

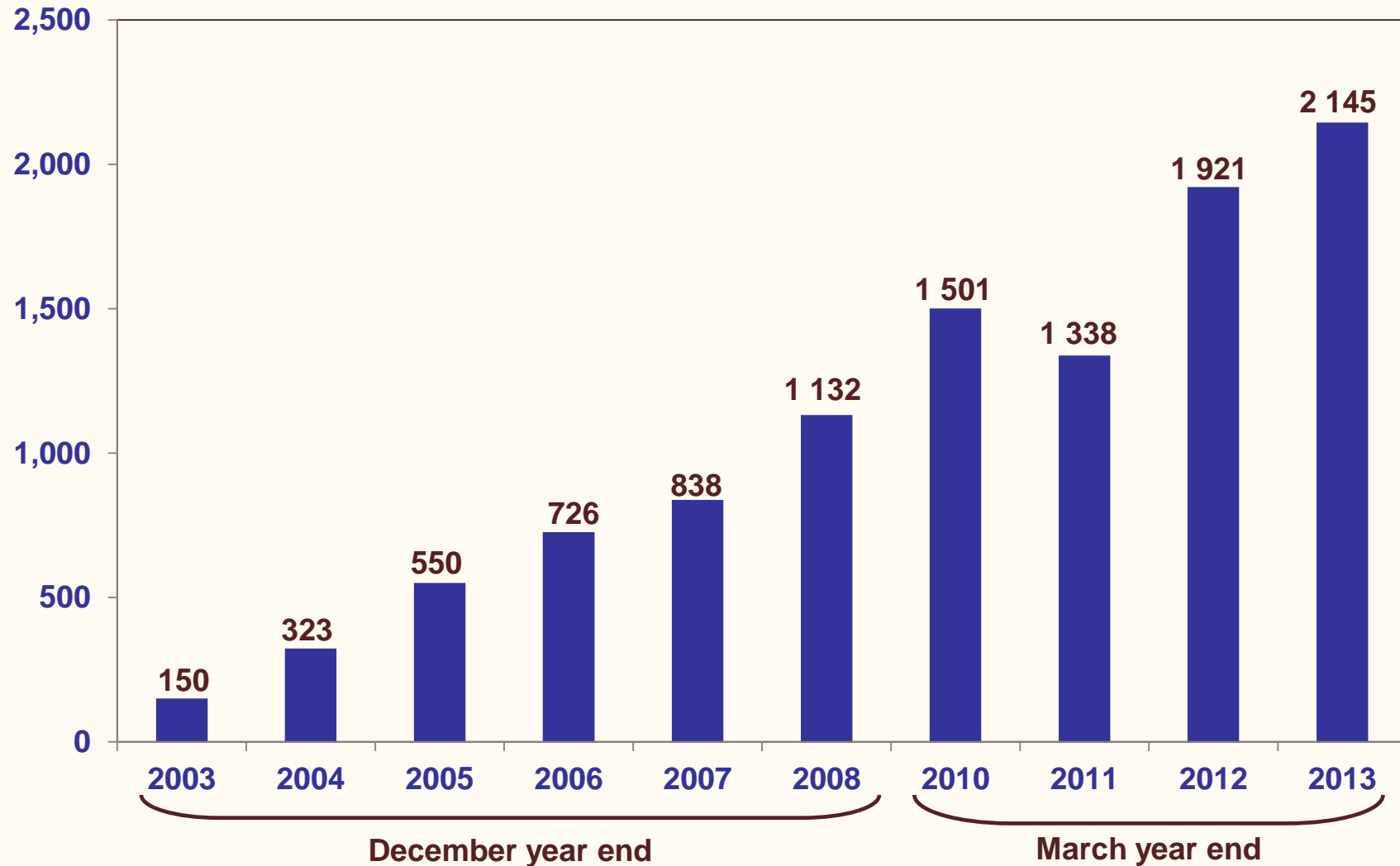
MAY 2013



 *Tongaat Hulett*

Profit from Tongaat Hulett Operations

R million





FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013



 *Tongaat Hulett*

Financial Highlights

R million	12 months to 31 March 2013	12 months to 31 March 2012	% Change
Revenue	14 373	12 081	+ 19,0%
Profit from Operations	2 145	1 921	+ 11,7%
Cash Flow from Operations	2 126	1 363	+ 56,0%
Headline Earnings	1 058	891	+ 18,7%
Annual Dividends per share	340 cents	290 cents	+ 17,2%



Tongaat Hulett		Profit from Operations		Revenue	
R million	12 months to 31 March 2013	12 months to 31 March 2012	12 months to 31 March 2013	12 months to 31 March 2012	
Sugar operations					
SA agriculture, milling, refining and downstream value added activities	308	354	5 739	5 269	
Zimbabwe	630	621	3 222	2 266	
Swaziland	76	51	207	163	
Mozambique	421	402	1 688	1 437	
Starch operations	388	363	2 859	2 580	
Land conversion and developments	350	215	658	366	
Total of Operating Areas	2 173	2 006	14 373	12 081	
Centrally accounted and consolidation items	(28)	(85)	-	-	
Total	2 145	1 921	14 373	12 081	



Starch Operations

- Operating profit: R388 million (2012: R363 million) +7%
- Starch and glucose processing margins favourably influenced by higher co-product realisations and local maize costs close to international prices
- Overall sales volumes flat compared to prior year
- Improved manufacturing plant performance and cost focus



Land Conversion and Developments

- **Revenue generated from 65 developable hectares sold**
 - Cornubia Industrial, Izinga, Umhlanga Ridge Town Centre, Ridgeside, La Lucia Ridge Office Estate, Zimbali, Kindlewood and Mount Moriah
- **Financial results for the year to 31 March 2013**
 - Profit from operations: R350 million (2012: R215 million) **+63%**
 - Capital profit: R16 million (2012: R3 million)



