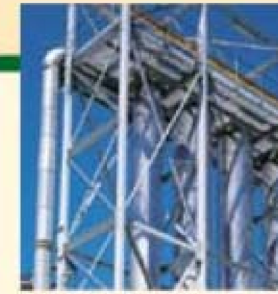
Tongaat-Hulett

Interim results

For the half-year ended 30 June 2003



Rand/US$ average	8,03	10,99	10,48
Rand/US$ closing	7,48	10,37	8,58

INCOME STATEMENT	H1 2003	H1 2002	FY 2002
Revenue	3 021	2 809	6 103
Underlying operating profit	233	387	802
Triangle dividend		31	71
Valuation adjustments	(375)	(74)	(215)
EBIT	(142)	344	658
Net interest paid	(62)	(55)	(100)
Headline (loss)/earnings	(190)	205	393
Dividend per share - cents	40,0	80,0	270,0

REVENUE	H1 2003	H1 2002	% change	FY 2002
Tongaat-Hulett Sugar	1 427	1 336	6,8	2 864
Hulett Aluminium (50%)	773	745	3,8	1 623
African Products	756	678	11,5	1 470
Moreland	65	50	30,0	146
Group total	3 021	2 809	7,5	6 103
Rand/US$ average	8,03	10,99	(26,9)	10,48

- SA raw sugar export volumes up 35%
- Hulamin sales volumes up 24%
- Afprod's domestic volumes up 6%

UNDERLYING OPERATING PROFIT	H1 2003	H1 2002	% change	FY 2002
Corporate	(10)	(11)	(9,1)	(34)
Tongaat-Hulett Sugar	183	193	(5,2)	391
Hulett Aluminium (50%)	0	108	(100,0)	179
African Products	40	93	(57,0)	246
Moreland	20	4	400,0	20
Group total	233	387	(39,8)	802
Rand/US$ average	8,03	10,99	(26,9)	10,48

- Head office costs
- Tongaat-Hulett Sugar - R45,5m from value-adding activities, up R31,8m
- Hulamin - approx R37m negative impact from lag in input metal prices
- Afprod reflects selling prices achieved via actual maize costs

VALUATION ADJUSTMENTS	H1 2003	H1 2002	FY 2002
Maize procurement contracts	(255)	15	(20)
Translation of foreign currency:			
- offshore cash holdings	(61)	(57)	(151)
- other	(25)	(12)	(15)
Export receivables	(22)	(14)	(26)
Financial instruments	(12)	(6)	(3)
Total	(375)	(74)	(215)

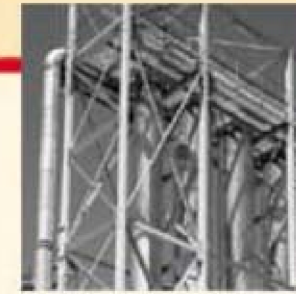
- Maize contracts valued at R846/ton – this is below most farmers' input costs
- Valuations based on R7,48/US$ and R12,37/GBP

CASH FLOW	H1 2003	H1 2002	FY 2002
Cash flow from operating activities	21	491	1 130
Interest paid	(62)	(55)	(100)
Working capital changes	(30)	63	(321)
Cash flow from operations	(71)	499	709
Capex (net of disposals)	(195)	(131)	(227)
Growing crops	(78)	(43)	(12)
Net cash flow	(344)	325	470

- Reduction in earnings
- R80m Xinavane

Tongaat-Hulett Sugar

Bruce Dunlop



EST. 1892

Huletts®

Pure Sugar - Pure Sweetness.

The sweetest way to sweeten your day

2003 Half-year results

- **Revenue**
  - R1,427 billion
  - Up 6,8%
- **Underlying Operating Earnings**
  - R183 million
  - Down 5,2%
- **Operating earnings margin 12,8%**

2003 Half-year results (cont’d)

- **EBIT**
  - R159 million
  - Down 15,4%
- **EBIT margin 11,2%**
- **Triangle dividend**
  - R21 million to end April declared by Triangle
  - Not yet remitted to THS

Sales Volumes
THS (SA)

Tons Sugar	Actual Year to Dec 2002	Actual 6 months to June 2002	Actual 6 months to June 2003
Local Market	471 380	236 033	236 236
Export Raws	340 400	127 159	172 007

