

TONGAAT-HULETT

Taking Action



AUGUST

2004

Tongaat-Hulett

Tongaat-Hulett has transformed itself over the past decade from a diversified industrial conglomerate with many businesses to a Group with 4 strategically well positioned and focused businesses

TONGAAT-HULETT

Taking Action



Tongaat-Hulett

Today the focus is on optimising how the businesses operate and how Group wide issues are dealt with

TONGAAT-HULETT

Taking Action



Tongaat-Hulett

**Tongaat-Hulett's earnings profile remains
sensitive to**

Currency movements

Delivery on earnings enhancing opportunities

TONGAAT-HULETT

Taking Action



Interim Results

Tongaat-Hulett

For the half-year ended
30 June 2004

TONGAAT-HULETT

Taking Action

Rand/US\$ average	6,67	8,03	7,55
Rand/US\$ closing	6,23	7,48	6,67

INCOME STATEMENT (Rmillion)	H1 2004	H1 2003	FY 2003
Revenue	2 950	3 021	6 559
Underlying operating profit	180	260	452
Triangle dividend	21	-	19
Restructure costs	(22)	-	-
Valuation adjustments	(21)	(375)	(398)
Exceptional items	1	-	7
Operating profit	159	(115)	80
Net financing costs	(70)	(102)	(152)
Headline earnings/(loss)	56	(199)	(93)

AFRICAN PRODUCTS	H1 2004	H1 2003	FY 2003
Underlying operating profit (Rm)	7	67	114

Rand/US\$ average

6,67

8,03

7,55

- High priced maize procured during previous cycle, under previous business model
- Strengthening rand effect
 - Domestic selling prices
 - Export margins
- Domestic volumes of starch and glucose down 6%
 - Imported glucose in spray drying industry
 - Increased imports of final products
- Export volumes down 21%
- Fixed cash costs held below 2002 and 2003

HULETT ALUMINIUM (50%)	H1 2004	H1 2003	FY 2003
Underlying operating profit (Rm)	39	-	22

Rand/US\$ average

6,67

8,03

7,55

- Rolled Products volume up 19%
 - 142 000 tons annualised
- Export sales up 26%
 - Strong growth in more profitable products
- Total manufacturing costs (excl metal) only up 4%
 - Reduction of conversion costs per ton of 13%
- Small positive metal price lag
- Effect of stronger currency

MORELAND	H1 2004	H1 2003	FY 2003
Underlying operating profit (Rm)	118	20	92

- Milestone performance
- Continued acceleration of earnings from solid platform
- Leading developments and prime land
- Outstanding performances - prime residential and resort projects

TONGAAT-HULETT SUGAR	H1 2004	H1 2003	FY 2003
Underlying operating profit (Rm)	38	183	263

Rand/US\$ average

6,67

8,03

7,55

South Africa

- Domestic sales volumes down 10%
- Depressed margins
 - Decrease in domestic sugar price
 - Export realisations
 - Small crop in 2003 => high cost of sales in H1 2004
- 2004 share of industry: 31,7% (2003: 27,1%)
- Production expected to be up 9%

Tongaat-Hulett Sugar

Mozambique

- Domestic sales up 24%
- Production expected to be up 21%

Tongaat-Hulett Sugar

Zimbabwe

Triangle Sugar

- Profitable
- Remittance of dividends
- R21 million in H1 2004 (Full Year 2003: R19m)

VALUATION ADJUSTMENTS	H1 2004	H1 2003	FY 2003
Maize procurement contracts	18	(255)	(211)
Translation of foreign currency:			
- foreign cash	(28)	(61)	(80)
- other	(9)	(25)	(57)
Export receivables	(3)	(22)	(33)
Other financial instruments	1	(12)	(17)
Total (Rmillion)	(21)	(375)	(398)

Rand/US\$ closing

6,23

7,48

6,67

Rand/GBP closing

11,29

12,37

11,94

- Foreign currency denominated balance sheet items
- Open maize futures position eliminated

Balance Sheet

- Total assets: R8,2 billion
- Equity: R4,2 billion
- Net debt/equity: 15,7% (2003: 14,9%)
- R337 million improvement in cash flow before dividends
- Strength to capitalise on opportunities

Taking Action

The Road Ahead is Clear

Recovery to Growth

TONGAAT-HULETT

Taking Action



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



**Implementing a new approach to
restore earnings**

AFRICAN PRODUCTS

Taking Action



Implementation of new maize procurement / product pricing model

- Open maize futures position eliminated during H1 2004
- Maize cost in tandem with customer pricing as from November 2004
- Two product pricing models
 - Short term back-to-back fixed tonnage contracts where maize is priced when the customer agrees product price
 - Longer term fair return model based on a negotiated margin for African Products with the customer making the decision when to price the maize
- Future benefit ±R150m p.a. compared to 2004 based on current market conditions

Reduce the cost of running the business

- Fixed cash costs held below 2002 and 2003 levels
- Good progress in maximising plant reliability and efficiency resulting in savings in variable costs
- Future benefit of R25m p.a.

