The Tongaat-Hulett Group Limited

Registration No. 1892/000610/06 Share code TNT Issuer code THGL ISIN ZAE000007449

AUDITED GROUP RESULTS AND FINAL DIVIDEND DECLARATION

for the year ended 31 December 2005

INCOME STATEMENT

Rmillion	Note	2005	2004 Restated for IFRS
Revenue		**6 926**	6 298
Operating profit	1	**730**	358
Net financing costs	2	**(60)**	(93)
Share of associate company's (loss)/profit		**(25)**	6
Profit before tax		**645**	271
Tax	3	**(162)**	(41)
Net profit		**483**	230
Attributable to:			
Shareholders		**472**	220
Minority interest		**11**	10
		483	230
Headline earnings attributable to shareholders		**466**	206
Earnings per share (cents)			
Net profit per share			
Basic		**458,2**	216,3
Diluted		**447,2**	214,0
Headline earnings per share			
Basic		**452,4**	202,5
Diluted		**441,5**	200,4
Annual dividend per share (cents)		**400,0**	170,0
Interim paid		**120,0**	50,0
Final proposed		**280,0**	120,0
Currency conversion			
Rand/US dollar average		**6,37**	6,44
Rand/US dollar closing		**6,35**	5,65
Rand/GB pound closing		**10,92**	10,84

HEADLINE EARNINGS

	2005	2004
Profit attributable to shareholders	**472**	220
Less after tax effect of:		
Surplus on disposal of property, plant and equipment	**(8)**	(21)
Estate closure costs	**2**	7
Headline earnings	**466**	206

STATEMENT OF CHANGES IN EQUITY

	2005	2004
Balance at beginning of year	**4 347**	4 193
Effect of transition to IFRS		(15)
Accounting for fair value hedges as required by IAS 39 (Revised)	**(5)**	
Restated balance	**4 342**	4 178
Net profit	**472**	220
Dividends paid	**(247)**	(132)
Share capital issued	**62**	30
Share-based payment reserve	**17**	10
Hedge reserve released to income statement	**(4)**	27
Gain from cash flow hedges	**9**	9
Share of associate's movement in currency translation reserve	**(7)**	(4)
Currency exchange rate changes	**(31)**	9
Shareholders' interest	**4 613**	4 347
Minority interests in subsidiaries	**75**	71
Balance at beginning of year	**71**	6
Share of profit	**11**	10
Currency exchange rate changes	**(7)**	1
Shares of a subsidiary issued to the minority		54
Equity	**4 688**	4 418

RECONCILIATION OF PREVIOUS SA GAAP TO IFRS

Rmillion	Audited Year ended 31 December 2004	IFRS transition date 1 January 2004
Balance sheet		
Equity		
As previously reported – SA GAAP	4 357	4 193
Effect of goodwill now recorded in Metical and translated at the closing exchange rate	(14)	(15)
Share-based payment reserve	13	3
Effect of changes on income statement:		
Current year	(6)	
Prior year	(3)	(3)
Shareholders' interest	4 347	4 178
Minority interests in subsidiaries previously reported separately from equity	71	6
Equity restated – IFRS	4 418	4 184
Income statement		
Net profit as previously reported	226	
Effect of transition to IFRS	(6)	
Share-based payment charge	(8)	
Goodwill no longer amortised	2	
Net profit attributable to shareholders restated – IFRS	220	

Basis of preparation

The audited results of the Group for the year ended 31 December 2005 have been prepared in accordance with the Group's accounting policies which comply fully with International Financial Reporting Standards (IFRS). The Group is reporting under IFRS for the first time for the year ended 31 December 2005. Comparative figures have accordingly been restated. The transition to IFRS has resulted in the Group adopting IFRS 2 Share-based Payment and accounting for goodwill in terms of IFRS 3 Business Combinations. The Group continues to account for its Zimbabwean operations, including Triangle Sugar, on a dividend received basis.

The disclosures required by IFRS 1 First-time Adoption of International Financial Reporting Standards concerning the transition from South African Statements of Generally Accepted Accounting Practice (SA GAAP) to IFRS and the requisite changes in accounting policies are set out in the table above.

