



NOVEMBER 2010

FINANCIAL RESULTS

FOR THE 6 MONTHS ENDED

30 SEPTEMBER 2010

Tongaat Hulett Earnings

R million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	% Increase	12 months to 31 March 2010
Revenue	4 724	4 011	+18%	8 789
Profit from Operations	963	873	+10%	1 500
Headline Earnings	507	452	+12%	815

- Six months characterised by counteractive factors
- Independent reporting accountants report on comparative results

Dividends per share (cents)	110	100	+10%	275
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Tongaat Hulett	Profit from Operations		Revenue	
R million	6 months to 30 Sept 2010	6 months to 30 Sept 2009	6 months to 30 Sept 2010	6 months to 30 Sept 2009
Sugar operations				
Zimbabwe	303	326	734	665
Swaziland	19	29	108	113
Mozambique	163	79	489	138
SA agriculture, milling and refining	47	77	1 267	1 139
Downstream value added activities	136	127	842	764
Starch operations	125	117	1 185	1 110
Land conversion and development	97	72	99	82
Centrally accounted and consolidation items	73	46	-	-
	<u>963</u>	<u>873</u>	<u>4 724</u>	<u>4 011</u>

Exchange Rates

Less Favourable than Corresponding Period

Average	H1 2010/11	H1 2009/10	% Change
Rand/US\$	7,39	8,13	- 9%
Rand/Euro	9,58	11,33	- 15%
Rand/Metical	0,22	0,30	- 27%
US\$/Euro	1,30	1,40	- 7%



- **Export proceeds: US\$ and Euro**
(exchange rates at time of export)
- **Earnings conversion on consolidation**
(at average exchange rates)
 - Zimbabwe : US\$ → Rands
 - Mozambique : Metical → Rands
- **EU prices and regional prices have not yet responded to higher world prices and currency movements**



Sugar Cane Growing Crops

- Tongaat Hulett is a Cane Grower and a Sugar Miller
- > 70 000 hectares of own land under cane
- Consolidated balance sheet value of Growing Crops: R2 billion
 - Growing with new root planting and replanting
 - Increases as cane yields and sugar content improves and prices rise
- Accounted for in terms of International Accounting Standard - IAS 41:Agriculture
 - Measured and recognised at fair value
 - Changes in fair value are included in the income statement
- Replanting and agricultural costs actually incurred are charged to the income statement in the period
- The fair value elements are a “zero sum equation” over time in the income statement

Growing Crops for the Half Year to 30 Sept 2010

Balance Sheet	R million
March 2010 (R million)	2 041
Fair value gain	189
Capex on new areas	12
Foreign Currency Translation	-223
September 2010 (R million)	<u>2 019</u>

Income Statement	R million
South Africa	+ 29
Swaziland	- 29
Zimbabwe	+ 106
Mozambique	+ 83
Fair Value Gain	+ 189

- Fair value gain in H1 of 2010/11: + R189 million (corresponding prior period: + R227 million)
 - Hectares replanted and fallow land planted
 - Changes in current cost of roots and sugar/cane prices
 - Cane harvested
 - Amortisation of roots
- Replanting and agricultural costs incurred and charged in the income statement as operating costs (excluding harvesting and transport costs) in H1 of 2010/11: R450 million

Tongaat Hulett: Cane Grower and Sugar Miller

• South Africa - history

• “Miller”

- South Africa only some 10 000 hectares Miller cum Planter
- Zimbabwe operations not consolidated
- Mozambique in its early development

• Southern Africa - current reality

• Cane Grower and Sugar Miller

- South Africa cane supply initiatives
- Mozambique expansion
- Zimbabwe consolidation and recovery
- > 70 000 hectares of own land under cane
- Growing crops consolidated balance sheet value: R2 billion

Sugar Industry - Time Lags

What you do today
with its cash outflows



Impacts sugar production
and cash inflows
12-18 months later

- Planting / replanting of roots
- Cane growth: approximately 12 months
- Off crop work on Mills between December and March

Hectares under cane	31 March 2010 Actual	30 Sept 2010 Actual	31 March 2011 Projected
Mozambique	22 609	23 739	24 691
Zimbabwe	27 753	29 128	29 128
South Africa	13 910	17 023	17 523
Swaziland	3 767	3 835	3 835
Total	68 039	73 725	75 177

Accounting for Sugar Cane Growing Crops

International Accounting Standards - IAS 41: Agriculture

- Sugar cane growing crops are accounted for as biological assets
 - Measured and recognised at fair value
- Changes in the fair value are included in the income statement
 - The fair value of roots is determined on a current amortised cost basis
 - Specific costs in each estate
 - Adjusted for cost increases
 - Amortisation takes place over the life of the roots (range 6 to 12 years)
 - The fair value of standing cane is determined by
 - Growth of the cane, yield, sucrose content
 - Selling prices (including specifics such as European Union exports)
 - Less costs to harvest, transport and costs into the market
- Replanting and agricultural operating costs actually incurred
 - Charged to the income statement in the period

Accounting for Sugar Cane Growing Crops (cont)

- **Fair Value adjustments - over time: zero sum equation in the Income Statement**
 - At time of cane establishment / expansion: costs incurred, cash outflow and fair value gain
 - Approximately 18 months later: standing cane harvested, sugar produced and sold → cash inflow and standing cane sees negative fair value adjustment
 - Roots value is amortised over time
- **Operating profit generated from sales is recognised when standing cane is harvested for sugar production and sold**
- **Over time: operating profit = cash net inflow**

Growing Crops on the Tongaat Hulett Balance Sheet

	31 March 2010	30 September 2010				
	Total	Total	South Africa	Swaziland	Zimbabwe	Mozambique
<u>Roots</u>						
Hectares	68 039	73 725	17 023	3 835	29 128	23 739
Amortised root value						
Rands per hectare	13 148	14 024	10 733	9 792	11 992	19 562
<u>Cane</u>						
Standing cane value						
Rands per hectare	17 000	13 820	6 344	15 848	18 378	13 089
<u>Balance Sheet</u>						
Roots (R million)	895	1 034	183	38	349	464
Standing cane (R million)	1 146	985	102	60	522	301
Total (R million)	2 041	2 019	285	98	871	765

March 2010 (R million)	2 041
Fair value gain	189
Capex on new areas	12
Foreign Currency Translation	-223
September 2010 (R million)	<u>2 019</u>

Cane Root Amortisation Profile at Present
• Range from 50% to 80% unamortised in the different countries
• Average: 64% unamortised

Growing Crops - Income Statement: Half-Year to 30 Sept 2010

- IAS 41 Fair Value Change included in the Income Statement

	R million
Roots	+ 247
Standing cane	- 58
Fair Value Gain	+ 189

	R million
South Africa	+ 29
Swaziland	- 29
Zimbabwe	+ 106
Mozambique	+ 83
Fair Value Gain	+ 189