Grow volumes

- Domestic volumes of starch and glucose declined by 6% compared to H1 2003
 - Imported glucose in the spray drying industry
 - Increased imports of final products such as confectionery
- Steady progress on new products such as adhesives and modified starches
- Future benefit of R20m p.a.

African Products

2005

“Earnings normalised”

AFRICAN PRODUCTS

Taking Action



Tongaat-Hulett

**Ensure that the Objectives of the Group's
Major Investment in Aluminium Rolled
Products are Realised**

TONGAAT-HULETT

Taking Action



Hulett Aluminium

- Currency movement masks progress being made
- Industry structure favours an independent Hulamin
- Targets 2% of the 11 million tons per annum global rolled products market, concentrating on attractive worldwide niches



**Growing volumes, enhancing sales mix
and reducing costs**

HULETT ALUMINIUM

Taking Action



Achieving Full Capacity Utilisation

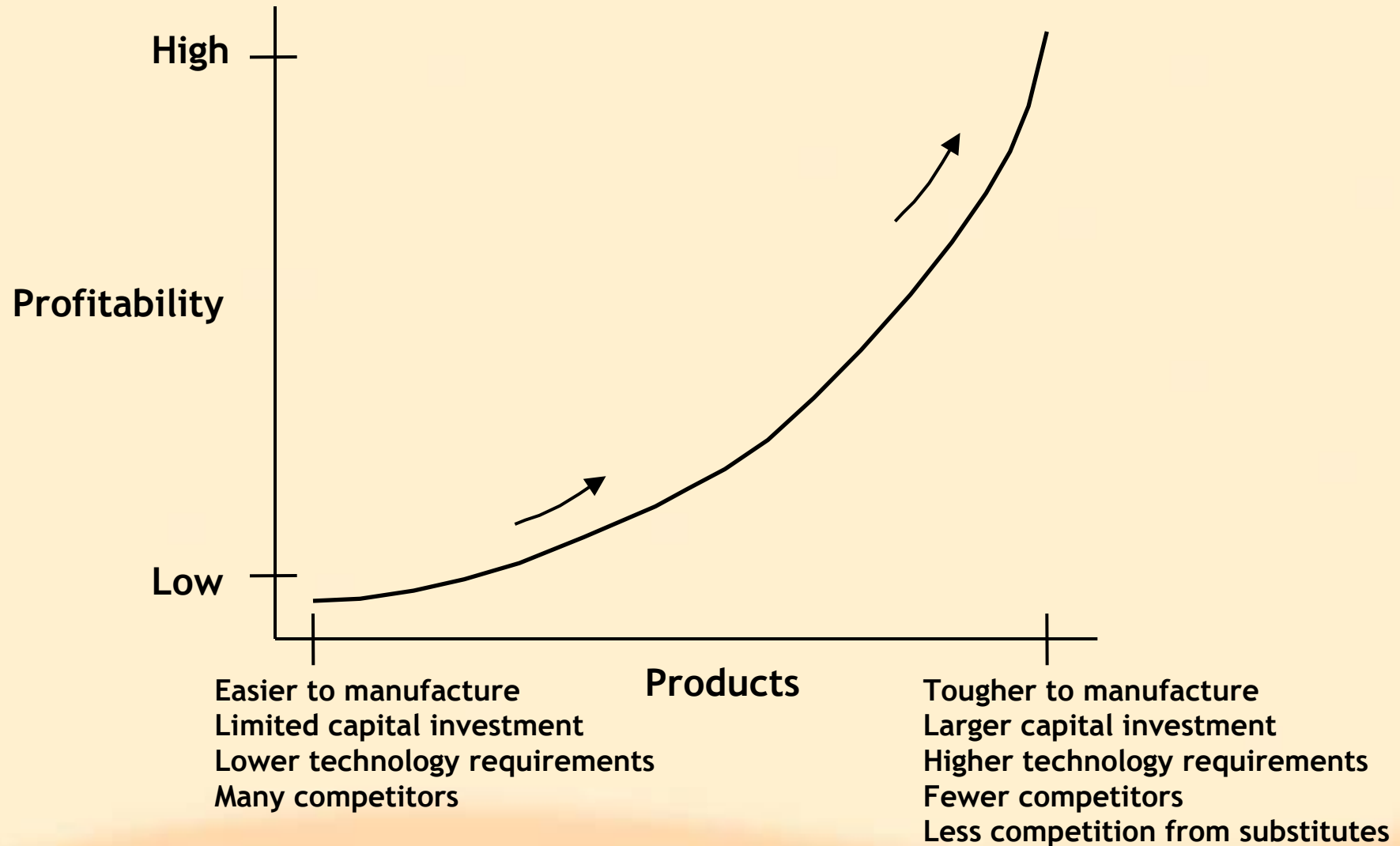
FY 2002: 105 000 tons

FY 2003: 130 000 tons

H1 2004: 142 000 tons annualised

- All products developed for specific customers and applications
- Original feasibility: 143 000 tons
- Current estimate: >200 000 tons beyond 2006
- Best month: 162 000 tons annualised

Moving up the product profitability curve



HULETT ALUMINIUM

Taking Action

Enhanced Sales Mix

	2004 Volume	Targeted Volume	Number of Producers	\$ Rolling margin	% market share 2006
Can stock	31	48	5	\$1 250/\$1 700	7% global
Clad Products	7	22	5	\$1 500	8% global
Painted Products	18	24	4	\$1 150/\$2 500	2% global
Heat Treated Plate	13	14	5	\$2 000	9% global
Bright Treadplate	13	15	3	\$1 000	30% USA
Foil	15	18	>10	\$1 000/\$1 800	1% global
Closure sheet	7	9	>10	\$1 100	3% global
	104	150			

Lower / mid range

\$640

Enhanced sales mix

- Local sales up 5%
- Export sales up 26%
- Total clad products up 233%
- Closure sheet exports up 181%
- Can stock exports up 21%
- Painted exports up 30%

Reduce conversion costs

