

Tongaat-Hulett

Investment Analysts Society Presentation

February 2003



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Peter Staude



Earnings

- Revenue up 22% to R6,1 billion
- Operating earnings up 24% to R738 million
- Y/E valuation of GBP42 million offshore cash
 - R151 million of R255 million translation gain reversed
- Headline earnings down 35%
 - Headline earnings excluding translation adjustment up 30%
- Unchanged dividend of 270 cps
- Dividend yield at R45 per share: 6%

Cash flow and balance sheet

- Net cash position for first time since major investments
 - Substantial cash flows over past 4 years
 - No major new investments
 - After increased dividends
- Strong balance sheet provides flexibility

Energising for ongoing growth

- Re-energised approach to developing growth and investment opportunities
- R550 million capex approved over past 2 years
 - Unlocking value from existing businesses

Flexible balance sheet

- Post Hulamin and Afprod expansions
- Investment pace of R1,35 billion p.a. possible over next 3 years
- Identified in excess of R5 billion potential investment opportunities

Four categories of growth opportunities

- Known acquisitions
- Potential acquisitions not in the public domain
- Many smaller investments to unlock value in current businesses
- Green/brownfield expansions of existing businesses

Closer look at 2003

- Exchange rates
- Internal profit actuators
 - Growing revenues
 - Managing prices and cost adjustments
 - Reducing the cost base

African Products

Nico Kruger

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2002 – An exceptional year

Rmillion	2000	2001	%	2002	%
EBIT (Before AC133 adjustments)	100,0	148,1	48%	240,3	62%
EBIT (After AC133 adjustments)	109,3	199,0	82%	220,6	11%

2002 – An exceptional year

- Domestic volume growth – 9,6%
- Value-added volume growth – 17%
- ROCE at EBIT level – 19%
- Expansion of Kliprivier to 1200 tons per day triggered
- Gauteng Exporter of the Year 2002

Capacity utilisation

PLANT	2001	2002
Grind (Wetmill)		
Klip – 800 tpd	73%	77%
Klip – 1200 tpd		66%
Syrups		
Enzyme	65%	67%
Acid	70%	80%
Starch Drying	45%	47%

Capacity is also still available on some of the value-added products plants

New Business Developments

- Spray Tower
 - Capital: R18 million
 - Additional volume: 4 000 tons/annum
 - Full production: 2nd quarter 2003
- Dextrose Monohydrate
 - Capital: R12 million
 - Additional volume: 2 800 tons/annum
 - Full production: 1st quarter 2003
- Guar Plant/Mining Chemicals
 - Capital: R12 million
 - Additional volume: 4 000 tons

New Business Developments

- Extruded Starches (Toll manufacture)
 - Desiccants (first order taken)
 - Carboxy Methyl Starch (trials in progress)
- Modified Starches
 - Modified waxy
 - Cationic
 - Extruded
 - Pre-gelatinised
- Syrup capacity study

2003 challenge: Maize

- Period of extreme volatility
- Prices peaked during planting season of 2002.
(White peak – early December – R1 995/ton)
- Prices now down significantly on R/\$ easing in international prices and local crop outlook
- Maize largely secured for 2003
- Product pricing will reflect maize cost where possible

The 2003 challenge

- Commission expanded value-added capacity
- Complete local pricing
- Maximise export returns
- Capitalise on new local market business opportunities
- Maximise efficiencies and input material usage
- Reduce fixed costs

Hulett Aluminium

Hulett Aluminium

Alan Fourie



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2002 Results

- Revenue
 - R3,2 billion, up 28%
 - 3 year CAGR 35%
- EBIT
 - R272 million, up 2%
- Cash flow
 - R321 million operating cash flow

Factors influencing earnings

- Exchange rate volatility
- Timing differences arising from valuation of forward exchange contracts on foreign loans
- International rolling margins

Rolled products market conditions

- Concentration of ownership in the industry
- Results from the major producers
- International margins
 - Recent trends
 - Expectations of improvement

Growing our market positions

- Renewed growth in the local market, up 5%
- Export volumes up by 24%
- Moving up the profitability curve
 - 6 series plate up by 37%
 - Painted products up by 70%
 - TreadBright up by 22%
 - Can end stock
 - Other products

Growth opportunities

- Exploiting our installed capacity
 - Accelerating the growth in output
 - Growing our product/market portfolio
 - Related investments
- Platform for growth
 - Expanding total capacity
 - Value added investment opportunities

Other operations

- Hulett Hydro Extrusions
 - Strong performance in 2002
 - USA & UK transport sectors
- Hulett Cylinders
 - 67% growth
 - More to come!!