Zimbabwe Sugar Operations

Triangle and Hippo Valley Estates

- Profit from operations: R630 million (2012: R621 million)
US\$ 74 million (2012: US\$ 84 million)
- Revenue per ton (US\$) 2012/13 vs 2011/12: unchanged on average
- Volume growth: positive operating gearing
 - Milling costs have a high proportion of fixed costs
- Cost increases in milling and own agricultural estates (10%)
 - Negative US \$19 million effect
- Cane valuation impact on income statement 2012/13 vs 2011/12
 - Negative US \$20 million effect
- Positive impact of exchange rate on converting of US Dollar earnings to Rands



Mozambique Sugar Operations

- Profit from operations: R421 million (2012: R402 million)
Metical 1,408 billion (2012: Metical 1,493 billion)
- Production levels - consolidation after last year's 42% increase
- Margin pressure
 - Nexus of selling price changes and input cost pressures
 - Export proceeds negatively affected by strength of Metical vs Euro
- Positive impact of exchange rate on conversion of Metical earnings to Rands



South African Sugar and Downstream Operations

Profit from operations: R308 million (2012: R354 million)

- **Agriculture, sugar milling and refining: R52 million (2012: R93 million)**
 - Sugar production unchanged at 486 000 tons
 - Reduced local market sales
 - Margin pressure
- **Downstream sugar value added activities: R256 million (2012: R261 million)**
 - Voermol animal feeds – recovery of volumes
 - Refined exports from South Africa
 - South African domestic marketing sales and distribution - Huletts brand
 - Botswana and Namibia sugar packing and distribution
 - Blue Crystal and Marathon brands



Cash Flow - Past 6 Years

July 2007 to March 2013

	<u>R billion</u>
• Operating Cash Flow (before root planting)	+ 9,5
• Working Capital	- 0,1
• Capex and sugar root investment	
- New plant and equipment	- 4,3
- Replacement capital expenditure	- 2,0
- Roots	- 1,8
• Interest and tax	- 3,4
• Dividends	- 1,7
• Increase in Net Debt	<u>- 3,8</u>



New plant and equipment	4,3
New roots/accelerated replant/replacement	<u>1,8</u>
	6,1
Replacement capex	<u>2,0</u>
Total (R billion)	<u>8,1</u>

Net Debt at 31 March 2013

R4,6 billion

- Long-term debt to replace short-term debt successfully concluded

No new equity issued to fund expansion and growth

Land Conversion and Developments

Picking up the Pace



 *Tongaat Hulett*

Accelerating Improvement in Fundamentals and Prospects

- Major sales prospects in 2013/14 from active developments
 - Izinga/Kindlewood
 - Cornubia South Industrial
 - Umhlanga Ridge Town Centre
 - Ridgeside
- Bulk sale interest increasing
 - Substantial bulk offer turned down
 - Airport expansion and consolidation
 - Southern expansion
 - uShukela Highway
 - Sibaya Nodes 1 and 5
 - 126 developable hectares
- Further hectares becoming active
 - 80% of 1 039 hectares by March 2014
 - Cornubia Town Centre retail catalyst



Izinga / Kindlewood - 177 developable hectares available

R598 million net cash profit

- Two new Izinga phases released March
 - Markets - inland and sea facing
 - > R60 million net cash profit (March 2013)
- Sales approach under review
- Phase 3 Kindlewood launched



Cornubia South

- **Industrial and Business Estate**
 - **Permission to sell March 2012**
 - **60 developable hectare sold to date**
 - **First transfers March 2013**
 - **First factory opening late 2013**
 - **42 developable hectares available - sell out 2013/14**
 - **Value optimisation**



Umhlanga Ridge Town Centre - 18 developable hectares available

R314 million net cash profit



- New private hospital and 4 high density residential developments underway
- Buyer competition for further residential opportunities