- Total manufacturing costs excluding metal limited to increase of 4%
- 13% reduction in conversion costs per ton
- Identified cost reduction opportunities exceeding R75m p.a.

If we achieved our targets now

- current market conditions and R7/US\$

- Achieving full capacity utilisation
 - 142 000 tons => 210 000 tons
 - Enhanced sales mix
 - \$1 250 per ton
 - Reduced conversion costs
 - Total costs of R950m
 - Depreciation, admin and other operations
 - R130m
- Total rolling margin earned
R1 840m
- EBIT R760m

Tongaat-Hulett

Focus is on unlocking full value from Hulett Aluminium for its three shareholders

Tongaat-Hulett is well positioned to potentially exercise its right of last refusal on the other shareholders' interests, should they wish to dispose of them

TONGAAT-HULETT

Taking Action



Tongaat-Hulett

Manage the Transition from Sugar to Property Development on the KZN North Coast, Extracting Maximum Shareholder Value

TONGAAT-HULETT

Taking Action



Moreland

- Capitalising on the solid platform of leading property developments and 11 600 hectares of prime land
- Critical mass with benefits of co-ordinated planning, quality developments and marketing
- Good track record of delivery, including partnerships
- Downstream opportunities



Accelerating earnings



Project Pipeline

Existing stock	1-6 years	7-10 years
RESIDENTIAL Mount Edgecombe South Umhlanga Ridge New Town Centre Mhlanga Forest Estate La Lucia / Izinga Ridge	Izinga Ridge Shongweni Umhlanga Triangle Westbrook	Mdloti North La Mercy Beach Mount Edgecombe North Dudley Pringle Dam
COMMERCIAL/INDUSTRIAL La Lucia Ridge Office Estate Umhlanga Ridge New Town Centre RiverHorse Valley Business Estate Phoenix South (Bridge City) Briardene / Canelands Industrial Parks	Shongweni Cornubia La Mercy Airport node Umhlanga Triangle	Mdloti N2 corridor Mount Edgecombe North
RESORTS Zimbali (South and West) Sibaya Node at Mdloti	Zimbali Lakes Mdloti South Tinley Manor	Nonoti Zinkwazi Thukela