2003 outlook

- External factors
- Our controllables
 - Significant growth in volumes
 - Improvements to mix and margins
 - Major drive on costs and efficiencies

Moreland

Gordon Hibbert

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2002 performance

- Revenue 8,2% up
 - Record sales in Residential and Resorts
- Strong cash generation
- Substantial building investment by our customers

Developing the vision



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Project opportunities



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Project opportunities

Umhlanga Ridge New Town Centre



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Project opportunities



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Project opportunities

Mhlanga Forest Estate



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Project opportunities

Zimbali South and West



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Project opportunities



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Project opportunities

Tinley Manor



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Project opportunities

Zinkwazi



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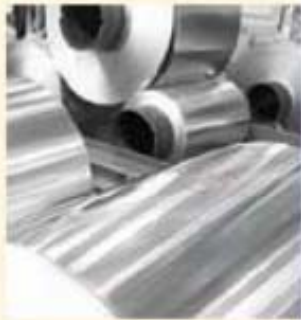
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Outlook for 2003

- Falling interest rates
- Solid regional economic growth
- Sound foundation established
- Strong market interest/dominant market share/achieving price premiums
- Exponential increases in prime coastal property prices internationally
- Opportune to push prices and volumes

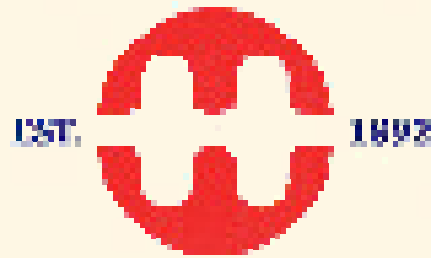
Tongaat-Hulett Sugar

Bruce Dunlop



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Hulett's®

Pure Sugar - Pure Sweetness.

The sweetest way to
sweeten your day

Results

- Revenue
 - R2,9 billion, up 14%
- EBIT
 - R420 million, up 49%
- Operating margin – 14,6%
- Triangle dividend – R71 million
- Xinavane EBITDA – R32 million

THS profile

- SADC's leading sugar brands
 - Hulett's voted SA's 5th most admired food brand in 2002
- Superior operating margins
- A world leader in process design and technology

THS profile

- Core competency in cane growing, sugar milling and refining
- Milling capacity for 1,5 million tons sugar
 - 84% utilised in 2002 (75% - 2001)
- 47% of milling capacity under irrigation
- Leading animal feeds brand – Voermol Feeds

Update on Zimbabwe

- Operations
 - Remains fundamentally a low cost producer
- Political landscape
 - Statutory price control
 - Land reform
 - Forex

Update on Mozambique/Swaziland

- Mozambique
 - Production doubled
 - Domestic producer sales up 77%
 - Acquisition of Xinavane Estates
- Swaziland
 - Conversion of citrus orchards to cane

Energising for growth

- Move to a task-based organisational structure
- SA operations re-organised 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

Outlook for 2003

- Sugar production
- World market prices and exchange rates
- Reducing the cost base
- Review of Sugar Act and Agreement

Moving forward

- Expand low cost sugar production within SADC
 - Organically
 - By acquisition
- Exploit cross-border marketing synergies within SADC
- Continuous and step change improvement in process technology

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**Embracing a new wave of energy
to achieve growth and shareholder value**



