



Tongaat Hulett

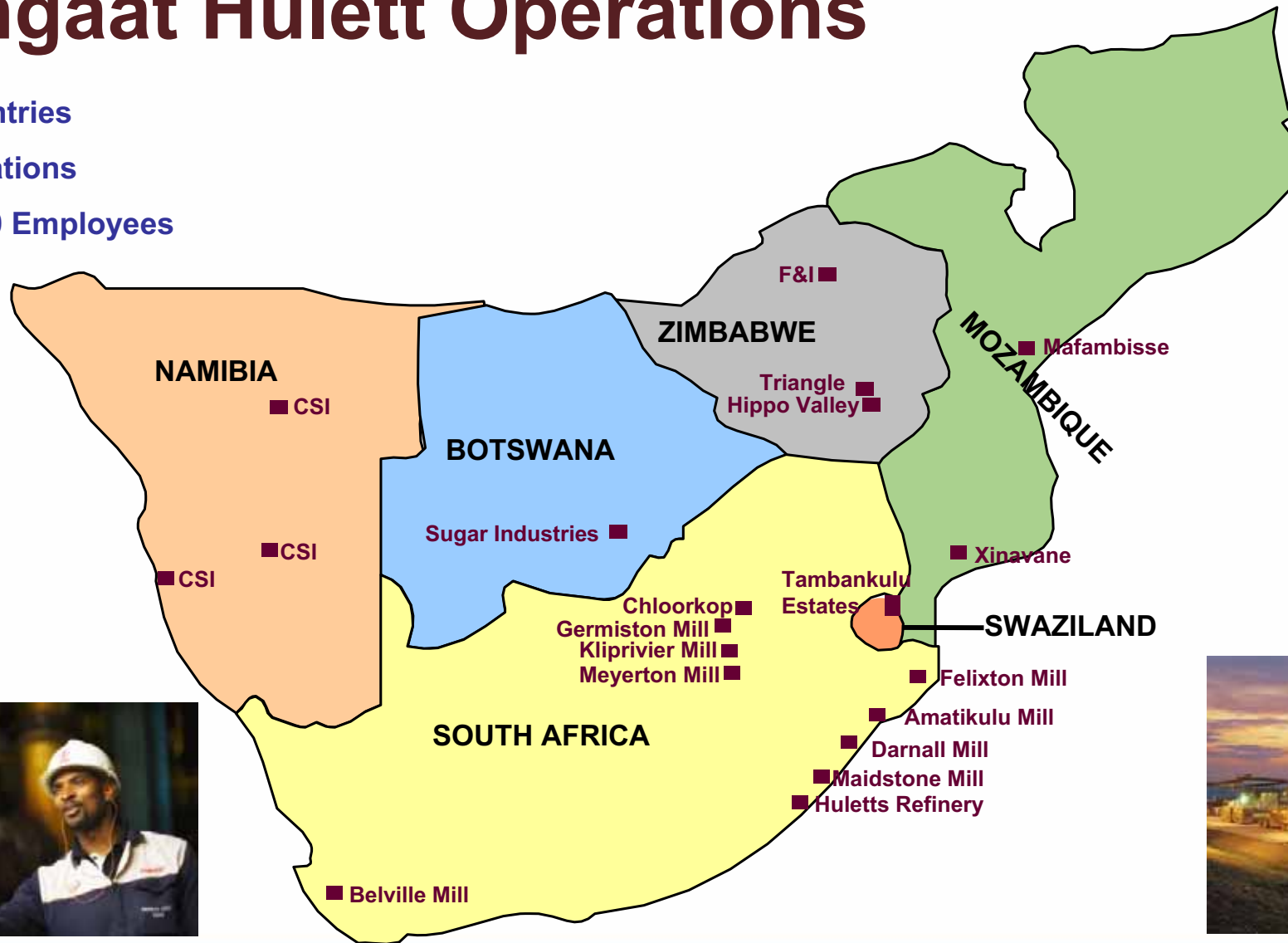
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Tongaat Hulett Operations

6 countries

■ 19 locations

> 35 000 Employees



FINANCIAL RESULTS

Year to 31 December 2008

- Revenue up 11% to R7,1 billion
- Profit from operations up 35% to R1,132 billion
- Headline earnings of R583 million
(2007: R61 million – affected by corporate structuring transactions)
- Annual dividend of 310 cents per share
- Cash inflow from operations of R965 million (2007: R502 million)
- Net debt of R2,356 billion – significant expansion capex funded

Profit from Operations

R million	2008	2007
Sugar operations	606	360
Zimbabwe dividends	35	53
Swaziland operations	44	35
Mozambique operations	250	88
SA agriculture, milling and refining	73	46
Downstream value added activities	204	138
Starch operations	240	105
Land and property developments	263	428
Centrally accounted and consolidation items	23	(55)
	1 132	838

Zimbabwe Sugar Operations

- Dividend accounted
- Dividends received: R35 million (2007: R53 million)

Swaziland - Tambankulu Estate

- Operating profit up 26% to R44 million
- High sugar cane yields
- Increased realisations within the Swaziland industry

Mozambique Sugar Operations

- Operating profit: R250 million (2007: R88 million)
- Expansions - 8 150 hectares planted-up and growing well
- Mafambisse
 - Agriculture plant-up completed
 - TH shareholding increased from 75% to 85%
 - Shareholder loans converted to equity
 - R57 million currency gain realised
- Xinavane
 - Shareholder loans converted to equity
 - R65 million currency gain realised
 - Agriculture: TH owns 100%
 - Mill: TH owns 88%

South African Sugar Agriculture, Milling and Refining

- Contribution to operating profit: R73 million (2007: R46 million)
- Small 2007 and 2008 crops
- Lower export volumes and upward pressure on costs per ton
- Higher export and domestic sales realisations

Downstream and Sugar Value Added Activities

- South Africa - refined exports; domestic marketing sales and distribution; Botswana and Namibia sugar packing and distribution; and Voermol animal feeds
- Contribution to operating profit: R204 million (2007: R138 million)

Starch Operations

- Operating profit: R240 million (2007: R105 million)
- Margins recovered
 - Improvement in international starch and glucose prices
 - Local maize prices trading close to world prices
 - 12 million ton SA crop for 2008 season (2007: 7 million tons)
 - Plantings and weather conditions favourable
- Domestic sales volume growth of 1%
 - Recovery of volumes in coffee creamer sector offset by declines in alcoholic beverage and paper making sectors
- Co-product revenues increased
 - International demand for edible oils and protein for animal feeds

Agricultural Land Conversion and Developments

- Operating profit: R263 million (2007: R428 million)
- Capital profit: R22 million (2007: R48 million)
- Sales of 181 developable hectares (368 gross hectares)
 - 21 hectares in prime locations
 - Operating profit: R7 million / hectare
 - 160 hectares for affordable housing - Cornubia
 - Operating profit: R725 000 / hectare

Income Statement

Centrally accounted and consolidation items

- Recognition of pension fund 2001 employer surplus account - unconditional entitlement in 2008: R86 million
- End January 2009 : Pension fund assets substantially exceed liabilities

Taxation

- Effective tax rate: 24%
 - Lower tax rates in Mozambique
 - Rate change 29% → 28%
 - Non-taxable income – Zimbabwe dividends
 - STC charge on dividends paid

Financing

- Finance Costs

	<u>R million</u>
Interest costs on debt	267
Interest on maize obligation	37
BEE SPV Interest	<u>79</u>
Interest paid	383
Interest capitalised on expansion projects	<u>- 103</u>
Income Statement	<u>280</u>

- Higher interest rates in 2008 and increased borrowing levels

Cash Flow and Balance Sheet

- Cash inflow from operations:

Cash from operating profit after tax

Working capital

<u>2008</u>	<u>2007</u>
R882 million	R677 million
<u>R83 million</u>	<u>- R175 million</u>
<u>R965 million</u>	<u>R502 million</u>