Raw Sugar Export Realisations

South African Industry

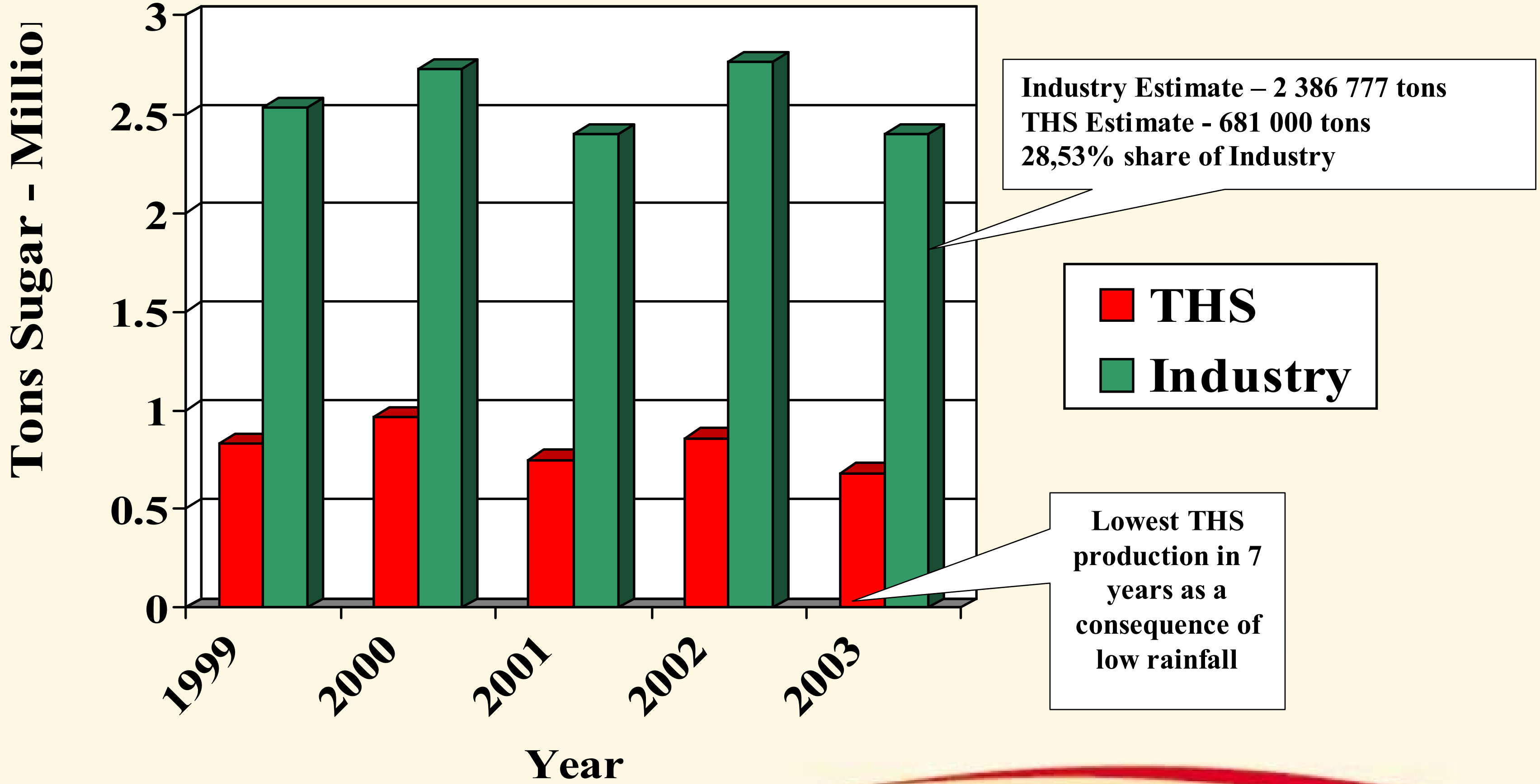
Raw Sugar	Year to Dec 2002	6 months to June 2002	6 months to June 2003	6 months to Dec 2003
Price in Usc/lb	6,48	6,78	6,50	7,00
Average Rand/$	R9,91	R9,84	R9,32	R???

