

Tongaat Hulett

■ Location of operations



Sugar - Markets

Sugar operations contributed 65% of Tongaat Hulett's Operating Profit in 2012/13

South Africa

- **Production 2013/14 season - 2,34 million tons (SA industry)**
 - **Tongaat Hulett production - 635 000 tons**
- **Local market 2013/14 season - 2,28 million tons**
 - **Imports - 450 000 tons**
 - **Swaziland - 330 000 tons**
- **Industry to export 840 000 tons**
- **Future**
 - **Effective reference price - no imports**
 - **Phase 1 pilot Ethanol regime - 1% ethanol equivalent to 180 000 tons**
 - **Industry to export < 20% of production**



Sugar - Markets (cont.)

Zimbabwe

- Production 2013/14 season - 488 000 tons
- Local market 2013/14 season - 300 000 tons
 - Imports - 120 000 tons
 - Tongaat Hulett local sales - 180 000 tons
- Protection
 - 10% + US \$100 (6,3 US c/lb) - March 2014
 - No import permits - March 2014

Mozambique

- Production 2013/14 season - 383 000 tons
 - Tongaat Hulett production - 250 000 tons
- Local market 2013/14 season - 200 000 tons
 - Supplied by local producers - 150 000 tons
 - Imports (refining limitations) - 50 000 tons
- Possible future local market - 525 000 tons
 - Per capita consumption rises from 8 kg to 21 kg (Zimbabwe)



Growing Sugar Production

> 2,1 million Tons from Existing Capacity

Tons Raw Sugar	2010/11 Actual	2013/14 Actual*	2017/18 Indicative
South Africa	455 000	635 000	808 000
Zimbabwe	333 000	488 000	628 000
Mozambique	164 000	250 000	319 000
Swaziland RSE	54 000	53 000	61 000
Total	1 006 000	1 426 000	1 816 000
Growth		420 000	390 000

Tongaat Hulett unutilised milling capacity > R13,3 billion (replacement value for 700 000 tons)

Unit Cost Reduction

- Overheads - 90% fixed
- Milling costs - 80% fixed
- Agriculture - 90% fixed per hectare

RSE - Raw Sugar Equivalent

* Final Industry reconciliations to be concluded

Reducing Input Costs

Total for Tongaat Hulett

> R2,7 billion Salaries and Wages

> R5 billion Goods and Services Costs

Tongaat Hulett – Sugar operations		
Targeted Costs - 2013/14 versus 2012/13*	Lower versus previous year	
	US\$/Metical	Rand
Zimbabwe - Total operations (US\$)	\$29 million	R290 million
Mozambique - Total operations (Metical)	Mt 146 million	R49 million
South Africa - Milling operations (Rand)		R24 million
25% growth in sugar production - 2013/14		
<ul style="list-style-type: none"> Wage and Salaries increases in 2013/14 <ul style="list-style-type: none"> Zimbabwe - 6,66% and 4,5% Mozambique - 9,04% and 8,0% South Africa - 8,41% and 7,5% 	Key cost increases in 2013/ 14 - Rands <ul style="list-style-type: none"> Fuel 11% Coal 9% 	



* Money of the day

Starch and Glucose

18% of Operating Profit 2012/13

- Cost of maize in prime products is 40% of prime product revenue
- Improving capacity utilisation and market mixes
 - Available capacity upstream - 20%
 - > R100 million investment in downstream capacity - higher value products
 - Coffee creamer (60% volume starch based) - 16% growth in current year



Land Conversion

17% of Operating Profit 2012/13

- Some 8 300 developable hectares (13 100 gross hectares) earmarked for conversion*
 - Urban expansion: Durban to Ballito - 4 700 developable (7 300 gross)
 - Urban expansion to the West of Durban - 1 100 developable (2 050 gross)
 - Coastal North of Ballito - 2 500 developable (3 750 gross)
- Pace (2013/14 - 2017/18): 200 to 300 developable hectares per year
- Indicative cash realisations #
 - Excluding affordable housing: R3,1 million to R37 million per hectare
 - Affordable housing: R2 million per hectare

