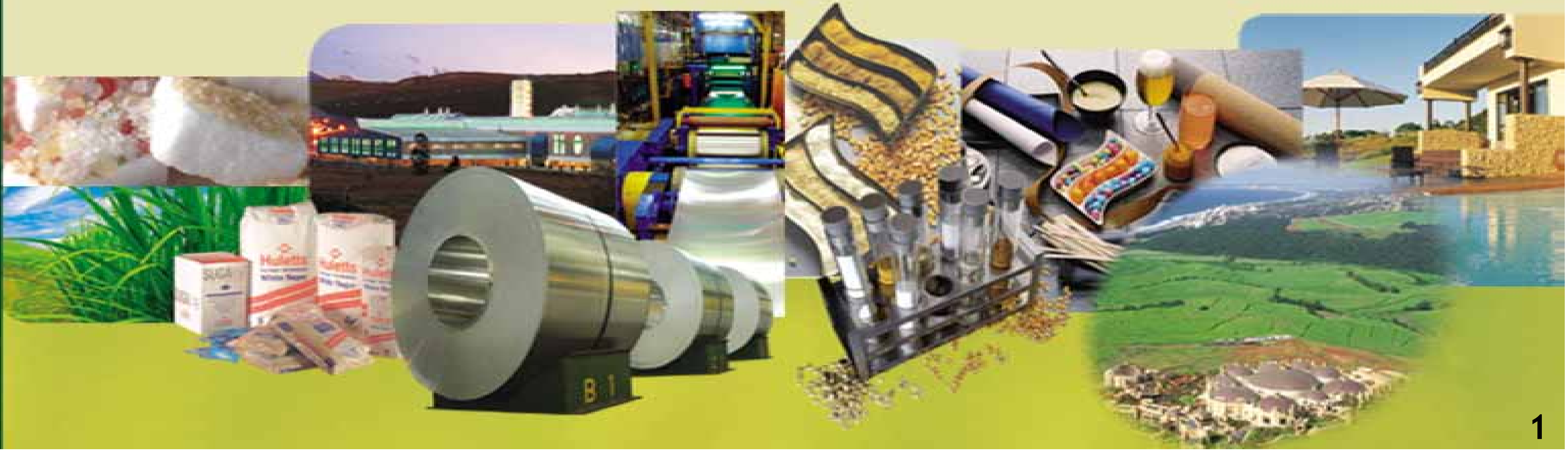
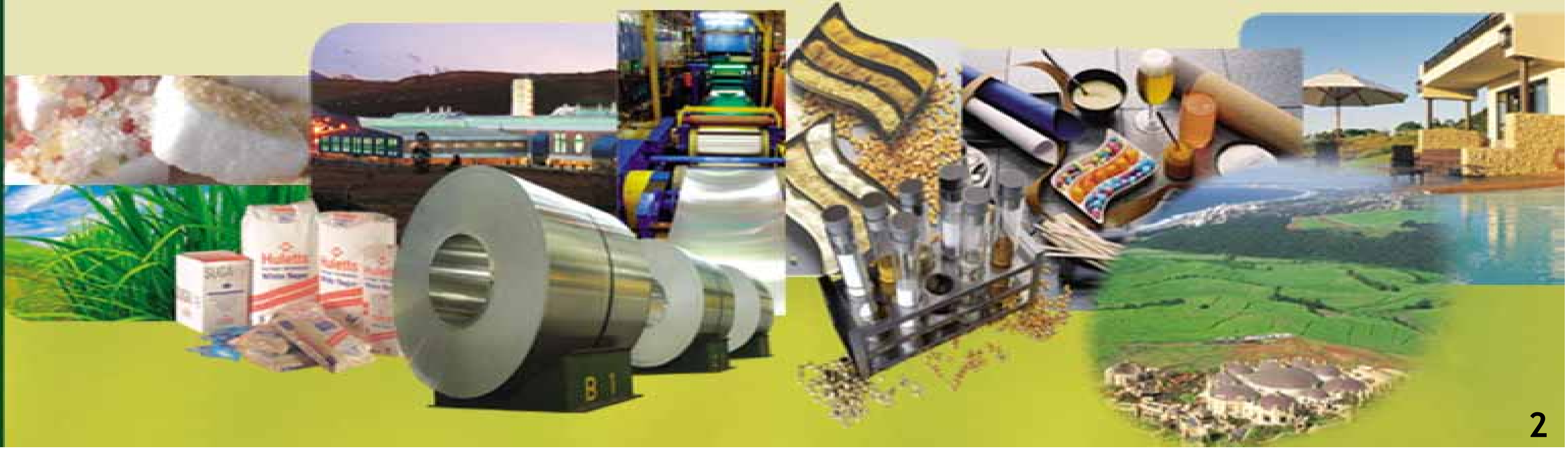
Tongaat-Hulett

Tongaat-Hulett



Tongaat-Hulett

2005 Interim Financial Results



Tongaat-Hulett

Half-year to 30 June 2005

- Revenue of R3,1 billion (2004: R3,0 billion)
- Average R/$ rate 7% stronger
- Operating profit R319 million (2004: R157 million)
- Headline earnings of R208 million (2004: R53 million)
- Dividends

IFRS - Key Issues

- Reporting in terms of IFRS in 2005
- Triangle Sugar Zimbabwe
  - Continue to dividend account
- Share based payments - income statement charges
  - H1 2005: R7 million
- Goodwill R2 million income statement effect
- Classifications within equity

Operating Profit	H1 2005	H1 2004	FY 2004
Hulett Aluminium (50%)	90	44	74
African Products	32	7	43
Maize procurement contracts valuation	-	18	18
Tongaat-Hulett Sugar	83	29	111
Triangle dividend	-	21	51
Moreland	77	117	181
Restructure costs	(3)	(23)	(29)
Corporate	(11)	(30)	(52)
Exchange rate translation gain/(loss)	39	(28)	(47)
Exceptional items	12	2	8
Group total	**319**	**157**	**358**

