TONGAAT HULETT LIMITED
Incorporated in the Republic of South Africa
Registration number 1892/000610/06
Share code: TON
ISIN ZAE000096541
("**Tongaat Hulett**" or "**Company**")

UNAUDITED CONSOLIDATED FINANCIAL RESULTS AND OPERATIONAL UPDATE FOR THE YEAR ENDED 31 MARCH 2022

IMPORTANT TO NOTE

When considering the information provided in this results announcement ("**Announcement**"), the following context should be borne in mind:

- Tongaat Hulett shares were suspended from trading on the JSE on 20 July 2022 and remain suspended.
- The Company entered voluntary business rescue on 27 October 2022, and business rescue proceedings are ongoing.
- **The going concern assumption has been applied in the preparation of the financial information included in this Announcement ("Financial Information"), despite the fact that material uncertainties exist regarding the Company's ability to continue operating as a going concern.**

DISCLAIMER

*Readers should note that the Financial Information has not been reviewed nor approved by any audit sub-committee of the board of directors of Tongaat Hulett ("**Board**"), **nor has it been audited, reviewed or otherwise reported on by the Company's external auditor**. The Financial Information is being released to shareholders of the Company in the interest of transparency and in response to requests received from shareholders. Given such requests, the JSE has agreed to the release of the unaudited Financial Information. The business rescue practitioners of the Company ("**BRPs**") are satisfied that to the best of their knowledge and belief, the Financial Information is not misleading, and no facts have been omitted or untrue statements made that would make the Financial Information false or misleading, noting that they were neither involved with the Company during the period being reported on, nor have they had any involvement in the preparation or review of the Financial Information. In the circumstances no representation or warranty, express or implied, is or will be given by the BRPs as to the accuracy, completeness or fairness of the Financial Information and, except in the case of fraud, no liability whatsoever is accepted for the accuracy of the Financial Information nor for any errors, omissions or misstatements relating thereto.*

SALIENT FEATURES

- Strong local sugar demand and good market share maintained across all geographies.
- Ongoing improvements in Environmental, Social and Governance ("**ESG**") matters.
- Net finance costs of R1.2 billion were reduced by 25%, due to lower debt levels and favourable exchange rate movements.
- Dividends and management fees received from Zimbabwe decreased by 65% to R139 million.
- Cash flow from operations deteriorated by R1.1 billion.

FINANCIAL RESULTS

The following items had a negative impact on the financial results in FY22, relative to FY21:
- Lower raw sugar production.
- Continued negative effects of hyperinflation and currency devaluation in Zimbabwe.

- Property transactions constrained by COVID-19 pandemic conditions and social unrest.
- Civil unrest negatively impacted on profits of the South African sugar operation by R158 million.
- Restatements arising from a review of technical accounting matters following the transition to new auditors.
- Contributions from the disposal of starch, Namibia and Eswatini operations in the prior year.
- Benefit from lower borrowings following asset disposals offset by remaining operations continuing to utilise cash.

Group financial results [1]

Basic loss per share of 790 cents (FY21: earnings per share of 1 918 cents, *restated*)	Headline loss per share of 585 cents (FY21: headline loss per share of 508 cents, *restated*)

Group results from continuing operations [1]

- Revenue unchanged at R15.5 billion
  (FY21: R15.5 billion *restated*)
- Operating profit of R584 million
  (FY21: Profit R1.4 billion *restated*)
- Adjusted EBITDA2 down 67% to R591 million
  (FY21: R1.8 billion *restated*)
- Hyperinflationary net monetary gain of R86 million
  (FY21: loss of R91 million *restated*)
- Basic loss from continuing operations increased to R1.07 billion
  (FY21: loss of R762 million *restated*)
- Basic loss per share from continuing operations increased to 790 cents
  (FY21: loss of 565 cents *restated*)
- Headline loss from continuing operations decreased to R789 million
  (FY21: loss of R942 million *restated*)
- Headline loss per share from continuing operations decreased to 585 cents
  (FY21: loss of 699 cents *restated*)
- Free cash outflow of R297 million [3]
  (FY21: cash inflow of R802 million *restated*)
- No dividend was declared in the current financial year

Disposal of businesses

In considering the comparative financial results, it should be noted that Tongaat Hulett disposed of its starch, Namibian packaging, and Eswatini agricultural operations during FY21. The starch operation was classified as a discontinued operation in the FY21 financial results. The Namibian and Eswatini operations did not each represent a separate major business segment and consequently remained classified as continuing operations. The results for FY21 include financial contributions from the starch operation for seven months, the Eswatini operation for eight months, and the Namibian operation for three months. All financial results reflect the continuing operations unless stated otherwise.

1. *Where applicable, comparative financial information has been restated for the correction of prior-year errors.*
2. *'Adjusted EBITDA' (a non-IFRS measure) is defined as operating profit adjusted to exclude depreciation, amortisation, any impairment (or reversal thereof) of non-financial assets, any other non-trading, or non-recurring items, as well as fair value adjustments relating to biological assets.*
3. *'Free cash flow' (a non-IFRS measure) is defined as the total of cash flows from operating and investing activities excluding taxation paid, expansion capital expenditure, finance income, and proceeds received pursuant to the Group's debt reduction plan (other than land sales in the normal course of the property operations' business).*

BACKGROUND

Tongaat Hulett shares were suspended from trading on the JSE on 20 July 2022, pending the release of the audited annual financial statements for FY22 ("**2022 AFS**"), and remain suspended.