2013/14 - 2017/18 Sales to Come From the Following Areas

Area	Developable hectares to sell
Ridgeside remaining Precinct 1 and 2	42
Ridgeside Precinct 4	20
Umhlanga Ridge Town Centre	17
Izinga/Kindlewood	163
Cornubia industrial	33
Cornubia Retail Precinct - New Town Phase 1	29
uShukela Drive – Airport linked industrial, retail and logistics	49
Amanzimnyama – Office / Business / Industrial and logistics park	345
Zimbali Lakes	47
Remaining sites on nearly completed developments	20
Sub Total	765

Area	Developable hectares to sell
Sibaya Node 1	49
Sibaya Node 5	76
Sibaya Node 4 ^	103
iNyaninga East	550
Umhlanga Ridge Extension - Cornubia New Town Phase 2	234
Compensation (East) – industrial and manufacturing	71
Ntshongweni - retail, urban core, logistics	86
Compensation excluding east 71 hectares - Industrial / manufacturing	154
Tinley Manor South Banks – resort	270
Grand Total	2 358

Tongaat Hulett has a Socio-Economic Position that is SADC Wide, Proactive, Sustainable and Innovative



Cornubia Visit - 8 November 2012
Ex Minister of Housing SA - Tokyo Sexwale



Muda Dam Launch - 19 May 2007
President of Mozambique - Armando Guebuza



SusCo Launch - 4 November 2011



Operation Vuselela - 5 June 2011
South African Small-scale farmers



Ingonyama Trust Board Signing Ceremony
30 April 2013: ITB Board Members

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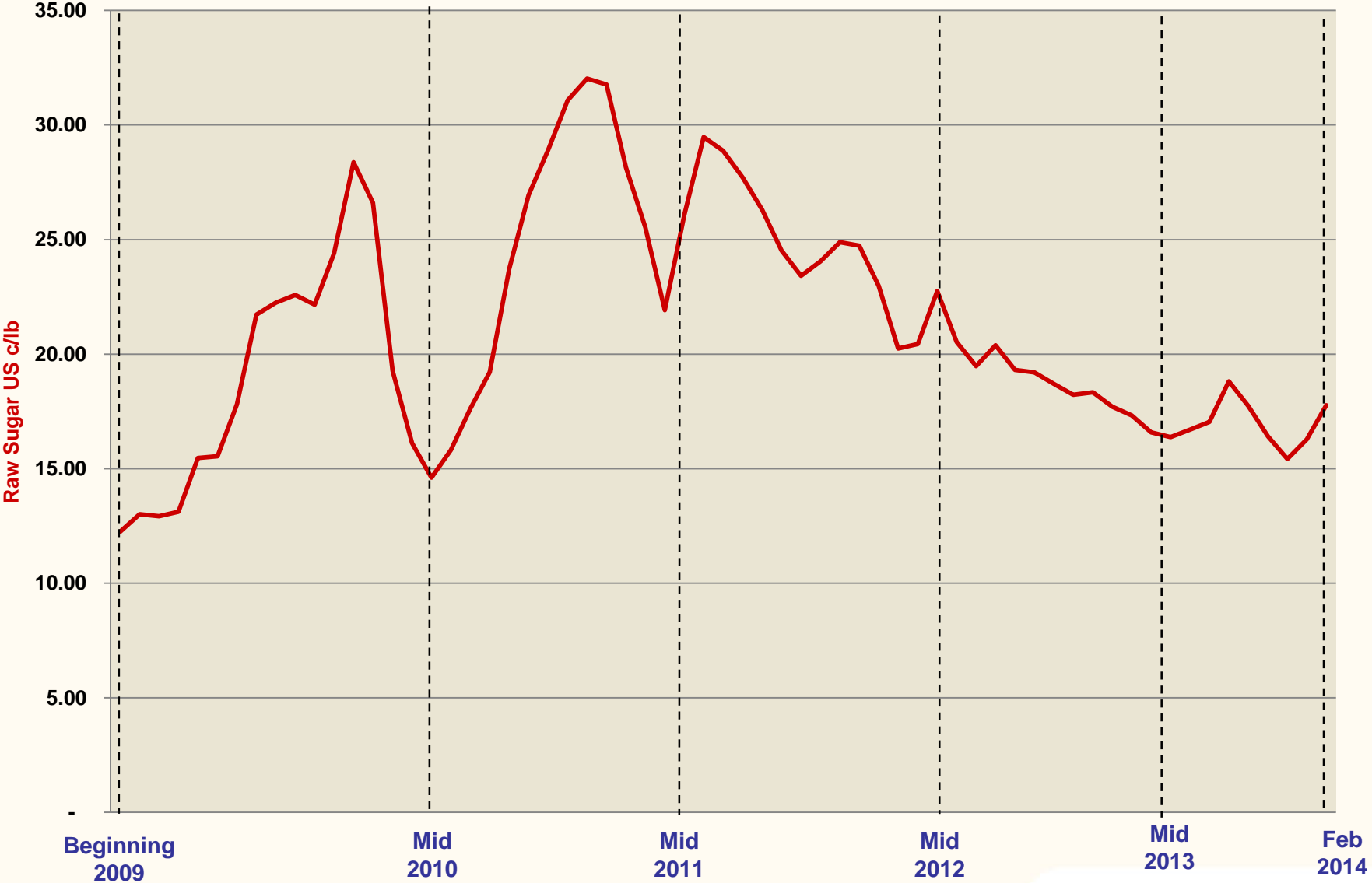
World Sugar Market (Deficit to Surplus to?)