Table includes raw sugar for refined exports

Sugar Production
Estimates for the 2003 season

- **South Africa – 681 000 tons (2002 – 860 000 tons)**
- **Zimbabwe – 285 000 tons (2002 – 296 000 tons)**
- **Mozambique – 98 000 tons (2002 – 71 000 tons)**
- **Swaziland – 54 000 tons (2002 – 50 000 tons)**
- **Total – 1,118 million tons (2002 – 1,277 million tons)**

SA Sugar Production



THS Profile

- SADC's leading sugar brands
- Unique supplier of sweetener solutions to the region's markets
  - ✓ Latest addition to range - Huletts EquiSweet® and Sugalite®
- Profitable value-adding activities
- A world leader in process design and technology

THS Profile (cont'd)

- **Core competency in cane growing, sugar milling and refining**
- **Milling capacity for 1,5 million tons sugar**
  - **75% utilised in 2003 (86% - 2002)**
- **47% of milling capacity under irrigation**
- **Leading animal feeds brand – Voermol Feeds**

Value-adding activities

- Animal Feeds in South Africa and Zimbabwe
- Retail packing operations in South Africa, Mozambique, Zimbabwe, Namibia and Botswana
- Refined and direct consumption raw sugar exports from South Africa and Zimbabwe

Value-adding activities (cont'd)

- Speciality sugars and high intensity sweeteners in South Africa
- Alcohol production in Zimbabwe
- Technology and royalty revenue in South Africa

SA's value-adding activities (cont'd)

- Revenue
  - R322,5 million (2002 - R298,3 million)
- Underlying Operating Earnings
  - R45,5 million (2002 – R13,7 million)

Sundry highlights of the period under review

- Record performance of Voermol Feeds
- Official re-opening of the rehabilitated Xinavane sugar mill by President Chissano in June 2003
- Completion of acquisition of Xinavane cane estate
- Launching of Huletts EquiSweet® & Huletts Sugalite®
- International safety award for Tambankulu finishing top in the Agriculture sector
- Zero lost time injuries at the Amatikulu and Darnall mills

SA's regulatory framework

- Little progress in the review of the Sugar Act
- Desired outcomes
  - Cane price based on a fixed division of proceeds between millers and growers
  - Equitable sharing of the "dumped" world market realisations – redistribution of proceeds pro-rata to production
- US$-based import tariff dispensation remains unchanged

Update on Zimbabwe

- Operations
  - Triangle trading profitably
  - Remains fundamentally a low cost producer with sugar production intact
- Political landscape
  - Domestic market price control
  - Land reform
  - Forex

Update on Swaziland

- Conversion of citrus orchards complete
- Sucrose production estimates up 8% in 2003 vs 2002
- Estate overheads headed downwards following conversion to a single crop

Update on Mozambique

- 2003 Production expected to rise 38% to 98 000 tons
- Total industry domestic market sales for six months ended June 2003 up 110% year-on-year
  - ✓ Good progress on illegal imports but more work to be done
- Production to reach 140 000 ton production capacity by 2005/6

World market price outlook

- **Short/medium term**
  - Range bound around 6,5 to 7,5 USc/lb
- **Longer term more bullish**
  - WTO Negotiations – Doha Development Round
  - Mid-term review of the EU's CAP (Common Agricultural Policy)
  - Special and differential treatment for developing countries

The next 6 months

- 2^{nd} 6 months expected to be tough:
  - Lower cane growing margins (seasonal spending patterns)
  - Lower margins on domestic market sugar sales (higher R/ton milling costs as a result of lower raw sugar production)
  - Lower margins on export sugar (higher R/ton milling costs as a result of lower raw sugar production plus stronger currency partially offset by higher international price)

Initiatives to improve short-term profitability

- Freeze on recruitment – running at a higher level of vacancies
- Sugar mills operating on 5-day week where appropriate
- Reduction of maintenance spend to critical items
- Deferment of all discretionary spend
- Aggressive “take it or leave it” approach to procurement
- But, no pull back on EE, SHE and Training & Development spend

Energising for growth

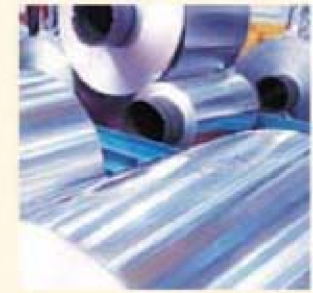
Over the past 6 months good progress on:

- **Move to a task-based organisational structure**
- **Re-organisation of SA operations into a single business unit wef 1st Feb 2003**
  - **Appointment of Martin Mohale as MD THS – SA**
  - **New SA team**
- **Capacity to pursue growth plans**
- **Many projects in the investment pipeline**

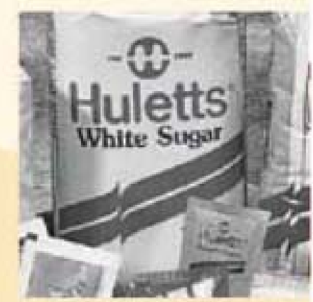
The road ahead

- Expand low cost sugar production within SADC both organically & by acquisition
  - Focus currently SA, Zimbabwe, Swaziland and Mozambique
- Exploit cross-border marketing synergies within SADC
- Positioning for deregulation in world sugar markets – EBA, etc
- Continuous and step change improvement in process technology

Hulett Aluminium



Alan Fourie



Hulett Aluminium

	H1 2003	H1 2002
Average R/$ rate	8,03	10,99
Sales volumes (t)	67 500	54 300
Revenue (Rm)	1 545	1 489
Underlying operating profit	0	216
Valuation adjustments	(36)	(40)
EBIT	(36)	176

Currency Impact

- Effect on rolling margin exceeded R150 million compared with 2002
- Metal price lag impact on cost of sales
- Value added portion of debtors book

Industry Climate

- Market conditions remain weak
- International margins reduced by average of $40 per ton
- Competitors' performance reflects weak conditions
- Early signs of recovery?
- Concentration of ownership continues

Delivering Value from our major Rolled Products invesment

- Achieving high levels of capacity utilisation
- Achieving the most profitable sales mix
- Capitalising on our low cost base

Rolled Products Capacity Utilisation

- Benefits as an independent producer
- Rolled Products exports increased by 46%
- Rolled Products total sales increased by 27%

Rolled Products Capacity Utilisation

		Annualised output (t)	Capacity Utilisation
2002	Full year	105 000	53%
2003	First half	119 000	60%
	Full year (est)	130 000	65%
2004	Estimate	150 000	75%

- 10 000 tons --> R60 million EBIT effect

Most Profitable Sales Mix

- Margin range : $700 to $2 000 per ton
- Average: +\- $1 000 per ton
- Big opportunities at the upper end of the range
- At current volumes, $100 increase in margin --> R100 million EBIT

Can End Stock Exports

- Margins > $1 400 per ton
- Growth in 2003: 200% up on 2002
  100% up on 2001
- Future growth: 20 000 tons over three years

Clad Products

- Margins > $1 500 per ton
- Growth in 2003: > 200% up on 2002
- Future growth: 12 000 tons over three years

Other opportunities

- Established products continue to do well
- Exports of painted products up by 60%
- Closure sheet to Russia exceeding expectations
- Local market underlying growth trend
- Value added exports offer promise

Capitalising on our low Cost Position

- Low cost base relative to competitors
- “Full operating costs” are presently being incurred
- 2003 manufacturing cost increase below 5%
- Remelt success with R20 million annual cost saving
- Unit cost reductions - 16% at June 2003

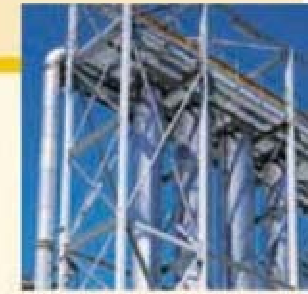
  - further reduction ahead

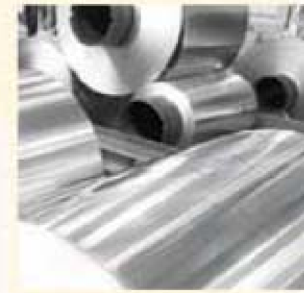
Conclusion

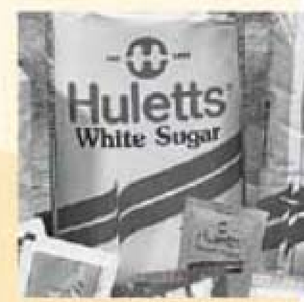
- We expect a better second half based on:
  - Metal price lag has been absorbed
  - Further growth in sales, particularly high margin products
  - Cost improvements flowing through
- These same factors are key to delivering returns on our investment over the next few years

African Products

Nico Kruger







Introduction

Currently operating under unfavourable conditions:

- Maize price effect
- Co-product
- Import threats
- Slowing domestic economy
- Reduced customer exports

Volume Data

Volumes	H1 2003	H1 2002	%
Local Starch	42 973	39 888	7,7
Local Glucose	146 254	139 514	4,8
TOTAL LOCAL:	**189 227**	**179 402**	**5,5**
Export Starch	23 590	23 358	1,0
Export Glucose	10 334	8 869	16,5
TOTAL EXPORTS:	**33 924**	**32 227**	**5,3**
Co-Products	83 481	79 645	4,8
TOTAL:	**306 632**	**291 274**	**5,3**

Financial Data

(R'millions)	H1 2003	H1 2002	%
Revenue	758	678	**11,8**
Domestic:	527	445	18,4
Exports:	90	97	(7,2)
Co-Products:	141	139	1,4
Underlying Operating Earnings	**40**	**93**	**(56,9)**
Valuation Adjustments	**(258)**	**14**	
E B I T	**(218)**	**107**	

Higher Maize Costs & Lower Co-Product Prices Increase Costs

Cost Comparisons	H1 2003	H1 2002	%
Maize Cost/ton Grind	1 470	1 041	41,2
Production Variable Costs/ton Grind	248	247	0,4
Fixed and Other Costs/ton Grind	571	585	(2,4)
Co-Products Turnover/ ton Grind	473	488	(3,1)
TOTAL:	**1 816**	**1 385**	**31,1**

Maize Impact

Maize is the most significant factor impacting on results.

- Price paid relative to market price
- Valuation adjustment effect

Handout pack contains answers to a number of key questions around maize

Maize Purchasing Strategy

- Focus on
  - Physical supply for grind
  - GM status
  - Security of supply
  - Locality
  - Price
- Consistent strategy of purchasing bulk of requirements just prior to and into planting season
- Use of hedging strategies to reduce the impact of upward price movements or to gain benefit from reducing prices