- Comparative IAS 41 Fair Value Change in half year to 30 September 2009: + R227 million
- Roots change in Fair Value:
 - + Hectares replanted and fallow land planted
 - + Change in fair value costing
 - Amortisation of roots
- Standing cane change in Fair Value:
 - + Cane growth on new areas planted
 - +/- Change in sucrose or sugar pricing
 - Change in quantity of standing cane (harvested to September)
- Replanting and agricultural costs incurred and charged in the income statement as operating costs (excluding harvesting and transport costs) in H1 of 2010/11: R450 million
- Current pricing outlook generally > previous valuation assumptions

Zimbabwe Sugar Operations

- Profit from operations : R303 million (US\$ 41 million)
: prior period R326 million (US\$ 40 million)
 - Relevant fundamentals for a sugar business maintained
 - Local market prices in line with regional levels
 - Increased sugar production and sales
 - H1 sales volume + 3%
 - EU prices slow to respond to higher world prices
 - Export proceeds - impacted negatively by US\$/Euro exchange rate
 - Earnings in US\$ converted into Rands: - R30 million exchange rate impact
 - Later than normal start-up at Hippo Valley due to off-crop mill refurbishment



Mozambique Sugar Operations

- Profit from operations : R163 million (Metical 739 million)
: prior period R79 million (Metical 263 million)
- Higher production and sales volumes
- Local sugar prices
 - not yet responded to higher world prices and weaker Metical
 - need to increase by >50% to be in line with regional US\$ prices
- Metical cost increases: Rand, US\$ and inflation driven
- Weaker Metical in 2010 - affects earnings conversion into Rands on consolidation



South African Sugar Agriculture, Milling and Refining

- Profit from operations: R47 million (prior period: R77 million)
- Higher local and export sales realisations
 - Exports at 19 US c/lb
- Lower sugar production volumes due to severe drought conditions
 - Higher cost of sales
 - Lower share of industry (rainfed vs irrigated)
- Almost all of Tongaat Hulett's sugar production usually sold in the local market
 - Huletts brand

SA sugar industry legislated regulations - only 79% deemed local in current season

- 21% recognised and valued as exports

Downstream and Sugar Value Added Activities

- Profit from operations: R136 million (prior period: R127 million)

Generated from

- Refined exports from South Africa - Rand strength in 2010
- South African domestic marketing sales and distribution - Hulett's brand
- Botswana and Namibia sugar packing and distribution
- Voermol animal feeds - negatively affected by 3 week strike

Swaziland - Tambankulu Estate

- Operating profit R19 million (prior period: R29 million)
- Revenues negatively impacted by the Rand/Euro exchange rates

Starch Operations

- Operating profit: R125 million (prior period: R117 million)
- Third consecutive year of a large maize crop (13 million tons)
- Maize prices close to world prices
- Margin benefit of lower maize cost offset by co-product prices and exchange rate
- Starch and glucose volumes similar to corresponding period
 - Recovery in alcoholic beverages, coffee creamer and confectionary volumes
 - Depressed volumes in canning and prepared food sectors
- Higher international starch prices starting to counter the exchange rate

Land Conversion and Development

- 13 807 gross hectares (8 763 developable hectares) available for development in South Africa
- Current economic climate - few hectares converted to development along prime coastline
- Sales of 39 developable hectares (56 gross hectares) in last six months
 - Umhlanga Ridgeside and Izinga
 - Golf course at Zimbali Lakes now recognised
- Financial results for the half year to 30 September 2010
 - Operating profit: R97 million (2009: R72 million)
 - Capital profit: R4 million (2009: R2 million)

Income Statement - other items

- Centrally accounted and consolidation items
 - Recognition of pension fund employer surplus account allocation - unconditional entitlement in 2010: R130 million (prior period: R82 million)
 - Contribution holiday - 4 years

- Finance costs

	<u>R million</u>	
	30 Sep 2010	30 Sep 2009
Interest costs on debt	178	155
Interest on maize obligation	16	14
BEE SPV interest	<u>38</u>	<u>39</u>
Interest paid	232	208
Interest capitalised	<u>(1)</u>	<u>(66)</u>
Income Statement	<u>231</u>	<u>142</u>

- Taxation - benefit of : low agricultural tax rates in Mozambique
- : Zimbabwe rate lower in H1 2010 than H1 2009

Cash Flow and Debt

	<u>6 Months to 30 Sep 2010</u>	<u>6 Months to 30 Sep 2009</u>
<ul style="list-style-type: none">Cash inflow from operating profit before working capitalWorking capital (typical for this point in the sugar season)Cash flow from operations	<div>R929</div> <div>- R956</div> <div><div></div></div> <div>- R27</div> <div><div></div></div>	<div>R867</div> <div>- R762</div> <div><div></div></div> <div>R105</div> <div><div></div></div>
<ul style="list-style-type: none">Capital expenditure, Mozambique expansion and major plant overhaul costs	R378 million	R593 million

	<u>At 30 Sep 2010</u>
<ul style="list-style-type: none">Tongaat Hulett net debt:<ul style="list-style-type: none">Established facilities exceed R5 billionNet debt as % of equity is approximately 62%	R3 741 million

<ul style="list-style-type: none">Cash flow profile - Peak outflow around mid year (September) - sugar stocks and cane payments<ul style="list-style-type: none">March: end of season proceeds received, partially offset by off-crop paymentsCash absorbed in cane expansion in Mozambique and replanting in Zimbabwe<ul style="list-style-type: none">to be released when cane harvested in normal cycle