'000 Tons	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Sugarcane and Beet Production	171 292	151 134	156 008	168 024	178 872	185 201	182 564
Consumption	162 823	165 029	166 583	168 194	171 235	174 395	177 860
Surplus/(Deficit)	8 469	(13 895)	(10 575)	(170)	7 637	10 806	4 704



Volatility: World Sugar Price

Int Raw Sugar



Raw Sugar Production

Milling Season														
Tons '000	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
South Africa	977	762	868	659	731	760	674	612	652	573	455	486	486	635
Mozambique	39	36	71	82	85	115	106	108	108	134	164	233	235	250
Swaziland RSE	41	45	50	54	50	56	55	58	56	54	54	59	58	53
Zimbabwe *	547	509	578	507	422	430	451	349	298	259	333	372	475	488
Total	1 604	1 352	1 567	1 302	1 288	1 361	1 286	1 127	1 114	1 020	1 006	1 150	1 254	1 426
Capacity	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	1 820	2 030	2 030	2 030	2 100	2 100
% of Capacity	88%	74%	86%	72%	71%	75%	71%	62%	61%	50%	50%	57%	60%	68%

* Hippo Valley acquired in December 2006. Production for Hippo included from the 2000/01 season

Growing Sugar Production

Indicative - Next 4 Years

Tons Raw Sugar	2013/14 Actual *	2017/18 Indicative	Additional Hectares		Yield and Sugar Recovery Improvements
			Tongaat Hulett - Direct	3 rd Parties / TH Supported	
South Africa	635 000	808 000	4%	89%	7%
Zimbabwe	488 000 449 000 39 000 ^	628 000	-	26%	74%
Mozambique	250 000	319 000	-	43%	57%
Swaziland RSE	53 000	61 000	-	-	100%
Total	1 426 000	1 816 000	2%	54%	44%

RSE - Raw Sugar Equivalent * Final Industry reconciliations to be concluded

^ Cane received from Green Fuel 2013/14

Cane Ownership Mix

Supply of Cane to Tongaat Hulett Sugar Mills

Tons Cane	2013/14 Actual		2017/18 Indicative	
	Tongaat Hulett	3 rd Parties	Tongaat Hulett	3 rd Parties
South Africa	2 571 804	2 909 427	3 796 112	3 206 948
Tongaat Hulett	1 020 003	-	1 066 361	-
Tongaat Hulett supported	1 551 801	-	2 729 751	-
Zimbabwe	2 555 958	1 017 163	3 096 000	1 827 000
- Green Fuel		313 368		-
Mozambique	1 592 305	425 932	1 836 966	746 376
Total	6 720 067	4 665 890	8 729 078	5 780 324