Executive Village - La Lucia Ridge

- Gross area: 18 hectares
- Development area: 8 hectares
- Potential number of residential units 100
- Anticipated sale mid 2005



Umhlanga Ridge New Town Centre

- 700 apartments under development
- Gateway expanding
- 5 000 square metres of premium offices within the next 12 months
- First major corporate offices about to commence construction
- Sales to date: R150m



M O R E L A N D

Taking Action

RiverHorse Valley Business Estate

- 100 ha development area
- Bridging historically divided city
- Straddling N2 at Effingham
- Total investment: R1,6 billion
- Construction start: April 02
- 1st phase opened: Nov 03
- Sales to date: R68 million
- No of people employed:
 - Construction: 3 500
 - Permanent: 13 000



PPP with eThekweni Municipality

Zimbali South and West

- Joint venture with IFA
- 50 hectares
- 550 Residential units
- 1 Hotel
- Sales to date: R160m



Future Opportunities (1-6 years)

- Joint venture with IFA
- Approximately 300 hectares
- Golf course
- Resorts
- Approximately 1 000 residential units
- Creating lake on Tongaat River

Zimbali Lakes

Future Opportunities (1-6 years)



- Gross area: 148 hectares
- Development area: 100 hectares
- Potential number of Residential units: 1 200
- Hotels & Offices
- Anticipated sales 2006

Umhlanga Triangle

Future Opportunities (1-6 years)

- North & South of N3 Shongweni interchange
- 2 000 hectares
- Commercial
- Residential
- Private cemetery

Shongweni



M O R E L A N D

Taking Action

Future Opportunities (1-6 years)



- North and South bank of Umhlali river
- 680 hectares
- 5 000 potential units (subject to zoning & EIA approval)
- Hotel & Retail
- Golf course development
- Potential for small craft harbour

Tinley Manor

Zinkwazi (7-10 years)



Expand business model

- Build up international customer base
- Downstream criteria and business plans are being developed
 - Capture full value from land developments
 - Sustain long term profitability
 - Reduce industry cyclical impact

Tongaat-Hulett Sugar

- Powerful Hulett's 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



Transforming to ensure future success

TONGAAT-HULETT SUGAR

Taking Action



THS South Africa

- Move to a leaner and flatter structure
 - Size of THS Board halved
 - Regional structures in place and working well
- Reduce head office overheads by at least 50%
 - Closure of head office completed in June 2004
 - Building up for sale in prime area of La Lucia
 - Leadership team relocated to Amanzimnyama
 - Future benefit of \pm R24m p.a.

THS South Africa

- Reduce milling costs by 10%
 - Regional structures established
 - Closed Entumeni sugar mill
 - Future benefit of ±R28m p.a.
- Increase benefit from refining value chain
 - Benchmarking exercise completed
 - Future benefit of up to R80m p.a.

THS South Africa

- **Leverage technology base**
 - Restructuring of technical department completed
 - New refining technology pilot plant to be deployed in Brazil for trials
- **Cane procurement initiatives**
 - 501 000 tons cane p.a. confirmed (6% of installed capacity)
 - 331 000 tons cane p.a. being explored (4% of installed capacity)
 - Future benefit of \pm R42m p.a.

THS Mozambique

- Increased access to preferential markets
 - Participating with other LDC countries for earlier and greater EBA access into EU
 - ACP beneficiary through shortfall allocations
 - Negotiating for a share of 18 000 ton Barbados reallocation
- Grow production towards full capacity of 156 000 tons
 - Full production targeted to be achieved in 2007
- Continued growth in domestic market sales
 - 24% growth (H1 2004 vs H1 2003)
- Reorganisation of funding structures
- On track for positive contribution to earnings in 2004

THS Zimbabwe

Survival → Growth

Tongaat-Hulett Sugar

**All these actions have the potential
to improve our profitability by at
least R150 million per annum**

TONGAAT-HULETT SUGAR

Taking Action



Opportunities

- Earnings translate into cash
- Well positioned for acquisitions / expansions
 - World sugar deregulation
- Co- and new product development, including product beneficiation
- Leverage technology base
- Extension of powerful Hulett's brand

Taking the Group Forward

Unlock substantial future earnings growth from the current business base

Capitalise on the strategic positioning of the Group's businesses



Information Pack

Tongaat-Hulett

For the half-year ended
30 June 2004

TONGAAT-HULETT

Taking Action

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant. It features a complex network of vertical and horizontal pipes, metal scaffolding, and structural beams. The image is overlaid with a semi-transparent orange filter. The title 'African Products' is centered over the image in a large, white, sans-serif font. Below the title, the words 'African Products' are repeated in a smaller, black, monospaced font.