- Increasing benefit of earnings enhancing actions
- Exposure to valuation adjustments being reduced

HULETT ALUMINIUM	H1 2005	H1 2004	FY 2004
Operating profit (Rm)	180	88	148

- Volume growth
  - Sales 172 000 tons annualised +20%
  - Production 168 000 tons annualised
- Substantial growth in higher value, more demanding exports
  - Can end stock +37%
  - Closure sheet +25%
  - Heat treated plate +15%
- Benefit of improved international rolling margins reduced by strengthening of R/$ rate
- 15% reduction in conversion costs per ton

AFRICAN PRODUCTS	H1 2005	H1 2004	FY 2004
Operating profit (Rm)	32	7	43

- Earnings volatility from maize valuations eliminated
- Maize priced at import parity for sales January to April
- Benefit of export parity priced maize started in May
- Co-product prices
- Sales of prime domestic products increased by 3,6%, with success in regaining volumes lost to imports

TONGAAT-HULETT SUGAR	H1 2005	H1 2004	FY 2004
Operating profit (Rm)	83	29	111

- 2004 crop effect on H1 2005
- Volumes increasing
- Cost per ton reducing
- Export realisations improving
- Earnings enhancing actions - benefits beginning to be realised
- Triangle dividends brought to account - nil (2004: R21 million)

MORELAND	H1 2005	H1 2004	FY 2004
Operating profit (Rm)	77	117	181

- Period of replenishing stock
- Strong performance from industrial & commercial portfolios
- Resorts portfolio benefited in June from stock replenishment
- Residential portfolio – delay in development approvals

	% of H1 2005 profit	% of H1 2004 profit
Residential	17%	52%
Commercial/Industrial	57%	6%
Resorts	26%	42%

Tongaat-Hulett

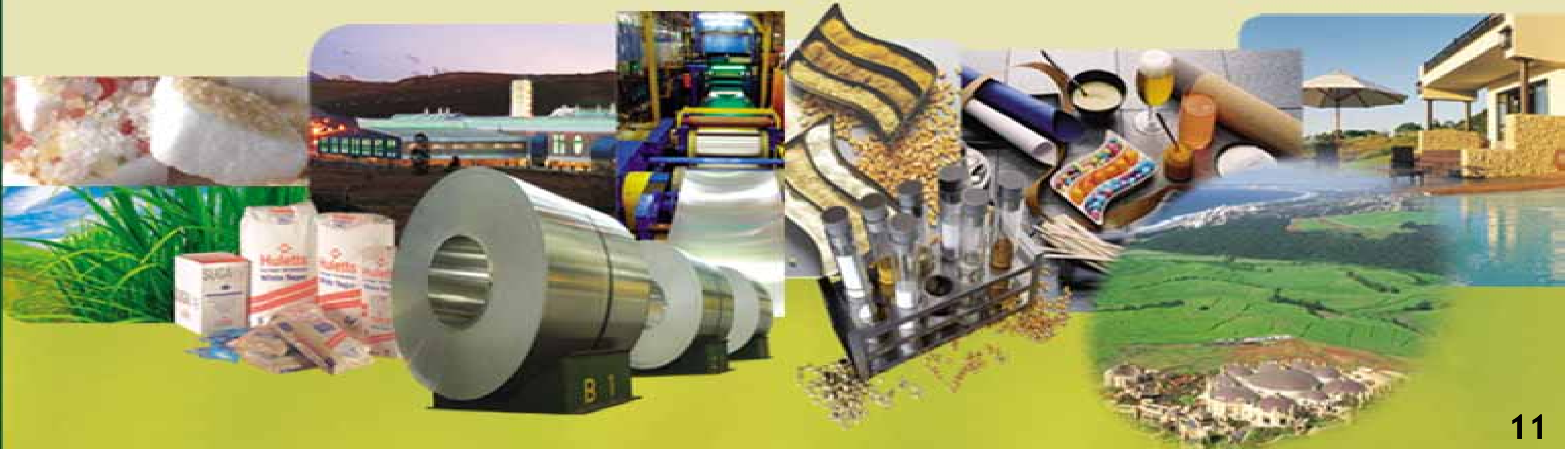
Creating Value

- Building earnings momentum from the established asset and business base

- Well positioned, with an appropriate balance sheet, to capitalise on growth opportunities

Tongaat-Hulett

Going Forward



Hulett Aluminium

Tongaat-Hulett

Impact of Achieving Targets

At R6,60/US$ and current market conditions

- Achieving full capacity utilisation
  - 172 000 tons => 210 000 tons
- Enhanced sales mix
  - $1 355 per ton
- Reduced conversion costs
  - Total costs of R988m
- Depreciation, admin and other operations