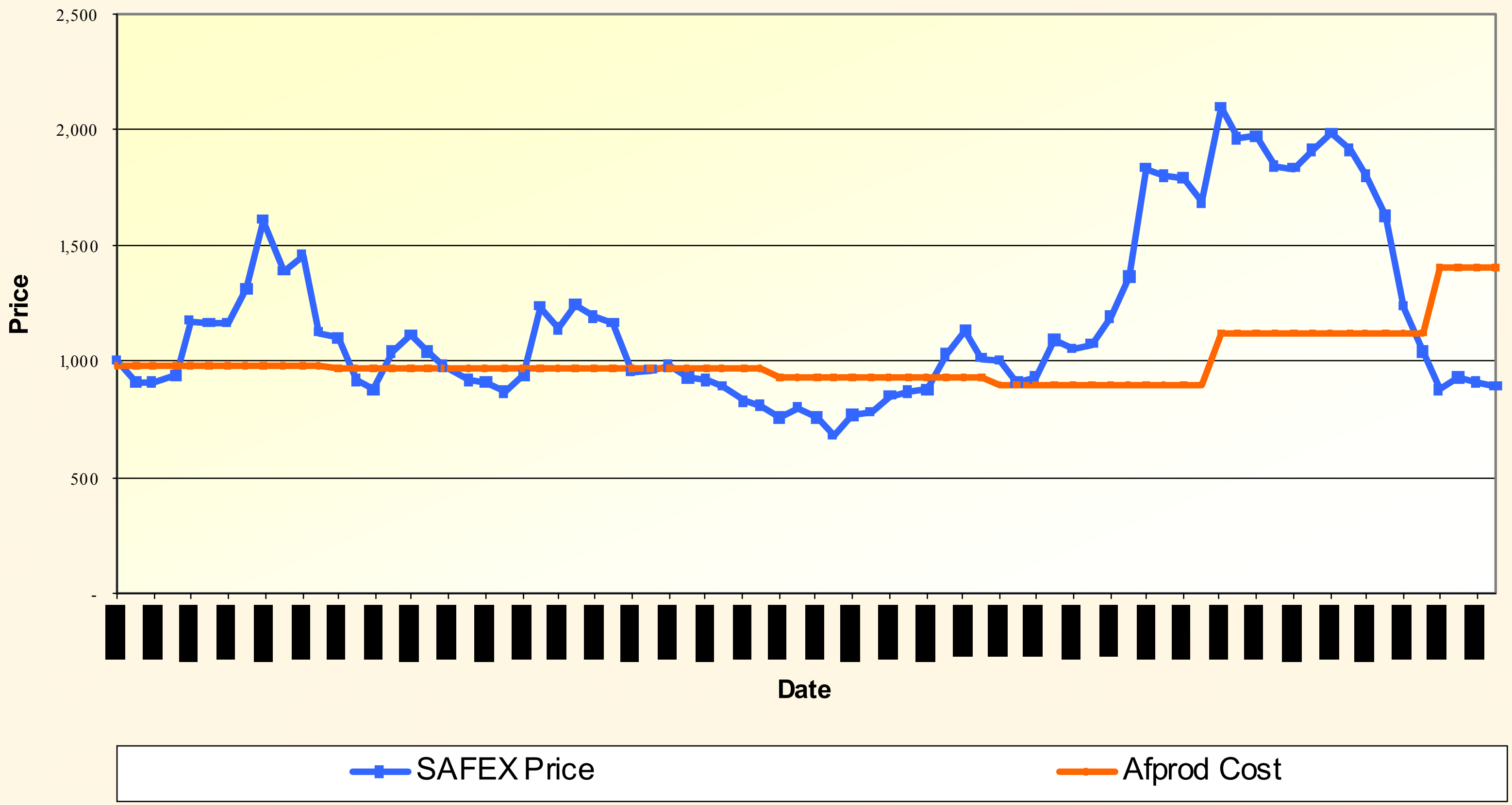
Maize Procurement 2002/03

	Conditions at time of Contracting	Events Post-Contracting Period
Yellow Maize Price	R1 602 – R1 715/ton	R762 Low – April
White Maize Price	R1 712 – R1 841/ton	R743 Low – April
Rand/Dollar	10,51 – 10,87	Down to 7,17 at strongest
CBOT	Increasing	Decreasing
RSA Planting Conditions	Poor with real drought threat	Limited but timeous rains saved crop: drought affected most parts of Southern Africa
World Grain Stocks	Very low	Still very low
Afprod Purchase Price	R1 400 – R1 450	

Maize Pricing

Comparative Maize Prices

(Inflation Adjusted)



Maize Procurement Going Forward

- Major issues:
  - Pressure on accepting product prices based on a stable maize price, due to the rapid strengthening of the Rand.
  - Earnings volatility created through valuation adjustments arising out of the strategy when maize price is volatile.

- Strategy will change to different models for pricing, together with significantly reducing the valuation adjustment risks.

The Next Six Months

- Confluence of critical external drivers turned against Afprod:
  - Rand/Dollar
  - Maize price
    - * Rand/Dollar
    - * CBOT
    - * Crop size
  - Co-Product prices
- Operating earnings for the next six months will be influenced by:
  - ➢ Volumes
  - ➢ Selling prices
  - ➢ Rand/Dollar
  - ➢ Maize price

The Next Six Months

- Valuation adjustment effect must be split into two parts:
  - Maize Subject to Valuation Adjustments in June, which is physically used during the second half of 2003 will be written back to original cost

    (±R40-R50 million)

  - Maize Futures held for use next year will be subject to further MTM adjustments. (Details are provided in the Information Pack)

Looking Ahead to 2004

- Operating earnings will be influenced by:
  - Selling prices
  - Rand/Dollar
  - Maize market price level
  - Co-product prices

- Valuation adjustment:
  - As maize is utilised the valuation adjustment will reverse – the bulk of this will apply to the second half of 2004
  - There could be valuation adjustments in June 2004 on the futures position depending on maize market price movements.

Managing through this challenging period

- Drive on cost reductions:
  - 2003 fixed costs targeted at below 2002
  - Continued efficiency programmes
- Continued drive to establish new applications/product opportunities
- Focused efforts to combat imports
- Drive to maintain export markets

Afprod : The Business

- Afprod is the leading producer of Starch and Glucose in Africa
- The Company has world-class facilities in terms of:
  - Product quality
  - Product range
  - Efficiencies
- Afprod has capacity in a number of products to take advantage of market opportunities
- The Afprod team has developed skills in developing new opportunities
- Starch remains a base product with exciting future potential

HOW MUCH MAIZE DOES AFPROD HAVE WHICH IS SUBJECT TO FUTURE MTM VALUATIONS THROUGH THE INCOME STATEMENT?

