer opportunities to grow the size of this market.

This type of land, particularly when it is located in proximity to residential and urban areas, also accommodates large "big box" retail facilities and showrooms. This remains an area for further growth, including the introduction of international operators increasing their footprint in Africa.



UNIQUE CLUSTERS OF OPPORTUNITY

The size and location of Tongaat Hulett's land assets allow for experimentation with certain niched uses and for clustering of complementary uses at scale. The most obvious of these is the various clusters of uses associated with the so-called Aerotropolis or airport city, combined with the good access to road, rail and port activity. Collaboration with Dube TradePort, the municipalities and other regional development agencies is continuing to develop this opportunity.

Opportunities such as a large-scale multi-campus tertiary educational precincts serving national, regional and international markets are being considered and have potential to attract new end-users and complement other, more traditional land uses.



DEMAND DRIVERS ICON OVERVIEW



HIGH-INTENSITY MIXED URBAN USE



HOUSING MARKETS



HIGH-END MARKETS



RESIDENTIAL SERVICES



OFFICE MARKET



WAREHOUSING, LOGISTICS, INDUSTRIAL, BUSINESS PARK, MANUFACTURING AND BIG BOX RETAIL



UNIQUE CLUSTERS OF OPPORTUNITY

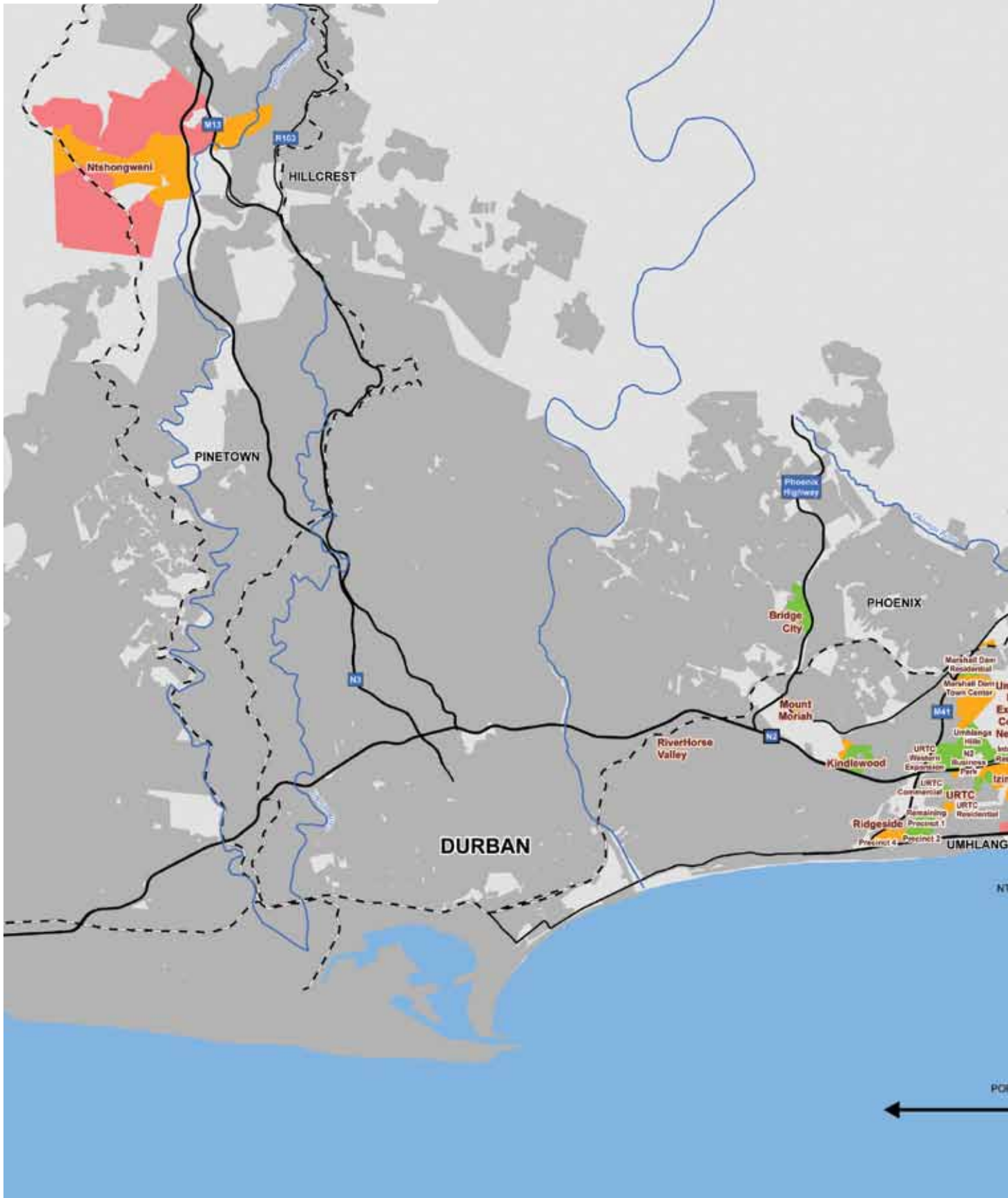


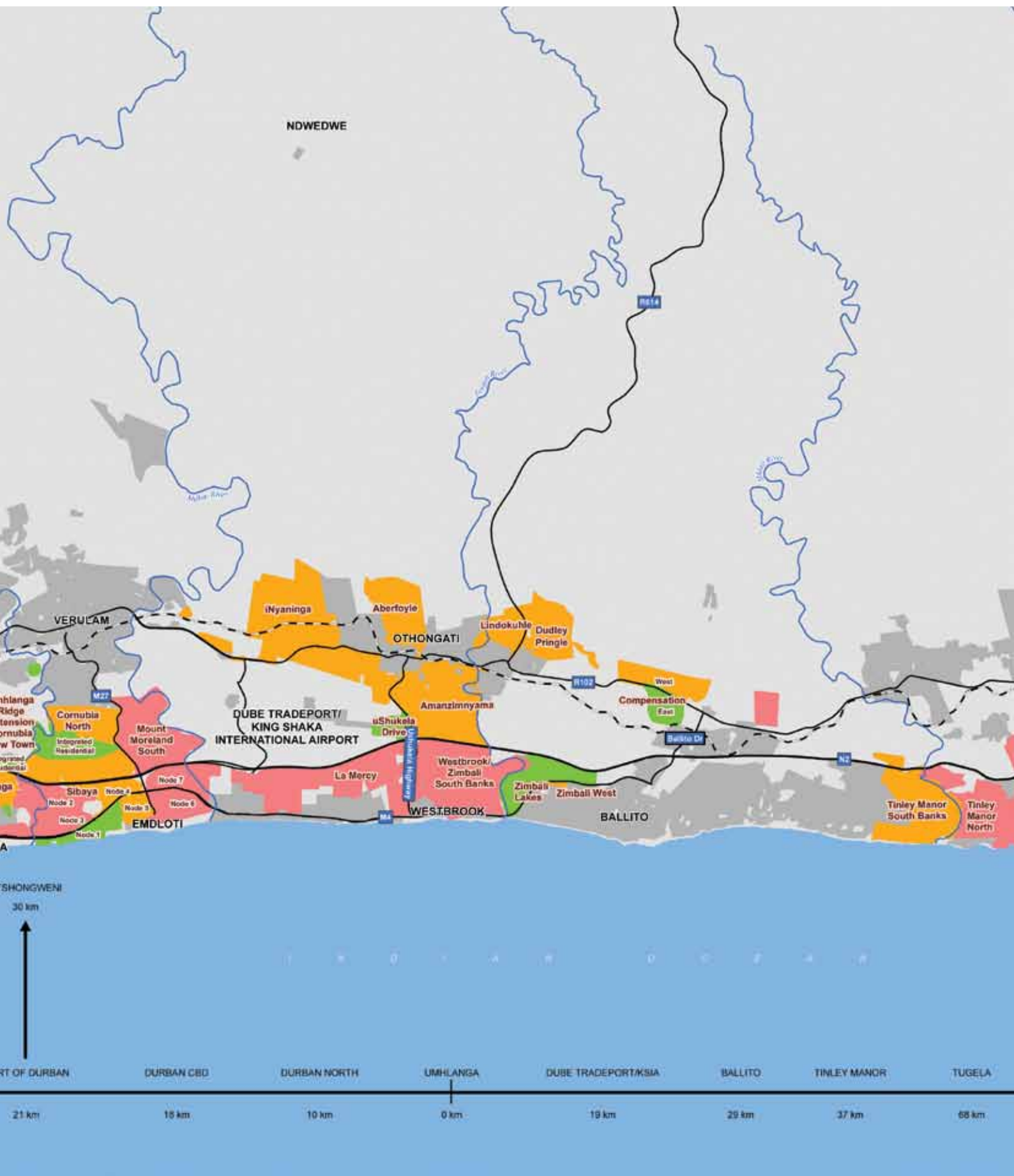
POSSIBLE 5-YEAR SALES OUTCOMES

Consideration of varying levels of success in moving land towards shovel ready, with the necessary metropolitan and regional scale infrastructure, in conjunction with growing and taking advantage of the potential demand drivers described above, including sales of larger portions of land where the buyer will take a number of years to fully develop that land, leads to the following possible sales outcomes.

| DEMAND DRIVER | | RANGE OF DEVELOPABLE HECTARES | | RANGE OF PROFIT PER DEVELOPABLE HECTARE | |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------|-----|-----------------------------------------|------|
| | | from | to | from | to |
| High-intensity urban mixed use | | 80 | 150 | 22,0 | 35,0 |
| Housing markets | Mid-market housing | 125 | 175 | 3,5 | 6,0 |
| | Affordable housing | 20 | 150 | 2,5 | 3,8 |
| | Government-subsidised housing | 200 | 722 | 2,0 | 2,4 |
| High-end markets | High-end city hotels and residences | 4 | 16 | 12,0 | 25,0 |
| | Coastal Resorts catering to domestic, charter and incentive markets | 10 | 50 | 3,5 | 5,0 |
| | High-end residential developments | 20 | 50 | 6,0 | 9,0 |
| Residential services | | 15 | 66 | 3,8 | 6,0 |
| Office market | | 7 | 50 | 6,0 | 15,4 |
| Warehousing, logistics, industrial, business park, manufacturing and big box retail | | 150 | 350 | 6,0 | 9,5 |
| Unique clusters of opportunity | | 4 | 200 | 4,0 | 7,5 |

PORTFOLIO OVERVIEW MAP





LEGEND*



SALES ACHIEVED IN FULL
YEAR REPORTING PERIOD



FEATURED LAND ASSET



LAND WHERE COMMERCIAL NEGOTIATIONS HAVE
COMMENCED OR ARE ABOUT TO COMMENCE



LAND FROM WHICH SALES ARE EXPECTED
TO COME WITHIN 5 YEARS



LAND WHERE SALES ARE ANTICIPATED
TO COMMENCE BEYOND 5 YEARS



SALES BEFORE SHOVEL READY



EXISTING URBAN

*Applies to all
maps throughout

8 091

HECTARES OF DEVELOPABLE
LAND WITHIN LAND PORTFOLIO

3 801

HECTARES IN KEY FOCUS AREAS FROM
WHERE SALES ARE LIKELY WITHIN 5 YEARS



LAND CONVERSION AND DEVELOPMENT MODEL

Tongaat Hulett's approach to land conversion and development is informed by the company's broad strategic objective of value creation for all stakeholders through an all-inclusive approach to growth and development. Converting agricultural land for urban development is a complex process requiring the support of a diverse range of stakeholders and includes the continued investment into rural livelihoods through agricultural and rural development.

STEPS TO COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE

The following schematic provides an overview of the broad processes, including generic timing, which have to take place before land is ready for development. This is illustrative only and the process varies depending on the context of each unique land asset.



KEY DRIVERS

