Tongaat Hulett

ANNUAL REPORT 2010

FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2010



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INTRODUCTION TO TONGAAT HULETT

Tongaat Hulett is an agri-processing business which includes integrated components of land management, property development and agriculture. Through its sugar and starch operations in Southern Africa, Tongaat Hulett produces a range of refined carbohydrate products from sugar cane and maize. It has considerable expertise in downstream agricultural products, biofuel production and electricity cogeneration. Competition for water and alternative land usages is an ongoing dynamic. Tongaat Hulett balances the operational requirement for cane supplies to its sugar cane processing operations with the transition of agricultural land to other uses at the appropriate times. It is well positioned to benefit from the changing world of agriculture and agri-processing.

Over the past century, Tongaat Hulett has established itself as a leading large scale agri-processing business which has its base firmly established in Southern Africa. Demand for food products is increasing worldwide, renewable energy has introduced a new dimension to agriculture and agricultural trade regimes are changing, with Africa and the European Union moving closer as a trade bloc. Further opportunities for expansion and growth in Africa are thus emerging. Tongaat Hulett has the established business platform and size to capitalise on these opportunities.

The successful management of the socio-economic and political dynamics of agriculture, land, water, agri-processing, food and energy are integral to the business. The growth and development of Tongaat Hulett's operations, in the selected regions in which it operates, have involved establishing credible partnering relationships with local communities, governments and employees over time. Its 25 percent South African BEE equity participation transactions and involvement in post settlement land claim solutions, the partnership with the Mozambique government in establishing the Mozambique sugar operations and its programmes to establish indigenous cane farmers in Zimbabwe illustrate the level of understanding and extent of relationships in the region.

The integrated business model involves land and water management, agriculture, agri-processing and the transition to property development and other uses at the appropriate times. Tongaat Hulett is able to maximise value through the various phases of land usage, from acquisition, agriculture and agri-processing to the transition to property development and other uses and the pace thereof. This carefully managed process continues to enhance the value of Tongaat Hulett's remaining land. As Durban grows and further developments such as the recently opened King Shaka International Airport at La Mercy materialise, the importance of the agricultural land conversion to development is increasing.

Tongaat Hulett's wet-milling operation is the major producer of starch and glucose on the African continent. Established in 1919, the starch operation has grown to be an important supplier to a diverse range of South African and African industries. Operating four wet-milling plants, Tongaat Hulett converts more than 600 000 tons of maize per annum into starch and starch-based products. It manufactures a wide range of products, from unmodified maize starch to highly refined glucose products, which are key ingredients for local manufacturers of foodstuffs, beverages and a variety of industrial products. The expansion of the economically active population in the South African economy is positive for the volume growth of these products.

Possessing a portfolio of sugar operations and assets in some of the lowest cost sugar production areas in the world, coupled with its leading Huletts® sugar brand, world class technology, and preferential market access, Tongaat Hulett is in the favourable position of being able to capitalise on the changing sugar fundamentals in world markets.

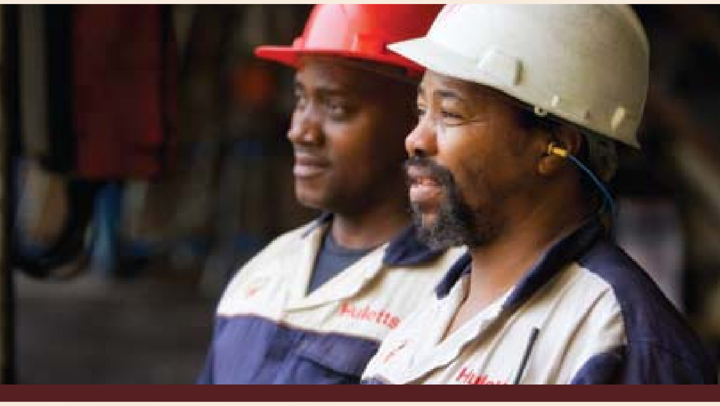
The sugar assets are located in Southern Africa. Production in 2009/10 amounted to 1,0 million tons of sugar and actions are underway to increase sugar cane supplies in

order to match the available milling capacity that is in excess of 1,9 million tons. Further expansion potential exists, particularly in the low cost production areas of Zimbabwe and Mozambique.

In South Africa, Tongaat Hulett's sugar milling, refining and agricultural operations are located on the north coast of KwaZulu-Natal and in the Zululand region, where it has four sugar mills with installed capacity to produce more than 1,0 million tons of sugar per annum. The sugar operations are strategically positioned to leverage efficiencies and economies as sugar milling in the region improves its cost competitiveness. The matching of milling capacity to available cane supplies remains a key driver of low cost sugar production. The central refining capacity of some 600 000 tons offers the organisation unique advantages.

The downstream and sugar value added operations include South African refined exports, domestic marketing and sales, Botswana and Namibia packing and distribution, as well as Voermol® animal feeds. Key to enhanced value creation are the market leading Huletts® and Voermol® brands. The South African sugar operations product range offers a total sweetener solution including a range of high intensity sweeteners. The Voermol Feeds operation markets its range of energy and supplementary feeds to the livestock farming community.

Tongaat Hulett is able to take advantage of the evolving renewable energy dynamics in its sugar operations by substituting the production of molasses and sugar for the international market with the production of bio-ethanol for the local market. The opportunity exists through additional capital investments to increase the efficiency in which the energy component of bagasse is converted to electricity thereby substantially increasing the quantum of electricity produced at its mills for use by third parties.



In Mozambique, sugar operations consist of the expanded sugar mills and estates surrounding Xinavane and Mafambisse. The sugar estates are fully irrigated and are located in areas with ideal growing conditions resulting in high cane and sucrose yields. These ideal agricultural conditions combined with the sugar mills' close proximity to the ports and the technology availability and support from South Africa are well positioned for future growth. Mozambique's LDC and ACP status allows its products to enter the EU on a duty free basis, giving it an advantage over countries such as Brazil.

Sugar operations in Zimbabwe consist of Triangle and a 50,3 percent stake in Hippo Valley Estates, representing a combined installed sugar milling capacity of 600 000 tons. The lowveld in Zimbabwe, with excellent topography, climate and established water storage and conveyance infrastructures for irrigation, is recognised as the lowest cost sugar producer in Southern Africa, if not the world. The operations at Triangle have produced, since 1980, industrial alcohol as an extension of the manufacturing process, with capital invested during 2007 to convert this to fuel grade ethanol.

Tongaat Hulett employs more than 35 000 employees and conducts its business operations in a manner that seeks to create value for all stakeholders, is sustainable and contributes meaningfully to the social and physical environment in which it operates. A high priority is placed on all aspects of safety, health and environment. Tongaat Hulett prides itself on its BEE scorecard rating as a Level Three Contributor with a score of 78,23 percent achieved in 2009 and its inclusion in the JSE's Social Responsibility Investment index for the sixth consecutive year. These results are testimony to Tongaat Hulett's adherence to the triple bottom line principles of environmental, economic and social development.

CAPITALISING ON TONGAAT HULETT'S STRATEGIC PLATFORM

- Profit from operations of R1,691 billion for the 15 month period ended March 2010 reflected an increase of 28 percent over the corresponding period. Tongaat Hulett has increased profit from continuing operations every year since 2003 as the company benefits from its growing operations and the emerging favourable global dynamics of increasing demand for glucose, starch, sugar, renewable energy and land.
- In a world sugar market where demand is increasing and the replacement cost of new milling capacity and its associated cane developments is high, Tongaat Hulett has the opportunity to enhance shareholder returns by increasing the utilisation of its existing milling assets through an improvement in yields, cane to sugar recoveries and the area under cane, with a simultaneous reduction in unit costs of production. Sugar production in 2009/10 was 1,0 million tons with sugar milling capacity in excess of 1,9 million tons, including the Mozambique expansions at Xinavane and Mafambisse and the installed capacity in Zimbabwe.
- The Zimbabwe operations are in a substantial recovery phase. In normalised conditions the Zimbabwean sugar operations would have almost twice the capacity of the expanded Mozambique operations, with similar market access and costs.
- The structural changes that are taking place in international agricultural commodity markets have resulted in improved competitiveness of South African maize and of Tongaat Hulett's starch operations, which have additional capacity for local and export growth.
- In a world that values the environmental benefits of renewable energy and is attempting to reduce its carbon footprint through lower carbon dioxide emissions and a decrease in reliance on fossil fuels, Tongaat Hulett's Southern African cane processing operations are well placed to increase realisations from bagasse and other cane biomass in electricity cogeneration production. Sugar cane is also the most cost effective and environmentally efficient feedstock for ethanol production.
- The value of the Huletts® brand continues to be optimised in South Africa, the largest sugar market in the Southern African region. The established Voermol® animal feeds brand is another cornerstone of the downstream value added activities.
- Tongaat Hulett owns 13 863 gross hectares for development in South Africa. Its landholdings consist of 6 442 hectares in the prime developable coastal and tourism areas north of Durban, a further 2 047 hectares to the west of the city and 5 374 hectares located in the eThekwini growth corridor north of the city. The opening of the new King Shaka International Airport at La Mercy, with its ability to attract direct international flights, the development of the surrounding trade port and the expansion of the existing port will, over time, generate new investment in the region. As the region evolves, demand for properties for tourist, logistics, manufacturing, services and residential purposes is likely to increase. Current political and social dynamics are resulting in an increased demand for land for low income housing, creating both the opportunity and socio-economic urgency to establish communities with affordable, quality housing, health care, educational and social facilities. During the period, the company continued to engage and collaborate with the eThekwini municipality in developing the planning processes which set the framework for the growth and direction of development and new investment, as well as provide guidance from a land use and intensity perspective.
- In the current property cycle, few hectares have been or are expected to be converted in the high value, prime locations on the coastline and to the west of eThekwini and the focus remains on increasing stakeholder value through planning processes, rezoning and environmental approvals and infrastructure investment in cooperation with the appropriate spheres of government.
- The safety and the welfare of all employees remains a key priority as the business strives to create a workplace free of injuries. The Lost Time Injury Frequency Rate decreased to below 0,10 for the first time and was recorded at 0,097 (2008: 0,11), the lowest rate amongst all companies assessed by NOSA.
- Tongaat Hulett is focused on sustainable BEE and indigenisation in the agriculture sector through the development of local farmers in Mozambique, Zimbabwe and South Africa, including post settlement solutions in the land reform programme.
- Tongaat Hulett's 25 percent BEE equity participation includes strategic partners, disadvantaged communities surrounding its land developments, small cane grower communities surrounding its South African sugar mills and BEE management and employee share ownership schemes. The company continues to work with these BEE partners to enhance its competitive position in the region.

CHAIRMAN'S STATEMENT

JB Magwaza
CHAIRMAN

It gives me great pleasure in my first year as Chairman to present my statement to our shareholders. It is pleasing to refer to the continued growth in earnings in the current reporting period, particularly in terms of profit from operations and headline earnings, as detailed in this annual report. The financial year-end has changed to the end of March, which corresponds with the sugar season in all the countries in which we operate. Tongaat Hulett remains well positioned with its agriculture and agri-processing components of the business and in land conversion and development activities.

CHAIRMAN'S SUCCESSION AND DIRECTORATE

There were some key changes to the composition of our Board during the period under review. Cedric Savage and Elisabeth Bradley retired at the last Annual General Meeting on 29 April 2009, having reached the mandatory retirement age. Cedric served the company industriously for thirty-one years, seven of which were spent as a non-executive Chairman. The foundations of the company's current success are built on the leadership and wisdom of people like Cedric. Elisabeth joined the company in 1987 and provided a remarkable contribution as a director over a period spanning twenty-one years. Her knowledge and experience were of significant benefit to the board. We extend to them both our gratitude and very best wishes for the future.

Phillip Baum and John Williams resigned from our Board with effect from 14 August 2009 as a result of Anglo American's disposal of its shareholding in Tongaat Hulett, and we thank them sincerely for their contribution to the business.

We were delighted to welcome two new independent non-executive directors to our Board, who bring a valuable advantage and perspective to the Board in light of the broad geographic spread of our operations. Rachel Kupara, a seasoned director of various companies based in Zimbabwe, was appointed with effect from 8 October 2009. Adriano Maleiane, a former Governor of the Central Bank of Mozambique, amongst his many other achievements, was appointed on 23 November 2009. Their appointment enhances the dynamics of our Board, and adds value to our deliberations.

Hixonia Nyasulu, having served on the Tongaat Hulett Board for the past ten years and deciding to create an opportunity for succession, has communicated her intention to resign from the Board with effect from the Annual General Meeting on 27 July 2010. In advance of her resignation, Thandeka Mgoduso was appointed as a non-executive director with effect from 21 May 2010. Thandeka is a director of companies, including Ayavuna Women's Investment, and will provide continuity in respect of Tongaat Hulett's BEE equity initiative. We take this opportunity to express our gratitude to Hixonia for her sterling contribution to Tongaat Hulett and wish her success in her current and future endeavours.

ANGLO AMERICAN'S DISPOSAL OF ITS SHAREHOLDING IN TONGAAT HULETT

Anglo American sold its shareholding in Tongaat Hulett to institutional investors in August 2009. The 51,2 million shares held by Anglo American (which constituted 50 percent of Tongaat Hulett's listed equities) were all sold in the single book build equity placing process. The book build process highlighted the strong demand and interest in Tongaat Hulett by local and international fund managers. The company's shares are now widely held and the liquidity of the listed equity has been substantially increased.

BUSINESS SUSTAINABILITY

The company is committed to enhancing the growth of its business and adding value in a responsible and sustainable manner. Substantial improvements continue to be achieved in order to create value for current stakeholders and future generations.

Despite our continued efforts to ensure highest standards of safety and occupational health, regrettably there were fatalities recorded during the year under review which the CEO expands upon in his report. Our deepest condolences go out to all the families, friends and colleagues concerned. An outcome from this tragedy is our strengthened resolve to eliminate fatalities across all our operations. Some highlights were witnessed in the area of safety, including the notable decrease in the Lost Time Frequency Rate.

Tongaat Hulett was again included in the JSE's Socially Responsible Investment index for the sixth year in a row, ranked among the thirty best performers and noted as one of the ten consistent best performers for the past three years. The company continues to explore ways of advancing principles and practices of sustainable development in the course of pursuing prosperity for all its stakeholders.

Looking ahead, the Board is optimistic that with a clear strategic platform supported by a strong management approach to environmental stewardship, social performance and economic prosperity, the company will continue on a strong and resilient footing.

DIVIDEND DECLARATION

The Board declared a final distribution by way of the issue of fully paid ordinary shares as a scrip distribution payable to ordinary shareholders. As an alternative, a final dividend of 175 cents per share will be paid to shareholders who elect not to take up the scrip distribution. The final dividend, which, together with the interim dividend of 100 cents per share, amounts to a total dividend of 275 per share for the financial period ended 31 March 2010.

CORPORATE GOVERNANCE

As the custodian of corporate governance the Board continues to be committed to principles of corporate discipline, ethical leadership, transparency, integrity and accountability, and has complied in all material respects with the recommendations and requirements embodied in the King II Report on Corporate Governance and requirements of the JSE.

The recent introduction of The King Code of Governance Principles (King III) proves that sound corporate governance continues to be a crown value guiding the conduct of thriving businesses. Tongaat Hulett embraces this latest development and is taking steps to ensure application of its relevant principles.

Pertinent legislative changes such as the new Companies Act, the Competition Amendment Act and the Consumer Protection Act amongst others, continue to receive the necessary attention they deserve, and the company is well poised to meet the demands and challenges they pose.

APPRECIATION

I conclude by expressing my appreciation to Peter Staude and his very competent and diligent executive team who have consistently delivered outstanding performance, and have played a pivotal role in entrenching a results and performance driven culture across the organisation, to the benefit of all stakeholders.

I would also like to take this opportunity to thank the Board, which provides much assurance with its dynamic wealth of experience and wise counsel and makes my Chairmanship an enjoyable experience.

I also wish to thank all members of staff, who are the heart and soul of our organisation. Your commitment and dedication is commendable and appreciated.

J B Magwaza
CHAIRMAN

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010

CHIEF EXECUTIVE'S REVIEW

Peter Staude
CHIEF EXECUTIVE OFFICER

Profit from operations of R1,691 billion for the fifteen month period ended March 2010 reflected an increase of 28 percent over the corresponding period, with headline earnings improving by 37 percent to R858 million (March 2009: R626 million). Tongaat Hulett has increased profit from continuing operations every year since 2003 as the company benefits from its growing operations and the emerging favourable global dynamics for glucose, starch, sugar, renewable energy and land.

The 2009/10 period was an eventful one which included the commissioning and first cane harvests of the R1,63 billion Xinavane and Mafambisse agricultural and milling expansions in Mozambique. In Zimbabwe, the re-introduction of relevant economic fundamentals into the Zimbabwean economy and business sector and, in particular, the introduction of the US dollar as the economic currency, has lead to the restoration of business fundamentals. The South African sugar operations results were affected by increased competition for cane, adverse weather conditions, the impact of land reform and inadequate re-investment in sugar cane farming operations.

During the period good progress was made on developing detailed plans for the horizontal and vertical expansion of sugar cane in all regions in which the company operates. These plans will enable the company to increase sugar production from 1,0 million tons in 2009/10 to in excess of 1,9 million tons and enhance shareholder returns.

Business activities during the period were affected to some extent by the effects of the global financial crisis on consumer and property markets. In the starch operation lower local market demand was offset by the benefits of the improved local maize and international starch and glucose markets and the various advances made over a number of years. The continued expansion of eThekwini and the need to provide the necessary infrastructure to support community developments, constraints imposed by the city's topography and the extensive government investment in infrastructure, most notably the recently opened King Shaka International Airport, is seeing the city expand towards the region north of eThekwini. During the period, Tongaat Hulett continued to collaborate with government and municipalities in the conversion of land for new housing and employment opportunities and the associated social infrastructure and successfully concluded land sales in the eThekwini growth corridor, in a market environment where conditions deteriorated in the prime residential, resorts and commercial sectors.

As the attention on climate change continued to increase, the recent Copenhagen climate change talks, whilst disappointingly not being able to reach agreements and commitments on specific emission reduction targets, did acknowledge and reach consensus on the need to limit global emissions and provide funding to finance climate action in developing countries. In Southern Africa, the regulations surrounding climate change and renewable energy are in their infancy and have inhibited the development of cogeneration of electricity and biofuels.

During August 2009, Anglo American disposed of its 50 percent stake in Tongaat Hulett in a book build equity process. The process demonstrated strong demand from both local and foreign institutional investors for Tongaat Hulett shares with the improved liquidity and access to the shares being positive for shareholders. In order to align the financial reporting of the business with the significantly increased contribution of the agriculture and agri-processing components of the business, the financial year end has changed to the end of March.

Tongaat Hulett follows a philosophy of sustainable development and continued to make good progress in entrenching and enhancing the various programmes and initiatives it has in place in the areas of safety, health, environment and community relationships. This is consistant with the requirements of the King III corporate governance framework, including ensuring that sustainability matters are an integral component of the company's strategy. The detailed sustainability report for the period, in which the specific details of each programme are addressed, is included as part of this integrated annual report.

The safety and the welfare of all employees is a key priority as the company strives to create a workplace free of injuries. All areas of the business continue to focus on reducing or eliminating the inherent risks that are present in the operations, coupled with ongoing attention to human behaviour. The Lost Time Injury Frequency Rate decreased to below 0,10 for the first time and was recorded at 0,097 (2008: 0,11), the lowest rate amongst all companies assessed by NOSA. Further external recognition was achieved with the recognition by NOSA of the Maidstone sugar mill as the best manufacturing facility, both locally and internationally, that uses NOSA accreditation for safety, health and environmental systems. Tragically, a single onsite incident resulted in one fatality and two offsite incidents resulted in ten fatalities. At the Xinavane mill, nine security officers were fatally injured in a motor vehicle collision that took place on a public road near the sugar mill and an employee who suffered hot water burns onsite died from a subsequent infection. In Zimbabwe, another motor vehicle collision offsite claimed the life of an employee.

The provision of primary health care services continues to receive a high focus with particular emphasis on the health risks posed by HIV and AIDS, malaria and cholera to staff and the communities in the regions in which the company operates. Socio-economic development spend for the fifteen months ended March 2010, including the cost of company sponsored occupational and primary health care services, was in excess of R130 million.

Tongaat Hulett continues to be recognised for its achievements in the area of transformation. In Mozambique and Zimbabwe, further progress was made in expanding the contribution of the outgrowers and the surrounding communities in cane supply to the operations. In South Africa, Tongaat Hulett was ranked as the top food and beverage company in the annual Financial Mail empowerment survey and in the third BEE accreditation process achieved a score of 78,23 percent (2008: 70,38 percent) and was awarded Level Three Contributor status in terms of the broad based South African BEE scorecard.

TONGAAT HULETT'S COMPETITIVE POSITION IN A CHANGING WORLD OF AGRICULTURE

Review of Agricultural Commodity Markets

The volatility experienced in global agricultural commodity markets has been unprecedented with most markets reaching all time highs in 2008 and then facing significant declines as the sell off in commodities that arose from the global financial crisis took effect. The resumption of growth in world markets is expected to re-establish the fundamentals that supported the strong growth in demand in agricultural markets. These fundamentals include an

underlying growth in food demand driven by an increase in the global population, income growth and changing dietary patterns in developing countries. This is coupled with an increase in the estimated number of undernourished people in the world to 960 million, requiring a further expansion in global food production. Low and stable prices for agricultural commodities that existed during the past two decades discouraged the necessary increases in production and resulted in a decrease in global stocks. These factors, coupled with the development of renewable energy and continuing market reforms, have resulted in the prices of agricultural commodities remaining above their longer term average despite recent reductions due to current global market conditions.

International maize prices have followed agricultural commodity markets and after rising to record levels during the first part of 2008 decreased to current levels as the impact of the global financial market crisis, record yields and the largest crop on record in the United States led to the stabilisation of inventories. Despite these declines, international maize prices remain above their long term average as an increasing proportion of maize production is diverted to ethanol production. The higher international prices, coupled with declines in input costs and productivity improvements in South Africa, resulted in South African maize prices that allowed farmers in the 2009 harvest season to cover input costs whilst local prices remained competitive in world terms. This supported improved margins in the production of starch-based products.

After years of worldwide surplus sugar production, demand has exceeded supply in four of the last six years. The growth in ethanol production in Brazil, the contraction and volatility in Indian production and the continued reform of the European Union (EU) have been the dominant supply side factors. Growth in consumption in the developing world and in particular, China and India's increasing urbanisation and changing dietary needs of their populations are expected to support an annual growth in sugar consumption in excess of 3 million tons. The combination of these factors saw world sugar prices increasing to historic levels of 30 cents per pound in September 2009 before retracing to current levels of 14 to 16 US cents per pound.

Sugar Market Dynamics

The volatility in the sugar prices referred to above reflects the short term trends in the residual world raw sugar market. Nearly 80 percent of the global sugar production of approximately 160 million tons is consumed either in its country of origin behind some form of protective barrier or in certain export markets under agreements that give producers preferential access to these markets. Tongaat Hulett has a low exposure to the residual world market with less than 20 percent of its sugar production sold in this market.

Under the terms of the Everything But Arms (EBA) agreements for Least Developed Countries (LDC), which came into effect on 1 October 2009 and remain in effect until 2015, sugar production for Tongaat Hulett's Mozambique and Zimbabwe operations has duty free and quota free access to the premium European markets at prices not less than the institutional reference price for raw sugar of €335,20 per ton. In Mozambique and Zimbabwe, sugar production is sold first in the growing domestic markets, which typically offer higher realisations than the European markets, with the balance of the production exported to the EU. Since October 2009, 76 000 tons of sugar have been sold to buyers in the EU at prices in excess of the institutional benchmarks. Domestic market consumption in Zimbabwe and Mozambique continues to grow in line with improved distribution infrastructure and economic performance.

In South Africa, Tongaat Hulett, with its Huletts® brand, remains the market leader in the direct refined market. The South African sugar industry is regulated by the Sugar Act, 1978 and the Sugar Industry Agreement, 2000. It produces, depending on climatic conditions, between 2,2 to 2,4 million tons of sugar per annum from 14 sugar mills. Sugar consumption within SADC continues to grow in line with population growth rates with South African/SACU market demand amounting to close to 2 million tons of sugar in the year ended March 2010. It is largely a refined white sugar market with 83 to 90 percent of the sugar sold in this form during the past two decades. An anomaly in this market is the continued

flow of sugar imports from Swaziland despite the improved market access granted to Swaziland by the EU. Swaziland sales amount to more than 300 000 tons of sugar annually into the South African market, which currently has no access to the EU. Discussions between the South African and Swaziland industries, which could see Swaziland exiting all SACU markets and export to the EU have so far not been successful. The South African Department of Trade and Industry has undertaken to pursue this matter at an inter-governmental level.

Over time, the gap between the residual world market and domestic sugar markets is expected to close as the cost of producing sugar with new capital continues to increase and the diversion of sugar production to ethanol continues.

The need to develop new sources of sugar production is also likely because of a change in funding policy by the Brazilian government backed development bank, BNDES, which stopped financing greenfields sugar investments in Brazil in 2006, as Brazil's share of world sugar trade rose to levels deemed commercially unsustainable. BNDES currently supports consolidation of sugar production and the aggressive expansion of fuel ethanol for the Brazilian market.

In India, increases in production that will probably occur over the medium to longer term are likely to be absorbed by the local market as India establishes an ethanol regime to meet climate change commitments and a more prosperous Indian population increases its consumption.

The scarcity of suitable land and water for agricultural use in developed markets, coupled with a declining rate of yield productivity improvements, will in the longer term, result in a tighter supply and demand situation in these regions. Sub-Saharan Africa, with less than ten percent of its existing available fresh water resources being utilised and a cropland potential substantially more than that of Brazil, is in a position to make more efficient use of these resources in order to increase agricultural production. These factors are expected to result in the improved viability of the agricultural sector in developing countries, such as Mozambique and Zimbabwe, as new sources of sugar production are required to be developed to support the underlying growth in demand.

Improving Shareholder Returns Through an Increase in Raw Sugar Production and Improved Agricultural Competitiveness

The estimated cost of investment in a greenfield sugar mill and its associated estates and infrastructure with the cane processing capacity to produce 200 000 tons of sugar is estimated to be in excess of R3,0 billion. In 2009, Tongaat Hulett's results reflected sugar production of 1,0 million tons out of a total milling capacity of in excess of 1,9 million tons. In a world market where demand is increasing and the replacement cost of new milling capacity and its associated cane developments is high, Tongaat Hulett has the opportunity to enhance shareholder returns by increasing the utilisation of its existing milling assets. This will be achieved through a combination of initiatives that seek to improve yields and the cane to sugar recoveries and increase the area under cane, with a simultaneous reduction in unit costs of production. In addition to improving its existing capacity utilisation the company also has a number of options about where it is most appropriate to expand sugar production in order to leverage its existing investments in the region and beyond.

Initial plans aimed at achieving the incremental sugar production include an increase in the area under cane by 24 percent and an improvement in cane yields and the cane to sugar ratio by 37 percent and 7 percent respectively. The improvement in yields indicated is a crucial element in increasing the competitiveness of agriculture on the company's own and the private grower estates. The issues affecting yields vary across the estates and are dependant on their location, whether the estates are rain fed or irrigated and farming practices. Various initiatives are underway that seek to improve farming practices and encourage reinvestment in replanting using the appropriate cane varieties. In order to increase the area under cane, a number of different options that include the expansion of own estates, the development of new or expanded private grower estates and the leasing of land for own estates are being considered. Initiatives to reduce the delivered cost of cane to the mills by improving harvesting and transportation modes and practices are being reviewed. The specific actions underway in each region are covered under the review of operations included in this report.

Renewable Energy and Low Carbon Energy Markets

Evidence of climate change because of increased levels of greenhouse gases such as carbon dioxide (CO_2) is becoming more compelling. The recent Copenhagen Accord accepted that deep cuts in global emissions are required in order to ensure that the global temperature rise is kept to below two degrees Celsius. It is estimated that energy generation accounts for up to 60 percent of global CO_2 emissions from human activities and the reduction of its impact on the environment remains a policy imperative for many national governments as they seek to reduce CO_2 emissions and limit the effect on climate change. Continued industrial and population growth based on the current mix and use of energy sources will lead to temperature rises well above two degrees Celsius with serious, although difficult to predict, consequences.

In South and North America and in the EU, existing investments in ethanol and biodiesel facilities, coupled with United States legislation, such as the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 and similar legislation in the EU, are expected to sustain demand for biofuels in order to reduce their dependence on fossil fuel.

As part of the Copenhagen process South Africa made a commitment to achieve a saving of 34 percent in CO_2 emissions by 2020 when benchmarked against normal growth projections. This commitment translates into far higher renewable energy targets than the current Department of Energy targets and is conditional upon the receipt of funding, transfer of technology and capacity building support by developed countries. Industrial energy, renewable energy, carbon reduction targets and biofuels policies are currently being reviewed by the South African government. Tongaat Hulett is actively pursuing opportunities to influence policy in order to ensure the sustainability of the industry. The impacts of renewable energy affect many government departments and ministries, increasing the complexity of the task of establishing an effective policy framework. In addition to the interactions in South Africa, interaction with selected SADC countries and the SADC Secretariat is being pursued in order to facilitate a SADC bio-energy and biofuels policy.

South Africa currently consumes 70 percent of the fuel in SADC and has limited agricultural potential to supply a significant portion of its petrol from ethanol. Many of the other SADC countries have excellent agricultural potential but limited markets. SADC combined has the market and agricultural potential to emulate the proven business model of ethanol to the fuel market. In Brazil, 60 percent of its petrol demand is currently supplied from ethanol. Even South Africa, with its limited water, low rainfall and established agriculture has the potential to provide 10 to 25 percent of its ethanol requirement. Every 10 percent of the current South African fuel market supplied by ethanol from cane is equivalent to a new South African sugar industry requiring 2,2 million tons of sugar per annum, creating 110 000 additional jobs and producing sufficient electricity to replace the supply from one third of a mega coal fired power station. The annual value of the potential carbon credit for electricity produced by such an expansion would amount to R2,4 billion under conditions where the credits were valued at €40 per ton of CO_2. The future of a renewable low carbon energy regime supporting sustainable growth and developing the regional rural economy is possible for SADC by pooling the regional markets and agricultural potentials.

In South Africa, the National Electricity Regulator of South Africa (NERSA) published Renewable Feed-In Tariffs (REFIT) in 2009 for nine different technologies which ranged from R0,90 per kWh to R3,94 per kWh. A REFIT tariff applicable for electricity from bagasse could be published in 2010. Eskom's long term adequacy plans require that 3 500 MW of electricity is supplied from cogeneration and renewable energy projects. In a medium electricity demand scenario, the reserve margin will not improve to adequate levels following the Eskom capacity build programme without the rollout of these energy projects. At this stage it is likely that the South African REFIT will only apply to South Africa and not to SADC.

Renewable energy in the Southern African sugar industry remains a key element for the growth and long term viability of millers and growers as it creates opportunities for increased realisations from bagasse, molasses and sugar cane juice. Tongaat Hulett's sugar mills in Southern Africa, operating at full capacity, would have the potential to

generate approximately 660MW of electricity using current technologies if they were to utilise all the bagasse and two thirds of the tops and trash from the cane supplied to the mills. This would have the environmental benefit of saving two million tons of coal annually and reduce CO_2 emissions by 4,25 million tons in a season.

Tongaat Hulett continues to pursue opportunities for producing bio-ethanol from sugar and expanding the production of renewable electricity from cogeneration. Examples of these are the 10 000 hectare concession at Moamba as part of the further expansion plans at Xinavane and the Felixton cogeneration project. The primary focus of ethanol production at the Moamba operations would be for sale into South Africa and SADC states as part of South Africa's and the SADC states' emerging biofuels strategy as well as into the EU to take advantage of the duty free access for LDC and African, Caribbean and Pacific (ACP) countries. The detailed design and engineering for the expansion of cogeneration at Felixton has been completed and is dependent on the decision by NERSA in respect of the tariffs for electricity generation from bagasse.

Regulation Within the South African Sugar Industry

Sugar industries throughout the world continue to be influenced by national legislation in order to promote the growth and sustainability of the sugar industry, typically usingmechanisms which protect against dumped imports. Globally sugar industries are faced with rising costs of production, climate change, changes required by international trade agreements under the World Trade Organisation (WTO), the value of sugar cane as a source of renewable energy, and the emerging impact and value of sugar cane as an option for carbon abatement at a national level. Coupled with this, international trade is moving towards a regional alignment rather than the previous bilateral models. Consequently sugar industry frameworks, such

as those in South Africa and SADC that were traditionally based on sugar and molasses in a national context need to be reviewed. Whilst the traditional products of sugar and molasses will remain dominant within any new regulatory framework, ethanol production and electricity generation will play an increasingly important role, particularly when regional trade in ethanol and electricity is considered.

In South Africa, the existing structures have discouraged growth and reinvestment in the industry. The structure and framework within the South African and Swaziland sugar industries will require significant change to meet the requirements of developing a sustainable regional market for sugar that captures the value of electricity and ethanol, whilst also ensuring that they remain competitive producers of sugar and molasses. Discussions within the South African sugar industry have begun to bring about the necessary changes to accommodate the new products and processes and to ensure the growth and development of the sugar industry. Tongaat Hulett is participating actively in developing the framework that will take sugar cane growers and processors forward over the next 15 to 20 years. One of the potential outcomes is that regional trade in sugar within SADC is likely to become a reality with the integration of markets subsequently extending to the largest market, SACU.

Creating Stakeholder Value for All from Agricultural Land Conversion

Globally, prime coastal land close to major cities has shown real appreciation that exceeds the time value of money over the long term. eThekwini continues to expand because of population increases, ongoing urbanisation and recovering economic growth.

During 2008 and 2009, the worldwide liquidity crisis and extreme volatility in markets led to uncertain and depressed property market conditions. The opening of the new King Shaka International Airport at La Mercy, with its ability to attract direct international flights, the development of the surrounding trade port and the expansion of the existing port will, over time, generate new investment in the region. As the region evolves, demand for properties for tourist, logistics, manufacturing, services and residential purposes is likely to increase.

Current political and social dynamics are resulting in an increased demand for land for low income housing, creating both the opportunity and socio-economic urgency to establish communities with affordable, quality housing, health care, educational and social facilities. During the period, the company continued to engage and collaborate

with the eThekwini municipality in developing the planning processes which set the framework for the growth and direction of development and new investment, as well as provide guidance from a land use and intensity perspective. This was most evident in relation to the developments at Cornubia, where planning and environmental applications have been made by a joint project team that meets on a weekly basis.

Tongaat Hulett's landholdings include land suitable for the city's expansion. Its landholdings consist of 6 442 hectares in the prime developable coastal and tourism areas north of Durban, a further 2 047 hectares to the west of the city and 5 374 hectares located in the eThekwini growth corridor north of the city.

In the current property cycle, few hectares have been or are expected to be converted in the high value, prime locations on the coastline and to the west of eThekwini and the focus remains on increasing stakeholder value through planning processes, rezoning and environmental approvals and infrastructure investment in cooperation with the appropriate spheres of government. This will ensure that there is adequate stock of development land available for conversion when market conditions are appropriate.

FINANCIAL RESULTS FOR THE 15 MONTHS ENDED MARCH 2010

Revenue increased by 18 percent to R11,1 billion for the 15 month period ended March 2010 and profit from operations grew by 28 percent to R1,691 billion, compared to the corresponding 15 month prior period. Headline earnings improved by 37 percent to R858 million (prior period: R626 million).

The financial year end has changed to the end of March, which corresponds with the sugar season in all countries in which Tongaat Hulett operates. The current financial results are thus for the 15 months to 31 March 2010 and include the revenue of a single sugar milling season and the increased value of the growing crop. The costs are for a 15 month period, including those costs incurred from January to March in the off-crop period that are required to be expensed in the income statement.

Profit from the starch operations for the 15 months was R301 million, compared to R290 million in the prior period. Starch and glucose sales volumes in the local market declined by 5 percent over this period, with the rate of decline slowing in the first quarter of 2010. Lower demand was experienced in the alcoholic beverage, paper, coffee creamer and confectionary sectors, with the contraction in consumer spending. The negative effect of the lower demand was offset by improved starch and glucose margins. A second consecutive year of favourable agricultural conditions in South Africa yielded a large maize crop in 2009 of 12,9 million tons (previous crop: 12,7 million tons) and resulted in local maize prices trading closer to world prices for most of the year. Co-product revenues decreased as a result of lower prices for edible oils and animal feeds.

Operating profit from land conversion and development for the 15 months to March 2010 amounted to R187 million (prior period: R256 million) with a further R52 million in capital profits (prior period: R22 million) being realised. During this period, 169 developable hectares (280 gross hectares) were sold comprising 159 hectares in the eThekwini growth corridor, including new airport related activities, and 10 hectares in the prime coastal corridor.