- Capital expenditure in 2008: R1 576 million

At 31 December 2008

- Tongaat Hulett net debt:

- Long-term debt
- Short-term debt net of cash
 - partial utilisation of ongoing committed facilities

R 2 356 million

1 212

1 144

- Tongaat Hulett net debt / equity

54%



Agricultural Land Conversion - KZN



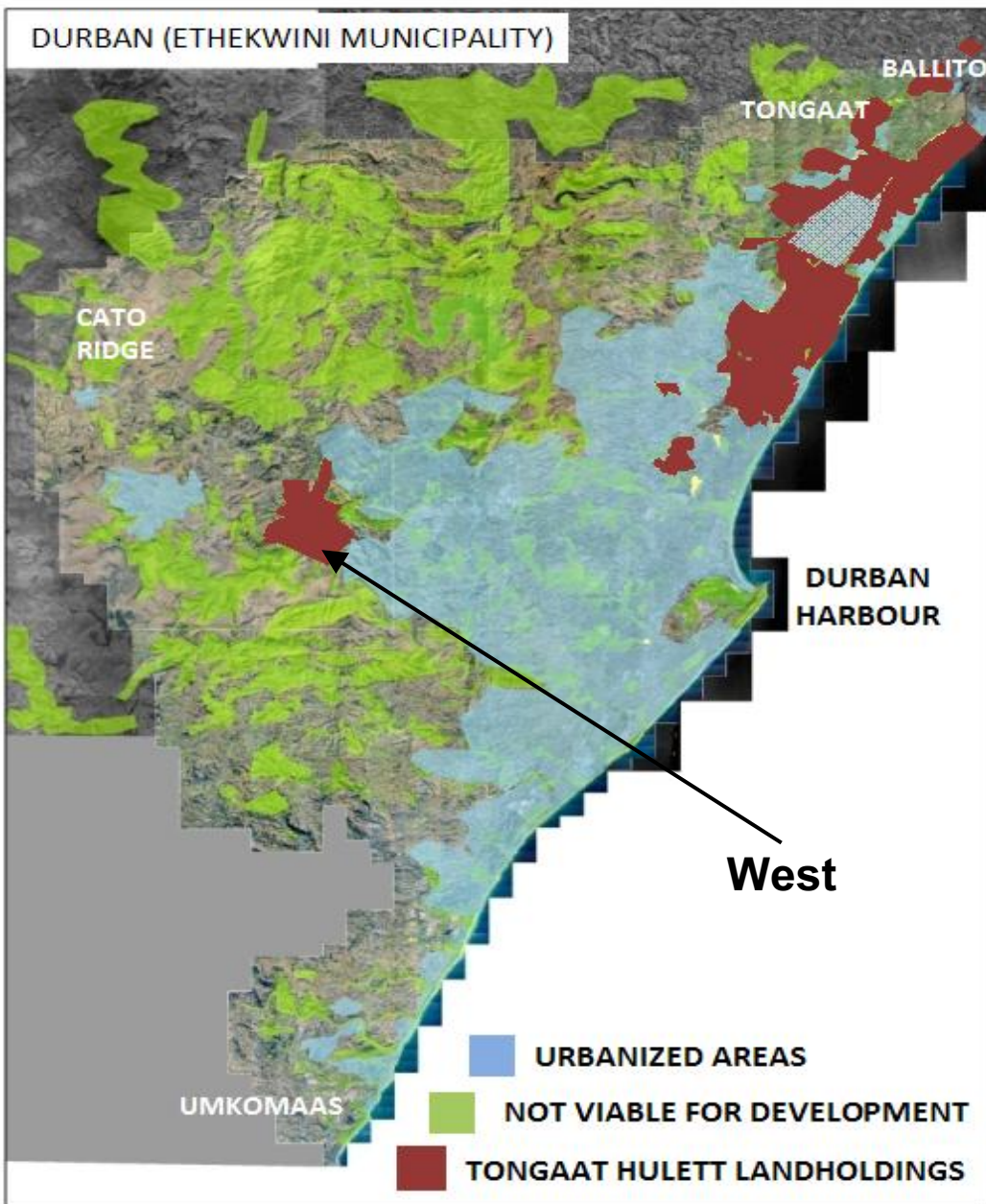
Ridgeside

Total of 14 142 ha (9 089 developable ha)

- **West of eThekweni**
 - 2 050 gross ha (975 developable ha)
- **Coastal corridor**
 - 6 006 gross ha (3 978 developable ha)
- **eThekweni growth corridor**
 - 6 086 gross ha (4 136 developable ha)

Operating profit per developable hectare (2008)

- **Prime locations:** 21 hectares
R7 million / ha
- **Affordable housing:** 160 hectares
R725 000 / ha



