



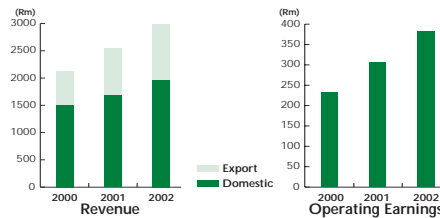
# The Tongaat-Hulett Group Limited

Registration No. 1892/000610/06 Share code TNT ISIN ZAE00007449

## INTERIM RESULTS

for the half-year ended 30 June 2002

- Revenue up 17%
- Operating earnings up 25%
- Headline earnings up 7%



- Headline earnings excluding translation loss up 34%
- Interim dividend 80 cents per share

The unaudited results of the Group for the half-year ended 30 June 2002 have been prepared on a basis consistent with the prior year's unaudited interim report and the audited annual financial statements at 31 December 2001. The principal accounting policies of the Group conform with South African Statements of Generally Accepted Accounting Practice. As the earnings of Tongaat-Hulett Sugar are seasonal, 50 percent of the current year's estimated results have, as in previous years, been included in the income statement for the half-year. Apart from this, the interim report has been prepared in accordance with accounting standard AC 127 (Interim Financial Reporting).

### INCOME STATEMENT

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	% change on prior half-year	Audited Year ended 31 December 2001
<b>Revenue - continuing operations</b>	<b>2 976</b>	<b>2 552</b>	<b>17</b>	<b>5 121</b>
<b>Continuing operations</b>				
Operating earnings	382	306	25	584
Triangle dividend	31	22		76
Net interest paid	(63)	(55)		(75)
<b>Earnings from continuing operations</b>	<b>350</b>	<b>273</b>	<b>28</b>	<b>585</b>
Exchange rate translation (loss)/gain	(57)	5		255
Discontinued operations		(5)		(11)
<b>Earnings before exceptional items</b>	<b>293</b>	<b>273</b>	<b>7</b>	<b>829</b>
Exceptional items	2	(1)		(5)
<b>Earnings before tax</b>	<b>295</b>	<b>272</b>	<b>8</b>	<b>824</b>
Tax	(70)	(55)		(196)
Earnings before exceptional items	(70)	(60)		(206)
Exceptional items		5		10
<b>Earnings after tax</b>	<b>225</b>	<b>217</b>	<b>4</b>	<b>628</b>
Share of associate company's loss	(5)	(10)		(20)
Minority shareholders' share of loss		1		1
<b>Total net earnings</b>	<b>220</b>	<b>208</b>	<b>6</b>	<b>609</b>
<b>Earnings per share (cents)</b>				
Total net earnings				
Basic	217,3	206,2		603,4
Diluted	212,9	205,0		597,4
Headline earnings (basic)				
Including translation (loss)/gain	215,4	202,2	7	598,4
Excluding translation (loss)/gain	265,8	198,2	34	397,3
<b>Dividend per share (cents)</b>	<b>80,0</b>	<b>62,0</b>	<b>29</b>	<b>270,0</b>

### COMMENT ON RESULTS

The Group is unlocking substantial value from its recent major investments with strong operating earnings growth from both African Products and Hulett Aluminium in the half-year to 30 June 2002.

Revenue from continuing operations increased by 17 percent to R3 billion. Earnings from continuing operations of R350 million, after dividends received from Triangle and net interest paid, were 28 percent up on those of the corresponding period last year. The strengthening of the rand to 30 June 2002 compared to prior year-end levels resulted in a pre-tax loss of R57 million arising on translation of underlying reserves of £41 million pertaining to strategic cash resources held abroad. Headline earnings per share were seven percent up on last year and excluding the translation loss were 34 percent up. A feature of the period was the strong cash flow that enabled the Group to reduce net borrowings from R377 million to R161 million. The board has declared an increased interim dividend of 80 cents per share (2001: 62 cents) which incorporates a ratio adjustment between the interim and final dividends.

African Products benefited from strong local market growth of 11 percent, partially driven by customers' exports and by import substitution. The contribution from exports, boosted by the weaker rand, doubled relative to last year. Average maize input costs are being managed at levels well below prevailing market prices, substantially reducing the impact on customers of the extremely high maize prices experienced in South Africa recently. These factors resulted in African Products achieving growth of 43 percent in revenue and 83 percent in operating earnings.