The South African sugar milling, refining and agriculture operations contributed R158 million to profit for the 15 months ended March 2010 (prior period: R95 million), with higher local and export sales realisations. Sugar production decreased to 564 000 tons compared to the 644 000 tons produced in the previous season. Almost all of Tongaat Hulett's sugar production was sold in the local market under the Huletts brand in 2009/10. In terms of the South African sugar industry legislated regulations, only 65 percent of the sales were deemed to be local and 35 percent were recognised and valued as exports. Raw sugar export volumes from South Africa were sold at an effective world sugar price of 15,4 US c/lb (prior year: 12,1 US c/lb) at an average exchange rate of R8,20/US$ (prior year: R8,05/US$).

The downstream sugar value added activities contributed R226 million to profit (prior period: R230 million). This includes Voermol® animal feeds, South African refined exports, regional marketing, sales, packing and distribution activities.

In Swaziland, Tambankulu Estates produced a raw sugar equivalent of 54 000 tons (previous season: 56 000 tons). Operating profit for the 15 months, including the value of the cane growth in the period of January to March 2010, was R63 million, compared to R56 million in the prior period.

Sugar production in Mozambique increased to 134 000 tons from 108 000 tons in the previous season. The start-up problems that limited sugar production in 2009/10 at the expanded and modernised Xinavane mill have now been resolved, including replacing the diffuser chain and modifying conveyer systems. This resulted in a large portion of the crop on the substantially expanded cane growing estates being carried over, for harvesting at the start of the 2010/11 season. Production of sugar at Xinavane was 89 000 tons (previous season: 63 000 tons). Mafambisse's sugar production of 45 000 tons (previous season: 45 000 tons) was adversely affected by a number of factors, including the harvesting of young cane in the newly established cane areas and overcoming irrigation bottlenecks. The Mozambique operation's raw sugar export volumes to the European Union totalled 49 000 tons (prior: 39 000 tons) and sales to the domestic market increased to 85 000 tons (prior: 69 000 tons). The currency gains of R122 million realised in 2008, when financial structures were finalised, were not repeated in 2009/10. The Mozambique profit from operations amounted to R192 million (prior period: R301 million).

The profit from sugar operations in Zimbabwe was R576 million in the 15 months to March 2010, as relevant economic fundamentals were reintroduced into the local economy and the business. Sales to the domestic market of 188 000 tons were undertaken in US dollars at levels in line with regional pricing and 146 000 tons were exported to the European Union. Sugar production in Zimbabwe amounted to 259 000 tons (previous season: 298 000 tons). The situation that prevailed in Zimbabwe in 2008 had a negative impact on the 2009 harvest and sugar production levels.

The recovery of the Zimbabwe sugar operations commenced in 2009, coinciding with the US dollarisation of the Zimbabwe economy and the return to more normal economic fundamentals relevant to the sugar business, including the restoration of domestic sales prices to regional levels. As reported in the interim results, the Zimbabwe operations are consolidated in Tongaat Hulett's financial results from the beginning of 2009. The accounting treatment, in terms of International Financial Reporting Standards, on the commencement of consolidation of these operations gave rise to a balance sheet take-on gain of R1,969 billion, which is recognised in the income statement. This gain is excluded from the profit from operations and excluded from headline earnings.

The centrally accounted and consolidation items include a R82 million gain (prior period: R86 million) on the recognition of an unconditional entitlement in 2009 to an employer surplus account allocation in the Tongaat Hulett pension fund.

The tax charge in the income statement includes the benefit of a release from the deferred tax provision following the reduction of the Zimbabwe tax rate from 30 percent to 25 percent at the end of 2009 and the advantage of an attractive Mozambique tax rate for agricultural operations.

Finance costs for the 15 months to March 2010 increased to R452 million from R367 million in the equivalent prior period, commensurate with the borrowings in the business.

Cash inflow from operations was R1,955 billion for the 15 months to March 2010. Tongaat Hulett's net debt at the end of March 2010 was R3,040 billion (compared to R3,370 billion at December 2009 and R2,356 billion at December 2008) with significant capital expenditure, mainly on the Mozambique expansion, cash absorption in the establishment of the expanded cane crops and replanting of sugar cane in Zimbabwe.

The Board has declared a final distribution, as a scrip distribution with a cash dividend alternative of 175 cents per share, bringing the total distribution for the full period to 275 cents per share. There is a separate detailed announcement on the scrip distribution with the related circular posted to shareholders.

REVIEW OF TONGAAT HULETT'S OPERATIONS

Tongaat Hulett has the advantage of owning a compelling mix of agri-processing assets in Southern Africa with access to attractive markets. Its expansion path favours utilising a combination of its own and private grower estates in agriculture, and large scale agri-processing operations in

selected countries. Ensuring the viability and success of private growers for whom access to the well located sugar mill is an essential requirement to invest in cane production remains a critical success factor for the sugar mill. The provision of support to private growers includes the supply of the correct seed cane varieties, extension services for training and development to improve farming practices and the establishment of the necessary logistics and cane harvesting service to ensure that the cane is delivered to the sugar mill. Tongaat Hulett's core competencies within the business include understanding and establishing social, political and community support in Africa and the associated land and water management requirements. Through its

South African sugar and starch and glucose operations, it produces almost half of the refined carbohydrates manufactured in South Africa. In starch, one of nature's most versatile raw materials, and in sugar, arguably nature's most efficient source of carbohydrate, Tongaat Hulett has the platform for a variety of downstream products. Product development within the organisation follows an integrated approach between the sugar and starch operations. The liquid fructose plant commissioned in 2008 has successfully gained market share by displacing imports and by the end of 2009, sales were constrained by production capacity and a feasibility study for the second phase of the project was underway. Similar opportunities for product expansion exist in the starch operation and the development of an extended range of modified starch production is currently being evaluated. Tongaat Hulett's four significant operations in Mozambique and Zimbabwe are located in agricultural areas that represent some of the lowest cost sugar production regions in the world.

The interrelationships between crops, such as soya and other edible oils, maize, cassava, wheat and sugar cane are increasing as farmers and agri-processors are confronted with choices as to which crops to farm and process, based on their relative profitability, initial input costs and financing requirements. Tongaat Hulett, with its portfolio of agri-processing assets, is well positioned in this world of increasing demand for agricultural products.

SOUTH AFRICAN SUGAR OPERATIONS

SA Sugar Crop, Agriculture, Cane Supply and Milling Capacity Utilisation Initiatives

The sugar mills situated on the north coast of KwaZulu-Natal continued to experience a shortage of cane supply. Grower viability in the predominantly rain-fed coastal region, uncertainty around land tenure created by the delayed restitution process and drier weather conditions discouraged grower reinvestment. The reduced reinvestment is particularly evident in delayed replant programmes combined with reductions in key inputs, such as fertiliser, and has contributed to declining cane yields and cane supply that have been exacerbated by the introduction of grower ownership in two competitor north coast mills which are competing for the limited cane supply. In 2009 the area under cane decreased by 10 454 hectares to 130 594 hectares and this coupled with the reduction in yields limited sugar production in 2009 to 564 000 tons (2008: 644 000 tons).

Sugar cane production per hectare of cane has declined by 30 percent from average levels of 64 tons per hectare achieved in 2000 because of the factors outlined above. In order to increase the utilisation of the existing capacity at its South African cane milling operations, various land management and cane supply initiatives to increase the area of land under cane and improve yields have been identified for implementation.

The dominant features of achieving greater yields per hectare lie in encouraging growers to reinvest in replanting and improving farming practices. Interventions designed to encourage and enable growers to replant and apply the correct farming practices are currently underway with the aim of returning yields to the levels previously achieved in a good rainfall year. These processes are supported by the expansion of Tongaat Hulett's cane extension services and the establishment of cane on third party land that is fallow or being utilised for alternate crops. Initiatives to increase cane supply by acquiring land that is currently not supplying the mills continue to be pursued. These initiatives also support property development and enhance the value of Tongaat Hulett's existing land holdings. During the planting

season from September 2009 to January 2010, new areas under cane totalling 4 513 hectares were established through a combination of expanded or new small scale grower, commercial grower and Tongaat Hulett leased land estates. Further expansions of the area under cane amounting to 8 084 hectares are planned for the 2010/11 planting period. In addition to these new areas under cane the company has been successful in achieving a net increase in the supply of cane from third parties of 2 013 hectares during the current season and has seen a reduction in the area under cane amounting to 200 hectares in the area surrounding the airport. The combination of these initiatives should result in the cane harvested supplying the South African mills expanding from 111 005 hectares in 2009 to a targeted 123 715 hectares in 2012.

As part of the overall land management process, Tongaat Hulett is assisting in the land claims processes within its cane catchment area in a positive and constructive manner that is designed to ensure cane supply to its mills is sustained. The post settlement model entails working with the claimant communities in order to assist them with business management and the development of successful farming practices, both during the transitional period prior to the settling of the claim and once the claimant community has taken ownership of the land.

Operational Performance – Milling and Refining

Tongaat Hulett's sugar technology leadership was confirmed during the year with milling performance continuing to exceed industry benchmarks measured in terms of crystal sugar recovery. Further improvements in efficiencies and capacity utilisation at the refinery resulted in refined sugar production increasing to 611 000 tons in 2009 (2008: 549 000 tons). These improvements resulted in cash operating costs for the refinery of US$38 to US$45 per ton. Refining margins improved during the period as the refined white sugar premium increased. The international refining margin has typically traded in a range of US$70 to US$80 per ton.

Domestic Market

Tongaat Hulett continues to optimise the value of the Huletts® brand as the leading sugar brand in South Africa. The brand remains the cornerstone of Tongaat Hulett's market positioning and offers a total sweetener solution including a range of high intensity sweeteners and liquid fructose.

International Markets

The two small sugar crops in 2008 and 2009, have resulted in lower export sales from South Africa. These sales were achieved at an effective world sugar price of 15,4 US cents per pound (2008: 12,1 US cents per pound) and an average exchange rate of R8,20/US$ (2008: R8,05/US$).

Voermol

Having pioneered the production of bagasse and molasses-based animal feeds under the Voermol® brand, this operation continues to be a leader with its range of energy and supplementary feeds, amongst others, as the cornerstone of its offerings to the livestock farming community. This operation is integral to the strategy of optimising value from molasses and bagasse from the sugar mills and showed an increased contribution to earnings.

MOZAMBIQUE SUGAR OPERATIONS

Tongaat Hulett's sugar operations in Mozambique consist of the Xinavane and Mafambisse sugar mills and surrounding estates. The 2009/10 year was a significant milestone in the development of these operations with cane growing activities being undertaken on significantly expanded sugar cane estates and a corresponding increase in milling capacity to crush the increased harvests in the years ahead.

Agriculture and Milling Capacity Expansions, Mozambique Sugar Crop

During 2009/10 the cultivated area of sugar cane, for delivery to the Xinavane and Mafambisse mills, almost doubled to 24 638 hectares (2008: 12 877 hectares) and comprised 21 410 hectares of company-owned estates and 3 498 hectares farmed by private growers. This represents 90 percent of the area required in order to meet the newly installed milling capacity with the balance of 2 738 hectares being planted in 2010. The annual cane harvest, including that of private growers, is expected to rise to over 2,6 million tons.

The expansion of the Xinavane sugar mill was completed in 2009/10 increasing its sugar production capacity to in excess of 208 000 tons in a 32 week crushing season. Together with the existing 92 000 tons of capacity at the Mafambisse sugar mill, the Mozambique operations have the installed milling capacity to produce in excess of 300 000 tons per annum.

Sugar production in 2009 in Mozambique increased to 134 000 tons from 108 000 tons in 2008. The start-up problems that limited sugar production at the expanded and modernised Xinavane mill have been resolved, including replacing the diffuser chain and modifying the cane and bagasse conveyer systems. The delayed start-up resulted in a large portion of the crop on the expanded cane growing estates being carried over, for harvesting at the start of the 2010/11 season. Production of sugar at Xinavane in the last season was 89 000 tons (2008: 63 000 tons). Mafambisse's sugar production of 45 000 tons (2008: 45 000 tons) was adversely affected by a number of factors, including the harvesting of young cane in the newly established cane areas and irrigation bottlenecks.

Following the expansion and project activities of the past period, the current focus of attention in Mozambique is on improving operational excellence. Plans are in place to improve cane yields and sugar recoveries and reduce the inefficiencies in the cane loading and transportation process in order to increase sugar production over the next two seasons from the 134 000 tons produced in 2009/10 to the installed milling capacity of over 300 000 tons per annum.

Sugar Markets

The Mozambique operation's raw sugar export volumes to the EU totalled 49 000 tons (2008: 39 000 tons) and sales to the domestic market increased to 85 000 tons (2008: 69 000 tons). Sales to the EU were constrained by improved local demand in Mozambique and Zimbabwe and by better returns from sales to other markets such as the United States (US) where prices reflected the dramatic increases seen in the international market. Tongaat Hulett continues to see strong demand for its sugar from premium buyers in the EU.

SWAZILAND SUGAR CANE OPERATION

The Tambankulu sugar cane estate in Swaziland has consistently achieved excellent sucrose yields due to the good soils and growing conditions in the region. The estate of is situated in the north east of Swaziland and comprises of 3 767 hectares of fully irrigated cane estates. The company delivers its cane to the nearby Simunye and Mhlume sugar mills. The estate harvested 432 577 tons of sugar cane in 2009 (2008: 458 592 tons) equivalent to 54 000 tons of raw sugar (2008: 56 000 tons).

ZIMBABWE SUGAR OPERATIONS

Tongaat Hulett's sugar operations in Zimbabwe comprise the wholly owned Triangle Sugar operation and its 50,3 percent holding in Hippo Valley Estates.

Agriculture and Milling Capacity, Zimbabwe Sugar Crop

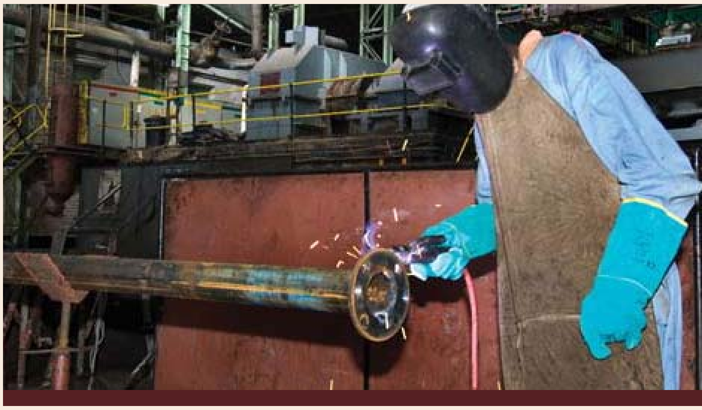
The Zimbabwe operations farm 29 000 hectares with a demonstrated potential to produce in excess of 3,4 million tons of sugar cane annually. Private growers have been allocated a further 15 800 hectares all of which were previously under cane and which have the demonstrated potential to produce in excess of 1,5 million tons of cane annually.

The Triangle and Hippo Valley Estates sugar mills have a combined installed milling capacity to crush in excess of 4,8 million tons of cane annually and produce over 600 000 tons of sugar. Refining capacity is 150 000 tons per annum.

Sugar production in Zimbabwe in 2009 amounted to 259 000 tons (2008: 298 000 tons). The situation that prevailed in Zimbabwe in 2008 had a negative impact on the 2009 harvest and sugar production levels.

Since February 2009, sales to the domestic market have been conducted in US dollars at prices in line with regional prices and amounted to 188 000 tons as demand in the domestic economy continued to improve. A further 146 000 tons of sugar production was exported to the EU.

The fermentation and distillation capacity to produce either alcohol or fuel grade ethanol is rated at 27 million litres per annum and was re-commissioned during January 2010. Clarity on the Zimbabwean blending policy is still required to facilitate sales of fuel grade ethanol in the local market. In 2010/11 the plant is expected to produce



23,4 million litres of potable and industrial grade ethanol with 75 percent being exported to South Africa and the balance sold domestically and regionally.

Integration of Triangle and Hippo Valley Estates

The pace of integration of Triangle with Hippo Valley Estates and the realisation of rationalisation and synergistic benefits in order to improve cost competitiveness has increased as the business environment normalises. Initiatives include the alignment of policies, sugar marketing and branding, rationalisation of strategic stockholdings, integration of medical schemes and the sharing of skills and resources through joint management services. Procurement has a key role to play in re-establishing the Zimbabwe operations as a low cost producer by international standards and is an area that is receiving particular emphasis as the economy adjusts from a hyper-inflationary Zimbabwe dollar environment to a more predictable US dollar denominated economy.

Rehabilitation of Existing Capacities

The improved macroeconomic conditions that have prevailed in Zimbabwe since the beginning of 2009 are facilitating the escalation of actions and programmes focused on restoring cane and sugar production to 4,8 million and 600 000 tons, respectively.

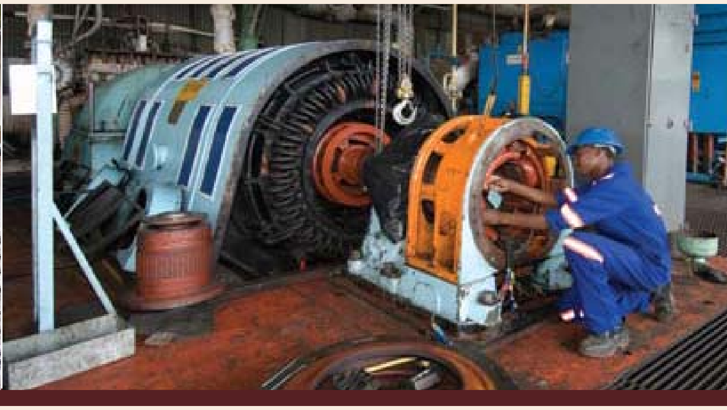
These plans include upgrading the two sugar mills in order to restore reliability and sugar recoveries, cane yield improvement programmes on the company farmed and private grower estates and plans to restore cane production over the next three to four years on 11 100 hectares of private grower land.

Integral to the plans to restore private grower cane production is the continued access to the EU's Adaption Funding made available to qualifying ACP countries following the reform of the EU's sugar regime and the

A third tranche of €13 million that will fund the re-establishment of 7 000 hectares has been provided for by the EU and is conditional upon progress being made on Zimbabwe's land audit, as provided for in the Global Political Agreement signed in 2008. The focus of attention in any land audit will be on land administration, land tenure, compensation and dispute resolution.

The improved macroeconomic environment and the fact that realisations for sugar sold on the domestic market in US dollars are at levels in line with regional prices has improved the viability of cane farming in Zimbabwe to the levels commensurate with those expected from high yielding irrigated cane land.

Triangle and Hippo Valley are escalating the provision of extension services and support programmes to all qualifying private growers including extensive technical training and the sourcing of key inputs. The combined effects of the rehabilitation activities outlined above are expected to result in a 20 percent increase in cane crushed and a 27 percent increase in sugar production to in excess of 330 000 tons in 2010/11.



resultant decrease in the value of the EU as a preferentially priced market. In the case of Zimbabwe, €45 million has been allocated, most of which will be channelled through the Canelands Trust that has been set up by the company, with oversight provided by the EU and the government of Zimbabwe.

The first two tranches of €2,7 million and €6,5 million have been made available with the first tranche being used to establish the administrative capability of the project. The focus of the second tranche is the re-establishment in 2010/11 of 1 200 hectares of private grower land in the Chipwa and Mpapa regions.

STARCH AND GLUCOSE

Maize Procurement

The slowdown in the world economy resulted in decreases in the prices of many agricultural commodities, including maize. Despite this, prices, remain significantly above the long term average prices as worldwide demand for food increases and an increasing proportion of food crops are diverted to renewable energy resulting in lower global food commodity stocks. The higher international prices encouraged increases in plantings in South Africa and this, combined with good weather conditions, resulted in a crop of 12,9 million tons being harvested in 2009 (2008: 12,7 million tons). This has resulted in local prices

remaining closer to export parity, thereby supporting Tongaat Hulett's competitive position. The improved profitability of local maize compared to competing crops and in relation to prior periods, resulted in an increase in the planting area for the 2009/10 production season to 2,76 million hectares (2008/09: 2,56 million hectares). The increased area, combined with excellent rains, is expected to yield a crop in excess of 13 million tons, the largest for nearly three decades, and ensure that local maize prices remain competitive with international prices.

International prices, after peaking at a price of US$295 per ton in July 2008, have declined to levels around US$150 per ton because of the impact of the world economic situation and falling oil prices. At these levels, prices remain above the long term average Chicago Board of Trade (CBOT) price of US$80 to US$100 per ton. Local producers have been cushioned from this decline by the reduction in input costs and improvements in yields and local prices continue to trade at levels of US$5 to US$10 above the CBOT price.

Tongaat Hulett continues to secure its physical maize requirements of non-genetically modified maize through a combination of direct contracting with farmers and contracting for delivery with selected grain traders. The physical supply for the balance of the season to June 2010 and the requirements for the period June 2010 to May 2011 have been contracted.

The pricing of maize continues to be delinked from the physical supply utilising two established methods, namely toll manufacturing arrangements with selected customers where the final product price reflects the maize input costs, and the back-to-back contracting approach in which the maize is priced at the time the final product price is agreed with a customer. These approaches effectively eliminate the risk of profit volatility that could arise from valuation adjustments on maize. The back-to-back method does not eliminate the profit volatility which arises due to the relative prices of South African maize compared to the world prices.

A third pricing mechanism, which secures the local price of maize at a level relative to the international price, was introduced in 2008 and continues to be applied. This mechanism allows Tongaat Hulett to take advantage of periods when the South African maize price is at levels that are competitive with the international price of maize. This is achieved by contracting for a fixed quantity of maize at a local price that will maintain a constant premium or discount in US dollars to the CBOT price.

Utilisation of a combination of the above three methods has resulted in the maize price on approximately 67 percent of the 2010/11 financial period's local maize requirements being hedged at levels close to the international price of maize at March 2010.

Local Market

Domestic volumes for starch and glucose for the fifteen month period declined by 5 percent as the effects of the global recession resulted in decreases in demand, particularly in the papermaking and corrugating sectors.

International starch and glucose prices, although declining because of the combined effects of the global recession on demand for products and lower commodity prices, did not decline at the same rate as prices in agricultural commodity markets. This allowed for the maintenance and, in the case of some products, improvement in margins. A similar pattern was experienced in the local market, although the improvement in margins was less pronounced due to the impact of higher electricity prices during the period.

New product development for value added starches for both the local and domestic markets continued during 2009/10, with notable success achieved in growing sales of starch-based adhesives to 1 458 tons.

A feasibility study to manufacture an extended range of modified food starches for local and international markets is underway and should be completed by mid 2010. The market potential identified equates to approximately 20 000 tons per annum for the local and export markets. In order to develop local and export markets, a toll manufacturing arrangement has been established with producers in Thailand. Investigations into enhanced animal feed formulations and the market development of the super-absorbent hydropolymer, Zeba® continued during the period.

Export Markets

Export volumes increased by 19 percent to 34 821 tons, facilitated by the South African maize price tracking close to the international maize price. The trading operation established in Australia, continues to develop its markets although growth during the period was affected by lower demand from the mining industry.

Cost Management, Efficiencies and Capacity Utilisation

Various initiatives to reduce costs and improve efficiencies continued during the period and saw improvements in the usage of utilities at all operations. Reductions in the protein available for extraction in maize hampered the projects underway to improve protein recovery.

The successful trials of the initial 20 000 ton bunker silo facility at the Kliprivier mill led to the expansion of this facility to 60 000 tons along with the establishment of an additional facility of 40 000 tons at the Meyerton mill. These silos assist in reducing storage and handling costs and are one of a number of initiatives being explored in order to improve grain handling at the operations. The utilisation of silo bags at various locations continued and was effective in reducing the overall costs of storage.

Trends in International Starch and Glucose Markets

Chinese maize starch costs have converged with cassava starch prices in Thailand. This was due to the effects of the drought in China and its impact on the Chinese maize crop and the impact of the limited availability of cassava root in Thailand on cassava starch prices. The cassava root shortage has been created due to farmers having to plant other crops because of an outbreak of disease in the cassava crop. In the US, sales of High Fructose Corn Syrup (HFCS) to soft drink manufacturers remain under pressure as the health debate surrounding "hollow calories" continues. The decrease in HFCS sales combined with spare capacity in the US wet milling industry has resulted in US producers of starch and glucose looking to re-enter export markets. Glucose and starch prices in China and Thailand are expected to remain firm in the short term supported by the high economic growth rates and maize and cassava prices.

LAND MANAGEMENT AND DEVELOPMENT

Land Management

Tongaat Hulett's operational land footprint within the Southern African Development Community (SADC) region amounts to approximately 560 000 hectares. This footprint consists of 267 160 hectares of land that it owns or controls, a further 137 204 hectares of private grower land supplying cane to the four South African sugar mills, 4 700 hectares to the two Zimbabwe mills and 2 431 hectares to the two Mozambique mills. Approximately 150 000 hectares of private maize farmland supplies the four starch operations. In South Africa, 13 863 gross hectares out of a total of 22 771 hectares of company owned land has been identified as having a high potential for conversion to other uses when conditions are appropriate.

The organisation employs land management strategies that support the development and growth of sustainable agriculture in the region in order to maintain and increase the supply of cane and maize to Tongaat Hulett's mills. A key strategy in this regard has been the proactive engagement of the company in the process of land reform. Its participation in this process seeks to support land redistribution and restitution in a positive and constructive manner that promotes agricultural and rural development and creates stakeholder value through land conversion activities. Its combination of agriculture, agri-processing and property development operations provides many options for satisfactorily dealing with land claim issues. Tongaat Hulett is able to prove ownership for all developable land dating back to before 1913.

Ongoing interaction between the various operations continues in order to identify opportunities within Southern Africa that are common to the sugar, starch and developments operations.

Creating Value for All from Agricultural Land Conversion

Worldwide, population growth, urbanisation, expanding middle classes, food scarcity and environmental concerns are increasing the competition for and underlying scarcity and value of agricultural and urban land. Urban areas are increasingly competing with each other for investment,

while the need for the sustainable development of rural areas is an increasing priority. Although the cycles of property markets and the timing thereof are difficult to predict, Tongaat Hulett has, over a number of years, developed the ability to optimise stakeholder value creation for all from its landholdings, while minimising risk. A key factor in the success of Tongaat Hulett's conversion of some 2 200 hectares of land over the past 15 years has been the fact that each development, whilst being commercially viable in its own right, has been able to increase the value of the remaining land assets.

As a major role player in KwaZulu-Natal, both as an employer and as a proactive and capable participant in the process of converting land from agricultural to other value enhancing uses, Tongaat Hulett's land conversion activities have led to successful partnerships with various spheres of government, communities, suppliers and end users. These partnerships have improved interaction with local and provincial authorities and communities and allow for input into planning activities which set the framework for the growth and direction of development and new investment, as well as provide guidance from a land use and intensity perspective. A cooperation and alignment agreement was concluded in 2008 between Tongaat Hulett and eThekwini Municipality in respect of integrated human settlements generally and the Cornubia development specifically. Similarly, a joint planning initiative with the Dube Trade Port, a provincial government entity, for the region surrounding the King Shaka International Airport has been in operation since 2008.

The broad spectrum and location of Tongaat Hulett's land holdings provides for a variety of development and land conversion models to be established. These range from the sale of land in bulk, serviced and unserviced, semi-bulk land sales, land exchange agreements, joint venture and partnership developments through to the traditional sale of smaller parcels of land from within a Tongaat Hulett development. The options, which require different levels of capital and infrastructure commitment, are evaluated before commencing each development or development phase.

Market Review and Operating Environment

Conditions for the conversion and sale of agricultural land remained depressed throughout 2009/10 with some recovery in demand experienced in residential markets towards the end of the period. Despite the reduction in prime interest rates from 15,5 percent in December 2008 to 10,0 percent in March 2010, banks remained reluctant to finance developments on undeveloped land and continue to apply stringent lending criteria and loan conditions. The recovery in demand is expected to continue at modest rates in the short term.

eThekwini Municipality continues to experience increasing urbanisation combined with an existing and growing demand for housing, social facilities and work opportunities. Extensive government investment in infrastructure has occurred in the region to the north of eThekwini, most notably the new King Shaka International Airport and its associated services infrastructure. The city's growth is constrained by topography and its primary development opportunities lie to the north and west of the city. The pace of development will likely remain restricted because of ongoing constraints imposed by limitations in key elements of bulk infrastructure.

Tongaat Hulett, with approximately 9 581 gross hectares (5 780 developable hectares) located in the regions to the north and west of the city, is uniquely positioned to collaborate with government in the conversion of land for new housing and employment opportunities and the associated social infrastructure. Currently there are

450 gross hectares (264 developable hectares) of land with full development rights, while environmental and/or land use zoning applications are currently underway covering some 2 360 gross hectares (1 470 developable hectares) north of Durban, with processes for a further 761 gross hectares (479 developable hectares) scheduled to be launched during the 2010/11 financial year.

Through its partnerships with government and the opportunities that the eThekwini growth corridor provides, Tongaat Hulett concluded sales during the period of 159 developable hectares of land in the eThekwini growth

corridor, including new airport related activities, while 10 hectares were sold in the prime coastal corridor. Tongaat Hulett is continuing to engage proactively with all spheres of government in pursuit of appropriate mechanisms to facilitate the acceleration of the conversion of agricultural land to urban uses. This will enable the region to maximise its competitiveness and ensure that it capitalises on the benefits that the new international air platform provides through improved accessibility to the world, increased tourism, enhanced port and airport linkages and synergies and the potential to compete for a position as a global destination and gateway into Africa.

CONCLUSION

Outlook

Tongaat Hulett's land and property development activity is currently focused on opportunities in the growth corridor north of Durban, including those related to the new international air platform.

The South African maize harvest in 2010 is projected to be above 13 million tons, the largest crop in 29 years, which should maintain local maize prices close to world prices and contribute to the competitiveness of the starch operation.

The world sugar price, after rising substantially, has recently declined sharply to a level similar to the average earned on exports from South Africa in 2009/10. These exports currently constitute some 20 percent of Tongaat Hulett's total sugar sales and this percentage will reduce as the Zimbabwe and Mozambique production increases. Movements in the Rand, US dollar and Euro exchange rates have a direct impact on export proceeds and the conversion of earnings into Rands by the operations outside South Africa.

The business is driving to increase sugar production from the 957 000 tons milled in the 2009/10 season to the installed sugar milling capacity of 1,9 million tons per annum, with a simultaneous reduction in the unit cost of production. Sugar production in the 2010/11 season is expected to be 20 percent to 25 percent above the previous season. Plans are in place to increase sugar production over the next two seasons in Mozambique from the 134 000 tons in 2009/10 to the newly installed milling capacity of 300 000 tons per annum, with the cane supply already well established. A recovery programme is currently underway in Zimbabwe, focused on the two sugar factories, improving cane yields and re-establishing private grower cane lands, so as to restore sugar production to the existing installed capacity of 600 000 tons per annum. In South Africa, the rainfall in the cane growing months has been below average for the 2010/11 season, which will affect the sugar operations. The focus in South Africa is on working with commercial and small scale growers on increasing hectares under cane, areas to be replanted and farming practices to improve yields, leading to higher milling capacity utilisation.

Tongaat Hulett remains well positioned to benefit from the medium to longer term global fundamentals of increasing demand for agricultural products, food, renewable energy and land usage.

Acknowledgments

I wish to pay tribute to the more than 35 000 employees of Tongaat Hulett and to thank them for their continuing dedication and commitment. In particular, it is encouraging to note the positive effects of changes taking place in Zimbabwe on the lives of our employees in this region. Working together, we have established a competitive platform that will stand us in good stead into the future.

In 2009, the board was delighted to welcome JB Magwaza as Chairman of Tongaat Hulett with effect from the Annual General Meeting held on 29 April 2009. JB's relationship with the company spans 34 years, having joined Tongaat Hulett in 1975. He was appointed as an Executive Director in 1994 and served in a non-executive capacity since 2003. His vast experience in the business community, sound understanding of the business and his insights into the socio-political dynamics of the region will stand the company in good stead. We look forward to the positive impact that his advice and guidance will have on the company's continued growth.

Rachel Kupara and Adriano Maleiane, who are based in Harare and Maputo respectively, were appointed as non-executive directors to our board. They bring an important regional insight and perspective to the board, in light of the increasing significance of the organisation's operations outside South Africa. We further extend our appreciation to Hixonia Nyasulu, who has communicated her intention to resign from the board. We thank her for her dedicated service to Tongaat Hulett. We also welcome, as a non-executive director, Thandeka Mgoduso who will provide continuity in respect of Tongaat Hulett's BEE equity initiative.

The support and guidance that we have received from the board is highly valued. Tongaat Hulett has benefited from their wise counsel and experience over a number of years.

Peter Staude
CHIEF EXECUTIVE OFFICER

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010

SUSTAINABILITY REPORT

Many Successes

- Decrease in LTIFR
- Level 3 BBBEE Rating
- Record level in VCT
- Inclusion in the JSE SRI index
- Ranked best BEE Food Company by Financial Mail

Continuing Opportunities

- Improved Carbon and Water Management
- Participation in the Carbon Disclosure Project
- Reviewing King III recommendations
- Enterprise Development initiatives
- Continued focus on safety improvement

Introduction

Tongaat Hulett continues to build on its ongoing commitment to operating responsibly and supporting long-term sustainability through strong performance. The company considers the management of its environmental, social and economic risks and opportunities as being fundamental to its future success. This commitment has been reinforced through continued improvement in the company's engagement with stakeholders.

During the period under review, the following areas were identified for focus over the next five years:

- Ensuring that management continues to be empowered to address sustainability in all facets of the business
- Further improving the disclosure of relevant information
- Effectively managing the opportunities and risks created by Climate Change and responsible Carbon Management
- Responsible management of water resources
- Playing an active role in the renewable energy sector in the region

In the context of operating in an increasingly dynamic world, where issues such as climate change and renewable energy are taking on greater relevance, stakeholders continue to expect that Tongaat Hulett will act in a fair and responsible manner. Meeting this expectation is core to business sustainability and it is pleasing that the company is recognised as a leading manufacturer of a range of high-quality products. Tongaat Hulett recognises its responsibility to contribute to the health and safety of its employees and the principles of fairness, integrity and respect are core to the company's dealings with employees. It is committed to minimising the impact on the environment and regular reviews of existing initiatives and measurements of performance are the norm.

Overview

Tongaat Hulett is an independent agri-processing business which includes integrated components of land management, property development and agriculture. With its established and growing operations, it remains well-positioned to benefit from the emerging global dynamics of increasing demand for agricultural products, food, renewable energy and land usage.

Tongaat Hulett Limited, previously known as The Tongaat Group Limited, evolved from a partnership between Edward Saunders and W J Mirrlees, which dates back to 1875. Tongaat Hulett has a primary listing on the Johannesburg Stock Exchange, which dates back to 1952, and a secondary listing on the London Stock Exchange, which dates back to 1939.

Tongaat Hulett's key focus areas of sustainability include safety, health, environment, broad based black economic empowerment, human resources and skills development, talent management, employment equity, indigenisation and, where applicable, socio-economic development and stakeholder engagement.

Tongaat Hulett employs over 35 000 employees and despite its continued commitment to safety, tragically there were eleven fatalities during the 15 month period to 31 March 2010. A single on site incident resulted in one fatality and two offsite incidents resulted in ten fatalities. The company continues to roll out its safety plan, which focuses on high risk areas, including the identification of high risk activities and additional interventions in order to minimise a recurrence of these types of incidents.

Tongaat Hulett uses the Global Reporting Initiative (GRI) guidelines on environmental, social and economic performance as a benchmark for its sustainability reporting. Sustainable development aims to meet the needs of the present without compromising the ability of future generations and Tongaat Hulett is firmly committed to advancing these principles.

A comprehensive explanation of Tongaat Hulett's operational structure is available in the 'Our Business' section of the company website (www.tongaat.co.za).

Reporting Boundaries

Following the most recent report, published for the period of 1 January to 31 December 2008, this report covers all of Tongaat Hulett's operations in Botswana, Namibia, Mozambique, South Africa, Swaziland and Zimbabwe for the 15 months ended 31 March 2010. Tongaat Hulett's geographical presence is presented on the company website (www.tongaat.co.za/ob/geographical.asp).

External Recognition

In 2009, Tongaat Hulett was included in the JSE's Socially Responsible Investment (SRI) index for the sixth year in a row, was ranked among the thirty best performers and was noted as one of ten consistent best performers for the past three years.

Tongaat Hulett was ranked first in the Food & Beverages sector of the Financial Mail's Top Empowerment Companies 2009, for the second year in a row.

The Investment Analysts Society of Southern Africa voted Tongaat Hulett as the winner of the Best Reporting and Communication Award in the Consumer Products category in 2009, for the second year running.

The Maidstone sugar mill was rated by NOSA, out of 1 200 sites audited, as the best manufacturing facility in terms of Safety, Health and Environment (SHE) at their International Awards.

ENVIRONMENTAL STEWARDSHIP

Management Approach

Tongaat Hulett seeks to responsibly manage its impact on natural resources and reduce waste generation. Research is regularly undertaken to measure and monitor the impact of its operations on the environment and implement systems to ensure that resources are used in a sustainable manner.

