



Tongaat Hulett
Half-year 2008



FINANCIAL RESULTS

Half-year to 30 June 2008

- Revenue up 28% to R3,1 billion
(H1 2007: R2,4 billion)
- Profit from operations up 44% to R443 million
(H1 2007: R308 million)
- Headline earnings of R252 million
(H1 2007: headline loss of R155 million, including the once-off corporate structuring and BEE equity transaction costs)
- Interim dividend of 160 cents per share
(2007 interim dividend: 150 cents per share)

Profit from Tongaat Hulett Operations

R million	H1 2008	H1 2007	FY 2007
Starch	103	37	105
Land and Property Developments	115	127	428
Sugar	218	167	307
Triangle dividend	35	-	53
Centrally accounted costs	(28)	(23)	(55)
Total	443	308	838

Starch Operations	H1 2008	H1 2007	FY 2007
Operating profit (Rm)	103	37	105

- Improvement in starch and glucose margins
 - Increases in international starch and glucose prices
 - High international maize prices encouraged local maize plantings
 - 11,6 million ton SA crop
 - Local maize prices trading close to world prices
- Domestic sales volume growth of 2,4%
 - Recovery of volumes in coffee creamer sector previously supplied by imports
- Protein for animal feeds and edible oil shortages internationally lead to improvement in co-product prices

Land and Property Developments	H1 2008	H1 2007	FY 2007
Operating profit (Rm)	115	127	428
Capital profit (Rm)	15	5	48

- Land sold in H1 2008 - 15 developable hectares

Umhlanga Ridgeside, Umhlanga Ridge Town Centre, Zimbali Coastal Resort and
Kindlewood

- Valuable land —> attractive profitability per hectare
- Residential property market affected by current difficult economic climate
- Limited stock of unconditional saleable land

Sugar Operations	H1 2008	H1 2007	FY 2007
Operating profit (Rm)	253	167	360

- Triangle dividends of R35 million brought to account (H1 2007: Nil)
- Increased contributions from : Swaziland, Botswana, Mozambique and the Animal Feeds operations
- 5 major operations in Mozambique, Swaziland and Zimbabwe contributed R141 million (H1 2007: R67 million) to operating profits
- 2007 SA crop (604 000 tons) lowest in 12 years
 - Increased cost per ton of sugar in H2 2007 and H1 2008
 - Lower export stocks carried forward into H1 2008
- Exports from SA : 66 000 tons (H1 2007 : 84 000 tons)
 - Sold at effective world sugar price of 10,8 USc/lb at average R7,50/US\$ (H1 2007: 14,4 US c/lb at average R6,70/US\$)
- Fire at refinery – comprehensively insured

Other Income Statement Items

- **Finance costs**
 - R85 million (H1 2007: R37 million)
 - Increased borrowings and higher interest rates
- **Tax**
 - Tax rate change 29% → 28%
R22 million release from deferred tax

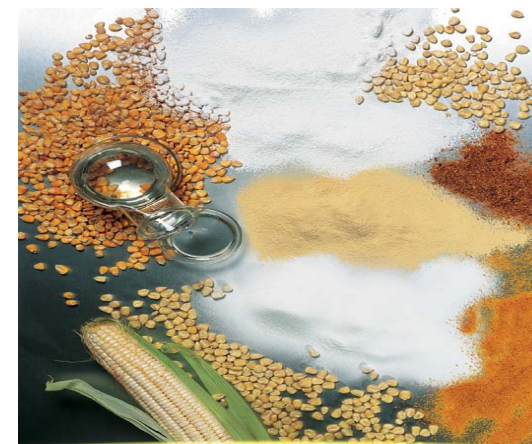
Cash Flow and Balance Sheet

- Cash inflow from operations :
 - Cash generated R359 million
 - Tax payments - R99 million
 - Working capital - R73 million
 - R187 million
- Capital expenditure : R638 million
- Tongaat Hulett net borrowings : R1,839 billion
- BEE SPV's consolidated non-recourse equity settled borrowings : R803 million