The ultimate value of the land is driven by a suite of inextricably linked factors which become increasingly clearer over the course of the shovel ready process.

VALUE

- Land use
- Intensity
- Rights

TIMING

- Release from agriculture
- Shovel ready status
- Market dynamics

* 886 developable hectares subject to gazetted land claims, all of which owned by Tongaat Hulett prior to 1913



FORMAL SUBMISSION OF PLANNING AND DEVELOPMENT (PDA) APPLICATION

Engagements based on responses from stakeholders through the EIA process, including surrounding communities and public sector role-players

Receipt of formal municipal comments on development proposal details, including land use, development controls, rezoning and subdivision

Finalisation of detailed zoning and layout plans and submission in terms of PDA

SHOVEL READY

Alignment with relevant planning frameworks and legislation achieved

Release from Agriculture achieved

EIA and PDA sufficiently far advanced with support from key stakeholders

Clear programme for sales process and development activation based on key value drivers

FINAL APPROVAL AND COMMENCEMENT OF CONSTRUCTION OF BUILDINGS AND INFRASTRUCTURE

Approval in terms of PDA

The land can be formally transferred to a purchaser to commence development

OUTCOMES

ENHANCING RURAL LIVELIHOODS THROUGH INVESTMENT INTO AGRICULTURAL DEVELOPMENT

JOB CREATION

GREEN SPACE

RESIDENTIAL AND HOUSING

COMMERCIAL AND INDUSTRIAL DEVELOPMENT

BULK INFRASTRUCTURE

SUSTAINABLE VALUE CREATION

TOTAL

8 091 ha*

39% OF TOTAL LAND ASSETS CURRENTLY IN THESE STAGES OF THE PROCESS

8 MONTHS

1 MONTH

3 MONTHS

4 YEARS

DEMAND / MARKETS

- High-intensity urban mixed use
- Housing markets
- High-end markets
- Residential services
- Office market
- Warehousing / logistics/ industrial/ manufacturing

GOVERNMENT AND SOCIETY

- Value creation
- Infrastructure
- Social needs
- Government objectives



As reported at 31 March 2014 - Land from which sales were expected to come from within 5 years

| AREA | | Developable hectares | |
|--------------------------|---------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------|
| DURBAN TO BALLITO | URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION | 1 122 | 3 144 developable hectares from a total of 4 600 |
| | Ridgeside Remaining Precinct 1 and 2 | 42 | |
| | Ridgeside Precinct 4 | 20 | |
| | Umhlanga Ridge Town Centre | 9 | |
| | Izinga/Kindlewood | 152 | |
| | Umhlanga Ridge Westerly Expansion - New Town Phase 1 (Retail) | 12 | |
| | Umhlanga Ridge Extension - Cornubia New Town Phase 2 | 234 | |
| | Umhlanga Ridge Town Centre Western Expansion | 45 | |
| | N2 Business Park | 38 | |
| | Umhlanga Hills | 42 | |
| | Marshall Dam Residential | 12 | |
| | Marshall Dam Town Centre | 42 | |
| | Consolidating Urban | 40 | |
| | Integrated Residential | 15 | |
| | Cornubia Industrial | 29 | |
| | Cornubia North | 624 | |
| | Integrated Residential | 300 | |
| | Medium Density Residential | 84 | |
| | Consolidating Urban | 80 | |
| | N2 Business Park | 80 | |
| | Industrial | 80 | |
| | COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL | 275 | |
| | Zimbali Lakes | 47 | |
| | Sibaya Node 1 | 49 | |
| | Sibaya Node 5 | 76 | |
| | Sibaya Node 4 | 103 | |
| | AIRPORT REGION BUSINESS AND RESIDENTIAL | 1 725 | |
| | uShukela Drive - Airport Linked Industrial, Retail and Logistics | 49 | |
| | Amanzimnyama - Office / Business / Industrial and Logistics Park | 345 | |
| | Compensation (East) - Industrial and Manufacturing | 73 | |
| | Compensation Western Expansion - Industrial and Manufacturing | 152 | |
| | iNyaninga East - Industrial / Logistics / Manufacturing | 550 | |
| | iNyaninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tonga) | 556 | |
| | REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS | 22 | |
| WEST OF DURBAN | URBAN EXPANSION WEST OF DURBAN | 296 | 296 developable hectares from a total of 1 100 |
| | Ntshongweni - Residential Infill / Consolidation | 57 | |
| | Ntshongweni - Retail and Urban Core | 78 | |
| | Ntshongweni - Logistics and Business Park | 161 | |
| | Ntshongweni - Integrated Residential | | |
| COASTAL NORTH OF BALLITO | COASTAL NORTH OF BALLITO | 270 | 270 developable hectares from a total of 2 500 |
| | Tinley Manor South Banks – Resort | 270 | |
| GRAND TOTAL | | 3 710 | 3 710 developable hectares from a total of some 8 200 |