Total rolling margin earned R1 878m

R988m

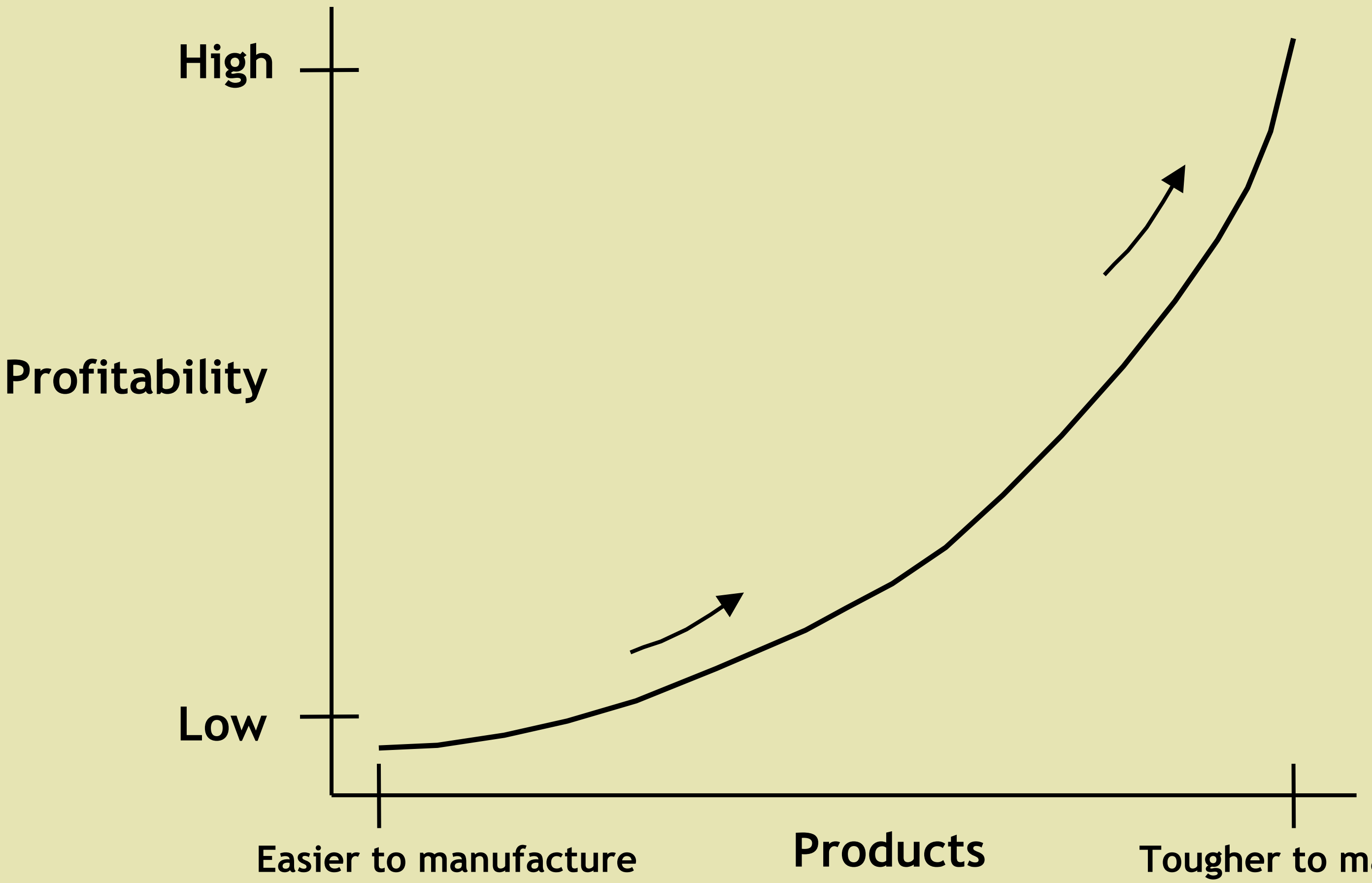
R135m

EBIT R755m

Hulett Aluminium - Past and Present

	Base	Current	Targeted position from current investment
Sales volume (tons)	54 000	175 000	>210 000
Direct exports (tons)	13 000	120 000	145 000
Export margin per ton ($)	400	1 150	1 300
Indirect exports (tons)	1 000	15 000	23 000
Capital employed (Rm)	520	4 700	4 800
Regional smelting capacity (000t)	170	1 200	
Market reputation	☹	☺	
Technology platform	√	√√ (linkages)	
Operating capability	?	☺	☺
Tons per employee	28	120	150
% Black management		51%	
EBIT (Rm)		H1 2005: 180	at R6,60/US$ >750
ROCE		8%	>16%

Moving up the Product Profitability Curve



Easier to manufacture
Limited capital investment
Lower technology requirements
Many competitors

Tougher to manufacture
Larger capital investment
Higher technology requirements
Fewer competitors
Less competition from substitutes

Heat Treated Plate
Current

- Plant commissioned November 1998
- Output
  - 1999 141 tons
  - 2000 5 601 tons
  - Current 13 000 tons (13% of global market)
- Rolling margin >$2 000 (vs average $1 355)
- Alcoa lost anti-dumping case

Heat Treated Plate
2006 - 2010

- R54 million expansion project
- Start up within 17 months
- After tax payback <2 years
- Target 20% of global market
- Covers full interest, depreciation and operating costs at 14% of incremental capacity

2006 Onwards

- The last 20% of capacity growth to 210 000 tons yielding significantly higher levels of profitability
- Established reputation as an independent producer capable of producing high value, demanding products that is an attractive alternative to the major multinationals
- Incremental opportunities to improve sales mix
- Incremental opportunities to grow to 250 000 tons
  - Capital cost per ton of capacity < $1 000 (previous > $3 000)
  - Limited increase in operating costs
- At 250 000 tons, global market share < 2%
- Options for incremental or major expansions for further 200 000 tons at <$2 000 per ton capital cost

African Products

Tongaat-Hulett

Maize Procurement

- Physical maize secured until June 2006
- High proportion of the back-to-back deals for H1 2005 were done at close to import parity price (R900 - R1 000/ton)
- GM free continues to be successfully managed
- Focus on reducing the storage, identity preservation, handling, finance and transport components of total landed maize cost

African Products Favoured by Maize Prices Approaching Export Parity

Update on RSA Maize Surplus:

Opening Stock (end May 05)	3 170
Current Crop	12 000
Maize available:	15 170
Estimated demand	8 000
Exports	1 500
Total consumption:	9 500
Estimated Stock (end May 06)	5 670

Co-Product Pricing

Co-Product	% of H1 2005 Revenue	Major Price Drivers
Germ	4,3	50%: International edible oil price 50%: Local maize
Gluten-60	5,7	International protein (soya, fishmeal) prices
Gluten-20	4,6	Local maize price

Re-energising the Business

Far Reaching Restructuring at all sites:

- New structures designed to be leaner and more focused on key issues
- 290 out of 730 posts made redundant, 200 new posts defined
- Direct savings of R15 million annualised
- Reduced level of contract work