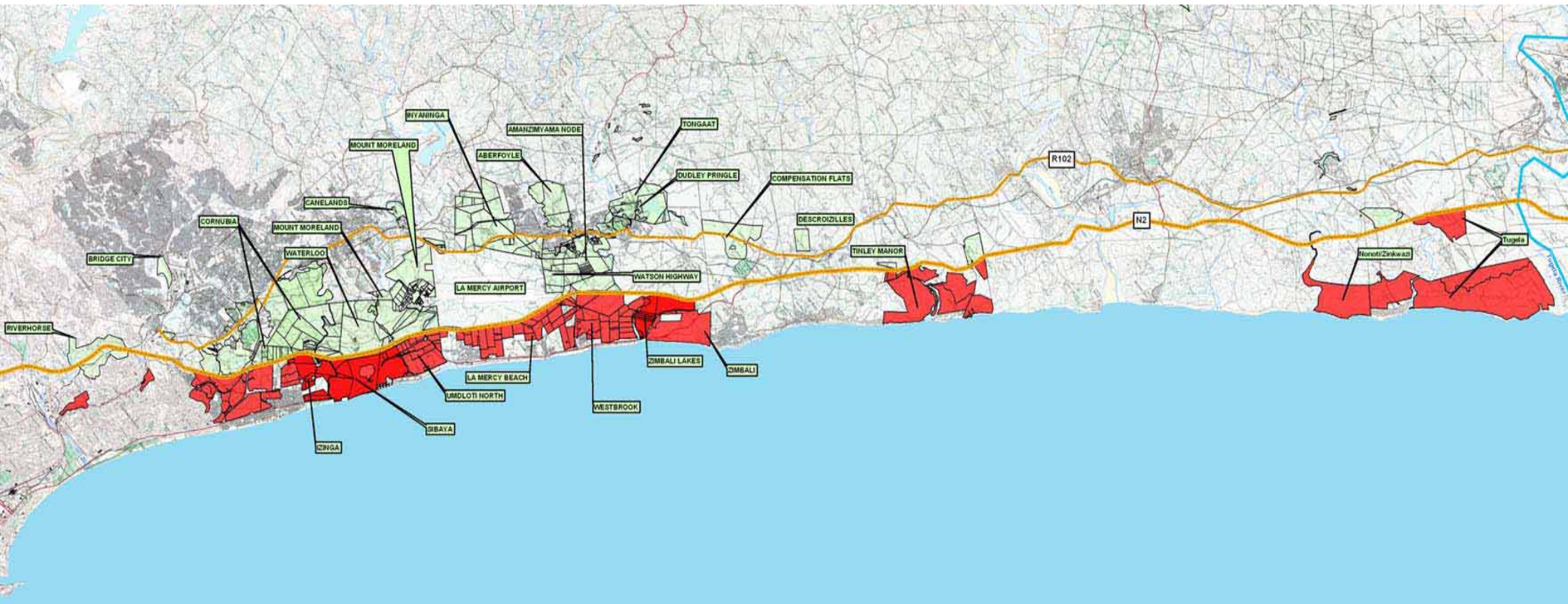
West

Extent

- 2 050 gross hectares
- 975 developable hectares



Coastal Corridor



Umhlanga Ridge Town Centre

Umhlanga Ridgeside

Izinga

Sibaya/Mdloti

Kindlewood

Mdloti North

La Mercy Beach

Westbrook

Zimbali

Zinkwazi

Tinley Manor

Tugela

3 978 developable hectares

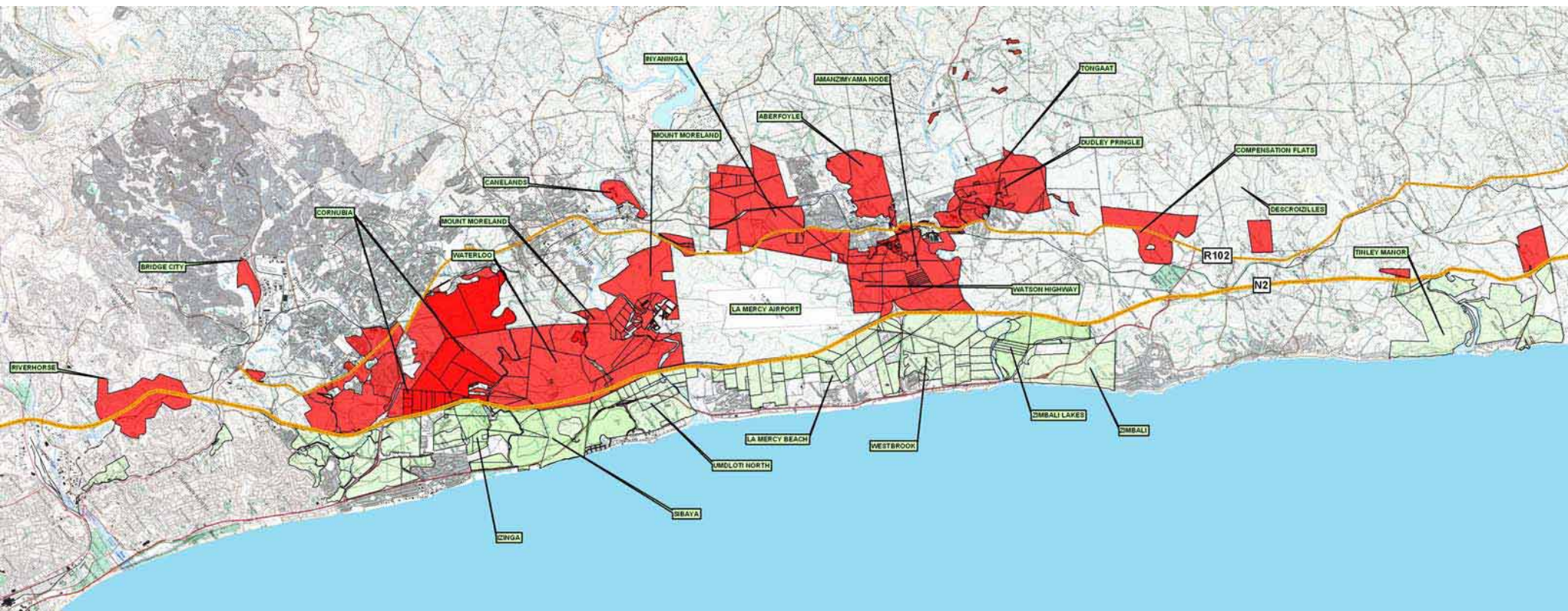
Umhlanga New Town Centre and Ridgeside



Tinley Manor



eThekweni Growth Corridor



Canelands

Riverhorse Valley Business Estate

Bridge City

Cornubia

Sibaya West/Waterloo

Inyaninga

Watson Highway

Amanzimnyama

Dudley Pringle

Mount Moriah

Mt Moreland

Aberfoyle

Compensation Flats

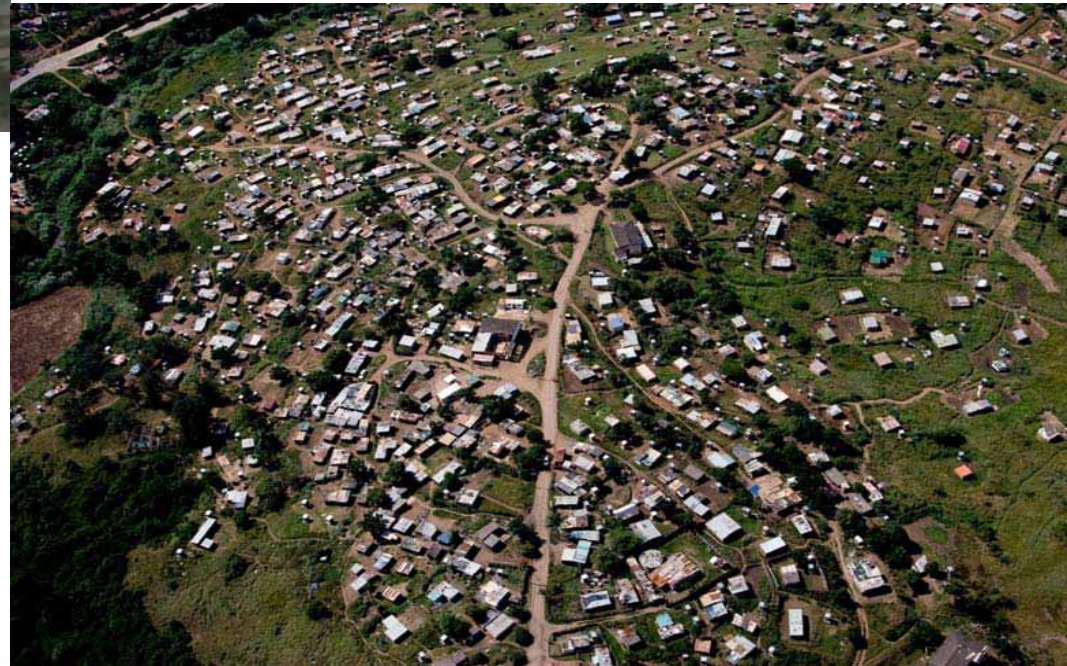
4 136 developable hectares



eThekwini

- > 500 major informal settlements
- > 800 000 people impacted

- **Worldwide urbanization continues unabated**
 - 1950 - 30% of population in cities
 - 2005 - 50% of population in cities
 - 2030 - 60% of population in cities