African Products

African Products

TONGAAT-HULETT

African Products

Volume Data

Volume	H1 2004	H1 2003	FY 2003
Local Starch	39 958	41 487	84 618
Local Glucose	136 908	146 579	297 753
Total Local	176 866	188 066	382 371
Export Starch	14 226	21 035	43 932
Export Glucose	12 633	12 889	21 389
Total Exports	26 859	33 924	65 321
Co-Products	73 945	83 481	161 840
Total	277 670	305 471	609 532

Financial Data

Rmillion	H1 2004	H1 2003	FY 2003
Revenue:	650	756	1 487
Domestic	465	527	1 065
Exports	65	90	166
Co-Products	120	139	256
Underlying Operating Profit	7	67	114
Valuation Adjustments	19	(258)	(218)
Operating Profit	26	(191)	(104)

Afprod's Maize Position

Tons	30 Jun 2004		31 Dec 2003
	Unpriced	Priced	
Maize in Silo	Zero	135 480	316 322
Committed Physical Contracts (not yet delivered)	119 404	191 958	167 480
Futures Contracts Not Hedge Accounted	Zero		165 200
Futures Contracts Hedge Accounted	(700)		3 600

Afprod's priced maize at 30 June 2004

Month	Tons Priced	Full Landed cost (R/t)	Interest Component (R/t)
July 2004	43 878	1 692.96	42.01
August 2004	45 256	1 795.80	104.86
September 2004	50 212	1 575.33	141.37
October 2004	34 297	1 284.91	48.62
November 2004	31 205	1 280.75	56.08
December 2004	25 696	1 308.30	68.73
January 2005	19 849	1 307.83	76.93
February 2005	22 096	1 277.25	79.79
March 2005	17 831	1 124.67	73.64
April 2005	18 163	1 141.97	80.11
May 2005	4 137	1 198.69	80.48
June 2005	2 817	1 210.14	85.71
July 2005	3 752	1 231.34	95.32
August 2005	4 516	1 253.54	105.34
September 2005	3 733	1 275.92	115.27
October 2005	0	0	0



Hulett Aluminium

Hulett Aluminium

TONGAAT-HULETT

Hulett Aluminium

Hulett Aluminium

	H1 2004	H1 2003	FY 2003
Average R/US\$	6,67	8,03	7,55
Sales volumes - Rolled Products (t)	70 800	59 400	130 400
- Other	8 800	8 000	16 300
- Total	79 600	67 400	146 700
Revenue (Rm)	1 638	1 545	3 200
Underlying operating profit	78	0	44
Valuation adjustments	12	(36)	(39)
Operating profit	90	(36)	5

Financial data		H1 2004	H1 2003	FY 2003
Average R/US\$	R/US\$	6,67	8,03	7,55
Local sales	Tons	19 476	18 544	38 918
Export sales	Tons	51 383	40 895	91 476
Total	Tons	70 859	59 439	130 394
Coated tons	Tons	19 939	16 800	35 799
Average rolling margin	\$/ton	1 083	1 081	1 080
Rolling margin	Rm	512	516	1 063
Conversion costs	Rm	(430)	(413)	(823)
Paints and lacquers	Rm	(50)	(43)	(94)
Metal premiums and recycling costs	Rm	(80)	(85)	(164)
Rolling costs	Rm	(300)	(285)	(565)
Administration, selling and other	Rm	4	(23)	(50)
Depreciation	Rm	(53)	(46)	(98)
Metal price lag	Rm	13	(63)	(87)
Forex gains/losses on debtors	Rm	14	(18)	(33)
Operating profit: Rolled Products	Rm	60	(47)	(28)
Operating profit: Other operations	Rm	30	11	33
Total operating profit	Rm	90	(36)	5

H1 2004 Underlying Operating Profit

- Increased by R78m compared to H1 2003
- Adverse currency effect on rolling margins approximately R100 million
- Offset by approximately R110 million gain from improved volumes, mix and costs
- Metal price lag from negative to small positive