Umhlanga Ridgeside - 62 developable hectares available

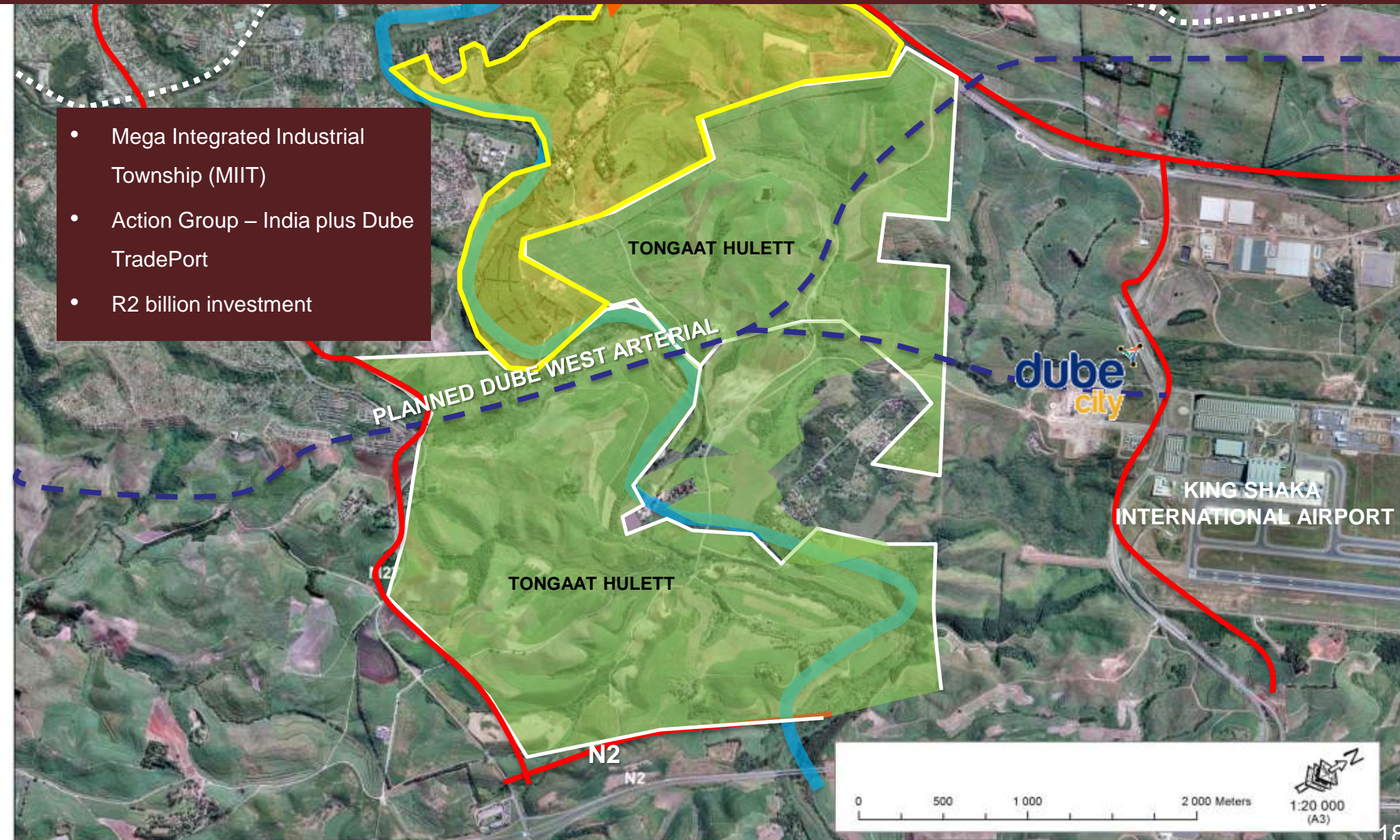
R962 million net cash profit



- 0,6 developable hectare sold March 2013
- Current negotiations - R60 million net cash profit
- Possible semi-bulk sale - 20 developable hectare

King Shaka International Airport - Southerly Expansion

- Mega Integrated Industrial Township (MIIT)
- Action Group – India plus Dube TradePort
- R2 billion investment



uShukela Highway - KSIA Northern Expansion



- 49 developable hectares at end of runway
- Bulk sale
- Trade Zone access road
- EIA with DTP well advanced

Sibaya Nodes 1 & 5



Bulk Sale

Yes?

R6,8 million per developable
hectare R850 million

Maybe?

R5,4 million per developable
hectare R675 million

No?

- “Shovel ready” on 125 developable hectares
- Significant market interest for own development sites
- Serious enquiries for bulk sales

Cornubia Town Centre



- Phase 1 retail near Mt Edgecombe – 2013/14 target activation and sale
- EIA well advanced both phases



Starch Operations

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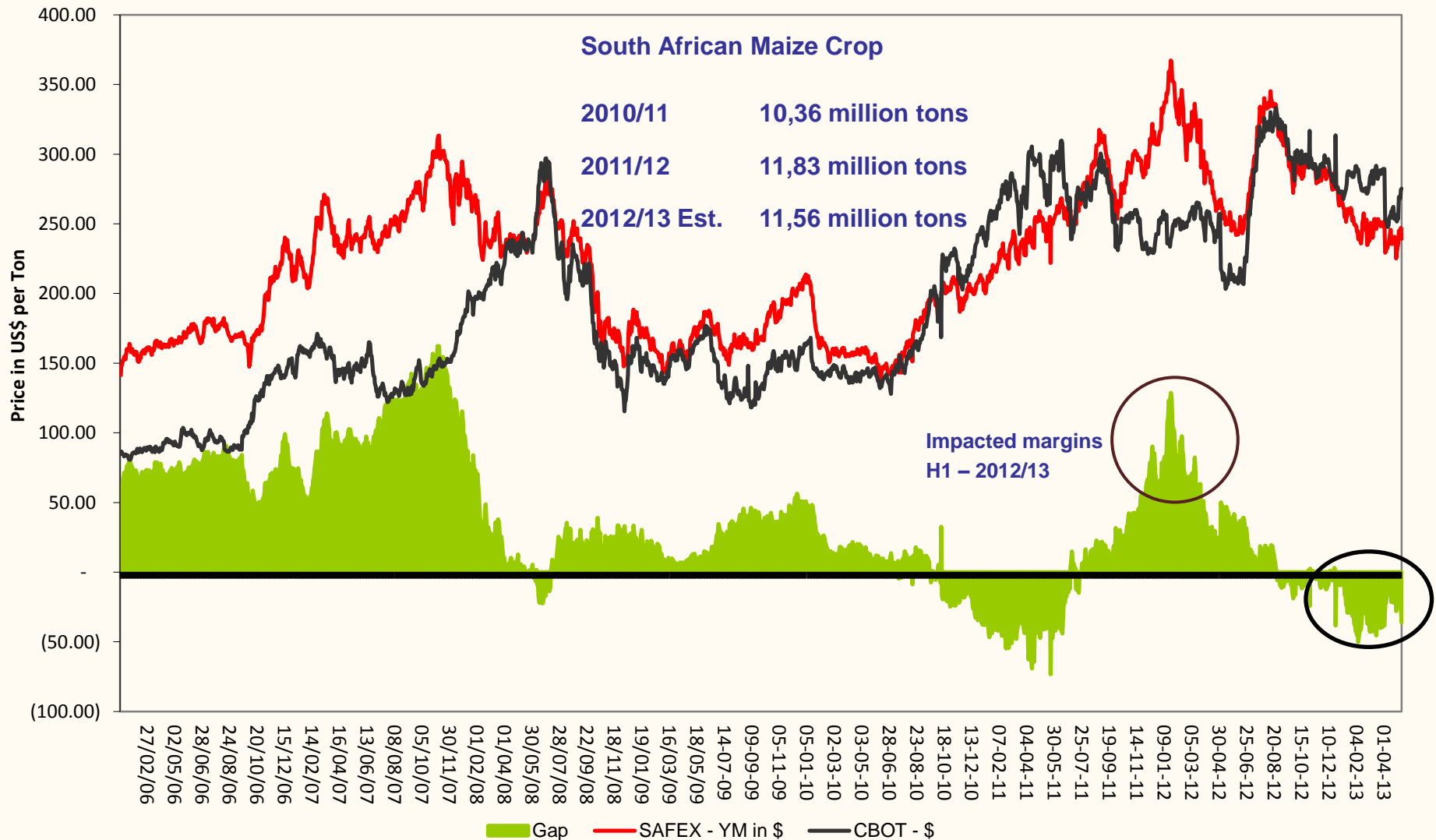
Starch and Glucose