On 27 October 2022, the Board resolved to commence with voluntary business rescue proceedings ("**Business Rescue**"). The Board appointed Trevor Murgatroyd, Peter van den Steen and Gerhard Albertyn of Metis Strategic Advisors as the business rescue practitioners ("**BRPs**") to investigate the affairs of the Company, consider the various options available and develop a business rescue plan ("**BR Plan**") for consideration by the "affected persons" (as defined in the Companies Act 71 of 2008 ("**Companies Act**")) of the Company.

The Company's BR Plan was initially published in terms of section 150 of the Companies Act on 31 May 2023. The BR Plan is being amended to include details of a strategic equity partner who, subject to various suspensive conditions, intends to acquire the Company's sugar businesses. The meeting to consider the approval thereof was adjourned until a later date not later than 30 November 2023.

While Tongaat Hulett's 2022 AFS, including the audit thereof, had largely been finalised and completed in the appropriate time frames it has not been possible to publish these statements to date, as the auditors of the Company ("**Auditors**") have not yet concluded on the going concern assumption applied in the preparation of the 2022 AFS, to be able to sign off on the 2022 AFS. This requires comfort as to the content of the BR Plan and the Company's solvency and liquidity position for at least twelve to fifteen months, which remains uncertain to date.

The Auditors will only be able to consider a conclusion on the going concern assumption applied in the preparation of the 2022 AFS after the publication and approval of the updated BR Plan, as this is an important component of the Auditors' assessment of the Company's ability to continue as a going concern. Moreover, after approval of the BR Plan, some execution risk will remain in terms of the successful implementation of the BR Plan.

The delay in the finalisation of the 2022 AFS has also resulted in Tongaat Hulett being unable to publish its interim results for the six months ended 30 September 2022 and its audited annual financial statements for the financial year ended 31 March 2023.

Following requests from shareholders and engagement with the JSE, the unaudited and unreviewed Financial Information and updates contained in this Announcement are being released, in the interest of transparency. The information in this Announcement should be considered together with the qualifications set out herein.

INTRODUCTION

Operational improvements, asset care, debt restructuring, and liquidity management were high priorities for the Tongaat Hulett group ("**Group**") during FY22. The focus on these areas was intensified as headwinds in the form of civil unrest, severe climatic conditions and frequent operational breakdowns slowed down progress with Tongaat Hulett's turnaround strategy. This was particularly disappointing after the excellent progress made in recent years in improving governance and management controls, reducing debt, improving cash flow and repatriation of dividends from Zimbabwe, the renewed investment in people and processes, and a strengthened focus on ESG.

Tongaat Hulett experienced strong local demand across all its sugar businesses and maintained its good market share in all geographic areas in which it operates. These positive market developments were offset by an 8% reduction in sugar production, mainly due to the weaker agricultural performance in Zimbabwe and unsatisfactory milling performance in South Africa.

The Mozambique sugar operations delivered excellent results, with strong growth in Adjusted EBITDA on the back of robust local sales, as well as an improved sales mix and higher export realisations. The Zimbabwe sugar operations benefitted from buoyant local sales but were materially impacted by the effects of hyperinflation, increased costs, and lower exports. The South African sugar operations experienced a challenging year. The civil riots and low economic growth also weighed on the revenue, profits, and cash flows of the property business.

The subdued revenue generation amplified the vulnerability emanating from the fixed-cost nature of the sugar business, leading to decreased profitability. Profitability was also adversely affected by higher commodity input costs (particularly following the war in Ukraine), maintenance disruptions from civil unrest, higher labour costs, as well as the costs for the restructuring-related activities of the business. These factors, together with the various inflation and currency dynamics in Zimbabwe (as set out below), contributed to a marked reduction in Adjusted EBITDA, with more than 80% of the reduction originating from the Zimbabwe operations.

FINANCIAL RESULTS

IMPORTANT TO NOTE

In evaluating the financial performance of Tongaat Hulett, the following complexities should be considered:

- The comparative financial information includes contributions from the starch, Eswatini and Namibian operations for seven months, eight months and three months, respectively.
- The Eswatini and Namibian operations did not meet the requirements to be classified as discontinued operations for accounting purposes. Consequently, the results from continuing operations for FY21 include a total contribution of R445 million to revenue and R93 million to Adjusted EBITDA from these operations. To improve comparability, the results of the Eswatini and Namibian operations have been separately disclosed in the segmental analysis.
- Certain financial information in the comparative period has been restated.
- Hyperinflation and currency dynamics materially impacted the results of the Zimbabwe operation.

Revenue from continuing operations was unchanged at R15.5 billion (FY21: R15.5 billion, *restated*). Higher revenue in the Zimbabwe and Mozambique sugar operations was offset by a decrease in the Botswana sugar packing operation and the property business. The increase in the South African sugar operations revenue was offset by an increase in the sugar industry equalisation adjustment. The gross profit margin at 19.5% was 615 basis points below the prior year.

Tongaat Hulett generated an operating profit of R584 million (FY21: profit of R1.4 billion, restated). Notwithstanding a material fair value gain on standing cane in Zimbabwe, this reduction mainly reflects the impact of lower sugar production, the civil unrest in South Africa, increased operational expenses in Zimbabwe, impairment losses of R402 million and the non-recurring profit on disposal of the Eswatini and Namibian operations in the prior year. The Group reported an Adjusted EBITDA of R591 million (FY21: R1.8 billion, *restated*), down 67%.

While inflation in the Zimbabwe economy slowed during FY22, the impact of hyperinflation continues to have a significant effect on both the profitability of the business and how the profits are reported in the financial statements. Notably, the Zimbabwe Dollar devalued by 66% during FY22 which substantially reduced the profits reported in Rands. In the current year, it resulted in a non-taxable net monetary gain of R86 million (FY21: loss of R91 million, restated).