The open futures position is:

	White	Yellow
December 2003 Futures		
Tons	140 000	84 400
MTM price	907	945
March 2004 Futures		
Tons	137 600	3 700
MTM price	938	969

For as long as this position remains open, or until the maize is used, any further MTM movements on these positions will be taken through the Income Statement at the end of each accounting period.

WHAT HAS THE LOGIC BEHIND THE HEDGING STRATEGY BEEN?

A large proportion of Afprod's customers are selling consumer products where price movements relative to inflation are important. Afprod has tried to reduce the impact of sharply rising maize prices using a hedging strategy which can have one of two outcomes:

- If the price rises, option premiums are used to reduce maize costs.
- If the price falls significantly, Afprod receives the maize, but at prices close to its base maize price, ensuring price stability.

With the 50% drop experienced in the maize price, the price of the maize received, although in line with the base price, is higher than the current market price.

WILL AFPROD USE A SIMILAR STRATEGY GOING FORWARD?

Unlikely. Under circumstances where the rand has strengthened to the extent which it has, many customers are unable or unwilling to accept poduct prices required for reasonable margins for Afprod, even though the maize input cost has been effectively stabilised.

In the longer term Afprod cannot live with a situation where product pricing is based on a "stabilised" maize price if this is below maize market price, but is driven off a different basis if the stabilized maize price is above market prices.

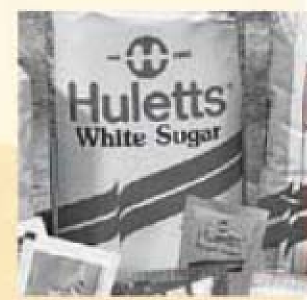
DOES AFPROD TRADE IN THE MAIZE MARKET FOR TRADING PROFITS?

No. Afprod's procurement of maize is geared toward physical procurement to meet grind requirements.

However, in order to manage both the physical supply requirements (including G.M. status) and price, Afprod uses a range of procurement contracts, including futures and options on the S.A. Securities Exchange. In order to ensure correct quality and locality, Afprod will engage in activities on the futures market.

Moreland

Gordon Hibbert



Realising the Vision

2003 Half-Year Performance

- SA property market bull-run
  - Umhlanga to Zimbali well ahead of average
- Revenue up 30% to R65m
- EBIT up 400% to R20m
- Cash break-even
  - With re-investment into new projects
- More than 200 houses and 5 000m^2 business premises under construction

Residential Sales R30m (up 62%)

Commercial R20m (up 97%)

LA LUCIA RIDGE
OFFICE ESTATE

Industrial Sales R34m

RIVERHORSE VALLEY
BUSINESS ESTATE

Moreland share R12m (up 400%)

Resort Sales R2m (down 86%)
- Zimbali East sold out

ZIMBALI
COASTAL RESORT

Outlook

- Falling interest rates
- Increasing government commitment to infrastructural investment / Growth Summit
- Exciting and extensive projects pipeline
- Expect to sustain improved performance for second half
  - Whilst restocking for 2004/5 growth