South Africa

New Plantings and Net Gain in Hectares

South Africa	Actual 2009/10	Actual 2010/11	Actual 2011/12	Actual 2012/13	Target 2013/14 # (Nov 2013)	2014/15	2015/16
Small scale farmers	1 636	3 689	4 411	4 297	4 043		
Commercial and medium scale farmers	630	371	1 831	1 884	670		
Tongaat Hulett leased land	1 824	1 546	2 445	5 373	3 308		
Total	4 090	5 606	8 687	11 554	8 021*		
Cumulative new plantings since 2009/10 - milling of this cane commenced in 2011/12			4 090	9 696	18 383	29 937	37 958
Cumulative net cane losses since 2007/08			(13 948)	(14 732)	(17 757)	(18 134)	(18 254)
Net change in hectares since 2007/08			(9 858)	(5 036)	626	11 803	19 704

Assumes normal weather conditions -

* Reduced from 10 500 hectares due to low sugar prices

Off-crop: Milling Costs

- **Seasonal milling costs**
 - Costs incurred from April to mill shutdown (normally November/December)
 - Costs include all expenses associated with running the mill
 - Costs expensed in the current financial year
- **Off-crop costs**
 - Costs incurred from mill shutdown to March of the following year
 - Costs expensed in the following financial year (charge in income statement)

Off crop charge compared to previous year	2013/14	2014/15
Zimbabwe	+ R22 million	- R20 million
Mozambique	- R6 million	- R43 million
South Africa	+ R48 million	- R26 million



Renewable Energy - Electricity and Ethanol

Electricity

- Currently produce 52 MW at 4 Tongaat Hulett South African sugar mills
- Ability to produce between 320 MW - 360 MW at South African mills
 - Capital cost: > R4 billion per mill project
 - Innovative financing options of “Power Island”
- Expecting formal bid - 2014
- Ready to make unconditional bid for 1 plant

Ethanol

- South African fuel market - 12 billion litres petrol per annum
- Tongaat Hulett opportunity (convert 1 of 4 mills to ethanol)
 - Investment: R1 billion
 - Produce approximately 125 million litres per annum
- Support mechanism for ethanol production from sugarcane to be published (May / July 2014)

Starch and Glucose - Markets

Tons	2012/13 Actual	2013/14 Estimate	% Growth 2013/14 vs 2012/13
Alcoholic beverages	173 822	175 888	1,2%
Coffee and Coffee Creamer	65 122	75 588	16,1%
Confectionery	59 202	61 122	3,2%
Paper	59 416	56 980	- 4,1%
Prepared foods	14 197	15 159	6,8%
Other	47 698	47 210	- 1,0%
Total Local	419 457	431 947	3,0%

Starch and Glucose

Outlook for South African maize

	1979/80	2009/10	2010/11	2011/12	2012/13	2013/14*
Hectares planted (000 ha)	4 031	2 742	2 372	2 699	2 781	2 668
Yield (t/ha)	3,37	4,38	4,37	4,38	4,21	4,65
Production (000 tons)	13 583	12 016	10 360	12 121	11 723	12 402
Carry in stock (000 tons)	2 115	2 131	2 336	994	1 417	-
Total usage incl. net exports and farm retentions (000 tons)	8 324	11 811	11 702	11 698	12 343	-
Carry out stocks (000 tons)	849	2 336	994	1 417	797	-
Stock to use ratio	10,02%	19,44%	9,59%	12,42%	6,46%	-

Outlook for World maize

- 2013/14 – Despite delayed plantings, growing conditions were ideal and record crops are expected in the US – a total crop of 352 million tons is expected
- Corn prices have fallen significantly and are trading between US\$170 and US\$180 per ton compared to US\$280 prior to planting – the lowest prices in three years
- Corn stock to use levels have recovered to around 14,6% compared to only 7,9% in the previous year