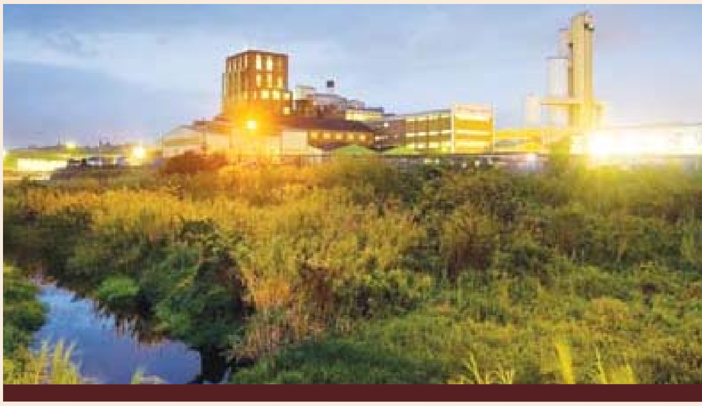
Policies and practices are in place in Botswana, Namibia, Mozambique, South Africa, Swaziland and Zimbabwe to ensure that operations are managed within statutory and legal parameters and Tongaat Hulett's self-defined targets.

Key environmental risks have been identified and appropriate action is being taken to either eliminate or minimise the risks concerned. Environmental incidents and complaints are well monitored, reported and acted upon. Significant progress has been made during the reporting period with the recording of environmental data on emissions, energy consumption, waste quantification and resource conservation. Specific targets have been set at each operation and are being aligned to the ISO 14001, OHSAS 18001 and NOSA requirements. Objectives and targets will facilitate meaningful progress with regard to best practice in sustainable development. Accredited auditors monitor the achievement of objectives and targets and operational targets have been set in respect of primary water use, energy use, air quality (sulphur dioxide emissions), land use and bio-diversity.

Tongaat Hulett's approach to property development is conceptualised and implemented around a sustainable development philosophy, which at its core, is aimed at achieving an appropriate synthesis between economic development, environmental enhancement and social upliftment. Actions continue to be taken to find ways of addressing social development objectives such as affordable and quality housing, appropriate densification and public transport, as well as environmental sustainability measures such as green buildings, reducing energy and water usage and developing ecological corridors and indigenous carbon sinks.

The undertaking of Environmental Impact Assessments (EIA's) and implementation of the respective Environmental Management Plans (EMP's) are entrenched and all operations strive to conduct themselves in an environmentally responsible manner.

Tongaat Hulett is evaluating its carbon and water footprint and developing new approaches to understanding and



dealing with the potential opportunities and consequences of both climate change and water shortages in the future.

Energy, Climate Change and Carbon Management

In 2009, Tongaat Hulett participated in the Carbon Disclosure Project (CDP), an independent initiative encouraging transparency on all climate change related issues and providing details of emissions performance. As part of the CDP process Tongaat Hulett conducted its first carbon footprint analysis. The analysis was conducted according to the Greenhouse Gas Protocol, a widely used international accounting tool. Details of the company's actions are provided in the public response to the Carbon Disclosure Project (www.cdproject.net). The company tracks and monitors its greenhouse gas emissions and will continue to improve the accuracy and reporting of its greenhouse gas footprint.

Direct or Scope 1 emissions are those arising directly from owned or company controlled sources. These include, for example emissions from combustion in owned or controlled boilers, furnaces, vehicles and emissions from chemical production in owned or controlled process equipment. Tongaat Hulett operations emitted 920 356 metric tons CO_2 (Scope 1 emissions). Indirect, or Scope 2 emissions are those emissions from the generation of purchased electricity consumed by Tongaat Hulett. The company purchased electricity that emitted 386 735 metric tons of CO_2. The total CO_2 for the period under review was 1 307 091 metric tons equivalent and the turnover was R11,1 billion, which equates to 118 grams of CO_2 emitted per rand generated.

Sugar from cane has a substantially lower carbon footprint than similar or comparable products produced from other agricultural products. The bulk of Tongaat Hulett's sugar mills and cane estates energy needs in the form of steam and cogenerated electricity are met utilizing bagasse from sugar cane which is a renewable fuel.

The sugar cane plant converts CO_2, water and sun light into biomass. Tongaat Hulett's sugar mills routinely generate renewable electricity for sale into the national grid. Two of the mills sell this electricity to a "green" electricity trader, for resale as certified renewable electricity to consumers. A small amount of coal is burnt as a supplementary fuel at the sugar mills when required.

The central sugar refinery uses coal to supply steam and cogenerated electricity and the Starch operation uses coal or gas for steam and purchased electricity.

For the period to 31 March 2010 Tongaat Hulett used 483 346 MWh of electricity in all its operations and offices. It generated 360 142 MWh from its sugar mills predominantly from bagasse. Other sources of fuel that are used include coal, diesel, petrol, gas and wood.

With the growing global drive to address the issue of carbon emissions and global warming on a more urgent basis, Tongaat Hulett continues to implement a number of initiatives and is investigating further avenues, which will positively reduce the impact of the carbon footprint and improve energy utilisation. The current and future projects include energy efficiency, further use of natural gas for more efficient steam generation, cogeneration of electricity from natural gas in the Starch operation and the expanded production of electricity from sugar cane bagasse.

The company is positioning itself to take advantage of the opportunities presented by renewable energy. Discussions are under way with national Government, renewable electricity traders and end users in order to facilitate a market for large-scale cogeneration of renewable electricity by the sugar industry. The company is also investigating the production of biofuels from a number of feedstocks and at different geographic locations.

Air Quality

Since sugar mills burn bagasse as a fuel, the flue gases from the boilers do not contain harmful levels of contaminants. Wet scrubbing technology is used to remove fly-ash from the flue gas to ensure that emissions meet the required standard.

The central sugar refinery in the Durban South Industrial Basin burns coal as a boiler fuel and therefore has a greater challenge in terms of emission reduction. The refinery is operating well within the permitted requirements and meets regularly with relevant environmental authorities and community groups to share the environmental performance of the plant. The significant capital investments implemented over the last five years have contributed towards improved plant efficiencies and reduction in emissions. In addition, the Refinery is evaluating alternative steam and power technology options for the plant in preparation for impending changes to emission legislation.

Biodiversity and Land Management

Tongaat Hulett owns some 24 750 gross hectares of land in South Africa of which approximately 13 863 hectares are considered to have potential for the transition from agriculture to other development uses on a phased basis at the appropriate time. Tongaat Hulett recognizes and understands the necessity for a sustainable approach to land management and the conversion of its agricultural landholdings. The company prides itself on implementing strategies, which aim to ensure and enhance the sustainability of its management and development activities. The natural environment is seen as being part of the land assets and incorporated into the land management, planning and development activities. It is a value-enhancing feature to which value is added through the protection of existing natural habitats, rehabilitation of land and the management and maintenance of these habitat areas. Over 5 500 hectares are being, and will be rehabilitated and brought into formal, sustainable management as a result of new development. Biodiversity and conservation are important components of all processes and are entrenched throughout the value chain in the most viable and sustainable manner possible.

The use of chemicals, fertilizers and pesticides is carefully monitored to avoid contamination and land degradation. The company proactively undertakes environmental due diligence audits, liability assessments and ad hoc inspections.

Water Conservation

Access to clean water is an issue of growing importance and a key challenge for sustainable development. Water is consumed in various forms, with the largest user being the agricultural operations. The sugar cane plant comprises 70 percent water and sugar mills are therefore net producers of water. Most of the sugar cane processed in South Africa is dependent on natural rainfall. In Mozambique, Swaziland and Zimbabwe, large-scale irrigation is practised via purpose-built canal systems with water extracted from rivers. The management of these canals and irrigation systems is in keeping with the highest agronomy and safety standards.

At Tongaat Hulett Starch, water usage is monitored on a daily basis and optimised to run at world standards for wet milling. Water quality is monitored on an ongoing basis at all operations. The company continues to identify business risks and opportunities for water access, reuse or recycling, efficient use and responsible waste water disposal.

Tongaat Hulett's reported water used in product manufacturing during the period under review as 23 222 688 m^3, with a further 66 552 117 m^3 being purified at various mills and supplied to local Municipalities as portable water. This metric, reported for the first time, provides a single, aggregated overview of water demand across all of the company's operations.

Effluent

Subsequent to the "zero effluent" philosophy that has been adopted by several operations to minimise the quantity of liquid effluent leaving each mill or plant, the sugar mills recycle and re-use water within the factory, while the remaining effluent undergoes biological treatment (aerobic and anaerobic) to reduce its chemical oxygen demand to acceptable levels before discharge. Water that is produced as part of the sugar milling process is used for the irrigation of sugar cane on adjacent estates. Effluent produced at the central sugar refinery is disposed of into the municipal sewer for treatment, and both the quantity and quality thereof is monitored carefully to ensure compliance with the relevant specifications.

The starch operations' effluent is treated at local authority treatment plants, with effluent quality being constantly monitored.

Waste

Some operations have re-engineered and refined services to reduce waste and increase resource productivity over the last few years. These initiatives have yielded significant savings, offering new revenue streams from the sale, exchange and recycling of waste products. Specific projects in the period to 31 March 2010 included the quantification of waste streams and the establishment of waste recycling programmes.

During the reporting period, 26 870 tons of general waste, 2 677 tons of scrap metal waste, 19 172 tons of hazardous waste and 34 947 tons of recycled waste was generated and disposed of in accordance with applicable legislation.

Food Safety

Tongaat Hulett continues to manage its maize requirements on a non-genetically modified basis using a sophisticated identity preservation system. This ensures the company's ability to meet the needs of its customers in the food industry. In addition, ongoing attention is paid to the requirements of ISO 9001, the Hazard Analysis Critical Control Point system (HACCP) and ISO 22000, in terms of quality and food safety standards at all operations and these systems are in various stages of being certified by the South African Bureau of Standards (SABS).

Environmental Compliance

There were no material incidents, fines or non-monetary sanctions for non-compliance with applicable environmental regulations during the year under review. The established community liaison forums between Tongaat Hulett and interested parties continue to address environmental related complaints. During the reporting period 116 level one and 11 level two complaints were received compared to 50 level one complaints received in 2008 and 113 level one complaints received in 2007. The increase was attributed to the increased level of awareness and reporting by employees.

THIRD PARTY CERTIFICATIONS

All operating companies have embarked on programmes to conduct third party audits and/or certifications. In this regard, targets have been set for third party audits and certifications associated with NOSA, OHSAS 18001, ISO 14001, ISO 9001 and HACCP/GMP. All South African operations are certified under the ISO 14001 Environmental Management Systems. All sugar operations were audited by NOSA on the integrated star rating system. All starch operations are ISO 9001 certified and also ISO 14001 certified. Germiston is OHSAS 18001 certified. The remaining starch operations are working towards certification by 31 March 2011. Mozambique and Zimbabwe operations have completed stage 1 of the ISO 14001 with the exception of Hippo Valley Estates, which has achieved certification. The Swaziland operation is certified to ISO 14001, ISO 9001 and NOSA. Certain of the starch and sugar operations have embarked on HACCP/ISO 22000 food safety assessments, Germiston, Kliprivier, Maidstone and Tongaat Hulett Sugar Refinery are ISO 22 000 certified.

SOCIAL PERFORMANCE

Management Approach

Ethical integrity and social responsibility are core principles of the manner in which the company conducts its business. Tongaat Hulett views the achievements of targets in this area as central to the organisation's continued success. In light of this, executive directors' and management's annual bonuses are linked to, among other elements, the achievement of key business strategies and the company's safety targets. The company builds enduring relationships with its stakeholders that are characterised by mutual respect, active partnerships and long term commitment. Performance on social dimensions continued on a positive trend, from the previous reporting period, with notable progress on all dimensions: safety, health, talent management and people development.

SAFETY

Tongaat Hulett is striving to create a workplace free of fatalities and injuries. Substantial improvements continue to be achieved in safety performance at all operations, with a decrease in LTIFR from 0,11 in 2008 to 0,097 as at 31 March 2010, constituting a significant improvement when compared to 1,27 in 2003. LTIFR is the number of lost time injuries per 200 000 hours worked and includes all restricted work cases. The R25 million spent two years ago on new safety personnel carriers at sugar operations made a significant contribution to the improvement of safety performance.

Regrettably, eleven fatalities occurred in three incidents during the fifteen month period. A single on site incident resulted in one fatality and two offsite incidents resulted in ten fatalities. At the Xinavane mill, nine security officers were fatally injured in a motor vehicle collision that took place on a public road near the sugar mill and an employee who suffered hot water burns on site died from a subsequent infection. In Zimbabwe, another motor vehicle collision off site claimed the life of an employee.

The focus of the safety programmes throughout Tongaat Hulett over the reporting period has been on identifying the highest risk incidents or "near misses" and managing them at the same level as if they had actually resulted in a disabling injury. This approach is designed to progressively lower the risk of a fatality or injury at each operating site.

Executive SHE committees have been established in South Africa, Mozambique, Swaziland and Zimbabwe.

Period	*Actual 12 months to 31 December 2007*		*Actual 12 months to 31 December 2008*		*Actual 15 months to 31 March 2010*		*Target 12 months to 31 March 2011*	
	No. of LTI's	LTIFR	No. of LTI's	LTIFR	No. of LTI's	LTIFR	No. of LTI's	LTIFR
Sugar	62	0,13	53	0,10	51	0,09	45	0,08
Starch	9	0,66	4	0,28	4	0,27	3	0,21
Developments	0	0,00	0	0,00	0	0,00	0	0,00
Consolidated	71	0,14	57	0,11	55	0,097	48	0,08

The Mozambique and South African committees are chaired by the CEO and meet quarterly to review progress of the Tongaat Hulett safety management programme. All operations continue to identify and re-evaluate their risks. Active monitoring, control and action are ongoing.

Underpinning the Safety Improvement Plan, all operations have programmes in place related to behaviour based safety, visible felt leadership, hazard identification and risk assessments, internal audits, management reviews and third party audits. Golden rules, standard procedures and safety training are key components of the safety improvement drive. Senior employees in operational areas are expected to ensure compliance with safety laws and remain responsible for taking steps considered to be practical to mitigate any potential hazards.

Benchmarking is used to measure standards against leading best practice. Relevant information and experience is shared across all operations and Tongaat Hulett SHE committee meetings are used as one of the vehicles to promote the implementation of leading practices and shared learning. In addition, inter-operational site visits form an integral part of the shared learning process whereby management teams have the opportunity to gain first hand information on SHE practices and access to innovative ideas. Incident learnings are also shared across the company.

HEALTH

Operations in South Africa comply with the requirements of the Occupational Health and Safety Act, or the country equivalent for its operations in Botswana, Namibia, Mozambique, Swaziland and Zimbabwe. Management in each of the operations is required to ensure that all legal requirements are complied with, and where legislation does not exist, leading practices identified and implemented. SHE audits are regularly conducted in order to ensure this compliance and the company is committed to exceeding the minimum requirements of the legislation. Company clinics provide occupational and primary health care programmes, and there is a high quality company hospital in Zimbabwe. Health care programmes include risk assessment and control measures, hygiene surveys and medical surveillance.

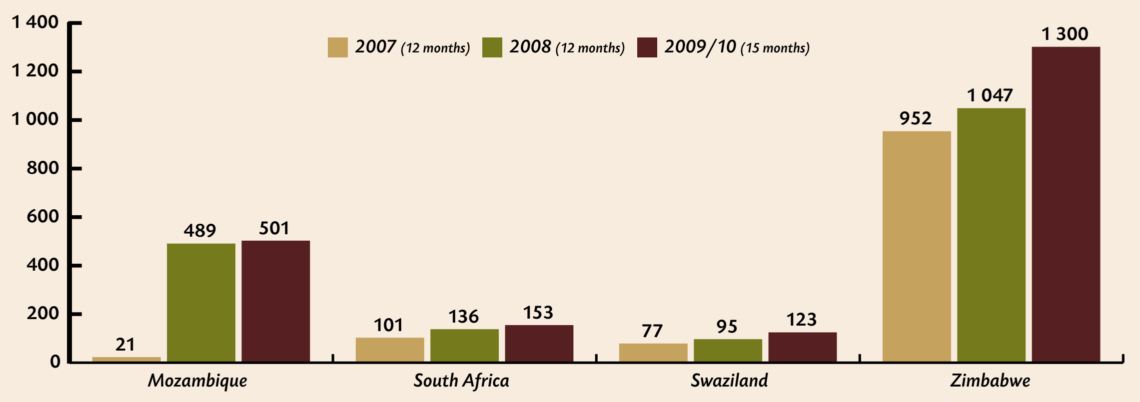
HIV and AIDS

In recognition of its responsibility towards managing HIV and AIDS, there is a Board approved HIV and AIDS policy, which encourages training and education, voluntary counselling and testing, and ensures the fair, compassionate and non-discriminatory treatment of those who may be affected by the disease.

Holistic and comprehensive HIV and AIDS management programmes are in place with the key elements being awareness, prevention, encouraging employees to know their status through Voluntary Counselling and Testing (VCT) treatment that includes Anti-retroviral Treatment (ART), care and support. Due to requirements of confidentiality and privacy, as well as medical and clinical expertise when treating HIV and AIDS patients, the company makes use of external service providers in certain operations to co-manage the workplace programmes. Where appropriate, successful wellness programmes are offered in various operations. The key components of these wellness programmes include healthy lifestyle education and personal health assessment, including VCT.

Good progress is being made with the number of employees knowing their HIV status. 87 percent of the employees in South Africa, 70 percent in Swaziland, 87 percent in Mozambique and 77 percent in Zimbabwe know their status. In Mozambique, progress continues to be made in respect of HIV and AIDS programmes, including VCT in conjunction with the Government of Mozambique. Strategies to ensure a further increase in the number of employees participating in VCT are in place,

Number of employees on Anti-retroviral Treatment



such as linking VCT to occupational medical surveillance programmes, general wellness programmes and HIV and AIDS commemorative events such as World AIDS Day. By 2011 more than 87 percent of the employees in South Africa and 75 percent of the employees in the other countries should know their status.

The company's ART programme is progressing well with 2 077 employees (153 in South Africa, 501 in Mozambique, 123 in Swaziland and 1 300 in Zimbabwe) currently receiving ART.

Occupational Diseases

Ongoing occupational health programmes are in place at all operating centres to eliminate priority health risks such as noise induced hearing loss and occupational diseases such as asthma and dermatitis. Risk assessments, hygiene surveys, risk control measures, medical surveillance and audits are conducted periodically to address exposures to health hazards at the workplace. Further occupational health audits were conducted during the reporting period, building on the solid platform that has been established.

Malaria

Malaria is still a significant health risk in the Mozambique, Swaziland and Zimbabwe operations. Integrated malaria control programmes to mitigate the impact of the disease are in place at the respective operating centres. The key elements of the programmes are vector control with insecticides, prevention of mosquito bites with personal protective measures and the treatment of established cases of malaria. The number of malaria cases amongst employees in the reporting period to 31 March 2010 was 868, with 474 cases reported in Mozambique, none in Swaziland and 394 in Zimbabwe. In 2008 there was a total of 1 621 cases, with 1 011 cases reported in Mozambique, 1 in Swaziland and 609 in Zimbabwe.

TALENT MANAGEMENT AND PEOPLE DEVELOPMENT

To achieve superior performance, which is key to success in a challenging business environment, skilled staff of the highest calibre are required. A shortage of skilled people, particularly in technical and engineering disciplines, has resulted in Tongaat Hulett experiencing major challenges in order to recruit, develop and retain key skills in a fiercely competitive environment for scarce talent. There is a need to ensure an appropriate pipeline of skilled people to meet future skills requirements and for succession planning purposes. Programmes are in place at all operations to attract, develop and retain valuable skills. Targeted recruitment and market-related remuneration practices, coupled with effective performance and talent management, play an integral part in this regard. Where appropriate innovative strategies are being used to retain people with key skills.

Training related information in respect of the South African operations for the period 1 January 2009 to 31 March 2010 is as follows:

- Total training spend — R47,1 million
- 1 percent skills levy — R11,1 million
- Training spend % leviable amount — 4,2% (excluding 1% skills levy)
- Number of people days trained — 15 269
- Number of people days available — 1 893 057
- % trained people days — 0,8%

Recruitment strategies have been improved, including the use of psychometric assessments and web-based recruitment linked to Career Junction. Partnerships and relationships with education institutions have been strengthened with institutions such as the University of Witwatersrand (Wits) (Electrical Engineering/Process Control), the University of KwaZulu-Natal, Mangosuthu Technikon and the Durban University of Technology.

	Number (as at 31 March 2010)	*Average Age (as at 31 March 2010)*	*Number Terminated (1 January 2009 to 31 March 2010)*	*Number Appointed (1 January 2009 to 31 March 2010)*
Graduates/ Diplomates	1 075	40	61	75
Artisans	445	38	47	101

Existing Skills

In the sugar operations, managers attend leadership and management development programmes offered by Treetops. The starch operations have formed a partnership with the Wits Business School to address their unique requirements of management development and supervisory training respectively. In addition to formal training and development programmes, there has been further improvement in performance management, talent management, coaching and mentoring processes. Coaching skills training is done through Wits Business School and UCT Business School. Where appropriate, reasonable accommodation of work/life balance, for example in the form of flexible work arrangements, is being used as one of the ways to accommodate the needs of particular employees, which would contribute to the retention of talent.

Bursaries, scholarships, trainee programmes and learnerships continue to be sponsored by the company to assist with sourcing and developing bright young minds in anticipation of future skills requirements. To support these programmes, strong partnerships have been formed with select educational institutions and Sector Education and Training Authorities (SETAs). Workplace skills plans and implementation reports are submitted to the relevant SETA on an annual basis. In all countries, the number of learnerships was 384 as at 31 March 2010, which include in-service trainees, apprentices and graduate trainees. More than 8 434 employees participated in training programmes and 175 employees participated in the company's study aid scheme for the 15 month period (1 January 2009 to 31 March 2010), which is aimed at assisting employees with part time tertiary education. Thirty-two bursaries for tertiary education (degree or diploma) are currently being sponsored by the company, and 273 apprentices were in training as at 31 March 2010.

Employment Equity and Indigenisation

Tongaat Hulett values the dimensions that a diverse human resource base brings to its businesses. Employees in the Swaziland and Zimbabwe operations consist almost exclusively of local citizens. Mozambique continues to experience a skills shortage, resulting in more foreign nationals being employed in that country than might be expected. Plans are being developed to further employ and train local citizens to gradually replace foreign nationals in Mozambique.

In South Africa, where there is a particular need to address the imbalances of the past, a strong employment equity culture has been fostered over many years. Actions are continuing to improve the representation of designated groups, with particular emphasis on Africans, black women and persons with disabilities, with the intention to align the workforce profile

Employment Profile as at 31 December 2008 submitted to the Department of Labour

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	4	0	1	14	2	1	1	0	1	0	**24**
Senior management	20	4	21	63	2	1	5	3	2	0	**121**
Professionally qualified and experienced specialists and mid-management	52	6	43	78	29	4	18	24	3	4	**261**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	315	53	232	149	143	17	56	71	11	4	**1 051**
Semi-skilled and discretionary decision making	1 015	22	185	6	164	7	30	11	1	1	**1 442**
Unskilled and defined decision making	1 367	0	15	2	1 098	0	2	0	1	0	**2 485**
TOTAL PERMANENT	**2 773**	**85**	**497**	**312**	**1 438**	**30**	**112**	**109**	**19**	**9**	**5 384**
Temporary employees	89	1	3	3	56	3	5	0	0	1	**161**
GRAND TOTAL	**2 862**	**86**	**500**	**315**	**1 494**	**33**	**117**	**109**	**19**	**10**	**5 545**

Note: A = African C = Coloured I = Indian W = White with the underlying demographics of the country. As at 31 March 2010, 54,7 percent of management and 80,5 percent of skilled and supervisory positions are filled by black employees. Within the South African operations, 72,4 percent of the 616 graduates and diplomate employees are black, with women constituting 38 percent.

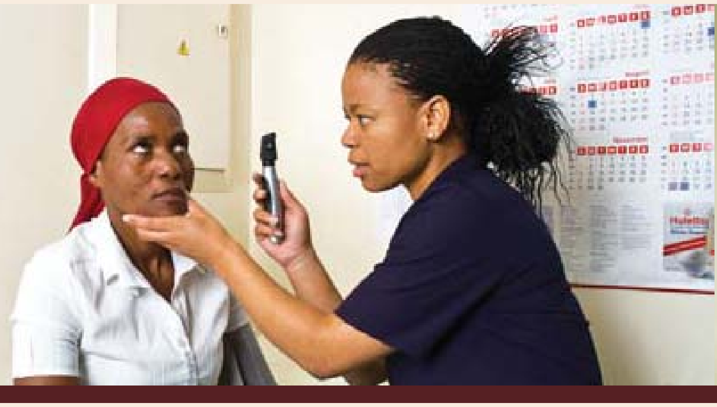
Employment equity plans are in place to meet the employment equity goals that have been set for December 2011. These plans include targeted recruitment and placement, coupled with talent and performance management, training and development, coaching and mentoring and managing cultural diversity. Recommendations have been received from the Department of Labour (DoL), following their review of the Tongaat Hulett employment equity practices and action plans are in place to implement the recommendations.

The Tongaat Hulett Employment Equity Committee is chaired by the CEO. The broad composition of this committee ensures that it benefits from company wide experience and expertise in achieving its objectives. Its main objective is to set targets and review progress on all employment equity related matters and where necessary, to make recommendations to the board on the

	Actual as at 31 December 2007	Actual as at 31 December 2008	Actual as at 31 March 2010
Top Management	36%	38%	38%
Senior Management	42%	44%	46%
Middle Management	55%	58%	60%
Skilled and Supervisory	77%	78%	81%

The table opposite reflects the employee profile of the company's South African operations as at 31 December 2008, which was part of the Tongaat Hulett report submitted to the DoL.

The overall proportion of blacks in management as at 31 March 2010 was 54,7 percent of permanent staff at this level, compared to 52,7 percent at 31 December 2008. It is envisaged that by 2012, black representation at management level (D band and above) will exceed



implementation of employment equity policies. These policies are based on equal opportunity for all within a diverse workforce with a substantial number of members of designated groups at all levels. The implementation of these policies is facilitated by appropriate performance and talent management processes, recruitment targets, development and training programmes, coaching and mentoring and innovative management development practices.

These programmes, targets and practices enjoy priority as a key business objective and constitute an integral part of management's performance assessment.

60 percent. The table above reflects a year on year comparison of black employee representation in proportion to permanent staff at various levels as at 31 March 2010.

As at 31 March 2010, the proportion of black females in top management was 16,7 percent which was the same as at 31 December 2008 and black females in management increased from 15,5 percent to 16,8 percent in March 2010. There were 62 employees with disabilities as at 31 March 2010, which constituted 1,0 percent of the employee complement compared to 0,9 percent as at 31 December 2008.

Labour Relations

The company has always strived to maintain a constructive relationship with unions and a general climate of industrial peace has prevailed over the past few years. There are recognition agreements with 13 different unions as at 31 March 2010 and approximately 67 percent of permanent employees are members of unions. Senior management are involved in union negotiations, with senior human resources staff playing a key role in this regard.

Disciplinary codes and procedures have been implemented after negotiations with unions concerned. There was no industrial action during the 15 month period. Two minor work stoppages of short duration, involving a small number of employees with minimal cost impact occurred during the 15 month period.

STAKEHOLDER ENGAGEMENT

Tongaat Hulett acknowledges that it has a range of environmental, social and economic impacts. Determining how these impacts are prioritised and defining which ones are "material", through the effective application of meaningful stakeholder engagement policies and procedures, is an important strategic step in addressing them. Tongaat Hulett recognises that stakeholder engagement is the process of ensuring that it creates transparent dialogue between itself and internal and external parties about its operations and their consequences. The objective of the company's stakeholder engagement processes is to build long-term, stable and mutually-beneficial relationships with its stakeholders. In progressing this significant objective, Tongaat Hulett has identified the following key stakeholders and the various initiatives in place to communicate with each group.

Employees are empowered in order to attract and retain talent, improve competence and skills and enhance value and commitment. Staff is kept abreast of local and corporate business development via internal newsletters, company intranet, briefings and internal memos. The bi-annual results presentations are made available to staff by invitation and also through the company intranet.

Customers, suppliers and service providers are engaged in order to determine their needs, evaluate perceptions, enhance Tongaat Hulett's brands, grow revenue and deliver new products. Each operating area has a marketing and procurement unit, which meets with customers, suppliers and service providers on an ongoing basis.

Tongaat Hulett engages with shareholders, investors, analysts and the media in order to create more accurate expectations, informed perceptions and market the business. Communication takes place through meetings with management, telephonic conversations, internet and email. A well entrenched investor relations team exists with a focus on communicating with all stakeholders and ensuring adherence to corporate disclosure requirements. In addition, annual and interim results presentations are held in Johannesburg, Cape Town and Durban in order to explain the company's performance and prospects. Engagement with the media takes place on a formal as well as informal basis with media briefings, press releases, SENS announcements and publishing of relevant information on the Tongaat Hulett website. Shareholders are also encouraged to attend the company's Annual General Meeting.

Government authorities and regulators play a vital role in the company progressing its initiatives in the countries in which Tongaat Hulett operates. The company interacts with these stakeholders in order to further optimise opportunities and assess matters relating to regulatory compliance, within the relevant country. During the reporting period to 31 March 2010, the development operations signed a cooperation agreement with eThekwini Municipality to collaborate on the planning of Cornubia affordable housing development. In addition, numerous engagements have occurred with the Department of Transport for the provision of infrastructure. The new King Shaka International Airport presents further opportunities for partnering with provincial and local authorities on planning for the provision of land for commercial purposes in the vicinity of the airport. The starch and sugar operation interact with the Department of Agriculture, Forestry & Fisheries on agri-processing and

land issues and the corporate office has engaged with the Department of Labour regarding employment equity and transformation matters.

Managers in all our operations interact with trade unions on relevant employment issues with collective bargaining taking place where appropriate. The sugar and starch operations are the most labour intensive businesses and structures are in place to engage with various unions.

Local communities are engaged in order to develop a broader understanding of their concerns, align priorities and allocate corporate social investment in areas where there will be maximum impact. Community related programmes include enterprise development, socio-economic development, training, employment, environment protection, cultural heritage and support for recreation through community trusts. In November 2010, various local communities of Indian origin will celebrate the arrival of indentured labourers in Durban 150 years ago. Many of these labourers left India to work in the sugar industry in South Africa, and today their descendants form part of one of the largest Indian populations outside of India. Tongaat Hulett recognises the contribution made by indentured labourers many years ago, in contributing to the growth of the industry and the role that so many people of Indian origin continue play in the success of the company today.

ECONOMIC SUSTAINABILITY

Management Approach

The company's continuing financial resilience depends, among other factors, on its ability to focus on sustainable BBBEE and indigenisation in the agriculture sector through the development of local farmers in Mozambique, Zimbabwe and South Africa, including post settlement solutions in the land reform programme. Tongaat Hulett uses its expertise to harness these resources, creating prosperity for its stakeholders.

Broad Based Black Economic Empowerment

Tongaat Hulett continues to make good progress by building on its proud history of numerous meaningful and sustainable broad based Black Economic Empowerment (BBBEE) initiatives for the benefit of all stakeholders. Steps continue to be taken to ensure that processes and measurements within the company are aligned with the relevant regulatory requirements and the South African Department of Trade and Industry's (DTI) Codes of Good Practice. Where applicable, operations have been involved in the formulation of relevant industry/sector scorecards.

Transformation, equal opportunity, the creation of a diverse employee profile and indigenisation remain key performance areas in every geographical region where Tongaat Hulett operates.

Tongaat Hulett established the ESOP and MSOP employee ownership schemes for the benefit of all South African

BBBEE Scorecard	*Score*		
Element	**2007**	**2008**	**2009/10**
Equity Ownership	21,63	19,05	21,59
Management & Control	6,99	7,83	7,80
Employment Equity	9,16	9,78	10,18
Skills Development	6,34	4,39	5,96
Preferential Procurement	12,32	9,33	12,70
Enterprise Development	13,73	15,00	15,00
Socio Economic Development	5,00	5,00	5,00
Total	**75,16**	**70,38**	**78,23**
BBBEE Level Rating	**3**	**4**	**3**

black employees and senior black management respectively, effectively placing a collective interest of 7 percent in the hands of such employees. The overall objective of the schemes is to retain and attract high calibre black employees at every level of the business and to create a sense of ownership amongst employees, as well as to entrench an ownership culture within the greater Tongaat Hulett workforce. The introduction of BBBEE equity participation in 2007, included an 18 percent participation by two BBBEE groupings, Ayavuna Women's Investments, as an anchor partner, combining with the Mphakathi Trust, which benefits the communities surrounding the Tongaat Hulett property developments and Sangena Investments, as an anchor partner, combining with the Masithuthukisane Trust, which benefits the small scale cane grower communities surrounding Tongaat Hulett's four South African sugar mills.

The third BBBEE rating audit by AQRate was conducted in 2009 with Tongaat Hulett being categorised as a Level Three Contributor, with an overall score of 78,23 percent compared to the previous year's score of 70,38 percent. The detailed comparative scorecards are shown on the previous page.

This means that entities purchasing from Tongaat Hulett may recognise 110 percent of the value of their Tongaat Hulett purchases in the procurement element of their scorecards. Going forward, reporting systems and targets will continue to be reviewed to ensure maximum alignment with the elements of the DTI Codes of Good Practice. The highlights of the accreditation is the improved scoring in preferential procurement, equity ownership, employment equity and skills development elements. Management will continue to work towards the improvement of scorecard points where possible. Tongaat Hulett believes that BBBEE is essential to the sustainability of its South African operations, as well as the prosperity of South Africa and its people.

Intellectual Property

Tongaat Hulett's intellectual property is protected through employment contracts and confidentiality agreements and/or license agreements with external parties. These agreements establish ownership of and rights to trademarks, copyright, trade secrets, innovations and inventions resulting from any dealings with the company. In the sugar operation, a portfolio of patents is managed by a knowledge management specialist in consultation with patent attorneys. Protection of patentable ideas is achieved by immediately taking out provisional patents, with targeted national and international patenting.

Preferential Procurement

The objective of Preferential Procurement under the DTI's current Codes of Good Practice includes the promotion of BEE compliance by all entities and targets for procurement from Exempted Micro Enterprises (EME's), Qualified Small Enterprises (QSE's), black-owned and black women owned enterprises. Furthermore, with enhanced recognition given for Preferential Procurement from value adding suppliers and enterprise development beneficiaries, the procurement of locally produced goods and services is actively supported to assist in developing sustainable income streams for such new entities thereby.

In respect of the Procurement Scorecard for Tongaat Hulett and based on 2008 expenditure, out of a total available spend (defined as total procurement spend less spend on parastatals and the importation of goods not locally produced) of R5,637 billion, BEE procurement spend from all suppliers based on BEE procurement recognition levels as a percentage of total measured spend was R2,313 billion (41,04 percent).

Spend with companies which are more than 50 percent black owned totalled R259 million, whilst spend with QSE's or EME's totalled R798 million. The spend with companies which are more than 30 percent owned by black women was R90 million.

Enterprise Development and Transformation in Agriculture

Tongaat Hulett's enterprise development initiatives are underpinned by promoting entrepreneurship as the sustainable means to business development. They have influence across the communities in which they operate creating jobs and opportunities for growth. Enterprise development has occurred, for an example, through the sale of businesses to new black shareholders. Major BEE transactions concluded by the company include the listing and unbundling of Hulamin with a BBBEE equity participation element.

Tongaat Hulett has identified transformation of the agricultural sector in the countries within which it operates as a key imperative for long-term sustainable growth. Building on the strong platform, which was established through the sale of some 11 871 hectares of Tongaat Hulett sugar cane land to 98 BEE medium scale farmers in South Africa since the commencement of the sugar operation's programme in 1995 to transfer sugar cane farming skills and farms to previously disadvantaged emergent farmers, the company has implemented a number of models, which vary from country to country.

This land redistribution programme forms a major component of the company's Enterprise Development

Programme and is supported by the South African Department of Agriculture, Forestry & Fisheries, the Department of Rural Development and Land Reform and the Sugar Industry. The sale of farms to medium scale farmers equates to about 50 percent of the company's land holdings in South Africa, compared to the Government's target of 30 percent for transfer to black farmers by 2015. The recent focus in South Africa has been on the post settlement aspect of the land reform process for sugar cane land supplying its mills. This entails working with the claimant communities in order to assist them with business management and the development of successful farming practices, both during the transitional period prior to the settlement of the claim and once the claimant community have taken ownership of the land. In addition to the mentoring and support services provided to emergent farmers, Tongaat Hulett Sugar plays a leading role in the land reform initiative (Inkezo) of the South African Sugar Industry.

Operation Vuselela (revival in Zulu) is a partnership between Tongaat Hulett Sugar and KZN Department of Economic Development and Tourism (KZN DED&T). As part of this partnership 3 500 hectares of cane will be planted over a three year period commencing in the 2010/2011 planting season. Impaphala Trust farm will also be rehabilitated as part of this initiative. More than 2 500 small medium sugar cane growers will be established. In addition to this at least 726 permanent jobs and more than 6 000 seasonal jobs will be created over a ten year period.