- Competitiveness of local maize industry remains in line with international markets
- Margins expected to remain largely in line with H2 2012/13
- Expanding product range and downstream capacity
 - Phase 1 modified starches investment commissioning June 2013
 - Acid/Enzyme project for coffee creamer expansion
- Operations
 - Efficiency project - success in yield and protein recoveries
 - Steam generation efficiency offset these gains due to coal quality issues and project commissioning issues at Bellville operation



Tongaat Hulett Starch

Maize





Sugar Operations

 *Tongaat Hulett*



Progress - Growing Sugar Production

Unutilised Milling Capacity > 850 000 tons (Replacement - R13,6 billion)

Tons Raw Sugar	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Early Season Forecast
South Africa	455 000	486 000 (7%)	486 000	605 000 (24%)
Zimbabwe	333 000	372 000 (12%)	475 000 (28%)	460 000
Hippo	131 000	170 000 (30%)	228 000 (34%)	
Triangle	202 000	202 000	247 000 (22%)	
Mozambique	164 000	233 000 (42%)	235 000	245 000
Mafambisse	45 000	63 000 (40%)	60 000	
Xinavane	119 000	170 000 (43%)	175 000	
Swaziland RSE	54 000	59 000 (9%)	58 000	58 000
Total	1 006 000	1 150 000	1 254 000	1 368 000
Growth		144 000 (14%)	104 000 (9%)	114 000 (9%)

RSE - Raw Sugar Equivalent



South Africa

- Improving our understanding of the +/- 130 000 hectares supplying our mills
 - Land verification exercise underway
- Electricity and ethanol regimes
 - Key consideration - job creation (3,5 new hectares = 1 new job)
 - MOU with Ingonyama Trust Board (ITB)
 - 200 000 hectares available for cane development
 - Control 2,7 million hectares
 - R132 million in grant funding received in the past 4 years



South Africa - Cane

Net hectare position	Actual 2011/12	Actual 2012/13	Estimate 2013/14	Estimate 2014/15	Estimate 2015/16
Cumulative new plantings - milled (2011/12)	4 090	9 696	18 383	29 937	40 437
Cumulative cane losses/gains (2007/08 to 2011/12)	13 948	14 732	17 757	18 134	18 254
Net hectares	- 9 858	- 5 036	626	11 803	22 183



South Africa

New Plantings

Categories - new hectares	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Target 2013/14 #	2014/15	2015/16
Small scale farmers	1 636	3 689	4 411	4 297	4 445		
Commercial and medium scale farmers	630	371	1 831	1 884	635		
Tongaat Hulett leased land	1 824	1 546	2 445	5 373	5 420		
Total	4 090	5 606	8 687	11 554	10 500		
Year that new planting is milled: cumulative			4 090	9 696	18 383	29 937	40 437