- **Revenue of R6,9 billion**
  (2004: R6,3 billion)
- **Operating profit of R730 million**
  (2004: R358 million)
- **Headline earnings of R466 million**
  (2004: R206 million)
- **Annual dividend of 400 cents per share**
  (2004: 170 cents per share)
- **Unbundling and listing of Hulett Aluminium and introducing BEE equity participation in Tongaat-Hulett and Hulett Aluminium**

COMMENTARY

Headline earnings increased by 126% to R466 million in 2005, compared to R206 million in 2004. The benefits of the multiple management actions underway are increasingly reflected in the financial results. The past three years have seen the businesses adapting to a stronger Rand. The Group's operating profit in 2005 increased to R730 million (2004: R358 million).

African Products continued its earnings recovery with operating profit improving to R112 million (2004: R61 million). This was achieved through an increase in domestic volumes and lower maize prices, offset by low co-product prices. Domestic sales volumes were 3,9% above those of 2004 due to growth in the local market and the successful recovery of business previously lost to imports. Export sales volumes were 5,5% above those of 2004. An organisational restructuring was undertaken during the year, as part of the ongoing process to ensure operations are able to respond to the competitive environment, the benefits of which will be realised from 2006. The maize price, after reaching low levels early in 2005, rose strongly to levels close to import parity late in the year. Continuing with its back-to-back pricing model, African Products has priced 33% of its maize requirements for 2006.

Tongaat-Hulett Sugar's operating profit increased by 183% to R232 million (2004: R82 million), before dividends from Triangle Sugar in Zimbabwe. Sales volumes in South Africa increased to 474 000 tons (2004: 464 000 tons) and raw sugar export volumes grew by 33% to 387 000 tons (2004: 292 000 tons). The improved sales volumes, higher export realisations and lower costs per ton led to increased margins. The 2005 results include an effective world sugar price of 8,98 US c/lb (2004: 7,27 US c/lb), which is well below the current price of 17 US c/lb. The benefits of actions taken to enhance earnings are increasingly being realised. These include optimisation of milling capacity, reduction in milling costs, cane procurement initiatives, head office closure, the new white sugar milling technology, leveraging the Huletts brand and other refining value chain initiatives. A dividend of R19 million (2004: R51 million) was received from Triangle Sugar in Zimbabwe, which continues to operate profitably in a difficult environment.

The South African crop harvested in 2005 was larger than the 2004 crop although still below the longer-term average. Production from the South African operations increased to 753 000 tons (2004: 723 000 tons). In Swaziland, Tambankulu produced a record raw sugar equivalent of 56 000 tons (2004: 50 000 tons). Triangle Sugar in Zimbabwe produced 236 000 tons (2004: 222 000 tons). In Mozambique, the rehabilitation and expansion of the sugar estates continued with production rising by 35% to 115 000 tons (2004: 85 000 tons). Total sugar production for the 2005 year thus improved to 1,160 million tons from 1,080 million tons in 2004.

Moreland continued to accelerate its development of the Group's prime land holdings, capitalising on its portfolio comprising resort, residential, commercial and industrial portfolios, in a favourable property market. Operating profit increased by 28% to R231 million (2004: R181 million). Strong contributions were achieved from developments at Zimbali Coastal Resort, RiverHorse Valley Business Estate, La Lucia Ridge residential and the Umhlanga Ridge New Town Centre. Substantial progress has been made towards securing approvals for several key developments, which are expected to be launched in 2006, including Sibaya at Umdloti, Umhlanga Triangle, Izinga, Umhlanga Ridge New Town Centre residential precincts, Cornubia at Mount Edgecombe North, Kindlewood at Mount Edgecombe South and Shongweni.

Hulett Aluminium (Hulamin) more than doubled its operating profit to R319 million (2004: R148 million), with 50% thereof being the Group's share. The rolled products operation succeeded in growing volumes, improving product mix and reducing unit costs. Sales volumes of rolled products increased by 20% to 173 000 tons, despite disruptions in the supply of rolling ingot in the second half of the year. Output of more than 180 000 tons annualised was attained for several periods of 2005. Rolled product conversion costs per ton were reduced by 8%. Sales mix improvements included increased local market sales and growth in exports of Treadbright and Can End Stock of 27% and 33% respectively. The plate plant expansion, which will increase high margin heat-treated plate capacity by 50%, is progressing well and will come on stream in the second half of 2006. The extrusion operation again performed well. Local market growth in both extruded and rolled products was driven by increased local consumption and customers' exports.