International Maize Stocks Are Declining

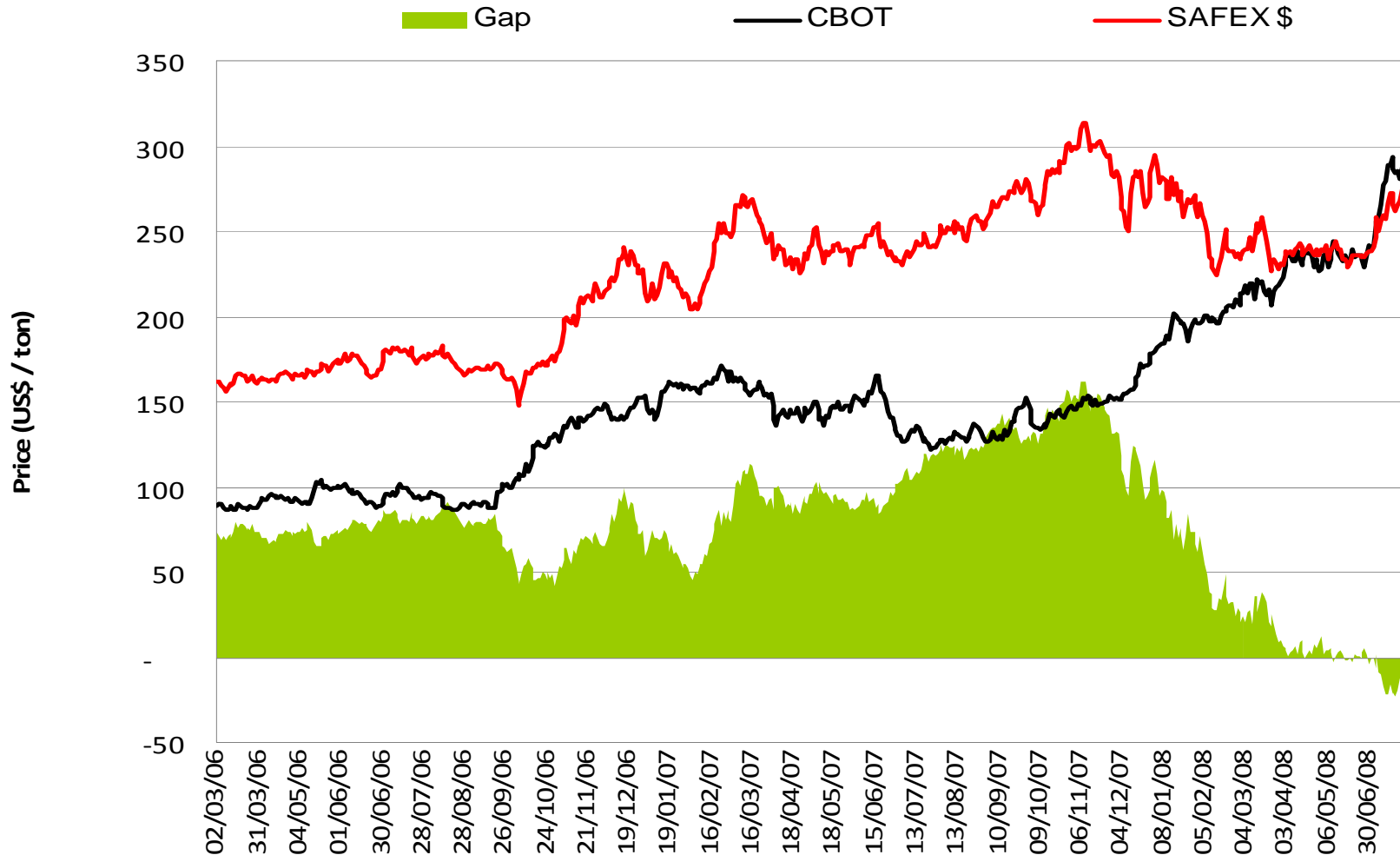
World Corn Production and Consumption *			
	2004/2005	2008/2009 July Estimate	Change
Total production	716 million tons	775 million tons	8%
Total consumption	689 million tons	794 million tons	15%
Ending stocks	132 million tons	105 million tons	(20%)



* Source – USDA July 2008

A More Competitive SA Maize Price

Maize cost **65%** of average June 2008 starch selling price



Starch And Glucose Exports

- Growing demand for starch and glucose products
- Global excess capacity diminishing
- Trading Operation in Australian markets in its second year

Growth in Exports		
	Tons	Indicative EBIT
2007	19 225	-
2008	37 000	R36 million
2009	60 000	> R50 million

Animal Feeds and Edible Oils – Growth Sector

- Turnover now exceeds R1 billion per annum
- Beneficiation from sugar and starch by-products
 - Voermol Feeds (molasses, bagasse and maize)
 - Germ, Gluten 20 and Gluten 60 (co-products for maize wet millers)



Value Creation out of Agricultural Land Conversion



La Mercy Airport July 2008

Sales Over Next 5 Years

	Gross Hectares	Developable Hectares
2½ years to end 2010	401	258
2½ years after 2010	625	420
Total 5 year period	1 026	678
View February 2008	1 416	893



Breakdown Of Sales to End 2010

Categories	eThekwini (hectares)	KwaDukuza (hectares)	Total (hectares)	%
Mixed use / office / commercial	24	4	28	11%
Affordable Housing	27	2	29	11%
Residential	21	9	30	12%
Special use / institutional / hotel	19	18	37	14%
Industrial / business park / logistics	64	70	134	52%
Total	155	103	258	100%

