



PORTFOLIO OF LAND FOR CONVERSION IN KWAZULU-NATAL

NOVEMBER 2014

 *Tongaat Hulett*

UNLOCKING SUBSTANTIAL VALUE IN THE LAND PORTFOLIO

Tongaat hulett has an unequalled portfolio of 8 150 developable hectares of land in prime locations, prepared for unlocking substantial value and cash flow.

The 2014 Integrated Annual Report included details of the portfolio as at 31 March 2014. It indicated that sales over the next 5 years were likely to come out of 3 710 developable hectares of land in key focus areas.

This document contains details of the transactions concluded in the 6 months to 30 September 2014. A total of 49 developable hectares were sold, generating profit of R435 million.

The portfolio, as at 30 September 2014 is detailed further in this document. The intention is to update this overview of the land portfolio regularly, to provide details of progress made, significant events and key indicators including profits realised.

The step-up in value realisation and the R1,080 billion earned from sales of 259 hectares of land in the year ended 31 March 2014 is also an indication of the momentum established and the way forward.

The profit achieved per hectare of land sold is increasing with the steadily improving land conversion platform and varies based on usage and location. In the past 18 months, the range achieved varied from R2,4 million to R34,0 million per developable hectare.

Land uses and locations and the associated per hectare profits recently achieved are as follows:

Area	Description	Profit achieved (R million per developable hectare)
Ridgeside	Prime, high density, mixed use precinct with sea views	34
Umhlanga Ridge Town Centre	High density mixed use urban precinct	29,4
Izinga / Kindlewood	Low density upper market residential suburbs	3,5 to 6,7
Cornubia Industrial and Business Estate	Light industrial, logistics, warehousing and business parks	6 to 9,5
Mount Moreland North	Long term land, far from shovel ready and without clear land use or infrastructure in place	2,4



PORTFOLIO OF LAND FOR CONVERSION IN KWAZULU-NATAL

As reported at 31 March 2014

	AREA	Developable hectares	FOCUS AREAS
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	
	iNyanninga East - Industrial / Logistics / Manufacturing	550	
	iNyanninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	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	
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 developable hectares from a total of some 8 200

MOVEMENTS IN THE PORTFOLIO

In the 6 months to 30 September 2014

	AREA	Developable Hectares		Profit per Developable Hectare
		Reallocation (note 1)	Sold	
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION			
	Ridgeside Remaining Precinct 1 and 2			
	Ridgeside Precinct 4			
	Umhlanga Ridge Town Centre		1	R 29,4 million
	Izinga/Kindlewood		11	R 6,7 million
	Umhlanga Ridge Westerly Expansion - Cornubia New Town Phase 1	+5	17	R 8,4 million
	Umhlanga Ridge Extension - Cornubia New Town Phase 2			
	Umhlanga Ridge Town Centre Western Expansion			
	N2 Business Park			
	Umhlanga Hills	-5		
	Marshall Dam Residential			
	Marshall Dam Town Centre			
	Consolidating Urban			
	Integrated Residential			
	Cornubia Industrial		20	R 9,5 million
	Cornubia North			
	Integrated Residential			
	Medium Density Residential			
	Consolidating Urban			
	N2 Business Park			
	Industrial			
	COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL			
	Zimbali Lakes			
	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 DEVELOPMENTS			
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	COASTAL NORTH OF BALLITO			
	Tinley Manor South Banks – Resort			
GRAND TOTAL		-	49	R8,9 million