International Starch and Glucose prices remain firm

- Starch and glucose prices in the US have fallen on the back of lower maize prices
- Demand out of China remains strong and they remain a net importer of corn
- Cassava starch prices are lower as a result of new season harvest pressure

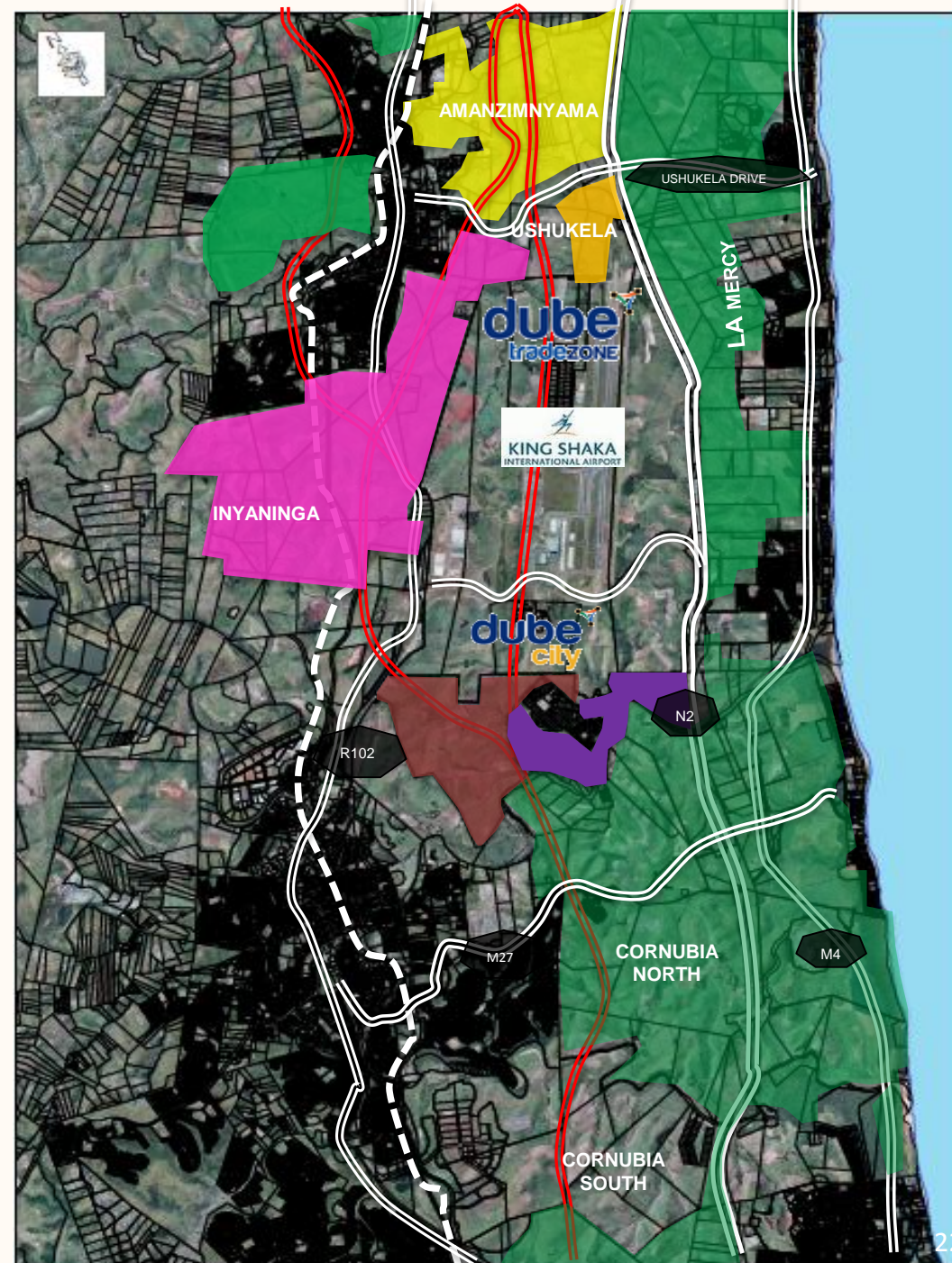
* 27 February 2014 crop estimate

Co-product Pricing

Co-product	Price movement September 2013 over Comparative six month Period	Major price drivers
Germ	Up 7,3%	<p>50%: International edible oil price and local oil seeds</p> <p>50%: Local maize</p>
Gluten-60	Up 28,4%	International protein (soya, fishmeal) prices
Gluten-20	Up 2,7%	Local maize price/hominy chop