Due to several setbacks hindering the progress of the turnaround initiative, impairment losses of R325 million and R77 million were recognised in respect of the South African sugar operations and the Mafambisse operation in Mozambique.

Net finance costs (including foreign exchange differences) were reduced by 25% to R1.2 billion, benefitting from lower debt levels in South Africa, and the non-recurrence of a large foreign exchange loss in the prior year. Net finance costs settled in cash amounted to R686 million (FY21: R1.2 billion) and continue to constrain liquidity significantly, again highlighting the urgency of the strategic imperative to reduce debt to an acceptable level and improve cash flow generation from operations.

Loss before tax for the year increased to R493 million (FY21: R239 million, restated). Taxation however, increased from R159 million to R295 million, as deferred tax was not recognised on the losses of the Company and certain of its Mozambican subsidiaries owing to the uncertainty of future taxable income.

A matter worth noting is that most of the profits were generated in Zimbabwe (where there is a significant minority shareholding) which further increased the loss attributable to Tongaat Hulett's shareholders for the year. The basic loss for the year from continuing operations amounted to R1.07 billion (FY21: loss of R762 million, restated), translating into a basic loss per share from continuing operations of 790 cents (FY21: loss per share is 565 cents, restated). The headline loss per share from continuing operations was 585 cents (FY21: headline loss per share of 699 cents, restated). No dividend was declared for the year (FY21: nil).

ZIMBABWE HYPERINFLATION

Since the adoption of IAS 29 *Financial Reporting in Hyperinflationary Economies* ("**IAS 29**"), the Group has adjusted the "cost of sales" for hyperinflation from the date the sale of sugar occurred. Management believed this method to be compliant with IAS 29 and had applied it in its previously audited annual financial statements. In the current year, management reviewed this method and determined that "cost of sales" should be hyperinflated from the date that the sugar was produced. Whilst seemingly a relatively small change conceptually, the financial impact is material and has resulted in a restatement of comparative financial information.

Impact of hyperinflation and currency dynamics

Despite the relative slowdown in annual inflation from 194% in April 2021 to 73% in March 2022, the Zimbabwean economic environment remains unpredictable and hyperinflationary. During the year, the official exchange rate devalued by 64% against the US Dollar, while the unofficial exchange rate devalued by 134%.

The reported financial results of the Zimbabwe operations have been impacted by significant distortions caused by hyperinflation and currency dynamics in both the formal and informal markets. While a large portion of costs were incurred in local currency (and in effect determined with reference to the unofficial exchange rate), the foreign currency revenue was recorded at the official exchange rate (as required by International Financial Reporting Standards ("**IFRS**"). The substantial difference between the two exchange rates caused substantially lower revenue and higher costs to be recorded in the financial statements. The financial results of the Zimbabwe operations should be viewed in the context of these anomalies.

A net monetary gain arose from hyperinflation accounting this year of R86 million (FY21: loss of R91 million, restated). Hyperinflation and currency dynamics continue to distort the fair value of biological assets as the valuation is based on the price of the sucrose in the sugarcane at the end of the financial year. In the current year, operating profit included a gain of R872 million (FY21: loss of R90 million) related to the increase in the fair value of Zimbabwe's biological assets due to significant inflation and exchange rate movements at the end of the financial year.

The table below shows the results reported for the Zimbabwe operations translated using the official interbank exchange rate (ZWL 142: USD 1 or ZWL 9.8: ZAR 1), together with a sensitivity showing the impact of applying the economy's unofficial exchange rate. The country experienced a widening gap between formal and informal rates of exchange in the last few months of the financial year, which created pressure on local currency-denominated costs and a shortage of foreign currency in the formal market. At 31 March 2022, the unofficial exchange rate was ZWL 267: USD 1 (ZWL 18.3: ZAR 1).

R' million	2022 As reported (Official rate)	2022 Sensitivity (Unofficial rate)	Difference
Revenue	6 294	3 355	(2 939)
Operating profit	1 122	598	(524)
Profit for the year	744	396	(348)
Net asset value	4 039	2 153	(1 886)
Total assets	6 441	3 433	(3 008)

RESTATEMENT OF COMPARATIVE INFORMATION

The Group has restated comparative information as part of the transition to new auditors.

Confirmed restatement	Effect
Industry-wide revenue redistribution adjustments determined by the South African Sugar Association ("SASA") to ensure all sugar millers have an equitable share of the local and export markets have been reclassified out of revenue and disclosed separately as the "sugar industry equalisation" line item on the face of the "statement of profit or loss and other comprehensive income".	While revenue increased by R536 million, there was no change to gross profit or any other amounts in the "statement of profit or loss and other comprehensive income". Furthermore, there was no impact on the "statement of financial position", "statement of changes in equity" and "statement of cash flows".
Hyperinflation adjustments to "cost of sales" arose consequent to changing from the direct method of applying inflation indices to the indirect method. The indirect method effectively applies hyperinflation to the "cost of sales" expense from the date the sugar was produced rather than the date it was sold. The use of the indirect method aligns the method used to adjust "cost of sales" with that used for "depreciation" and "fair value movements on biological assets" and improves the relationship between the inflation adjustments applied to the "statement of financial position" and those applied to the "statement of profit or loss and other comprehensive income".	This revision has resulted in a restatement of amounts in the "statement of profit or loss and other comprehensive income", increasing "cost of sales", and decreasing "taxation" and "net monetary loss". While "operating profit" and "profit before taxation" decreased by R711 million and R176 million respectively, there has been no impact on the "profit for the year" or the "statement of financial position". The revision has also had consequential changes to the "statement of cash flows" with "cash generated from operations" which has been reduced by R711 million and a corresponding change to the "hyperinflation effect on cash and cash equivalents" line.
In the property operation, it was established that the recognition and measurement of performance obligations and contract revenue in respect of township property transactions was not fully compliant with IFRS 15 *Revenue from Contracts with Customers*. Previously, the internal engineering services related to the sales (i.e., the infrastructure required to be installed in exchange for the municipality granting the property development rights) were treated as a separate performance obligation to the	The adjustment was processed retrospectively, and the comparative amounts were restated accordingly. These amendments have an impact on the "statement of financial position", the "statement of profit or loss and other comprehensive income" and the "statement of changes in equity" of the