Special Use Land Developments

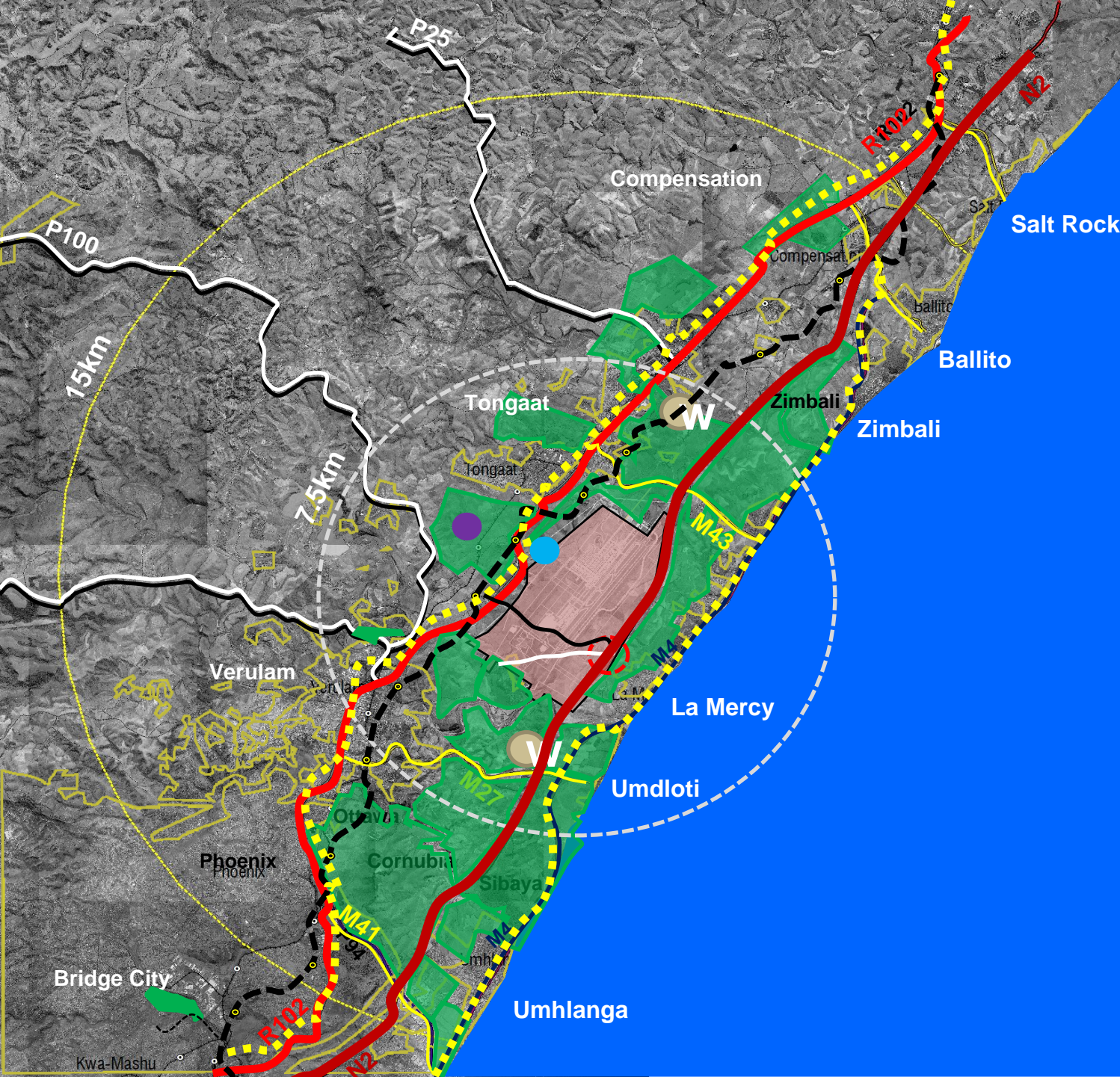


Industrial / Business Park / Logistics Potential

Durban and the North Coast

- **Pent up demand**
 - Supply side constraints
 - Low vacancies
- **New airport**
 - Increased industrial demand
 - Relocation to the north coast
- **15% premium on rentals with airport proximity**
- **Air cargo**
 - Durban international – 6 500 tons
 - OR Tambo – 260 000 tons





KZN north coast corridor


 Dube Trade Port
R7,2 billion

 TH Landholdings

 N2 Interchange
R180 million

Upgrade R102 – South of
Airport - R550 million

 Waste Water Works
R124 Million

 Water
R22,1 million

 Electricity
R30,3 million

Saleable Land with Unconditional Development Rights (Developable ha) – out of 14 500 ha

- End H1 2008 69 ha
- Targeted stock levels end 2010 +- 834 ha
- Anticipated sales to end 2010 258 ha
- Converted to land with unconditional development rights 1 023 ha