Over the three year period, a total amount of R46,7 million will be contributed by the KZN DED&T. Tongaat Hulett Sugar will make a direct contribution of R10,1 million as well as an indirect contribution in excess of R20 million in the form of technical, managerial and logistical support.

Tongaat Hulett Sugar is the implementing agent for Operation Vuselela and in line with the spirit of the proposal all goods and services will be outsourced. Preference will be given to local SMME's who are run by target groups including woman, local people and the youth. These contractors will be appointed using all the government systems and guidelines for the appointment of contractors and service providers. The Tongaat Hulett Buying Office will be assisting the project with the procurement of inputs such as fertilizer and chemicals.

The underlying aim of Operation Vuselela is to create employment and general economic development opportunities in the targeted rural areas. The active part of the whole project is in the Small Scale Grower areas in tribal areas of rural KZN. This is part of Tongaat Hulett Sugar's effort of securing and increasing cane supplies to the mills while uplifting the rural communities.

The starch operation continues to be involved in the Ithuba Farming Project for the development of commercial black maize farmers. The project now encompasses three farms and twenty-seven farmers from previously disadvantaged backgrounds. In addition to the small training farm at the Kliprivier plant, the project has now leased and equipped two large maize farms in the Balfour area of Mpumalanga from the Department of Rural Development and Land Reform. A search for one more farm continues with the Department, the lease of three commercial farms would enable the project to accommodate successive groups for training periods of four years. Each group would spend one year at the Kliprivier farm prior to moving to one of the commercial farms for a further three-year period. After the four years, the farmers would apply to the Department to lease their own farms and the mentoring relationship would continue on a lesser scale. Being granted a perpetual lease of three farms will enable Tongaat Hulett Starch to fully equip and improve each farm in successive years, which should result in better planning and production by the trainee farmers.

During 2009, the Graduate Farmers Group 2007 of ten farmers harvested just short of 5 000 tons of maize at the

Grootvlei farm. The Sisonke Farmers Group 2009 of eight harvested 664 tons at the smaller Kliprivier training farm and after the harvest they were transferred to the Tweefontein farm close to the Grootvlei farm.

A new group of ten student farmers were selected from thirteen applications in September 2009 and were installed at Kliprivier where they planted 130 hectares of maize by mid December.

Any profit from the sale of maize is deposited into a trust account on behalf of the farmers. These funds will be incremented by income from each subsequent harvest during the mentorship period and will provide capital to be used in the eventual establishment of their own farming businesses.

Two experienced mentors have been engaged, one for the two groups in the Balfour area and one for the trainees at Kliprivier. An improved theoretical training program has been introduced. The structure and organization of the project is being improved and fine tuned as the team members gain experience.

VALUE ADDED ANALYSIS

for the 15 month period ended 31 March 2010

Rmillion	15 months to 31 March 2010	12 months to 31 December 2008
Revenue	**11 136**	7 106
Bought-in materials and services	**(7 453)**	(4 968)
VALUE ADDED BY OPERATIONS	**3 683**	2 138
Dividends and other income	**212**	287
Capital profit on land	**52**	22
Capital profit on other fixed assets	**13**	49
TOTAL VALUE ADDED	**3 960**	2 496
Applied as follows:		
TO PAY EMPLOYEES		
Salaries, wages and benefits	**1 648**	1 002
TO PAY PROVIDERS OF CAPITAL	**772**	680
Interest on borrowings	**489**	325
Distributions to shareholders	**283**	355
TAX	**208**	212
RE-INVESTED IN BUSINESS	**1 332**	602
Depreciation	**521**	244
Retained earnings after distribution to shareholders	**811**	358
	3 960	2 496

The Zimbabwe consolidation take-on gain and the BEE IFRS 2 charge and transaction costs have been excluded from this schedule.

The Zimbabwe operations are progressing with the plough-out and replanting programme of some 600 private grower cane fields starting with 1 200 hectares in 2010, and progressively increasing by 7 000 hectares in 2011 and a further 7 000 hectares in 2012 with Adaptation Funds amounting to €45 million availed by the European Union. This rehabilitation programme will result in yield improvements from the current 78 tons per hectare to an average of 100 tons per hectare by 2014.

The small scale growers program at Xinavane comprises eleven new associations with a total of 1 170 farmers. Four of these are medium scale farmers with hectares per member ranging from twelve to forty-five. The seven associations have many farmers each owning a share of land ranging from 0,43 to 2,0 hectares. The program aims to develop 1 616 hectares under sugar cane for small growers, of which 1 263 hectares have already been developed. Xinavane is doing the development and planting for the small growers and provides the necessary technical assistance. Ten percent of the developed land is set aside for food crops under irrigation to ensure food security. The Mafambisse program has developed 285 hectares involving seven farmers.

In partnership with Umhlanga Ridge Newtown Centre

Management Association, TH Developments embarked upon a community-driven enterprise development program aimed at imparting cobbling skills to the small enterprise in the Waterloo community. A local small enterprise was identified for training after consultation with the local community development organization. Waterloo Primary School was identified for cobbling work, with Tongaat Hulett providing project management and community facilitation skills.

SOCIO-ECONOMIC DEVELOPMENT

Tongaat Hulett continues to promote sustainable development through constructive Socio-Economic Development (SED) initiatives, which are aimed at building and enhancing the quality of life of people, with emphasis on previously disadvantaged communities within which Tongaat Hulett operates. A well-entrenched SED policy exists within the company, with guiding principles on key focus areas for social responsibility activities. SED spend is mainly directed at education, health, community skills upliftment, charitable organisations, environmental needs and crime prevention.

The reporting period highlighted the significant contribution that Tongaat Hulett makes to the welfare of its employees and the communities surrounding the operations in countries like Zimbabwe, Swaziland and Mozambique and consequently some 85 percent of its total spend was incurred in these operations. During the reporting period R29,7 million was spent on health activities which includes costs associated with a hospital at Triangle Estate and spend on cholera and malaria prevention at its operations. A further R51 million was spent on matters related to housing, maintenance of the villages and refuse collection.

Numerous schools are located in and around the operations and some R9,9 million was spent on Education which included costs for repairs to schools, stationary and education support.

Spend in the South African operations accounted some 15 percent of total spend with the largest contributions being made by way of company sponsored occupational and primary health care services and contributions of R2,9 million to education. In this regard, an amount of R1,5 million was used to donate lap desks to schools mainly in the rural areas and R727 000 was spent on bursaries. The company continued its association with the National Business Initiative and contributed R213 000 during the reporting period.

In addition to the donation of funds to worthy projects, expertise is made available by company management to guide community projects. Where appropriate, SED initiatives are linked with business objectives through a corporate social partnership approach, to ensure that the company's involvement is in line with community priorities. The total SED spend for the 15 months to 31 March 2010 including the cost of company sponsored occupational and primary health care services was R130,7 million. This was above the company's commitment to allocate one percent of annual headline earnings to SED on a company wide basis annually.

INDEPENDENT ASSURANCE STATEMENT

Sustainability Assurance (SA) was commissioned by Tongaat Hulett to provide independent third-party assurance over the 2010 Sustainability Report (the report, covering the period 1 January 2009 to 31 March 2010) contained in Tongaat Hulett's integrated annual report.

Refer to www.tongaat.co.za/annualreport2010/assurance.pdf for details on the assurance statement.

FEEDBACK

All stakeholders are encouraged to share their views on this sustainability report with us, either by posted mail or email.

For further information, please contact

Corporate Affairs
Tongaat Hulett
PO Box 3, Tongaat, 4400
South Africa

Telephone: +27 32 439 4114
Email: info@tongaat.co.za

GRI INDEX

For detailed Global Reporting Initiative G3 sustainability reporting indicators:

Refer to www.tongaat.co.za/annualreport2010/gri.pdf

CORPORATE GOVERNANCE

Tongaat Hulett is committed to sound corporate governance and ethical leadership in all its business practices. It continues to uphold and endorse the application of the principles recommended in the Code of Corporate Practices and Conduct embodied in the King II Report. The company recognises the need to add value to all stakeholders, conduct business with openness, integrity and accountability, and provide timely, relevant and meaningful reporting. The board of directors believes that it has complied, in all material respects, with the provisions of the King II Code and the related Listings Requirements of the JSE Limited (JSE), as well as all the applicable statutes and regulatory requirements guiding its conduct throughout the period under review.

As part of its ongoing commitment to corporate discipline, ethical leadership, sustainability and good citizenship, Tongaat Hulett welcomes the recent introduction of The King Code of Governance Principles (King III). Proactive steps are being taken to ensure the appropriate application of the principles relevant to Tongaat Hulett in advance of the reporting required in the 2011 Annual Report.

The roles and responsibilities of the directors, as well as the company's code of ethics for directors and employees, are detailed in a Corporate Governance Manual. This, together with established policies and practices on matters such as safety, health and environment, social investment, broad based black economic empowerment and employment equity, provide a sound framework for sustainable corporate governance within Tongaat Hulett.

BOARD OF DIRECTORS

The board adopted a Charter, which forms part of the Corporate Governance Manual and records the board's continued objective to provide responsible business leadership with due regard to the interest of shareholders and other stakeholders, including present and future customers, suppliers, employees, as well as the community and the environment within which the company operates. The Board Charter regulates and deals, inter alia, with the fiduciary duties and responsibilities of individual directors toward the company, the approval of strategy and policies, risk management and control, orientation of new directors and conflict of interest.

Tongaat Hulett has a unitary board structure comprising twelve non-executive and three executive directors, drawn from a broad spectrum of the business community. The directors represent a wide range of skills, knowledge and experience, and bring independent judgment to the board deliberations and decisions. The majority of the non-executive directors are independent, with no one individual having unfettered powers of decision-making.

The roles of the independent Non-Executive Chairman, J B Magwaza, and the Chief Executive Officer, P H Staude, are separate with a clear division of responsibilities. In accordance with the company's articles of association, directors are subject to retirement either by rotation at intervals of three years or at the close of business of the next annual general meeting after a director attains the age of seventy years. Directors retiring by rotation may be re-elected at the annual general meeting at which they retire. New directors may only hold office until the next annual general meeting, at which they will be required to retire and offer themselves for election.

On appointment, new directors have the benefit of induction activities aimed at broadening their understanding of the company and markets within which it operates. There are no term contracts of service between any of the directors and the company or any of its operations.

In assisting the board to discharge its duties, board committees have been established which provide, through transparency, disclosure and review, the assurance that operational performance and risk management are monitored. In this regard there is also a record of matters specifically reserved for the board's decision. A formal self-evaluation of the board and its committees, and the assessment of the Chairman by the board, aimed at improving the board's effectiveness, is carried out annually and areas of improvement or concern are identified and adequately addressed.

The board of directors is responsible to shareholders for the performance and the affairs of the company, retaining effective control over the company and giving strategic direction to management. The board has delegated to the Chief Executive Officer and other senior management authority to run the day-to-day affairs of the company. In addition to written board resolutions, levels of authority and materiality delegated to management are approved by the board and are clearly recorded in the Authorities Framework contained in the Corporate Governance Manual, which is utilised by all operations within Tongaat Hulett.

The board meets at least five times a year, with special or additional meetings convened as circumstances dictate. Comprehensive board documentation is prepared and distributed in advance of each meeting, with an opportunity to propose additional matters for discussion at meetings. All directors have access to appropriate information and to the advice and services of the Company Secretary. Independent professional advice is available to directors in appropriate circumstances at the company's expense.

Attendance of directors at board meetings during the 15 month period to 31 March 2010

Director	Board A	Board B
P M Baum[1]	5	3
E le R Bradley[2]	2	2
B G Dunlop	8	8
F Jakoet	8	7
J John	8	7
R P Kupara[3]	3	3
J B Magwaza	8	7
T V Maphai	8	4
M Mia	8	8
N Mjoli-Mncube	8	7
M H Munro	8	8
A A Maleiane[4]	2	2
T H Nyasulu	8	5
C M L Savage[2]	2	2
C B Sibisi	8	8
P H Staude	8	8
R H J Stevens	8	7
J G Williams[1]	5	4

A: Indicates the number of meetings held during the year while the director was a member of the board
B: Indicates the number of meetings attended during the year while the director was a member of the board
1: Resigned from the board with effect from 14 August 2009
2: Retired from the board with effect from 29 April 2009 (AGM)
3: Appointed to the board with effect from 8 October 2009
4: Appointed to the board with effect from 23 November 2009

BOARD COMMITTEE STRUCTURES AND RESPONSIBILITY

In accordance with the Board Charter, the board has approved and delegated authority for specific matters to various committees, all of which have formal terms of reference. Through regular reporting by the committees, the board is able to monitor, inter alia, key risk areas, and financial and non-financial aspects relevant to the company's various businesses. The formal terms of reference and the delegated authority regarding each committee are set out in the Corporate Governance Manual.

Audit and Compliance Committee

The Audit and Compliance Committee is appointed by the board each financial year and comprises three non-executive directors of the company, all of whom are independent. The members possess the necessary expertise to direct the committee constructively in the execution of its responsibilities. The current members are J John (Chairman), F Jakoet and M Mia. The Chief Executive Officer, P H Staude; the Chief Financial Officer, M H Munro; the Internal Audit Manager, M M Jean-Louis and representatives of the internal and external auditors attend by invitation. The Company Secretary, M A C Mahlari, is the secretary for this committee. The committee meets at least three times a year.

The Audit and Compliance Committee's terms of reference, which have been approved by the board, include financial reporting and operational matters such as the monitoring of controls, loss prevention, litigation, reputational issues and JSE, statutory and regulatory compliance matters. The Audit and Compliance Committee terms of reference and the Internal Audit Charter reflect applicable requirements made by the Corporate Laws Amendment Act, No 24 of 2006.

In addition, the committee is responsible for ensuring that there is an effective risk management process and regularly reviews the effectiveness of risk management activities and receives confirmation of the various ongoing risk management activities relevant to each operation. Each major operational area has its own audit and compliance committee, which subscribes to the same company audit philosophies and reports to the Tongaat Hulett Audit and Compliance Committee.

The committee provides a forum through which the external and internal auditors report to the board. It is responsible for the consideration for appointment and review of internal and independent external auditors, the maintenance of a professional relationship with them, reviewing accounting principles, policies and practices adopted in the preparation of public financial information and examining documentation relating to the interim and annual financial statements. In addition, it reviews procedures and policies of internal control, including internal financial control and internal audit reports. The adequacy and capability of Tongaat Hulett's external and internal audit functions are also subject to continuous review. The committee further considers the independence and objectivity of external auditors.

Management is focused on continuous improvements to systems of internal control. An external quality assurance review of the internal audit function was performed during the normal review cycle, which concluded that the Tongaat Hulett internal audit function "generally conforms" to the standards recommended by the Institute of Internal Auditors, which is the highest rating in terms of the standards of the Institute of Internal Auditors. The status of "generally conforms" continues to be applicable for a period of five years from the date of validation in terms of the standards of the Institute of Internal Auditors.

The external and internal auditors have unrestricted access to members of the Audit and Compliance Committee and its Chairman at all times, ensuring that their independence is in no way impaired. Both the internal and external auditors have the opportunity of addressing the committee and its Chairman at each of the meetings without management being present.

The Audit and Compliance Committee determines the purpose, authority and responsibility of the internal audit function in an Internal Audit Charter, which has been approved by the committee and the board. The charter sets out the terms of reference of Tongaat Hulett's internal audit function, its reporting line to the Chairman of the committee and the fact that the internal auditors have unrestricted company wide access to all functions, records, property and personnel. The committee reviews the scope and coverage of the internal audit function and has approved its coverage and work plan for the financial year commencing 1 April 2010. While the internal audit function has been outsourced to a professional firm of registered accountants and auditors, co-ordinated by the Internal Audit Manager, the company's independent external auditors do not assist in the performance of any internal audit assignments.

The nature and extent of all non-audit services provided by the independent external auditors are approved and reviewed by the committee, to ensure compliance with the company's policy.

In accordance with the Corporate Laws Amendment Act, the Audit and Compliance Committee confirms that during the 15 month period to 31 March 2010 it carried out its functions responsibly and in accordance with its terms of reference. The committee is also satisfied that the designated auditors of the company are independent of the company. The committee has also considered the expertise and experience of the Tongaat Hulett financial director in terms of the Listings Requirements of the JSE and concluded that the financial director's expertise and experience meet the appropriate requirements.

The committee's attention to regulatory compliance is ongoing in line with the amendments to the regulatory environment. The framework of high priority laws and regulations applicable to Tongaat Hulett's operations has continued to be refined during the year with the aim of strengthening the culture of legal awareness and compliance. Management continuously assesses and reviews statutory and regulatory requirements and risks, and identifies appropriate processes and interventions to enhance compliance with applicable legislation. No material infractions have come to management's attention during the 15 month period to 31 March 2010 that indicate non-compliance with applicable legislation and codes of good practice.

The Audit and Compliance Committee had five meetings during the period under review. The record of attendance is contained in the table below.

Attendance of directors at the Audit and Compliance Committee meetings during the 15 month period to 31 March 2010

Director	Audit and Compliance Committee	
	A	B
E le R Bradley[1]	1	1
F Jakoet[2]	4	4
J John	5	5
M Mia	5	5

A: Indicates the number of meetings held during the year while the director was a member of the committee

B: Indicates the number of meetings attended during the year while the director was a member of the committee

1: Retired from the Audit and Compliance Committee with effect from 29 April 2009 (AGM)

2: Appointed to the Audit and Compliance Committee with effect from 15 May 2009

Safety, Health and Environment Committee

The Safety, Health and Environment (SHE) Committee, which comprises non-executive directors and the Chief Executive Officer, is chaired by an independent non-executive director, and meets at least twice a year. Its members are N Mjoli-Mncube (Chairman), F Jakoet, C B Sibisi and P H Staude. Several members of the executive team and other officers of the company attend this meeting. W G Streek is the secretary.

This committee oversees the performance of the company against its set safety, health and environment targets and objectives, and receives and considers reports relating to substantive SHE risks and liabilities that could potentially face the company. The committee also reviews key indicators on accidents and incidents and where appropriate, ensures that such information is communicated to the board. This board committee was constituted in September 2009 to support the executive SHE Committee whose responsibilities included the review of the major risks identified by the various committees at Tongaat Hulett's operations and the progress against SHE targets, thus providing a facility for the development of an overall perspective on SHE matters and for the sharing of information and experiences across the company. The executive forums also consider and, where appropriate, respond to material national and international regulatory and technical developments in the fields of SHE management.

The SHE Committee had two meetings during the period under review. The record of attendance is contained in the table below.

Attendance of directors at the SHE Committee meetings during the 15 month period to 31 March 2010

Director	SHE Committee	
	A	B
F Jakoet	2	2
N Mjoli-Mncube	2	2
C B Sibisi	2	2
P H Staude	2	2

A: Indicates the number of meetings held during the year while the director was a member of the committee

B: Indicates the number of meetings attended during the year while the director was a member of the committee

Remuneration Committee

The Remuneration Committee, which meets at least three times a year, is chaired by an independent non-executive director and comprises only non-executive directors. The current members are M Mia (Chairman), J B Magwaza and N Mjoli-Mncube. P H Staude attends by invitation and M Serfontein is the secretary.

The reward philosophy, which has been approved by the board, is formulated to attract, motivate and retain directors, executives and employees needed to manage and run the company successfully. The Remuneration Committee is responsible for considering and making recommendations to the board on the policy and on the quantum, structure and composition of remuneration packages of executive directors and senior executives. In addition, it reviews general salary increases for management and the operation of the company's incentive schemes. Rewards are linked to both individual performance and the performance of the company. Independent external studies and comparisons are used to ensure that compensation is market related.

The Remuneration Committee had four meetings during the period under review. The record of attendance is contained in the table below.

Attendance of directors at the Remuneration Committee meetings during the 15 month period to 31 March 2010

Director	Remuneration Committee	
	A	B
P M Baum[1]	2	2
E le R Bradley[2]	2	1
J B Magwaza[3]	2	2
M Mia	4	4
N Mjoli-Mncube[3]	2	2
C M L Savage[2]	2	2

A: Indicates the number of meetings held during the year while the director was a member of the committee

B: Indicates the number of meetings attended during the year while the director was a member of the committee

1: Resigned from the Remuneration Committee with effect from 14 August 2009

2: Retired from the Remuneration Committee with effect from 29 April 2009 (AGM)

3: Appointed to the Remuneration Committee with effect from 15 May 2009

Nomination Committee

The Nomination Committee, which meets as required, comprises only non-executive directors. Its members are M Mia (Chairman), J B Magwaza and N Mjoli-Mncube. P H Staude attends by invitation and M Serfontein is the secretary. This committee's terms of reference ensure that, for board appointments, a rigorous, fair and open nomination and appointment process is established which will provide a balance of appropriate skills, knowledge and experience in the boardroom and support strong corporate performance. The committee makes recommendations to the board on the size, composition and demographics of the board, particularly in relation to the balance between executive, non-executive and independent directors, ensuring that there is a diversity of experience and backgrounds to create a cohesive and effective board. The committee also gives consideration to succession planning, and ensures that processes and plans are in place for orderly succession and for appointments to the board and to senior management.

The Nomination Committee had two meetings during the period under review. The record of attendance is contained in the table below.

Attendance of directors at the Nomination Committee meetings during the 15 month period to 31 March 2010

Director	Nomination Committee	
	A	B
P M Baum[1]	1	1
E le R Bradley[2]	1	1
J B Magwaza[3]	1	1
M Mia	2	2
N Mjoli-Mncube[3]	1	1
C M L Savage[2]	1	1

A: Indicates the number of meetings held during the year while the director was a member of the committee
B: Indicates the number of meetings attended during the year while the director was a member of the committee
1: Resigned from the Nomination Committee with effect from 14 August 2009
2: Retired from the Nomination Committee with effect from 29 April 2009 (AGM)
3: Appointed to the Nomination Committee with effect from 15 May 2009

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee consists of senior Tongaat Hulett executives and deliberates on matters of strategy, business planning and the effective operation of the business, to provide leadership on key issues. The committee's focus is on the alignment of activities and initiatives throughout the company's operations.

The current members are P H Staude (Chairman), J D Bhana, R D S Cumbi, M Deighton, N P Dingaan, B G Dunlop, B R Gumede, C Gwala, M M Jean-Louis, G P N Kruger, V C Macu, M A C Mahlari, M N Mohale, S D Mtsambiwa, M H Munro, S J Saunders and M Serfontein. The Company Secretary, M A C Mahlari is the secretary of this committee.

Risk Committee

Risk management continues to be dynamic, evolving and integrated into the core of running the company. This is of particular relevance in the current business environment, which is recognised as having many changing and challenging elements, particularly in the context of the volatile global economy and specific localised dynamics. As a company that operates across a spectrum of evolving global themes including renewable energy and climate change, Tongaat Hulett's business platforms and operational areas continually monitor, manage and target the arising risks and opportunities.

While the board is ultimately accountable for risk management, company management has implemented various processes throughout its operations to ensure that risk management has become part of the day-to-day activities of the business. This seeks to address risk and opportunity areas relevant to Tongaat Hulett.

The risk management review process targets an appropriate balance between the issues that are specific to, and managed in, an operational area and those issues that are significant or cross cutting enough to be considered and managed in an appropriate way, on a Tongaat Hulett basis. The approach to risk management includes being able to identify and describe or analyse risks at all levels throughout the organisation, with mitigating actions being implemented at the appropriate point of activity. The significant high impact risk areas and the related mitigating action plans are monitored at a Tongaat Hulett Risk Committee level. Risks and mitigating actions are given relevant visibility at appropriate forums throughout the organisation.

The Risk Committee composition is as follows: M H Munro (Chairman), M Deighton, B G Dunlop, M M Jean-Louis, G P N Kruger, M A C Mahlari, M N Mohale, S J Saunders and P H Staude.

Appropriate plans and resources have been identified in order to ensure the implementation of recovery procedures, where potential risks have been identified as having the possibility of constituting a disaster.

Company wide systems of internal control exist in all key operations to manage risks. This system supports the board in discharging its responsibility of ensuring that the risks associated with the operations are effectively managed. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of board assurance and regular reports are presented to the board.

The company's internal audit function provides independent assurance to the Risk Committee and the board on the effectiveness of the appropriate internal control processes throughout the company. The board also receives assurance from the Audit and Compliance Committee, which derives its information in part from regular external and internal audit reports throughout the company on risk and internal control.

ACCOUNTABILITY AND CONTROL

The directors are required by the Companies Act to maintain records and prepare financial statements, which fairly present the state of affairs of the company as at the end of the financial year and the results of its operations for that year, in conformity with International Financial Reporting

Standards. The financial statements are the responsibility of the directors and it is the responsibility of the independent auditors to report thereon.

To enable the directors to meet these responsibilities, standards have been set and systems of internal control implemented to reduce the risk of error or loss in a cost effective manner. These controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. They are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring that the company's business practices are conducted in an appropriate manner, which is above reproach.

The company's internal audit function operates independently in all operations to appraise and evaluate the effectiveness of the operational activities and the attendant business risks. Where necessary, recommendations are made for improvements in the systems of internal control and accounting practice based on internal audit plans and reports which take cognisance of relative degrees of risk of each function or aspect of business.

Comprehensive management reporting disciplines are in place, which include the preparation of annual budgets by all operating entities. The operating boards approve individual operational budgets, while the company budget is reviewed and approved by the Tongaat Hulett board. Monthly results and the financial status of the operations are reported against budgets and forecasts and compared to the results of the prior year. Profit projections and cash flow forecasts are regularly updated, taking into account various economic scenarios and working capital and borrowing levels are monitored on an ongoing basis.

CODE OF ETHICS

The company operates within a Code of Ethics, which supports its commitment to a policy of fair dealing, honesty and integrity in the conduct of its business. The Code of Ethics has been endorsed by the board, communicated and distributed to all employees across all levels in the company. The Code is based on a fundamental belief that all business transactions should be legal and conducted beyond reproach in the spirit of honesty, fairness and unquestionable ethics. The company has a zero tolerance approach to any violation of the law or unethical business dealing by any employee, including bribery and money laundering. The Code also addresses conflict of interest situations and encourages employees to report on any conflict or perceived conflict of interest situation. This may arise due to employees being offered and receiving gifts in return for favours, employees not being independent from business organisations having a contractual relationship or providing goods or services to Tongaat Hulett, and employees' personal investments taking priority over transactions for the company and its clients.

Compliance by all employees to the high moral, ethical and legal standards of the Code is mandatory, and if employees become aware of, or suspect, a contravention of the Code, they must promptly and confidentially report it to the Company Secretary or senior officials at management level. Tongaat Hulett has engaged the services of an independent whistle blowing service provider to provide mechanisms to report on unethical behaviour or non-compliance with the Code of Ethics. The Audit and Compliance Committee assists the board in overseeing the consistent application of and compliance with the Code. Appropriate action is taken in respect of all reported instances of non-compliance with the Code by employees.

No material infractions of the Code have been reported during the period under review.

REMUNERATION REPORT

The company's remuneration philosophy is described on page 49 and as set out below. Details of remuneration paid to directors and executive directors' interests in share incentive scheme awards of the company are set out on pages 97 to 98 and 103 to 105 respectively.

EXECUTIVE REMUNERATION

The remuneration of senior management is determined by taking into consideration market comparisons and an assessment of performance related to the achievement of documented measurable performance targets. Strategic and business objectives, which are reviewed periodically, as well as a general assessment of performance are taken into account.

Basic Salary

The cash package of senior management is subject to annual review by the Remuneration Committee and the board and is set with reference to relevant external market data.

Annual Executive Bonus Scheme

The annual executive bonus scheme is based on a combination of the achievement of pre-determined targets and a general assessment of the individual's overall performance. These targets include measures of corporate and, where applicable, operational performance as well as the achievement of individual performance objectives related to key business strategies and requirements. Overall safety performance is an important factor in bonus determination.

Share Incentive Schemes

The objective of the share incentive schemes is to strengthen the alignment of shareholder and management interests and assist in the attraction, retention and appropriate reward of management.

Under the Share Appreciation Right Scheme 2005 (SARS), Long Term Incentive Plan 2005 (LTIP) and Deferred Bonus Plan 2005 (DBP) schemes, senior management and employees of the company are awarded rights to receive shares in the company based on the value of these awards (after the deduction of employees' tax) when performance conditions have been met, the awards have vested and, in the case of the SARS, when the share appreciation rights have been exercised.

The accounting charges to the income statement required by IFRS 2 Share-based Payment are accounted for as equity-settled instruments. The costs associated with the settlement of awards under the share schemes qualify for a tax deduction by the company.

Details of the schemes and awards made from 2005 to 31 March 2010, after approval by the Remuneration Committee and the board, are detailed in the notes to the annual financial statements. The share incentive scheme in operation prior to 2005 was discontinued in 2005, with the previous awards continuing to run their course and no new awards being made.

Performance conditions governing the vesting of the scheme instruments are related to growth in earnings per share, share price, total shareholder return and return on capital employed, relative to targets that are intended to be challenging but achievable. Targets are linked, where applicable, to the company's medium term business plan, over three year performance periods, with actual grants being set each year considering the job level and cash package of the participating employee, their individual performance, and appropriate benchmarks of the expected combined value of the awards.

As a result of the unbundling of Hulamin and as detailed in the circular to shareholders in 2007, Tongaat Hulett is obliged to settle all benefits under the SARS grants of 2005 and 2006 and the original share options for its own employees using Tongaat Hulett shares. It will settle the outstanding share scheme benefits that arise after the award modifications for its own employees, by purchasing Tongaat Hulett shares in the market, or issuing Tongaat Hulett shares. The benefits related to the Hulamin component will be determined with reference to the Hulamin share price, and the Tongaat Hulett component with reference to the Tongaat Hulett share price. The benefits arising from the Hulamin component will be settled using Tongaat Hulett shares. Participants in the original, pre-2005 share option schemes, who had not exercised their options at the unbundling date converted their existing Tongaat-Hulett Group Limited options into two components, a Tongaat Hulett Limited component and a Hulamin Limited component. Tongaat Hulett will settle the benefits of both components for its employees with Tongaat Hulett shares.

Other Benefits

Membership of The Tongaat-Hulett Pension Fund is compulsory for all senior management and pension and life insurance benefits are provided. Other benefits constitute the provision of medical aid, gratuity at retirement and death and disability insurance.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors receive fees for their services on the company board and board committees. Directors' fees are recommended by the Remuneration Committee and considered by the board, and proposed to the shareholders for approval at each annual general meeting.

THIRD-PARTY MANAGEMENT

No part of the company's business was managed during the year by any third party in which any director had an interest.

RELATED PARTY TRANSACTIONS

The company has a process in place whereby the directors and key management have confirmed that, to the best of their knowledge, the information disclosed in Tongaat Hulett Limited's annual financial statements fairly represents their shareholding in the company, both beneficial and indirect, interest in share options of the company and the compensation earned from the company for the financial year. In addition, the directors and key management have confirmed that all interests have been declared.

INSIDER TRADING

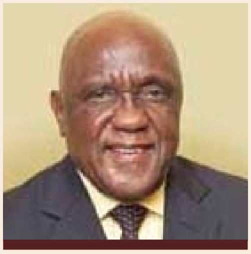
No director, officer or employee may deal either directly or indirectly in the company's shares on the basis of unpublished price-sensitive information regarding its business or affairs. In addition, no director, officer or employee may trade in the company's shares during closed periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the company is under a cautionary announcement.

GOING CONCERN ASSERTION

The directors confirm that they are satisfied that the company has adequate strategic, financial and operational resources to continue in business for the foreseeable future. The basis upon which this assessment is made is recorded at the time of approval of the annual financial statements. The board continues to adopt the going concern basis for preparing the financial statements.

DIRECTORATE

CHAIRMAN



J B Magwaza
Independent Non-Executive Chairman and Director of Companies
BA (Psychology & Soc Anthropology), MA (Ind Rel)

JB (68) joined Tongaat Hulett in 1975, becoming Personnel Director for Hulett Refineries in 1988. He was appointed Personnel Director for Hulett Aluminium in 1992 and became an Executive Director on the Tongaat Hulett Board in 1994. He retired in 2003 but remained on the Board in a non-executive capacity. He was appointed as Non-Executive Chairman on 29 April 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

F Jakoet
Independent Risk Consultant
BSc, CTA, CA (SA)

Fatima (49) has in-depth experience in various facets of large corporate business, from both a strategic and operational perspective, including industrial relations, transformation and employment equity issues. She has worked in the Eskom Group for ten years in positions ranging from regional and corporate finance to General Manager, telecommunications. She is a Non-Executive Director of the SA Reserve Bank; Metropolitan Holdings Ltd and its key subsidiaries; Impala Platinum Ltd; Clicks Group Ltd and MTN West and Central Africa Region. She was appointed to the Tongaat Hulett Board in 2008.

J John
Chief Audit Executive, FirstRand Group
Hons BCompt, CTA, CA (SA), Senior Executive Program, Diploma in Company Direction

Jenitha (38) was the Head of Internal Audit at Discovery Holdings Ltd and has held various financial and audit related roles at, inter alia, Telkom SA (Ltd), Eskom, Toyota SA and RMBT Property Services (Marriott Group) prior to joining the FirstRand Group. Jenitha has served on many Boards and Audit Committees of both Public and Private sector entities and is currently a Non-Executive Director of Umgeni Water where she is also a member of the Audit Committee. She is also a Non-Executive Director of Business Connexion. She was appointed to the Tongaat Hulett Board in 2007.

R P Kupara
Executive Director, Ariston Holdings Limited
B.Acc (Hons), CA (Z), MBA
Zimbabwean

Rachel (50) is an Executive Director of Ariston Holdings Limited, an agro-based company listed on the Zimbabwe Stock Exchange. Prior to this position, she worked in the financial services sector, having spent 3 years in the banking sector and 12 years in the insurance sector at various senior levels, including as the Managing Director of Zimnat Insurance Company Limited and Zimnat Life Assurance Company Limited. Until 2008, Rachel was a Non-Executive Director of Triangle Limited, a wholly owned Zimbabwean operation of Tongaat Hulett. She also serves as a Non-Executive Director of AFRE Corporation Limited and serves as Chairman of the Group Audit and Actuarial Committee. She has served on the boards of the Reserve Bank of Zimbabwe, Air Zimbabwe and as a Vice-Chairman of the Zimbabwe Open University Council. She was appointed to the Tongaat Hulett Board in 2009.

A A Maleiane
Financial Analyst
BSc, MSc, Dip Acc
Mozambican

Adriano (60) is the CEO and majority shareholder of MALEFINAN-CEIRO, Lda, a company specialising in financial consultancy and MALEseguros, Lda an insurance broker. He is also Non-Executive Chairman of VISABEIRA a Portuguese company operating in tourism, telecommunications, energy, housing and services. Prior to these positions he worked in the banking sector for more than 33 years where he held various key positions, including Central Bank Governor of Mozambique for 15 years. He also worked as National Director for Agrarian Economy in the Ministry of Agriculture. He is Lecturer of Financial Systems at Universidade Eduardo Mondlane – Faculty of Economics. He is a member of AMECON - Mozambican Association of Economists and AMAI Mozambican Association of Auditors. He was appointed to the Tongaat Hulett Board in 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS CONTINUED

T V Maphai
Director of Companies
BA (Hons), MA, PhD

Vincent (58) is the Director for Corporate Affairs and Transformation at the South African Breweries Ltd. Previously he was the Chairman of BHP Billiton, Southern Africa. For a period spanning over two decades, he held various teaching and research fellowships at institutions locally and abroad. He has also been involved in various public policy projects and roles including being Chairman of the Presidential Review Commission, the South African Broadcasting Corporation and the Council of the University of KwaZulu-Natal. He was appointed to the Tongaat Hulett Board in 2008.

M Mia
Director of Companies

Mac (62) was founder member of Fasic Investment Corporation, which has interests in the Lion Match Company. Formerly the Managing Director of New Republic Bank, he currently runs his own financial consultancy business. He is the Chairman of the University of KwaZulu-Natal Council. He is also an independent Chairman of the Audit Committee of Momentum Health, and a Board and Audit Committee member of Mutual & Federal. Mac is also Chairman of Zenith Investments, a BEE private equity fund, and Chairman of Ezemvelo KZN Wildlife Audit Committee. He was appointed to the Tongaat Hulett Board in 1996.

N Mjoli-Mncube
Director of Companies
BA, MSc

Nonhlanhla (51) was until recently the Economic Advisor to the former Deputy President of South Africa, focusing on the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and Joint Initiative for Priority Skills Acquisition (JIPSA). She has worked as a town and regional planner in South Africa, a survey research supervisor at Washington State University, an Executive Director at a subsidiary of Murray & Roberts, Chairman of the National Urban Reconstruction and Housing Agency (NURCHA), Chairman of the Rural Housing Loan Fund, Women for Housing and the Open Society Institute in South Africa. She was appointed to the Tongaat Hulett Board in 2008.