From 1 April 2014 to 31 March 2015 - Land sale and portfolio activity

| AREA | | H1 (to 30 September 2014) | | | H2 (to 31 March 2015) | | |
|--------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|-------------------------------------|-----------------------------------------|--------------------|-------------------------------------|
| | | Reassessment ¹ (hectares) | Sold (hectares) | Profit per dev ha (R million) | Reassessment ² (hectares) | Sold (hectares) | Profit per dev ha (R million) |
| DURBAN TO BALLITO | URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION | | | | | | |
| | Ridgeside Remaining Precinct 1 and 2 | | | | | | |
| | Ridgeside Precinct 4 | | | | | | |
| | Umhlanga Ridge Town Centre | | 1 | 29.4 | | | |
| | Izinga/Kindlewood | | 11 | 6.7 | | 29 | 6.2 |
| | Umhlanga Ridge Westerly Expansion - New Town Phase 1 (Retail) | 5 | 17 | 8.4 | | | |
| | Umhlanga Ridge Extension - Cornubia New Town Phase 2 | | | | | | |
| | Umhlanga Ridge Town Centre Western Expansion | | | | 4 | | |
| | N2 Business Park | | | | -9 | 27 | 7.1 |
| | Umhlanga Hills | -5 | | | 6 | | |
| | Marshall Dam Residential | | | | | | |
| | Marshall Dam Town Centre | | | | -3 | | |
| | Consolidating Urban | | | | 3 | | |
| | Integrated Residential | | | | -1 | | |
| | Cornubia Industrial | | 20 | 9.5 | | 2 | 10.0 |
| | Cornubia North | | | | | | |
| | Integrated Residential | | | | -100 | | |
| | Medium Density Residential | | | | 16 | | |
| | Consolidating Urban | | | | 5 | | |
| | N2 Business Park | | | | -11 | | |
| | Industrial | | | | 90 | | |
| | COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL | | | | | | |
| | Zimbali Lakes | | | | 1 | | |
| | Sibaya Node 1 | | | | | | |
| | Sibaya Node 5 | | | | | | |
| | Sibaya Node 4 | | | | | | |
| | AIRPORT REGION BUSINESS AND RESIDENTIAL | | | | | | |
| | uShukela Drive - Airport Linked Industrial, Retail and Logistics | | | | | | |
| | Amanzimnyama - Office / Business / Industrial and Logistics Park | | | | | | |
| | Compensation (East) - Industrial and Manufacturing | | | | | | |
| | Compensation Western Expansion - Industrial and Manufacturing | | | | | | |
| | iNyaninga East - Industrial / Logistics / Manufacturing | | | | | | |
| | iNyaninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath) | | | | | | |
| | REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS³ | | | | 14 | 1 | 5.4 |
| WEST OF DURBAN | URBAN EXPANSION WEST OF DURBAN | | | | | | |
| | Ntshongweni - Residential Infill / Consolidation | | | | | | |
| | Ntshongweni - Retail and Urban Core | | | | | | |
| | Ntshongweni - Logistics and Business Park | | | | | | |
| COASTAL NORTH OF BALLITO | Ntshongweni - Integrated Residential ³ | | | | 185 | | |
| | COASTAL NORTH OF BALLITO | | | | | | |
| | Tinley Manor South Banks - Resort | | | | | | |
| GRAND TOTAL | | 0 | 49 | 8.9 | 200 | 59 | 6.7 |

¹ Reassessment of phasing, related to infrastructure

² Reassessment of land use based on further planning

³ Additional assets brought into the land identified for sale within 5 years

At 31 March 2015 - Land from which sales are expected to come within 5 years

| AREA | | Page ref | Dev hectares | |
|--------------------------|------------------------------------------------------------------------------------------------------------------|----------|--------------|--------------------------------------------------------------------------|
| DURBAN TO BALLITO | URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION | | 1 014 | 3 050 developable hectares from a total of 4 491 |
| | Ridgeside Remaining Precinct 1 and 2 | 20 | 42 | |
| | Ridgeside Precinct 4 | 38 | 20 | |
| | Umhlanga Ridge Town Centre | 21 & 39 | 8 | |
| | Izinga/Kindlewood | 23 & 38 | 111 | |
| | Umhlanga Ridge Westerly Expansion - New Town Phase 1 (Retail) | | | |
| | Umhlanga Ridge Extension - Cornubia New Town Phase 2 | | 202 | |
| | Umhlanga Ridge Town Centre Western Expansion | 22 | 49 | |
| | N2 Business Park | 26 | 2 | |
| | Umhlanga Hills | 24 | 43 | |
| | Marshall Dam Residential | 25 | 12 | |
| | Marshall Dam Town Centre | 39 | 39 | |
| | Consolidating Urban | 39 | 43 | |
| | Integrated Residential | 28 | 14 | |
| | Cornubia Industrial | 27 | 7 | |
| | Cornubia North | 40 | 624 | |
| | Integrated Residential | 29 | 200 | |
| | Medium Density Residential | 40 | 100 | |
| | Consolidating Urban | 40 | 85 | |
| | N2 Business Park | 40 | 69 | |
| | Industrial | 40 | 170 | |
| | COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL | | 276 | |
| | Zimbali Lakes | 32 | 48 | |
| | Sibaya Node 1 | 31 | 49 | |
| | Sibaya Node 5 | 40 | 76 | |
| | Sibaya Node 4 | 41 | 103 | |
| | AIRPORT REGION BUSINESS AND RESIDENTIAL | | 1 725 | |
| | uShukela Drive - Airport Linked Industrial, Retail and Logistics | 33 | 49 | |
| | Amanzimnyama - Office / Business / Industrial and Logistics Park | 41 | 345 | |
| | Compensation (East) - Industrial and Manufacturing | 34 | 73 | |
| | Compensation Western Expansion - Industrial and Manufacturing | 34 | 152 | |
| | iNyaninga East - Industrial / Logistics / Manufacturing | 42 | 550 | |
| | iNyaninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaati) | 43 | 556 | |
| | REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS | 30 & 42 | 35 | |
| WEST OF DURBAN | URBAN EXPANSION WEST OF DURBAN | | 481 | 481 developable hectares from a total of 1 100 |
| | Ntshongweni - Residential Infill / Consolidation | 43 | 57 | |
| | Ntshongweni - Retail and Urban Core | 44 | 78 | |
| | Ntshongweni - Logistics and Business Park | 44 | 161 | |
| | Ntshongweni - Integrated Residential | 45 | 185 | |
| COASTAL NORTH OF BALLITO | COASTAL NORTH OF BALLITO | | 270 | 270 developable hectares from a total of 2 500 |
| | Tinley Manor South Banks – Resort | 45 | 270 | |
| GRAND TOTAL | | | 3 801 | 3 801 developable hectares from a total of 8 091 |