Land Acquisitions



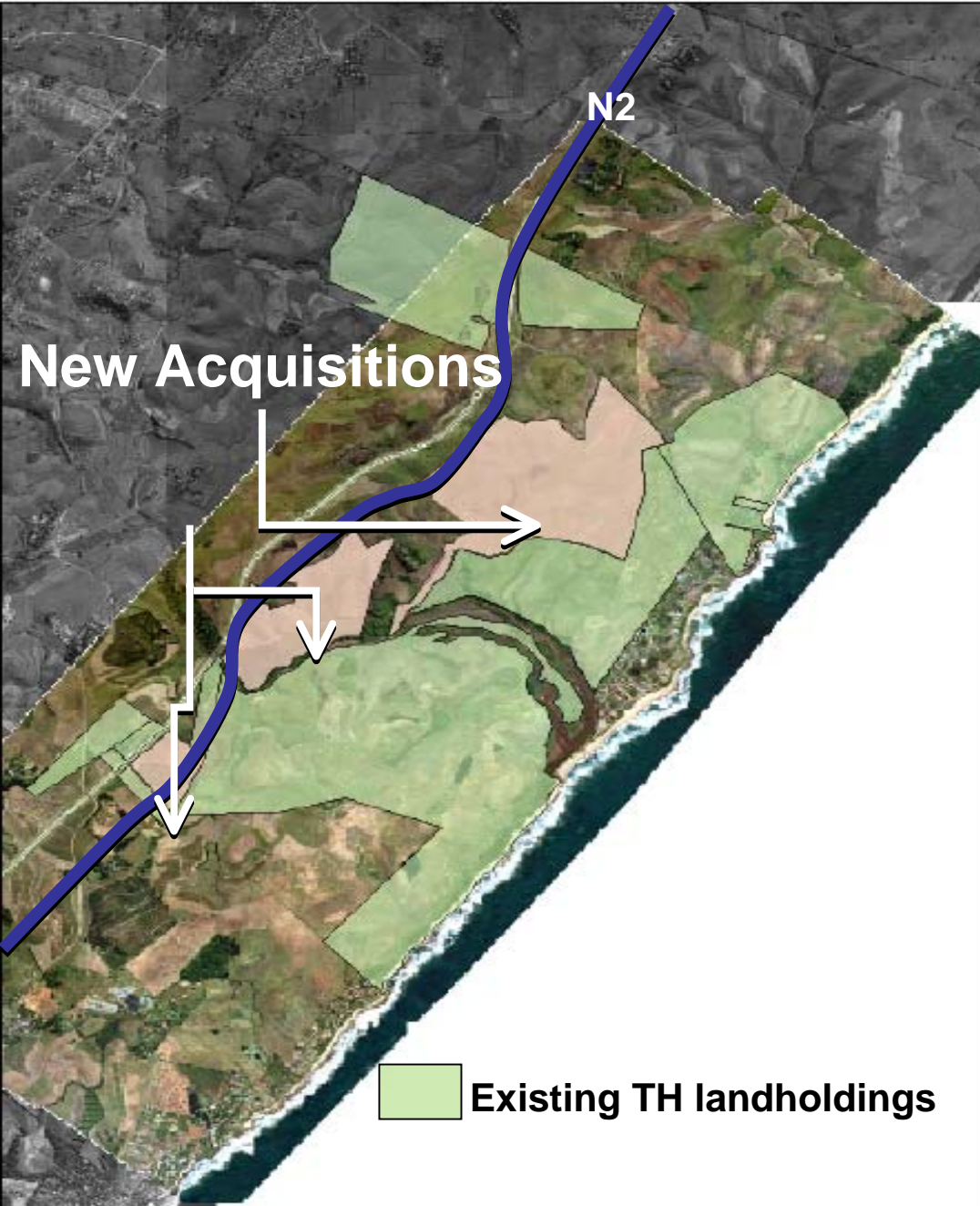
Aberfoyle and Tinley Manor

Aberfoyle



- Purchase price – R15 million
- Gross extent – 324 hectares
- Price per gross hectare – R46 000
- Developable extent – 165 hectares
- Price per developable hectare – R91 000

Tinley Manor



- Purchase price – R56 million
- Gross extent – 201 hectares
- Price per gross hectare – R278 000
- Developable extent – 161 hectares
- Price per developable hectare – R348 000

Value Creation out of Agricultural Land Conversion



Tinley Manor

Zinkwazi / Thukela



February 2008

Developments within 5 years

(1 416 Gross Ha → 893 Developable Ha)

- Bulk transfer value of cane land **R 744m**
- Expected operating profit contributions **R2 470m**

Bulk land : developments 5 years +

(12 599 Gross Ha → 8 042 Developable Ha)

- Current market value as agricultural land with development potential **R2 777m**
- Expected operating profit **R ?**

- Money of today
- Capital gains tax on bulk transfer value
- Globally prime coastal land shows real appreciation that exceeds the time value of money over long-term

July 2008

Developments within 2¹/₂ years to end 2010

(401 Gross Ha → 258 Developable Ha)

- Bulk transfer value of cane land **R 192m**
- Expected operating profit contributions **R832m**

Developments in 2¹/₂ years after end 2010

(625 Gross Ha → 420 Developable Ha)

- Bulk transfer value of cane land **R 257m**
- Expected operating profit contributions **R1 104m**

Bulk land : developments 5 years +

(13 460 Gross Ha → 8 578 Developable Ha)

- Current market value as agricultural land with development potential **R2 551m**
- Expected operating profit **R ?**



EU Sugar Market – Update on Structural Changes

EU Reference Price (€ per ton)		
Season	Raw Sugar (EU)	Refined Sugar (EU)
Past 15 years to 2007	496,80 (US\$ 35,6 c/lb)	631,90
2009 up to 2015	335,20 (US\$ 24 c/lb)	404,40