Confirmed restatement	Effect
customer. Consequently, a portion of the contracted sales price was deferred as a contract liability and recognised as revenue over time, as the internal engineering services were implemented. This contract liability to the customer was recognised in addition to the obligation to the municipality to implement these internal engineering services. It was subsequently determined that this performance obligation was to the municipality alone (i.e., it was not a performance obligation to the customer) and that no portion of the sales price should have been deferred. It was further established that the recognition of the contractual and legislative obligations to the municipality to implement infrastructure and other engineering services in respect of the Group's township property development activities was not consistent with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Previously, these obligations were incorrectly recognised as provisions. The Group will now recognise these obligations as financial liabilities (i.e., accruals).	Group but have no impact on the "statement of cash flows".
IAS 41 *Biological Assets*, requires the measurement of standing cane at fair value less costs to sell. In Zimbabwe, the fair value of standing cane as at 31 March 2021 was determined with reference to the weighted average price of the sucrose in the sugarcane for the season which, in the context of the hyperinflationary environment, was considered a more conservative approach. Following a reassessment of this methodology, and to comply with IFRS 13 *Fair Value Measurement,* it was concluded that the sucrose price at the end of the year should have been used to determine the fair value of standing cane.	The valuation of the Zimbabwe standing cane as at 31 March 2021 was corrected and increased "operating profit" and "profit for the year" by R291 million and R219 million respectively. This correction had an impact on the "statement of financial position", the "statement of changes in equity" and the "statement of profit or loss and other comprehensive income" but had no impact on the "statement of cash flows".
IAS 41 *Biological Assets* requires an entity to disclose the aggregate gain or loss arising from changes in the fair value of biological assets. This was previously included in the "cost of sales" line on the "statement of profit or loss and other comprehensive income", included in "gross profit", and separately disclosed in a note to the financial statements. It was subsequently determined that this aggregate gain or loss should rather be disclosed separately in the "statement of profit or loss and other comprehensive income" and below "gross profit".	The adjustment was processed retrospectively, and the comparative amounts were restated accordingly. While the adjustment increases "gross profit" by R405 million, it does not have an impact on "operating profit". This amendment only has an impact on the "statement of profit or loss and other comprehensive income".
A tax provision of R100 million in respect of certain long outstanding and unresolved tax exposures was previously classified as a non-current provision. The tax provision should have been classified as a deferred tax liability.	The tax provision of R100 million has been reclassified from "provisions" to "deferred tax liabilities". This reclassification only affects the "statement of financial position".

The earnings impact of the above restatements on the comparative information for the Group is as follows:

Year ended 31 March 2021

R million	**As presented**	**Restated**
Revenue	14 918	15 474
Gross profit	4 269	3 974
Operating profit	1 818	1 409
Loss before taxation	(369)	(239)
Taxation	(259)	(159)
Total comprehensive income for the year	1 727	1 957

	As presented	**Restated**
Earnings per share arising from losses from continuing operations attributable to the owners of Tongaat Hulett Limited - Basic and diluted (cents)	(689)	(565)
Earnings per share arising from profit, from continuing and discontinued operations, attributable to the owners of Tongaat Hulett Limited - Basic and diluted (cents)	1 794	1 918

The cash flow impact of the restatements on the comparatives has been as follows:

Year ended 31 March 2021

R million	**As presented**	**Restated**
Net cash inflow generated from operating activities	1 452	741
Net cash inflow from investing activities	4 971	4 971
Net cash outflow from financing activities	(6 316)	(6 316)
Net increase / (decrease) in cash and cash equivalents	107	(604)
Hyperinflation effect on cash and cash equivalents	(719)	(8)
Cash and cash equivalents at the end of the year	629	629

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SEGMENTAL PERFORMANCE

R million	2022 *Unaudited*	2021 *Unaudited* *(Restated)*	% Change
Revenue			
Zimbabwe	6 294	6 162	2
Mozambique	2 078	1 845	13
Botswana	413	488	(15)
South Africa	7 078	7 016	1
Sugar	6 924	6 748	3
Property	154	268	(43)
Inter-segment	(384)	(385)	-
Revenue (excl. disposals)	**15 479**	**15 126**	2
Namibia and Eswatini	-	445	-
Inter-segment	-	(97)	-
Revenue	**15 479**	**15 474**	-
Operating profit			
Zimbabwe	1 122	1 158	(3)
Mozambique	209	230	(9)
Botswana	33	77	(57)
South Africa	(769)	(461)	(67)
Sugar	(509)	(388)	(31)
Property	(57)	69	(183)
Corporate	(203)	(142)	(43)
Inter-segment	(11)	-	n/a
Operating profit (excl. disposals)	**584**	**1 004**	(42)
Namibia and Eswatini	-	405	-
Operating profit	**584**	**1 409**	(59)
Adjusted EBITDA			
Zimbabwe	448	1 405	(68)
Mozambique	423	392	8
Botswana	34	78	(56)
South Africa	(303)	(171)	(77)
Sugar	(48)	(100)	52
Property	(55)	70	(179)
Corporate	(200)	(141)	(42)
Inter-segment	(11)	-	n/a
Adjusted EBITDA (excl. disposals)	**591**	**1 704**	(65)
Namibia and Eswatini	-	93	-
Adjusted EBITDA	**591**	**1 797**	(67)