Land where commercial negotiations have commenced or are about to commence

At 31 March 2015 - Land where sales are anticipated to commence beyond 5 years

| AREA | | Dev hectares | |
|--------------------------|------------------------------------------------------------|--------------|--------------------------------------------------|
| DURBAN TO BALLITO | URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION | 0 | 1 441 developable hectare from a total of 4 491 |
| | | | |
| | COASTAL / LIFESTYLE / LEISURE / HIGH END RESIDENTIAL | 547 | |
| | Sibaya Coastal growth and consolidation | 336 | |
| | Ballito/Zimbali Expansion into eThekweni | 211 | |
| | AIRPORT REGION BUSINESS AND RESIDENTIAL | 894 | |
| | Durban to Airport Expansion and Consolidation | 279 | |
| | Consolidation of region to east of Airport | 615 | |
| | REMAINING SITES ON NEARLY COMPLETED DEVELOPMENTS | 0 | |
| WEST OF DURBAN | URBAN EXPANSION WEST OF DURBAN | 619 | 619 developable hectares from a total of 1100 |
| | Consolidation of Urban Core | 82 | |
| | Lifestyle Residential | 429 | |
| | Integrated residential expansion and recreational precinct | 108 | |
| COASTAL NORTH OF BALLITO | COASTAL NORTH OF BALLITO | 2 230 | 2 230 developable hectares from a total of 2 500 |
| | Northern Expansion of Tinley Manor | 388 | |
| | Coastal Consolidation of Far North | 1 794 | |
| | Northern residential expansion of Compensation area | 48 | |
| GRAND TOTAL | | 4 290 | 4 290 developable hectares from a total of 8 091 |







LAND CONVERSION PORTFOLIO

Land where commercial negotiations have commenced or are about to commence

RIDGESIDE REMAINING PRECINCT 1 AND 2

Durban to Ballito area
Umhlanga region | Ridgeside

42

DEVELOPABLE
HECTARES

MEDIAN PROFIT
PREMIUM VALUE
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime location in highly sought-after region with scarcity of available sites
- Single large development opportunity to create maximum value over a period of time

LAND USE



- High-intensity urban mixed use
- High-end residential
- Hotels, hospitality and other tourism
- Premium-grade corporate offices and high-end retail

MAP



The land has been the subject of a process to sell as a single development opportunity, seeking leading developers with both a concept and the capability to create maximum value from the development over time. Negotiations with four parties are at various stages, all aimed towards reaching an imminent conclusion.

PROJECT STATUS

| | |
|-------------------------------|----------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated |

UMHLANGA RIDGE TOWN CENTRE - COMMERCIAL

Durban to Ballito area
Umhlanga region |
Umhlanga Ridge Town Centre

<1

DEVELOPABLE
HECTARE

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime location. Last sites in highly sought-after region
- Location directly on GO!Durban route and future bus station

LAND USE



- High-intensity urban mixed use
- Prime mid-market to high-end residential
- Prime site for a city hotel, with residences
- Premium-grade corporate offices

These sites form part of the Umhlanga Ridge Town Centre. The Residential component is included in the five-year key focus areas (see page 39). The sites are being intensively marketed to developers and end users. A number of enquiries are being pursued.

Umhlanga Ridge Town Centre has achieved a critical mass where further densification over time is likely and desirable. Tongaat Hulett is commencing a process to evaluate this potential and the additional value that it could create.

MAP



PROJECT STATUS

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated Installation of the GO!Durban bus station will further enhance attractiveness of the sites |



UMHLANGA RIDGE TOWN CENTRE WESTERN EXPANSION - CORNUBIA

Durban to Ballito area
Umhlanga region | Cornubia New Town

49

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R745 MILLION

MEDIAN PROFIT
PER HECTARE
R15,2 MILLION



OPPORTUNITY

- Strategically located at N2/Gateway Interchange
- Primary access off Cornubia Boulevard

LAND USE



- High-intensity urban mixed use
- Prime mid-market housing
- Premium and A-grade offices and Business Process Outsourcing (BPO) facilities
- Opportunity for city hotels

Marketing is planned to commence soon to position the opportunity with end users, developers and investors. A flexible approach is being adopted presently that will cater for sales of individual sites, various sub-precincts or the entire land asset.

MAP



PROJECT STATUS

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | <p>Framework plan approved by municipality</p> <p>EIA in advanced stage</p> |
| Infrastructure considerations | <p>Accessibility is a key issue</p> <p>Arrangements are far advanced for major road, interchange and GO!Durban public transport facilities</p> <p>Arrangements for other primary utilities well advanced</p> |

IZINGA - CURRENT PHASES

Durban to Ballito area
Umhlanga region | Izinga

KINDLEWOOD

Durban to Ballito area
Umhlanga region | Kindlewood

36

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R144 MILLION

MEDIAN PROFIT
PER HECTARE
R4,0 MILLION



OPPORTUNITY

- Increasingly scarce high-quality residential living close to all amenities

Future phases of Izinga that still require further planning permissions are included in the five-year key focus areas (see page 38). The sales approach is to maximise revenue through pricing, based on the established lifestyle brands, scarcity, location and amenities.

LAND USE



- High-end residential
- Low to medium density, well located with substantial amenities

MAP



PROJECT STATUS

Release from
Agriculture



Shovel
ready



Infrastructure
considerations

No constraints anticipated



UMHLANGA HILLS

Durban to Ballito area
Umhlanga region | Cornubia New Town

43

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R280 MILLION

MEDIAN PROFIT
PER HECTARE
R6,5 MILLION



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity

LAND USE



- Affordable to mid-market, medium to high-density residential, with associated residential services

Actions are underway to secure a high-quality educational facility as an early driver of value in the precinct. Options are being evaluated to sell as five separate precincts, one development or a series of developments.

MAP



PROJECT STATUS

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | <p>Framework plan approved by municipality</p> <p>EIA in advanced stage</p> |
| Infrastructure considerations | <p>Accessibility is a key issue</p> <p>Arrangements are far advanced for major road, interchange and GO!Durban public transport facilities</p> <p>Arrangements for other primary utilities well advanced</p> |

MARSHALL DAM RESIDENTIAL

Durban to Ballito area
Umhlanga region | Cornubia New Town

12

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity

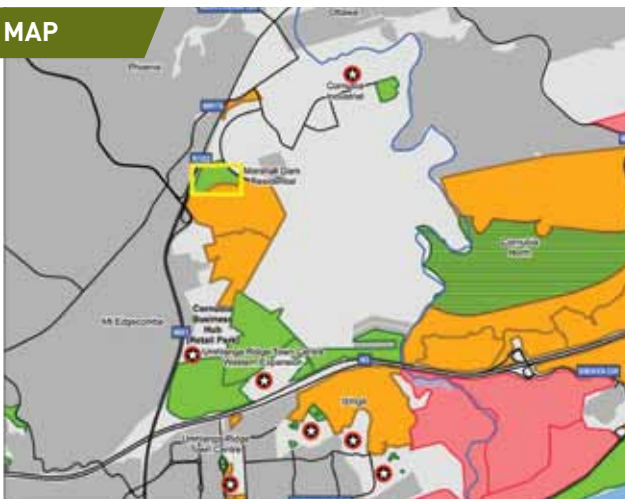
LAND USE



- Affordable to mid-market, medium to high-density residential

This site has been identified as the location for an athletes' village for the 2022 Commonwealth Games. A final decision will be made by September 2015. The strategy and positioning of this site is being developed in light of this, together with the unique location adjacent to the Marshall Dam.