Forecasted Supply Balance (million tons)				
Season	Production	Imports	Exports	Demand
2005 / 2006	20,1	1,6	5,2	16,5
2007 / 2008	16,2	1,7	1,4	16,5
2009 / 2010	13,0	3,5	0	16,5

- Imports 2009 / 2010
 - LDC – 1,9 million tons
 - ACP – 1,6 million tons
- Tongaat Hulett in base load negotiations with 6 short listed customers

Mozambique - Latest Sugar Production Expectation

Tons Per Annum	2007 Actual	2008 Forecast	2009 Forecast	2010 Forecast
Xinavane	67 000	75 000	180 000	208 000
Mafambisse	41 000	59 000	84 000	91 000
Total	108 000	134 000	264 000	299 000

- **Current Expansions**
 - **Xinavane expansion**
 - Plant-up of cane on schedule
 - Start-up of revamped factory scheduled for April 2009
 - Mafambisse plant-up of cane to be completed in August 2008



Mozambique Operating Profit Potential > US \$50 million

- TH Share > US \$45 million
- 292 000 tons
- Consolidated production costs
 - 10,75 US c/lb
- 84% of cane produced by Tongaat Hulett
- Average ex-factory raw sugar realisation – 20,0 US c/lb
 - EU/USA market
 - Domestic market
- Export cost to market – 5,0 US c/lb



Mozambique Ethanol Project – Feasibility Study

- MOU signed with COFOMOSA Farmers Association
- Cane Estates at Moamba approximately 60 km from Xinavane Mill
- Project allocated 29 000 hectares of land
- Project would initially entail an area of 10 000 hectares under cane
 - **Water rights allocated**
- Production of 1 090 000 tons of sugar cane
- Plant would produce 105 million litres of ethanol per annum
- Capital cost = R1,7 billion



UPDATE ON ZIMBABWE

Zimbabwe Outgrowers

- Currently > 500 growers
- Farming model being established
 - In 2008 entails 15 670 hectares
 - Current average yield 30 TCPH (Tons Cane Per Hectare)
 - Target yield > 100 TCPH
- Sugar gap currently 138 617 tons



Fast Track Outgrower Rehabilitation

	2008	2009	2010	2011
Cane Production (tons)	475 238	629 660	1 065 912	1 567 000
Sugar Production (tons)	57 258	76 502	131 351	195 875

South African Sugar Industry



Focus Is On Structural Changes

Power Generation



Tongaat Hulett's Realistic Short-term Capabilities

- Felixton, Amatikulu, Maidstone / Darnall and Xinavane
 - **Excluding tops and trash**
- Capex – R26 million per MW
- Timeline 30 months

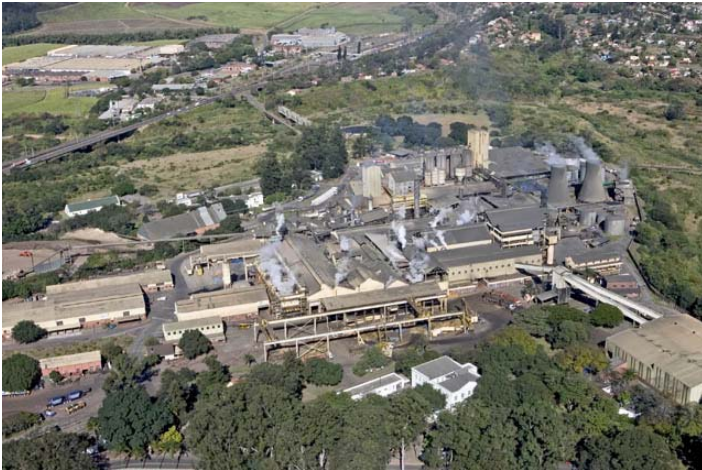
Power contribution to grid	In season	Out of season
	106 MW	75 MW
	554 GWh	172 GWh



Including Tops and Trash

- Felixton, Amatikulu, Maidstone / Darnall and Xinavane
- Timeline 3 – 7 years

Power contribution to grid	In season	Out of season
	266 MW	218 MW
	1 416 GWh	501 GWh



Impact of EU Access On SA Sugar Industry

- Swaziland industry currently = limited access to EU via Cotonou Agreement

Effect October 2009 likely to become unlimited access

(€335,2 = US\$ 24 c/lb, delivered EU raw sugar)

- Swaziland supplies 320 000 tons to the SA local sugar market annually
- SA industry exports the additional 320 000 tons to dumped World sugar market
- Swaziland access at US\$ 14c/lb = **R500 million** reduction in revenue to SA sugar industry



Conversion of SA Export Sugar to Ethanol

Oil Price	Revenue from Ethanol	Net additional Contribution
US \$90	R1,7 billion	R600 million
US \$120	R2,2 billion	R1,1 billion

Based on

- World sugar price US 14 c/lb
- SA exports of raw sugar
 - 500 000 tons per annum (Swaziland excluded)
- 280 million litres of fuel ethanol per annum
- Ethanol plant capital cost
 - R6 million for 1 million litres per annum