Opening April 2010



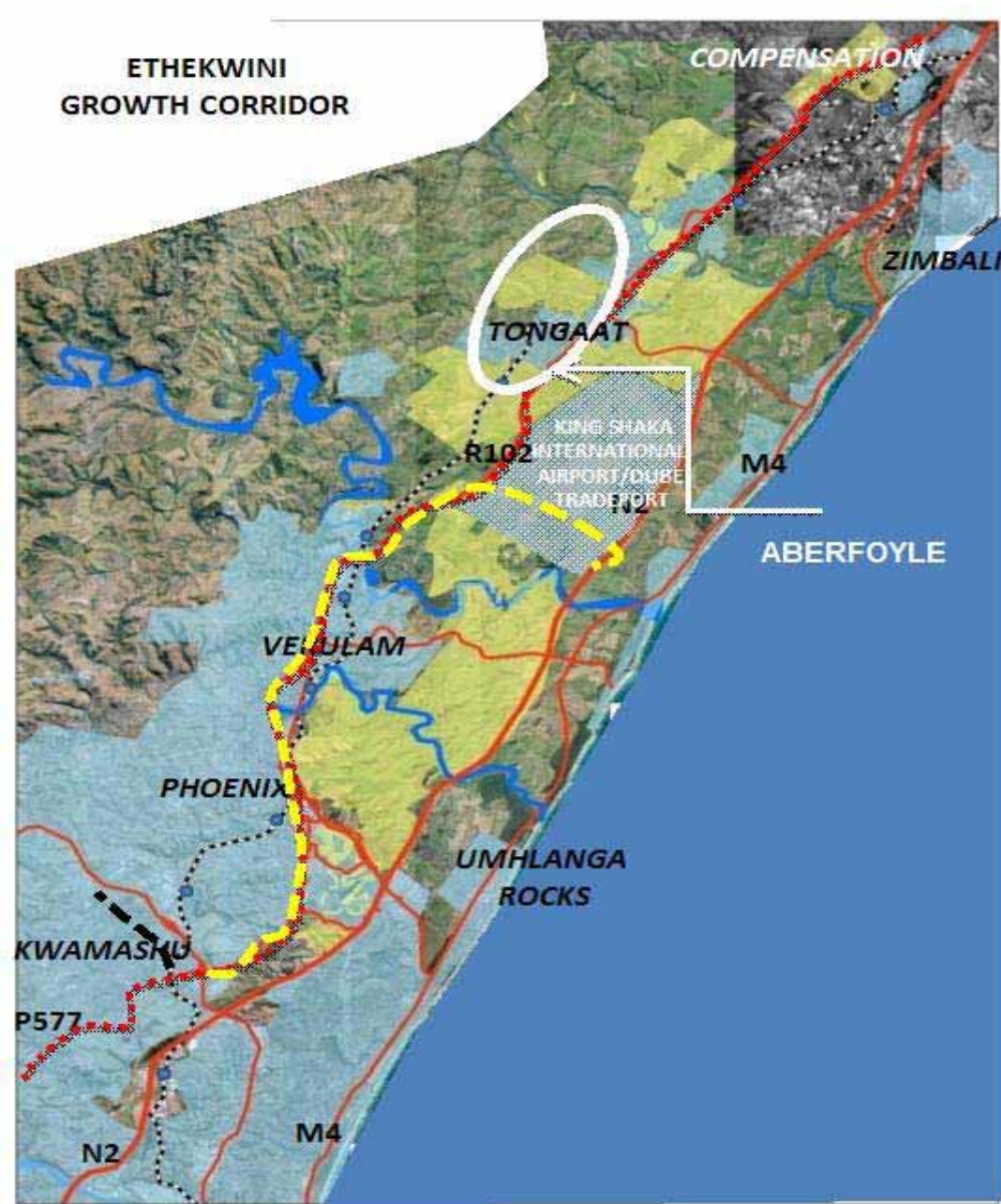
December 2008

- **Tongaat Hulett land in Growth Corridor**
 - **6 086 gross hectares remaining**
 - **4 136 developable hectares remaining**
- **Land sales in 2008**
 - **338 gross hectares**
 - **160 developable hectares**
 - **R725 000 per developable hectare**

Cornubia / Waterloo

- **Extent (remaining)**
 - 1 644 gross hectares
 - 1 253 developable hectares
- **Mixed use development**
 - 80 hectares light industrial
 - Housing, schools and hospitals
 - Intensive agriculture