MAP



PROJECT STATUS

| | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network |



N2 BUSINESS PARK

Durban to Ballito area
Umhlanga region | Cornubia New Town

2

REMAINING DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIAL SENSITIVE

MEDIAN PROFIT PER HECTARE
COMMERCIAL SENSITIVE

MEDIAN PROFIT ON
ADDITIONAL BULK

Potentially R160 million for
no further hectares sold

OPPORTUNITY

- Most of this precinct has been sold to a developer who is actively developing concepts and sourcing end users
- Collaboration with the buyer offers opportunities for further value creation

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and big box retail
- Wide range of office uses

MAP



The commercial approach to this land asset is twofold. The remaining site in the precinct is unique in this location and will be positioned for revenue maximisation. The zoning permissions and infrastructure allow for increased intensity of use on the area already sold. Tongaat Hulett is collaborating with the buyer to accelerate the take-up of the additional potential.

PROJECT STATUS

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | <p>Framework plan approved by municipality</p> <p>EIA in advanced stage</p> |
| Infrastructure considerations | <p>Accessibility is a key issue</p> <p>Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network</p> |

CORNUBIA INDUSTRIAL

Durban to Ballito area
Umhlanga region | Cornubia Industrial

7

REMAINING DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Increasingly scarce industrial land in the greater Durban area

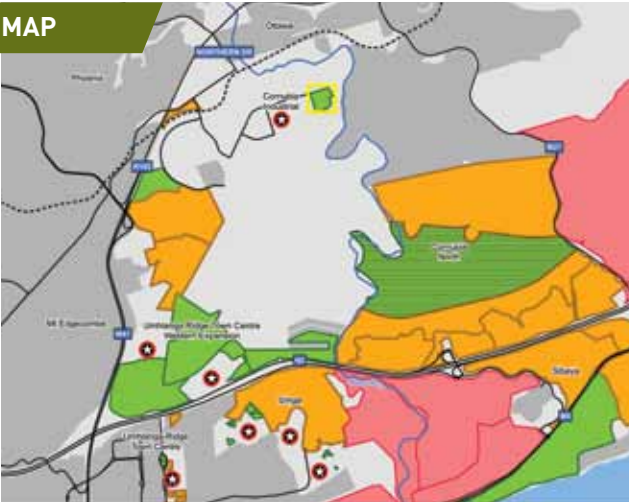
LAND USE



- Warehousing, logistics, industrial, business park and manufacturing

The sales approach is to maximise revenue through pricing, based on the established brands, scarcity and location. The marketing approach will leverage off the existing momentum established in the remainder of the precinct.

MAP



PROJECT STATUS

| | |
|-------------------------------|----------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated |



INTEGRATED RESIDENTIAL (BLACKBURN EXTENSION)

Durban to Ballito area
Umhlanga region | Cornubia New Town

14

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- High-quality, affordable, well-located residential, with high amenity

LAND USE



- Affordable to mid-market, medium to high-density residential, with associated residential services

Actions are underway to engage large portfolio investors and social housing institutions for potential employee housing stock. A flexible approach will be adopted that will cater for sales of individual sites, various sub-precincts or the entire land asset.

MAP



PROJECT STATUS

| | |
|-------------------------------|------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | Framework plan approved by municipality EIA in advanced stage |
| Infrastructure considerations | No constraints anticipated |

INTEGRATED RESIDENTIAL (CORNUBIA NORTH)

Durban to Ballito area
Umhlanga region | Cornubia North

200

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R440 MILLION

MEDIAN PROFIT
PER HECTARE
R2,2 MILLION



OPPORTUNITY

- Substantial backlog of high-quality, government-subsidised, affordable, well-located residential, with associated residential services

LAND USE



- Government-subsidised, affordable, medium to high-density residential, with associated residential services

The integrated residential precinct represents the catalytic focus area of the Cornubia North development. The land asset also represents the logical expansion of the Cornubia development with the remaining precincts falling within a five-year focus period (see page 40).

This precinct will be positioned for optimised value creation for a wide range of stakeholders.

MAP



PROJECT STATUS

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Application being prepared for submission in conjunction with provincial and municipal authorities |
| Shovel ready | Framework plan under review with municipality EIA underway |
| Infrastructure considerations | No constraints anticipated Installation of major road, interchange and GO!Durban public transport facilities will enhance the future value of the site |



BRIDGE CITY

Durban to Ballito area
Remaining sites on nearly
completed developments

10

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R78 MILLION

MEDIAN PROFIT
PER HECTARE
R7,8 MILLION



OPPORTUNITY

- Unique location, located directly on GO!Durban route and station

LAND USE



- High-intensity urban mixed use incorporating retail, offices, and housing

The remaining sites represent a limited opportunity for potential investors in this unique product offering. The sales strategy will leverage off the growing momentum created in the development, and the accessibility offered by the networked public transportation systems.

MAP



PROJECT STATUS

Release from
Agriculture



Shovel
ready



Infrastructure
considerations

No constraints anticipated

Value of the land will be enhanced by improved road linkage to the GO!Durban route and major road network

SIBAYA - NODE 1

Durban to Ballito area
Coastal region | Sibaya

49

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALY SENSITIVE



OPPORTUNITY

- Prime coastal location in sought-after region within close proximity to Umhlanga and the King Shaka International Airport
- Single large development opportunity to create maximum value over a period of time

LAND USE



- High-end residential, hotel (city/urban) also residences, resort, high-intensity urban mixed use
- Unique cluster of opportunity

The precinct is the subject of an International marketing campaign driven by global real estate specialists Savills, in partnership with 5th Avenue and Pam Golding. Both Nodes 1 and 5 were formally launched at the annual global real estate conference and exhibition in Cannes, France, in March 2015. See page 40 for commentary on Node 5.

This land asset has the potential to cater for a unique cluster of opportunity uses owing to its various value drivers.

MAP



PROJECT STATUS

| | |
|-------------------------------|----------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated |



ZIMBALI LAKES

Durban to Ballito area
Coastal region | Zimbali

48

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALY SENSITIVE



OPPORTUNITY

- High-end lifestyle market incorporating quality residential, resort and retirement in prime location

LAND USE



- Coastal property, high-end residential, hotel, resort and retirement
- Unique cluster of opportunity

The commercial strategy and sales approach are to enhance value uplift leveraging off the established lifestyle brand, prime coastal location, scarcity and strong demand. Opportunity to further niche the resort, residential and retirement possibilities are being actively pursued.

This land asset has the potential to cater for a unique cluster of opportunity uses owing to its various value drivers.

MAP



PROJECT STATUS

| | |
|-------------------------------|----------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ |
| Infrastructure considerations | No constraints anticipated |

USHUKELA DRIVE

Airport linked industrial,
retail and logistics

Durban to Ballito area
Airport region | Ushukela Drive

49

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

MEDIAN PROFIT
PER HECTARE
COMMERCIALLY SENSITIVE



OPPORTUNITY

- Prime location in sought-after airport region with scarcity of appropriately zoned sites
- Single large development opportunity to create maximum value over a period of time

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail
- Unique cluster of opportunity

MAP



Marketing is planned to commence soon to position the opportunity with investors and large-scale developers. A flexible approach will be adopted that will cater for sales of individual sites, various sub-precincts or the entire land asset. The sales strategy will leverage off the unique location of the site relative to the King Shaka International Airport and national and provincial road exposure.

This land asset has the potential to cater for a unique cluster of opportunity uses owing to its various value drivers.