Liquid Fructose



ADDITIONAL INFORMATION

Starch Financial Data

Rmillions	H1 2008	H1 2007
Revenue:	999	741
Domestic	743	574
Exports	50	29
Co-Products	206	138
Underlying Operating Profit	103	36
Valuation Adjustments	0	1
Operating Profit	103	37

Starch and Glucose Volume Data

Volume (tons)	H1 2008	H1 2007
Local Starch	47 348	46 130
Local Glucose	163 198	159 458
Total Local	210 546	205 588
Export Starch	6 612	5 059
Export Glucose	3 967	3 835
Total Exports	10 579	8 894
Co-Products	76 302	72 549
Total	297 427	287 031

Value of land for development within 2½ years to end 2010

Locality	Gross Extent (Ha's)	Developable (Ha's)	Affected by gazetted land claims (Gross Ha's) #	Bulk transfer value (Rm)	Expected operating profit contribution (Rm)
eThekwini:					
Umhlanga Ridge Town Centre	8	8		4	54
Umhlanga Ridgeside	32	18		52	129
Izinga	14	10		2	10
Canelands	28	21		4	138
Sibaya / Mdloti	21	14		11	108
Kindlewood	14	11		1	31
RiverHorse Valley Business Estate *	3	3		2	10
Bridge City *	7	5		1	28
Cornubia	59	41		29	115
Mt Moreland / Inyaninga (La Mercy)	11	7		3	11
Mount Moriah	2	1		1	10
Mt Moreland (town)	3	3		1	2
Aberfoyle	26	13		3	4
Total in eThekwini	228	155		114	650
KwaDukuza:					
Compensation Flats	109	70	109	33	105
Zimbali Lakes *	58	29		41	47
Zimbali West *	4	2		3	29
Zimbali South *	2	2		1	1
Total in KwaDukuza	173	103	109	78	182
Total Developed within 2½ years before 2010	401	258	109	192	832

* Tongaat Hulett's share

Proof of ownership before 1913

Value of land for development within 2¹/₂ years from end 2010

Locality	Gross Extent (Ha's)	Developable (Ha's)	Affected by gazetted land claims (Gross Ha's) #	Bulk transfer value (Rm)	Expected operating profit contribution (Rm)
eThekwini:					
Umhlanga Ridge Town Centre	7	7		4	47
Umhlanga Ridgeside	15	15		24	108
Izinga	42	34		7	34
Sibaya / Mdloti	41	28		21	217
Kindlewood	28	21		1	58
Bridge City *	8	5		2	27
Shongweni (Assagay)	58	28		27	102
Cornubia	119	82		60	229
Mt Moreland / Inyaninga (La Mercy)	69	43		20	66
Mount Moriah	1	1		1	10
Mt Moreland (town)	3	3		1	2
Aberfoyle	52	27		5	8
Total in eThekwini	443	294		173	908
KwaDukuza:					
Compensation Flats	109	70	109	33	104
Zimbali Lakes *	73	56		51	92
Total in KwaDukuza	182	126	109	84	196
Total Developed within 2¹/₂ years after 2010	625	420	109	257	1 104

* Tongaat Hulett's share

Proof of ownership before 1913

Bulk value of land for development : 5 years +

Market value as bulk agricultural land with development potential

Locality	Gross Extent (Ha's)	Developable (Ha's)	Affected by gazetted land claims (Gross Ha's) #	Value per developable Ha (Rm)	Bulk Value (Rm)
eThekwini:					
Umhlanga Ridge Town Centre	12	12		0.500	6
Umhlanga Ridgeside	73	53		2.223	118
Kindlewood School Site	10	6		0.339	2
Izinga – future	146	116		0.179	21
Sibaya / Mdloti	739	323		0.664	215
Shongweni – future	1 992	947		0.244	231
Cornubia – future	1 040	717		0.301	216
Mdloti North	278	253		0.456	115
Mount Moreland	1 191	827		0.179	148
Inyaninga	1 047	650		0.201	130
La Mercy Beach	741	556		0.221	123
Dudley Pringle Dam	657	329		0.166	55
Westbrook *	340	220		0.640	141
Waterloo (Sibaya West)	764	573		0.277	159
Amanzimnyama Hill	773	618		0.156	96
Aberfoyle	246	125		0.163	20
Sub Total	10 049	6 325			1 796
KwaDukuza:					
Pencarrow (Compensation Flats)	97	62		0.364	23
Nonoti / Zinkwazi	630	383		0.410	157
Tinley Manor	1 029	732	458	0.502	368
Tugela (Thukela)	1 655	1 076		0.192	207
Sub Total	3 411	2 253	458		755
Total Dev land 5 yrs +	13 460	8 578	458		2 551

* Tongaat Hulett's share

Proof of ownership before 1913

Reconciliation of Total Hectares of Prime Land

	Gross Extent (Ha)	Developable (Ha)
Opening Balance – beginning 2008	14 015	8 935
Land purchased 2008	532	330
Land sold 2008	(24)	(15)
Adjustment in respect of open spaces and roads	(37)	6
June 2008	14 486	9 256