Aerotropolis

- **Sale to DubeTradeport** ■
 - R350 million “cash profit”
 - R2,32 million per developable hectare
 - 328 gross (151 developable) hectares
- **Option exercised by DTP to acquire additional land** ■
 - 161 gross hectares
- **Inyaninga East** ■
 - 707 gross (550 developable) hectares
- **UShukela** ■
 - 83 gross (49 developable) hectares
- **Amanzimnyama** ■
 - 627 gross (345 developable) hectares

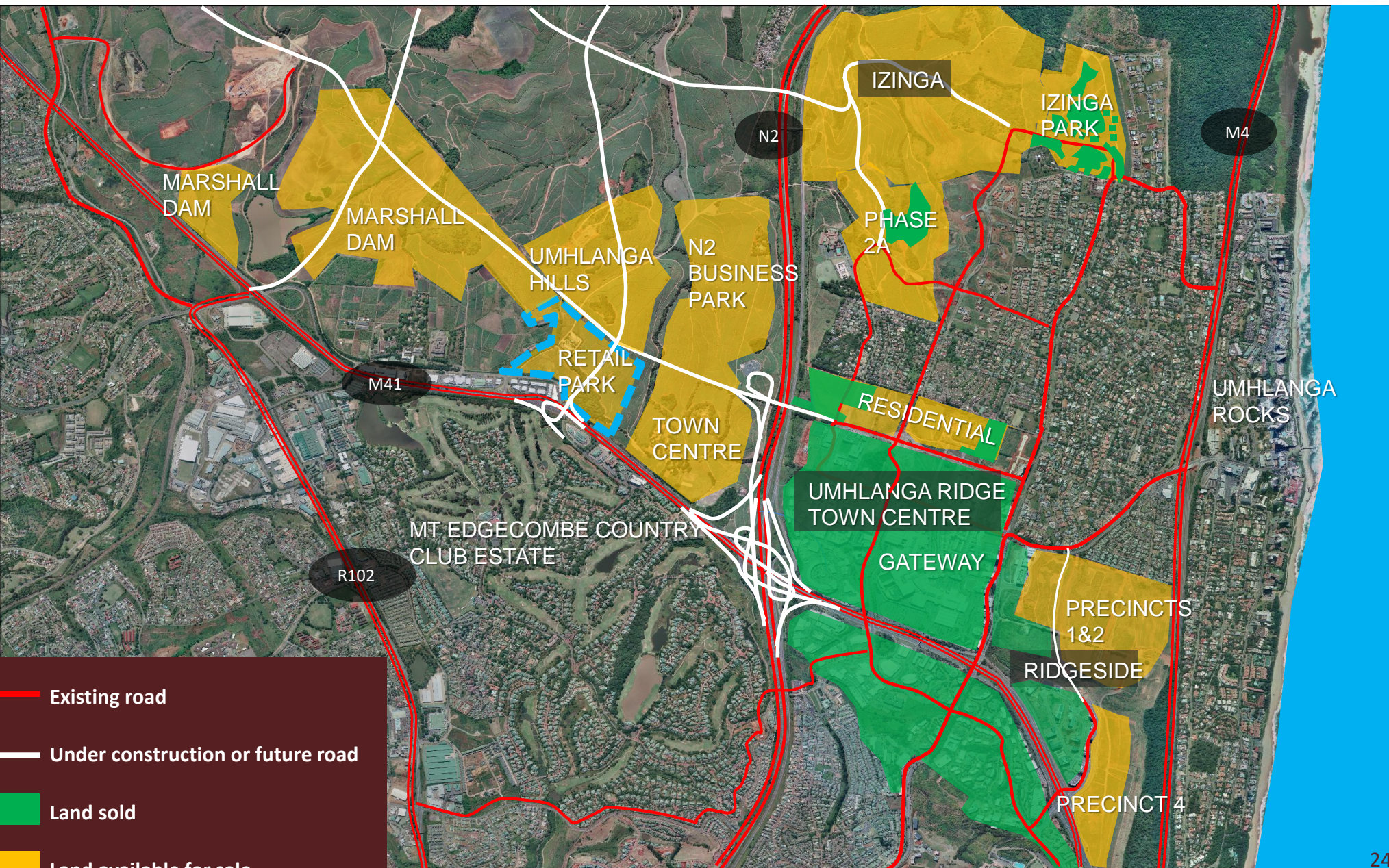


Sibaya Nodes 1 & 5



- “Shovel ready” on 125 developable hectares
- Node 4 EIA well advanced (further 103 developable hectares)

Greater Umhlanga Area



Izinga



- > R99 million sales (H1 - 2013/14)
- Sales constrained due to construction
- Sell out Izinga Park in 2013/14 financial year?

Ridgeside



Future Precinct 4

Sold Precinct 3

Precinct 2

Remainder of Precinct 1

Sold Precinct 1

- Remainder of precinct 1 and precinct 2
 - 42 developable hectares or 485 000 m²
 - Above ground development expected to exceed R12 billion
 - Single purchaser or consortium

Compensation



- 224 hectares industrial/logistics park ■
- Potential industrial platform sizes between 20 hectares and 65 hectares
- Strategically located approximately 13 km's north of the Dube Tradeport
- Quick access to the R102, N2 and northern rail line
- Northern inter modal logistics gateway into Durban region
- Advanced EIA

Extracts from
FINANCIAL RESULTS
FOR THE 6 MONTHS ENDED
30 SEPTEMBER 2013

Cash Flow: H1 2013/14

R million	6 months 2013/14	6 months 2012/13	
Operating profit	+ 1 381	+ 1 288	Includes all agricultural costs
Growing crop fair value adjustment	+ 773	+ 235	As per income statement