Assumes normal weather conditions

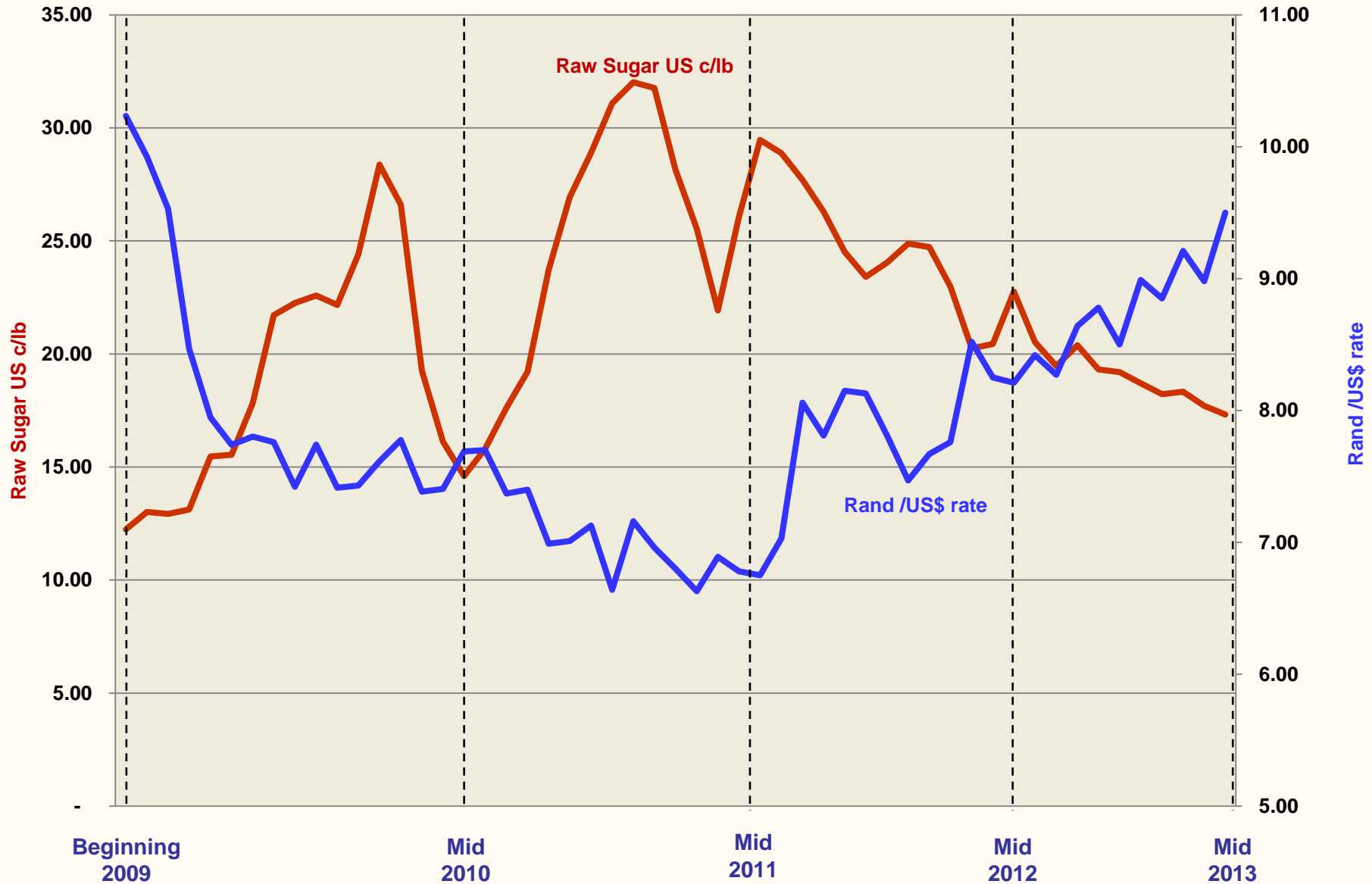


Zimbabwe

- **Water - three main water supply systems providing water for 44 814 hectares**
 - **Mutirikwe - Tokwe** **77%**
 - **Manjirenyi - Siya** **18%**
 - **Manyuchi** **5%**
- **New Tokwe-Mukozzi dam impounding water in 2013**
- **Socio-economic-political dynamics**



Volatility: World Sugar Price / Currency



EU Market

Current Regime (October 2009)

- No end date to unlimited duty free access (ACP/LDC countries)
- In place to September 2015
- Beyond September 2015?
- Structural review started
- Protect high cost producers

2012/13 “Estimates”

- Stock increasing
 - Additional 1,1 million tons
- Beet production
 - Quota: 13,659 million tons
 - Over quota: 4,816 million tons
- Reduced duty imports
+/- 1 million tons



Fundamental Review of all Bought In Goods and Services

2012/13

> R4 billion for Tongaat Hulett
Excluding Maize and Cane

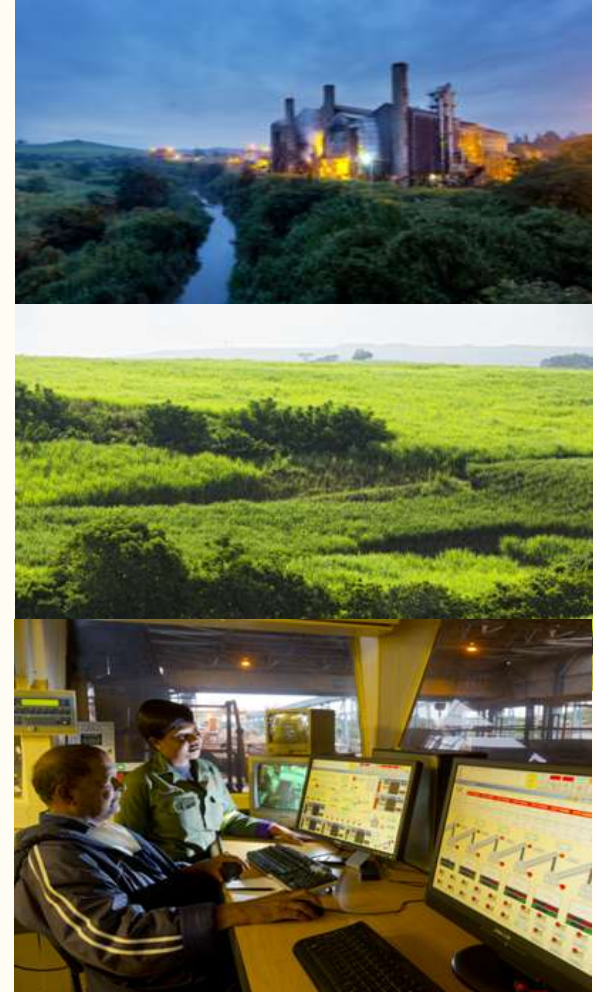
Category	2012/13
Logistics	> R1 billion
Equipment, spares, tyres and accessories	> R900 million
Other	> R720 million
Fertilizer, agriculture and other chemicals	> R330 million
Fuel	> R300 million
Packaging	> R210 million
Land development costs	> R200 million
Coal	> R200 million
Civil and technical services	> R140 million

- Quantum
- Value add
- Procurement arrangements
- In-house/outsource



Volume / Yield to Unit Cost Relationship

- **Overheads - 90% fixed**
- **Milling costs - 80% to 85% fixed**
- **Agriculture**
 - 90% fixed/per hectare
 - Improved yields and better cane to sugar ratio leads to less hectares farmed
- **Wage and salaries settlements 2013/14**
 - Zimbabwe - 6,66% and 4,5%
 - Mozambique - 9,04% and 8,0%





Additional Information

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Active Developments - 490 Hectares Unsold

2005: 151 Hectares

Area	Status - Developable hectares sold	Developable hectares to sell	Indicative cash realisation# (R m/developable hectare)	Indicative cash realisation# Still to come
Ridgeside	42 ha sold	62	15,5	R962 million
Umhlanga Ridge Town Centre	124 ha sold	18	17,4	R314 million
Izinga/Kindlewood	51 ha sold	177 85 92	3,4	R598 million
Other 5 active developments	169 ha sold	66	3,3	R221 million
Sub Total		323	6,6	R2 095 million

Cornubia industrial	60 ha sold	42	Commercially sensitive	
Sibaya Node 1	Available for bulk or own development sales	49	Commercially sensitive	
Sibaya Node 5	Available for bulk or own development sales	76		

Money of today



Additional Active Developments - 80% by March 2014

Area	Movement in Planning Progress September 2012 to March 2013	Developable hectares to sell
Cornubia New Town - Phase 1	30% → 75% EIA complete	26
Cornubia New Town - Phase 2	30% → 50% EIA complete	252
iNyaninga	55% → 65% EIA complete	550
uShukela Drive	55% → 75% EIA complete	49
Compensation (East)	80% → 85% EIA complete	71
Sibaya Node 4	55% → 75% EIA complete	91
Total		1 039