Agricultural Land Conversion

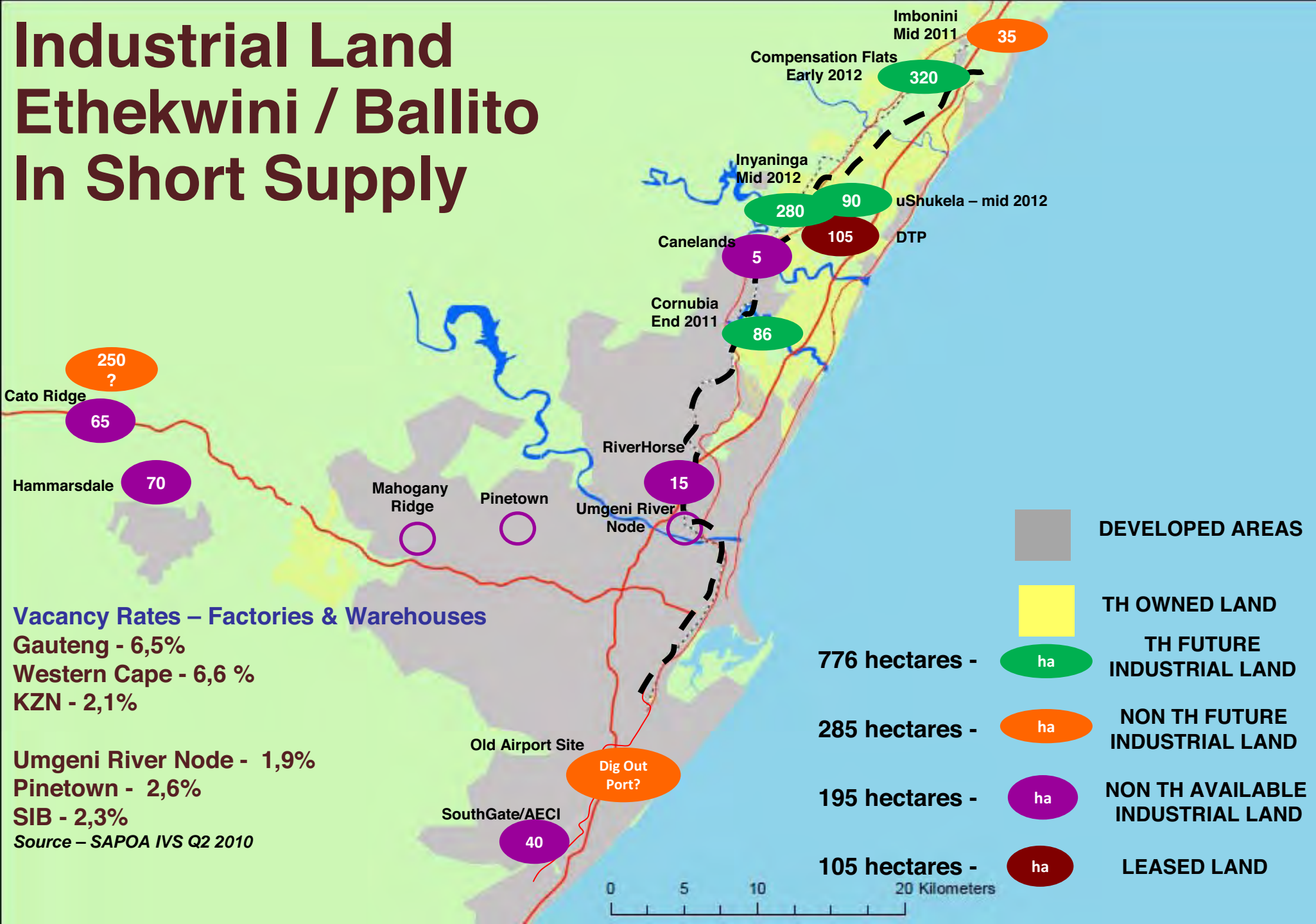


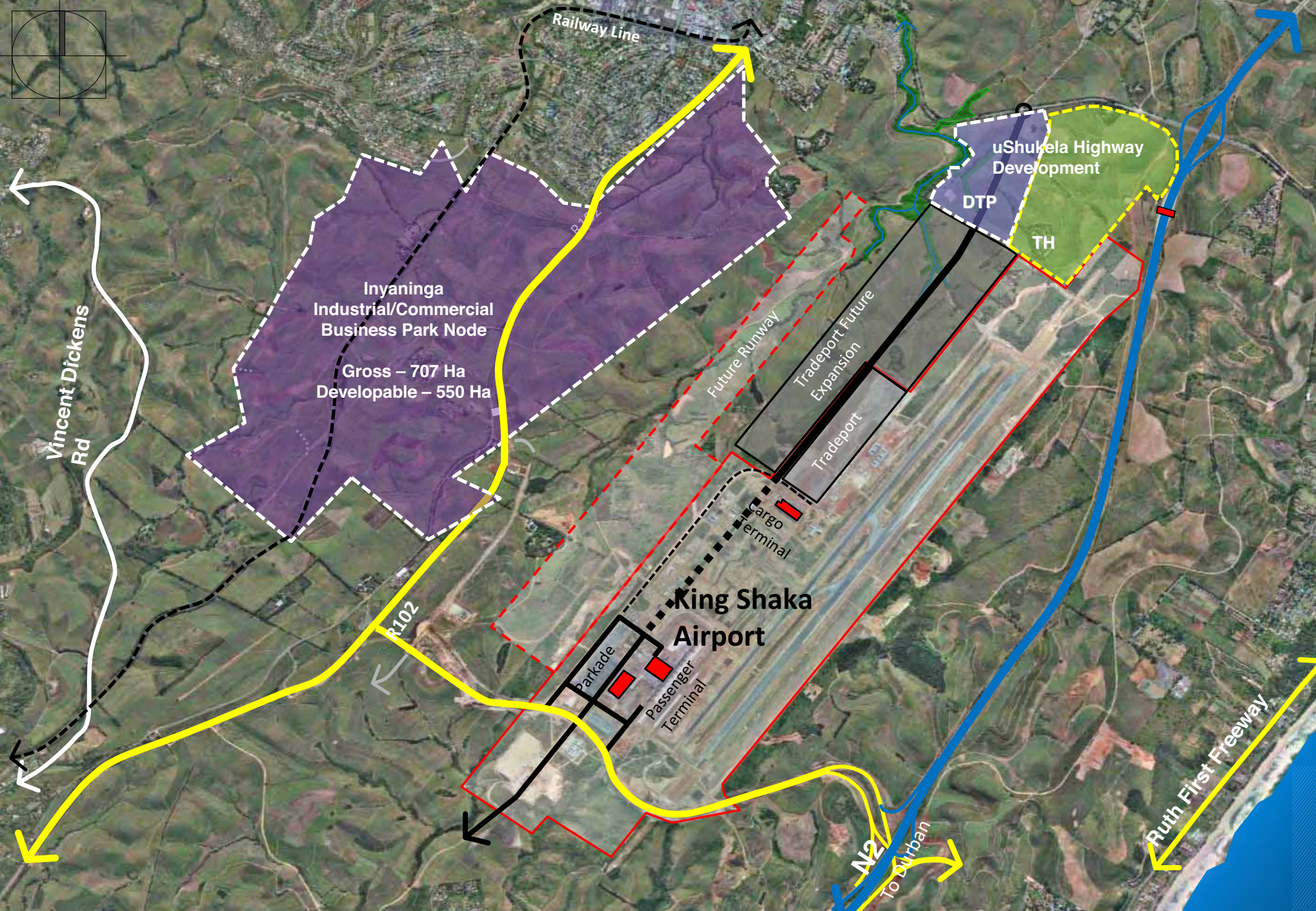
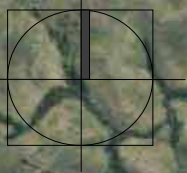
**Conversion of Developable Land
in South Africa**