Note 1: Reassessment of phasing, related to infrastructure

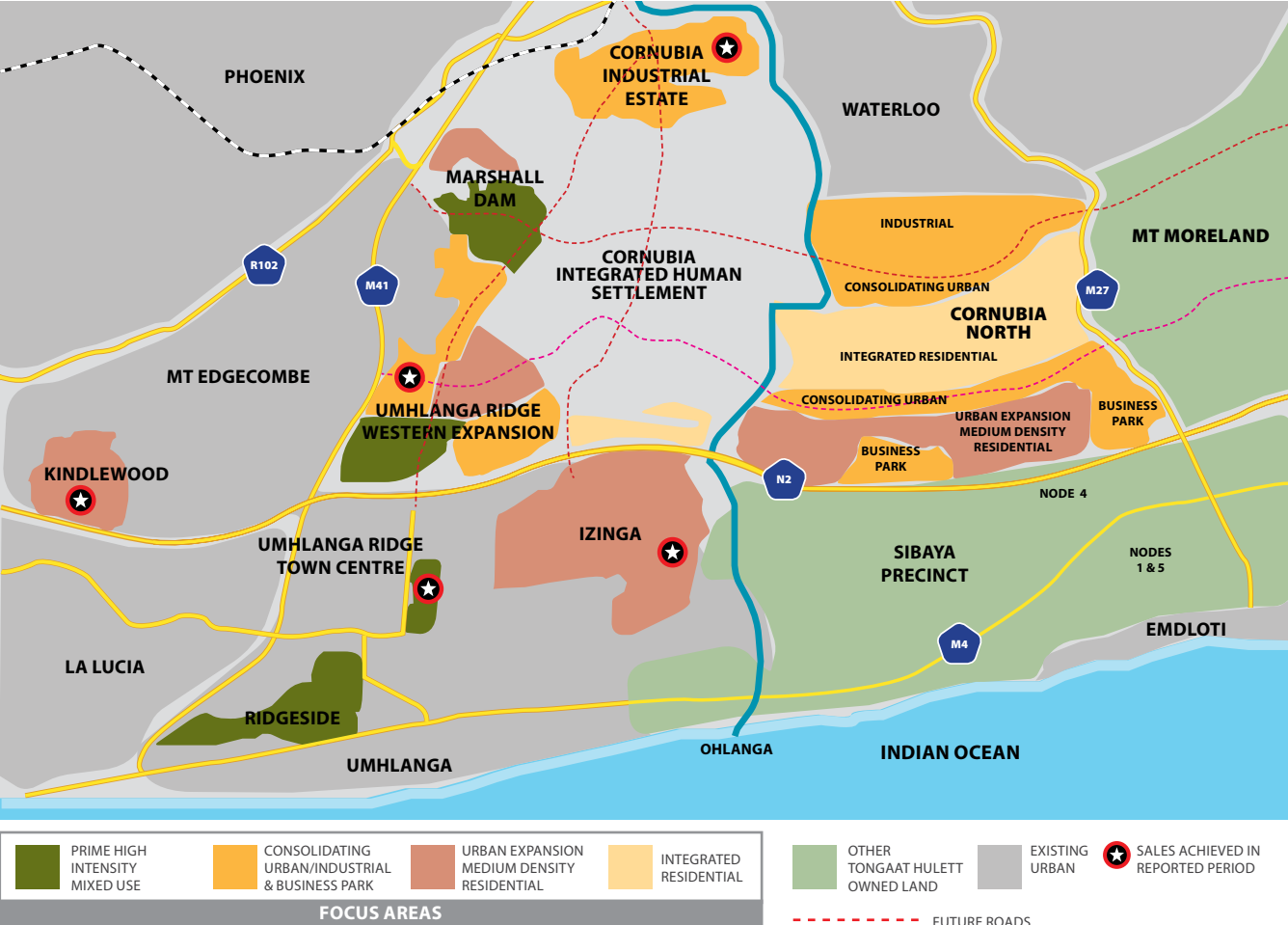
PORTFOLIO OF LAND FOR CONVERSION IN KWAZULU-NATAL

As at 30 September 2014

	AREA	Developable hectares	FOCUS AREAS
DURBAN TO BALLITO	URBAN GROWTH AND CONSOLIDATION - UMHLANGA REGION	1 073	3 095 developable hectares from a total of 4 550
	Ridgeside Remaining Precinct 1 and 2	42	
	Ridgeside Precinct 4	20	
	Umhlanga Ridge Town Centre	8	
	Izinga/Kindlewood	141	
	Umhlanga Ridge Westerly Expansion - Cornubia New Town Phase 1	–	
	Umhlanga Ridge Extension - Cornubia New Town Phase 2	229	
	Umhlanga Ridge Town Centre Western Expansion	45	
	N2 Business Park	38	
	Umhlanga Hills	37	
	Marshall Dam Residential	12	
	Marshall Dam Town Centre	42	
	Consolidating Urban	40	
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	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	
	iNyanninga East - Industrial / Logistics / Manufacturing	550	
	iNyanninga West, Lindokuhle, Aberfoyle, Dudley Pringle - Residential and Urban Expansion of oThongathi (Tongaath)	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	
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			3 661 developable hectares from a total of 8 150