Aerotropolis KZN

- Promising FDI intentions with DTP
 - Indian conglomerate on Industrial Park (MIIT)
 - Chinese conglomerate on hotel development
- Dube TradePort - construction set to commence on new logistics facilities in TradeZone
- Aerotropolis Strategy being formally rolled out by Provincial Department of Economic Development and Tourism (DEDT)
 - Successful collaboration at 2013 World Airport Cities conference
 - World Routes conference confirmed for Durban in 2015
 - Key component of Strategic Integrated Project
- EIAs well advanced around first airport linked developments at Inyaninga, uShukela, Sibaya and Compensation



Bridge City



- **Successful PPP with eThekweni Municipality**
- **Mixed use, high density Town Centre and Business Estate**
- **Regional 450 bed public hospital - building to commence late 2013**
- **48 000 m² shopping centre**
 - 13 000 m² second phase and 45 000 m² residential to be built
- **Regional Magistrates court complete**
 - Official opening 23 May 2013
- **Business Estate 2 retail, warehouse and offices sites sold with 7,5 ha available for sale**

- **Rail public transport: station completed**
 - Line construction to be completed September 2013
- **eThekweni's Integrated Rapid Public Transport network (IRPTN)**
 - Dedicated Bus Rapid Transport (BRT) routes from Pinetown, the CBD and the North, converging on Bridge City
- **Bus-taxi rank to be converted into BRT bus terminus - completed 2016**
- **3,6 ha BRT bus depot to be sold to eThekweni municipality**

Inyaninga

Bulk Sale / Partnership / Tongaat Hulett Own Development

Bulk Sale

Gross hectares: 707

Developable hectares: 550

Yes?

— R6,3 million per developable
hectare R3,465 billion

Maybe?

— R4,4 million per developable
hectare R2,420 billion

No?



- **Planning aligned with Municipal plans for Northern Urban Development Corridor**
- **EIA process well advanced and anticipated date of approval is March 2014**
- **Phase 1 is envisaged around existing rail line with opportunity for multi-modal specialised logistics hub**

Compensation

Bulk Sale Opportunity / Partnership

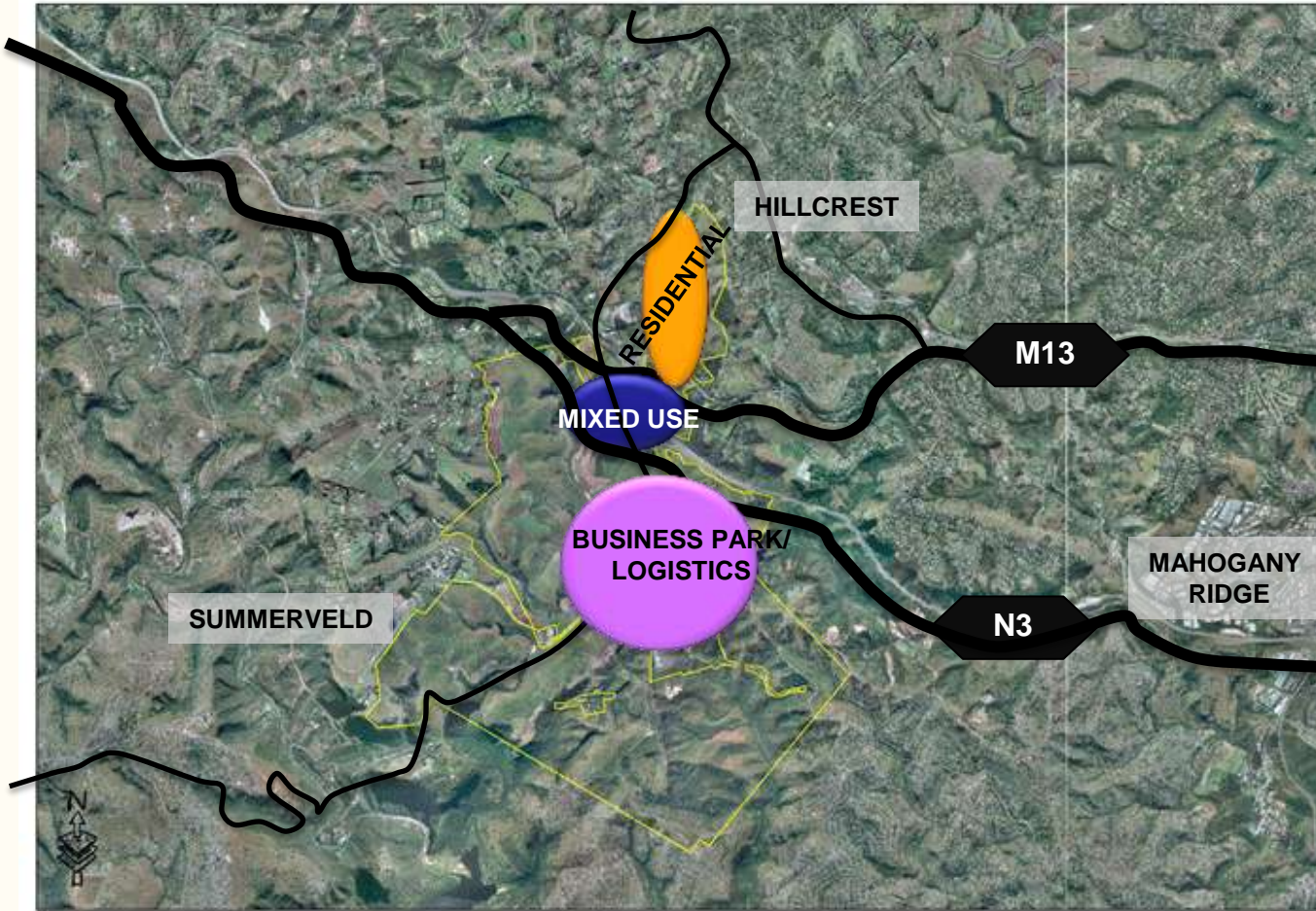


- Large 224 ha developable flat land strategically located along the R102 and 13 km from the Dube Tradeport
- Unique opportunity for general industrial development north of Durban
- Adjacent to the main railway line between Durban and Richards Bay
- Final EIA well advanced