The Board has declared a final dividend of 280 cents per share, which brings the total annual dividend to 400 cents per share (2004: 170 cents per share).

A POSITIVE OUTLOOK

Considerable earnings growth is expected in the year ahead. Earnings enhancing actions are underway throughout Tongaat-Hulett. The changing global sugar fundamentals and the rising world sugar price are positive developments. Continued growth is expected in aluminium rolled product volumes, together with sales mix optimisation and conversion cost per ton reductions.

UNLOCKING FURTHER VALUE FOR SHAREHOLDERS

An extensive strategic review to further enhance shareholder value, building on the achievements of the last two years and the ongoing actions to increase earnings in all operating companies, has been completed. This resulted in a Board decision to embark on the unbundling of the Group's 50% interest in Hulamin to Tongaat-Hulett shareholders, the listing of Hulamin and the simultaneous introduction of Black Economic Empowerment equity participation in both Tongaat-Hulett and Hulamin.

Tongaat-Hulett has made significant strides in the areas of employment equity, preferential procurement, skills development, enterprise development and community involvement. The unbundling will create the opportunity to attract value-add BEE equity partners into Tongaat-Hulett and Hulamin.

The unbundling of Hulamin will increase Tongaat-Hulett's focus on its core businesses, thereby creating further opportunities to enhance operating performance, increase benefits from the overlaps and synergies, improve delivery on growth opportunities and taking advantage of the changing global sugar dynamics. Tongaat-Hulett has developed the Hulamin business over the past 30 years, transforming it into a successful independent niche aluminium rolled products and extrusion company. The business now has the requisite critical mass to prosper on a focused, stand-alone basis, with numerous growth opportunities. The unbundling will provide direct access to two attractive investment vehicles, with clear information on these two entities and their prospects.

Significant preparatory work, including the relevant approvals and regulatory compliance, will be required to implement the aforementioned initiatives. Further announcements with progress in this regard will be made in due course.

For and on behalf of the Board

C M L Savage	**P H Staude**
Chairman	Chief Executive Officer

Amanzimnyama, Tongaat, KwaZulu-Natal 17 February 2006

DIVIDEND DECLARATION

Notice is hereby given that the Board has declared a final dividend (number 157) of 280 cents per share for the year ended 31 December 2005 to shareholders recorded in the register at the close of business on Friday 17 March 2006.

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

Last date to trade ordinary shares "CUM" dividend	Friday	10 March 2006
Ordinary shares trade "EX" dividend	Monday	13 March 2006
Record date	Friday	17 March 2006
Payment date	Thursday	23 March 2006

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 13 March 2006 and Friday 17 March 2006, 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 10 March 2006.

For and on behalf of the Board

M M L Mokoka
Group Secretary

Amanzimnyama, Tongaat, KwaZulu-Natal 17 February 2006

SEGMENTAL ANALYSIS

Rmillion	Revenue	Operating profit	Total assets	Total liabilities	Capital employed	Capital expenditure	Depreciation
2005							
African Products	1 293	112	1 558	224	1 333	58	88
Hulett Aluminium (50%)	2 081	159	2 695	564	2 403	69	89
Moreland	459	231	645	287	383		
Tongaat-Hulett Sugar	3 093	232	2 423	355	2 061	177	88
Triangle dividend		19					
Corporate		(44)	607	830	567	1	
Exchange rate translation gain		14					
Exceptional items		7					
Group total	6 926	730	7 928	2 260	6 747	305	265
2004 (Restated for IFRS)							
African Products	1 344	61	1 666	381	1 286	40	82
Hulett Aluminium (50%)	1 671	74	2 665	621	2 371	38	56
Moreland	420	181	453	222	257		
Tongaat-Hulett Sugar	2 863	82	2 454	386	2 128	109	91
Triangle dividend		51					
Corporate		(52)	914	1 264	881	1	1
Exchange rate translation loss		(47)					
Exceptional items		8					
Group total	6 298	358	8 152	2 874	6 923	188	230