PROJECT STATUS

| | |
|-------------------------------|-----------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA in advanced stage in collaboration with local municipality and Dube TradePort |
| Infrastructure considerations | No constraints anticipated |



COMPENSATION EAST - Industrial and manufacturing

Durban to Ballito area
Airport region | Compensation

73

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R400 MILLION

MEDIAN PROFIT
PER HECTARE
R5,5 MILLION



OPPORTUNITY

- Increasingly scarce industrial land, well serviced by higher order roads and rail

LAND USE



- Warehousing, logistics, industrial, business park, manufacturing and warehouse retail
- Unique cluster of opportunity

The commercial approach has been to market the development opportunity with prospective developers and investors towards realising significant value due to the unique location, accessibility and scarcity of this land use.

This land asset has the potential to cater for a unique cluster of opportunity uses owing to its various value drivers.

The adjacent property, Compensation West, offers similar opportunity and land use potential. Commercial processes commenced on this eastern portion could well shift to Compensation West, particularly if very large facilities are required.

MAP



PROJECT STATUS

| | |
|-------------------------------|----------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA in advanced stage |
| Infrastructure considerations | No constraints anticipated |







LAND CONVERSION PORTFOLIO

Within 5 years | Land from which sales are expected to come within 5 years

RIDGESIDE PRECINCT 4

Durban to Ballito area

Umhlanga region | **Ridgeside**

20

DEVELOPABLE
HECTARES

MEDIAN PROFIT

>R600 MILLION
(RANGE R500 - R800 MILLION)

MEDIAN PROFIT PER HECTARE

>R30 MILLION
(RANGE R25 - R40 MILLION)

The sales and commercial strategy is to take the development proposal to market at the appropriate time to ensure maximum value extract on this unique and last remaining opportunity. Timing will be based on, *inter alia*, the progress and development of Precincts 1 and 2.

OPPORTUNITY

- High-end, medium to high-density residential in prime location with increasing scarcity

PROJECT STATUS

| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | Land use under review Shovel ready projected for 2017 |
| Infrastructure considerations | No constraints anticipated Final accessibility and transport infrastructure to be assessed along with land use review |



IZINGA

- Future phases

Durban to Ballito area

Umhlanga region | **Izinga**

75

DEVELOPABLE
HECTARES

MEDIAN PROFIT

R350 MILLION
(RANGE R315 - R600 MILLION)

MEDIAN PROFIT PER HECTARE

R4,7 MILLION
(RANGE R4,2 - R8 MILLION)

The sales strategy, including timing and phasing of release to market, will be selected based on the achievement of enhanced development rights and assessment of market demand and supply. The inclusion of mixed uses and securing of an educational facility will be considered for their impact on value.

OPPORTUNITY

- Builds on established brand and location
- Further mid-market to high-end residential, with higher-density, additional facilities and mix of uses

PROJECT STATUS

| | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ Revision and amendment of approved rights underway |
| Infrastructure considerations | Final accessibility and transport infrastructure for Izinga will be assessed in light of preferred mix of use and density |



UMHLANGA RIDGE TOWN CENTRE

- Residential (Parkside)

Durban to Ballito area | Umhlanga region
Umhlanga Ridge Town Centre

7

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R97 MILLION
(RANGE R90 - R175 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R12,9 MILLION
(RANGE R12,9 - R25,0 MILLION)

The sales approach for this development opportunity is to go to market at the appropriate time to ensure optimal value creation taking into account the emerging town centre development, the public transportation systems and increasing scarcity of affordable and mid-market housing.

OPPORTUNITY

- Affordable and mid-market medium to high-density residential in developing town centre

PROJECT STATUS

| | |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | ✓ Majority of developable bulk sold – additional residential units being applied for |
| Infrastructure considerations | No constraints anticipated Installation of the GO!Durban public transportation system will further enhance the value and attractiveness of this development |



MARSHALL DAM TOWN CENTRE AND CONSOLIDATING URBAN

(Umhlanga Ridge Town Centre Western Expansion)

Durban to Ballito area
Umhlanga region | Cornubia New Town

82

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R965 MILLION
(RANGE R740 - R1 310 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R11,8 MILLION
(RANGE R9,0 - R16,0 MILLION)

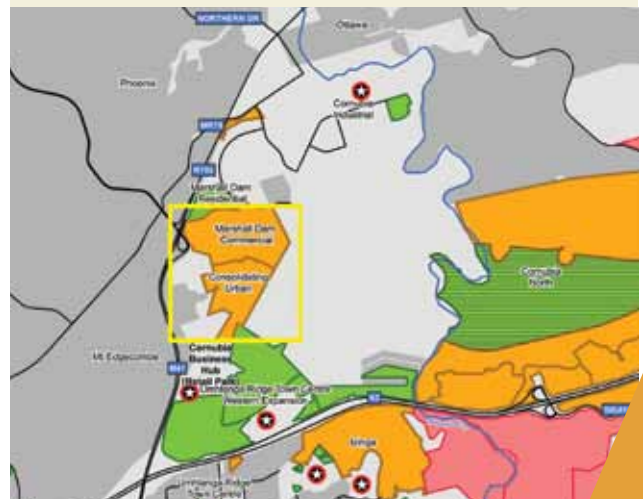
The land asset will be marketed to take advantage of the adjacency to Marshall Dam and the location of the GO!Durban route.

OPPORTUNITY

- Strategically located on the GO!Durban route
- Envisaged nexus of a high-intensity urban mixed-use node comprising offices, retail, hotels and residential services

PROJECT STATUS

| | |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | ✓ |
| Shovel ready | EIA in advanced stage |
| Infrastructure considerations | No constraints anticipated Value of the land will be enhanced by improved road linkage to the GO! Durban route and major road network |



WITHIN
5 YEARS

CORNUBIA NORTH

Durban to Ballito area

Umhlanga region | **Cornubia North**

424

DEVELOPABLE
HECTARES

MEDIAN PROFIT

R1 160 MILLION

(RANGE R1 100 - R2 970 MILLION)

MEDIAN PROFIT

PER HECTARE

R5,2 MILLION

(RANGE R4,5 - R7,0 MILLION)

Cornubia North provides opportunity for further government-subsidised housing (see page 29). The adjacent uses are further affordable and mid-market housing, business park and industrial uses, together with further urban growth and consolidation along key transport routes.

OPPORTUNITY

- Build on the momentum of strategies established in Cornubia to accelerate development, while optimising density and usage to increase value

PROJECT STATUS

Release from Agriculture

Application being prepared for submission in conjunction with provincial and municipal authorities

Shovel ready

Framework plan under review with municipality

EIA underway

Infrastructure considerations

High-level planning well advanced

Engagements with service providers will progress in line with planning process



SIBAYA

- Node 5

Durban to Ballito area

Coastal region | **Sibaya**

76

DEVELOPABLE
HECTARES

MEDIAN PROFIT

COMMERCIALLY SENSITIVE

MEDIAN PROFIT

PER HECTARE

COMMERCIALLY SENSITIVE

The precinct is the subject of an international marketing campaign driven by global real estate specialists Savills, in partnership with 5th Avenue and Pam Golding. Both Nodes 1 and 5 were formally launched at the annual global real estate conference and exhibition in Cannes, France, in March 2015. See page 31 for commentary on Node 1.

OPPORTUNITY

- Prime coastal location in sought-after region within close proximity to Umhlanga and the King Shaka International Airport
- Single large development opportunity to create maximum value over a period of time
- High-end residential, hotel (city/urban) also residences, resort, high-intensity urban mixed use

PROJECT STATUS

Release from Agriculture



Shovel ready



Infrastructure considerations

No constraints anticipated



SIBAYA

- Node 4

Durban to Ballito area
Coastal region | Sibaya

103

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R502 MILLION
(RANGE R464 - R927 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R4,9 MILLION
(RANGE R4,5 - R9,0 MILLION)

The timing, phasing and release of this development will be managed to ensure that the opportunity for value extraction is optimised. Consideration will be given to the progress on development of Nodes 1 and 5 and the take-up and demand of similar residential opportunities in Izinga. It is likely that a flexible approach will be adopted for the commercial strategy to ensure that a broader pool of investors/developers are catered for.