13 807 gross hectares

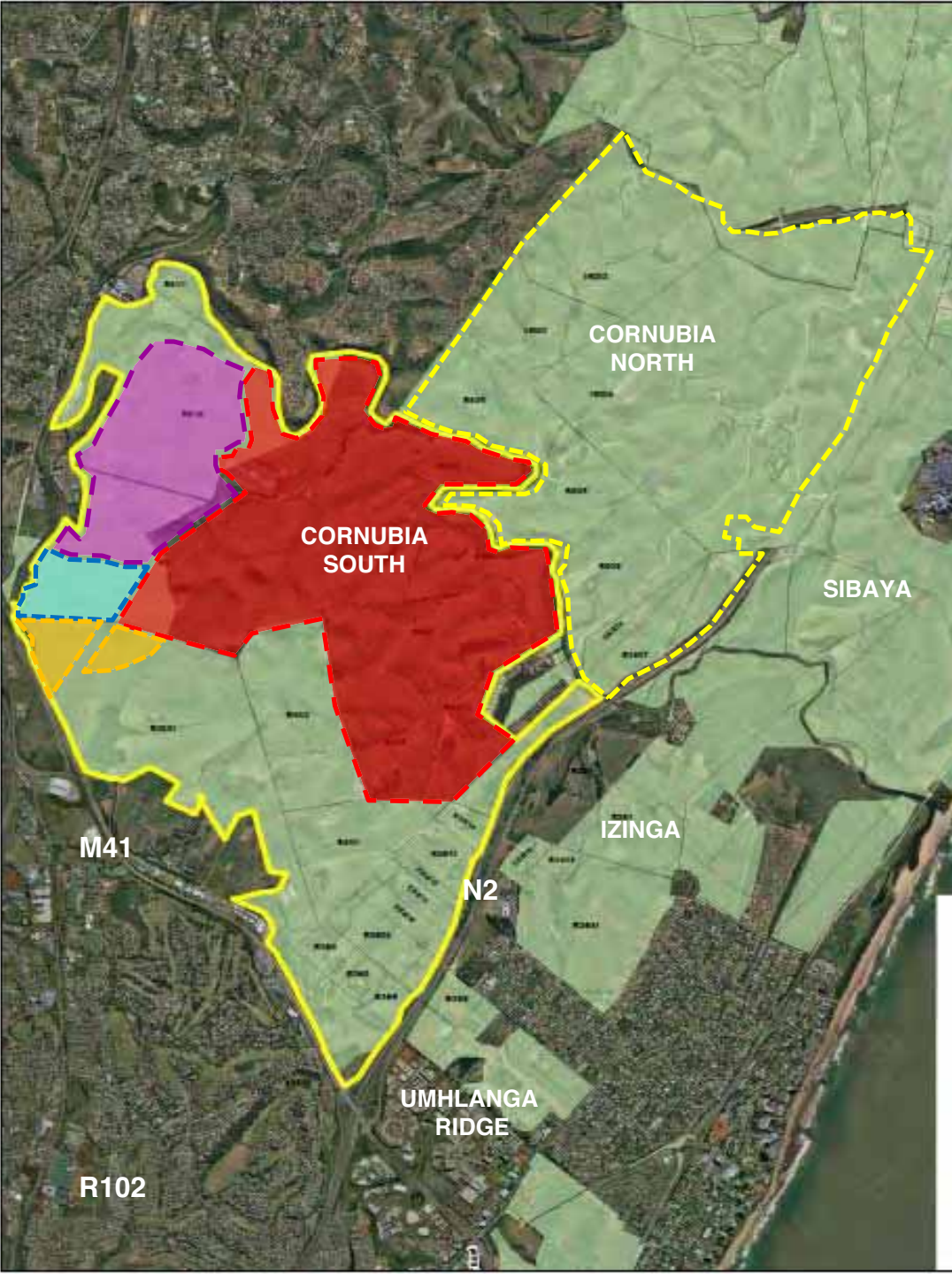
8 763 developable hectares

Industrial Land Ethekwini / Ballito In Short Supply





Cornubia



Cornubia South Boundary



Cornubia North



Tongaat Hulett landholdings



Land already purchased by eTM
517 ha Gross - 253 Developable ha
R725 000/Developable ha



Land Purchased by eTM - Oct 2010
34,6 ha Gross - 25 Ha Developable
R725 000/Developable



Land being purchased by eTM –
28,6 ha Gross - 23 Developable
R951 000/Developable ha



Industrial Node - 86 Ha Platform

Update on Tongaat Hulett Starch

- Outlook for South African maize

	1979/80	2007/08	2008/09	2009/10	2010/11 Forecast
Hectares Planted (000ha)	4 031	2 799	2 428	2 742	2 468
Yield (t/ha)	3,37	4,53	4,96	4,76	4,75
Production (000 tons)	13 583	12 700	12 050	13 043	11 732

- Outlook for World maize

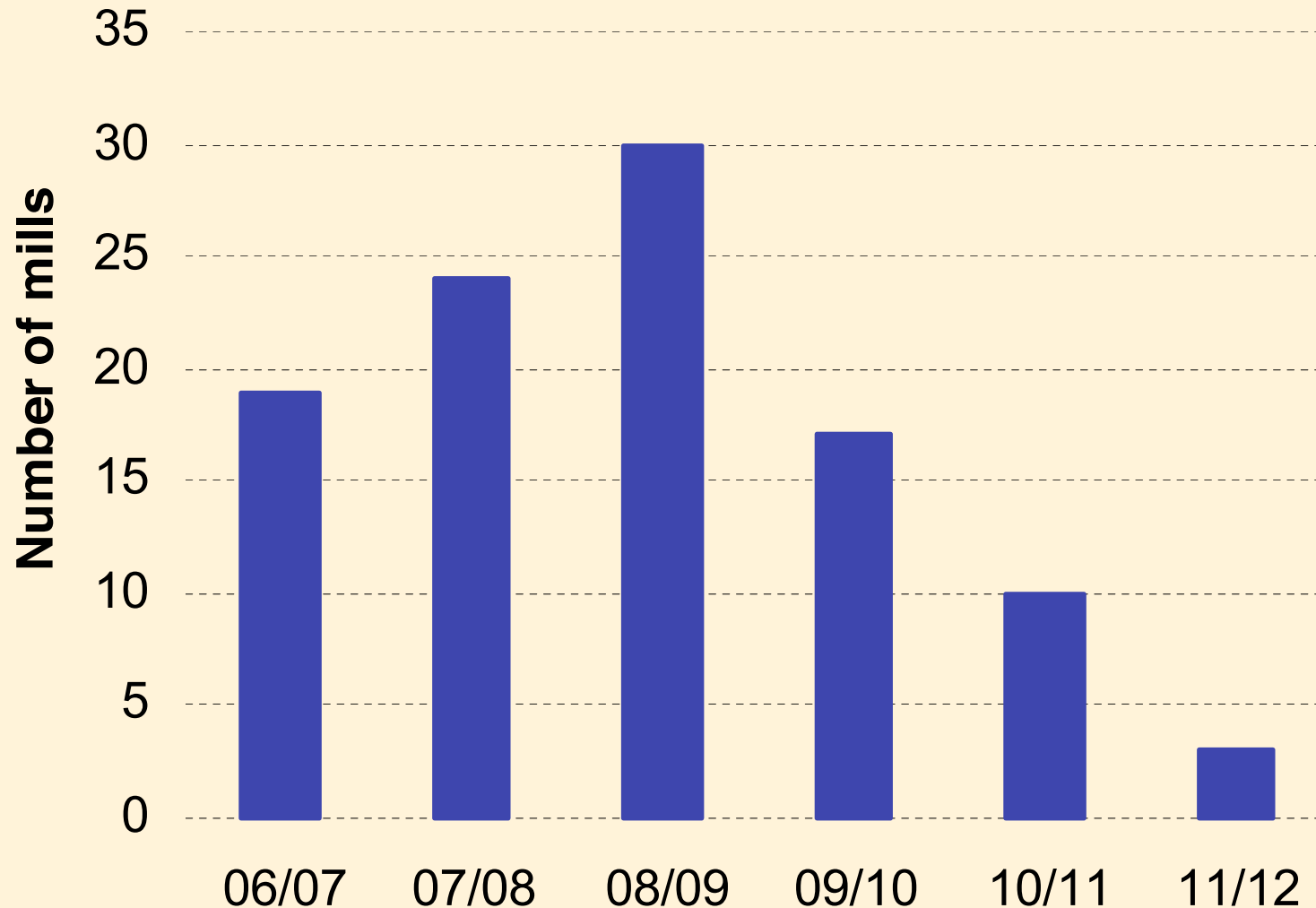
- Record US Crop of 334 million tons
- Demand remains strong due to biofuels
- World prices recently increased
US\$220 - US\$240 per ton