Ntshongweni

Partnership / Tongaat Hulett Own Development



- Development supported by Municipal SDP and LAP's
- Important logistics location and in Strategic Integrated Project 2 (SIP 2) of Presidential Infrastructure Coordinating Committee (PICC)
- 3 major uses
 - Residential infill
 - Mixed use centre
 - Business Park and Logistics
- Regional shopping centre as a proposed catalytic development on the N3 growth corridor
 - EIA process under way
 - Considering bulk sale/partnership
- Assessing alternative business models for the development of the region through potential joint ventures, partnerships and/or associations

Zimbali and Zimbali Lakes



- Zimbali Coastal Resort almost completely sold, 7 sites remaining
- Zimbali Lakes
 - Golf course amendments complete, awaiting environmental approval
 - Bulk sale of the Resort Node and proposed Retirement Village being pursued

Tinley Manor

Bulk Sale Opportunity / Partnership / Tongaat Hulett Own Development



- Largest consolidated property surrounding a river on North Coast
- > 850 developable ha 1 042 gross ha
- EIA for the South Bank progressing well after finalisation of block layout
- Resort and low density residential with some commercial opportunity around the N2

Starch Operations

Financial Data

R millions	12 months to March 2013	12 months to March 2012
Revenue	2 859	2 580
Domestic	2 070	1 865
Exports	246	259
Co-Products	543	456
Operating Profit	388	363



Volume Data

Volume (tons)	12 months to March 2013	12 months to March 2012
Local Starch	93 530	90 361
Local Glucose	332 236	332 264
Total Local	425 766	422 625
Export Starch	23 070	36 240
Export Glucose	13 322	12 294
Total Exports	36 392	48 534
Co-Products	157 222	158 111
Total	619 380	629 270



Co-product Pricing

Co-product	Price movement March 2013 over Comparative Period	Major price drivers
Germ	Up 30,5%	International edible oil price and local oil seeds Local maize
Gluten-60	Up 11,1%	International protein (Soya, fishmeal) prices
Gluten-20	Up 16,2%	Local maize price/hominy chop



Tongaat Hulett Starch - Markets

Tons	2011/12 Actual	2012/13 Actual	2013/14 Estimate	% Growth 2012/13 vs 2011/12	% Growth 2013/14 vs 2012/13
Alcoholic beverages	174 039	173 925	176 013	-0,1%	1,2%
Coffee creamers	60 307	65 122	73 435	8,0%	12,8%
Confectionery	63 748	62 300	61 897	-2,3%	-0,6%
Paper	56 100	59 416	59 775	5,9%	0,6%
Prepared foods	15 833	14 197	15 493	-10,3%	9,1%
Other	52 598	50 806	51 601	-3,4%	1,6%
Total Local	422 625	425 766	438 214	0,7%	2,9%



Tongaat Hulett Starch

Outlook for South African maize

	1979/80	2009/10	2010/11	2011/12	2012/13 Estimate
Hectares planted (000 ha)	4 031	2 742	2 372	2 699	2 781
Yield (t/ha)	3,37	4,38	4,37	4,38	4,16
Production (000 tons)	13 583	12 016	10 360	11 830	11 562
Carry in stock (000 tons)	2 115	2 131	2 336	994	1 505
Total usage incl. exports (000 tons)	8 324	11 811	11 702	11 319	12 009
Stock to use ratio	10,02%	19,44%	9,59%	12,72%	11,05%

Outlook for World maize

- 2013/14 – Rainfall and snow in the US Corn Belt have delayed plantings to their slowest pace in 29 years
- Some concerns that corn acres may be switched to soybeans as a result of planting delays
- Corn and soybean stock to use levels are the lowest in nine years and further supply shocks will drive prices higher

International Starch and Glucose prices remain firm

- US producers are confronted with higher maize costs
- China, despite signs of an economic slowdown, remains a net importer of corn
- Cassava starch prices are higher because of the Thai government's minimum price guarantees



World Sugar Market

'000 Tons	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Sugarcane and Beet Production	168 042	171 307	151 131	156 038	168 159	178 953	184 179
Consumption	157 600	163 119	165 176	166 672	168 252	171 149	174 090
Surplus/(Deficit)	10 442	8 188	-14 045	-10 634	-93	7 804	10 089



Zimbabwe

Cane Milled and Sugar produced	Actual 2011/12 Season	Actual 2012/13 Season	2013/14 Early Season Forecast
Total hectares farmed as at 1 April (beginning of the season)	38 626	43 185	44 519
Hectares milled	35 307	37 473	40 125
% Hectares under cane milled	91,4%	86,8%	90,1%
Cane yield (tcphm)	86,63	90,54	82,77 ^
Cane tons '000	3 059	3 393	3 321
Cane to Sugar ratio	8,21	8,26	8,20
Chisumbanje Estate #		63 000	55 000
Sugar production - raw (tons)	372 000	475 000 (28%)	460 000

tcphm – tons cane per hectare milled

^ Reduction due to lower private farmer yields

Excluded from yields, hectares farmed and milled, tons cane and cane to sugar ratio



Mozambique

Cane Milled and Sugar produced	Actual 2011/12 Season	Actual 2012/13 Season	2013/14 Early Season Forecast
Total hectares farmed as at 1 April (beginning of the season)	26 513	26 789	27 824
Hectares milled	24 555	24 333	25 042
% Hectares under cane milled	92,6%	90,8%	90,0%
Cane yield (tcphm)	80,36	79,89	80,71
Cane tons '000	1 973	1 944	2 021
Cane to Sugar ratio	8,47	8,29	8,25
Sugar production - raw (tons)	233 000	235 000	245 000

tcphm – tons cane per hectare milled



Mozambique

Cane Yield and Sucrose Content Improvement Plans

Field condition/drainage

- Positive drainage pumps
- Renewal of one-way floodgates on dykes
- Field layouts and row spacing
- Upgrading of drainage systems

Root/cane condition and replanting

- Gapping up poorly germinated areas
- Ripening and dry-off regimes
- Pest and disease controls
- Focus on crop positioning and cane age
- Crop positioning
- Variety selection and seed cane quality
- Replanting of under performing fields
- Decommissioning of fields not performing to minimum yield criteria
 - Mafambisse Home Estate