OPPORTUNITY

- Medium to high-density residential catering for mid-market to high end, together with opportunities for a new office precinct located midway between Umhlanga and the airport

PROJECT STATUS

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA underway |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



AMANZIMNYAMA

Office / Business / Industrial and logistics park
Durban to Ballito area
Airport region | Amanzimnyama

345

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R1 064 MILLION
(RANGE R1 035 - R2 760 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R4,8 MILLION
(RANGE R4,5 - R8,0 MILLION)

The sales and commercial strategy will be crafted to ensure that the phasing and timing of release of this development is aligned to the growing demand for this product in the Aerotropolis.

OPPORTUNITY

- Demand for warehousing, logistics, industrial, business park, manufacturing, big box retail and offices in the emerging Aerotropolis

PROJECT STATUS

| | |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Application being prepared for submission in conjunction with provincial and municipal authorities |
| Shovel ready | Framework planning at advanced stage |
| Infrastructure considerations | High-level planning underway Engagements with service providers to progress in line with planning process |



WITHIN
5 YEARS

REMAINING SITES

on nearly completed developments
Durban to Ballito area

25

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R68 MILLION
(RANGE R52 - R135 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R2,7 MILLION
(RANGE R2,0 - R5,2 MILLION)

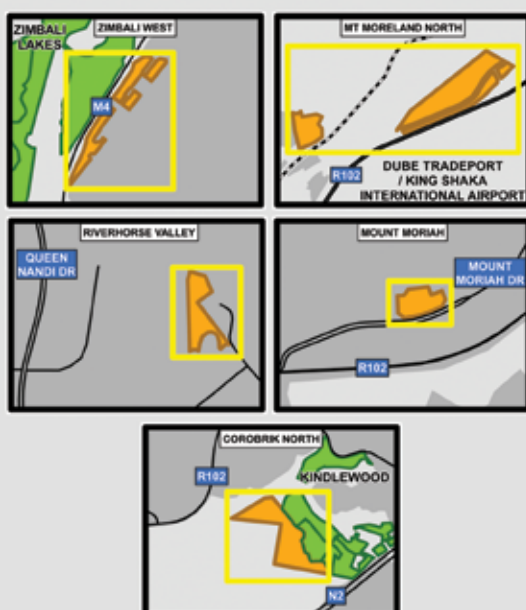
This is a diverse land asset with an array of value drivers. Bespoke commercial and marketing strategies are being employed to ensure optimal value creation.

OPPORTUNITY

- Niche opportunity for small developers within existing developments or acquisition opportunity for adjacent landholders

PROJECT STATUS

| | |
|--------------------------------------|--------------------------------------------------|
| Release from Agriculture | Mostly released – minor portions being processed |
| Shovel ready | Likely to be sold in existing form |
| Infrastructure considerations | No constraints anticipated |



INYANINGA EAST

- Industrial / Logistics / Manufacturing
Durban to Ballito area
Airport region | Inyaninga

550

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R2 800 MILLION
(RANGE R2 500 - R4 125 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R5 MILLION
(RANGE R4,5 - R7,5 MILLION)

The commercial strategy, timing and phasing of release of land assets will be assessed in line with market demands, rights application processes and infrastructure installation. The timing, phasing and release of neighbouring developments by other parties in the emerging Aerotropolis will also be assessed to ensure that value is created for a wider stakeholder base.

OPPORTUNITY

- Multiplicity of land use, comprising warehousing, logistics, industrial, business park, manufacturing, high-intensity urban mixed use, offices and a range of residential densities and incomes

PROJECT STATUS

| | |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA in advanced stage in collaboration with local municipality and Dube TradePort |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



INYANINGA WEST, LINDOKUHLE, ABERFOYLE & DUDLEY PRINGLE

Durban to Ballito area | Airport region

556

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R1 300 MILLION
(RANGE R1 112 - R2 224 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R2,3 MILLION
(RANGE R2,0 - R4 MILLION)

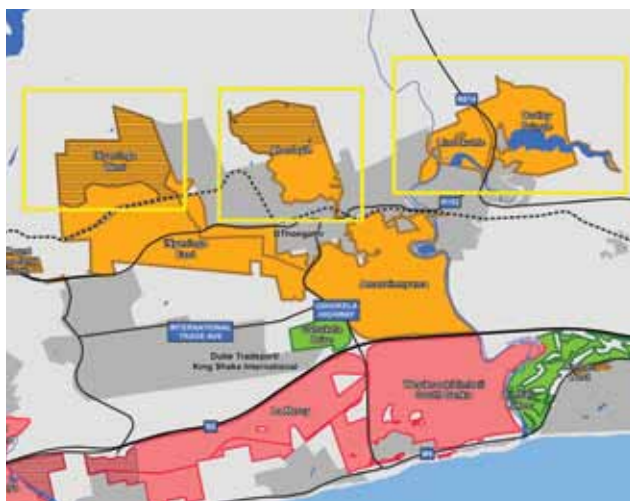
The commercial strategy will be designed around engagement with government and other housing sector partners to jointly deliver accommodation for the subsidised, affordable and mid-market segments.

OPPORTUNITY

- Collaboration with relevant stakeholders to deliver government-subsidised, affordable and mid-market housing, to enable expansion of oTongathi and Aerotropolis housing needs

PROJECT STATUS

| | |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA underway |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



NTSHONGWENI

Residential infill and consolidation
West of Durban | Ntshongweni

57

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R220 MILLION
(RANGE R200 - R400 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R3,9 MILLION
(RANGE R3,5 - R7,0 MILLION)

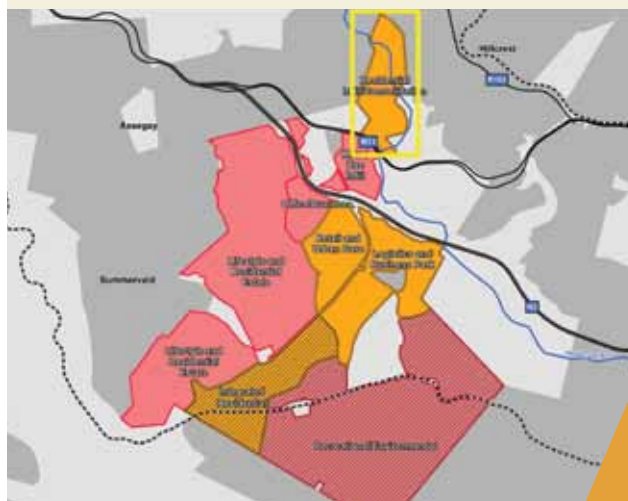
The commercial strategy will be developed around the uniqueness of the site, the pent-up demand for low to medium-density residential estate and the timing of the development approvals and infrastructure installation.

OPPORTUNITY

- Low to medium-density residential for high-end markets, as infill development within Hillcrest

PROJECT STATUS

| | |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | Framework planning aligned with local municipal spatial plans |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



WITHIN
5 YEARS

NTSHONGWENI

Retail and urban core

West of Durban | Ntshongweni

78

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

**MEDIAN PROFIT
PER HECTARE**
COMMERCIALLY SENSITIVE

The commercial strategy will be crafted taking into account the market demand, timing of development approvals and infrastructural installations. To date, there has been strong market interest in this region. It is envisaged that the shopping centre will play a catalytic role in this development's trajectory.