- International Starch and Glucose
prices rising

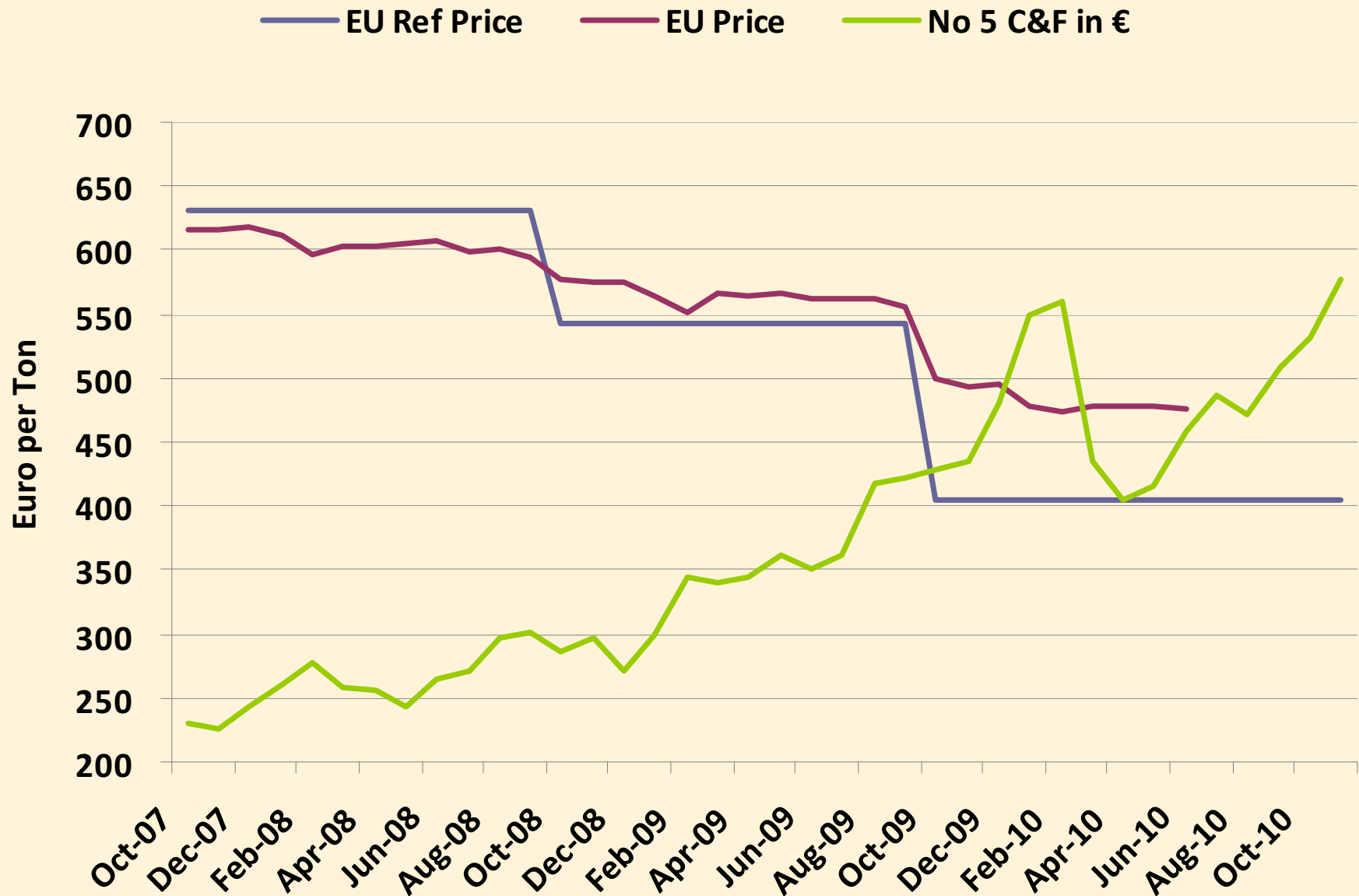
- Maize China > \$300/ton
- Reduction in cassava roots
 - Disease in Thailand

Sugar - Who is Going to Supply the Demand?

Raw Sugar Mills Starting up in Brazil



Source: LMC International



EU Sugar Regime

Underestimated Global Dynamics

Sellers Market



- **Wrestler left Maputo port on 24 September 2010**
 - **Destination Savannah, Georgia**
- **Carrying 13 000 tons sugar from Mozambique and Zimbabwe**
- **Raw sugar price - 34 US c/lb FOB**

- **Tongaat Hulett awarded by tender for 25 000 tons / EU**
 - **Leaves port December 2010**
 - **8 bidders**



Zimbabwe and Mozambique - Sugar Production

Sugar production (tons)	2009/10 Actual	2010/11 Estimate/June *	2010/11 Current Estimate	2011/12 Current Estimate	Milling Capacity
Zimbabwe	258 965	330 000 - 350 000	330 000 - 350 000	380 000 - 400 000	600 000
Mozambique	133 802	230 000 - 250 000	185 000 - 205 000	270 000 - 290 000	327 000



Getting the Basics Right

Zimbabwe and Mozambique



Efficiency of Sugar Mills - Other Than Cane Crushing Rates

	Overall sugar recovery World Class - 88%		Time efficiency World Class - 85%	
	2009/10 Actual	2010/11 Estimate	2009/10 Actual	2010/11 Estimate
Triangle	80,3%	84,8%	78,1%	74,0%
Hippo Valley	67,7%	83,3%	57,5%	76,8%
Mafambisse	79,9%	82,3%	55,0%	64,5%
Xinavane	76,5%	82,5%	63,9%	76,1%

- Best monthly overall recovery achieved in 2010/2011 - Triangle Mill 87,6% (July)
- Best monthly time efficiency achieved in 2010/2011 - Xinavane Mill 82,8% (September)

Cane Growing

	2009/10 Actual	2010/11 Estimate/June	2010/11 Current Estimate	2011/12 Current Estimate	Target
Zimbabwe					
Hectares harvested	26 318	31 058	32 388*	32 665	46 000
Yields tcph - TH	92	99	85	103	>112
Yields tcph - Outgrowers	78	83	70*	79	>100
Mozambique					
Hectares harvested	18 415	23 448	22 220	25 184	26 800
Yields tcph - TH	85#	100#	94#	103#	>107#