Industry Climate

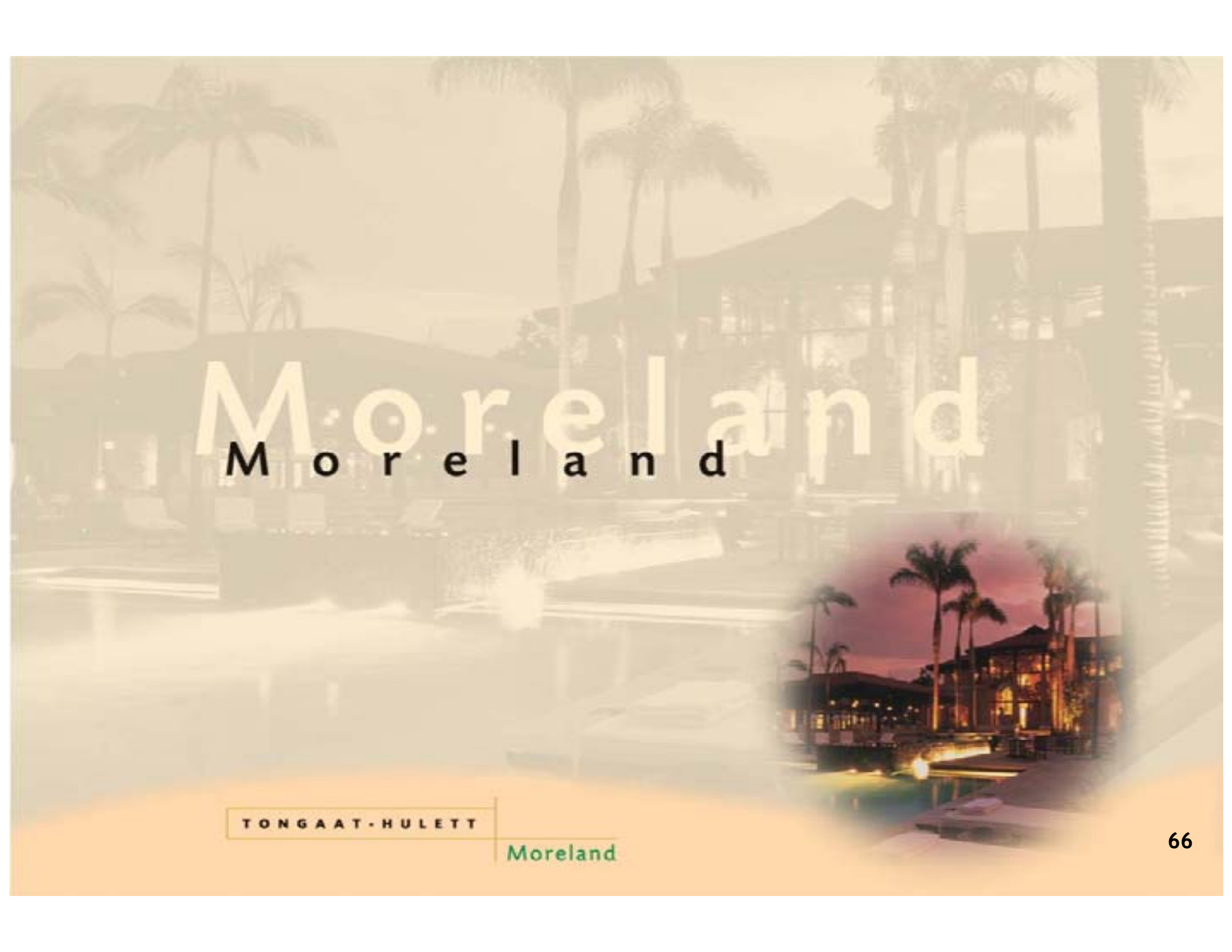
- North American and Asian markets becoming more bouyant, with improved rolling margins
- European market generally still quiet
- Competitor dynamics
 - Alcan acquires Pechiney - now only 3 majors
 - Alcoa acquires Russian mills
 - Corus aluminium assets for sale
 - Alcan places rolling mills in separate listed company

Rolled Products Capacity Utilisation

	Sales Volumes (000t)	% Increase
2001 actual	91	7
2002 actual	105	15
2003 actual	130	24
2004 estimate	150	15

Most Profitable Sales Mix

- Local sales up 5%, foil up 19%
- Total clad products up 233%
- Can stock exports up 21%
- Painted exports up 30%
- Closure sheet exports up 181%