R H J Stevens
Executive Chairman, Three Cities Group and Director of Companies
BA (Marketing & Design Studies)

Russell (69) is the founder and Executive Chairman of the Three Cities Group, Chairman of Durban Adventures Limited, Chairman of uShaka Management Company and Director of the Compass Group, thus maintaining his interest in the service related sector. He is past Chairman of Tongaat Foods, a one time operating division of the Tongaat-Hulett Group. He was appointed to the Tongaat Hulett Board in 1977.

NON-EXECUTIVE DIRECTORS

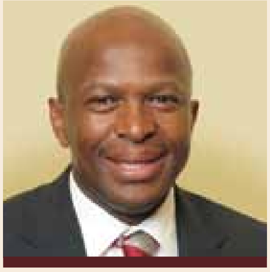
T N Mgoduso
Director of Companies
MA (Clin Psych)

Thandeka (54) is a Non-Executive Director of Ayavuna Women's Investments and will provide continuity in respect of Tongaat Hulett's BEE equity participation. She is also a Non-Executive board and remuneration committee member of the South African Reserve Bank and Glenrand MIB. She has held various previous positions, including Executive Director of human resources at the University of Johannesburg, Executive Director of Imperial Logistics and Chief Executive Officer of freightdynamics, a division of Transnet. She was appointed to the Tongaat Hulett Board in 2010.

NON-EXECUTIVE DIRECTORS CONTINUED

T H Nyasulu
Chairman Nyasulu Trading & Investments
BA (Hons) Psychology; International Program for Board Members

Hixonia (55) is the founder of Ayavuna Women's Investments. Her directorships include Sasol Ltd (Chairman), Unilever Plc/NV, Barloworld Ltd and Glenrand MIB. She was appointed to the Tongaat Hulett Board in 2000.



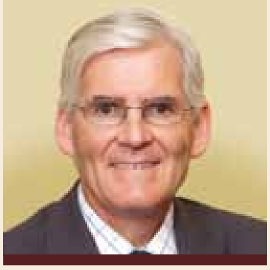
C B Sibisi
Chief Executive Sangena Investments (Pty) Limited
MA (Econ Dev)

Bahle (46) is a former deputy Director General of the Department of Trade and Industry. He is currently the Chairman of SABS and Roadcrete Africa (Pty) Ltd. He was appointed to the Tongaat Hulett Board in 2007.

EXECUTIVE DIRECTORS

P H Staude
Chief Executive Officer
BSc (Ind Eng) (Hons) (Cum Laude), MBA (Pretoria)

Peter (56) lectured at the University of Pretoria before joining Tongaat Hulett in 1978. In 1990 he became Managing Director of Hulett Aluminium Rolled Products and in 1996 Managing Director of Hulett Aluminium. He was appointed to the Tongaat Hulett Board in 1997 and became Chief Executive Officer in May 2002. He was the Chairman of Hulett Aluminium from 2002 to July 2007. He is the Chairman of Trade & Investment KZN and a Non-Executive Director of Hulamin.



B G Dunlop
Executive Director
BCom (Hons), PMD (Harvard)

Bruce (56) joined Tongaat Hulett in 1980, becoming Financial Director of Tongaat Oil Products in 1983 and Managing Director of the Maize, Animal Feeds and Poultry Division of Tongaat Foods in 1988. He was appointed Managing Director of Hulett Refineries in 1993 and Managing Director of Tongaat Hulett Sugar in 1995. In February 2008, he was appointed the Tongaat Hulett Executive responsible for Sugar operations outside South Africa, International Sugar Marketing, the Sugar Technology Engineering Group, Renewable Energy and Animal Feeds. He was appointed to the Tongaat Hulett Board in 1997.

M H Munro
Chief Financial Officer
BCom, CA (SA)

Murray (44) joined Tongaat Hulett in 1992. He has held a number of senior financial, commercial, market and general management positions in various operations. He assumed responsibility as the Financial Director and was appointed to the Tongaat Hulett Board in October 2003.

SEGMENTAL ANALYSIS

BUSINESS SEGMENT ANALYSIS

Rmillion	Revenue	Operating Profit	Total Assets	Total Liabilities	Capital Employed	Capital Expenditure	Depreciation
15 months to 31 March 2010							
Starch operations	2 778	301	1 864	562	1 302	47	120
Agricultural Land Conversion and Development	274	187	1 189	398	806	1	2
Sugar			10 468	947	9 347	1 938	399
Zimbabwe operations	1 636	576					
Swaziland operations	134	63					
Mozambique operations	463	192					
SA agriculture, milling and refining	4 285	158					
Downstream value added activities	1 566	226					
Centrally accounted and consolidation items		(12)	(153)	3 954	(227)	1	
	11 136	1 691	13 368	5 861	11 228	1 987	521
Capital profit on land		52					
Capital profit on insurance claim		13					
BEE equity and corporate restructuring transactions		(35)		787			
Zimbabwe consolidation take-on gain		1 969					
Valuation adjustments		(3)					
Consolidated total	11 136	3 687	13 368	6 648	11 228	1 987	521
12 months to 31 December 2008							
Starch operations	2 150	240	1 841	585	1 257	85	92
Agricultural Land Conversion and Development	412	263	1 260	579	625	3	2
Sugar			6 432	676	5 721	1 487	150
Zimbabwe dividends		35					
Swaziland operations	137	44					
Mozambique operations	527	250					
SA agriculture, milling and refining	2 424	73					
Downstream value added activities	1 456	204					
Centrally accounted and consolidation items		23	24	2 896	(30)	1	
	7 106	1 132	9 557	4 736	7 573	1 576	244
Capital profit on land		22					
Capital profit on insurance claim		49					
BEE equity and corporate restructuring transactions		(33)		792			
Valuation adjustments		2					
Consolidated total	7 106	1 172	9 557	5 528	7 573	1 576	244

GEOGRAPHICAL ANALYSIS OF REVENUE

Rmillion	**15 months to 31 March 2010**	12 months to 31 December 2008
South Africa, Mozambique and Zimbabwe	**8 395**	6 129
Rest of Africa	**1 195**	350
Europe	**652**	226
South America	**445**	
Asia and other	**342**	343
Australasia	**76**	38
North America	**31**	20
	11 136	7 106

The aggregate effect of intra-group transactions is immaterial.
Geographical location of segment assets: South Africa R5 052 million; Other countries R8 316 million (2008 - South Africa R6 064 million; Other countries R3 493 million).
Expenditure on property plant and equipment by geographical location of assets:
South Africa R512 million; Other countries R1 475 million (2008 - South Africa R462 million; Other countries R1 114 million).

INCOME STATEMENT, SEGMENTAL AND PRO FORMA RESULTS

INCOME STATEMENT

Rmillion	Audited 15 months to 31 March 2010	Pro forma 15 months to 31 March 2009	Audited 12 months to 31 December 2008
Revenue	11 136	9 453	7 106
Profit from operations	1 691	1 323	1 132
Capital profit on land	52	22	22
Capital profit on insurance claim	13	49	49
BEE IFRS 2 charge and transaction costs	(35)	(42)	(33)
Zimbabwe consolidation take-on gain	1 969	1 969	
Valuation adjustments	(3)	3	2
Operating profit	3 687	3 324	1 172
Share of associate company's profit	1	1	
Net financing costs	(452)	(367)	(280)
Profit before tax	3 236	2 958	892
Tax	(208)	(262)	(212)
Net profit for the period	3 028	2 696	680
Profit attributable to:			
Shareholders of Tongaat Hulett	2 898	2 662	649
Minority (non-controlling) interest	130	34	31
	3 028	2 696	680
Headline earnings attributable to Tongaat Hulett shareholders	858	626	583
Earnings per share (cents)			
Net profit per share			
Basic	2 791,6	2 581,8	629,7
Diluted	2 736,0	2 529,0	616,8
Headline earnings per share			
Basic	826,5	607,1	565,6
Diluted	810,0	594,7	554,2

SEGMENTAL ANALYSIS

Rmillion	Audited 15 months to 31 March 2010	Pro forma 15 months to 31 March 2009	Audited 12 months to 31 December 2008
REVENUE			
Starch operations	2 778	2 685	2 150
Agricultural Land Conversion and Development	274	426	412
Sugar			
Zimbabwe operations	1 636	311	
Swaziland operations	134	138	137
Mozambique operations	463	543	527
SA agriculture, milling and refining	4 285	3 561	2 424
Downstream value added activities	1 566	1 789	1 456
Consolidated total	11 136	9 453	7 106
PROFIT FROM OPERATIONS			
Starch operations	301	290	240
Agricultural Land Conversion and Development	187	256	263
Sugar			
Zimbabwe operations (2008: dividends)	576	93	35
Swaziland operations	63	56	44
Mozambique operations	192	301	250
SA agriculture, milling and refining	158	95	73
Downstream value added activities	226	230	204
Centrally accounted and consolidation items	(12)	2	23
Consolidated total	1 691	1 323	1 132

ANNUAL FINANCIAL STATEMENTS

for the 15 month period ended 31 March 2010

CONTENTS

FINANCIAL HIGHLIGHTS

	15 month to 31 March 2010	12 month to 31 December 2008
Revenue (Rmillion)	**11 136**	7 106
Profit from operations (Rmillion)	**1 691**	1 132
Net profit attributable to shareholders (Rmillion)	**2 898**	649
Headline earnings (Rmillion)	**858**	583
Earnings per share - basic (cents)	**2 791,6**	629,7
Headline earnings per share - basic (cents)	**826,5**	565,6
Annual dividend per share (cents)	**275,0**	310,0

CURRENCY CONVERSION GUIDE

	Closing rate at		
	31 March 2010	31 December 2008	31 December 2007
US dollar	**7,39**	9,30	6,84
Euro	**9,95**	12,93	9,99
Metical	**0,24**	0,36	0,29

	Average rate for period		
	15 months to 31 March 2010	12 months to 31 December 2008	12 months to 31 December 2007
US dollar	**8,23**	8,27	7,05
Euro	**11,40**	12,17	9,67
Metical	**0,29**	0,34	0,27

REPORT OF THE INDEPENDENT AUDITORS

to the members of Tongaat Hulett Limited

Report on the Financial Statements

We have audited the annual financial statements and the consolidated annual financial statements of Tongaat Hulett Limited, which comprise the directors' report, the statement of financial position as at 31 March 2010, the income statement, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows for the 15 month period then ended, a summary of significant accounting policies and other explanatory notes, as set out on page 56 and pages 60 to 107.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position and consolidated financial position of Tongaat Hulett Limited as at 31 March 2010 and its financial performance and its cash flows for the 15 month period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche

Audit KZN

Registered Auditors

Per JAR Welch

Partner

26 May 2010

2 Pencarrow Crescent

Pencarrow Park

La Lucia Ridge Office Estate

Durban

National Executive: GG Gelink – Chief Executive, AE Swiegers – Chief Operating Officer, GM Pinnock – Audit, DL Kennedy – Tax, Legal and Risk Advisory, L Geeringh – Consulting, L Bam – Corporate Finance, CR Beukman – Finance, TJ Brown – Clients & Markets, NT Mtoba – Chairman of the Board, CR Qually – Deputy Chairman of the Board

Regional Leader: G Brazier

A full list of partners and directors is available on request.

DIRECTORS' APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the 15 month period to 31 March 2010

The directors are responsible for the preparation and integrity of the annual financial statements of the company and other information included in this report that has been prepared in accordance with International Financial Reporting Standards.

The directors, supported by the Audit and Compliance Committee, are of the opinion, based on the information and explanations given by management and the internal auditors and on comment by the independent auditors on the results of their statutory audit, that the company's internal accounting controls are adequate, so that the financial records may be relied upon for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that the company's assets are protected and used as intended in all material respects with appropriate authorisation. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

In preparing the financial statements, the company has used appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and have complied with all applicable accounting standards. The directors are of the opinion that the financial statements fairly present the financial position of the company for the 15 month period to 31 March 2010 and the results of its operations for the period then ended. The directors are also of the opinion that the company will continue as a going concern in the year ahead.

The independent external auditors concur with the above statements by the directors.

The company's independent external auditors, Deloitte & Touche, have audited the financial statements and their unqualified report appears on page 59.

The annual financial statements were approved by the board of directors on 26 May 2010 and are signed on its behalf by:

J B Magwaza
Chairman

P H Staude
Chief Executive Officer

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010

CERTIFICATE BY COMPANY SECRETARY

I certify that the company has lodged with the Registrar of Companies all returns that are required of a public company in terms of the Companies Act in respect of the 15 month period to 31 March 2010 and that all such returns are true, correct and up to date.

M A C Mahlari
Company Secretary

Amanzimnyama
Tongaat KwaZulu-Natal

26 May 2010

DIRECTORS' STATUTORY REPORT

The directors have pleasure in submitting the annual financial statements of the company for the 15 month period to 31 March 2010.

NATURE OF BUSINESS

Tongaat Hulett is an agri-processing business that includes the integrated components of land management, property development and agriculture. The activities are dealt with in detail in the Annual Report.

CHANGE IN FINANCIAL YEAR END

Tongaat Hulett has changed its financial year end from 31 December to 31 March which corresponds with the sugar season in all the countries in which Tongaat Hulett operates.

FINANCIAL RESULTS

The net profit attributable to shareholders for the 15 month period to 31 March 2010 amounted to R2,898 billion (2008 - R649 million). This translates into a headline earnings per share of 826,5 cents (2008 – 565,6 cents) based on the weighted average number of shares in issue during the period.

DIVIDENDS

An interim dividend number 164 of 100 cents per share was paid on 17 September 2009 and a final distribution number 165 for the financial period ended 31 March 2010, by way of the issue of fully paid ordinary shares of R1,00 each as a scrip distribution payable to ordinary shareholders registered at the close of business on 16 July 2010 has been declared. As an alternative to this final distribution, ordinary shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a cash dividend of 175 cents per ordinary share in lieu of the scrip distribution, which will be paid only to shareholders who so elect, on or before 12:00 on Friday, 16 July 2010. A circular relating to the scrip distribution and the cash dividend alternative will be posted to shareholders on or about 18 June 2010.

The salient dates of the declaration and payment of this final dividend are as follows:

Last date to trade ordinary shares "CUM" dividend	Friday	9 July 2010
Ordinary shares trade "EX" dividend	Monday	12 July 2010
Record date	Friday	16 July 2010
Payment date	Thursday	22 July 2010

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 12 July 2010 and Friday 16 July 2010, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Dividends paid by the United Kingdom transfer secretaries will be paid in British currency at the rate of exchange ruling at the close of business on Friday 9 July 2010.

SHARE CAPITAL

There was no change in the authorised capital of the company.

During the period, 430 246 shares were allotted (including 61 818 shares to directors) in respect of options exercised in terms of the company's employee share incentive schemes for a total consideration of R14 million. Details of the unissued ordinary shares and the company's share incentive schemes are set out in notes 11, 34 and 35.

Shareholders will be asked to consider an ordinary resolution at the forthcoming annual general meeting to place unissued shares of the company up to five percent of the number of shares in issue at 27 July 2010 under the control of the directors until the following annual general meeting.

At the previous annual general meeting, a general authority was granted by shareholders for the company to acquire its own shares in terms of the Companies Act. The directors consider that it will be advantageous for the company were this general authority to continue. Such authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time. Shareholders will be asked to consider a special resolution to this effect at the forthcoming annual general meeting with the proviso that the number of ordinary shares acquired in any one financial year may not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed.

In compliance with the Listings Requirements of the JSE Limited ("JSE"), the acquisition of shares or debentures ("securities") pursuant to a general authority may only be made by a company subject to such acquisitions:

- being effected through the order book operated by the JSE trading system;
- being authorised thereto by the company's articles of association;
- being authorised by the shareholders of the company in terms of a special resolution of the company in general meeting which will be valid only until the next annual general meeting of the company; provided that such authority will not extend beyond 15 months from the date of the resolution;

- not being made at a price greater than ten percent above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction is effected. The JSE should be consulted for a ruling if the company's securities have not traded in such five business day period.

Further, in terms of the Listings Requirements of the JSE, the directors consider that in their opinion, taking into account the effect of the maximum acquisition by the company of shares issued by it as referred to above:

- the company and its subsidiaries (together "the group") will be able, in the ordinary course of business, to pay its debts for a period of 12 months from 26 May 2010;
- the assets of the company and of the group will be in excess of the liabilities of the company and the group for a period of 12 months from 26 May 2010. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the company's latest audited group annual financial statements;
- the ordinary capital and reserves of the company and the group will be sufficient for the company's and the group's present requirements for 12 months from 26 May 2010;
- the working capital of the company and the group for a period of 12 months from 26 May 2010 will be adequate for the company's and the group's requirements.

SHARE SCHEMES

Shareholders will be asked to consider ordinary resolutions in relation to the amendments of the share schemes at the forthcoming annual general meeting, more specifically an ordinary resolution that the provisions of the Tongaat Hulett Share Appreciation Right Scheme ("SAR"), Tongaat Hulett Long Term Incentive Plan ("LTIP") and the Tongaat Hulett Deferred Bonus Plan ("DBP") (collectively referred to as "the Plans") be amended to ensure compliance with the Schedule 14 of the JSE Listing Requirements and, where appropriate, the King Code of Governance Principles – 2009 and the King Report on Governance for South Africa – 2009 ("King III").

The main points of the amendments are summarised as follows:

- The maximum number of Shares that may be issued under the Plans is set to 13 000 000, amounting to approximately (9,4%) of all issued share capital. This requirement replaces the previous limit which was expressed as 10% of the issued share capital. This limit is permitted to be increased proportionately to reflect changes in capital structure, as specified in the Rules. In addition, it is clarified that shares purchased in the market in settlement of the Plans and awards that are forfeited are excluded from this limit.
- The limit of a fixed number of shares, namely 1 200 000, that can be allocated to any participant under any of the Plans has been added.
- The Plans have been amended to confirm the requirement that employees' base pay, grade, performance and retention requirement form the primary basis upon which awards under the SAR and LTIP are made.
- The discretion afforded to the Remuneration Committee in the case of termination of employment of a participant has been limited within a specific framework and certain of the provisions applicable to good leavers are harmonised.
- King III requires the application of company performance conditions to govern the vesting of awards under the Plans, and precludes the application of retesting. The application of company performance conditions has been applied since the approval of the Plans. Future awards will have relevant performance conditions, will not provide for retesting, and will apply the principle of graduated vesting as recommend by King III.
- Certain points of clarity and administrative changes to the Plans as required by the JSE Listing Requirements and King III are proposed and will be available for inspection at the Company's offices (21 days) before the annual general meeting.

No new awards under the Company's two previous plans, namely The Tongaat-Hulett Group Limited 2001 Share Option Scheme and The Tongaat-Hulett Group Limited Employee Share Incentive Scheme have been made since 2004 and these plans are winding down as participants exercise their outstanding awards, all of which have vested and will be settled by shares issued from unissued share capital as provided for in the rules governing their operation. No changes are thus being made to the rules of these plans.

Shareholders will also be asked to consider an ordinary resolution that the provisions of the Tongaat Hulett Long Term Incentive Plan ("LTIP") be amended to make provision for the introduction of retention awards without Company performance vesting conditions.

The purpose of such awards of unconditional LTIPs is to assist with key and high potential employee retention and talent management. The King III Report on Corporate Governance notes that: "When companies face the risk of losing key employees, remuneration policies to retain them may be adopted. Incentive schemes to encourage retention should be established separately, or should be clearly distinguished, from those relating to reward performance and should be disclosed in the annual remuneration report voted on by shareholders." These awards will be made on a targeted basis where key and high potential employee retention risks exist.

Any such awards for executive directors will be awarded on the basis that a significant portion of any LTIP award will be subject to company performance vesting conditions.

The retention awards will complement the existing LTIP awards and awards under the SAR and DBP and the combined value of all the awards will remain within market benchmarks and within the Plan limits set in the ordinary resolution above. The terms of the retention awards will, apart from the absence of company performance conditions, be identical to the existing conditional awards awarded under the LTIP.

SUBSIDIARY COMPANIES AND JOINT VENTURES

The principal subsidiaries and joint ventures of the company are reflected in note 26.

The attributable interest of the company in the results of its consolidated subsidiaries and joint ventures for the 15 month period to 31 March 2010 is as follows:

	15 months to 31 March 2010	12 months to 31 Dec 2008
In the aggregate amount of:		
Net profit - (R million)	935	506
Net losses- (R million)	96	5

DIRECTORATE

During the period, Mr C M L Savage and Mrs E le R Bradley retired from the Tongaat Hulett Board at the close of business of the annual general meeting having reached the mandatory retirement age in terms of the articles of association of the company. In addition, Messrs P M Baum and J G Williams resigned from the board in August 2009. Two new independent non-executive directors were appointed to the board. The composition of the board, at 31 March 2010, is as follows: J B Magwaza (Chairman), P H Staude (CEO), B G Dunlop, F Jakoet, J John, R P Kupara, A A Maleiane, T V Maphai, M Mia, N Mjoli-Mncube, M H Munro, T H Nyasulu, C B Sibisi and R H J Stevens.

Directors retiring by rotation at the annual general meeting in accordance with article 61 of the articles of association are Messrs J B Magwaza, R H J Stevens and C B Sibisi, and Mrs J John. These directors are eligible an offer themselves for re-election. Mrs R P Kupara and Mr A A Maleiane were appointed during the course of the 15 month period to 31 March 2010 and Ms T N Mgoduso was appointed on 21 May 2010. These directors, who are required to retire at the annual general meeting in accordance with article 59 of the articles of association, are eligible and offer themselves for election. Details of each of these retiring directors are set out on pages 53 to 55.

DIRECTORS' SHAREHOLDINGS

At 31 March 2010, the present directors of the company beneficially held a total of 224 162 ordinary shares equivalent to 0,22 percent in the company (31 December 2008 – 120 929 shares equivalent to 0,12 percent). Details of the directors' shareholdings and interests in the share incentive schemes are provided in notes 33 and 34. There has been no change in these holdings between 31 March and 26 May 2010.

AUDIT AND COMPLIANCE COMMITTEE

The Corporate Laws Amendment Act No 24 of 2006 (the Act) came into effect on 14 December 2007. The Tongaat Hulett Audit and Compliance Committee has considered the provisions of the Act and has taken the necessary steps to ensure compliance. The committee confirms that during the period under review it carried out its functions responsibly and in accordance with its terms of reference as detailed in the Corporate Governance section of the Annual Report. In addition, the committee is satisfied that the designated auditors of the company are independent of the company.

EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

There were no material events between the date of the statement of financial position and the date of this report.

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2010

Tongaat Hulett Limited

Company 31 December 2008	Company 31 March 2010	Rmillion	Note	Consolidated 31 March 2010	Consolidated 31 December 2008
		ASSETS			
		Non-current assets			
2 372	2 387	Property, plant and equipment	1	**7 710**	4 659
130	256	Growing crops	2	**2 041**	742
366	143	Long-term receivable and prepayment	3		196
		Goodwill	4	**240**	99
4	8	Intangible assets	5	**9**	6
265	2	Investments	6	**10**	268
1 904	3 696	Subsidiaries and joint ventures	7		
5 041	6 492			**10 010**	5 970
2 147	1 521	**Current assets**		**3 358**	3 587
1 401	720	Inventories	8	**1 373**	1 709
706	658	Trade and other receivables		**1 580**	1 647
	102	Major plant overhaul costs		**256**	
2	9	Derivative instruments	9	**9**	2
38	32	Cash and cash equivalents	10	**140**	229
7 188	8 013	**TOTAL ASSETS**		**13 368**	9 557
		EQUITY AND LIABILITIES			
		Capital and reserves			
138	139	Share capital	11	**139**	138
1 506	1 519	Share premium		**1 519**	1 506
		BEE held consolidation shares	12	**(935)**	(1 023)
1 125	1 062	Retained income		**4 691**	2 087
368	403	Other reserves		**(841)**	351
3 137	3 123	**Shareholders' interest**		**4 573**	3 059
		Minority interests in subsidiaries		**870**	276
3 137	3 123	**Equity**		**5 443**	3 335
1 903	1 704	**Non-current liabilities**		**3 708**	2 865
469	341	Deferred tax	13	**1 272**	582
1 155	1 066	Long-term borrowings	14	**1 103**	1 212
		Non-recourse equity-settled BEE borrowings	15	**787**	792
279	297	Provisions	16	**546**	279
2 148	3 186	**Current liabilities**		**4 217**	3 357
957	1 414	Trade and other payables	17	**2 131**	1 849
1 166	1 768	Short-term borrowings	14	**2 077**	1 373
23	3	Derivative instruments	9	**3**	23
2	1	Tax		**6**	112
7 188	8 013	**TOTAL EQUITY AND LIABILITIES**		**13 368**	9 557

INCOME STATEMENTS

for the 15 month period ended 31 March 2010 Tongaat Hulett Limited

Company 12 months to 31 December 2008	Company 15 months to 31 March 2010	Rmillion	Note	Consolidated **15 months to 31 March 2010**	Consolidated 12 months to 31 December 2008
5 694	8 155	REVENUE		**11 136**	7 106
827	788	**Profit from operations**		**1 691**	1 132
6	47	Capital profit on land		**52**	22
49	13	Capital profit on insurance claim		**13**	49
(31)	(33)	BEE IFRS 2 charge and transaction costs		**(35)**	(33)
		Valuation adjustments:			
		Zimbabwe consolidation take-on gain		**1 969**	
(7)		Other valuation adjustments		**(3)**	2
844	815	**Operating profit after corporate transactions**	18	**3 687**	1 172
		Share of associate company's profit		**1**	
(360)	(478)	Financing costs	20	**(489)**	(325)
126	104	Finance income	20	**37**	45
610	441	**PROFIT BEFORE TAX**		**3 236**	892
(98)	(113)	Tax	21	**(208)**	(212)
512	328	**NET PROFIT**		**3 028**	680
		Attributable to:			
512	328	Shareholders of Tongaat Hulett		**2 898**	649
		Minority (non-controlling) interest		**130**	31
512	328			**3 028**	680
		EARNINGS PER SHARE (cents)	23		
		Basic		**2 791,6**	629,7
		Diluted		**2 736,0**	616,8

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the 15 month period ended 31 March 2010

Tongaat Hulett Limited

Company 12 months to 31 December 2008	Company 15 months to 31 March 2010	Rmillion	Consolidated **15 months to 31 March 2010**	Consolidated 12 months to 31 December 2008
512	328	**PROFIT FOR THE PERIOD**	**3 028**	680
(15)	17	**OTHER COMPREHENSIVE INCOME**	**(1 445)**	11
		Movement in non-distributable reserves:		
		Foreign currency translation	**(1 462)**	26
(21)	23	Hedge reserve	**23**	(21)
6	(6)	Tax on movement in hedge reserve	**(6)**	6
497	345	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD**	**1 583**	691
		Total comprehensive income attributable to:		
497	345	Shareholders of Tongaat Hulett	**1 689**	633
		Minority (non-controlling) interest	**(106)**	58
497	345		**1 583**	691

STATEMENTS OF CHANGES IN EQUITY

for the 15 month period ended 31 March 2010 Tongaat Hulett Limited

Rmillion	Share Capital Ordinary	Share Capital B Ordinary	Share Capital A Preferred Ordinary	Share Premium	BEE Held Consolidation Shares	Capital Redemption Reserve Funds	Share-based Payment Reserve	Hedging and Translation Reserves	Retained Income	Shareholders' Interest	Minority Interest	Total
CONSOLIDATED												
Balance at 1 January 2008	103	10	25	1 517	(1 053)	33	314	(10)	1 796	2 735	223	2 958
Share capital issued				7						7		7
Amortisation of BEE IFRS 2 charge					30					30		30
Reallocation of exercised options				(18)			18					
Share-based payment charge							27			27		27
Settlement of share-based payment awards							(15)			(15)		(15)
Change of interest in subsidiary											(8)	(8)
Allocation of BEE amount									(22)	(22)	22	
Dividends paid									(336)	(336)		(336)
Dividends paid - minorities											(19)	(19)
Total comprehensive income for the period								(16)	649	633	58	691
Retained earnings									649	649	31	680
Movement in hedge reserve								(15)		(15)		(15)
Foreign currency translation								(1)		(1)	27	26
Balance at 31 December 2008	103	10	25	1 506	(1 023)	33	344	(26)	2 087	3 059	276	3 335
Share capital issued	1			13						14		14
Amortisation of BEE IFRS 2 charge					29					29		29
Share-based payment charge							39			39		39
Settlement of share-based payment awards							(22)			(22)		(22)
Consolidation of subsidiaries											755	755
Change of interest in subsidiary											(7)	(7)
Allocation of BEE amount					59				(30)	29	(29)	
Dividends paid									(264)	(264)		(264)
Dividends paid - minorities											(19)	(19)
Total comprehensive income for the period								(1 209)	2 898	1 689	(106)	1 583
Retained earnings									2 898	2 898	130	3 028
Movement in hedge reserve								17		17		17
Foreign currency translation								(1 226)		(1 226)	(236)	(1 462)
Balance at 31 March 2010	104	10	25	1 519	(935)	33	361	(1 235)	4 691	4 573	870	5 443
COMPANY												
Balance at 1 January 2008	103	10	25	1 517		29	320	4	1 051	3 059		
Share capital issued				7						7		
Reallocation of exercised options				(18)			18					
Share-based payment charge							27			27		
Settlement of share-based payment awards							(15)			(15)		
Dividends paid									(438)	(438)		
Total comprehensive income for the period								(15)	512	497		
Retained earnings									512	512		
Movement in hedge reserve								(15)		(15)		
Balance at 31 December 2008	103	10	25	1 506		29	350	(11)	1 125	3 137		
Share capital issued	1			13						14		
Share-based payment charge							39			39		
Settlement of share-based payment awards							(21)			(21)		
Dividends paid and accrued									(391)	(391)		
Total comprehensive income for the period								17	328	345		
Retained earnings									328	328		
Movement in hedge reserve								17		17		
Balance at 31 March 2010	104	10	25	1 519		29	368	6	1 062	3 123		

STATEMENTS OF CASH FLOWS

for the 15 month period ended 31 March 2010

Tongaat Hulett Limited

Company 12 months to 31 December 2008	Company 15 months to 31 March 2010	Rmillion	Consolidated **15 months to 31 March 2010**	Consolidated 12 months to 31 December 2008
		Cash generated from operations		
515	678	Operating profit before dividends	**3 687**	1 137
329	137	Dividends received		35
844	815	Operating profit	**3 687**	1 172
(57)	(77)	Profit on disposal of property, plant and equipment	**(87)**	(74)
		Adjustments for:		
		Zimbabwe consolidation take-on gain	**(1 969)**	
35	(53)	Growing crops and other non-cash flow items	**(729)**	(297)
191	230	Depreciation	**521**	244
(44)	(52)	Tax payments	**(257)**	(163)
969	863	Cash generated from operations	**1 166**	882
		Cash required by operations		
(357)	676	Inventories	**497**	(366)
(150)	57	Trade and other receivables	**57**	96
322	432	Trade and other payables	**235**	353
(185)	1 165	Decrease/(increase) in working capital	**789**	83
784	2 028	Cash flow from operations	**1 955**	965
(234)	(374)	Net financing costs	**(452)**	(280)
550	1 654	**Cash flow from operating activities**	**1 503**	685
		Cash flows from investing activities		
		Expenditure on property, plant and equipment		
(236)	(25)	- New	**(1 416)**	(1 317)
(186)	(195)	- Replacement	**(280)**	(221)
(38)	(137)	- Major plant overhaul costs	**(291)**	(38)
(1)	(7)	Expenditure on intangible assets	**(7)**	(2)
(3)	3	Growing crops	**(76)**	(167)
78	88	Proceeds on disposal of property, plant and equipment	**110**	96
(699)	(1 216)	Investments - subsidiary		(55)
		Investments - unlisted	**8**	
7		Long-term receivable and prepayment		7
(1 078)	(1 489)	Net cash used in investing activities	**(1 952)**	(1 697)
(528)	165	**Net cash flow before dividends and financing activities**	**(449)**	(1 012)
		Dividends paid		
(438)	(366)	Ordinary and preferred ordinary shares	**(264)**	(336)
		Minorities	**(19)**	(19)
(438)	(366)	Dividends paid	**(283)**	(355)
(966)	(201)	Net cash flow before financing activities	**(732)**	(1 367)
		Cash flows from financing activities		
1 052	513	Borrowings raised	**652**	1 160
		Non-recourse equity-settled BEE borrowings	**(4)**	(20)
7	14	Shares issued	**14**	7
(9)	(18)	Settlement of share-based payment awards	**(22)**	(11)
(67)	(314)	Inter-group loans		
983	195	Net cash from financing activities	**640**	1 136
17	(6)	**Net (decrease)/increase in cash and cash equivalents**	**(92)**	(231)
21	38	Balance at beginning of period	**229**	396
		Foreign exchange adjustment	**(61)**	55
		Exchange rate translation (loss)/gain	**(5)**	9
		Consolidation of subsidiaries	**69**	
38	32	**Cash and cash equivalents at end of period**	**140**	229

ACCOUNTING POLICIES AND FRAMEWORK

The annual financial statements are prepared in accordance with the accounting policies which fully comply with International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous year.

Tongaat Hulett's Zimbabwean operations, which were previously accounted for on a dividend received basis, were consolidated during the current period, giving rise to a balance sheet take-on gain of R1,969 billion, as determined within the measurement period in accordance with IFRS 3 Business Combinations (revised 2008). This standard has been early adopted and has been applied prospectively with no restatement of comparatives.

In addition, the new IFRS standards that became applicable during the current financial period were adopted, including IAS 1 Presentation of Financial Statements (revised), IAS 23 Borrowing Costs and IFRS 8 Operating Segments. The adoption of these new standards has resulted in certain disclosure reclassifications but has not resulted in any changes in accounting policy.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the company and of its subsidiaries. The results of subsidiaries are included from the date effective control was acquired and up to the date effective control ceased. Investments in joint ventures are accounted for on the proportionate consolidation method from the effective date of acquisition and up to the effective date of disposal. All material inter-company balances and transactions are eliminated. Special purpose entities which were established in a recent black economic empowerment transaction have been and will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from Tongaat Hulett's equity therein. The interests of minority shareholders is initially measured at the date of acquisition at the minority's proportion of the net fair value of the assets and liabilities consolidated and thereafter, the minority's share of changes in equity since the date of acquisition. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of Tongaat Hulett except to the extent that the minority has a binding obligation and the financial ability to cover such losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including refurbishment, less accumulated depreciation and impairment. Cost includes the estimated cost of dismantling and removing the assets. Interest and other costs incurred on major capital projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

Assets held under finance lease agreements are capitalised at fair value and the corresponding liabilities to the lessor are raised. Lease finance charges are charged to profit or loss over the term of the relevant lease using the effective interest rate method. Land and capital work in progress are not depreciated. All other fixed assets, including major factory overhaul costs, are depreciated and charged to profit or loss over their expected useful lives to estimated residual values at rates appropriate to their use. Maintenance expenditure on the company's sugar mills following the cessation of crushing for the season is carried forward as a current asset and charged against the following season's income. Where significant parts of a fixed asset item have different useful lives to the item itself, these component parts are depreciated over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually.

During the year under review, property, plant and equipment were depreciated on the straight line basis using the rates set out below:

Agricultural land improvements	50 to 99 years
Buildings	30 to 50 years
Plant and equipment	4 to 40 years
Vehicles	4 to 12 years
Furniture and equipment	3 to 10 years

On the disposal or scrapping of property, plant and equipment, the gain or loss arising thereon is recognised in profit or loss.

INTANGIBLE ASSETS

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised on the straight line basis over its expected useful life, which in the case of software is four years and over three to seven years in the case of cane supply agreements. An intangible asset with an indefinite useful life is not amortised, but is tested annually for impairment. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

GROWING CROPS

Growing crops comprise roots and standing cane. The carrying value is determined as follows:

- Roots at current replacement cost of planting and establishment and subsequently reduced in value over the period of its productive life;
- Standing cane at the estimated sucrose content less harvesting, transport and over the weighbridge costs.

GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

ASSOCIATE COMPANIES

Associates are those companies, which are not subsidiaries or joint ventures, over which Tongaat Hulett exercises significant influence. Results of associates are equity accounted. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as Tongaat Hulett is committed to providing financial support to such associates.

The carrying value of investments in associates represents the cost of each investment including goodwill, the share of post acquisition retained income or losses and other movements in reserves.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value determined in general on the first-in-first-out and average methods. The cost of finished goods and work in progress comprises direct materials, labour and appropriate overhead costs. Progress payments are deducted from work in progress where applicable. Development properties comprise land valued at cost and development expenditure attributable to unsold properties. Obsolete and slow moving inventories are identified and suitable reductions in value are made where necessary.

MAIZE PURCHASE CONSTRUCTIVE OBLIGATIONS

Certain maize purchase commitments are recognised as constructive obligations. Maize that relates to such a constructive obligation is recognised as inventory, the related liability is recognised as a current liability and to the extent that the final purchase price includes a financing element, this is recognised as interest over the period of the obligation.

DEFERRED TAX

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction, which does not affect either taxable profit or accounting profit.