2003 Project Pipeline

Zimbali South and West

- **Revenue R400m (5-7 years)**

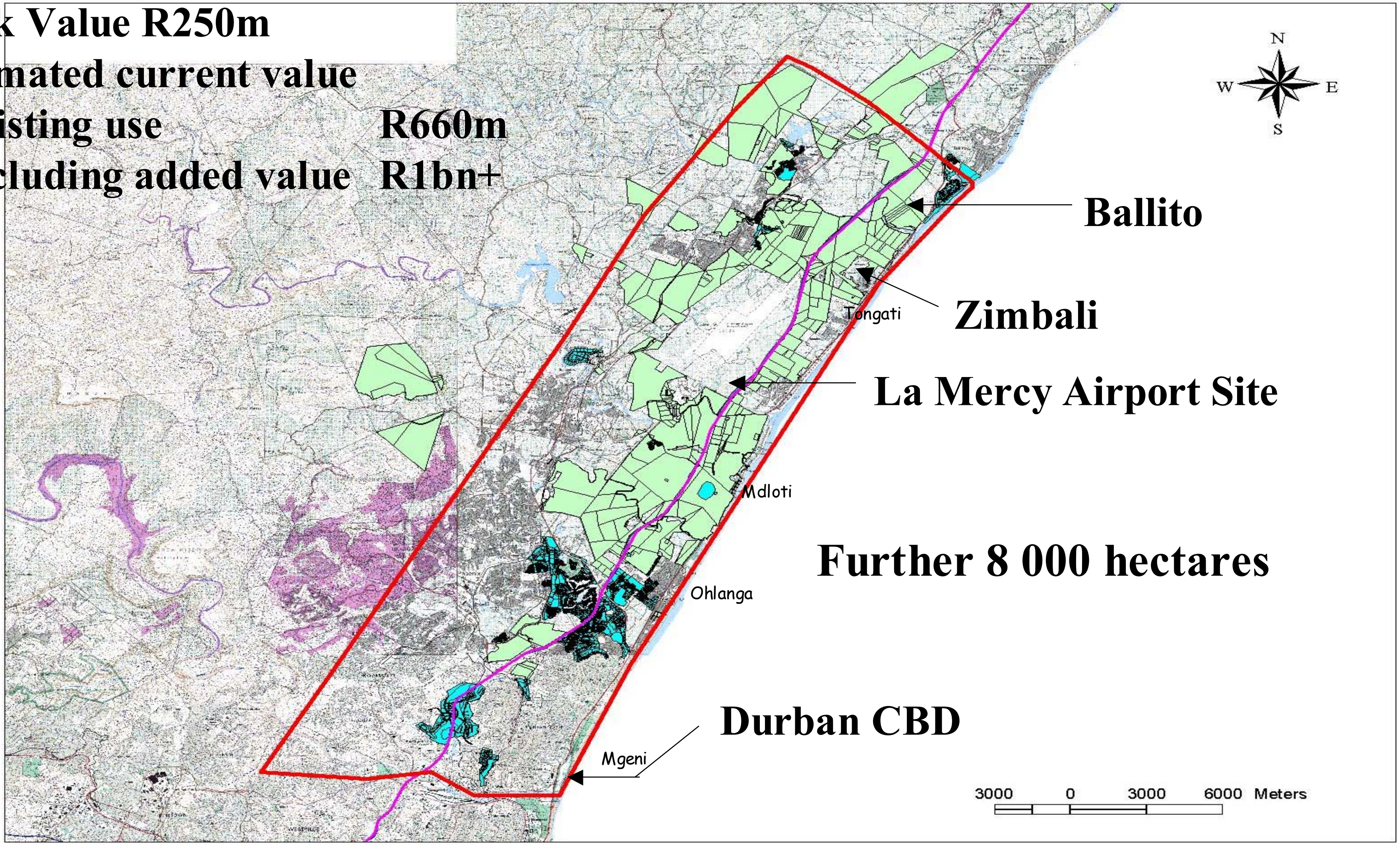
2003 Project Pipeline

Mhlanga Forest Estate
- **Revenue R200m (2-3 years)**

Book Value R250m

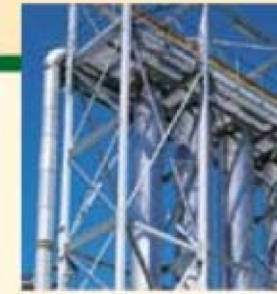
Estimated current value

- **existing use R660m**
- **including added value R1bn+**



Tongaat-Hulett

Peter Staude



Group structure

- Anglo American stake
- Hulett Aluminium (50%)

AC133/AC112 and other valuation adjustments

- Continued application of AC133/AC112 throughout the group
- Major impact on earnings volatility
- Reviewing underlying business processes
  - Keep market informed

Growth and Investment Pipeline

- Continue to further develop options
- Focus in African Products and Hulett Aluminium to improve earnings and ROCE
- Tongaat-Hulett Sugar most likely to make earnings enhancing investment in near term
- Moreland well-positioned to unlock value from land holdings with relatively small investments

Outlook

- Benefits of current actions will flow into 2004
- Earnings improvement in 2004
- Ongoing valuations will be from a base maize price of R846/ton and R7,48/US$ exchange rate
- Improvement in cash flow and revenue in H2 2003
- At an average H2 2003 exchange rate of R7,50/US$, underlying operating profit for H2 2003 will be below that of H1 2003, with a sensitivity of approximately R8m for every 10 SA cents move against one US$

Tongaat-Hulett