**ETHEKWINI
GROWTH CORRIDOR**

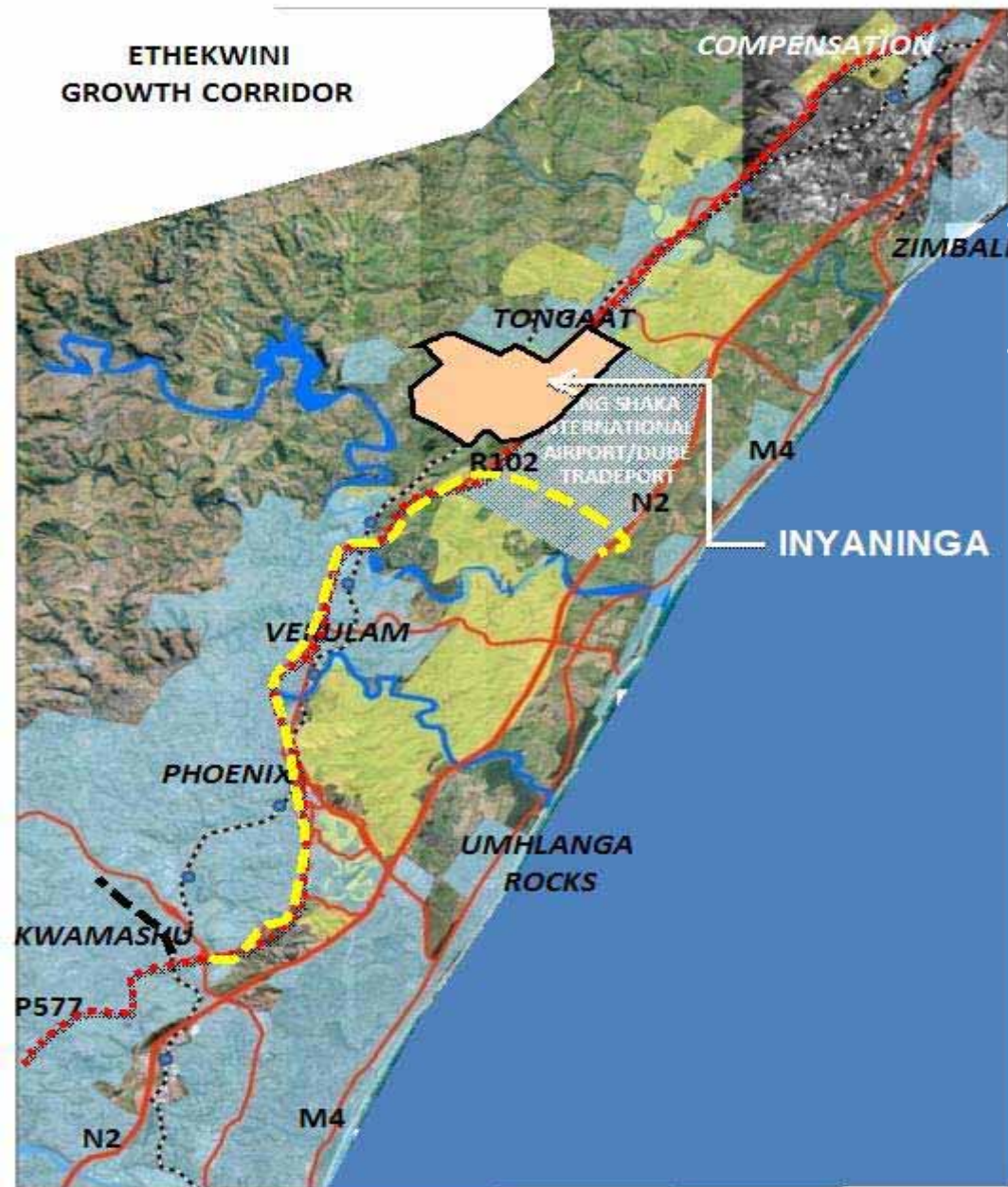


- **Aberfoyle**

- Gross hectares - 324
- Developable hectares - 165

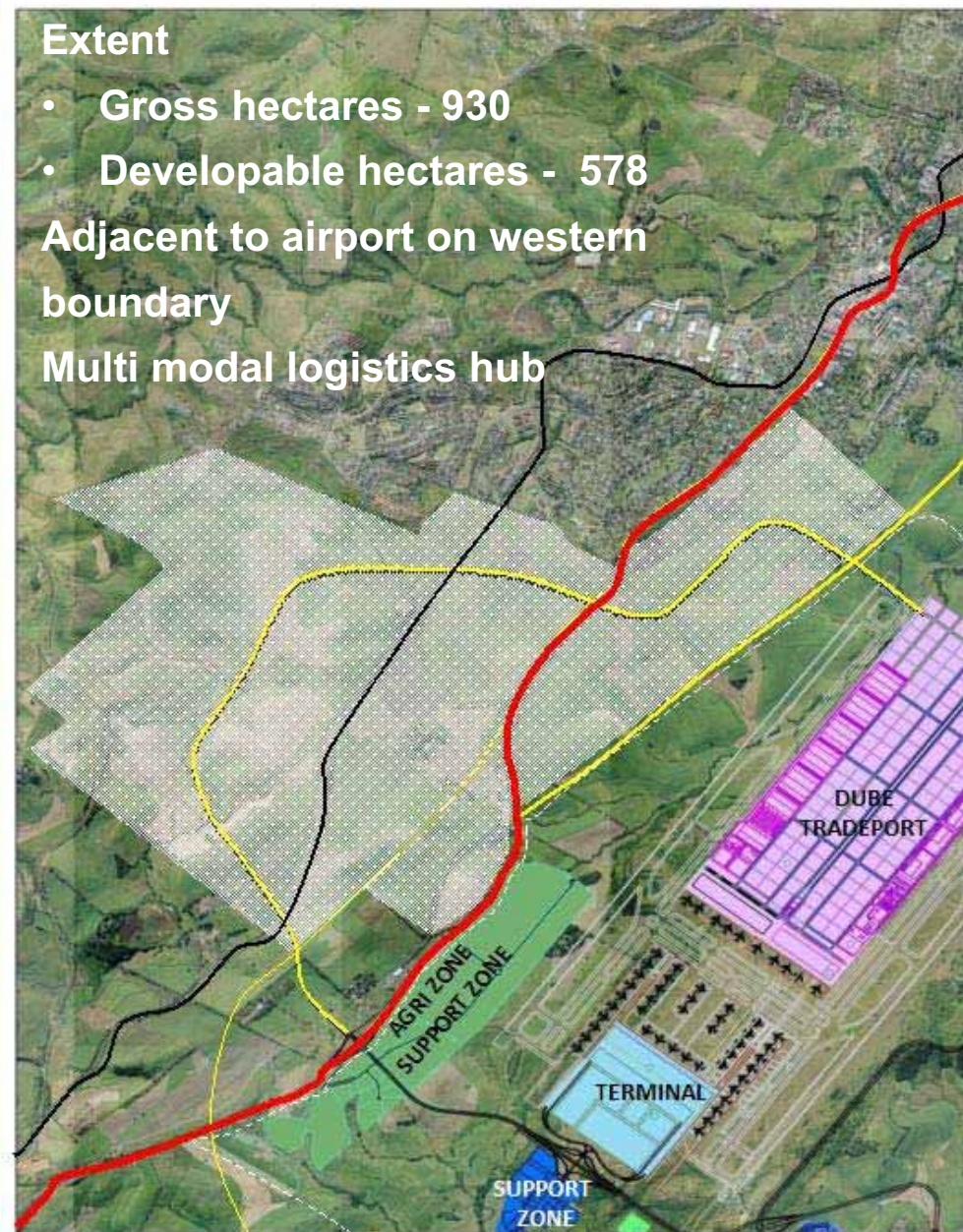


ETHEKWINI GROWTH CORRIDOR

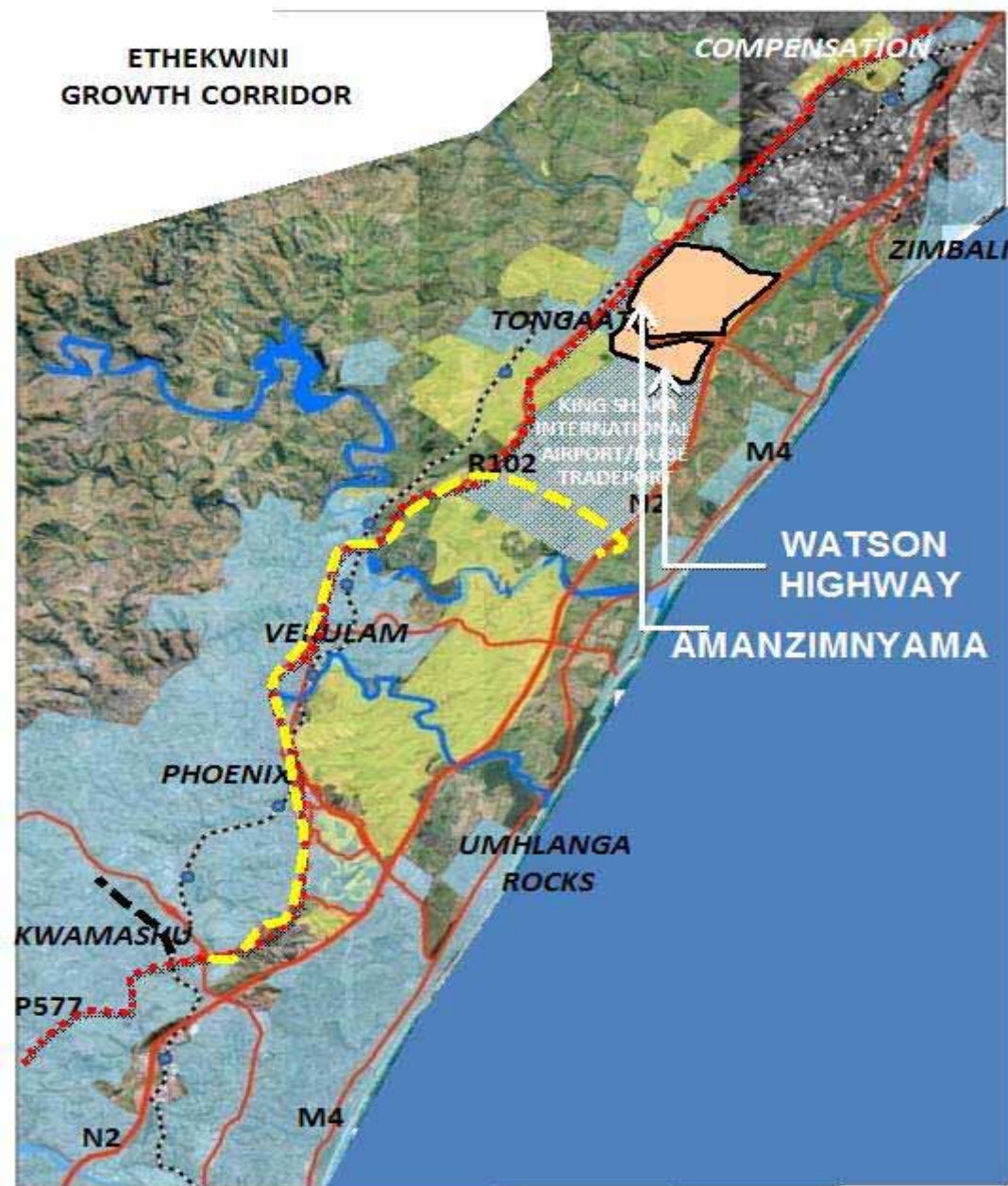


Extent

- Gross hectares - 930
 - Developable hectares - 578
- Adjacent to airport on western boundary
- Multi modal logistics hub