IMPAIRMENT

At the date of each statement of financial position, Tongaat Hulett reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset, being the higher of its net selling price and its value in use, is assessed in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are treated as exceptional items.

RESEARCH AND DEVELOPMENT

Expenditure on research is charged to profit or loss in the year in which it is incurred. Development costs are reviewed annually and are expensed if they do not qualify for capitalisation. The amount of development cost recognised as an asset is amortised over the estimated useful life of the related development but not exceeding five years.

REVENUE

Revenue comprises sales arising from normal trading activities excluding intra-group transactions and is recognised when the significant risks and rewards of the goods are transferred to the buyer. In respect of the sale of township properties, sales are recognised when the relevant agreements are unconditional and binding on the purchaser, the purchaser has paid a meaningful deposit or has made arrangements to secure payment of the purchase price, zoning and final conditions of establishment have been obtained and servicing arrangements and costs are substantially finalised. In the determination of revenue, cash and settlement discounts, rebates and VAT are excluded.

FOREIGN CURRENCIES

The functional currency of each entity within Tongaat Hulett is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the date of the statement of financial position.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities whose functional currencies are different to Tongaat Hulett's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling at the date of the statement of financial position;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised directly in equity. On disposal of such an entity, this reserve is recognised in profit or loss.

FINANCIAL INSTRUMENTS

Recognition

A financial asset or financial liability is recognised in the statement of financial position for as long as Tongaat Hulett is a party to the contractual provisions of the instrument. Purchases of derivatives are recognised on trade date and sales are recognised on settlement date. Gains or losses on derecognition of financial assets or liabilities are recognised in profit or loss.

Measurement

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as follows:

- Trade and other receivables originated by Tongaat Hulett are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses. Receivables with no fixed maturity are held at cost.
- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses.
- Fair value through profit or loss financial assets, available for sale and cash equivalent investments are held at fair value.
- Financial liabilities are measured at amortised cost, except for held-for-trading financial liabilities and derivatives, which are held at fair value.
- Unlisted investments are recorded at cost.

Gains or losses on subsequent measurement

Gains or losses on subsequent measurement of financial instruments that are carried at fair value, and are not part of a hedging relationship, are accounted for as follows:

- Fair value through profit or loss financial assets are recognised in profit or loss for the year.
- Available for sale and cash equivalent investments are taken to equity until the financial asset is disposed of, or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the year.

For the purposes of hedge accounting, hedges are classified into two categories:

- Fair value hedges, which hedge the exposure to changes in the fair value of a recognised asset, liability or firm commitment; and
- Cash flow hedges, which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised in profit or loss for the period. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in profit or loss for the period.

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' equity and the ineffective portion is recognised in profit or loss for the period. For cash flow hedges affecting future transactions, the gains or losses, which are recognised in shareholders' equity, are transferred to profit or loss in the same period in which the hedged transaction affects profit or loss. Where the hedged transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gain or loss that had previously been recognised in shareholders' equity is included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Set-off

Where the redemption of debt, raised for major capital projects, is provided for by sinking funds or financial instruments which allow for the legal right of set-off against the debt on the repayment date, and it is expected that the debt will be settled in this way, the related income statement, statement of cash flows and statement of financial position items are set off.

Financial guarantee contracts

Where financial guarantee contracts are entered into, these are regarded as insurance contracts and accounted for as insurance arrangements.

GOVERNMENT GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When the conditions attaching to government grants have been complied with they are recognised in profit or loss. When they are for expenses or losses already incurred, they are recognised immediately in profit or loss.

EMPLOYEE BENEFITS

Retirement funds

The assets of the defined benefit scheme and defined contribution schemes are held separately from those of Tongaat Hulett and are administered and controlled by trustees.

The 2001 Surplus Apportionment Plan was approved by the Financial Services Board in May 2007. During 2008 and 2009/10, Tongaat Hulett became unconditionally entitled to its share of the employer surplus account pursuant to the 2001 apportionment plan and to its share of the 2007 surplus respectively and these amounts were recognised as an asset by Tongaat Hulett. The manner in which the fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between employers participating in the fund of the share of the actuarial surplus attributed to the employer surplus account has yet to be finalised and/or become unconditional. Consequently, no further surplus apportionment has been recognised in the statement of financial position.

Contributions to defined contribution schemes are charged to profit or loss when incurred.

Post-retirement medical aid benefits and retirement gratuities

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Actuarial gains and losses are amortised over ten years beginning in the year that the actuarial gain or loss arises.

SHARE-BASED PAYMENTS

The company enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2 Share-based Payment is accounted for in terms of the scheme on the basis that the instruments are equity-settled. The total amount to be expensed on a straight line basis over the vesting period is determined with reference to the fair value of the awards determined at the grant date. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

CORPORATE TRANSACTION CONCLUDED IN 2007 – 25% BEE EQUITY PARTICIPATION TRANSACTIONS

Broad based 18% interest held by strategic partners, cane and infrastructure communities

The broad based BEE equity participation of 18%, involving strategic partners, cane and infrastructure communities, is held by two SPVs, the TH Infrastructure SPV (10%) and the yoMoba SPV (8%).

The cost related to this 18% broad based BEE equity participation was measured and recognised at the grant date in June 2007, resulting in a once-off IFRS 2 cost of R320 million being recognised in profit or loss in 2007.

The BEE TH Infrastructure SPV participation interest, concluded in 2007, of R1,289 billion was funded through a combination of notional vendor financing (R821 million), preference share funding (R458 million) and equity and shareholders' loans of R10 million. The BEE yoMoba SPV participation interest of R1,031 billion was funded through a combination of notional vendor financing (R657 million), preference share funding (R367 million) and equity and shareholders' loans of R8 million. The SPV's participation interests are in the form of preferred ordinary shares which are entitled to receive a fixed coupon every year for a period of seven years. After seven years the preferred ordinary shares will cease to receive preferred ordinary dividends. Tongaat Hulett has therefore committed to pay a fixed coupon on these preferred ordinary shares of R100 million in aggregate on an annual basis and the preferred ordinary shares will not receive any ordinary dividends for the duration of the seven year period. In terms of the notional vendor finance arrangement between the respective SPVs and Tongaat Hulett (R821 million in respect of the BEE TH Infrastructure SPV and R657 million in respect of the BEE yoMoba SPV), Tongaat Hulett will be entitled to repurchase, at a price of R0,01 per share, such number of shares as determined in accordance with a repurchase formula, subject to the external funding claims in the SPV. The number of shares repurchased will be a function of the value of the shares subscribed for at par, the notional return required by Tongaat Hulett and the success of the earn-in initiatives by the respective BEE partners. In compliance with IFRS, the two BEE SPVs are consolidated by Tongaat Hulett and consequently the preferred ordinary shares are reflected as treasury shares in the consolidated statement of financial position and are taken into account where relevant when calculating earnings per share. The external debt of the SPVs, amounting to R787 million in aggregate at 31 March 2010 (31 December 2008 – R792 million), is thus reflected on the consolidated statement of financial position and the funding charge incurred by the SPVs is reflected in the consolidated income statement. This BEE debt does not have recourse to Tongaat Hulett and will effectively be equity-settled. After seven years the preferred ordinary shares will convert into Tongaat Hulett listed ordinary shares.

BEE 7% employee interest

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP). The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components namely a share appreciation right scheme and a share grant scheme. The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. These shares have specific repurchase terms at maturity (five years from grant). They are a separate class of restricted shares which, other than for the repurchase terms, rank pari passu with ordinary shares and become ordinary shares on maturity.

The IFRS 2 costs relating to the 7% BEE employee transaction is amortised over 5 years, having commenced in the second half of 2007.

The BEE employee equity participation trusts' subscription consideration for the new class of share ("B ordinary shares") was funded through contributions by the respective operating entities in Tongaat Hulett and the notional vendor finance provided to the employees, which will be recovered at the maturity of the scheme through the repurchase by Tongaat Hulett of so many B ordinary shares as equate in value to the amount of the outstanding notional vendor funding. The repurchase formulae take into account a notional funding requirement based, inter alia, on the ordinary dividend declared each year.

In accordance with IFRS, the ESOP Share Trust and MSOP Share Trust are consolidated by Tongaat Hulett and consequently the B ordinary shares are reflected as treasury shares in the consolidated financial statements and are taken into account where relevant when calculating diluted earnings per share.

JUDGMENTS MADE BY MANAGEMENT

Preparing financial statements in accordance with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Certain accounting policies have been identified as involving complex or subjective judgments or assessments. The items for consideration have been identified as follows:

- **Growing crop valuation:**
  Growing crops are required to be measured at fair value less harvesting, transport and over the weighbridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated cane price. These estimates can vary from the actuals when the cane is harvested.

- **Future development expenditure provision/ accrual at Tongaat Hulett Developments:**
  Judgment is applied in determining total project costs, which are supported by estimates from professional consultants and consulting engineers for services infrastructure. These costs are reviewed by management three to four times a year during the forecasting process, and if necessary estimates are revised accordingly.

- **Asset lives and residual lives:**
  Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

- **Impairment of assets:**
  Ongoing assessments are made regarding any potential impairment of assets across Tongaat Hulett, using valuation models prescribed under IFRS.

- **Decommissioning and rehabilitation obligations in respect of the environment:**
  Tongaat Hulett monitors and assesses its obligations arising from decommissioning of plant and rehabilitation of the environment on an ongoing basis.

- **Post-retirement benefit obligations:**
  Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.

- **Valuation of financial instruments:**
  The value of the derivative instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the date of the statement of financial position.

KEY SOURCES OF ESTIMATION UNCERTAINTY

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position that management have assessed as having a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year, other than in respect of The Tongaat-Hulett Pension Fund, as described under Employee Benefits on page 72.

NEW OR REVISED IFRS STANDARDS APPLICABLE TO FUTURE PERIODS

IAS 19 Employee Benefits, which was amended in 2004, provides an option, which entities may elect to adopt either now or at a later date, that allows for the accounting of actuarial gains/losses, either by recognising them through the income statement over the expected remaining lives of participants, or outside the income statement in the Statement of Other Comprehensive Income. The statement covers pension fund accounting and the provisions for post-retirement medical costs and retirement gratuities. This alternate accounting treatment of actuarial gains/losses will be assessed once decisions have been made on how the fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between employers participating in the share of the actuarial surplus attributed to the employer surplus account.

The following relevant new standards and interpretations were also in issue but not effective for the current period. Tongaat Hulett is in the process of evaluating the effects of these new standards and interpretations but they are not expected to have a significant impact on Tongaat Hulett's results and disclosures:

IAS 7	Statement of Cash Flows
IAS 18	Revenue
IAS 17	Leases
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates
IAS 31	Interests in Joint Ventures
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 38	Intangible Assets.

NOTES TO THE FINANCIAL STATEMENTS

1. PROPERTY PLANT AND EQUIPMENT (Rmillion)

Consolidated	Total	Land, improvements and buildings	Plant and equipment	Vehicles and other	Capitalised leased plant and vehicles	Capital work in progress
Carrying value at beginning of period	4 659	740	1 971	843	88	1 017
Consolidation of subsidiaries	3 534	2 127	544	863		
Additions	1 731	32	283	95	1	1 320
Disposals	(23)	(7)	(7)	(9)		
Depreciation	(521)	(115)	(265)	(138)	(3)	
Transfers		2	1 759	165		(1 926)
Currency alignment	(1 670)	(519)	(514)	(419)	(28)	(190)
Carrying value at end of period	7 710	2 260	3 771	1 400	58	221
Comprising:						
31 March 2010						
At cost	10 083	2 534	5 425	1 825	78	221
Accumulated depreciation	2 373	274	1 654	425	20	
	7 710	2 260	3 771	1 400	58	221
31 December 2008						
At cost	6 670	949	3 391	1 201	112	1 017
Accumulated depreciation	2 011	209	1 420	358	24	
	4 659	740	1 971	843	88	1 017
Company						
Carrying value at beginning of period	2 372	452	1 588	136	1	195
Additions	255	14	189	19	1	32
Disposals	(10)	(6)	(4)			
Depreciation	(230)	(7)	(196)	(26)	(1)	
Transfers		2	87	19		(108)
Carrying value at end of period	2 387	455	1 664	148	1	119
Comprising:						
31 March 2010						
At cost	4 096	541	3 077	357	2	119
Accumulated depreciation	1 709	86	1 413	209	1	
	2 387	455	1 664	148	1	119
31 December 2008						
At cost	3 899	531	2 847	325	1	195
Accumulated depreciation	1 527	79	1 259	189		
	2 372	452	1 588	136	1	195

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R311 million (31 December 2008 - R287 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R232 million (31 December 2008 - R143 million).

Land, agricultural improvements and buildings to which Tongaat Hulett has rights in Zimbabwe, have been included in the consolidation of the Zimbabwe subsidiaries.

The register of land and buildings is available for inspection at the company's registered office.

2. GROWING CROPS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Carrying value at beginning of period	**742**	353	130	98
Consolidation of subsidiaries	**342**			
Gain arising from physical growth and price changes	**1 231**	145	76	20
Increase due to increased area under cane	**141**	185	54	17
Decrease due to reduced area under cane	**(8)**	(9)	(4)	(5)
Currency alignment	**(407)**	68		
Carrying value at end of period	**2 041**	742	256	130
The carrying value comprises:				
Roots	**895**	497	144	83
Standing cane	**1 146**	245	112	47
	2 041	742	256	130
Area under cane (hectares):				
South Africa	**13 910**	11 417	13 910	11 417
Mozambique	**22 609**	20 534		
Swaziland	**3 767**	3 750		
Zimbabwe	**27 753**			
	68 039	35 701	13 910	11 417

3. LONG-TERM RECEIVABLE AND PREPAYMENT (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Long-term receivable				
Advances to an export partnership - at fair value				
Carrying value at beginning of period	**196**	203	196	203
Settlement	**(196)**		(196)	
Fair value adjustment due to reduction in tax rate		(7)		(7)
Carrying value at end of period		196		196
Prepayment				
Contribution to the BEE Employee Share Ownership Plan	**136**	136	132	132
Contribution to the BEE Management Share Ownership Plan	**91**	91	78	78
	227	227	210	210
Less Accumulated amortisation at end of period	**(72)**	(43)	(67)	(40)
At beginning of period	**(43)**	(13)	(40)	(12)
Charge for the period	**(29)**	(30)	(27)	(28)
Less BEE share ownership plan consolidation shares	**(155)**	(184)		
			143	170
Carrying value at end of period		196	143	366

The prepayment relates to awards made in terms of the company's BEE employee share ownership plans, details of which are set out in note 35.

4. GOODWILL (Rmillion)

	Consolidated	
	31 March 2010	31 December 2008
Carrying value at beginning of period	**99**	42
Consolidation of subsidiaries	**207**	
Increase in shareholding in subsidiaries		46
Currency exchange rate changes	**(66)**	11
Carrying value at end of period	**240**	99

Goodwill is attributable to the Mozambique and Zimbabwe sugar operations and a Botswana subsidiary. Goodwill is tested annually for impairment. The recoverable amount of goodwill was determined from the "value in use" discounted cash flow model. The value in use cash flow projections, which cover a period of twenty years, are based on the most recent budgets and forecasts approved by management and the extrapolation of cash flows which incorporate growth rates consistent with the average long-term growth trends of the market. As at 31 March 2010, the carrying value of goodwill was considered not to require impairment.

5. INTANGIBLE ASSETS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Cost at beginning of period	**17**	16	12	11
Additions	**7**	2	7	1
Disposals		(2)		
Currency alignment	**(2)**	1		
At end of period	**22**	17	19	12
Accumulated amortisation at beginning of period	**11**	10	8	7
Charge for the period	**3**	2	3	1
Disposals		(2)		
Currency alignment	**(1)**	1		
At end of period	**13**	11	11	8
Carrying value at end of period	**9**	6	8	4
The carrying value comprises:				
Software	**4**	6	3	4
Cane supply agreements	**5**		5	
	9	6	8	4

6. INVESTMENTS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Unlisted shares at cost	**7**	265		263
Loans	**3**	3	2	2
Carrying value of investments (Directors' valuation)	**10**	268	2	265

The original investment in Triangle Sugar was recorded at cost at a nominal value with the subsequent investment of R263 million included in unlisted shares at 31 December 2008. Triangle Sugar was consolidated during the current period (refer to note 27) and the carrying value of the investment is now included in Subsidiaries and Joint Ventures (refer to note 7).

A schedule of unlisted investments is available for inspection at the company's registered office.

7. SUBSIDIARIES AND JOINT VENTURES (Rmillion)

	Company	
	31 March 2010	31 December 2008
Shares at cost less amounts written off	**2 733**	1 255
Indebtedness by	**1 498**	1 302
Indebtedness to	**(535)**	(653)
	3 696	1 904

	Consolidated	
	31 March 2010	31 December 2008
Tongaat Hulett's proportionate share of the assets, liabilities and post-acquisition reserves of joint ventures, which comprise in the main, Effingham Development and Tongaat Hulett/IFA Resort Developments and which are included in the consolidated financial statements are set out below:		
Property, plant and equipment	**8**	8
Current assets	**283**	328
Less: Current liabilities	**(68)**	(93)
Interest in joint ventures	**223**	243

7. SUBSIDIARIES AND JOINT VENTURES (Rmillion) continued

Tongaat Hulett's proportionate share of the trading results of the joint ventures is as follows:

	Consolidated 15 months to 31 March 2010	Consolidated 12 months to 31 December 2008
Revenue	**21**	10
Profit before tax	**19**	16
Tax	**(4)**	(4)
Net profit after tax	**15**	12

Tongaat Hulett's proportionate share of cash flows of the joint ventures is as follows:

	Consolidated 15 months to 31 March 2010	Consolidated 12 months to 31 December 2008
Cash flows from operating activities	**(4)**	8
Net cash used in investing activities	**(38)**	(48)
Net movement in cash resources	**(42)**	(40)

8. INVENTORIES (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Raw materials	**464**	386	464	386
Work in progress	**14**	13	13	13
Finished goods	**204**	933	120	891
Consumables	**402**	180	123	111
Development properties	**289**	197		
	1 373	1 709	720	1 401

Included in raw materials is an amount of R360 million (31 December 2008 - R305 million) that relates to the constructive obligation that has been recognised on maize procurement contracts.

9. DERIVATIVE INSTRUMENTS (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
The fair value of derivative instruments:				
Forward exchange contracts - hedge accounted	**9**	(17)	9	(17)
Forward exchange contracts - not hedge accounted		(1)		(1)
Futures contracts - hedge accounted	**(3)**	(3)	(3)	(3)
	6	(21)	6	(21)
Summarised as:				
Derivative assets	**9**	2	9	2
Derivative liabilities	**(3)**	(23)	(3)	(23)
	6	(21)	6	(21)

Further details on derivative instruments are set out in note 25.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit and cash advanced, repayable on demand and excludes bank overdrafts.

11. SHARE CAPITAL (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Authorised:				
150 000 000 ordinary shares of R1,00 each	**150**	150	150	150
30 000 000 A preferred ordinary shares of R1,00 each	**30**	30	30	30
6 000 000 B1 ordinary shares of R1,00 each	**6**	6	6	6
10 500 000 B2 ordinary shares of R1,00 each	**11**	11	11	11
3 200 000 B3 ordinary shares of R1,00 each	**3**	3	3	3
10 redeemable preference shares of R1,00 each				
	200	200	200	200
Issued and fully paid:				
103 677 229 (31 December 2008 - 103 246 983) ordinary shares of R1,00 each	**104**	103	104	103
25 104 976 A preferred ordinary shares of R1,00 each	**25**	25	25	25
5 422 829 B1 ordinary shares of R1,00 each	**6**	6	6	6
3 296 657 B2 ordinary shares of R1,00 each	**3**	3	3	3
1 021 422 B3 ordinary shares of R1,00 each	**1**	1	1	1
	139	138	139	138

Under control of the directors:
- for the purposes of the employee share option schemes 9 595 431 shares (31 December 2008 - 9 082 047 shares).
- in terms of a shareholders' resolution 5 162 349 shares (31 December 2008 - 5 153 918 shares).

Details of the employee share incentive schemes are set out in note 34. Following the unbundling of Hulamin in 2007, the options granted to employees in terms of the original employee share option schemes which had not been exercised at the unbundling date were converted into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as described in note 34. At 31 March 2010 employees have an option to subscribe for 667 500 shares at an average price of R32,85 per share (31 December 2008 - 1 099 590 shares at an average price of R32,39 per share) in respect of the Tongaat Hulett component and the equivalent of approximately 105 000 shares in respect of the Hulamin component (31 December 2008 - 143 000 shares).

The original share option schemes were replaced in 2005 with a new share incentive scheme comprising the Share Appreciation Right Scheme 2005 the Long Term Incentive Plan 2005 and the Deferred Bonus Plan 2005.

12. BEE HELD CONSOLIDATION SHARES (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008
25 104 976 A preferred ordinary shares of R1,00 each	**839**	839
5 422 829 B1 ordinary shares of R1,00 each	**136**	136
3 296 657 B2 ordinary shares of R1,00 each	**46**	46
1 021 422 B3 ordinary shares of R1,00 each	**45**	45
	1 066	1 066
Less amount attributable to A preferred ordinary shareholders	**(59)**	
Less amortisation of IFRS 2 charge on shares relating to the employee share ownership plans (refer to notes 3 and 35)	**(72)**	(43)
	935	1 023

13. DEFERRED TAX (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Balance at beginning of period	**582**	673	469	487
Currency alignment	**(214)**	3		
Consolidation of subsidiaries	**1 038**			
Accounted for in equity	**6**	(6)	6	(6)
Current period Income Statement (relief)/charge on:				
Earnings before exceptional items	**(16)**	(11)	(134)	(7)
Rate change adjustment	**(154)**	(22)		(17)
Prior periods' charge/(relief)	**30**	(55)		12
Balance at end of period	**1 272**	582	341	469
Comprising temporary differences relative to :				
Property, plant and equipment	**1 220**	409	428	382
Growing crops	**336**	102	72	36
Export partnership		142		142
Current assets	**114**	78	40	29
Current liabilities	**(34)**	(26)	(25)	(25)
Tax losses	**(108)**	(5)	(65)	
Other	**(256)**	(118)	(109)	(95)
	1 272	582	341	469

14. BORROWINGS (Rmillion)

		Consolidated		Company	
		31 March 2010	31 December 2008	31 March 2010	31 December 2008
Long-term		**1 103**	1 212	1 066	1 155
Short-term and bank overdraft		**2 077**	1 373	1 768	1 166
		3 180	2 585	2 834	2 321
Long-term borrowings comprise:	Effective interest rate (%)				
Secured:					
SA Rand					
Repayable 2011/2012	6,25	**17**	35		
Finance leases (refer to note 29)	8,50	**1**	1	1	1
Foreign					
Repayable 2011/2016	21,50	**17**	35		
Finance leases (refer to note 29)	8,93	**13**			
		48	71	1	1
Unsecured:					
SA Rand					
Long-term portion repayable 2011/2015	3 month JIBAR + 1,35	**1 155**	1 200	1 155	1 200
Foreign					
Repayable 2011/2012	nil	**5**	9		
		1 160	1 209	1 155	1 200
Long-term borrowings		**1 208**	1 280	1 156	1 201
Less: current portion included in short-term borrowings		**105**	68	90	46
		1 103	1 212	1 066	1 155

Plant and machinery of Mozambique and Zimbabwe subsidiaries with a book value of R311 million (31 December 2008 - R287 million) are encumbered as security for the secured long-term borrowings and certain short-term borrowings of R232 million (31 December 2008 - R143 million).

Short-term borrowings comprise call loans and bank overdrafts with various South African financial institutions at interest rates linked to the prime overdraft rate as well as short-term borrowings in Mozambique equivalent to R226 million (31 December 2008 - R143 million) and in Zimbabwe equivalent to R62 million (31 December 2008 - nil).

Summary of future loan repayments by financial year:

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Rmillion	111	98	93	798	3

In terms of the company's articles of association the borrowing powers of Tongaat Hulett are limited to R8 165 million.

15. NON-RECOURSE EQUITY-SETTLED BEE BORROWINGS (Rmillion)

The non-recourse equity-settled BEE borrowings comprise:

	Effective interest rate (%)	Consolidated 31 March **2010**	Consolidated 31 December 2008
4 122 000 Class A redeemable preference shares	8,486 nacs	**287**	365
4 122 000 Class B redeemable preference shares	10,873 nacs	**482**	438
Accrued dividends		**18**	40
		787	843
Less: BEE cash resources			51
		787	792

These borrowings relate to Tongaat Hulett's black economic empowerment partners, yoMoba SPV (Pty) Limited and TH Infrastructure SPV (Pty) Limited which have been fully consolidated in terms of IFRS. yoMoba SPV (Pty) Limited owns 11 157 767 A preferred ordinary shares and TH Infrastructure SPV (Pty) Limited owns 13 947 209 A preferred ordinary shares in Tongaat Hulett.

The preference shares are redeemable by no later than 30 June 2014 and have a fixed coupon payable semi-annually on 2 January and 1 July each year. The total debt due will be settled by the SPVs utilising preferred ordinary dividends received from Tongaat Hulett and by the shares that they hold in Tongaat Hulett and will have no further impact on the cash flows of Tongaat Hulett. These SPVs will continue to be consolidated while Tongaat Hulett carries a residual risk in these entities.

16. PROVISIONS (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Post-retirement medical aid obligations	**304**	223	236	223
Retirement gratuity obligations	**145**	55	61	55
Other	**97**	1		1
	546	279	297	279

Further details on provisions are set out in note 32.

17. TRADE AND OTHER PAYABLES (Rmillion)

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Accounts payable	**1 750**	1 476	1 033	584
Maize obligation - interest bearing	**381**	373	381	373
	2 131	1 849	1 414	957

The directors consider that the carrying amount of trade and other payables approximates their fair value.

18. OPERATING PROFIT (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Revenue	**11 136**	7 106	8 155	5 694
Cost of sales	**(9 629)**	(5 578)	(6 986)	(4 680)
Administration expenses	**(947)**	(459)	(533)	(400)
Marketing and selling expenses	**(332)**	(179)	(189)	(151)
Other income	**1 463**	242	341	364
Profit from operations	**1 691**	1 132	788	827
Capital profit from land (refer to note 19)	**52**	22	47	6
Capital profit on insurance claim (refer to note 19)	**13**	49	13	49
BEE IFRS 2 charge and transaction costs	**(35)**	(33)	(33)	(31)
Valuation adjustments:				
Zimbabwe consolidation take-on gain	**1 969**			
Other	**(3)**	2		(7)
Operating profit after corporate transactions	**3 687**	1 172	815	844
Disclosable items included in operating profit:				
Dividends received from subsidiaries:				
Triangle Sugar		35		35
Other subsidiaries			137	294
Profit on disposal of plant and equipment	**6**	3	2	2
Amortisation of intangible assets	**3**	2	3	1
Depreciation charged:				
Buildings	**115**	11	7	6
Plant and equipment	**265**	186	196	169
Vehicles and other	**141**	47	27	16
Growing crops fair valuation	**1 288**	153	128	29
Management fees paid to subsidiaries			1	1
Management fees paid to third parties	**4**	4		
Technical fees paid	**11**	11	11	11
Operating lease charges (property, plant and vehicles)	**27**	16	23	14
Share-based payments:				
IFRS 2 charge on share options, SARS, LTIP and DBP	**39**	27	26	18
BEE IFRS 2 charge (refer to note 3)	**29**	30	27	28
Auditors' remuneration:				
Fees	**12**	6	6	4
Other services	**2**	2	1	1
Net (losses)/gains on:				
Fair value hedges, losses on the hedging instrument	**(15)**	(4)	(15)	(4)
Fair value hedges, gains on the hedged item	**15**	4	15	4
Valuation adjustments on financial instruments and other items:				
Translation of foreign currency:				
- foreign cash holdings	**(5)**	9		
- other	**(44)**	193		
Other financial instruments	**5**	(15)	2	(15)

19. CAPITAL PROFITS (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Comprises:				
Surplus on sale of land	**52**	22	47	6
Surplus on insurance claim	**13**	49	13	49
Capital profits before tax	**65**	71	60	55
Tax (refer to note 21)		(3)		(3)
Capital profits after tax	**65**	68	60	52

20. NET FINANCING (COSTS)/INCOME (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Net financing costs comprise:				
Interest paid - external	**(577)**	(428)	(419)	(304)
Interest capitalised	**88**	103		
Interest paid - subsidiaries			(59)	(56)
Financing costs	**(489)**	(325)	(478)	(360)
Interest received - external	**37**	45	15	15
Interest received - subsidiaries			89	111
Finance income	**37**	45	104	126
Net financing costs	**(452)**	(280)	(374)	(234)

21. TAX (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Earnings before capital profits:				
Current	**331**	196	196	75
Deferred	**(16)**	(11)	(134)	(7)
Rate change adjustment (deferred)	**(154)**	(22)		(17)
Secondary tax on companies	**39**	44	39	44
Prior periods	**8**	2	12	
	208	209	113	95
Capital profits:				
Current		3		3
Tax for the period	**208**	212	113	98
Foreign tax included above	**36**	25		

21. TAX (Rmillion) continued

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Tax charge at normal rate of South African tax	**906**	250	124	171
Adjusted for:				
Non-taxable income	**(19)**	(48)	(64)	(106)
Zimbabwe consolidation take-on gain	**(551)**			
Assessed losses of foreign subsidiaries	**(20)**	(3)		
Non-allowable expenditure	**27**	24	2	3
Foreign tax rate variations	**(28)**	(38)		
Rate change adjustment (deferred)	**(154)**	(22)		(17)
Secondary tax on companies	**39**	44	39	44
Capital gains		3		3
Prior periods	**8**	2	12	
Tax charge	**208**	212	113	98
Normal rate of South African tax	**28,0%**	28,0%	28,0%	28,0%
Adjusted for:				
Non-taxable income	**(0,6)**	(5,2)	(14,5)	(17,4)
Zimbabwe consolidation take-on gain	**(17,0)**			
Assessed losses of foreign subsidiaries	**(0,6)**	(0,4)		
Non-allowable expenditure	**0,8**	2,7	0,5	0,5
Foreign tax rate variations	**(0,9)**	(4,3)		
Rate change adjustment (deferred)	**(4,8)**	(2,5)		(2,7)
Secondary tax on companies	**1,2**	4,9	8,8	7,2
Capital gains		0,3		0,5
Prior periods	**0,3**	0,3	2,7	
Effective rate of tax	**6,4%**	23,8%	25,5%	16,1%

Normal tax losses of R537 million (31 December 2008 - R17 million) have been utilised to reduce deferred tax. No deferred tax asset has been raised in respect of the tax losses of foreign subsidiaries that may not be utilised in the short term or may expire in terms of applicable tax legislation.

22. HEADLINE EARNINGS (Rmillion)

	Consolidated	
	15 months to 31 March 2010	12 months to 31 December 2008
Profit attributable to shareholders	**2 898**	649
Less Zimbabwe consolidation take-on gain	**(1 969)**	
Less after tax effect of:	**(71)**	(66)
Capital profit on sale of land	**(52)**	(22)
Capital profit on insurance claim	**(13)**	(49)
Fixed assets and other disposals	**(8)**	3
	(73)	(68)
Tax charge on profit on insurance claim	**2**	3
Tax relief on loss on disposal of other fixed assets		(1)
Headline earnings	**858**	583
Headline earnings per share (cents)		
Basic	**826,5**	565,6
Diluted	**810,0**	554,2

23. EARNINGS PER SHARE

Earnings per share are calculated using the weighted average number of relevant ordinary shares and qualifying preferred ordinary shares in issue during the year. In the case of basic earnings per share the weighted average number of shares in issue during the 15 month period to 31 March 2010 is 103 810 807 (31 December 2008 - 103 070 228). In respect of diluted earnings per share the weighted average number of shares is 105 922 176 (31 December 2008 - 105 224 655).

24. DIVIDENDS (Rmillion)

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Ordinary share capital				
Final for previous year, paid 26 March 2009 - 150 cents (31 December 2008 - 160 cents)	**155**	165	155	165
Interim for current period, paid 17 September 2009 - 100 cents (31 December 2008 - 160 cents)	**103**	165	103	165
B ordinary share capital				
Final for previous year, paid 26 March 2009 - 150 cents (31 December 2008 - 160 cents)	**15**	16	15	16
Interim for current period, paid 17 September 2009 - 100 cents (31 December 2008 - 160 cents)	**10**	16	10	16
A preferred ordinary share capital				
Interim for current period, paid 30 June 2009 - 203 cents (30 June 2008 - 203 cents)	**51**	51	51	51
Final for current period, paid 31 December 2009 - 203 cents (31 December 2008 - 203 cents)	**51**	51	51	51
Accrued for three months to 31 March 2010 - 102 cents (31 March 2009 - nil)	**25**		25	
	410	464	410	464
Less dividends relating to BEE treasury shares	**(146)**	(128)	(19)	(26)
	264	336	391	438

The final ordinary dividend for the 15 month period ended 31 March 2010, being a scrip distribution with a cash alternative of 175 cents per share, declared on 26 May 2010 and payable on 22 July 2010 has not been accrued.

25. FINANCIAL RISK MANAGEMENT (Rmillion)

Financial instruments consist primarily of cash deposits with banks, unlisted investments, derivatives, accounts receivable and payable and loans to and from associates and others. Financial instruments are carried at fair value or amounts that approximate fair value.

Categories of financial instruments	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Financial assets				
Derivative instruments in designated hedge accounting relationships	**9**	2	9	2
Unlisted shares at cost	**10**	268	2	265
Loans and receivables at amortised cost	**1 976**	2 072	792	1 110
	1 995	2 342	803	1 377
Financial liabilities				
Derivative instruments in designated hedge accounting relationships	**3**	23	3	23
Financial liabilities at amortised cost	**5 229**	4 490	4 193	3 231
Non-recourse equity-settled BEE borrowings	**787**	792		
	6 019	5 305	4 196	3 254

Risk management is recognised as being dynamic, evolving and integrated into the core of running the business. The approach to risk management in Tongaat Hulett includes being able to identify and describe / analyse risks at all levels throughout the organisation, with mitigating actions being implemented at the appropriate point of activity. The very significant, high impact risk areas and the related mitigating action plans are monitored at a Tongaat Hulett risk committee level. Risks and mitigating actions are given relevant visibility at various appropriate forums throughout the organisation.

In the normal course of its operations, Tongaat Hulett is exposed to inter alia capital, credit, foreign currency, interest, liquidity and commodity price risks. In order to manage these risks, Tongaat Hulett may enter into transactions, which make use of derivatives. They include forward exchange contracts (FECs) and options, interest rate swaps and commodity futures and options. Separate committees are used to manage risks and hedging activities. Tongaat Hulett does not speculate in or engage in the trading of derivative instruments. Since derivative instruments are utilised for risk management, market risk relating to derivative instruments will be offset by changes in the valuation of the underlying assets, liabilities or transactions being hedged. The overall risk strategy remains unchanged from previous years.

Capital risk management

Tongaat Hulett's overall strategy around capital structure remains unchanged from previous years and is continually reviewed in budgeting and business planning processes. Tongaat Hulett manages its capital to ensure that its operations are able to continue as a going concern while maximising the return to stakeholders through an appropriate debt and equity balance. The capital structure of Tongaat Hulett consists of debt, which includes borrowings, cash and cash equivalents and equity.

Credit risk

Financial instruments do not represent a concentration of credit risk because Tongaat Hulett deals with a variety of major banks and its accounts receivable and loans are spread among a number of major industries, customers and geographic areas. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. In addition, appropriate credit committees review significant credit transactions before consummation. Where considered appropriate, use is made of credit guarantee insurance. A suitable provision is made for doubtful debts. Financial guarantee contracts are accounted for as insurance arrangements.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Past due trade receivables

Included in trade receivables are debtors which are past the expected collection date (past due) at the reporting date and no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. No collateral is held over these balances. A summarised age analysis of past due debtors is set out below:

	Consolidated		Company	
	31 March 2010	31 December 2008	31 March 2010	31 December 2008
Less than 1 month	**23**	32	17	26
Between 1 to 2 months	**26**	10	16	10
Between 2 to 3 months	**9**	47	4	1
Greater than 3 months	**416**	317	1	2
Total past due	**474**	406	38	39
Provision for doubtful debts				
Set out below is a summary of the movement in the provision for doubtful debts for the period:				
Balance at beginning of period	**11**	8	5	3
Currency alignment	**(1)**	1		
Amounts written off during the period		(1)		
Increase in allowance recognised in profit or loss	**8**	3	2	2
Balance at end of period	**18**	11	7	5

Foreign currency risk

In the normal course of business, Tongaat Hulett enters into transactions denominated in foreign currencies. As a result Tongaat Hulett is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. A variety of instruments are used to minimise foreign currency exchange rate risk in terms of its risk management policy. In principle it is the policy to cover foreign currency exposure in respect of liabilities and purchase commitments and an appropriate portion of foreign currency exposure on receivables. There were no speculative positions in foreign currencies at period end. All foreign exchange contracts are supported by underlying transactions. Tongaat Hulett is not reliant on imported raw materials to any significant extent. The fair value of the forward exchange contracts was established with reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

Forward exchange contracts that constitute designated hedges of currency risk at period end are summarised as follows:

	Consolidated				Company			
			31 March 2010	31 December 2008			31 March 2010	31 December 2008
	Average contract rate	Commitment (Rmillion)	**Fair value of FEC (Rmillion)**	Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	Fair value of FEC (Rmillion)	Fair value of FEC (Rmillion)
Imports								
US dollar	7,64	10			7,64	10		
Exports								
US dollar	7,98	175	**8**	(19)	7,98	175	8	(19)
Australian dollar	7,13	22	**1**	2	7,13	22	1	2
		197	**9**	(17)		197	9	(17)
Net total		207	**9**	(17)		207	9	(17)

The hedges in respect of imports and exports are expected to mature within approximately one year.