Saleable Land with Unconditional Development Rights (Developable ha) – out of 14 500 ha

Locality	Stock at June 2008 (Ha's)	Additional land acquiring unconditional development rights (Ha's)
eThekwini:		
Umhlanga Ridge Town Centre	4	23
Umhlanga Ridgeside	11	39
Izinga	10	99
Canelands		21
Sibaya / Mdloti		125
Kindlewood	32	
RiverHorse Valley Business Estate *	1	2
Bridge City *	7	3
Shongweni (Assagay)		50
Cornubia		206
Mt Moreland / Inyaninga (La Mercy)		80
Mount Moriah	2	
Mt Moreland (town)		6
Aberfoyle		80
Total in eThekwini	67	734
KwaDukuza:		
Compensation Flats		202
Zimbali Lakes *		85
Zimbali West *	1	2
Zimbali South *	1	
Total in KwaDukuza	2	289
Total	69	1 023

* Tongaat Hulett's share

Umhlanga Ridge



- Regional accessibility and regional centre role in north Durban
- 616 000 of 633 000 m² bulk sold
- Final phases of construction under way – includes town centre park
- Second hospital site sold in 2008
- Additional development rights applications made – anticipated late 2008

Umhlanga Ridgeside



- Magnificent sea views and major highway accessibility
- Commercial bulk 250 000 m²
- 3 000 Residential units
- Resort hotel 80 000 m²
- Sold to date : commercial bulk 153 470 m²
residential units 506
resort hotel 80 000 m²
- Construction of new interchange on M41 about to commence
- New Ridgeside Drive arterial with landmark bridge structure
- 40 ha open space system and forest rehabilitation

Izinga – Umhlanga Ridge



- First phase to be launched 2008
- Prime location – convenience of Umhlanga Ridge
- Suburban lifestyle and inland views
- Retirement niche market potential
- Includes affordable market product



Kindlewood



- 550 unit gated estate without golf
- Adjacent Mt Edgecombe Country Club Estates
- Easy access to Umhlanga Ridge
- Single residential/cluster housing mix



Bridge City

PPP with eThekweni Municipality



- Significant mixed-use town centre development in the Inanda, Ntuzuma and KwaMashu (INK) region
- Strong support from National, Provincial and Local Government
- Major infrastructure and bulk services in place
- Sites becoming available for sale
- Regional hospital and magistrates court sites sold
 - Courts starting construction later this year
- Regional shopping centre and inter-modal facility (major rail link with bus and taxi ranks) under construction. Shopping centre opening October 2009

Cornubia

Integrated, multi-use urban development



- 840 developable hectares in total
- Industrial and logistics at Ottawa flats
- N2 / M41 / R102 highway access / Umhlanga Ridge and La Mercy road links
- Integrated mixed-use development
 - Commercial 500 000+ m²
 - Industrial 100 hectares
 - Residential including affordable housing - over 50 000 units
 - Substantial civic and social facilities
- Working partnership with Government / eThekweni Municipality
- EIA commenced

Sibaya – Mdloti (first phase)



- N2 / M4 / M27 excellent access
- First off ramp south of new airport
- Includes 4 hotel sites
- R800 million Sibaya Entertainment World catalyst including two hotels
- EIA / planning approval for Nodes 1 & 5 anticipated H2 2008
- “One Planet Living” sustainability concepts



Zimbali South & West



- Well established Zimbali brand being extended to Zimbali Lakes
- Sales commenced December 2003 and is 95% sold out
- 7-star Fairmont Zimbali Hotel in advanced stage of construction
 - October 2009 opening
- Premium product and resales of developed sites achieving premium prices for customers



Zimbali Lakes



- Development rights received in July 2008
- Construction of Gary Player - designed Zimbali Lakes golf course, club house and academy to commence late 2008
- Zimbali Lakes launch last quarter 2008 / early 2009
- Niche resort node with beach access and river-related man made water body



Shongweni – Assagay Valley



- North / M13 interchange
- Potential PPP for infrastructural delivery
- Mixed- use, residential and limited commercial
- Conservation and recreation niche potential
- 1st phase planning under way to permit residential development launch 2009

Tinley Manor



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

Zinkwazi / Thukela



- 1 459 developable hectares
- N2 access
- 12 km coastal frontage
- Between Nonoti and Thukela Rivers

Sugar Production

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

* Triangle only up to 2006

Hectares Under Cane

	Tongaat Hulett	Outgrowers	Total
South Africa*	10 298	135 623	145 921
Mozambique	22 094	4 133	26 227
Zimbabwe	33 994	15 670	49 664
Swaziland	3 818	-	3 818
TOTAL	70 204	155 426	225 630

- To date 11 871 hectares transferred to new black farmers in South Africa
- Need at least another 20 000 hectares of cane growers*