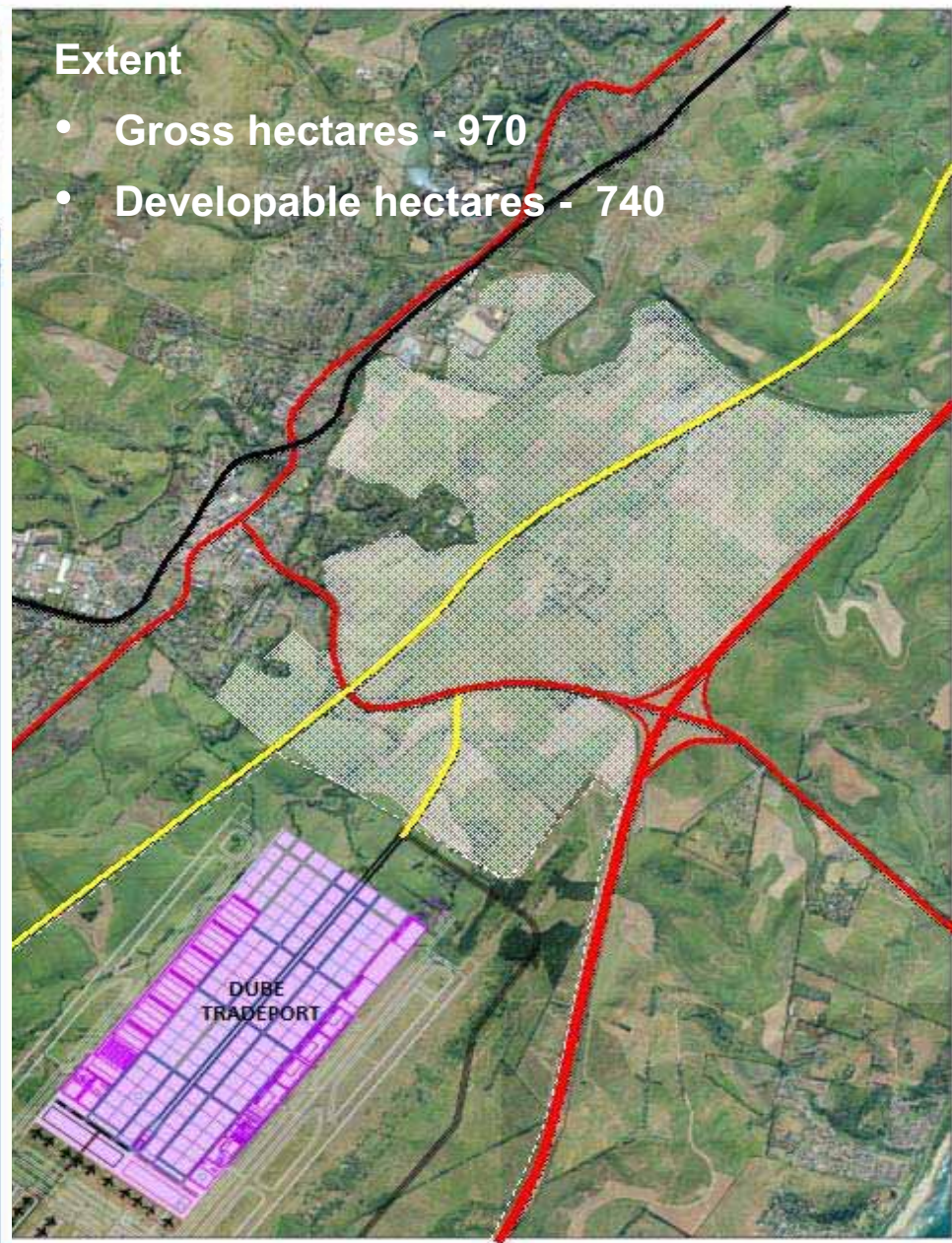


ETHEKWINI GROWTH CORRIDOR



Extent

- Gross hectares - 970
- Developable hectares - 740





Canelands

- Extent
 - 20 hectares platform potential
- Zoned land awaiting EIA approval
- Closest sizable zoned industrial land to the airport
- 3 km from the airport



Riverhorse Valley

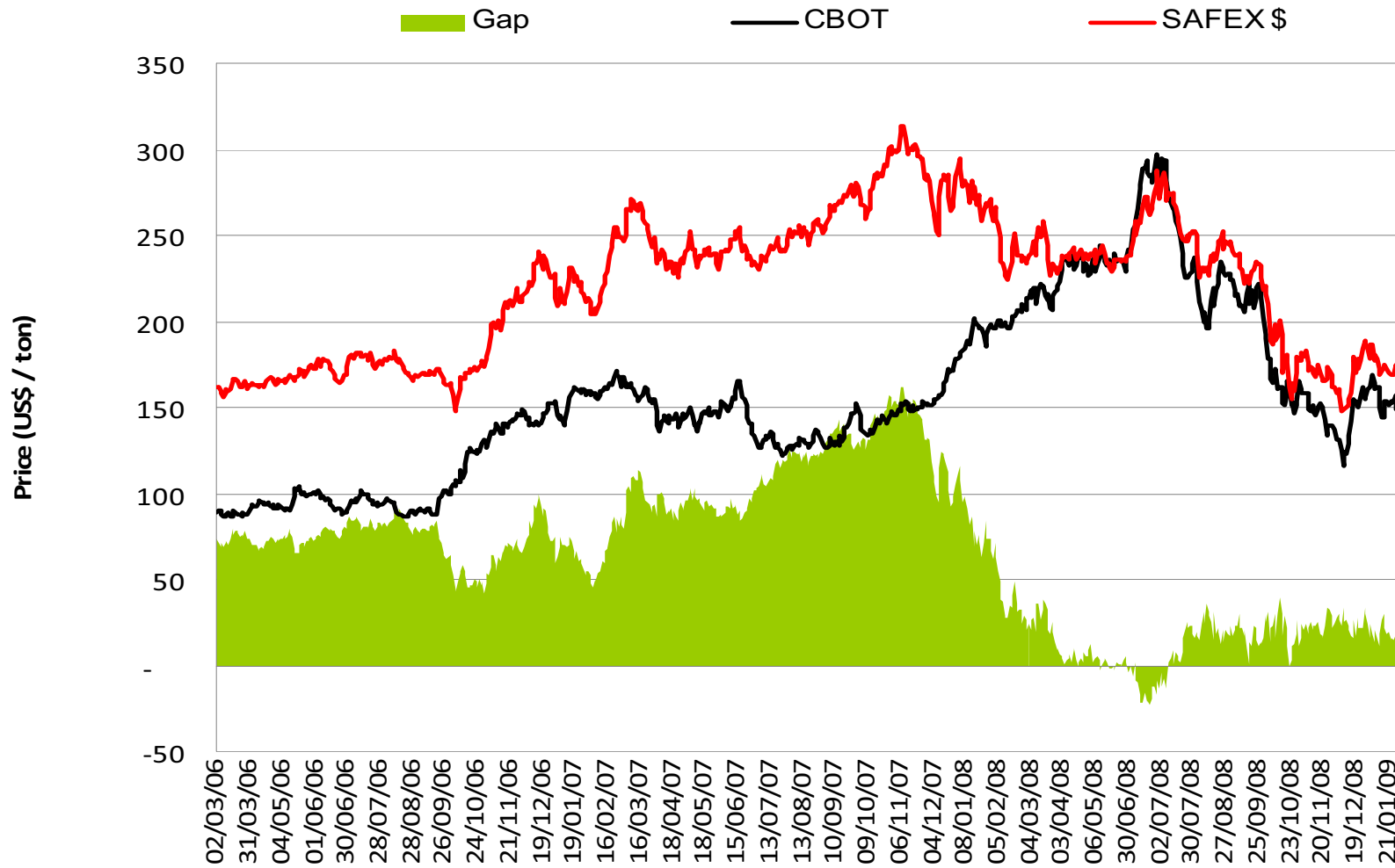
- 72 hectares sold over 2 years
- Revenue - R622 million
- Operating profit - R322 million
- R4,47 million operating profit per hectare



Starch and Glucose



Competitive South African Maize Price



2009 Domestic Market

Back-to-Back deals concluded <ul style="list-style-type: none">• Price Maize when final product price agreed with customer	34,2%
Toll manufacturing agreements <ul style="list-style-type: none">• Product price calculated by cost plus formula with maize cost as an input	31,5%
Gap hedge <ul style="list-style-type: none">• Maize price hedged at an acceptable relative price to International price – reduces risk if RSA maize moves to Import Parity	8,4%
Unpriced <ul style="list-style-type: none">• Maize procured from farmer or trader but no price established pending customer contract	25,9%

Margin Improvement Expected In 2009

- International prime and co-product price decreases offset by maize and weaker exchange rate



Annual sugar consumption growth 2,2% past 26 years
Market size 08/09 - 151 million tons sugar
Supply Demand Balance:
08/09 Deficit > 5 million tons
09/10 ?