Zimbabwe Replant - Root Replacement

	Sep 2010 - Mar 2011 June 2010 Estimate	Projects completed
Tongaat Hulett (Replant)	2 700	3 600
Outgrowers (Replant)	470	450
Total	3 170	4 050



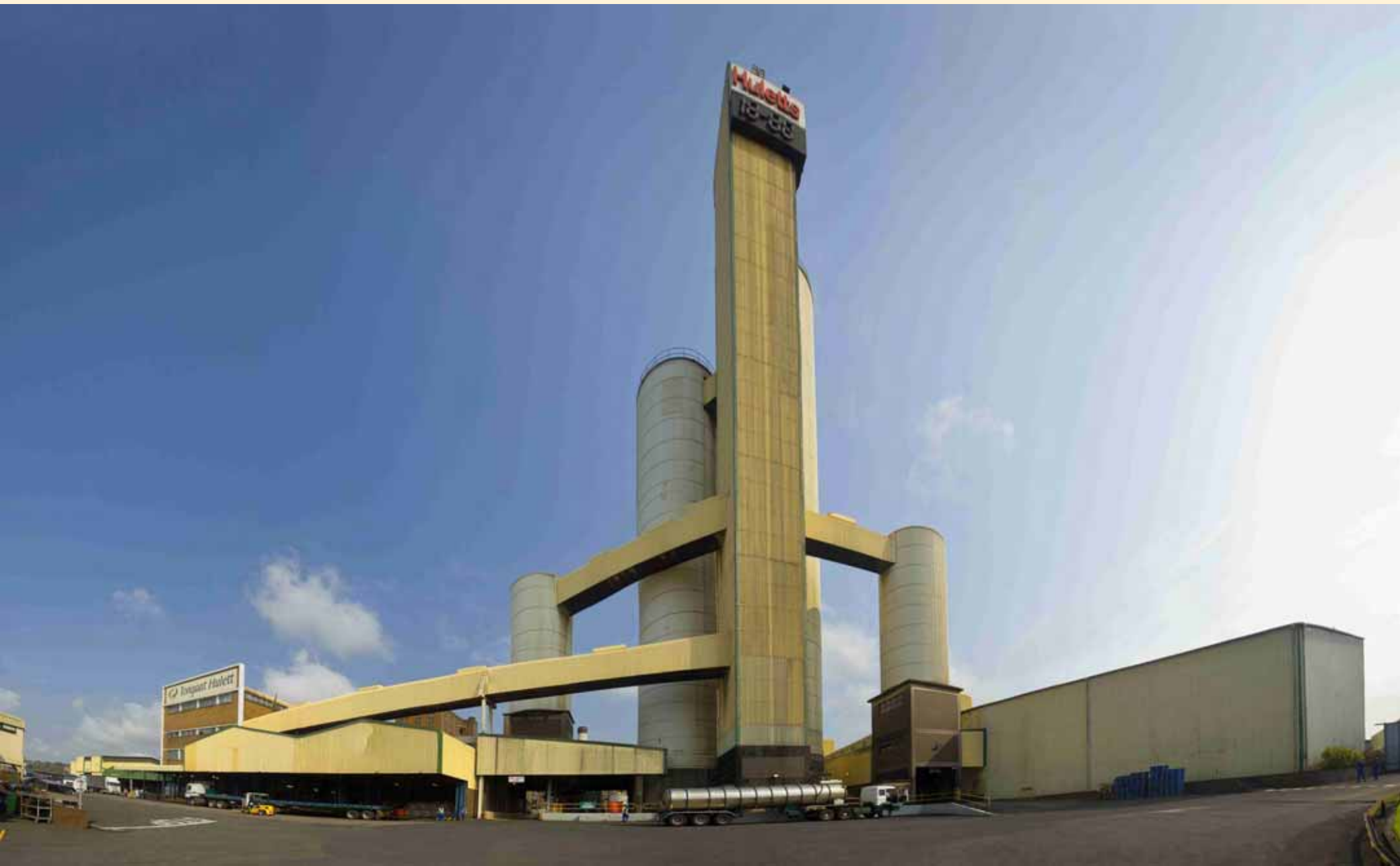
- Outgrowers new planting - 1 200 hectares by June 2011

Crop Positioning - Cane Age for Optimum Sugar Production

	2010/2011 Season		2011/2012 Season	
	Youngest Cane Harvested (months)	Oldest Cane Harvested (months)	Youngest Cane Harvested (months)	Oldest Cane Harvested (months)
Triangle	10,5	17,2	11,8	14,8
Hippo Valley	12,0	20,0	11,8	13,5
Mafambisse	10,7	18,0	11,0	15,0
Xinavane	11,3	18,0	11,5	14,0

- Ideal age of cane at harvest 12/13 months from previous harvest

South Africa



New Plantings – South Africa

	Targeted # Sep 2010 - Mar 2011	Status of cane at October 2010		Target to be completed by March 2011
		Planted cane	Land prepared	
Small scale growers	3 741	98	618	3 216 *
Commercial growers	1 620		40	691 *
Tongaat Hulett leased land	2 723	221	376	2 097
Total	8 084	319	1 034	6 004

- Lack of seed cane - 1 454 hectares due to drought *



Operation Vuselela - Private Public Partnership

- Partnership between KZN Department of Economic Development and Tourism and Tongaat Hulett
 - KZN Economic Development Tourism – R51 million
 - Tongaat Hulett - R12,3 million
- 3 534 hectares of new cane to be planted over a three year period
 - 291 hectares planted in 2009/2010 season
 - 1 850 hectares to be planted in 2010/2011 season
 - 1 393 hectares to be planted in 2011/2012 season



Electricity from Bagasse / Fibre in Cane

	India	Brazil	SADC
2010 (mainly for own use)	3 000 MW	3 500 MW	380 MW
Possible / when ?	10 500 MW	15 000 MW	1 200 MW

All Tongaat Hulett Mills - Full	
Capacity (million tons cane)	15,9
Fuel value (Rand billion)	2,1
Electricity (Rand billion)	3,2
Investment (Rand billion)	8,9
Generating capacity (MW)	350



When Will We See Ethanol in SADC?

South Africa

- Every 10% of South Africa's fuel blend
 - 1,5 billion litres ethanol equivalent to 2,2 million tons raw sugar

SADC

- Agriculture potential of Northern SADC comparable to Brazil
- Energy Markets
 - South Africa is 70% of SADC fuel market and 80% of the electricity market
- Current Northern SADC Sugar Capacity

Moz	Malawi	Tanzania	Zim	Zambia	DRC	Angola	Northern SADC
400	310	320	600	470	65	0	2,2 million tons



ADDITIONAL INFORMATION

Ridgeside



Infrastructure

- M41 interchange will be complete in December 2010
- Office Park and phase one of Precinct one infrastructure complete. Phase two of Precinct one will be complete in November 2010

Top Structures

- New office for Nedbank in the Mixed Use Precinct will be completed in December 2010
- Ten office buildings currently under construction in the Office Park Precinct
- Vodacom, Investec, BDO and Cox Yeats offices completed and occupied



Izinga - Umhlanga Ridge



- Medium to low density 152 ha residential suburb
- 73 ha of open space including wetlands and buffer corridors
- Open suburb with cameras and visible street security patrols
- Appropriate indigenous landscaping
- 280 dwelling units to be developed in first phase
- 29 sites transferred to date
- Total sales to date in phase 1 - R50,4 million
- Installation of civil infrastructure under way to serve sites due for transfer in this financial year
- Environmental approval for Izinga future granted on 2 September 2010

Kindlewood - Mount Edgecombe



- 550 units gated estate development
- Comprises
 - Special residential
 - Maisonette
 - Planned unit developments
- Phase 1 - sold out
- Phase 2 - 78 % sold
- 42 families living in the estate
- 22 new structures under construction



Cornubia



- Ministerial / priority project - unique partnership between private landowner and government
- The largest sustainable integrated development in KZN
- Phase one EIA in progress, planning approvals expected end 2011
 - Includes 86 ha industrial platform
- Pilot phase of 486 housing units to commence early 2011
- R389 million approved by Province for top structure development of first 5 000 housing units.