Root planting costs (direct planting, excluding other agricultural costs) charged to operating profit	+ 67	+ 337	Included below #
Other non-cash items	+ 248	+ 271	Includes depreciation etc.
	+ 2 469	+ 2 131	R338 million improvement
Working capital	- 2 075	- 1 390	Inventories
Capital expenditure - plant, equipment, other capital	- 299	- 495	Consciously restricted
Root planting costs	- 106	- 373	Includes operating costs above # and capex items
	- 11	- 127	
Interest and tax	- 439	- 328	
Net cash flow before dividends	- 450	- 455	

Cash Flow - Past 7 Years

July 2007 to September 2013

R billion

- Operating cash flow (before root planting) + 11,9
- Working capital - 2,2
- Capex and sugar root investment
 - New plant and equipment - 4,4
 - Replacement capital expenditure - 2,2
 - Roots - 1,9
- Interest and tax - 3,9
- Dividends - 1,8
- Increase in net debt - 4,5



New plant and equipment	4,4
New roots/accelerated replant/replacement	<u>1,9</u>
	6,3
Replacement capex	<u>2,2</u>
Total	<u>8,5</u>

Net Debt at 30 September 2013 R5,4 billion

No new equity issued to fund expansion and growth



Average Exchange Rates

Average	2013/14 H1	2012/13 H1
Rand/US\$	9,78	8,18
Rand/Euro	12,87	10,40
Rand/Metical	0,33	0,30
US\$/Euro	1,32	1,27
Metical/Euro	38,92	35,02

- **Export proceeds: US\$ and Euro**
(exchange rates at time of export - Mozambique and Zimbabwe)
- **Earnings conversion on consolidation**
(at average exchange rates)
 - Zimbabwe : US\$ → Rands
 - Mozambique : Metical → Rands





If you require further information

Visit www.tongaat.com

or

contact Michelle Jean-Louis

Office: +27 32 439 4101 Mobile: +27 83 386 3846

Email: michelle.jean-louis@tongaat.com