Tongaat Hulett's Sugar Sales	2009 Crop
Domestic /Regional	57%
EU	22%
World Market	21%

EU Sugar Market Update

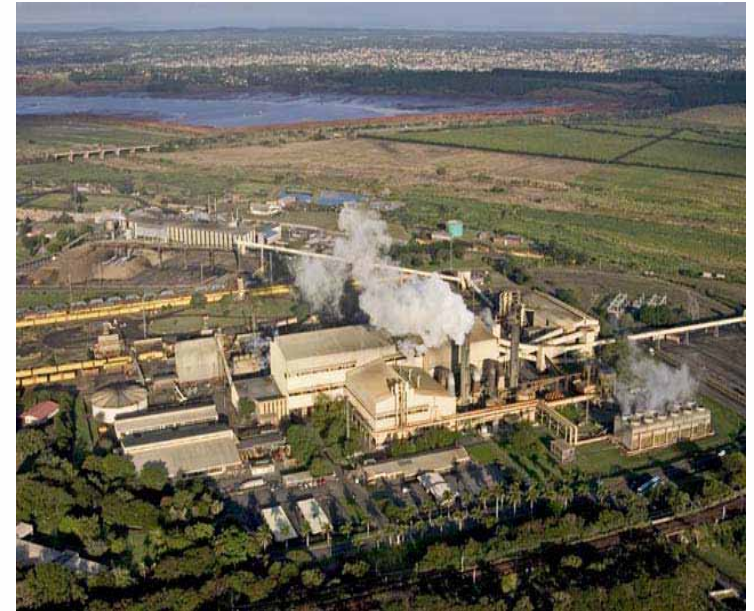
- Long-term supply agreement signed
 - 100 000 tons per annum from Mozambique and Zimbabwe
 - 6-year agreement
 - Price guaranteed above reference price
- Reference price per ton
 - Raw €335,2 (US\$ 20,5c/lb)
 - Refined €404,4 (US\$ 23,8c/lb)

Supply Balance (million tons)		
Season	2005/2006	2009/2010
Production EU	20,1	13,0
Exports	5,2	0
Imports (LDC/ACP)	1,6	3,5

Renewable Energy –

It is a Matter of Time

- Clean energy premium versus CO₂ penalties
- Power contribution to the grid
 - Medium term excluding tops and trash
 - In season 106 MW (554 GWh)
 - Out of season 75 MW (172 GWh)
 - Longer term including tops and trash
 - In season 266 MW (1 416 GWh)
 - Out of season 218 MW (510 GWh)
- SA exports of raw sugar conversion to ethanol
 - 500 000 tons per annum
 - 280 million litres of fuel ethanol per annum
 - 2,5% of SA petrol fuel pool



- Felixton co-generation project
 - EIA completed by July 2009
 - Link to Eskom ready July 2010



Xinavane Expansion

- **Agricultural irrigated cane expansion**
 - Additional 5 598 hectares planted
- **Mill expansion**
 - Shut down since 12 December 2008
 - Early testing scheduled for May 2009
 - Maximise season-end cane crush
- **Capital outflows and revenue inflows**
 - R467 million outflow in H1 2009
 - Revenue inflow > R808 million in H2 2009
- **Sugar volume projected for 2010**
 - 208 000 tons























Agriculture, Milling and Refining – South Africa

- Cane yields
 - 2008 Actual 47 t/cp hectare
 - 2000 Actual 64 t/cp hectare
 - 26% Gap
- Area under cane increased by 8 103 hectares
 - 2007 - 140 518 hectares
 - 2008 - 148 621 hectares
- 2008 hectares 8% less than hectares in 2000
- Land reform
- Mills competing for cane



All About Cane

Downstream Value Added Activities

Food brands on shelf Markinor survey

1. Tastic
2. Hulett's
3. Ace
4. Koo

Only sizable stand alone sugar refinery in Southern Africa

- 600 000 tons per annum
- White premium US\$80/ton
- Refinery cash cost US\$36/ton
- 3 year performance turnaround



Zimbabwe Replacement Value (TH Holding*)



	R million
Cane Growing	
Triangle	1 446
Hippo	697
Sugar Milling	
Triangle	2 014
Hippo	931
Refining and Packing	
Triangle	308
Hippo	86
Ethanol Plant	247
Total	5 729

*TH Holding - Triangle 100%, Hippo 51%

Resurgence - Markets and Pricing

- Domestic and regional market

- Domestic pricing from 1 February 2009 - 32,2 USc/lb*

- Regional prices

Zambia - 33,7 USc/lb

Malawi - 34,0 USc/lb

Mozambique - 26,1 USc/lb

South Africa - 23,6 USc/lb

- Annual per capita consumption

South Africa - 32 kg

Swaziland - 30 kg

Zimbabwe - ? (historically 25 kg)

Mozambique - 9 kg

- Export Market

- Unlimited duty free exports into the EU from October 2009



* Compared to packed and branded world price 18 USc/lb

Resurgence – Volumes

- **Sugar volumes**
 - 2002 - 580 000 tons 2010 - 411 000 tons
 - 2008 - 298 000 tons 2012 - 600 000 tons
- **Sugar cane recovery**
 - Own estates - yields (tons cane per hectare)
2008 - 100 2012 - 115
 - Outgrower cane
 - Revenue stream re-established
 - EU funding of €45 million - pre conditions
 - Rule of law
 - Security of land tenure
 - Price controls no longer in place
- **Mill recovery**
 - Operating at full crushing capacity by 2012
 - Capital cost to achieve 600 000 tons sugar per annum - R70 million



Profitability

2008 Money	2010	2012	TH 2008
Production (tons sugar)	411 000	600 000	
Operating Profit (TH Share)	> R540 million	> R790 million	R 1 132 million
Headline earnings (TH Share)	> R350 million	> R510 million	R583 million



ADDITIONAL INFORMATION

Bridge City



- PPP with eThekweni municipality
- Mixed use high density town centre
- Multi modal transport hub
- Regional public hospital
- 40 000m² shopping centre under construction
- R700 million public infrastructure
- Magistrate court land sale
 - R2,5 million per developable hectare

Umhlanga Ridge



- Only 2 sites remaining for sale
- Increasingly important regional centre role
- High density and critical mass
- Catalyst for development on surrounding land

Umhlanga Ridgeside



- Commercial bulk 250 000m²
- 3000 residential units : 300 000m²
- Resort hotel 80 000m²
- Sold to date - 271 378m² bulk
R565,5 m revenue
- Sales Q4 2008: 21 954m² , R76,5 million
- M41 interchange under construction -
completion March 2010
- Office Park infrastructure commenced -
completion March 2010
- Two office blocks and hotel development
commenced

Izinga – Umhlanga Ridge



- Prime location – convenience of Umhlanga Ridge
- Includes affordable market product
- First phase launched late 2008
- R15 million sales achieved

IzYnga

Kindlewood



- 550 unit development
- Five phase development
 - Phase 1 fully serviced - sold out
 - Phase 2 fully serviced - 52% sold



Sibaya – Mdloti (first phase)



- “One Planet Living” sustainable principles
- 8km from new airport – access via N2, M4 and M27
- EIA / Planning approvals nodes 1 and 5 anticipated H1 2009
- 2010 potential



Zimbali South & West



- Additional recreational facility complete by June 2009
- Final few sites remaining
- 7-star Fairmont Zimbali Hotel opening on track for October 2009
- Well established Zimbali brand being extended to Zimbali lakes

Zimbali Lakes



- Interest established for phases 1 and 2 in November 2008
- Office Park sales of R24,7 million
10 924m² Q4 2008
- Mixed-use Resort node with beach access and man-made lake adjacent to river

Tinley Manor



- 6 km coastal frontage / North and South bank of Mhlali River
- N2 accessibility – convenience of new airport
- Preparation for EIA and zoning under way
- Land acquisitions consolidated and enlarged the node – infrastructure efficiency improved
- Hotel, residential and retail
- Golf course, small craft harbour potential

Starch Operations

Financial Data

R millions	FY 2008	FY 2007
Revenue:	2 150	1 679
Domestic	1 554	1 296
Exports	130	63
Co-Products	466	320
Operating Profit	240	105