Re-energising the Business

- Reduction in the number of directors
- Reduction in top management layers
- Creation of shared financial services function
- Creation of central production planning function
- Centralisation of procurement
- Consolidation of operations support functions (technical support, projects, etc.)
- Move to on-line quality control by operators
- Re-allocation of new business development to marketing
- Creation of focused function for investigating longer term opportunities

New Business Development Based on Core Products

- Mining - Ongoing development work of Mining Depressants, particularly for Platinum and Base Metals

  Volume growth of 31% for 2005

- Adhesives - Development of starch-based Adhesive Formulations

  3 000 t.p.a. plant erected at Meyerton in 2004

- Carboxymethyl Starch - 200 t.p.a. pilot plant fully utilised

Longer Term Opportunities

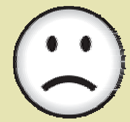
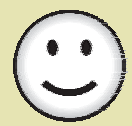
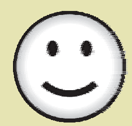
- **Hydropolymers** - **High water-absorbing starch-based Polymer for Agricultural applications.**
- **Nutritional / Healthcare Products** - **Conducting a number of pre-feasibility studies**
- **Starch in Plastics** - **Re-opening investigations into starch-based Plastics for specialised applications**

Tongaat-Hulett Sugar

EU Sugar Reform

- Rationale
  - Enhance competitiveness of EU sugar sector
  - Strengthen EU's negotiating position in WTO
  - Keep EU sugar regime in line with WTO commitments
- Proposals
  - Applicable from 2006/07 to 2014/15
  - 39% price cut beginning 2006/07
  - Voluntary restructuring payments to encourage factory closure and surrendering of quota – financed by levy on quota holders
- Impacts
  - EU sugar production down 7,5 m tons (38%) – virtually no exports
  - Lower ACP/EBA prices – EBA with increased volumes as an offset
    - Transitional assistance extended to affected developing countries
  - Upward pressure on world market raw and white sugar prices
  - Pressure on US and others to reform their sugar sectors

EU Sugar Reform

Markets	Impact on THS	Profit from Operations	% of THS Production
39% reduction in ACP price (Swaziland and Mozambique)		(R18 m)	1% to 2%
US preferential market (Swaziland, Mozambique and South Africa)		-	1% to 2%
39% reduction in EBA price - greater volumes (Mozambique)		R13 m	3% to 4%
Increase in world market price - 0,5c/lb (Swaziland and South Africa)		R12 m	42% to 45%
Domestic market prices (Swaziland, Mozambique and South Africa)		-	49% to 52%

Range in % depending on crop size

Earnings Enhancements

H1 2005	Annualised impact of	
World price – 7,96 USc/lb	9,75 US c/lb	R41m
SA production – 723 000 tons	945 000 tons	R78m
Moz production – 85 000 tons	156 000 tons plus	R40m
Refining value chain initiatives	Unrealised benefits	R36m
Lower overhead/milling costs	Further cost reductions	R13m
WSM plant under construction	WSM plant commissioned	R14m
	Other	R14m
	Annualised improvement in profit from operations	R236m

Milling Capacity Utilisation and Cane Supply Initiatives

South Africa and Mozambique

Tons cane (000)	Installed capacity	Actual crush 2003	Actual crush 2004	Forecast crush 2005	Rainfall effect on 2005 crush	Future loss of cane	Further cane supply initiatives
S.A.	8 685	5 903	6 361	7 016	768	(240)	763
Moz.	1 323	774	766	910	-	-	413
Total	10 008	6 677	7 127	7 926	768	(240)	1 176
%	100%	67%	71%	79%	8%	(2%)	12%

347 000 tons committed, progress on a further 416 000 tons

Further planting to bring to installed capacity

New cane plantings of 315 000 tons included

Tongaat-Hulett Sugar

Progress in Mozambique

	2001	2004	Future
Turnover	R 155m	R 271m	R 600m
Sugar Production - tons (installed capacity)	35 996	84 547	156 000
Sugar Production - tons (including further expansion)	35 996	84 547	246 000
Domestic market volumes - total industry	35 211	127 719	192 000
Preferential market volumes - tons (SACU, USA, EU/ACP and EU/EBA) - total industry	13 504	56 398	114 000
Funding Structures			

Leveraging THS's Technology Leadership

- **World's first white sugar mill (WSM) up and running at Felixton by November 2005 – on time and within budget**
  - 15% of Felixton's cane juice resulting in 36 000 tons of white sugar
- **New WSM co-product development well advanced**
  - Commercialisation possible in 2006
- **International marketing of WSM technology**
  - Technology piloted successfully in Brazil
  - Targeting capital and operating cost reductions to compete with low cost Brazilian refined production
  - Expanding marketing scope into other international markets

Moreland

Sustainable Business Model for Optimising Land Values

- 11 600 hectares prime, well-located land
- Tongaat-Hulett Sugar/ Moreland synergies – operational / balance sheet
- Bulk land value R1,5 bn+
- Moreland added value R1,5 bn+
- 66 employees