OPPORTUNITY

- High-intensity urban mixed use incorporating regional shopping centre as new sub-regional economic hub along N3 corridor

PROJECT STATUS

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | Framework planning aligned with local municipal spatial plans EIA at advanced stage |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



NTSHONGWENI

Logistics and Business Park

West of Durban | Ntshongweni

161

DEVELOPABLE
HECTARES

MEDIAN PROFIT
COMMERCIALLY SENSITIVE

**MEDIAN PROFIT
PER HECTARE**
COMMERCIALLY SENSITIVE

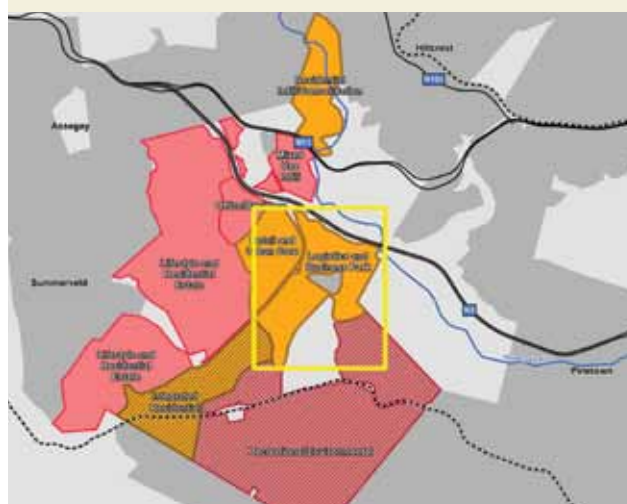
The sales and marketing strategy for this phase will be timed to follow the progress of development of the catalytic retail and urban core. The strategy will also take into account other developments on the Durban - Johannesburg corridor and the accessibility to both national road and rail system.

OPPORTUNITY

- Warehousing, logistics, industrial, business park, manufacturing and big box retail within the new economic hub along the N3 corridor

PROJECT STATUS

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | Framework planning aligned with local municipal spatial plans |
| Infrastructure considerations | High-level planning well advanced Engagements with service providers will progress in line with planning process |



NTSHONGWENI

Integrated Residential

West of Durban | Ntshongweni

185

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R463 MILLION
(RANGE R370 - R740 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R2,5 MILLION
(RANGE R2 - R4 MILLION)

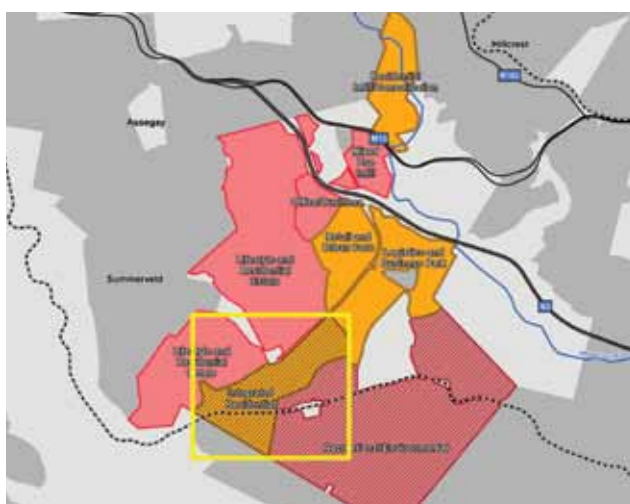
The commercial strategy will be designed around the opportunity for integrated human settlement within the context of the greater Ntshongweni development.

OPPORTUNITY

- Government-subsidised, affordable and mid-market, medium to high-density residential, with associated residential services in support of new economic hub along the N3 corridor

PROJECT STATUS

| | |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | Framework planning aligned with local municipal spatial plans |
| Infrastructure considerations | High level planning well advanced Engagements with service providers will progress in line with planning process |



TINLEY MANOR SOUTH BANKS

- Resort

Coastal North of Ballito | Tinley Manor

270

DEVELOPABLE
HECTARES

MEDIAN PROFIT
R1 560 MILLION
(RANGE R1 270 - R2 430 MILLION)

**MEDIAN PROFIT
PER HECTARE**
R5,8 MILLION
(RANGE R4,7 - R9,0 MILLION)

This development consists of three distinct areas each with a unique focus. The resort phase (comprising international hotels and tourism opportunities) sits on prime beachfront land, the residential phase will comprise varying density lifestyle residential accommodation and the mixed-use component will provide office, retail and residential services.

OPPORTUNITY

- Unique coastal property for high-end residential, hotel (city/urban) residences and resort

PROJECT STATUS

| | |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Release from Agriculture | Pending approval |
| Shovel ready | EIA at advanced stage |
| Infrastructure considerations | High-level planning underway Engagements with service providers to progress in line with planning process |



WITHIN
5 YEARS








LAND CONVERSION PORTFOLIO

Beyond 5 years | Land where sales are anticipated to commence beyond 5 years

BEYOND 5 YEARS

The commercial strategies in an ever changing environment are being positioned to allow for the development opportunities that are likely to occur beyond five years. Emerging opportunities to drive demand and value are being taken as they emerge, together with the development approval processes and infrastructural requirements to optimise eventual returns. Opportunities for value realisation at an earlier stage are continuously assessed. The following table summarises the broad factors relevant to each of these land assets:

| GROWTH NODES | DEVELOPABLE HECTARES | OPPORTUNITY |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  SIBAYA COASTAL GROWTH AND CONSOLIDATION | 336 | These land assets will see the growth and consolidation of the emerging Sibaya economic hub within an attractive natural environment and outlook and will incorporate high-end markets, hotels and resort opportunities. |
|  BALLITO/ZIMBALI EXPANSION INTO ETHEKWINI | 211 | Incorporating high-end markets, high-intensity urban mixed use, office and warehouse, logistics, industrial and manufacturing uses, this development will provide the infill gap between the Ballito/Zimbali's southern expansion and the Umhlanga and Airport area's northern expansion. |
|  UMHLANGA TO AIRPORT EXPANSION AND CONSOLIDATION | 279 | This land asset represents an infill between the northern expansion of Cornubia and the southern expansion of King Shaka International Airport and Dube TradePort with envisaged uses incorporating offices, high-intensity urban mixed use, warehouse, and logistics, industrial and manufacturing uses. |
|  CONSOLIDATION OF REGION TO EAST OF AIRPORT | 615 | The emerging Aerotropolis will require this land asset to incorporate high-end markets, office and warehouse, logistics, industrial and manufacturing, government-subsidised, affordable and mid-market housing and associated residential services. |
|  NORTHERN EXPANSION OF TINLEY MANOR | 388 | This land asset will incorporate high-end markets, high-intensity urban mixed use, office, affordable and mid-market housing and represents the logical growth and expansion of Tinley Manor. |

| GROWTH NODES | DEVELOPABLE HECTARES | OPPORTUNITY |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  COASTAL CONSOLIDATION OF FAR NORTH | 1 794 | These land assets will incorporate high-end markets and tourist-related activities due to unique beachfront and/or wildlife locations. |
|  NORTHERN RESIDENTIAL EXPANSION OF COMPENSATION AREA | 48 | This land asset offers the potential opportunity for government-subsidised, affordable and mid-market housing and associated residential services. |
|  URBAN EXPANSION WEST OF DURBAN | 619 | |
| Consolidation of urban core | 82 | Natural growth and consolidation of the Ntshongweni retail and urban core is centred around the N3 and M13 regional road networks, with opportunities for high-intensity urban mixed use and offices. |
| Lifestyle residential | 429 | This is a natural extension of the Summerveld equestrian and high-end residential environment with a mix of densities and typologies. |
| Integrated residential expansion and recreational precinct | 108 | This offers longer-term integrated residential opportunities within a broader recreational and environmental precinct in close proximity to existing peri-urban settlements. |

**BEYOND
5 YEARS**



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