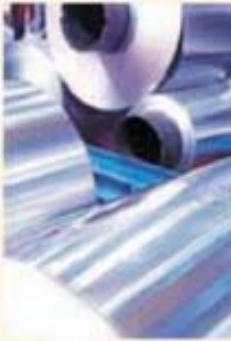
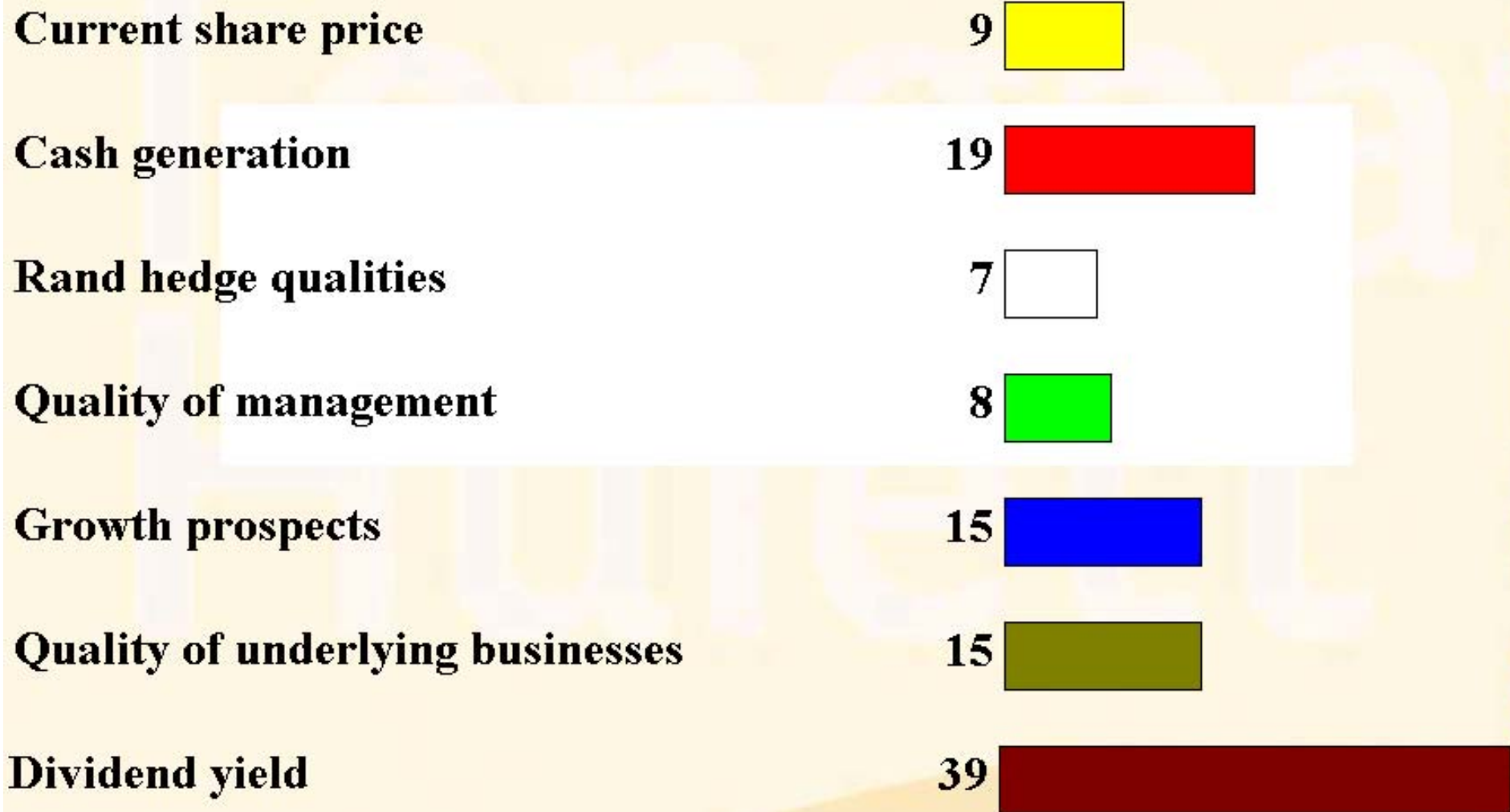
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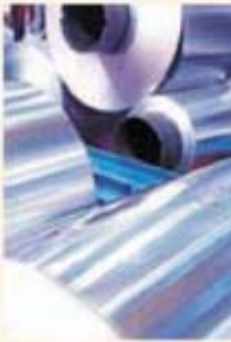
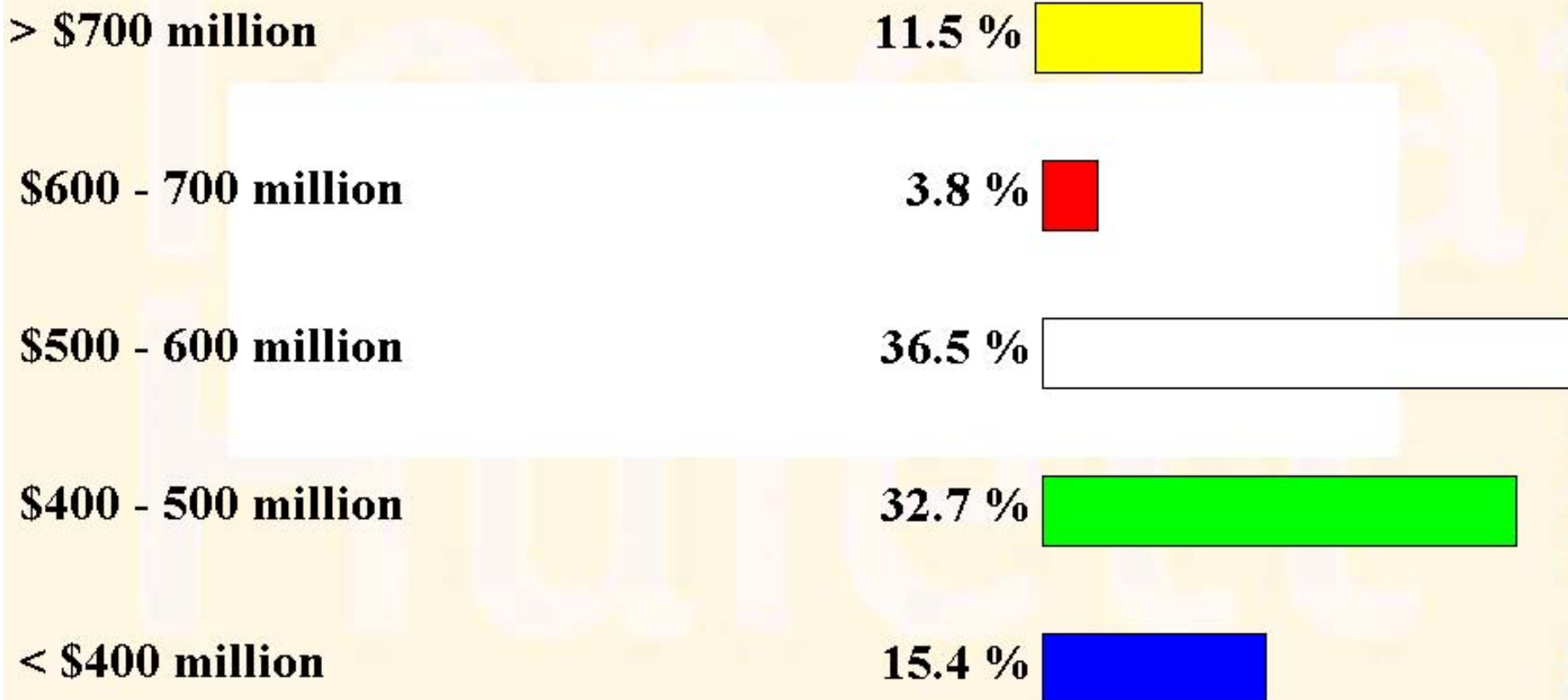
**Results of voting machine questions
held at the Cape Town presentation**



What are the two most attractive attributes of Tongaat-Hulett from an investment perspective?



What is your estimate of an enterprise valuation of 100 % of Hulamin in US dollars?



Would you convert 42 million pounds of offshore cash resources to rand at R12.90 to the pound?(assuming R/\$ of 8.10)

Yes

25.0 %



No

73.3 %



Unsure

1.7 %



Will a general share buy back at R38 add value to Tongaat-Hulett?

Yes

66.1 %



No

32.3 %



Unsure

1.6 %



What will drive the Tongaat-Hulett share price in 2003?

Growth prospects

15.3 %



Exchange rates

55.9 %



World sugar price

5.1 %



Dividend yield

18.6 %



P/E ratio

5.1 %



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