Moreland

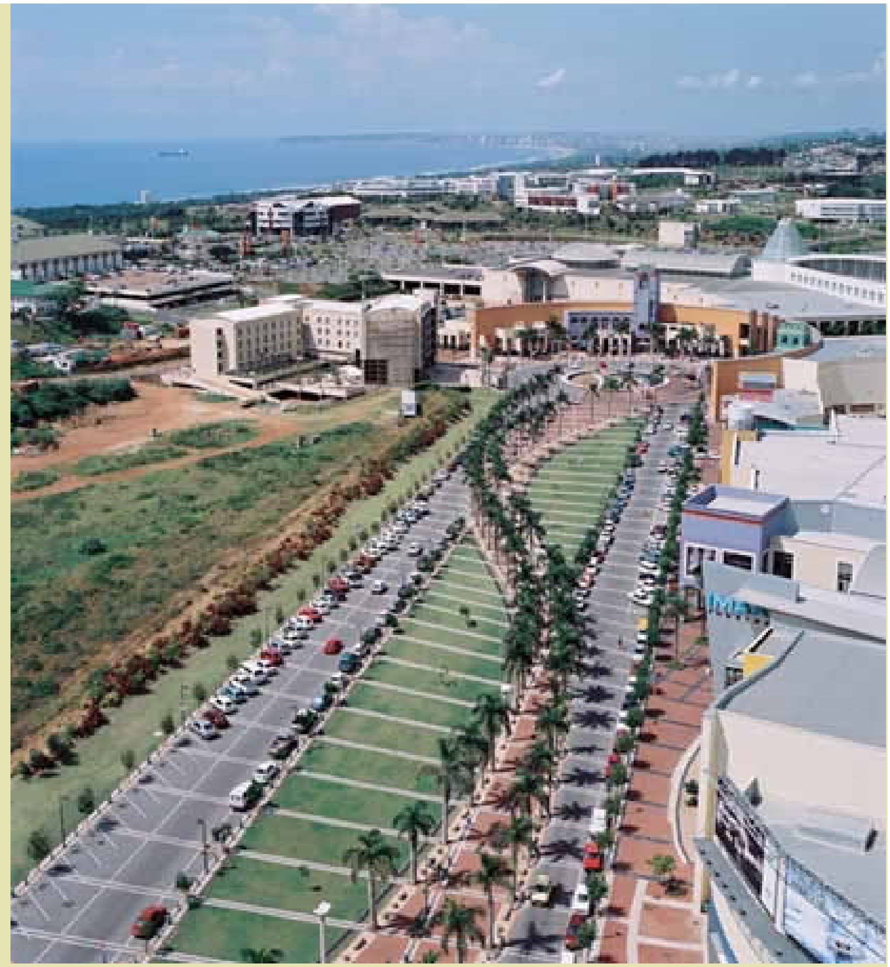
Development Pipeline

- Sound platform established
- 3 catalyst roads now open
- 6 new prime pipeline projects
  - planning approvals within 9 months
  - stock for 06/07 and beyond
- 3 baseline feasibilities completed for longer term

Moreland

Extension of Umhlanga Ridge New Town Centre

- **Mixed use – new urban concepts**
- **1 000+ apartments under development**
- **Launch of residential apartments precinct in H2 2005**
- **Customers constructing 100 000m^2 bulk in 2005 – including further Gateway expansion**
- **Phase 1 commercial sold out**
- **Phase 2 commercial launch in early 2006**
  - North of Gateway
  - Comprising 400 000 m^2 bulk land



UMHLANGA RIDGE
NEW TOWN CENTRE

Moreland

Executive Village
La Lucia Ridge

- Last bulk site in La Lucia Ridge - 18 hectares
- 350 potential residential units
- Anticipated H2 2005
- Operating profit >R30m

Moreland

Sibaya Node

- Umdloti Beach and Umhlanga River frontage
- N2 and M4 direct access
- 800 hectares
- R800m Afrisun Sibaya Entertainment World catalyst - performing above projections/ 2nd Hotel (110 rooms) under construction
- 5 prime hotel sites / EIA / planning approval 2005
- H2 2005 operating profit from 3 suspensive deals >R60m

Moreland

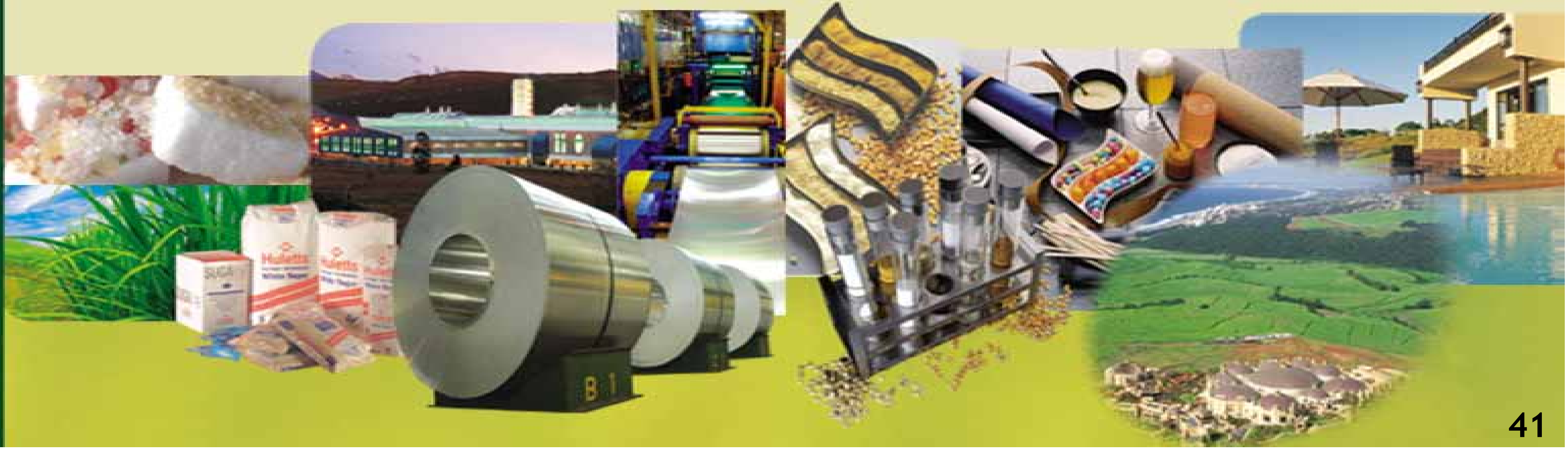
Umhlanga Triangle

- 140 hectares, four precincts
- Planning, design and layout being finalised
- 3 000+ potential residential units
- Hotels/Offices - bulk 250 000m^2
- Large conditional hotel deal signed - possible end 2005 early 2006

Moreland

Tongaat-Hulett

Information Pack



Tongaat-Hulett

Hulett Aluminium

- Operating profit growth reflects progress being made in growing volumes, improving the sales mix and reducing costs
- Increased demand favours Hulett Aluminum - independent from the multinational producers with strong product range
- Optimum allocation of capacity to excess sales opportunities an on-going priority