The fair value is the estimated amount that would be paid or received to terminate the forward exchange contracts in arm's length transactions at the statement of financial position date.

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Forward exchange contracts that do not constitute designated hedges of currency risk at period end are summarised as follows:

	Consolidated				Company			
	Average contract rate	Commitment (Rmillion)	**31 March 2010 Fair value of FEC (Rmillion)**	31 December 2008 Fair value of FEC (Rmillion)	Average contract rate	Commitment (Rmillion)	31 March 2010 Fair value of FEC (Rmillion)	31 December 2008 Fair value of FEC (Rmillion)
Imports								
US dollar	7,74	3		(1)	7,74	3		(1)

Although not designated as a hedge for accounting purposes, these forward exchange contracts represent cover of existing foreign currency exposure.

Tongaat Hulett has the following uncovered foreign receivables:

	Consolidated			Company		
	Foreign amount (million)	**31 March 2010 (Rmillion)**	31 December 2008 (Rmillion)	Foreign amount (million)	31 March 2010 (Rmillion)	31 December 2008 (Rmillion)
US dollar	2	**16**	27	2	14	27
Australian dollar	3	**18**	35	3	18	35
New Zealand dollar		**1**				
		35	62		32	62

The impact of a 10% strengthening or weakening of the Rand on the uncovered Australian dollar receivable will have a R2 million (31 December 2008 - R3 million) impact on profit before tax and a R1 million (31 December 2008 - R2 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered US dollar receivable will have a R2 million (31 December 2008 - R3 million) impact on profit before tax and a R1 million (31 December 2008 - R2 million) impact on equity. The impact of a 10% strengthening or weakening of the Rand on the uncovered New Zealand dollar receivable will have a R0,1 million (31 December 2008 - nil) impact on profit before tax and a R0,1 million (31 December 2008 - nil) impact on equity.

Commodity price risk

Commodity price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the prices of commodities. To hedge prices for Tongaat Hulett's substantial commodity requirements, commodity futures and options are used, including fixed and spot-defined forward sales contracts and call and put options.

The starch operation has secured its maize requirements for the current maize season to 31 May 2010 and a significant portion of its requirements for the year ending 31 May 2011 by using a combination of unpriced procurement contracts and purchases and sales of maize futures.

The fair value of the commodity futures contracts which are set out below, was established with reference to quoted prices and are categorised as Level 1 under the fair value hierarchy.

	Consolidated				Company			
	Tons	Contract value (Rmillion)	**31 March 2010 Fair value (Rmillion)**	31 December 2008 Fair value (Rmillion)	Tons	Contract value (Rmillion)	31 March 2010 Fair value (Rmillion)	31 December 2008 Fair value (Rmillion)
Futures - hedge accounted:								
Maize futures sold	3 500	4	**(3)**	(3)	3 500	4	(3)	(3)
Maize futures purchased	6 800	8			6 800	8		
			(3)	(3)			(3)	(3)
Period when cash flow expected to occur			**2010/11**	2009			2010/11	2009
When expected to affect profit			**2010/11**	2009			2010/11	2009
Amount recognised in equity during the period			**5**	(9)			5	(9)
Amount transferred from equity and recognised in profit or loss			**10**	(4)			10	(4)

25. FINANCIAL RISK MANAGEMENT (Rmillion) continued

Interest rate risk

Tongaat Hulett is exposed to interest rate risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of these instruments. Tongaat Hulett is also exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the cash management system, which enables Tongaat Hulett to maximise returns while minimising risks. The impact of a 50 basis point move in interest rates will have a R18 million (31 December 2008 - R15 million) effect on profit before tax and a R13 million (31 December 2008 - R11 million) impact on equity.

Liquidity risk

Tongaat Hulett manages its liquidity risk by monitoring forecast cash flows on a weekly basis. There are unutilised established banking facilities in excess of R1 billion (31 December 2008 - R755 million). Tongaat Hulett continues to meet the covenants associated with its long-term unsecured South African debt facility.

Borrowings inclusive of interest projected at current interest rates:

Consolidated	Weighted average effective interest rate (%)	Due within 1 year	1 to 2 years	2 to 5 years	After 5 years	Interest adjustment	Total
31 March 2010							
Bank loans	8,2	1 909	228	1 225		(521)	2 841
Foreign loans	10,2	315	6	14	4	(33)	306
Other borrowings	8,6	413				(17)	396
Financial lease liability	8,9	1	9	6		(2)	14
Other non-interest bearing liabilities		1 671	2				1 673
Net settled derivatives		3					3
Total for Tongaat Hulett		4 312	245	1 245	4	(573)	5 233
Non-recourse equity-settled BEE borrowings		93	81	760		(147)	787
Total including SPV debt		4 405	326	2 005	4	(720)	6 020
31 December 2008							
Bank loans	12,9	1 407	253	661	899	(865)	2 355
Foreign loans	17,7	169	13	26		(30)	178
Other borrowings	13,4	442				(28)	414
Financial lease liability	13,0	1	1			(1)	1
Other non-interest bearing liabilities		1 533	2	5			1 540
Net settled derivatives		23					23
Total for Tongaat Hulett		3 575	269	692	899	(924)	4 511
Non-recourse equity-settled BEE borrowings		66	101	304	515	(194)	792
Total including SPV debt		3 641	370	996	1 414	(1 118)	5 303

26. PRINCIPAL SUBSIDIARY COMPANIES AND JOINT VENTURES (Rmillion)

	Interest of Holding Company			
	Equity		Indebtedness	
	31 March 2010	31 December 2008	**31 March 2010**	31 December 2008
Tongaat Hulett Starch (Pty) Limited	**15**	15	**25**	22
Tongaat Hulett Developments (Pty) Limited Tongaat Hulett Estates (Pty) Limited			**(440)**	(562)
Tongaat Hulett Sugar Limited Tambankulu Estates Limited (Swaziland) Tongaat Hulett Acucareira de Mocambique, SA (Mozambique) (85%) Tongaat Hulett Acucareira de Xinavane, SA (Mozambique) (88%) Tongaat Hulett Acucar Limitada (Mozambique) Triangle Sugar Corporation Limited (Zimbabwe) Hippo Valley Estates Limited (Zimbabwe) (50,3%)	**2 664**	1 186	**1 437**	1 262
The Tongaat Group Limited	**54**	54	**(59)**	(73)
	2 733	1 255	**963**	649

Except where otherwise indicated, effective participation is 100 percent.
A full list of all subsidiaries and joint ventures is available from the company secretary on request.

27. SUBSIDIARIES CONSOLIDATED (Rmillion)

Details of Zimbabwe subsidiaries consolidated and their cash flow effects at the beginning of 2009 are summarised below.

Property, plant, equipment and investments	**3 555**
Growing crops	**342**
Inventories	**255**
Trade and other receivables	**101**
Cash	**69**
Trade and other payables	**(182)**
Provisions	**(289)**
Deferred tax	**(1 038)**
Borrowings	**(33)**
Minority interest	**(755)**
Net assets consolidated	**2 025**
Goodwill arising on consolidation	**207**
	2 232
Zimbabwe consolidation take-on gain	**(1 969)**
Investment in subsidiaries	**263**

28. GUARANTEES AND CONTINGENT LIABILITIES (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Guarantees in respect of obligations of Tongaat Hulett and third parties	**134**	95	2	20
Contingent liabilities	**14**	27	14	25
	148	122	16	45

29. LEASES (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Amounts payable under finance leases				
Minimum lease payments due:				
Not later than one year	**3**	1	1	1
Later than one year and not later than five years	**9**	1	1	1
Later than five years	**6**			
	18	2	2	2
Less: future finance charges	**(4)**	(1)	(1)	(1)
Present value of lease obligations	**14**	1	1	1
Payable:				
Not later than one year	**1**			
Later than one year and not later than five years	**7**	1	1	1
Later than five years	**6**			
	14	1	1	1
Operating lease commitments, amounts due:				
Not later than one year	**14**	10	13	10
Later than one year and not later than five years	**17**	18	16	13
	31	28	29	23
In respect of:				
Property	**18**	11	16	6
Plant and machinery	**11**	15	11	15
Other	**2**	2	2	2
	31	28	29	23

30. CAPITAL EXPENDITURE COMMITMENTS (Rmillion)

	Consolidated 31 March 2010	Consolidated 31 December 2008	Company 31 March 2010	Company 31 December 2008
Contracted	**234**	587	43	35
Approved but not contracted	**118**	114	28	80
	352	701	71	115

Funds to meet future capital expenditure will be provided from retained net cash flows and debt financing.

31. RELATED PARTY TRANSACTIONS (Rmillion)

During the period Tongaat Hulett, in the ordinary course of business, entered into various related party sales, purchases and investment transactions. These transactions occurred under terms that are no less favourable than those arranged with third parties. Intra-group transactions are eliminated on consolidation.

	Consolidated		Company	
	15 months to 31 March 2010	12 months to 31 December 2008	15 months to 31 March 2010	12 months to 31 December 2008
Goods and services:				
Transacted between operating entities within the company			7	5
Between the company and its subsidiaries			326	44
Transacted between subsidiaries within Tongaat Hulett	**335**	117		
Sales to external related parties	**2**	138		138
Tongaat-Hulett Pension Fund contribution cost	**65**	30	57	27
Administration fees and other income:				
Transacted between operating entities within the company			16	7
Between the company and its subsidiaries			45	16
Transacted between subsidiaries within Tongaat Hulett	**132**	57		
Transacted with/between joint ventures within Tongaat Hulett	**7**	1		
Paid to external related parties	**4**	3		
Interest paid:				
Transacted between operating entities within the company			39	48
Between the company and its subsidiaries			12	56
Transacted with/between joint ventures within Tongaat Hulett	**6**	9		
Interest received:				
Transacted between operating entities within the company			496	375
Between the company and its subsidiaries			90	111
Transacted between subsidiaries within Tongaat Hulett	**48**	47		
Transacted with/between joint ventures within Tongaat Hulett	**3**	5		
Sales of fixed assets:				
Between the company and its subsidiaries			3	15
Loan balances:				
Transacted between operating entities within the company			4 305	3 257
Between the company and its subsidiaries			962	649
Pension Fund Loan - Employer Surplus Account	**89**		89	
External related parties		7		7
Dividends received:				
Between the company and its subsidiaries			137	329
Transacted between subsidiaries within Tongaat Hulett	**130**	200		

Other related party information:

Total dividends paid to the holding company and other shareholders - refer to note 24

Directors - refer to notes 33 and 34

Tongaat Hulett Developments is a guarantor on Tongaat Hulett Limited's South African long-term unsecured loan facility.

32. RETIREMENT BENEFITS

Pension and Provident Fund Schemes

Tongaat Hulett contributes towards retirement benefits for substantially all permanent employees who, depending on preference or local legislation, are required to be a member of either a Tongaat Hulett implemented scheme or of various designated industry or state schemes. The Tongaat Hulett schemes are governed by the relevant retirement fund legislation. Their assets consist primarily of listed shares, fixed income securities, property investments and money market instruments and are held separately from those of Tongaat Hulett. The scheme assets are administered by boards of trustees, each of which includes elected employee representatives.

Defined Benefit Pension Scheme

The Tongaat-Hulett Pension Fund (the Fund) is a defined benefit scheme in South Africa and includes employees of Hulamin Limited. The Fund is actuarially valued at intervals of not more than three years using the projected unit credit method. In the statutory actuarial valuation of the scheme as at 31 December 2007 the Fund was certified by the reporting actuary to be in a sound financial position. With effect from 7 December 2001 the Pension Funds Second Amendment Act was promulgated. This Act required the Fund to submit a plan for the apportionment on a fair basis to the employer and past and current members of the Fund of the actuarial surplus as at 31 December 2001. The 2001 apportionment plan was approved by the Financial Services Board in May 2007. During 2008 and 2009/10 Tongaat Hulett became unconditionally entitled to its share of the 2001 employer surplus account and to its share of the 2007 surplus respectively and these amounts were recognised as an asset by Tongaat Hulett.

The manner in which the Fund proceeds following the unbundling of Hulamin from Tongaat Hulett and the split between the employers participating in the Fund has yet to be finalised and/or become unconditional. Consequently, no further surplus apportionment has been recognised. An actuarial valuation of liabilities, based on the existing benefits, carried out as at 31 December 2009 in accordance with IAS 19 showed the present value of obligations to be adequately covered by the fair value of the scheme assets.

	31 December 2009 Rmillion	31 December 2008 Rmillion
Details of the valuation of the Fund (100%) are as follows:		
Fair value of plan assets		
Balance at 1 January 2009	**5 537**	6 544
Expected return on scheme assets	**395**	520
Employer contributions	**87**	52
Members' contributions	**46**	41
Benefits paid	**(289)**	(549)
Net member transfers	**(12)**	(24)
Actuarial gain/(loss)	**444**	(1 047)
Balance at 31 December 2009	**6 208**	5 537
Present value of defined benefit obligation		
Balance at 1 January 2009	**4 455**	4 444
Current service cost	**134**	118
Interest cost	**319**	350
Members' contributions	**46**	41
Benefits paid	**(289)**	(549)
Net member transfers	**(12)**	(24)
Actuarial loss	**109**	75
Balance at 31 December 2009	**4 762**	4 455
Fund assets less member liabilities, before reserves	**1 446**	1 082

32. RETIREMENT BENEFITS (continued)

Defined Benefit Pension Scheme (continued)

	31 December 2009 Rmillion	31 December 2008 Rmillion
Asset information		
Equities	**3 812**	3 542
Fixed interest bonds	**926**	751
Property	**106**	101
Cash	**1 364**	1 143
	6 208	5 537
Included in the assets of the scheme are ordinary shares held in Tongaat Hulett Limited, stated at fair value	**148**	95
Actual return on scheme assets	**839**	(527)
The principal actuarial assumptions are:		
Discount rate	**9,25%**	7,25%
Salary cost and pension increase	**6,25%**	4,25%
Expected rate of return on assets	**7,25%**	8,25%
Experience gains and (losses) on:		
Plan liabilities	**(106)**	(137)
Percentage of the present value of the plan liabilities	**2,2%**	3,1%
Plan assets	**444**	(1 047)
Percentage of plan assets	**7,2%**	(18,9%)
Estimated contributions payable in the next financial year	**93**	58

Basis used to determine the rate of return on assets
The expected rate of return on assets has been calculated using the discount rate at the beginning of the period, which corresponds to that used in the previous valuation. This is a reasonably conservative approach, adopted on the basis that the additional returns anticipated on certain other asset classes in which the Fund is invested (eg. equities) can only be achieved with increased risk.

Defined Contribution Pension and Provident Schemes
The latest audited financial statements of the defined contribution schemes including the scheme located in Swaziland reflect a satisfactory state of affairs. Contributions of R27 million were expensed during the period (31 December 2008 - R22 million).

Zimbabwe Pension Funds
The Zimbabwe operations' post-retirement provisions have been accounted for on consolidation, as reflected in note 27. The basis for determining the provisions has taken into account relevant assumptions which reflect the current situation in Zimbabwe, which is evolving.

32. RETIREMENT BENEFITS (continued)

Post-Retirement Medical Aid Benefits

In the South African operations, the obligation to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 30 June 1996. A number of pensioners and current employees remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement and completing a minimum service period of ten years. In Mozambique, Acucareira de Xinavane subsidises the medical contributions in respect of its pensioners. Included in the consolidated amounts for the current period are the post-retirement medical benefits for the Zimbabwe employees.

The unfunded liability for post-retirement medical aid benefits is determined actuarially each year and comprises:

	Consolidated		Company	
	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion
Amounts recognised in the statement of financial position:				
Present value of unfunded obligations	**346**	281	289	281
Unrecognised actuarial losses	**(42)**	(58)	(53)	(58)
Net liability	**304**	223	236	223
The liability is reconciled as follows:				
Net liability at beginning of period	**223**	209	223	209
Subsidiaries consolidated	**77**			
Currency alignment	**(17)**			
Net expense recognised in income statement	**46**	30	36	30
Contributions	**(25)**	(16)	(23)	(16)
Net liability at end of period	**304**	223	236	223
Amounts recognised in the income statement:				
Service costs	**6**	2	3	2
Interest costs	**33**	20	25	20
Net actuarial losses recognised	**7**	8	8	8
	46	30	36	30
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	7,25%	9,00%	7,25%
Mozambique	**11,0%**			
Zimbabwe	**15,0%**			
Health care cost inflation rate				
South Africa	**6,50%**	5,00%	6,50%	5,00%
Mozambique	**8,0%**			
Zimbabwe	**13,5%**			
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - effect on the aggregate of the service and interest costs	**2**	3	1	3
1% increase in trend rate - effect on the obligation	**41**	33	33	33
1% decrease in trend rate - effect on the aggregate of the service and interest costs	**1**	2		2
1% decrease in trend rate - effect on the obligation	**34**	28	27	28
Estimated contributions payable in the next financial year	**22**	18	20	18
Experience gains / (losses):				
On plan liabilities	**3**	(22)	(9)	(22)
Percentage of the present value of the plan liabilities	**0,9%**	(7,8%)	(3,1%)	(7,8%)

32. RETIREMENT BENEFITS (continued)

Retirement Gratuities

Tongaat Hulett has in the past made payments, on retirement, to eligible employees who have remained in service until retirement and have completed a minimum service period of ten years. The benefit is applicable to employees in the South African and Zimbabwean operations. The unfunded liability for retirement gratuities which is determined actuarially each year comprises:

	Consolidated		Company	
	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion	15 months to 31 March 2010 Rmillion	12 months to 31 December 2008 Rmillion
Amounts recognised in the statement of financial position:				
Present value of unfunded obligations	**155**	67	71	67
Unrecognised actuarial losses	**(10)**	(12)	(10)	(12)
Net liability	**145**	55	61	55
The liability is reconciled as follows:				
Net liability at beginning of period	**55**	51	55	51
Subsidiaries consolidated	**105**			
Currency alignment	**(23)**			
Net expense recognised in income statement	**16**	9	11	9
Payments made	**(8)**	(5)	(5)	(5)
Net liability at end of period	**145**	55	61	55
Amounts recognised in the income statement:				
Service costs	**7**	3	4	3
Interest costs	**7**	5	6	5
Net actuarial losses recognised	**2**	1	1	1
	16	9	11	9
The principal actuarial assumptions applied are:				
Discount rate				
South Africa	**9,00%**	7,25%	9,00%	7,25%
Zimbabwe	**15,0%**			
Salary inflation rate				
South Africa	**6,50%**	5,00%	6,50%	5,00%
Zimbabwe	**12,5%**			
Estimated contributions payable in the next financial year	**11**	5	4	5
Experience losses:				
On plan liabilities	**2**	9	2	9
Percentage of the present value of the plan liabilities	**1,3%**	13,4%	2,8%	13,4%

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000)

Directors' remuneration

Remuneration reported below is for the current 15 month period while the comparative is for a 12 month period.

The directors' remuneration for the **15 month period ended 31 March 2010** was as follows:

	Cash Package	Bonus	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	3 629	1 600	408	5 637
M H Munro	3 306	1 508	391	5 205
P H Staude	6 407	3 850	686	10 943
	13 342	6 958	1 485	21 785

Bonuses are reported to match the amount payable to the applicable financial period.

The directors' remuneration for the **12 months ended 31 December 2008** was as follows:

	Cash Package	Bonus	Retirement and medical contributions	Total
Executive directors:				
B G Dunlop	2 541	1 164	287	3 992
M H Munro	2 290	1 065	271	3 626
P H Staude	4 430	2 746	474	7 650
	9 261	4 975	1 032	15 268

Bonuses are reported to match the amount payable to the applicable financial period.

Share incentive gains on awards exercised and settled

	15 months to 31 March 2010	12 months to 31 December 2008
Executive directors:		
B G Dunlop	3 314	710
M H Munro	768	563
P H Staude	5 132	1 789
	9 214	3 062

33. DIRECTORS' EMOLUMENTS AND INTERESTS (R000) (continued)

Directors' remuneration (continued)

	15 months to 31 March 2010			12 months to 31 December 2008		
	Fees	**Other**	**Total**	Fees	Other	Total
Non-executive directors:						
P M Baum (to 17 August 2009)	**114**	**46**	**160**	163	65	228
E le R Bradley (to 29 April 2009)	**61**	**84**	**145**	163	228	391
F Jakoet	**227**	**143**	**370**	41		41
J John	**227**	**197**	**424**	163	82	245
R P Kupara (from 8 October 2009)	**87**		**87**			
J B Magwaza	**601**	**64**	**665**	163		163
A A Maleiane (from 23 November 2009)	**65**		**65**			
T V Maphai	**227**		**227**	41		41
M Mia	**227**	**322**	**549**	163	277	440
N Mjoli-Mncube	**227**	**191**	**418**	41		41
T H Nyasulu	**227**		**227**	163		163
C M L Savage (to 29 April 2009)	**197**	**24**	**221**	550	65	615
C B Sibisi	**227**	**64**	**291**	163		163
R H J Stevens	**227**	**6**	**233**	163	40	203
J G Williams (to 17 August 2009)	**114**		**114**	163		163
	3 055	**1 141**	**4 196**	2 140	757	2 897

Declaration of full disclosure

Other than that disclosed above, no consideration was paid to, or by any third party, or by the company itself, in respect of services of the company's directors, as directors of the company, during the period ended 31 March 2010.

Interest of directors of the company in share capital

The aggregate holdings as at 31 March 2010 of those directors of the company holding issued ordinary shares of the company are detailed below. Holdings are beneficial except where indicated otherwise.

	31 March 2010		31 December 2008	
	Direct shares	**Indirect shares**	Direct shares	Indirect shares
Executive directors:				
B G Dunlop	**46 145**		17 384	
M H Munro	**32 320**		19 063	
P H Staude	**132 606**		78 391	
	211 071		114 838	
Non-executive directors:				
J B Magwaza	**11 901**		5 501	
T V Maphai	**600**			
R H J Stevens	**590**		590	
Directors who retired/resigned during the period			22 923	177 487
	13 091		29 014	177 487

34. EMPLOYEE SHARE INCENTIVE SCHEMES

The adoption of IFRS 2 Share-based Payment (IFRS 2) in 2005 required that all awards made after 7 November 2002 be accounted for in the financial statements of the company. IFRS 2 has therefore been applied to The Tongaat-Hulett Group Limited 2001 Share Option Scheme in respect of the awards made on 14 April 2003, 1 October 2003 and 21 April 2004 and to the new share incentive scheme comprising the Share Appreciation Right Scheme 2005 (SARS), the Long Term Incentive Plan 2005 (LTIP) and the Deferred Bonus Plan 2005 (DBP).

Details of awards in terms of the company's share incentive schemes are as follows:

As a result of the unbundling of Hulamin, participants in these share schemes who had not exercised their rights at the unbundling date converted their existing Tongaat-Hulett Group Limited instruments into two components, a Tongaat Hulett Limited component and a Hulamin Limited component, as detailed in the 2007 Annual Report. The obligation to settle these share schemes is in accordance with the following principles, which are in accordance with the Unbundling Agreement. Tongaat Hulett is obliged to settle all benefits under these share schemes for its own employees only, using Tongaat Hulett shares. It will settle the outstanding share scheme instruments that arise after the award adjustments for its own employees, by purchasing Tongaat Hulett shares in the market, or by issuing Tongaat Hulett shares. The benefit for the Hulamin component will be determined with reference to the Hulamin share price and the Tongaat Hulett component with respect to the Tongaat Hulett share price. Benefits arising from the Hulamin component will be settled using Tongaat Hulett shares.

The Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme (the Original Share Option Schemes)

Under the original share option schemes participating employees were awarded share options in the company. On vesting the employee is entitled to purchase shares in the company and immediately sell the shares at the market price, thereby benefiting from the appreciation in the share price.

The option price and number of unexercised options after the unbundling of Hulamin were apportioned into a Tongaat Hulett component (Tongaat Hulett) and a Hulamin component (Hulamin), as detailed in the 2007 Annual Report.

Expiring ten years from	Option price (Rand) Apportioned		Number of options at 31 December 2008		Options exercised 2009/10		Options forfeited 2009/10		Number of options at 31 March 2010	
	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
5 March 1999	25,13	7,77	28 300	114 445	21 700	107 845	6 600	6 600		
7 May 1999	30,63	9,47	88 000	88 000	85 700	85 700	2 300	2 300		
19 May 2000	22,91	7,09	17 100	17 100	16 100	14 600			1 000	2 500
12 January 2001	30,44	9,41	20 300	20 300	12 100	10 500			8 200	9 800
16 May 2001	30,55	9,45	129 000	134 700	47 100	37 000			81 900	97 700
15 August 2001	32,08	9,92	3 500	3 500					3 500	3 500
13 May 2002	37,88	11,72	172 800	191 200	44 300	14 000			128 500	177 200
14 April 2003	24,37	7,53	182 590	165 050	52 990	15 350			129 600	149 700
1 October 2003	26,35	8,15	30 000	30 000					30 000	30 000
21 April 2004	35,90	11,10	428 000	425 600	143 200	24 400			284 800	401 200
			1 099 590	1 189 895	423 190	309 395	8 900	8 900	667 500	871 600

The weighted average fair value costing of the combined Tongaat Hulett and Hulamin components of the outstanding share options granted in 2003 and 2004, determined using the binomial tree valuation model, was R11,14 per share and R16,06 per share respectively (31 December 2008 - R11,14 and R16,06).

No awards have been made since 21 April 2004 under the original share option schemes, which were replaced by share schemes based on equity-settled share appreciation rights, conditional shares and a deferred annual bonus plan.

The significant inputs into the model for the 2003/4 awards of the original share option schemes were:

Exercise price	The exercise price is the share price at grant date as noted above, allocated between Tongaat Hulett and Hulamin.
Expected option life	114 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	9,84%
Expected volatility	Expected volatility of 35% is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share option did not take into account dividends, as no dividend payment was expected. A continuous dividend yield of 3,9% was used.
Weighted average share price	Tongaat Hulett component: R32,85 (31 December 2008 - R32,39) and Hulamin component R10,29 (31 December 2008 - R9,91).
Expected early exercise	Early exercise is taken into account on an expectation basis.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Weighted average remaining life:	
- Expected	34 months (31 December 2008 - 44 months).
- Contractual	120 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Share Appreciation Right Scheme 2005

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal to the difference between the exercise price and the grant price, less income tax payable on such difference. The employee therefore participates in the after tax share price appreciation in the company. The vesting of the right is conditional on the achievement of Tongaat Hulett performance levels over a performance period.

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

	Grant price (Rand) Apportioned		Number of rights at 31 December 2008		Rights granted in 2009/10	Rights exercised in 2009/10		Rights forfeited in 2009/10		Number of rights at 31 March 2010	
Expiring seven years from	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
10 May 2005	43,98	13,60	670 910	652 734		192 343		2 135	6 659	476 432	646 075
22 April 2006	73,39	22,70	820 166	829 956		134 244		8 252	17 108	677 670	812 848
20 August 2007	88,84		1 176 206			22 287		31 890		1 122 029	
25 April 2008	92,74		1 290 802					31 929		1 258 873	
22 May 2009	75,06				1 558 579					1 558 579	
			3 958 084	1 482 690	1 558 579	348 874		74 206	23 767	5 093 583	1 458 923

The estimated fair value costing of these outstanding share appreciation rights was determined using the binomial tree valuation model and non-market performance conditions, based on the following significant inputs:

Exercise price	The share price at grant date, as noted above.
Expected option life	80 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2009 award : 7,66% (2008 award: 8,75%, 2007 award: 8,19%, 2006 award: 7,22%, 2005 award: 8,09%).
Expected volatility	Expected volatility of 28% (2008 and 2007: 27% and 2006 and 2005: 35%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the share appreciation rights did not take into account dividends as no dividend payment was expected. A continuous dividend yield of 3,5% was used for the 2009 award (2008 and 2007 awards: 3,44%, 2006 award: 4,00%, 2005 award: 3,92%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	An increase in headline earnings per ordinary share as determined by the Remuneration Committee. Retesting of the performance condition is allowed.
Non-market performance conditions	Growth in headline earnings per share.
Market performance conditions	No market conditions.
Estimated fair value per right at grant date	2009 award : R12,54 (2008 award: R16,93, 2007 award: R15,97, the combined Tongaat Hulett and Hulamin components: 2006 award: R18,11 and 2005 award: R13,88).
Weighted average remaining life:	
- Expected	2009 award: 74 months (2008 award: 61 months, 2007 award: 53 months, 2006 award: 37 months and 2005 award: 25 months).
- Contractual	84 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Long Term Incentive Plan 2005

Under the long term incentive plan, participating employees are granted conditional awards. These awards are converted into shares on the achievement of performance conditions over a performance period.

The issue price and number of unexercised conditional awards after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

Expiring three years from	Issue price (Rand) Apportioned Tongaat Hulett	Issue price (Rand) Apportioned Hulamin	Number of conditional awards at 31 December 2008 Tongaat Hulett	Number of conditional awards at 31 December 2008 Hulamin	Conditional awards granted in 2009/10 in Tongaat Hulett	Number of conditional awards settled in 2009/10 Tongaat Hulett	Number of conditional awards settled in 2009/10 Hulamin	Number of conditional awards forfeited in 2009/10 Tongaat Hulett	Number of conditional awards forfeited in 2009/10 Hulamin	Number of conditional awards at 31 March 2010 Tongaat Hulett
22 April 2006	73,39	22,70	77 365	77 365		76 163	76 163	1 202	1 202	
20 August 2007	88,84		126 353					6 477		119 876
25 April 2008	92,74		122 904					5 421		117 483
22 May 2009	75,06				151 739					151 739
			326 622	77 365	151 739	76 163	76 163	13 100	1 202	389 098

The estimated fair value costing of these outstanding conditional share awards was determined using the Monte Carlo Simulation model and non-market performance conditions, based on the following significant inputs:

Exercise price	The share price at grant date as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	2009 award: 5,77% (2008 award: 9,22%, 2007 award: 8,81% and 2006 award: 7,01%).
Expected volatility	Expected volatility of 26,73% for the 2009 award (2008 award: 23,46%, 2007 award: 24,49% and 2006 award: 25,60%) is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years.
Expected dividends	The measurement of the fair value of the conditional share awards did not take into account dividends as no dividend payment was expected. A continuous dividend yield of 3,50% was used for the 2009 award (2008 award: 3,56%, 2007 award: 3,50% and 2006 award: 3,92%).
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	50% of the LTIP award will be subject to the TSR condition and 50% will be subject to the ROCE condition. No retesting of the performance condition is allowed.
Non-market performance conditions	Return on capital employed (ROCE).
Market performance conditions	Total shareholder return (TSR).
Estimated fair value per conditional award at grant date	2009 award: R40,76 (2008 award: R56,82, 2007 award: R46,28 and the combined Tongaat Hulett and Hulamin components: 2006 award: R39,78).
Weighted average remaining life:	
- Expected	2009 award: 26 months (2008 award: 13 months and 2007 award: 5 months).
- Contractual	36 months.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Details of awards in terms of the company's share incentive schemes are as follows: continued

Deferred Bonus Plan 2005

Under the deferred bonus plan, participating employees purchase shares in the company with a portion of their after tax bonus. These pledged shares are held in trust by a third party administrator for a qualifying period, after which the company awards the employee a number of shares in the company which matches those pledged shares released from the trust.

Expiring three years from	Issue price Rand	Number of conditional awards at 31 Dec 2008	Conditional awards granted in 2009/10	Conditional awards settled in 2009/10	Number of conditional awards at 31 March 2010
2 March 2007	90,27	21 537		21 537	
1 March 2008	88,75	28 936			28 936
2 March 2009	74,72		46 586		46 586
3 March 2010	97,32		39 651		39 651
		50 473	86 237	21 537	115 173

The estimated fair value costing of the outstanding deferred bonus share awards was based on the following significant inputs:

Share price at grant date	The price at which the deferred bonus share is issued, as noted above.
Expected option life	34 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	Not applicable.
Expected volatility	Not applicable.
Expected dividends	The measurement of the fair value of the deferred bonus shares did not take into account dividends, as no dividend payment was expected.
Weighted average share price	As above.
Expected early exercise	Early exercise is taken into account on an expectation basis.
Time constraints	Three years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.
Estimated fair value per deferred bonus share at grant date	2010 award: R78,34 and 2009 award: R60,69 (2008 award: R71,33 and 2007 award: R67,53).
Weighted average remaining life:	
- Expected	2010 award: 35 months and 2009 award: 23 months (2008 award: 11 months and 2007 award: 4 months).
- Contractual	36 months.

The deferred bonus shares were purchased by the participating employees on 2 March 2009 in respect of the 2009 award and on 3 March 2010 in respect of the 2010 award (2008 award: purchased 1 March 2008 and 2007 award: purchased 3 August 2007).

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments

The interest of the directors in share options of the company are shown in the table below:

The Original Share Option Schemes

The option price and number of unexercised options after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

		Option price (Rand) Apportioned		Number of options at 31 December 2008		Options exercised in 2009/10		Number of options at 31 March 2010	
Name	Expiring ten years from	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin	Tongaat Hulett	Hulamin
Executive directors:									
B G Dunlop	21 April 2004	35,90	11,10	1 100	1 100	1 100			1 100
M H Munro	14 April 2003	24,37	7,53	4 900	4 900			4 900	4 900
	1 October 2003	26,35	8,15	30 000	30 000			30 000	30 000
	21 April 2004	35,90	11,10	32 000	32 000			32 000	32 000
				66 900	66 900			66 900	66 900
P H Staude	13 May 2002	37,88	11,72	17 000	17 000	17 000			17 000
	21 April 2004	35,90	11,10	28 000	28 000	28 000			28 000
				45 000	45 000	45 000			45 000
Non-executive director: *									
J B Magwaza	19 May 2000	22,91	7,09	2 000	2 000	2 000	2 000		
	12 January 2001	30,44	9,41	1 600	1 600	1 600			1 600
	16 May 2001	30,55	9,45	6 000	6 000	6 000			6 000
	13 May 2002	37,88	11,72	6 000	6 000	6 000			6 000
				15 600	15 600	15 600	2 000		13 600
Total				128 600	128 600	61 700	2 000	66 900	126 600

* The non-executive director's share options were awarded when he was an executive director more than seven years ago.

80 000 Tongaat Hulett options and 140 000 Hulamin options relating to a director who retired during the year are excluded from the opening balance.

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Share Appreciation Right Scheme 2005

The grant price and number of unexercised rights after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component, as detailed in the 2007 Annual Report.

Name of executive director	Expiring seven years from	Grant price (Rand) Apportioned Tongaat Hulett	Hulamin	Number of rights at 31 December 2008 Tongaat Hulett	Hulamin	Rights granted in 2009/10 Tongaat Hulett	Rights exercised in 2009/10 Tongaat Hulett	Hulamin	Number of rights at 31 March 2010 Tongaat Hulett	Hulamin	Rights time constrained Tongaat Hulett
B G Dunlop	10 May 2005	43,98	13,60	40 597	40 597		40 597			40 597	
	22 April 2006	73,39	22,70	23 737	23 737				23 737	23 737	
	20 August 2007	88,84		25 382					25 382		25 382
	25 April 2008	92,74		27 276					27 276		27 276
	22 May 2009	75,06				32 736			32 736		32 736
				116 992	64 334	32 736	40 597		109 131	64 334	85 394
M H Munro	10 May 2005	43,98	13,60	21 185	21 185				21 185	21 185	
	22 April 2006	73,39	22,70	20 472	20 472				20 472	20 472	
	20 August 2007	88,84		23 830					23 830		23 830
	25 April 2008	92,74		25 807					25 807		25 807
	22 May 2009	75,06				30 857			30 857		30 857
				91 294	41 657	30 857			122 151	41 657	80 494
P H Staude	10 May 2005	43,98	13,60	92 810	92 810				92 810	92 810	
	22 April 2006	73,39	22,70	62 082	62 082				62 082	62 082	
	20 August 2007	88,84		71 073					71 073		71 073
	25 April 2008	92,74		75 720					75 720		75 720
	22 May 2009	75,06				91 120			91 120		91 120
				301 685	154 892	91 120			392 805	154 892	237 913

Long Term Incentive Plan 2005

The issue price and number of unexercised conditional awards after the unbundling of Hulamin were apportioned into a Tongaat Hulett component and a Hulamin component as detailed in the 2007 Annual Report.