Volume Data

Volume (tons)	FY 2008	FY 2007
Local Starch	96 720	97 304
Local Glucose	336 539	332 302
Total Local	433 259	429 606
Export Starch	18 823	12 376
Export Glucose	8 199	6 849
Total Exports	27 022	19 225
Co-Products	157 222	153 525
Total	617 503	602 356

Co-product Pricing

Co-product	Price movement 2008 on 2007	Major price drivers
Germ	Up 80,6%	50%: International edible oil price 50%: Local maize
Gluten-60	Up 31,5%	International protein (Soya, fishmeal) prices
Gluten-20	Up 29,1%	Local maize price

Outlook for RSA Maize : 2008/09 Season

	2008/09	2009/10 Forecasts		
Hectares Planted ('000 ha)	2 799	2 596	2 596	2 596
Yield (t/ha)	4,54	4,00	4,30	4,54
Opening Stocks	1 070	2 213	2 213	2 213
Production ('000 tons)	12 700	10 384	11 163	11 785
Consumption – Market	(8 600)	(8 600)	(8 600)	(8 600)
Consumption – On farm	(957)	(800)	(800)	(800)
Exports	(2 000)	(2 000)	(2 000)	(2 000)
Ending Stocks	2 213	1 197	1 976	2 598

Final Outcome Yield Dependent: Current weather is supporting higher yield scenarios

Sugar Production

Tons '000	2000	2001	2002	2003	2004	2005	2006	2007	2008
South Africa	969	755	860	652	723	753	666	604	644
Mozambique	39	36	71	82	85	115	106	108	108
Swaziland RSE	41	45	50	54	50	56	55	58	56
Zimbabwe *	282	264	296	264	222	236	240	349	298
Total	1 331	1 100	1 277	1 052	1 080	1 160	1 067	1 119	1 106
Capacity	1 500	1 500	1 500	1 500	1 500	1 500	1 500	1 785	1 785
% of Capacity	89%	73%	85%	70%	72%	77%	71%	63%	62%

* Triangle only up to 2006

Expanded Sugar Production

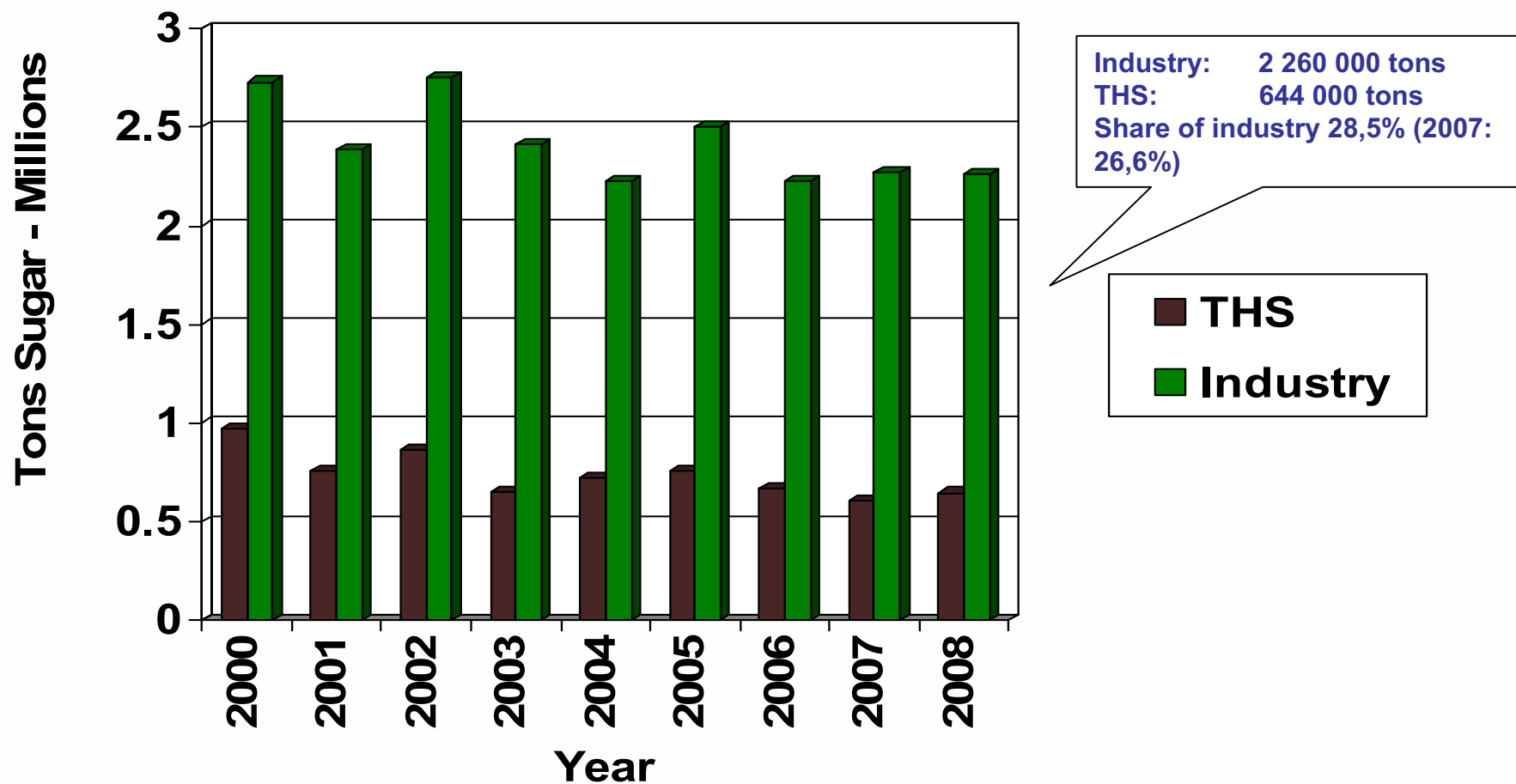
Tons Per Annum	2008 Production	2009 Capacity
South Africa	644 000	> 1 000 000
Zimbabwe	298 000	> 600 000
Mozambique	108 000	> 300 000
Swaziland RSE	56 000	> 60 000
Total	1 106 000	> 1 960 000

Hectares under Cane

	Tongaat Hulett	Outgrowers	Total
South Africa (2008)	11 417	137 204	148 621
Mozambique (2010)	21 521	4 299	25 820
Zimbabwe (current)	30 055	16 279	46 334
Swaziland (current)	3 750	-	3 750
TOTAL	66 743	157 782	224 525

- To date 11 700 hectares transferred to new black farmers in South Africa

Sugar Production - SA



Total Volumes – THS (SA)

Tons sugar	FY 2008	FY 2007
Opening stock	206 493	226 120
Production	644 173	604 313
Prior season adjustment	(517)	(459)
Sugar purchased in	87 172	82 367
Sales	(675 848)	(705 848)
Closing Stock	261 473	206 493

Local Market Volumes – THS (SA)

Tons sugar	FY 2008	FY 2007
Opening stock	144 397	150 243
Production	407 970	372 122
Prior season adjustment	(474)	85
Sugar purchased in	87 172	82 367
Sales	(466 398)	(460 420)
Closing Stock	172 667	144 397

Export Volumes – THS SA

Tons sugar	FY 2008	FY 2007
Opening stock	62 096	75 877
Production	236 203	232 191
Prior season adjustment	(43)	(544)
Sales	(209 450)	(245 428)
Closing stock	88 806	62 096

Raw Export Realizations: South Africa

Raw Sugar	FY 2008	FY 2007
Price in US c/lb*	12,12	11,77
Average Rand/US\$ realisation	R8,05	R7,12
Average Rand realisations per ton	R2 316	R1 944

- Table includes raw sugar for refined exports
- * Excludes preferential markets and premiums

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 & adult literacy
 - Economic vulnerability – 5 indicators
 - Population < 75 million