Expanded Sugar Production

Tons '000	2007 production	2009 capacity
South Africa	604	> 1 000
Zimbabwe	349	> 600
Mozambique	108	> 290
Swaziland RSE	58	> 60
Total	1 119	> 1 950

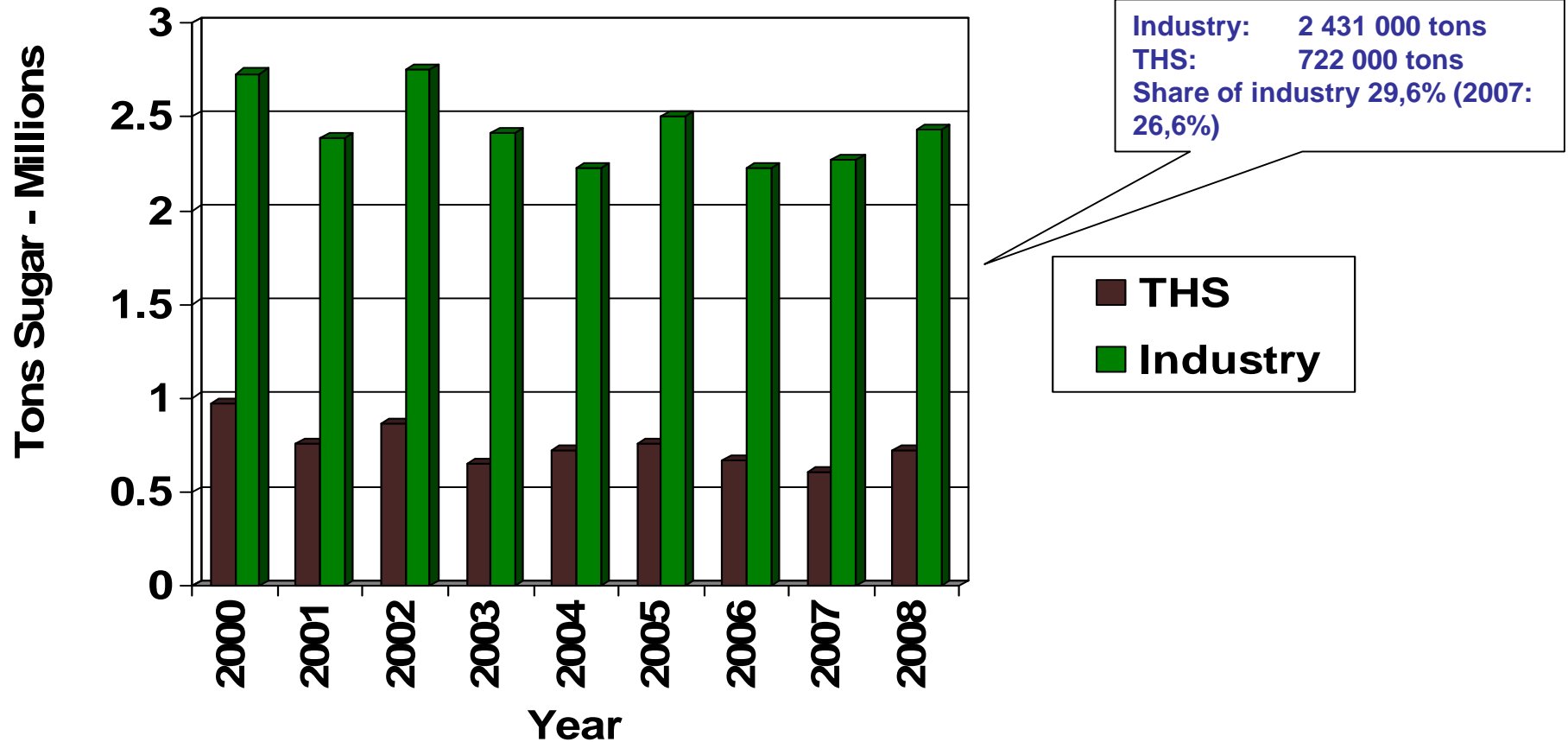
LDC Countries

- 50 LDC countries
- 22 sugar producing LDC countries
- Total production 2,5 million tons
- Countries that have exported into EU

• Ethiopia	Tanzania	Togo	Senegal
• Nepal	Malawi	Mozambique	Zambia
• Sierra Leone	Sudan	Congo	Benin

- LDC criteria
 - Gross national income per capita < US\$750
 - Human asset index based on nutrition, health, education & adult literacy
 - Economic vulnerability – 5 indicators
 - Population < 75 million

Sugar Production - SA



SA Regulatory Framework

- Sugar Act of 1978 and Sugar Industry Agreement of 2000 under review by DTI
- Need for ongoing regulation accepted by DTI
- Any changes implemented by 1 April 2009 earliest
- Growers and Millers at odds on
 - Default cane price formula
 - Definition of net actual price for Division of Proceeds purposes
 - Industrial rebates
 - Structure of industry – horizontal vs vertical
 - Provision in sugar industry legislation for production of bio ethanol and cogeneration of electricity

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 of electricity in South Africa and Zimbabwe



Tongaat Hulett
Half-year 2008