URBAN GROWTH AND CONSOLIDATION – UMHLANGA REGION

1 073 Developable Hectares in Focus Areas





AREA	Focus Areas - Developable Hectares	
	5 years	18 months
Urban growth and consolidation - Umhlanga region	1 073	689
Ridgeside remaining Precinct 1 and 2	42	42
Ridgeside Precinct 4	20	–
Umhlanga Ridge Town Centre	8	8
Izinga / Kindlewood	141	141
Umhlanga Ridge Extension – Cornubia New Town Phase 2	229	189
Cornubia industrial	9	9
Cornubia North	624	300

RIDGESIDE

Net cash profit of R34 million per developable hectare has been achieved



-  Ridgeside Precinct 1 and 2
 - Progressing well with potential sale of 42 developable hectares
 - Managed competitive process
-  Ridgeside Precinct 4
 - 20 developable hectares being retained
 - Concept development and commercial strategy planning underway

IZINGA



- Phase 2B - Last currently available opportunity in Izinga
- 19 developable hectares
- Opportunity for up to 600 homes
- Permissions to sell expected by March 2015
- Being prepared for presentation to market as a single opportunity



- Phase 2E – prime sea-facing
- Sites selling rapidly
- Premium pricing in a sought-after development

UMHLANGA RIDGE EXPANSION INTO CORNUBIA



Phase 1 – Retail

- 85 000 m² retail centre to open in September 2017 – sold in previous period
- 17 developable hectares sold in current period yielding profit of R8,4 million per developable hectare





Phase 2 – Umhlanga Ridge Town Centre Western Expansion and N2 Business Park

- Commercial processes to commence within 18 months.

NEWSFLASH: 9 developable hectares were sold to a black-owned development company as an integral part of the expanded commercial strategy; injecting new players, an innovative concept, a catalytic development and addressing the transformation agenda