BALANCE SHEET

Rmillion	2005	2004 Restated for IFRS
Assets		
Non-current assets		
Property, plant and equipment	**4 093**	4 106
Growing crops	**182**	185
Long-term receivable	**203**	210
Goodwill	**21**	23
Intangible assets	**12**	9
Investments	**57**	23
	4 568	4 556
Current assets	**3 360**	3 596
Inventories	**1 456**	1 649
Trade and other receivables	**1 337**	1 108
Derivative instruments	**41**	36
Cash and cash equivalents	**526**	803
Total assets	**7 928**	8 152
Equity and liabilities		
Capital and reserves		
Share capital	**104**	102
Share premium	**821**	759
Retained income	**3 651**	3 426
Other reserves	**37**	60
Shareholders' interest	**4 613**	4 347
Minority interests in subsidiaries	**75**	71
Equity	**4 688**	4 418
Non-current liabilities	**1 357**	1 380
Deferred tax	**936**	854
Long-term borrowings	**138**	255
Provisions	**283**	271
Current liabilities	**1 883**	2 354
Trade and other payables (note 7)	**1 119**	1 171
Short-term borrowings	**702**	1 125
Derivative instruments	**18**	52
Tax	**44**	6
Total equity and liabilities	**7 928**	8 152
Number of shares (000)		
– in issue	**103 896**	102 248
– weighted average (basic)	**103 018**	101 718
– weighted average (diluted)	**105 552**	102 791
Debt to equity	**17,9%**	31,2%
Net debt to equity	**6,7%**	13,1%

CASH FLOW STATEMENT

	2005	2004
Operating profit	**730**	358
Net financing costs	**(60)**	(93)
Non-cash items:		
Depreciation	**265**	230
Other non-cash items		18
Tax payments	**(38)**	(71)
Change in working capital	**(109)**	(203)
Cash flow from operating activities	**788**	239
Expenditure on property, plant and equipment:		
New	**(169)**	(78)
Replacement	**(101)**	(78)
Major plant overhaul costs capitalised	**(35)**	(32)
Expenditure on intangible assets	**(4)**	(3)
Growing crops disposals	**5**	20
Proceeds on disposal of property, plant and equipment	**42**	44
Investments	**(72)**	(19)
Net cash flow before dividends and financing activities	**454**	93
Dividends paid	**(247)**	(132)
Net cash flow before financing activities	**207**	(39)
Borrowings (repaid)/raised	**(558)**	32
Hedges of foreign loans	**(2)**	(35)
Shares issued	**62**	30
Shares of a subsidiary issued to the minority		54
Net (decrease)/increase in cash and cash equivalents	**(291)**	42
Balance at beginning of year	**803**	808
Exchange rate translation gain/(loss)	**14**	(47)
Cash and cash equivalents at end of year	**526**	803

NOTES

1. Operating profit
Operating profit includes results of operations, Triangle dividends, restructure costs, valuation adjustments and exceptional items, as disclosed in the segmental analysis.

	2005	2004
2. Net financing costs		
Interest paid	**(131)**	(275)
Financial instrument income	**33**	112
Interest received	**38**	70
	(60)	(93)
3. Tax		
Normal	**(51)**	(51)
Deferred	**(113)**	22
Rate change adjustment - deferred	**28**	
Secondary tax on companies	**(26)**	(12)
	(162)	(41)
4. Capital expenditure commitments		
Contracted	**112**	52
Approved but not contracted	**187**	86
	299	138
5. Operating lease commitments	**39**	57
6. Guarantees and contingent liabilities	**44**	34

7. Trade and other payables
Included in trade and other payables is the maize obligation (interest bearing) of R110 million (2004: R218 million).

8. Audited results
The results for the year ended 31 December 2005 have been audited by Deloitte & Touche. Their unqualified audit opinion is available for inspection at the registered office of the company.

CORPORATE INFORMATION

Non-executive directors: D D Barber, P M Baum, I Botha, L Boyd, E le R Bradley, M W King, J B Magwaza, M Mia, T H Nyasulu, C M L Savage (Chairman), R H J Stevens, A M Thompson

Executive directors: B G Dunlop, A Fourie, G R Hibbert, G P N Kruger, M H Munro, S J Saunders, M Serfontein, P H Staude (Chief Executive Officer)

Registered office: Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal, P O Box 3, Tongaat 4400, Telephone: +27 32 439 4019, Facsimile: +27 32 945 3333

Transfer secretaries: Computershare Investor Services (2004) (Pty) Limited, Telephone: +27 11 370 7700

Sponsor: Investec Bank Limited, Telephone: +27 11 286 7000