R 'million	2022 Unaudited	2021 Unaudited (Restated)	% Change
Free cash flow			
Zimbabwe	(6)	556	(101)
Mozambique	418	390	7
Botswana	37	47	(21)
South Africa	(746)	(346)	(116)
Sugar	(548)	(31)	(1 668)
Property	13	(78)	117
Corporate	(211)	(237)	11
Free cash flow (excl. disposals)	(297)	647	(146)
Namibia and Eswatini	-	155	-
Free cash flow	**(297)**	**802**	(137)

ZIMBABWE

Hyperinflation, together with recording foreign currency sales proceeds at the official exchange rate and the devaluation of the Zimbabwe Dollar, significantly distorted the reported financial performance for the period.

Raw sugar production decreased by 4% to 390 100 tons (FY21: 408 300 tons). Sugar production at the Hippo Valley operation increased by 5 100 tons to 209 200 tons as improved sugarcane quality enhanced operating efficiencies. At the Triangle operation, lower volumes of sugarcane reduced sugar production by 23 300 tons to 180 900 tons.

Cane supply from the Group's owned farms was reduced by 15%, due to lower sugarcane yields which were impacted by an ageing cane root profile at the Triangle estate, a yellow sugarcane aphid infestation and power outages that restricted irrigation activities. In contrast, the volume of sugarcane supplied by third-party farmers increased by 122 900 tons and represented 42% of the mills' total sugarcane supply (FY21: 36%), due to an improved yield and a larger area harvested. The combination of lower sugarcane yields and the higher proportion of sugarcane supply by third-party farmers had a significant and negative impact on profits.

Revenue increased by 2% to R6.3 billion, with a favourable sales mix offsetting a 10% decline in overall sales volumes to 394 200 tons. Domestic sales volumes grew by 10% on the back of stronger demand for sugar, particularly with various arbitrage opportunities that materialised during the year due to a widening gap between the official and unofficial exchange rates. Sales volumes denominated in local currency represented approximately 66% (FY21: 49%) of local market sales. As sugar is a socially sensitive product in Zimbabwe, it is not always possible to fully recover the inflationary pressures experienced on costs. Average selling prices were further negatively impacted by the lag between the currency devaluation and when price adjustments could be affected in the market, which placed further pressure on sales margins.

Export sales volumes were reduced by 76 600 tons or 67% to 38 000 tons following the industry's reduced quota allocation into Kenya. The prior year's volumes also included an additional shipment carried over from the 2020 financial year. Export realisations further benefitted from higher world sugar prices. Ethanol sales increased by 11% to 32.0 million litres and significantly contributed to national fuel security.

Overall, Adjusted EBITDA declined by 68% to R448 million with the combination of currency devaluation, inflation dynamics and challenges in recovering higher costs through prices placing pressure on profit margins which deteriorated significantly to 7% from 23% in the prior year. Pressure on costs arose from the impact of lower production on the absorption of fixed costs; higher global commodity prices affecting fuel, coal and fertilizer; and higher payments to third party farmers as a result of them supplying a higher proportion of the sugar cane.

Employment costs and cost-of-living adjustments increased to approximately 22% of revenue (FY21: 14%) and compared more favourably with pre-hyperinflation levels.

The significantly lower free cash flow arose mainly from the lower profitability, a significant increase in working capital requirements and higher capital expenditure. The higher proportion of sales concluded in Zimbabwe Dollars (rather than US Dollars) and lower export proceeds reduced the quantum of foreign currency available for both dividend and operational support fee payments to South Africa to R139 million (FY21: R400 million).

MOZAMBIQUE

The Mozambique operation delivered strong results in FY22. Revenue grew by 13% to R2.1 billion and Adjusted EBITDA increased by 8% to R423 million, benefitting from strong local demand, higher refined sugar sales and improved export realisations.

Sugar production was 4% lower than the prior year at 189 600 tons (FY21: 196 600 tons). Despite excellent operating efficiencies at the Xinavane mill, sugar production reduced from 165 900 tons in FY21 to 158 400 tons due to the damage to crops caused by both flooding and industrial action. While the Mafambisse mill crushed an additional 6% of sugarcane, sugar production of 31 200 tons was in line with the prior year and below the breakeven volume of approximately 55 000 tons. The Xinavane refinery performed well, increasing production by 3% to 60 200 tons.

The operation continues to invest in an extensive sugarcane root replanting programme to improve both the age profile of its fields and the mix of sugarcane varieties on the estate. In line with this strategy, overall sugarcane yields improved on both agricultural estates. At Mafambisse opportunities to expand the cane supply and replace low-yielding farms continue to be explored to improve the profitability of the farming activities.

The operation increased its share of the sugar industry from 64% in FY21 to 70% and benefitted from a larger share of the local market which achieved its best performance over the past ten years, driven by strong growth in the industrial channel.