MARSHALL DAM PRECINCTS

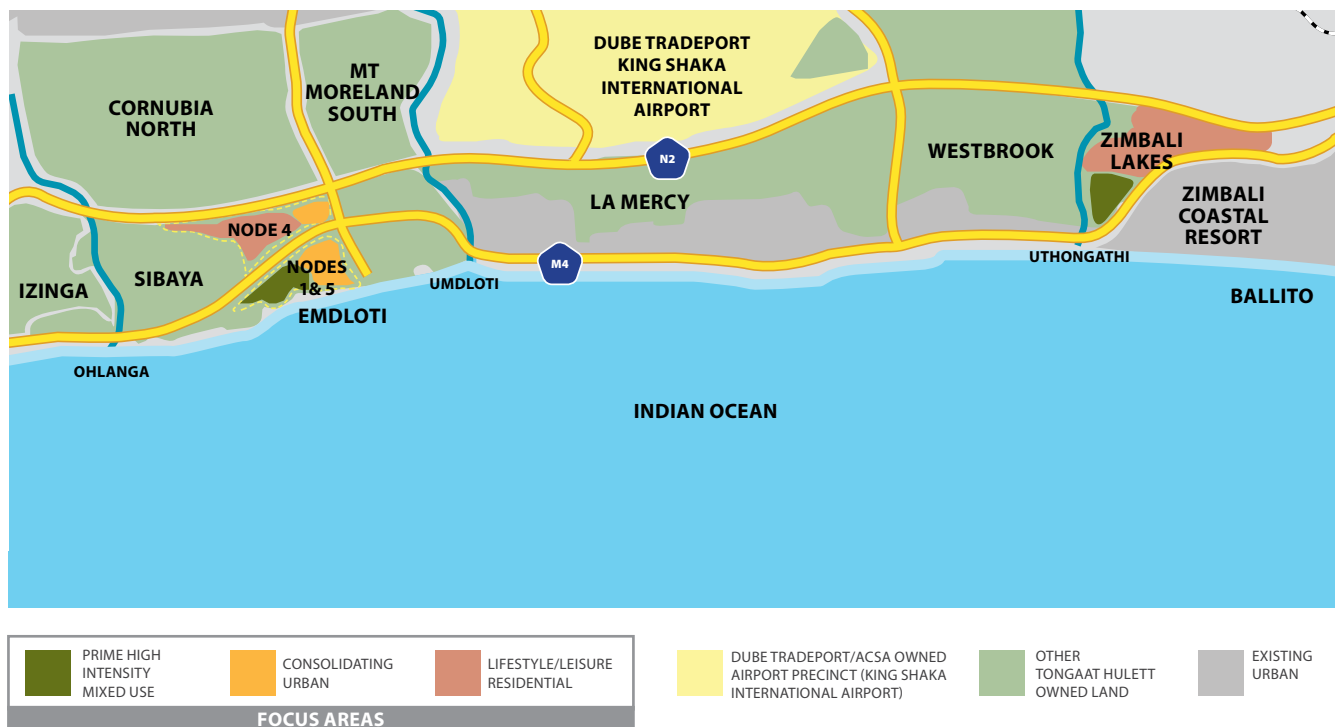


-  Marshall Dam Residential
 - 12 developable hectares
 - Likely to accommodate 1 000 homes
 - Affordable lifestyle residential opportunity
 - EIA in place
 - Zoning approval expected by March 2015
 - Strong market interest as a single opportunity – competitive commercial process likely in the next 6 months
-  Marshall Dam Town Centre
 - 42 developable hectares
 - Located on GO!Durban Route
 - Magnitude of impact similar to Umhlanga Ridge Town Centre

NEWSFLASH: Durban Launches its GO!Durban integrated rapid public transport network traversing Cornubia

COASTAL / LIFESTYLE / LEISURE / HIGH-END RESIDENTIAL

275 Developable Hectares in Focus Areas



AREA	Focus Areas - Developable Hectares	
	5 years	18 months
Coastal / Lifestyle / Leisure / High-end residential	275	172
Zimbali Lakes	47	47
Sibaya Node 1	49	49
Sibaya Node 5	76	76
Sibaya Node 4	103	–