Irrigation/power supply

- Improved irrigation control
- Improved bulk water supply from pump stations
- 20 MVA sub station (Xinavane)
- Upgrading main power lines to irrigation pump stations
- Upgrading of electrical reticulation
- Conversion of fields from 2 mm per day to 8 mm per day
 - Mafambisse Home Estate

Estate organisational structures

- Agricultural and supervisory training
- Reduced size of sections
- Improved equipment availability
- Labour productivity

Blue - completed

Green – in progress



Cane Ownership Mix

Supply of Cane to Tongaat Hulett South Africa Sugar Mills

SA Cane Supply * Tons cane supplied	Actual 2010/11	Actual 2011/12	Actual 2012/13	% Change from 2011 to 2013
Total sugarcane supplies	3 825 956	4 533 619	4 450 634	+16%
TH Owned	258 239	285 395	297 006	+ 15%
TH leased - farmed McP	72 445	170 978	150 229	+ 107%
TH leased - farmed CRDU	97 334	220 414	288 193	+ 196%
TH Support - Small Scale	463 752	535 637	584 807	+ 26%
Tongaat Hulett direct involvement	891 770	1 212 423	1 320 235	+ 48%
Commercial and Medium	2 934 186	3 321 196	3 130 399	+ 7%
% of cane- direct TH involvement	23%	27%	30%	

* Land verification exercise in progress. To date Felixton (hectares under cane) completed - 1 796 reduction confirmed





Financial Information

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Sugar Cane Growing Crops

- 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

Tongaat Hulett: Cane Grower and Sugar Miller

- Southern Africa - today:
 - South Africa cane supply initiatives
 - Mozambique expansion
 - Zimbabwe consolidation and recovery
 - Growing crops consolidated balance sheet value: R4,583 billion
 - Growing with new root planting and replanting
 - Increases as cane yields, sugar content and prices rise

Sugar Industry - Time Lags

What you do today with its cash outflows

➔

Impacts sugar production and cash inflows approximately 18 months later

- New planting/replanting of roots
- Cane growth: approximately 12 months
- Off crop work on mills between December and March

Hectares - cane roots	31 March 2013	31 March 2012	31 March 2011
Mozambique	25 352	24 675	24 664
Zimbabwe	27 978	28 432	28 494
South Africa	34 011	25 013	18 859
Swaziland	3 838	3 840	3 838
Total	91 179	81 960	75 855

Accounting for Sugar Cane Growing Crops

International Accounting Standard - 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
 - Root 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 = net cash inflow**



Growing Crops - Balance Sheet

	31 March 2012	31 March 2013				
	Total	Total	South Africa	Swaziland	Zimbabwe	Mozambique
<u>Roots</u>						
Hectares	81 960	91 179	34 011	3 838	27 978	25 352
Amortised root value (Rands per ha)	20 355	25 108	20 732	13 658	24 418	33 475
<u>Standing Cane</u>						
Hectares for harvest	77 739	82 969	27 659	3 740	26 947	24 623
Standing cane value (Rands per hectare)	24 522	27 644	10 763	31 279	38 663	33 996
Yield (tons cane per ha)	86,3	85,7	66,2	125,2	100,4	85,5
<u>Balance Sheet</u>						
Roots (R million)	1 668	2 289	705	52	683	849
Standing cane (R million)	1 907	2 294	298	117	1 042	837
Total (R million)	3 575	4 583	1 003	169	1 725	1 686

March 2012 (R million)	3 575
Change in Fair Value	468
Foreign Currency Translation	383
Expenditure on new areas	157
March 2013 (R million)	4 583

Cane Root Amortisation Profile at Present
<ul style="list-style-type: none">• Ranges from 54% to 81% unamortised in the different countries• Average: 72% unamortised
59

Growing Crops - Income Statement

- IAS 41 Fair Value Change included in the Income Statement: Year to 31 March

			R million	
			2012/13	2011/12
R million				
	2012/13	2011/12		
Roots	303	201		
Standing cane	165	264		
Change in fair value	468	465		

			R million	
			2012/13	2011/12
South Africa	265	191		
Swaziland	15	21		
Zimbabwe	78	214		
Mozambique	110	39		
Change in fair value	468	465		

- 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
 - Cane harvested/land fallow
 - +/- Change in sucrose and sugar pricing
 - +/- Change in sucrose content
- All agricultural costs are charged to the Income Statement as operating costs



Cash Flow : Cane Valuations and Root Planting highlighted in a Sugar Business

R million	12 months 2012/13	12 months 2011/12	12 months 2010/11	
Operating profit	+ 2 119	+ 1 878	+ 1 606	Includes all agricultural costs
Growing crop fair value adjustment	- 468	- 465	- 662	As per Income Statement
Root planting costs (direct planting, excluding other agricultural costs) charged to operating profit	+ 398	+ 376	+ 289	Included # below
Other non-cash items	+ 531	+ 469	+ 61	Includes depreciation etc.
Operating cash flow before root replanting	+ 2 580	+ 2 258	+ 1 294	Improvements of R322 million and R964 million
Working capital	- 56	- 519	- 212	
Capital Expenditure - Plant & Equipment and other capital	- 994	- 679	- 796	
Root planting costs	- 554	- 433	- 332	Incl. operating costs # above and capex items
	+ 976	+ 627	- 46	
Interest and tax	- 799	- 632	- 583	
Net cash flow before dividends	+ 177	- 5	- 629	

Average Exchange Rates

Average	2012/13	2011/12	% Change
Rand/US\$	8,48	7,44	+14%
Rand/Euro	10,95	10,24	+7%
Rand/Metical	0,30	0,27	+11%
US\$/Euro	1,29	1,38	-7%
Metical/Euro	36,61	37,98	- 4%



- **Export proceeds: US\$ and Euro**
(exchange rates at time of export - Mozambique and Zimbabwe)
- **Earnings conversion on consolidation**
(at average exchange rates)
 - Zimbabwe : US\$ → Rands
 - Mozambique : Metical → Rands



Exchange Rates

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





Thank You

 *Tongaat Hulett*