The Mozambique operations generated free cash flow of R418 million (FY21: R390 million, restated) including capital expenditure of R99 million (FY21: R89 million). High interest rates of approximately 22%, however, limited the cash available to reduce the gearing levels and consequently, net debt was only reduced by R105 million.

BOTSWANA

Revenue in the Botswana operation decreased by 15% to R413 million and Adjusted EBITDA was down by 56% to R34 million, both negatively impacted by aggressive pricing by competitors on the back of cheaper sugar imports entering the country. Consequently, sales volumes declined to 30 200 tons from 34 900 tons in the prior year, and the ability to recover cost inflation through higher selling prices was limited. To combat aggressive competitor trade prices, a new sugar sourcing arrangement was finalised for the 2023 financial year to secure refined sugar ex-Mozambique which would reduce raw material costs and allow for an investment to be made in selected price discounting in the market.

The lower operating profit reduced free cash flow to R37 million, relative to R47 million in the prior year.

SOUTH AFRICA

Revenue from the South African sugar and property operations of R7.1 billion was in line with the prior year. However, including the sugar industry equalisation adjustment, revenue would have declined by 5% to R6.2 billion, relative to R6.5 billion in the prior year, due to a drop in sugar production and lower property sales. The Adjusted EBITDA loss increased from R171 million to R303 million, with the 52% improvement in the sugar operation being eroded by the lower profits in the property business and higher restructuring costs.

Sugar

Raw sugar production decreased by 72 200 tons to 463 000 tons (FY21: 535 200 tons) which, together with the industry adjustment for the effect of the refined sugar loss in the current year, resulted in Tongaat Hulett's industry share declining to 22.6% (FY21: 26.0%). A total of 425 400 tons (FY21: 453 300 tons) of refined sugar was processed from the raw sugar production.

The sugar milling operations were adversely affected by the civil unrest in the KwaZulu-Natal region which caused an emergency shutdown, as well as start-up challenges and problems with processing sugarcane that had been subjected to arson attacks. Some 34 500 tons of sugar production capacity was lost during the riots, with the further capacity lost due to operational challenges which saw the cane-to-sugar ratio (i.e. the sugarcane tons required to be crushed to produce one ton of raw sugar) deteriorate from 9.0 in the prior year to 9.6. The financial impact of lost production due to the riots is estimated at c. R158 million, and insurance claims are being progressed but have not yet been finalised. The refinery generated a pleasing improvement in yield, benefitting from the corrective action implemented after the refining loss incurred in the prior year.

At an industry level, local sugar demand was consistent with the prior year at 1.45 million tons and Tongaat Hulett had a positive sales performance and maintained good market share. Export sales volumes were limited by lower saleable production, albeit at realisations that were 14% higher given increased world sugar prices. Local market prices increased by 4.6% in line with the industry-wide commitment under the sugar master plan to limit price increases to inflation.

Demand in the animal feeds business was robust and sales volumes increased by 6% to 286 750 tons, although the lower sugar production resulted in lost sales opportunities. Voermol was again rated the leading livestock feed supplier in South Africa, receiving six diamond awards and one gold award in the PMR Africa annual national survey of livestock feed suppliers.

Despite lower sugar production, revenue increased by 3% to R6.9 billion (FY21: R6.7 billion). However, the improvement was offset by a higher sugar industry equalisation adjustment which resulted from Tongaat Hulett's lower industry share and reduced net revenue (i.e. including this industry adjustment) to R6.0 billion (FY21: R6.2 billion). This industry adjustment arises as Tongaat Hulett produces more refined sugar (approximately 40% of the industry requirements) than its share of the total industry (ordinarily between 25% and 27%). In respect of the refined sugar sold in excess of its share of the industry, the operation is required to redistribute the local market proceeds to the industry, and it receives lower-priced export proceeds in return.

The Adjusted EBITDA loss improved from R100 million to R48 million as profits benefited from the non-recurrence of the refinery loss in the prior year. Milling operations performing below capacity resulted in an under-absorption of fixed costs and higher maintenance, wages, and overtime costs. The farming, refinery and animal feed operations were further impacted by higher raw material input costs, especially coal and fertilizer.

Free cash flow in the South African sugar operations deteriorated markedly due to the lower profitability and the cash flow impact of the refining loss (which was fully provided for in prior year profits and which was realised during the current year). The refining loss also necessitated a considerable investment in inventory, as raw sugar stocks that had been lost had to be replenished to meet the normal operating requirements of the refinery. A further investment in working capital resulted from the challenging commercial conditions experienced at the end of the season when the historical trend of a "buy-in" ahead of the March 2022 inflationary price increase was muted as customers opted to purchase additional stocks of other commodities facing above inflationary price increases rather than sugar.

Property

The property market in KwaZulu-Natal remained subdued with fewer transactions concluded successfully and at a slower pace. Infrastructure and development funding constraints also impacted the ability to convert the sales pipeline into revenue as property developers were cautious when committing to deals. Despite these challenges, a legacy deal dating back to September 2017 for 80 000m^2 of new floor area in the greater Cornubia area was finalised for R69 million and R92 million in infrastructure commitments were completed in the financial year. Transfers took place on nine properties, valued at R158 million (FY21: R275 million).

After IFRS adjustments, revenue consequently decreased to R154 million (FY21: R268 million restated). In Tinley Manor, a large land sale of 32 hectares was concluded in respect of a planned Club Med Resort development, generating revenue of R30 million. In the prior year, large land sales totalled 80 hectares and generated revenue of R126 million. Township property sales totalled the equivalent of 103 000m^2 of new floor area generating revenue of R121 million (FY21: 67 000m^2 generating revenue of R142 million).