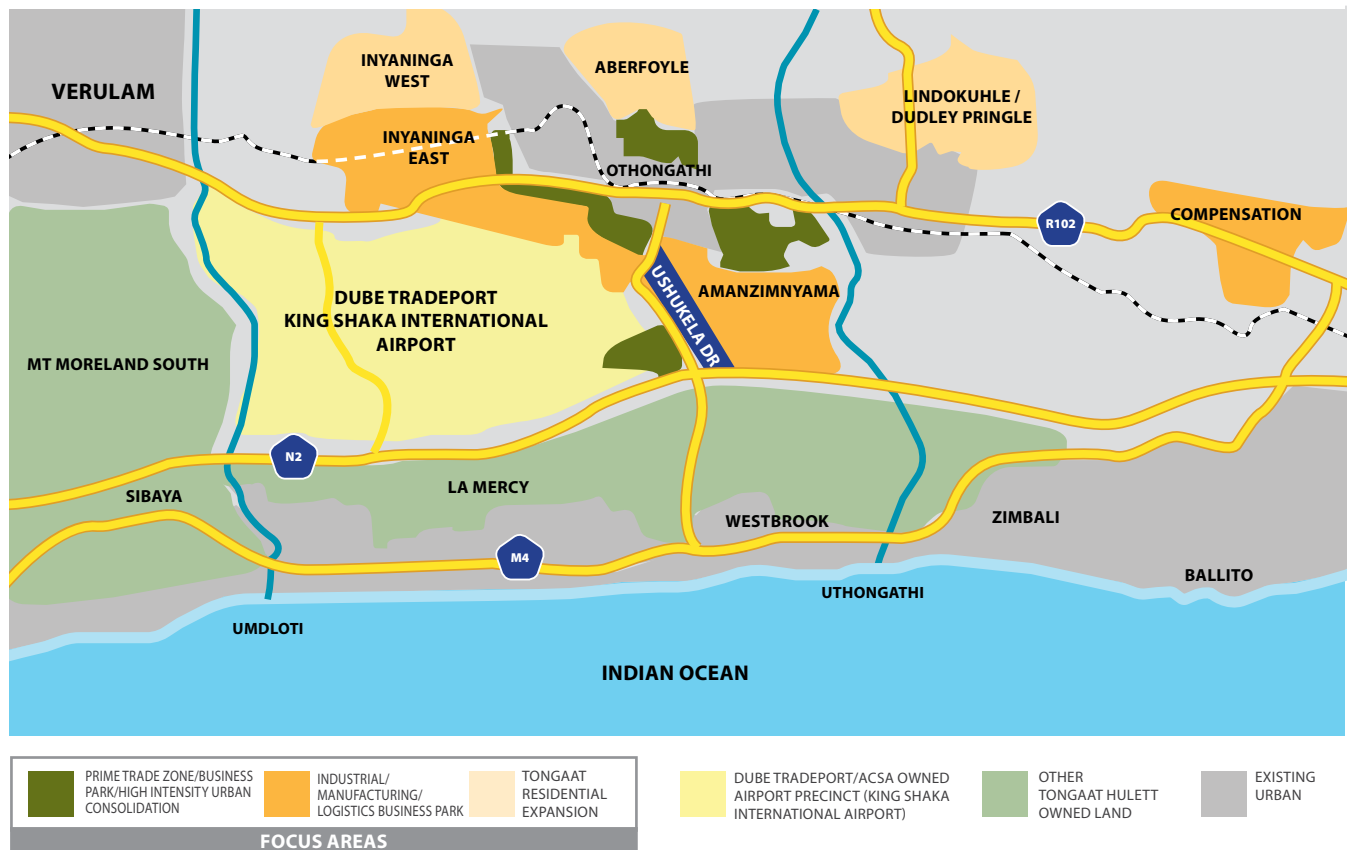
SIBAYA NODES 1 AND 5



- Savills International appointed to assist in global marketing launch process commencing December 2014
- Focusing on nodes 1 and 5 – 125 developable hectares
- European, Middle Eastern and Far Eastern initial target markets
- Launch at MIPIM international property exhibitions – Hong Kong and Cannes
- Also profiling Durban / KZN and wider opportunities

AIRPORT REGION - BUSINESS, INDUSTRIAL AND RESIDENTIAL

1 725 Developable Hectares in Focus Areas



AREA	Focus Areas - Developable Hectares	
	5 years	18 months
Airport Region - Business, Industrial and Residential	1 725	122
uShukela Drive – Airport linked Industrial, Retail and Logistics	49	49
Amanzimnyama – Office / Business / Industrial and Logistics park	345	–
Compensation (East) – Industrial and Manufacturing	73	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	–

USHUKELA DRIVE



- Strategically situated on northern boundary of King Shaka International Airport
- EIA process – approval expected early 2016
- Flexible tradezone use – best fit with airport and region
- Commercial strategy incorporating large scale collaboration with public or private entities is already in the initiation phase

NEWSFLASH:

- Samsung taking occupation of first phase of a manufacturing facility at Dube TradePort to serve African market
- IDZ promulgated at Dube TradePort, with an intention to grow into a larger regional SEZ
- Aerotropolis strategy approved by KZN Cabinet

COMPENSATION

73 developable hectares eastern phase, 152 developable hectares western expansion



- Extreme scarcity of large scale industrial sites north of Durban
- General industrial platforms up to 60 hectares represent a unique opportunity for major industrial / manufacturing / logistics operations with inter-modal potential (road, rail and close to airport)
- Well advanced in EIA process enabling development to commence within the next 18 months
- Optimum commercial strategy being developed (with other key stakeholders) to attract major new industrial users to the Durban region