Moreland

TONGAAT-HULETT

Moreland

Realising the Vision



H1 2004 Performance

- Record performance
- Reaping rewards from world-class platform and continued buoyancy in the property market
- Revenue up 318% to R272m
 - Beat 2003 full year (R226m)
 - Outstanding Resorts and Residential performance
 - Good Industrial and Commercial performance
- Underlying operating profit up 490% to R118m
 - Beat 2003 full year (R92m)
- Continuing strong cash generation

Residential Sales R94m (up 211%)



Izinga Ridge



Ilala Ridge



Commercial/Industrial Sales R44m (up 35%)



**Umhlanga Ridge
New Town Centre**



**RiverHorse Valley
Business Estate
PPP with eThekweni
Municipality**

M O R E L A N D

Taking Action

Resort Sales R135m (2003: R2m)



JV with IFA

M O R E L A N D

Taking Action

2004 Highlights



- uShaka Marine World
- Successful opening in May
 - Project managed for the Municipality
- Durban Point Waterfront Development canal launch

- Sibaya Entertainment Kingdom
 - On schedule for opening November



Conclusion

- On-going robust property market
 - Emerging market customers
 - Low interest rates
 - Positive outlook for key economic variables
- KZN and National market leader
 - Exploring international customers
- Increasing government infrastructural spend
- Prime / extensive concentrated land holdings
- Exciting project pipeline
- Performance sustainable - second half constrained by government approvals process

Tongaat-Hulett Sugar

TONGAAT-HULETT

Tongaat-Hulett Sugar

2004 Interim Results

- Revenue R1,209 billion
- Underlying Operating Profit R38 million
- Operating earnings margin 3,1%
- Restructure costs R22 million
- Triangle dividend R21 million
- Operating profit R28 million

Domestic Volumes THS (SA)

Tons sugar	H1 2004	H1 2003	FY 2003
Opening stock	175 607	158 454	158 454
Production	87 446	112 929	367 863
Prior season adjustment	(1 459)	15 046	15 046
Sugar purchased in	49 554	48 859	133 163
Sales	(211 767)	(236 236)	(498 919)
Closing stock	99 381	99 052	175 607

Export Volumes THS (SA)

Tons sugar	H1 2004	H1 2003	FY 2003
Opening stock	100 991	172 903	172 903
Production	78 555	85 560	284 156
Prior season adjustment	1 004	(11 680)	(11 680)
Sales	(120 345)	(172 007)	(344 388)
Closing stock	60 205	74 776	100 991

Total Volumes THS (SA)

Tons sugar	H1 2004	H1 2003	FY 2003
Opening stock	276 598	331 357	331 357
Production	166 001	198 489	652 019
Prior season adjustment	(455)	3 366	3 366
Sugar purchased in	49 554	48 859	133 163
Sales	(332 112)	(408 243)	(843 307)
Closing stock	159 586	173 828	276 598

Raw Sugar Export Realisations

South African Industry

Raw Sugar	H1 2004	H1 2003	FY 2003
Price in US c/lb*	6,87	6,50	6,59
Average Rand/US \$	R7,64	R9,32	R8,85
Average Rand realisations per ton	R1 243	R1 574	R1 412