The legacy deal referred to above had the impact of diluting the average selling price per square metre compared to the prior year and contributed to the reduced profit margin. Profit margins were further affected by a R68 million adjustment to inventory values to account for the expectation of lower selling prices in the future, as well as pressure to conclude sales and generate cash flow to fund infrastructure commitments.

The lower revenue was partially offset by good recoveries of accounts receivable previously written off as non-recoverable. Overall, Adjusted EBITDA declined to a loss of R55 million, from a profit of R70 million in the prior year. Free cash flow improved to an inflow of R13 million relative to the outflow in the prior year of R78 million.

Corporate

Corporate costs (net of operational support fee recoveries) increased by 43% to R203 million. Costs relating to the equity capital raise, debt reduction initiatives and restructuring of the debt facilities were higher than in the prior year. Various cost savings and increased operational support fee recoveries offset higher employment costs and audit fees. Due to lender restrictions on payments to related parties in Mozambique and reduced foreign currency availability in Zimbabwe, however, the operational support fees charged to the operations in these countries were not able to be remitted to the corporate office, which placed additional pressure on the South African cash flow and borrowing facilities.

CASH FLOW

Cash generated from operations decreased to R17 million, from R1.1 billion in the prior year, due to the reduction in Adjusted EBITDA and the significant investment in working capital, mainly related to the Zimbabwe and South African sugar operations.

Capital expenditure of R390 million was lower than the prior year of R505 million. Expenditure on replanting cane roots, included in capital expenditure, increased from R142 million to R160 million. While the prior year included R72 million related to the starch, Eswatini and Namibian operations that were disposed of, funding constraints in South Africa reduced capital expenditure by R102 million. In Zimbabwe, capital expenditure increased by R54 million in line with efforts to recoup a backlog of capital projects. There was no further expansion capital expenditure on Project Kilimanjaro whilst tenure of the land, a prerequisite to secure further funding, remains uncertain. Project Kilimanjaro is a partnership between Tongaat Hulett, its lenders, and the government of Zimbabwe aimed at developing 4 000 hectares of land for sugarcane farming.

Free cash flow before finance costs, taxation, and other non-trading related cash flows, for the year was an outflow of R297 million, having declined by R1.1 billion compared to the prior year. Finance costs (excluding foreign exchange differences) decreased by R220 million to R1.2 billion (FY21: R1.4 billion) of which R771 million was settled in cash (FY21: R1.2 billion). Tax payments for the year totalled R256 million (FY21: R368 million) and were predominantly related to the Zimbabwe operation. Dividend payments to the minority shareholders of the Zimbabwe operation were reduced from R182 million to R67 million.

Before debt reduction initiatives, the total cash outflow for the year was R1.3 billion (FY21: R418 million) and this was funded by the proceeds from debt reduction initiatives of R480 million (which the South African lenders agreed to retain in the Company to support liquidity) and an increase in net borrowings of R785 million.

BORROWINGS

Total borrowings at 31 March 2022 were R8.2 billion, compared to R7.2 billion at 31 March 2021, representing an increase of R962 million, or 13%. The South African businesses carry R6.9 billion (85%) of the total debt, R982 million (12%) is related to the Mozambique businesses and R255 million (3%) supports the Zimbabwe businesses.

The liquidity position of the Group is best understood in the context of which operations carry the debt and the operational cash flows generated by, and available to, that operation to service that debt.

Regional debt exposure

R 'million	March 2022	March 2021	% Change
Gross borrowings			
South Africa	6 924	6 006	15
Mozambique	982	1 104	(11)
Zimbabwe	255	89	187
Total gross borrowings	**8 161**	**7 199**	**13**
Cash balances			
South Africa	345	199	73
Mozambique	18	73	(75)
Zimbabwe	177	311	(43)
Botswana and Namibia	10	46	(78)
Total cash balances	**550**	**629**	**(13)**
Net borrowings			
South Africa	6 579	5 807	13
Mozambique	964	1 031	(6)
Zimbabwe	78	(222)	135
Botswana and Namibia	(10)	(46)	(78)
Total net borrowings	**7 611**	**6 570**	**16**

The borrowings in South Africa can only be serviced from the cash flows generated from the South African sugar business, the property business as well as any surplus recovery of corporate costs through operational support fee recoveries and dividends received from the operations outside South Africa. During the year, these dividends and operational support fee recoveries were reduced from R400 million in the prior year to R139 million.

At 31 March 2022, South African net borrowings for the Company were R6.6 billion (FY21: R5.8 billion), with the increase attributable to *inter alia* the free cash outflow of R746 million, finance costs (both paid and capitalised) of R548 million and net of debt reduction proceeds of R480 million.

The Mozambique operations are generating sufficient operational cash flows to service the finance costs on borrowings. At 31 March 2022, net borrowings had reduced by 6% to R964 million. The high Mozambican interest rate limits the cash available to de-gear, which in turn extends the timeline before the easing of lender-imposed restrictions on the repatriation of dividends and operational support fee payments to support the liquidity of the South African business.