Bridge City



- Successful PPP with eThekweni Municipality
- New mixed use, high density Town Centre in a previously disadvantaged area / township
- Regional 450 bed public hospital
- 48 000m² shopping centre opened October 2009, further 13 000 m² scheduled for 2011

- Regional Magistrates court opening mid 2011
- Train line and station to open early 2012
- Bus/taxi intermodal facility constructed by Municipality
- Second Phase Business Park available for sale from February 2011

Umhlanga Ridge Town Centre



- 1 business park site and 2 mixed use sites left to sell
- Residential phase of 2 800 high density units commenced
- 3 residential development sites under negotiation
- Services installation virtually completed

Inyaninga



- 550 developable hectares 280 for industrial / business park
- EIA underway – expected completion of rights process mid 2012
- Plans being developed in alignment with Municipal plans under the IDP
- Part of a joint planning initiative with Dube Trade Port

uShukela Highway (Herrwood)



- Immediately adjacent to and on access road to Dube Trade Port
- Planning partnership with Dube Trade Port for joint land holdings
- Total 137 ha
 - DTP 57 ha
 - TH 80 ha
- EIA in progress. Expect completion of rights process mid 2012

Zimbali Lakes Resort



- 280 Gross ha development by Tongaat Hulett / IFA JV
- 160 ha of developable area zoned for low and medium density residential, commercial, retail and resort
- Only available resort site with direct beach access in the region
- IFA's construction of 18-hole Gary Player golf course commenced
- 1st Phase of commercial office sites sold and transferred
 - Servicing almost complete
- Option of creating a Retirement Village being explored

Competitive South African Maize

Hedges being extended to July 2011



Starch Operations

Financial Data

R millions	6 months to September 2010	6 months to September 2009
Revenue:	1 185	1 110
Domestic	912	849
Exports	107	70
Co-Products	166	191
Operating Profit	125	117

Volume Data

Volume (tons)	6 months to September 2010	6 months to September 2009
Local Starch	44 660	43 826
Local Glucose	158 695	158 713
Total Local	203 355	202 539
Export Starch	17 622	14 079
Export Glucose	6 201	3 025
Total Exports	25 823	17 104
Co-Products	77 548	73 375
Total	304 726	293 018

Co-product Pricing

Co-product	Price movement 6 months to September 2010 over Comparative Period	Major price drivers
Germ	Down 24,3%	50%: International edible oil price and local oil seeds 50%: Local maize
Gluten-60	Down 2,3%	International protein (Soya, fishmeal) prices
Gluten-20	Down 20,6%	Local maize price/hominy chop surplus

EU Sugar Market - Tongaat Hulett

Institutional Price Reductions (€/Ton CIF)				
Effective date	Raw Sugar		White Sugar	
	€/Ton CIF	Cumulative % Change	€/Ton CIF	Cumulative % Change
1 October 2007	496,80		632,00	
1 October 2008	448,40	-10%	524,50	-17%
1 October 2009	335,20	-33%	404,40	-36%

Tongaat Hulett Returns for Raw Sugar under Long Term Contract (€/Ton)				
Raw price	335,20	100 000 tons p.a. up to 2015		
+ Guaranteed premium	xxx	From an estimated 400 000 tons p.a.		
+ Pol premium	xxx			
+ Profit share	yyy	Profit share calculation		
CIF realisation	zzz	EU Market price for white sugar		xxx
- Ocean freight	xxx	- CIF price		zzz
- FOB costs	xxx	- Cost to refine		xxx
- Inland transport	xxx	Surplus to be shared		xxx
Ex factory return	xxx	Tongaat Hulett share per agreement		yyy

Sugar Production

	Milling Season									
Tons '000	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
South Africa	969	755	860	652	723	753	666	604	644	564
Mozambique	39	36	71	82	85	115	106	108	108	134
Swaziland RSE	41	45	50	54	50	56	55	58	56	54
Zimbabwe *	282	264	296	264	222	236	240	349	298	259
Total	1 331	1 100	1 277	1 052	1 080	1 160	1 067	1 119	1 106	1 011
Capacity	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 785	1 785	1 987
% of Capacity	89%	73%	85%	70%	72%	77%	71%	63%	62%	51%

* Triangle only up to 2006

Additional Revenue Of Expanded Sugar Production If All Exported at 22 USc/lb with R/US\$ = 7,00

	2009/10 Production *	Sugar Production at Capacity *	Additional Sugar *	Additional Export Revenue #
South Africa	563 707	1 000 000	436 293	1,48
Zimbabwe	258 965	600 000	193 198	0,66
Mozambique	133 802	327 000	341 035	1,16
	956 474	1 927 000	970 526	3,30
Swaziland RSE	54 458	60 000		
	1 010 932	1 987 000		

Mozambique Sugar Operations

- **Mafambisse**
 - Expansion completed in 2008
 - Mill: Tongaat Hulett owns 85%
 - Agriculture: Tongaat Hulett owns 100%
- **Xinavane**
 - Mill: Tongaat Hulett owns 88% after major expansion
 - Agriculture: Tongaat Hulett owns 100%



LDC Countries

- 50 LDC countries
- 22 sugar producing LDC countries
- Countries that have exported into EU

Ethiopia

Tanzania

Togo

Senegal

Nepal

Malawi

Mozambique

Zambia

Sierra Leone

Sudan

DRC

Benin

Bangladesh

- LDC criteria
 - Gross national income per capita < US\$750
 - Human asset index based on nutrition, health, education and adult literacy
 - Economic vulnerability – 5 indicators
 - Population < 75 million

Rainfall, Cane Yields and Replant in South Africa

- **Yields**

- 2000 SA North Coast 63,8 tcph
- 2009 SA North Coast 44,8 tcph
- 2010 SA North Coast 34,0 tcph

- **Rainfall (mm) - Maidstone, Darnall and Amatikulu**

- Jan - Sep 2010 285 **vs** 639 (LTM)
- Supplies 75% of Tongaat Hulett milled cane