Name of executive director	Expiring three years from	Issue price (Rand) Apportioned Tongaat Hulett	Hulamin	Number of conditional awards at 31 December 2008 Tongaat Hulett	Hulamin	Conditional awards granted in 2009/10 Tongaat Hulett	Conditional awards settled in 2009/10 Tongaat Hulett	Hulamin	Number of conditional awards at 31 March 2010 Tongaat Hulett	Hulamin	Conditional awards time constrained Tongaat Hulett
B G Dunlop	22 April 2006	73,39	22,70	6 283	6 283		6 283	6 283			
	20 August 2007	88,84		8 503					8 503		8 503
	25 April 2008	92,74		7 592					7 592		7 592
	22 May 2008	75,06				9 421			9 421		9 421
				22 378	6 283	9 421	6 283	6 283	25 516		25 516
M H Munro	22 April 2006	73,39	22,70	5 419	5 419		5 419	5 419			
	20 August 2007	88,84		7 991					7 991		7 991
	25 April 2008	92,74		7 181					7 181		7 181
	22 May 2009	75,06				8 880			8 880		8 880
				20 591	5 419	8 880	5 419	5 419	24 052		24 052
P H Staude	22 April 2006	73,39	22,70	16 431	16 431		16 431	16 431			
	20 August 2007	88,84		23 834					23 834		23 834
	25 April 2008	92,74		21 142					21 142		21 142
	22 May 2008	75,06				26 316			26 316		26 316
				61407	16 431	26 316	16 431	16 431	71 292		71 292

34. EMPLOYEE SHARE INCENTIVE SCHEMES continued

Interest of directors of the company in share-based instruments continued

The interest of the directors in other share-based instruments of the company are shown in the table below:

Deferred Bonus Plan 2005

Name of executive director	Expiring three years from	Issue price (Rand)	Number of conditional awards at 31 Dec 2008	Conditional awards granted in 2009/10	Conditional awards delivered in 2009/10	Number of conditional awards at 31 March 2010	Conditional awards time constrained
B G Dunlop	2 March 2007	90,27	3 357		3 357		
	1 March 2008	88,75	2 730			2 730	2 730
	2 March 2009	74,72		4 620		4 620	4 620
	3 March 2010	97,32		3 838		3 838	3 838
			6 087	8 458	3 357	11 188	11 188
M H Munro	2 March 2007	90,27	2 887		2 887		
	1 March 2008	88,75	3 337			3 337	3 337
	2 March 2009	74,72		4 227		4 227	4 227
	3 March 2010	97,32		3 609		3 609	3 609
			6 224	7 836	2 887	11 173	11 173
P H Staude	2 March 2007	90,27	7 711		7 711		
	1 March 2008	88,75	11 219			11 219	11 219
	2 March 2009	74,72		14 171		14 171	14 171
	3 March 2010	97,32		11 959		11 959	11 959
			18 930	26 130	7 711	37 349	37 349

The deferred bonus shares were purchased by the participating employees on 2 March 2009 in respect of the 2009 award and on 3 March 2010 in respect of the 2010 award (2008 award: purchased 1 March 2008 and 2007 award: purchased 3 August 2007).

The share awards were made and exercised at various times and the average share price for the period was R87,65 (31 December 2008 : R77,80).

The gains made by directors are reflected in note 33 under Directors' Emoluments and Interests.

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS

The 7% BEE employee transaction comprises the Employee Share Ownership Plan (ESOP) and the Management Share Ownership Plan (MSOP).

The ESOP scheme consists of a share appreciation right scheme and participants share in 50% of the dividend payable to ordinary shareholders. The MSOP scheme consists of two components, namely a share appreciation right scheme and a share grant scheme.

The ESOP Trust and MSOP Trust were established to acquire and hold Tongaat Hulett Limited shares for the benefit of designated employees. Tongaat Hulett Limited and its subsidiaries have made contributions to the MSOP Trust and the ESOP Trust (refer to note 3). Due to these shares having specific repurchase rights at maturity (five years from grant date), they are a separate class of restricted shares which, other than for the repurchase terms, rank paripassu with ordinary shares and become ordinary shares on repurchase.

The number of shares repurchased at maturity is calculated such that the market value of the repurchased shares will be equal to :
- The grant price of the shares allocated, plus the value of cash dividends paid to ESOP participants;
- 80% of the market value (at the outset) of the shares issued in terms of the share appreciation right component of the MSOP;
- Rnil in respect of the share grant component of the MSOP ; and
- The Trusts will distribute the remaining Tongaat Hulett shares to the beneficiaries.

Under the share appreciation right scheme, participating employees are awarded the right to receive shares equal in value to the difference between the exercise price which will be equal to the grant price plus the aggregate of all cash dividends received (in the instance of the ESOP) and the market value at maturity of the scheme. The employees therefore participate in the share price appreciation in Tongaat Hulett. Under the share grant scheme, participating employees were granted the right to obtain ordinary shares in Tongaat Hulett on vesting. The value of both the MSOP share appreciation scheme and the MSOP share grant scheme are capped at a level of 10% compounded growth per year.

Employee Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	28,90	5 422 829	3 913 575		363 620	3 549 955
1 February 2008	18,38		181 740		17 020	164 720
1 August 2008	17,92		208 350		11 000	197 350
1 February 2009	13,44			167 640	10 840	156 800
1 August 2009	26,88			115 475	4 820	110 655
1 February 2010	24,67			115 270		115 270
		5 422 829	4 303 665	398 385	407 300	4 294 750

35. BEE EMPLOYEE SHARE OWNERSHIP PLANS continued

Management Share Ownership Plan - Share Appreciation Right Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	19,80	3 296 657	1 453 580		98 730	1 354 850
1 February 2008	13,93		167 710		4 170	163 540
1 August 2008	14,79		176 460		9 740	166 720
1 February 2009	10,56			96 110	14 250	81 860
1 August 2009	24,83			72 920	4 540	68 380
1 February 2010	25,14			108 470		108 470
		3 296 657	1 797 750	277 500	131 430	1 943 820

Management Share Ownership Plan - Share Grant Scheme

Grant date	Estimated fair value per right Rand	Number of shares issued at 31 March 2010	Number of rights allocated at 31 December 2008	Number of rights allocated in 2009/10	Number of rights forfeited in 2009/10	Number of rights allocated at 31 March 2010
1 August 2007	64,00	1 021 422	450 070		30 570	419 500
1 February 2008	54,37		51 950		1 290	50 660
1 August 2008	57,39		54 620		3 010	51 610
1 February 2009	52,47			29 740	4 420	25 320
1 August 2009	79,10			22 560	1 400	21 160
1 February 2010	82,61			33 580		33 580
		1 021 422	556 640	85 880	40 690	601 830

The estimated fair value costing of these share appreciation rights and share grant rights was determined using option pricing methodology, based on the following significant inputs:

Fixed share price at grant dates	R92,90
Expected option life	57 months (assume contractual plus a leaving percentage of 5%).
Risk-free interest rate	1 February 2009 award: 7,96%, 1 August 2009 award: 7,97% and 1 February 2010 award: 7,57% (1 August 2008 award: 10,06%, 1 February 2008 award: 9,62% and 1 August 2007 award: 8,45%).
Expected volatility	The weighted average expected volatility is based on historical volatility determined by the statistical analysis of daily share price movements over the past three years. 1 February 2009 award: 34,45%, 1 August 2009 award: 29,19% and 1 February 2010 award: 29,47% (1 August 2008 award: 28,14%, 1 February 2008 award: 28,25% and 1 August 2007 award: 27,00%)
Dividend yield	The dividend yield on valuation date is based on broker forecasts from the financial information vendor, McGregor BFA. 1 February 2009 award: 4,96%, 1 August 2009 award: 3,77% and 1 February 2010 award: 3,93% (1 August 2008 award: 4,84%, 1 February 2008 award: 4,88% and 1 August 2007 award: 4,60%)
Expected early exercise	Not applicable.
Time constraints	Five years from grant date.
Performance (vesting) conditions	There are no performance (vesting) conditions other than the passage of time.
Non-market performance conditions	No non-market conditions.
Market performance conditions	No market conditions.

Employee Share Ownership Plan - Share appreciation right scheme

Exercise price	R92,90 plus cash dividends to be received over the life of the scheme.
Expected dividends	A weighted average dividend yield was used.

Management Share Ownership Plan - Share appreciation right scheme

Exercise price	R74,32.
Expected dividends	Nil.

Management Share Ownership Plan - Share grant scheme

Exercise price	Nil.
Expected dividends	Nil.

FIVE YEAR REVIEW

FINANCIAL STATISTICS		15 months to 31 March 2010	12 months to 31 December 2008	12 months to 31 December 2007	12 months to 31 December 2006 Restated *	12 months to 31 December 2005
TRADING RESULTS (Rmillion)						
Revenue		11 136	7 106	6 395	5 110	6 926
Profit from Tongaat Hulett operations		1 691	1 132	838	726	550
Profit from Hulamin operations						159
Other net income		1 996	40	3 012	83	21
Operating profit		3 687	1 172	3 850	809	730
Net financing (costs)/income		(452)	(280)	(119)	88	(60)
Share of associate company's profit/(loss)		1			(4)	(25)
Profit before tax		3 236	892	3 731	893	645
Tax		(208)	(212)	(288)	(238)	(162)
Minority shareholders		(130)	(31)	(28)	(1)	(11)
Discontinued operation - Hulamin unbundling				42	69	
Net profit attributable to shareholders		2 898	649	3 457	723	472
Headline earnings attributable to shareholders		858	583	61	703	466
SOURCE OF CAPITAL (Rmillion)						
Shareholders' interest		4 573	3 059	2 735	3 293	4 613
Minority interests in subsidiaries		870	276	223	56	75
Equity		5 443	3 335	2 958	3 349	4 688
Deferred tax		1 272	582	673	605	936
Borrowings - long and short-term		3 180	2 585	1 387	500	840
Non-recourse equity-settled BEE borrowings		787	792	812		
Provisions		546	279	261	247	283
Capital employed		11 228	7 573	6 091	4 701	6 747
EMPLOYMENT OF CAPITAL (Rmillion)						
Property, plant, equipment, investments and intangibles		7 969	5 032	3 525	2 642	4 183
Growing crops		2 041	742	353	212	182
Long-term receivable			196	203	203	203
Inventories, receivables and derivative instruments		3 218	3 358	3 150	2 452	2 834
Cash and cash equivalents		140	229	396	162	526
Total assets		13 368	9 557	7 627	5 671	7 928
Current liabilities (excluding short-term borrowings)		2 140	1 984	1 536	970	1 181
		11 228	7 573	6 091	4 701	6 747
RATIOS AND STATISTICS						
EARNINGS						
Headline earnings per share - (cents)		826,5	565,6	58,1	666,4	452,4
Dividends per share - (cents)		275,0	310,0	310,0	550,0	400,0
Dividend cover - (times)		3,0	1,8	0,2	1,2	1,1
PROFITABILITY						
Operating margin		15,2%	15,9%	13,1%	14,2%	10,5%
Return on capital employed		19,3%	18,8%	17,0%	16,3%	11,1%
Return on equity		19,5%	18,5%	1,9%	21,2%	10,2%
FINANCE						
Debt to equity		58,4%	77,5%	46,9%	14,9%	17,9%
Net debt to equity		55,9%	70,6%	33,5%	10,1%	6,7%
Current ratio		0,80	1,07	1,41	1,25	1,78
SHARES						
Shares in issue - (millions)	- issued	104	103	103	107	104
	- weighted	104	103	105	105	103
Market capitalisation	- Rmillion	10 679	6 556	9 167	11 938	8 467
Value of shares traded	- Rmillion	12 490	1 609	4 218	3 512	1 899
Net asset value per share	- (cents)	4 410	2 963	2 655	3 089	4 440
Share price - (cents)	- balance sheet date	10 300	6 350	8 900	11 200	8 150
	- high	10 628	10 250	15 000	11 400	8 500
	- low	6 260	4 900	8 500	7 800	5 010
Volume of shares traded	- (millions)	138	21	36	37	29

* Comparative figures have been restated to reflect Hulamin as a discontinued operation and the relevant ratios have been restated.

DEFINITIONS

Profit from Tongaat Hulett operations
Profit from Tongaat Hulett operations comprises results of continuing operations, centrally accounted and consolidation items (31 December 2008 and prior periods - includes Triangle dividend).

Headline earnings
Headline earnings are calculated in note 22, in accordance with the South African Institute of Chartered Accountants' Circular 3/2009: Headline Earnings.

Headline earnings per share
Headline earnings divided by the weighted average number of shares in issue.

Operating margin
Profit from Tongaat Hulett operations expressed as a percentage of revenue.

Return on capital employed
Profit from Tongaat Hulett operations expressed as a percentage of average capital employed, excluding capital work in progress.

Return on equity
Headline earnings expressed as a percentage of average equity.

Debt to equity
Long and short-term borrowings divided by equity.

Net debt to equity
Long and short-term borrowings less cash and cash equivalents divided by equity.

Current ratio
Current assets divided by current liabilities excluding short-term borrowings.

Quick ratio
Current assets, excluding inventories, divided by current liabilities excluding short-term borrowings.

Net asset value per share
Shareholders' interest divided by the number of ordinary shares at year end.

Capital employed
Equity, minority interests, deferred tax, long and short-term borrowings and provisions.

Total liabilities
Long and short-term borrowings, provisions, trade and other payables and derivative liabilities.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT

26 May 2010

The Directors
Tongaat Hulett Limited
P O Box 3
TONGAAT
4400

Dear Sirs

Independent Reporting Accountants' Assurance Report on the Pro Forma Financial Information of Tongaat Hulett Limited
We have performed our limited assurance engagement in respect of the unaudited 15 month period ended 31 March 2009 comparative pro forma income statement and segmental result information which is to be included in Tongaat Hulett Limited's SENS announcement of results and as an annexure to the company's 31 March 2010 annual financial statements. The pro forma financial information as set out in the enclosed Annexure 1 has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide certain comparative financial information as a consequence of the change in Tongaat Hulett Limited's reporting period from December, to a 15 month period ended 31 March 2010.

Directors' responsibility
The directors are responsible for the compilation, contents and presentation of the pro forma financial information to be contained in the company's SENS announcement of results and annual financial statements and the financial information from which it has been prepared. Their responsibility includes determining that: the pro forma financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Tongaat Hulett Limited; and the pro forma adjustments are appropriate for the purposes of the pro forma financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility
Our responsibility is to express our limited assurance conclusion on the pro forma financial information included in the SENS announcement of results and as an annexure to the company's 31 March 2010 annual financial statements. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on Pro Forma Financial Information issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed
Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the pro forma adjustments in light of the accounting policies of Tongaat Hulett Limited, considering the evidence supporting the pro forma adjustments and discussing the adjusted pro forma financial information with the directors of the company in relation to the change in the company's year-end, giving rise to a 15 month reporting period.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Tongaat Hulett Limited and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion
Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that, in terms of the section 8.17 and 8.30 of the JSE Listings Requirements:
- the pro forma financial information has not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of the issuer, and
- the adjustments are not appropriate for the purposes of the pro forma financial information as disclosed.

Consent
We consent to the inclusion of this report, which will form part of the SENS announcement of results, to be issued on or about 28 May 2010, and as an annexure to the company's 31 March 2010 annual financial statements, in the form and context in which it will appear.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per JAR Welch
Partner

2 Pencarrow Park
Pencarrow Crescent
La Lucia Ridge Office Estate
La Lucia, 4051

National Executive: GG Gelink Chief Executive, AE Swiegers Chief Operating Officer, GM Pinnock Audit, DL Kennedy Tax, Legal and Risk Advisory, L Geeringh Consulting, L Bam Corporate Finance, CR Beukman Finance, TJ Brown Clients & Markets, NT Mtoba Chairman of the Board, CR Qually Deputy Chairman of the Board, G Brazier Regional Leader. A full list of partners and directors is available on request.

PRO FORMA INCOME STATEMENT AND SEGMENTAL RESULTS

for the 15 month period to 31 March 2009

INCOME STATEMENT Rmillion	(1) Unadjusted Audited 12 months to 31 December 2008	(2) Actual 3 months 1 January 2009 to 31 March 2009	(3) Pro forma 15 months to 31 March 2009
Revenue	7 106	2 347	9 453
Profit from operations	1 132	191	1 323
Capital profit on land	22		22
Capital profit on insurance claim	49		49
BEE IFRS 2 charge and transaction costs	(33)	(9)	(42)
Zimbabwe consolidation take-on gain		1 969	1 969
Valuation adjustments	2	1	3
Operating profit	1 172	2 152	3 324
Share of associate company's profit		1	1
Net financing costs	(280)	(87)	(367)
Profit before tax	892	2 066	2 958
Tax	(212)	(50)	(262)
Net profit for the period	680	2 016	2 696
Profit attributable to:			
Shareholders of Tongaat Hulett	649	2 013	2 662
Minority (non-controlling) interest	31	3	34
	680	2 016	2 696
Headline earnings attributable to Tongaat Hulett shareholders	583	43	626
Earnings per share (cents)			
Net profit per share			
Basic	629,7	1 952,4	2 581,8
Diluted	616,8	1 912,4	2 529,0
Headline earnings per share			
Basic	565,6	41,7	607,1
Diluted	554,2	40,9	594,7
Dividend per share (cents)	310,0		310,0

SEGMENTAL ANALYSIS

	(1)	(2)	(3)
REVENUE			
Starch operations	2 150	535	2 685
Agricultural Land Conversion and Development	412	14	426
Sugar			
Zimbabwe operations		311	311
Swaziland operations	137	1	138
Mozambique operations	527	16	543
SA agriculture milling and refining	2 424	1 137	3 561
Downstream value added activities	1 456	333	1 789
Consolidated total	7 106	2 347	9 453
PROFIT FROM OPERATIONS			
Starch operations	240	50	290
Agricultural Land Conversion and Development	263	(7)	256
Sugar			
Zimbabwe operations (2008: dividends)	35	58	93
Swaziland operations	44	12	56
Mozambique operations	250	51	301
SA agriculture milling and refining	73	22	95
Downstream value added activities	204	26	230
Centrally accounted and consolidation items	23	(21)	2
Consolidated total	1 132	191	1 323

Notes

(1) Unadjusted audited results for the 12 months ended 31 December 2008, including the Zimbabwe operations being dividend accounted.

(2) Unaudited results for the 3 months from 1 January 2009 to 31 March 2009 and incorporating the following:
- Complete management account information for the 3 months, including 31 March 2009 reporting cut-off, prepared in terms of IRFS.
- Inclusion of the Zimbabwe operations from the commencement of consolidation to 31 March 2009. The commencement of consolidation gave rise to an audited balance sheet take-on gain of R1,969 billion as determined in accordance with IFRS 3 (revised).

(3) Pro forma results for the 15 months to 31 March 2009, being column 1 plus column 2.

(4) The table above sets out the unaudited pro forma comparative income statement for the 15 months to 31 March 2009. This pro forma statement is the responsibility of the Tongaat Hulett directors, who are satisfied with its quality, and has been prepared for comparative purposes only.

(5) The reporting accountants' report from Deloitte & Touche on the pro forma is set out in the annual financial statements and forms part of the SENS announcement of results.

SHARE OWNERSHIP ANALYSIS
at 31 March 2010

Number of shareholders	Spread	Shares held	% Held
8 053	1 - 1 000 shares	2 989 359	2,16
2 707	1 001 - 10 000 shares	7 827 209	5,65
511	10 001 - 100 000 shares	17 113 547	12,35
152	100 001 - 1 000 000 shares	44 206 154	31,91
15	more than 1 000 000 shares	66 386 844	47,93
11 438	Total	138 523 113	100,00
	Category		
76	Banks	5 528 574	3,99
2	BEE TH Infrastructure and yoMoba SPVs	25 104 976	18,12
2	BEE Share Ownership Plans	9 740 908	7,03
124	Close Corporations	173 232	0,13
93	Endowment Funds	742 786	0,54
8 142	Individuals	8 000 905	5,78
42	Insurance Companies	3 072 743	2,22
54	Investment Companies	2 196 146	1,59
3	Issuer's Retirement Funds	1 491 950	1,08
14	Medical Aid Funds	280 018	0,20
207	Mutual Funds	32 240 789	23,27
1 939	Nominees and Trusts	6 556 946	4,73
79	Other Corporations	350 820	0,25
344	Pension Funds	38 891 576	28,08
294	Private Companies	1 209 317	0,87
19	Public Companies	2 547 940	1,84
4	Share schemes	393 487	0,28
11 438	Total	138 523 113	100,00
	Type of shareholder		
	Non-public		
6	Directors and associates of the company	224 162	0,16
4	BEE entities	34 845 884	25,15
7	Share schemes	409 522	0,30
3	Issuer's retirement funds	1 491 950	1,08
20	Total non-public	36 971 518	26,69
11 418	Public	101 551 595	73,31
11 438	Total	138 523 113	100,00
	Beneficial shareholdings over three percent		
	Public Investment Corporation (GEPF)	18 092 603	13,06
	BEE - TH Infrastructure SPV (Pty) Ltd	13 947 209	10,07
	Allan Gray	12 586 910	9,09
	BEE - yoMoba SPV (Pty) Ltd	11 157 767	8,05
	Tongaat Hulett BEE Employee Share Ownership Plan	5 422 829	3,91
	Investment Solutions	4 813 081	3,47
	Tongaat Hulett BEE Management Share Ownership Plan	4 318 079	3,12

CORPORATE INFORMATION

Registration Number: 1892/000610/06
Share Code: TON
ISIN: ZAE 000096541

Company Secretary

M A C Mahlari
Appointed company secretary 2009

Business and Postal Address

Amanzimnyama Hill Road
Tongaat
KwaZulu-Natal
P O Box 3
Tongaat 4400
South Africa

Telephone: +27 32 439 4019
Facsimile: +27 31 570 1055
Website: www.tongaat.co.za
E-mail: info@tongaat.co.za

Bankers

First National Bank
of Southern Africa Limited
Nedcor Bank Limited
The Standard Bank
of South Africa Limited
ABSA Bank Limited

Attorneys

Bowman Gilfillan
Cox Yeats
Garlicke & Bousfield
Shepstone & Wylie
Taback & Associates

Independent External Auditors

Deloitte & Touche

Internal Auditors

KPMG

Securities Exchange Listings

South Africa (Primary):
JSE Limited
United Kingdom (Secondary):
London Stock Exchange

Transfer Secretaries

South Africa:
Computershare Investor Services
(Pty) Limited
70 Marshall Street
Johannesburg 2001
P O Box 61051
Marshalltown 2107

United Kingdom:
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Sponsor

Investec Bank Limited
100 Grayston Drive
Sandown
Sandton 2196

SHAREHOLDERS' DIARY

Financial year end		31 March
Annual general meeting		July
Reports and profit statements:		
Interim results		November
Annual results and final dividend declaration		May
Annual financial statements		June
Dividends:		
Interim	Declared	November
	Paid	December
Final	Declared	May
	Paid	July

NOTICE TO SHAREHOLDERS

Notice is hereby given that the one hundred and eighteenth annual general meeting of shareholders will be held at the Corporate Office, Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal on Tuesday 27 July 2010 at 09h00.

Order of business

1. To receive and consider the annual financial statements of the company for the 15 month period to 31 March 2010.
2. For the re-appointment of Deloitte & Touche as auditors.
3. To elect directors in place of Messrs J B Magwaza, R H J Stevens and C B Sibisi and Mrs J John, who retire by rotation in terms of article 61 of the articles of association and who, being eligible, offer themselves for re-election. Motions for re-election will be moved individually. Details of each of these retiring directors are set out in pages 53 to 55 of the Annual Report.
4. To elect Mrs R P Kupara and Mr A A Maleiane as directors, having been appointed during the 15 month period to 31 March 2010 and Ms T N Mgoduso having been appointed on 21 May 2010 as directors, who are required to retire in accordance with article 59 of the articles of association and being eligible, offer themselves for election. Motions for election will be moved individually. Details of each of these retiring directors are set out in pages 53 to 55 of the Annual Report.
5. To consider and, if deemed fit, to pass, with or without modification, the following resolutions, subject to the approval of the JSE Limited (JSE):

Special Resolution Number 1

"Resolved as a special resolution that:

a. the acquisition by the company of shares or debentures (securities) issued by it on such terms and conditions as the directors of the company may deem fit; and
b. the acquisition by any subsidiary of the company of securities issued by the company on such terms and conditions as the directors of any such subsidiary may deem fit;

be and it is hereby approved as a general approval in terms of sections 85 and 89 of the Companies Act, 61 of 1973, as amended (the Companies Act) and in terms of the JSE Listings Requirements; provided that:

1. the number of ordinary shares acquired in any one financial year shall not exceed five percent of the ordinary shares in issue at the date on which this resolution is passed;
2. such general approval shall be valid only until the next annual general meeting of the company or the expiry of a period of 15 months from the date of this resolution, whichever occurs first, or until varied or revoked prior thereto by special resolution at any general meeting of the company;
3. such acquisitions may not be made at a price greater than ten percent above the weighted average of the market value for the securities on the JSE for the five business days immediately preceding the date on which the transaction for the acquisition is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five business day period;
4. the acquisitions be effected through the order book operated by the JSE trading system;
5. the company appoints, at any point in time, only one agent to effect any acquisition/s on the company's behalf;
6. acquisitions will not be undertaken by the company or its subsidiaries during a prohibited period, as defined by the JSE Listings Requirements;
7. when the company and/or its subsidiaries have cumulatively repurchased three percent of the initial number (the number of that class of shares in issue at the time that general authority from shareholders is granted) of the relevant class of securities, and for each three percent in aggregate of the initial number of that class acquired thereafter, a press announcement must be made giving the details required in terms of the JSE Listings Requirements, in respect of such acquisitions;
8. the company will ensure that its sponsor will provide the necessary letter on the adequacy of the working capital in terms of the JSE Listings Requirements, prior to the commencement of any purchase of the company's shares on the open market;
9. before entering the market to effect the general repurchase, the directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, will ensure that for a period of 12 months after the date of the notice of annual general meeting:
   - the company will be able, in the ordinary course of business, to pay its debts;
   - the assets of the company, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company;
   - the company's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes;

10. this authority will be used if the directors consider that it is in the best interests of the company and shareholders to effect any such acquisitions having regard to prevailing circumstances and the cash resources of the company at the relevant time."

The general information regarding the company, referred to in paragraph 11.26(b) of the JSE Listings Requirements, is contained in the Annual Report as follows:

a. directors of the company;
b. major shareholders;
c. directors' interests in the company's securities;
d. share capital.

There have been no material changes since 31 March 2010. The company is not a party to any material litigation nor is it aware of any pending material litigation to which it may become a party.

The directors (whose names appear in the Annual Report) collectively and individually accept full responsibility for the accuracy of the information given and certify, that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this notice of the annual general meeting contains all information required by law and the JSE Listings Requirements.

The effect of special resolution number 1 is to provide a general authority for the company and its subsidiaries to acquire shares issued by it in accordance with the provisions of sections 85 and 89 of the Companies Act and the JSE Listings Requirements.

Ordinary Resolution Number 1

"Resolved as an ordinary resolution that the directors be and are hereby authorised and empowered to do all such things and sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the approval granted in terms of special resolution number 1."

Ordinary Resolution Number 2

"Resolved as an ordinary resolution that the unissued shares in the capital of the company (other than the shares reserved for the purposes of The Tongaat-Hulett Employees Share Incentive Scheme and The Tongaat-Hulett Group Limited 2001 Share Option Scheme) be and are hereby placed under the control of the directors of the company who are hereby authorised to allot and issue such shares at their discretion, including for scrip dividend distribution, upon such terms and conditions as they may determine, subject to the proviso that the aggregate number of shares to be allotted and issued in terms of this resolution shall be limited to five percent of the number of shares in issue at 27 July 2010 and subject to the provisions of the Companies Act and the JSE Listings Requirements."

Ordinary Resolution Number 3

"Resolved as an ordinary resolution that subject to the passing of ordinary resolution number 2 and the approval of a 75 percent majority of the votes cast by shareholders present in person or represented by proxy at the annual general meeting at which this resolution is proposed, and the JSE Listings Requirements, the directors of the company be and are hereby authorised and empowered to allot and issue for cash, without restriction, all or any of the unissued shares in the capital of the company placed under their control in terms of ordinary resolution number 2 as they in their discretion may deem fit; provided that:

a. this authority shall not extend beyond 15 months from the date of this annual general meeting;
b. a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, five percent or more of the number of ordinary shares of the company's ordinary share capital in issue prior to such issues provided further that such issues shall not in any one financial year exceed five percent of the company's issued ordinary share capital; and
c. in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted shall be ten percent of the weighted average traded price of the shares in question over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors. The JSE will be consulted for a ruling if the company's securities have not traded in such 30 business day period."

Ordinary Resolution Number 4

"Resolved as an ordinary resolution that the proposed fees, set out below, payable to non-executive directors for their services as directors on the board and on board committees for the periods indicated below, as recommended by the Remuneration Committee and the board, subject to approval by the shareholders at the annual general meeting, be and are hereby approved."

Proposed Directors' Fees from 1 January 2010 to 2011 AGM

Type of fee	Existing annual fee R	Proposed annual fee from 1 January 2010 to 27 July 2010 (AGM) R	Proposed fees from 28 July 2010 to the 2011 AGM R	
			Annual Fixed/ Retainer Fee	Attendance Fee Per Meeting
Tongaat Hulett Board:				
Chairman	590 000	700 000	508 200	67 760
Non-Executive Directors	181 800	198 200	143 895	19 185
Audit and Compliance Committee:				
Chairman	181 800	198 200	143 895	31 975
Non-Executive Directors	90 900	99 100	71 955	15 985
Remuneration Committee:				
Chairman	145 000	158 100	114 805	25 500
Non-Executive Directors	72 500	79 050	57 400	12 750
SHE Committee				
Chairman	145 000	158 100	114 805	25 500
Non-Executive Directors	72 500	79 050	57 400	12 750

Ordinary Resolution Number 5

"Resolved as an ordinary resolution that the provisions of the Tongaat Hulett Share Appreciation Right Scheme ("SAR"), Tongaat Hulett Long Term Incentive Plan ("LTIP") and the Tongaat Hulett Deferred Bonus Plan ("DBP") (collectively referred to as "the Plans") be amended to ensure compliance with the Schedule 14 of the JSE Listing Requirements and, where appropriate, the King Code of Governance Principles – 2009 and the King Report on Governance for South Africa – 2009 ("King III")".

The main points of the amendments are summarised as follows:

- The maximum number of shares that may be issued under the Plans is set to 13 000 000, amounting to approximately (9,4%) of all issued share capital. This requirement replaces the previous limit which was expressed as 10% of the issued share capital. This limit is permitted to be increased proportionately to reflect changes in capital structure, as specified in the Rules (14.3). In addition, it is clarified that shares purchased in the market in settlement of the Plans and awards that are forfeited are excluded from this limit. (14.1(b))
- The limit of a fixed number of shares, namely 1 200 000, that can be allocated to any participant under any of the Plans has been added. (14.1(c))
- The Plans have been amended to confirm the requirement that employees' base pay, grade, performance and retention requirement form the primary basis upon which awards under the SAR and LTIP are made. (14.1(f))
- The discretion afforded to the Remuneration Committee in the case of termination of employment of a participant has been limited within a specific framework and certain of the provisions applicable to good leavers are harmonised. (14.1(h))
- King III requires the application of company performance conditions to govern the vesting of awards under the Plans, and precludes the application of retesting. The application of company performance conditions has been applied since the approval of the Plans. Future awards will have relevant performance conditions, will not provide for retesting, and will apply the principle of graduated vesting as recommend by King III.
- Certain points of clarity and administrative changes to the Plans as required by the JSE Listing Requirements and King III are proposed and will be available for inspection at the Company's offices 21 days before the annual general meeting.

No new awards under the company's two previous plans, namely The Tongaat-Hulett Group Limited 2001 Share Option Scheme and The Tongaat-Hulett Group Limited Employee Share Incentive Scheme have been made since 2004 and these plans are winding down as participants exercise their outstanding awards, all of which have vested and will be settled by shares issued from unissued share capital as provided for in the rules governing their operation. No changes are thus being made to the rules of these plans.

Ordinary Resolution Number 6

"Resolved as an ordinary resolution that the provisions of the Tongaat Hulett Long Term Incentive Plan ("LTIP") be amended to make provision for the introduction of retention awards without company performance vesting conditions."

The purpose of such awards of unconditional LTIPs is to assist with key and high potential employee retention and talent management. The King III Report on Corporate Governance notes that: "When companies face the risk of losing key employees, remuneration policies to retain them may be adopted. Incentive schemes to encourage retention should be established separately, or should be clearly distinguished, from those relating to reward performance and should be disclosed in the annual remuneration report voted on by shareholders." These awards will be made on a targeted basis where key and high potential employee retention risks exist.

Any such awards for executive directors will be awarded on the basis that a significant portion of any LTIP award will be subject to company performance vesting conditions.

The retention awards will complement the existing LTIP awards and awards under the SAR and DBP and the combined value of all the awards will remain within market benchmarks and within the Plan limits set in ordinary resolution 5 above. The terms of the retention awards will, apart from the absence of company performance conditions, be identical to the existing conditional awards awarded under the LTIP.

6. To transact such other business as may be transacted at a general meeting.

Voting

Any shareholder who holds certificated ordinary shares in the company or who holds dematerialised ordinary shares in the company through a Central Securities Depository Participant (CSDP) and who has selected "own name" registration, may attend, speak and vote at the annual general meeting or may appoint any other person or persons (none of whom need be a shareholder) as a proxy or proxies, to attend, speak and vote at the annual general meeting in such shareholder's stead.

Should any shareholder who holds dematerialised ordinary shares in the company and has not selected "own name" registration, wish to attend, speak and vote at the annual general meeting, such shareholder should timeously inform his CSDP or broker for the purposes of obtaining the necessary letter of representation from such shareholder's CSDP or broker to attend the annual general meeting or timeously provide such shareholder's CSDP or broker with such shareholder's voting instruction in order for the CSDP or broker to vote on such shareholder's behalf at the annual general meeting.

A proxy form is enclosed for use by shareholders holding certificated ordinary shares in the company or dematerialised ordinary shares in the company through a CSDP and who have selected "own name" registration. Such proxy form, duly completed should be forwarded to reach the transfer secretaries of the company, by no later than 09h00 on Wednesday 21 July 2010. The completion of a proxy form will not preclude a member from attending the meeting.

By order of the Board

M A C Mahlari
Company Secretary

Amanzimnyama
Tongaat, KwaZulu-Natal

26 May 2010

Tongaat Hulett

Registration Number: 1892/000610/06 Share Code: TON ISIN: ZAE000096541

FORM OF PROXY FOR ANNUAL GENERAL MEETING

Note: All beneficial shareowners that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must NOT COMPLETE THIS FORM

Instead, they must either provide the CSDP or broker with their voting instructions, or alternatively, should they wish to attend the meeting themselves, they may request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.

A member entitled to attend and vote at the meeting mentioned below is entitled to appoint a proxy to attend, speak and, on a poll, to vote in his stead. A proxy need not be a member of the company.

I / We ....

(Name in block letters)

of ....

(Address in block letters)

being the holder/holders of .... ordinary shares in Tongaat Hulett Limited do hereby appoint

....

or failing him, Mr J B Magwaza or failing him, Mr P H Staude as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held at 09h00 on Tuesday 27 July 2010 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, at each adjournment thereof and to vote on the resolutions in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions.

Proposed resolution	For	Against	Abstain
Adoption of financial statements.			
Re-appointment of Deloitte & Touche as auditors.			
Re-election/election of directors:			
J John			
R P Kupara			
J B Magwaza			
A A Maleiane			
T N Mgoduso			
C B Sibisi			
R H J Stevens			
Special Resolution Number 1 authorising the repurchase of issued ordinary shares to a maximum of five percent in any year.			
Ordinary Resolution Number 1 authorising directors to give effect to Special Resolution No. 1.			
Ordinary Resolution Number 2 authorising the placing of unissued share capital under the control of directors to a maximum of five percent of the issued share capital.			
Ordinary Resolution Number 3 authorising directors to issue for cash unissued shares in terms of Ordinary Resolution No. 2.			
Ordinary Resolution Number 4 approval of directors' fees.			
Ordinary Resolution Number 5 authorising the amendment of the Plans to ensure compliance with schedule 14 of the JSE Listing Requirements.			
Ordinary Resolution Number 6 authorising the amendment of the Long Term Incentive Plan to introduce retention awards.			

Signed this .... day of .... 2010 Signature ....

Completed forms of proxy must be received at the office of the company's transfer secretaries by not later than 09h00 on Wednesday, 21 July 2010.

South Africa: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107).

United Kingdom: Capita Registrars Limited, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

NOTES:

1. A member's instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A member may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A member who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the member's votes exercisable at the annual general meeting.

2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the company's share registrar or waived by the chair of the annual general meeting.

3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

4. A minor must be assisted by the minor's parent or guardian unless the relevant documents establishing the minor's legal capacity are produced or have been registered by the share registrars of the company.

5. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the member wishes to vote.

Tongaat Hulett

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