Tongaath-Hulett Sugar's production in South Africa, Zimbabwe, Mozambique and Swaziland is forecast to rise to 1,25 million tons in 2002, up 13 percent on last year. Production from South African operations in the current year is expected to be approximately 840 000 tons of sugar, compared to last year's actual of 756 000 tons. Realisations in both the local and export markets have increased compared to last year. Higher cane and sugar production as well as restructuring in Swaziland and Mozambique are contributing towards improved earnings. The operation in Zimbabwe has performed as well as can be expected in a deteriorating socio-economic environment and should produce 280 000 tons of sugar this year, six percent above last year's production. The difficult economic and business environment in Zimbabwe may impact on dividend receipts in the second half of the year with R31 million having been received to date.

Moreland's signature developments continue to be market leaders and have established the Umhlanga Ridge as one of the leading property investment areas in South Africa.

Hulett Aluminium increased revenue by 20 percent to a record R1,5 billion for the half-year. Earnings before interest and tax for the six-month period at R176 million were 52 percent ahead of the corresponding period in 2001. This was achieved under difficult market conditions with international demand and margins in dollar terms being at their lowest level for many years. The business is steadily improving its sales mix as it moves up the product profitability curve, growing its capability to produce products with more challenging and stringent quality requirements. It continues to improve its market share in key targeted product groupings and geographic locations. The Group proportionately consolidates 50 percent of Hulett Aluminium's revenue and earnings.

### PROSPECTS

The Group remains on track to deliver strong growth in volumes, revenue and operating earnings. Headline earnings for the year will be significantly influenced by the relative value of the rand for the remainder of the year.

For and on behalf of the board

**C M L Savage**  
Chairman

**P H Staudé**  
Chief Executive Officer

Amanzimnyama,  
Tongaath, KwaZulu-Natal

31 July 2002

### DIVIDEND DECLARATION

Notice is hereby given that the board has declared an interim dividend (number 150) of 80 cents per share for the financial year ended 31 December 2002 payable to shareholders recorded in the register at the close of business on Friday, 23 August 2002.

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

Last date to trade ordinary shares "CUM" dividend	Friday, 16 August 2002
Ordinary shares trade "EX" dividend	Monday, 19 August 2002
Record date	Friday, 23 August 2002
Payment date	Thursday, 29 August 2002

No dematerialisation or rematerialisation of share certificates may take place between Monday, 19 August 2002 and Friday, 23 August 2002, 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, 16 August 2002.

For and on behalf of the board

**M A Kennedy**  
Group Secretary

Amanzimnyama,  
Tongaath, KwaZulu-Natal

31 July 2002

### BALANCE SHEET

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	Audited Year ended 31 December 2001
<b>Assets</b>			
Property, plant and equipment	4 251	4 191	4 281
Long-term receivable	210	210	210
Investments	51	34	56
Inventories	865	804	859
Accounts receivable	1 532	1 461	1 715
Cash resources	946	783	1 125
<b>Total assets</b>	<b>7 855</b>	<b>7 483</b>	<b>8 246</b>
<b>Equity and liabilities</b>			
Shareholders' equity	4 478	4 090	4 389
Minority interests in subsidiaries	5	5	5
Deferred tax	990	812	923
Borrowings - long and short-term	1 107	1 558	1 502
Provisions	241	185	225
Accounts payable	1 034	833	1 202
<b>Total equity and liabilities</b>	<b>7 855</b>	<b>7 483</b>	<b>8 246</b>
<b>Number of shares ('000)</b>			
- in issue	101 299	100 922	101 125
- weighted average	101 221	100 890	100 934
<b>Net asset value per share (cents)</b>	<b>4 421</b>	<b>4 053</b>	<b>4 340</b>

### STATEMENT OF CHANGES IN EQUITY

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	Audited Year ended 31 December 2001
Balance at beginning of period	4 389	3 916	3 916
Effect of changes in accounting policies		122	122
Restated balance	4 389	4 038	4 038
Total net earnings for the period	220	208	609
Dividends paid	(211)	(151)	(214)
Gains/(losses) from cash flow hedges	59	13	(41)
Currency exchange rate changes	11		(16)
Gains on available-for-sale assets	4		13
Share capital issued	6	2	9
AC 133 adjustment		(7)	(2)
Share of associate company's reserves			(7)
<b>Balance at end of period</b>	<b>4 478</b>	<b>4 090</b>	<b>4 389</b>