Tongaat-Hulett

Hulett Aluminium

Hulett Aluminium

	H1 2005	H1 2004	FY 2004
Average R/US$	6,21	6,67	6,44
Sales volumes - Rolled Products (t)	85 300	70 800	144 000
- Other	9 050	8 800	18 200
- Total	94 350	79 600	162 200
Revenue (Rm)	2 010	1 638	3 343
Operating profit (Rm)	180	88	148

Rolled Products Sales Growth

Sales Volumes	(000 tons)	% Increase
2000	85	7
2001	91	7
2002	105	15
2003	130	24
2004	144	10
H1 2005 *	172	19

- *Annualised
- All products developed for specific customers and applications

Enhanced Sales Mix

- Increased value-added exports by customers contributed to local market sales growing by 24%
- From a zero base, clad sales grew to 12% of local sales in 2004, are expected to double in 2005, and then double again by 2007
- Sustained growth in direct export sales of high value, more demanding products, including:
  - Can end stock export sales almost trebled over the two years to December 2004 and are expected to double again by 2007. H1 2005 sales are up 37%
  - Closure sheet exports up 25%, and are targeted to grow by more than 50% above 2004 levels by 2007
  - Heat treated plate exports up 15%, capacity expansion initiatives underway

Reduce Conversion Costs

- Increase in total rolled products conversion costs limited to less than 3%. Conversion costs per ton reduced by 15% as output grows.

- Total energy cost increases limited to 11% despite the 34% increase in gas prices and 20% volume increase

- Metal premium and recycling costs per ton reduced by 35%

Industry Climate

- North American and Asian markets bouyant, with improved rolling margins
- European market still quiet
- Competitor dynamics
  - Alcoa consolidating recent acquisitions and upgrading loss-making Russian mills
  - Novelis provides focus on rolled products profitability
  - Chinese demand and production growing in global importance

African Products

- Africa's largest manufacturer of starch and glucose
- Strong Southern African market position
- Starch is one of nature's most versatile raw materials
- Leads to new product development opportunities

African Products

Tongaat-Hulett

Implementation of New Maize Procurement and Product Pricing Model Completed

- All procurement in H1 2005 undertaken on new back-to-back pricing model
- Earnings volatility from maize valuations has been eliminated
- The maize price moving towards export parity, as a result of the maize surplus in South Africa, started benefiting the business significantly from May 2005
- Maize up to April 2005 priced at levels close to import parity; maize for remainder of 2005 priced at levels closer to export parity

Reduce Costs

- Major restructuring exercise underway at all sites relating to manning levels and skills, with expected savings of R15 million per annum from 2006
- Alternative storage systems for maize being investigated with 25 000 tons currently in progress
  - Projected savings of R5 million per annum in storage and GMO testing costs on total maize procurement
- Improvements in quality and grading systems for maize implemented at the Germiston mill
  - Implementation at other mills will amount to annual savings of R5 million

Grow Volumes

- Good progress in retaining and regaining volumes lost to imports has continued in 2005
- Local market volumes grew 3,6% to 183 500 tons in H1 2005
- Pre-feasibility studies for new products produced from agricultural raw materials have been concluded
- Good progress in adhesives and mining new product initiatives made in H1 2005

Volume Data

Volume	H1 2005	H1 2004	FY 2004
Local Starch	40 874	40 751	83 705
Local Glucose	142 642	136 335	290 881
Total Local	183 516	177 086	374 586
Export Starch	16 034	14 118	35 116
Export Glucose	10 841	12 633	17 806
Total Exports	26 875	26 751	52 922
Co-Products	73 045	73 945	148 428
Total	283 436	277 782	575 936

Financial Data

Rmillion	H1 2005	H1 2004	FY 2004
Revenue:	617	652	1 347
Domestic	467	466	983
Exports	60	65	126
Co-Products	90	121	238
Operating Profit	32	7	43
Maize procurement contracts valuation	-	18	18

Tongaat-Hulett

Tongaat-Hulett Sugar

- Powerful Huletts and other leading SADC sugar brands
- World leader in process design and technology
- Installed capacity for 1,5 million tons raw sugar production
- Year round refining and packing capability of 700 000 tons p.a.
- Well positioned value-added animal feeds business

Tongaat-Hulett Sugar

Move to a leaner and more decentralised management approach and reduce head office overheads by 50%

- Flatter management structure achieved throughout the organisation, with levels of management removed
- Closure of the sugar head office completed and La Lucia building sold
- Downsizing of centralised services completed
- Maputo office costs eliminated
- Cost savings for H1 2005 of R6 million vs H1 2004
- Estimated 2005 savings of R24 million against 2003 benchmark year

Milling costs targeted to be reduced by 10%

- Reorganisation of the South African milling operations from five mill structures to two regional business units completed
- Service and operating functions rationalised
- Savings for H1 2005 of R7 million vs H1 2004
- Estimated 2005 savings of R25 million against 2003

Increase benefits from refining value chain

- Benchmarking exercise concluded and action plans developed
- Multiple manufacturing improvement projects currently underway
- Restructure of central refinery taking place in 2005
- 118 posts made redundant
- More value realised from the Huletts® brand and value added products such as EquiSweet®
- Earnings enhancements of R24 million in H1 2005 vs H1 2004
- Benefits of up to R80 million per annum targeted

Leverage technology base and improve its commercial capabilities, focusing on future growth opportunities

- World's first white sugar mill (WSM) at Felixton mill to be commissioned in November 2005 with expected benefits of R14 million per annum
- Technology piloted successfully in Brazil
- Targeting capital and operating cost reductions to complete with low cost Brazilian refined production
- Expanding marketing scope into other international markets
- New WSM co-product development well advanced with commercialisation possible in 2006

Optimise capacity utilisation at all mills through cane supply initiatives in South Africa