- **Rainfall (mm) - Felixton**

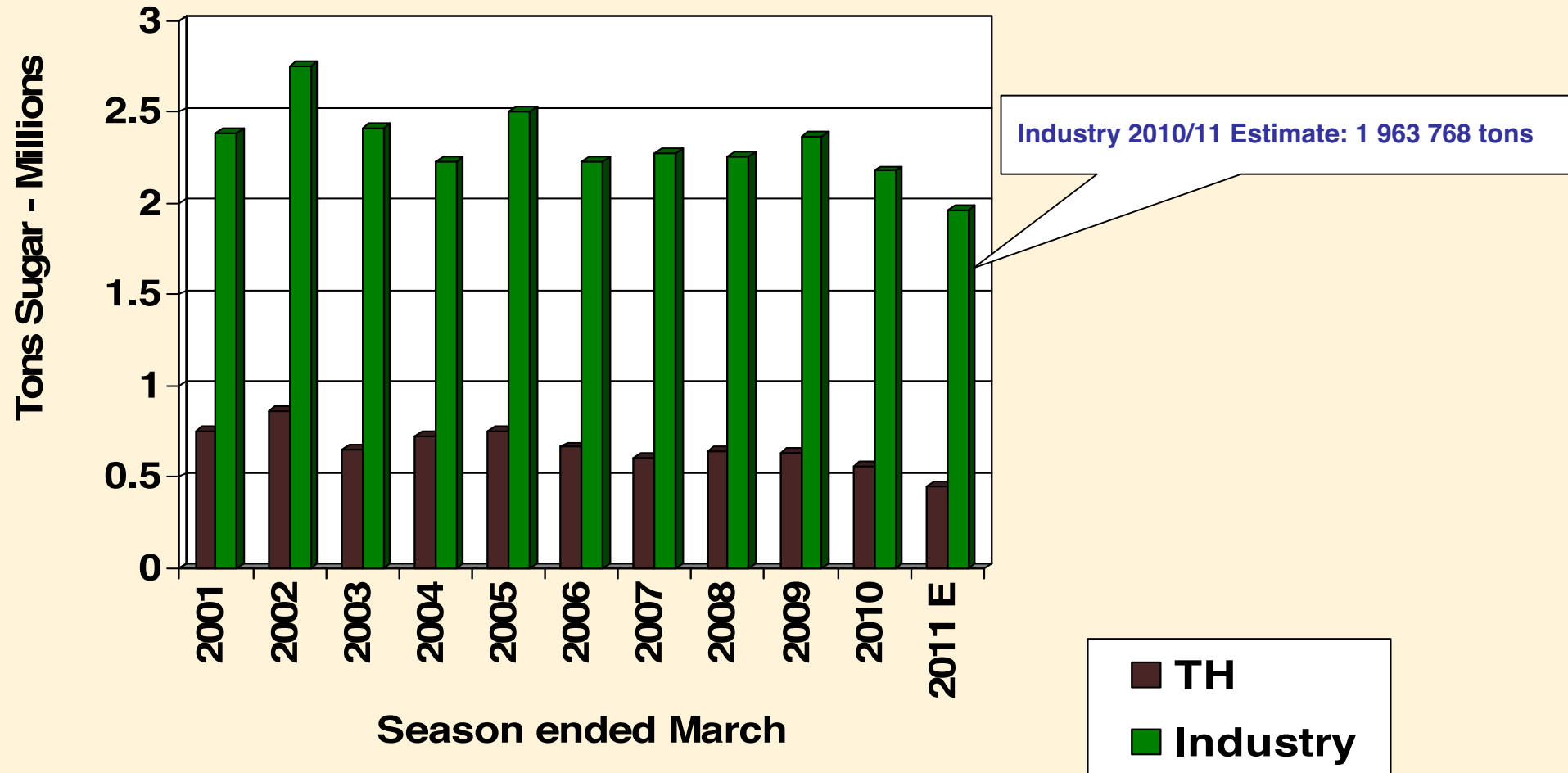
- Jan - Sep 2010 397 **vs** 567 (LTM)
- Supplies 25% of Tongaat Hulett milled cane

- **Seed cane**

- 40% - 50% shortage for 2010/2011 season



Sugar Production - SA



Raw Export Realisations: Sugar SA

Raw Sugar	2010 H1	2009 H1
Price in US c/lb*	19,04	16,53
Average Rand/US\$ realisation	R7,71	R8,16
Average Rand realisations per ton	R3 674	R3 221

• Table includes raw sugar for refined exports

* Excludes preferential markets and premiums

Capacity for Sugar Milling and Electricity Generation

	2009/10	TH Capacity	Zimbabwe	Mozambique	South Africa
Sugar production (ton per annum)	1 010 955	> 2 000 000	> 600 000	> 290 000 (2011/12) > 327 000	> 850 000 (2013/14) > 1 000 000 (2017/18)
Generation (MW) Phase 1	60	350	110	50	189*
Generation (MW) Phase 2 #		570	170	90	310*

* Renewable energy target in 2013 is 1 700 MW - equates to 5% of SA electricity supply

Includes 2/3 tops and trash

South African Electricity

Key Role Players

- **Department of Energy**
 - Responsible for the Integrated Resource Plan (IRP 2010)
- **NERSA**
 - Determine pricing for different energy sources
 - Approve license for new electricity capacity based on IRP
- **ESKOM**
 - Independent power producers (IPP's) sell power into Eskom's network
 - IPP's currently finalise contracts with Eskom
- **Independent System and Market Operator (ISMO)**
 - To be established

Indicative pricing for Electricity Generation from Bagasse in South Africa

Value	cent/kWh
Return on Capital	30-85
Operating cost (indicative)	9
Fuel (bagasse)	>110

Bagasse Relative to Cane

- Target fuel cost of bagasse > R130 per ton cane
 - After direct cost R107 per ton cane
- 2009/10 cane price in South Africa was R279 per ton cane
- 2009/10 miller share of raw sugar revenue equivalent to R155 per ton cane

Current and Future Bagasse Usage

- **Current**
 - Mainly for electricity and steam to produce sugar
 - Inefficient generation of electricity for own use
 - Animal feeds use pith of bagasse
 - Paper use fibre of bagasse
- **Future (phase 1)**
 - Full mills will increase supply of bagasse
 - Use existing bagasse efficiently to generate additional electricity
- **Future (phase 2)**
 - 2/3 Tops and trash

Exchange Rates

	Currency Exchange Rates		Prices	Costs
Zimbabwe	Export proceeds	Euro → US\$	<ul style="list-style-type: none"> • EU exports: Euro • USA quota: US\$ • Local market: US\$ 	<ul style="list-style-type: none"> • US\$ • Zim inflation
	Earnings conversion on consolidation	US\$ → Rands		
Mozambique	Export proceeds	US\$ → Metical Euro → Metical	<ul style="list-style-type: none"> • USA quota: US\$ • EU exports: Euro • Local market: Metical 	<ul style="list-style-type: none"> • Rands • US\$ • Metical • Moz inflation
	Earnings conversion on consolidation	Metical → Rands		
South Africa	Export proceeds	US\$ → Rands	<ul style="list-style-type: none"> • World market prices: US\$ • Local price: Rands 	<ul style="list-style-type: none"> • Rands • Maize has a US\$ link