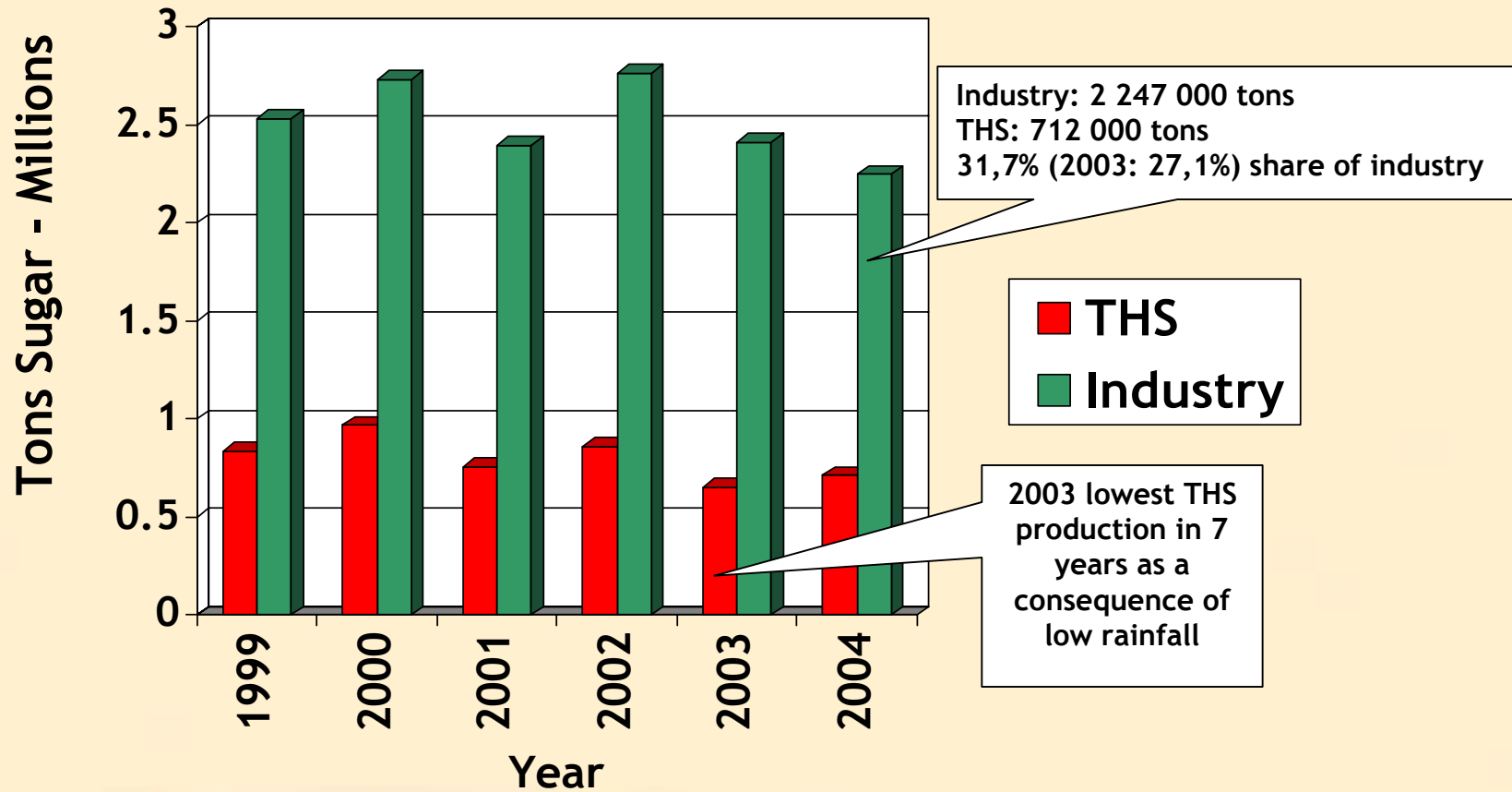
* Excludes preferential markets and premiums

Table includes raw sugar for refined exports

Sugar Production

Tons '000	2000	2001	2002	2003	2004 (Est)	Installed capacity
South Africa	969	755	861	652	712	974
Mozambique	39	36	71	82	99	156
Swaziland RSE	41	45	50	54	52	55
Zimbabwe	282	264	296	264	250	315
Total Sugar	1 331	1 100	1 278	1 052	1 113	1 500

SA Sugar Production



SA's Value-adding Activities

- **Revenue**
 - R320,5 million (H1 2003: R322,5 million)
- **Operating Profit**
 - R34,8 million (H1 2003: R34,0 million)



Tongaat-Hulett

TONGAAT-HULETT

Taking Action

Sustainable development

- BEE procurement spend 15%
 - A major highlight was the procurement of the first 5 000 tons of maize from emerging farmers
- Employment Equity: Blacks comprise
 - 46% management
 - 76% skilled and supervisory positions
- Rated by Financial Mail/Empowerdex as a Top Empowerment Company

Sustainable development

- Inclusion in JSE SRI Index
- Improvement in safety
 - Lost time injury frequency rate YTD 0,49 compared to 1,50 a year ago
 - Total recordable case frequency rate YTD 1,12 compared to 2,50 a year ago
- Eligible employees receive free ART

Sustainable development

- Training and development
 - 70 employees participating in formal development programmes
 - 144 employees participating in the Group's tertiary education aid programme
 - Training approximately 2% of basic employment costs
- Good reputation with the ability to constructively engage with governments in the Southern African region



Tongaat-Hulett

Thank you

TONGAAT-HULETT

Taking Action