- Closure of the Entumeni mill with the diversion of cane to the Amatikulu mill completed
- Additional cane supplies of 662 000 tons per annum contracted
  - 315 000 tons to be crushed in 2005
  - 347 000 tons contracted for future years
- Progress on further cane supplies of 416 000 tons
- Benefits of cane initiatives to flow from H2 2005
- Investigating further cane supply initiatives going forward

Achieve a turnaround in Mozambique

- Improvement of R12 million in H1 2005 headline earnings vs H1 2004
- Reorganisation of funding structures successfully completed
- Production of 109 000 tons sugar targeted for 2005, an increase of 28% over 2004, towards full capacity of 156 000 tons by 2008

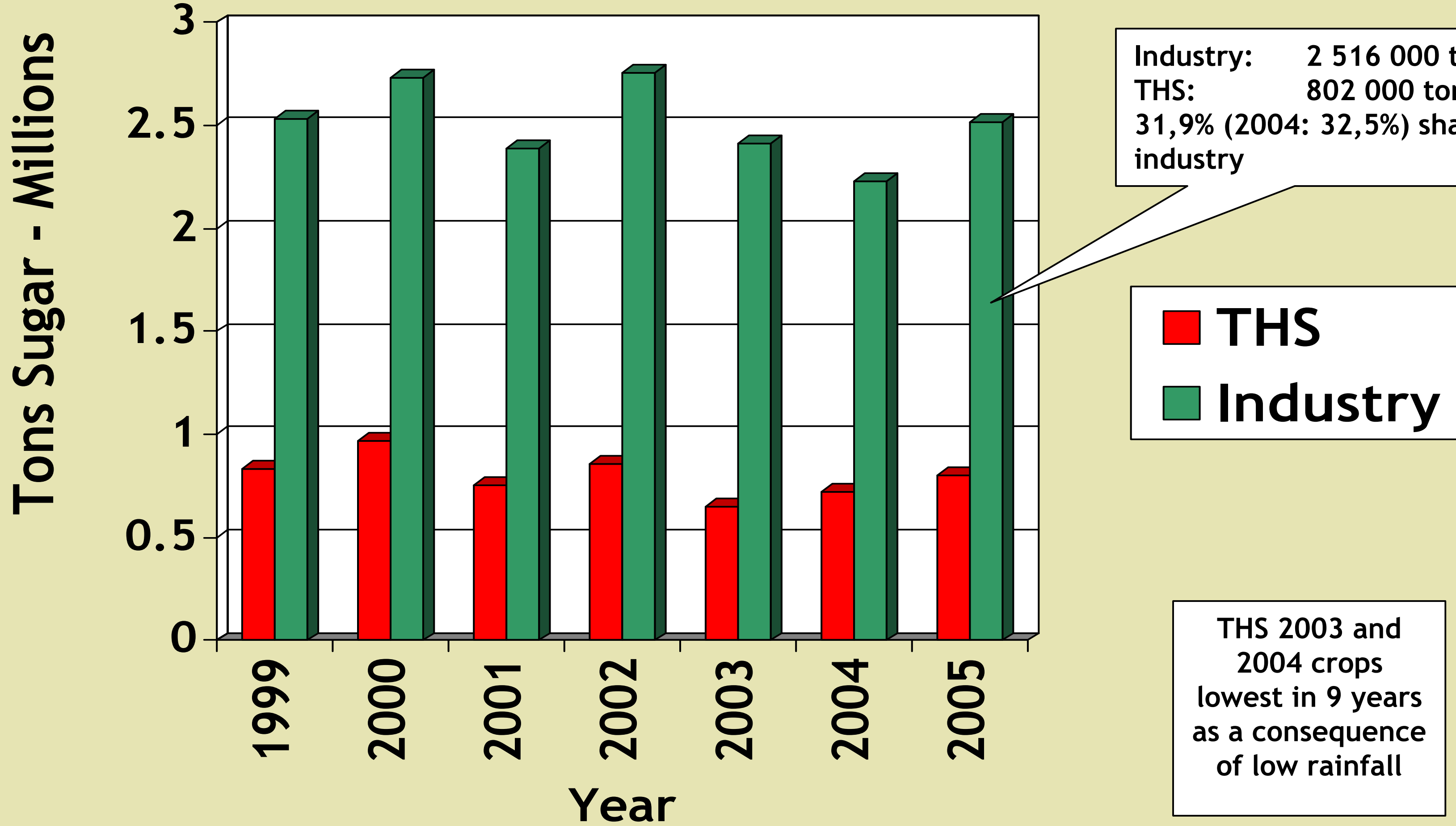
Proactively manage Triangle in Zimbabwe

- Operations continue to remain profitable in difficult circumstances
- Production of 250 000 tons sugar targeted for 2005, an increase of 13% on 2004

Sugar Production

Tons '000	2000	2001	2002	2003	2004	2005	Installed capacity
South Africa	969	755	860	652	723	802	974
Mozambique	39	36	71	82	85	109	156
Swaziland RSE	41	45	50	54	50	52	55
Zimbabwe	282	264	296	264	222	250	315
Total	1 331	1 100	1 277	1 052	1 080	1 213	1 500
% of Capacity	89%	73%	85%	70%	72%	81%	100%

SA Sugar Production



Industry: 2 516 000 tons
THS: 802 000 tons
31,9% (2004: 32,5%) share of industry

THS 2003 and 2004 crops lowest in 9 years as a consequence of low rainfall

Total Volumes THS (SA)

Tons sugar	H1 2005	H1 2004	FY 2004
Opening stock	333 361	276 598	276 598
Production	231 866	166 001	723 686
Prior season adjustment	(540)	(455)	(455)
Sugar purchased in	14 110	49 554	89 819
Sales	(388 110)	(332 112)	(756 287)
Closing stock	190 687	159 586	333 361

Domestic Volumes THS (SA)