### HEADLINE EARNINGS

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	Audited Year ended 31 December 2001
Total net earnings	220	208	609
Add/(less) after tax effect of:			
Surplus on sale of property held as fixed assets	(3)	(7)	(9)
Surplus on disposal of subsidiaries			(16)
Loss on disposal/closure of operations		2	7
Goodwill amortised	1	1	3
Impairment of assets			8
Other			2
<b>Headline earnings</b>	<b>218</b>	<b>204</b>	<b>604</b>
Adjustment for translation loss/(gain) after tax	51	(4)	(203)
<b>Headline earnings excluding translation (loss)/gain</b>	<b>269</b>	<b>200</b>	<b>401</b>

### CASH FLOW STATEMENT

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	Audited Year ended 31 December 2001
Earnings before exceptional items	293	273	829
Adjustment for exchange rate translation loss/(gain)	57	(5)	(255)
Depreciation	80	76	159
Provisions	16		40
Other non-cash items	7	(9)	(31)
Tax payments	(23)	(9)	(19)
Change in working capital	(13)	(102)	44
Dividends paid	(211)	(151)	(214)
<b>Cash flow from operations</b>	<b>206</b>	<b>73</b>	<b>553</b>
Property, plant and equipment:			
New project expenditure	(53)	(88)	(232)
Replacement expenditure	(47)	(42)	(46)
Net proceeds on disposal of property, plant and equipment	8	9	33
Investments		(21)	(60)
Disposal of subsidiaries		83	111
<b>Net cash flow</b>	<b>114</b>	<b>14</b>	<b>359</b>
Borrowings (repaid)/raised	(246)	34	(242)
Shares issued	6	2	9
<b>Net movement in cash resources</b>	<b>(126)</b>	<b>50</b>	<b>126</b>
Cash resources at beginning of period	1 125	699	699
Exchange rate translation (loss)/gain	(57)	5	255
AC 133 adjustment	4	29	45
<b>Cash resources at end of period</b>	<b>946</b>	<b>783</b>	<b>1 125</b>

### OTHER SALIENT FEATURES

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	Audited Year ended 31 December 2001
<b>Net debt</b>	<b>161</b>	<b>775</b>	<b>377</b>
<b>Net interest</b>	<b>(63)</b>	<b>(61)</b>	<b>(82)</b>
Interest paid	(157)	(161)	(304)
Financial instrument income	71	60	127
Interest capitalised		13	27
Interest received	23	27	68
comprising:			
Continuing operations	(63)	(61)	(82)
Discontinued operations		(6)	(7)
<b>Capital commitments</b>	<b>179</b>	<b>161</b>	<b>142</b>
Contracted	66	86	75
Approved but not contracted	113	75	67
<b>Operating lease commitments</b>	<b>40</b>	<b>51</b>	<b>40</b>
<b>Guarantees and contingent liabilities</b>	<b>17</b>	<b>35</b>	<b>12</b>

### SEGMENTAL ANALYSIS

Rmillion	Unaudited Half-year 30 June 2002	Unaudited Half-year 30 June 2001	% change on prior half-year	Audited Year ended 31 December 2001
<b>REVENUE</b>				
African Products	678	475	43	1 085
Tongaath-Hulett Sugar	1 503	1 402	7	2 631
Moreland	50	55	(9)	135
Hulett Aluminium (50%)	745	620	20	1 270
<b>Continuing operations</b>	<b>2 976</b>	<b>2 552</b>	<b>17</b>	<b>5 121</b>
Discontinued operations		355		472
<b>Group total</b>	<b>2 976</b>	<b>2 907</b>	<b>2</b>	<b>5 593</b>
<b>EARNINGS BEFORE INTEREST AND TAX</b>				
African Products	106	58	83	148
Tongaath-Hulett Sugar	201	195	3	320
Moreland	4	7	(43)	28
Hulett Aluminium (50%)	88	58	52	134
Corporate	(17)	(12)		(46)
<b>Continuing operations</b>	<b>382</b>	<b>306</b>	<b>25</b>	<b>584</b>
Triangle dividend	31	22	41	76
Exchange rate translation (loss)/gain	(57)	5		255
Discontinued operations		1		(4)
<b>Group total</b>	<b>356</b>	<b>334</b>	<b>7</b>	<b>911</b>