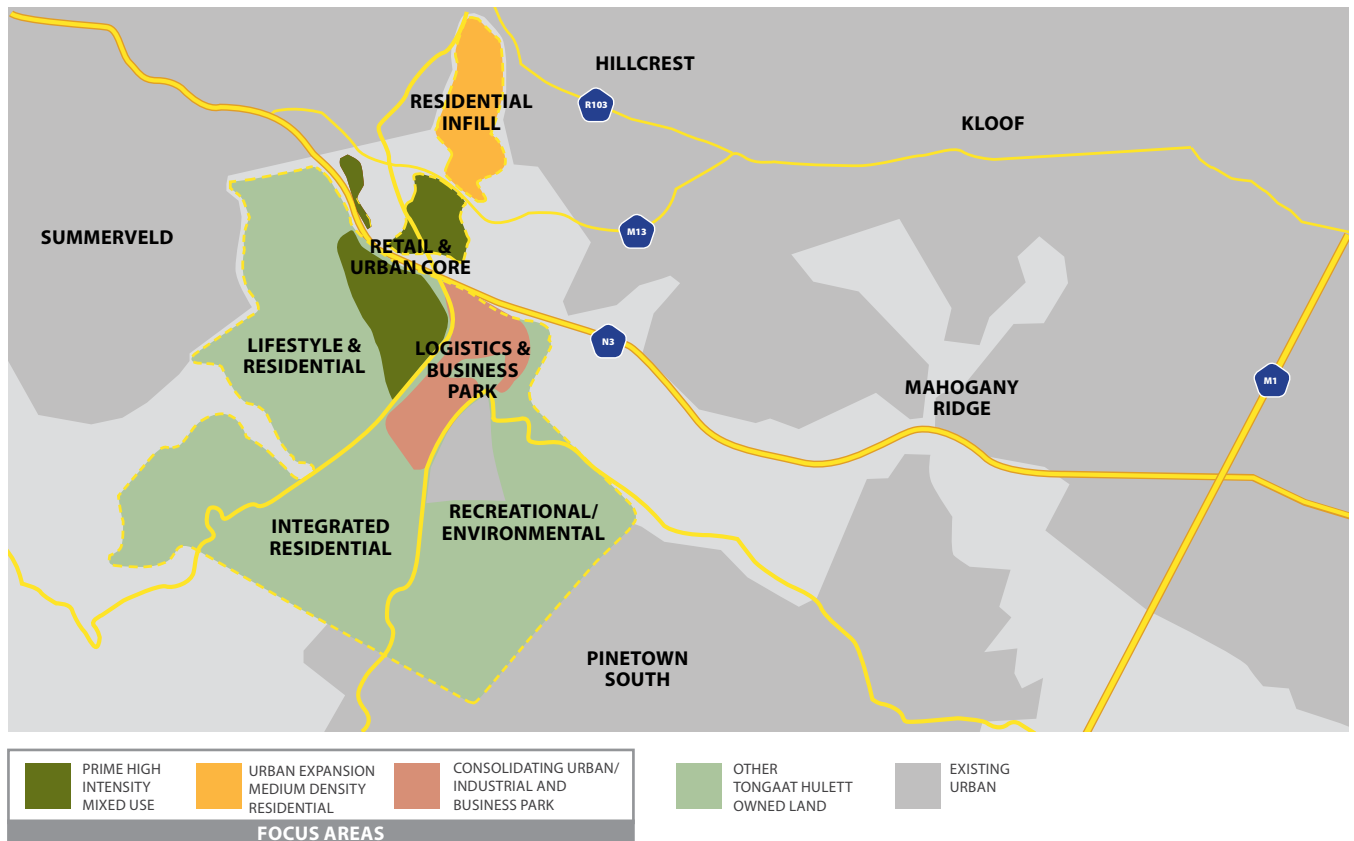
COASTAL DEVELOPMENT NORTH OF BALLITO

270 Developable Hectares in Focus Areas



URBAN EXPANSION WEST OF DURBAN

296 Developable Hectares in Focus Areas



AREA	Focus Areas-Developable Hectares
Urban expansion – west of Durban	296
Ntshongweni – residential infill / consolidation	57
Ntshongweni – retail and urban core	78
Ntshongweni – logistics and business park	161



NEWSFLASH: Cornubia is profiled at the Housing Indaba during October 2014 as one of three national priority projects in Human Settlements' Minister Lindiwe Sisulu's programme to deliver 1,5 million homes over the next five years

DEFINITIONS

Gross hectares

The total area of a land holding, defined by a line around it's boundary.

Developable hectares

The area of a land holding left over after deducting areas not available for development, such as very steep, geologically unstable or environmentally sensitive land. These hectares will carry both sites that can be sold as well as roads, parks and other amenities.

Shovel ready

The status of an element of the land portfolio where environmental (EIA), zoning and subdivisional permissions are sufficiently advanced that it is assessed that, within a short space of time (generally around six months or less), physical work on both infrastructure and buildings could be commenced. A key consideration in the ability to realise optimum value from a particular land holding.

IDZ

Industrial Development Zone, as promulgated by the South African Department of Trade and Industry

SEZ

Special Economic Zone, as promulgated by the South African Department of Trade and Industry