Tons sugar	H1 2005	H1 2004	FY 2004
Opening stock	194 581	175 607	175 607
Production	111 743	87 446	394 979
Prior season adjustment	(2 010)	(1 459)	(1 459)
Sugar purchased in	14 110	49 554	89 819
Sales	(215 430)	(211 767)	(464 365)
Closing stock	102 994	99 381	194 581

Export Volumes THS (SA)

Tons sugar	H1 2005	H1 2004	FY 2004
Opening stock	138 780	100 991	100 991
Production	120 123	78 555	328 707
Prior season adjustment	1 470	1 004	1 044
Sales	(172 680)	(120 345)	(291 922)
Closing stock	87 693	60 205	138 780

Raw Sugar Export Realisations

South Africa

Raw Sugar	H1 2005	H1 2004	FY 2004
Price in US c/lb*	7,96	6,87	7,27
Average Rand/US$	R6,61	R7,64	R7,01
Average Rand realisations per ton	R1 316	R1 243	R1 231

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

Tongaat-Hulett Sugar

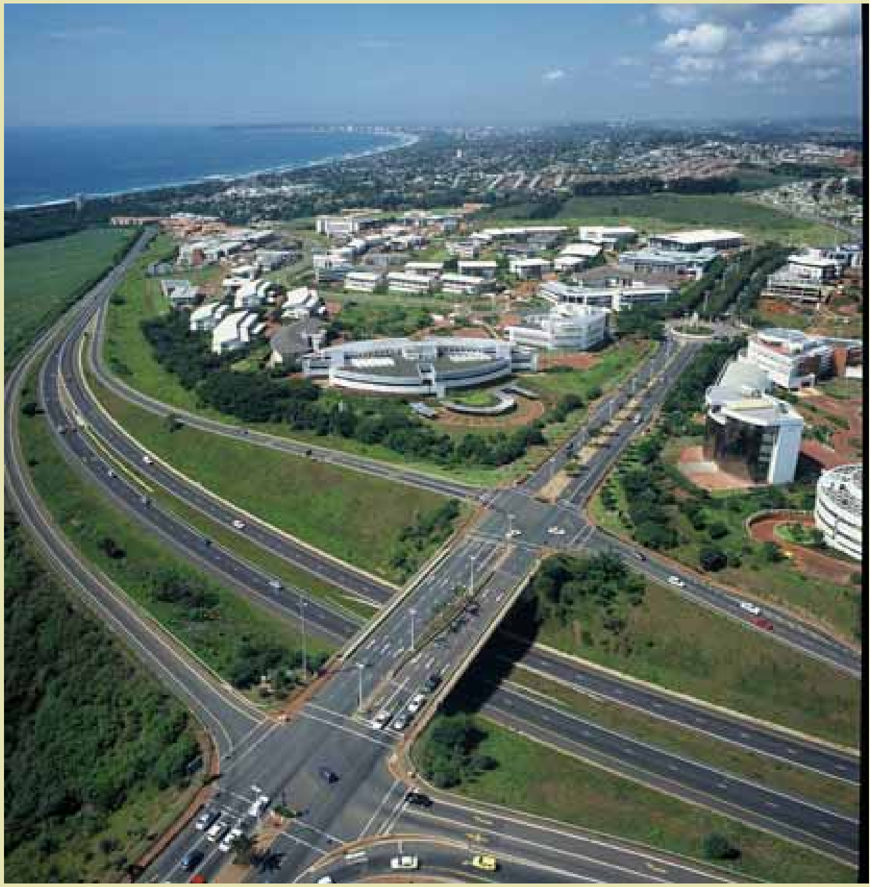
Value-adding activities

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

Moreland

Tongaat-Hulett

- Capitalising on the solid platform of globally benchmarked developments in strong property market
- Critical mass with co-ordinated planning, quality developments and marketing benefits
- Good track record of delivery, including partnerships
- Niche and world-class projects
- Continuing property market strength
- Moreland and project brands well established



Property market dynamics

- KZN / Durban economy unshackled from Cinderella status
- Low interest rates
- Strong growth potential
- Increasing government infrastructural spend – 2010 World Cup
- Continuing market demand – broadening
- Rising prices – 04/05 at 24% (03/04 at 35%)

Unlocking development pipeline to sustain earnings

- Unlocking the Sibaya node, La Lucia Ridge Executive Village, Umhlanga Triangle, Umhlanga Ridge New Town Centre residential precinct, Kindlewood (Mt Edgecombe South) in 2005
- Good stock levels for 2005 H2, 2006 and beyond
- Baseline feasibilities completed for Shongweni, Izinga, Cornubia, Sibaya, Zimbali Lakes and Tinley Manor nodes
- Negotiations underway for 5 large transactions, including hotels, exceeding R100m operating profit - late 2005 / early 2006
- IFA's investment in 200-room, 5-star hotel and appointment of signature golf course designer for Zimbali Lakes; construction to commence in 2006

Expanding the business model

- Further expanding international customer base
- Strong earnings growth in Afrisun KZN (Sibaya Entertainment World - 4,5% equity) and Zimbali estate agency
- New large deals include options to participate in downstream development opportunities.
- Several joint ventures with other partners (in particular BEE) being explored.
- Big 5 golf and game development JV agreement signed, business plan being compiled

Moreland

Izinga Ridge Umhlanga

- 405 hectares (gross)
- 2 000+ residential units:
- New phases being unlocked in 2005 to 2007

Izinga Ridge

Moreland

RiverHorse Valley Business Estate

- Development: 100 ha
- Straddling N2 at Effingham
- Total investment: R1,6 billion
- eThekwini Municipality's link road now open
- First phase sold out / new stock being created
- Excellent H1 2005

PPP with eThekwini Municipality

Moreland

Zimbali

- Approximately 400 hectares unsold
- M4 highway moved on time/within budget
- Oceanview Hotel (125 rooms) - under construction - to open mid 2006
- IFA's 200 room, 5-star hotel and signature golf course in Zimbali Lakes operational by 12/07

Moreland

Tongaat-Hulett

Tongaat-Hulett