While the Zimbabwe business utilised cash for the year, the level of borrowings remains low. The hyperinflationary economic environment continued to negatively impact the purchasing power of the local currency cash balances, while the currency devaluation increased foreign currency-denominated debt. With complex currency dynamics in the country, both the US Dollar and Zimbabwe Dollar cash flows are monitored closely to avoid the potential of a liquidity shortage in either currency. Efforts have also been focused on securing additional multi-currency facilities to ensure Zimbabwe operations have sufficient headroom to absorb any unforeseen volatility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Tongaat Hulett implemented a variety of initiatives in FY22 targeted at improving safety protocols, people and culture processes and environmental practices. ESG monitoring and disclosure have also been upgraded. More than 95% of the workforce was vaccinated against Covid-19 in the year. Despite cash flow constraints, the Company continued to invest in socio-economic development initiatives and support large and small-scale empowerment farming in the regions where it operates, providing tangible benefits to surrounding communities and Governments. Tongaat Hulett proudly delivered a step-change in its South African B-BBEE status during the year. The improvement from Level 4 to Level 2 was achieved through focused attention on socio-economic development, enterprise development, procurement, and skills development. The Company also qualified as a Black-Owned Entity with 72% Black Ownership in South Africa.

Further efforts were implemented to adhere to strong corporate governance practices. Internal controls have improved substantially over the past three years, and it is pleasing to report a notable decrease in the number of significant internal audit findings over the past three consecutive years.

DIVIDEND

No dividend was declared for the financial year.

BASIS OF PREPARATION AND GOING CONCERN

The Financial Information have been prepared in accordance with the framework concepts and the measurement and recognition requirements IFRS as issued by the International Accounting Standards Board ("**IASB**"); the interpretations applicable to companies reporting under IFRS as developed by the IFRS Interpretations Committee and issued after approval by the IASB; the South African Institute of Chartered Accountants ("**SAICA**") Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements and the requirements of the Companies Act, as amended, while taking into account the specific considerations associated with the Company's Business Rescue process.

The accounting policies and methods of computation used in the preparation of the Financial Information contained in this Announcement are consistent in all material respects with those applied in the FY21 audited financial statements, except for the restatements of comparatives previously mentioned.

As Tongaat Hulett is not presently in liquidation, the Financial Information for FY22 has been prepared on the underlying assumption that the Company will continue to operate in the foreseeable future. With the Company having been placed in business rescue, the Business Rescue Practitioners are aware that there is a material uncertainty in relation to the success of the business rescue process. This material uncertainty casts significant doubt upon the Company's ability to realise its assets and discharge its liabilities in the normal course of its business, and therefore continue as a going concern.

The critical factors that underpin the success of the business rescue process include:

- The continued support from the post-commencement finance ("**PCF**") lender to extend the existing and increase the PCF facility and provide sufficient liquidity to support the trading activities of the Company until the conclusion of the business rescue process.

- The ability of the selected strategic equity partner to finalise the terms of the transaction to acquire the Company's assets and execute the transaction across multiple jurisdictions.
- The outcome of a declarator application that was heard in the High Court that seeks clarity in respect of the business rescue practitioners' ability to suspend certain provisions of the sugar industry agreement which, if unfavourable, has the potential to materially increase the Company's PCF requirements.
- The approval of the BR Plan by the Company's creditors.

In the event that the Company is not a going concern, liquidation proceedings would need to commence. In liquidation, the going concern assumption would no longer appropriate and the carrying amount of all the Company's assets would have to be further impaired to reflect the estimated value that would be realised by the liquidator, net of liquidation expenses. Such impairments would increase the loss attributable to Tongaat Hulett's shareholders for the year.

When considering the information in this Announcement, shareholders should be cognisant of the material uncertainty concerning the ability of the Company to continue as a going concern and that the Financial Information contained in this Announcement has not been audited, reviewed, or otherwise reported on by the auditors of Tongaat Hulett.

Tongaat
31 October 2023

Summarised consolidated unaudited statement of financial position as at 31 March 2022

R' million	31 March 2022	31 March 2021 Restated	31 March 2020 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	4 725	4 883	6 013
Right-of-use assets	262	307	340
Goodwill	43	48	53
Intangible assets	156	266	337
Investments in associates and joint ventures	86	51	35
Deferred tax assets	246	165	593
Other non-current assets	85	163	348
Total non-current assets	**5 603**	**5 883**	**7 719**
Current assets			
Inventories	3 625	3 032	3 060
Biological assets	2 911	1 936	2 572
Trade and other receivables	1 333	1 833	1 071
Derivative financial instruments	-	7	-
Current tax assets	-	24	124
Cash and cash equivalents	550	629	1 242
	8 419	**7 461**	**8 069**
Assets classified as held for sale	-	-	2 139
Total current assets	**8 419**	**7 461**	**10 208**
TOTAL ASSETS	**14 022**	**13 344**	**17 927**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital and premium	1 679	1 679	1 679
Accumulated losses	(2 146)	(1 182)	(3 572)
Other reserves	(1 360)	(1 440)	(863)
Total equity attributable to owners of Tongaat Hulett Limited	**(1 827)**	**(943)**	**(2 756)**
Non-controlling interests	1 251	1 110	1 152
Total equity	**(576)**	**167**	**(1 604)**
Non-current liabilities			
Deferred tax liabilities	1 020	792	1 123
Borrowings	4 570	78	157
Lease liabilities	304	348	227
Post-retirement benefit obligations	537	495	504
Deferred income	92	145	95
Provisions	8	8	8
Accrual for land development	778	713	716
Total non-current liabilities	**7 309**	**2 579**	**2 830**
Current liabilities			
Borrowings	3 591	7 121	12 439
Lease liabilities	52	44	78
Trade and other payables	2 760	2 557	2 493
Post-retirement benefit obligations	53	44	51
Deferred income	64	26	90
Provisions	-	143	-
Accrual for land development	654	536	539
Current tax liabilities	115	127	76
	7 289	**10 598**	**15 766**
Liabilities directly associated with assets classified as held for sale	-	-	935
Total current liabilities	**7 289**	**10 598**	**16 701**
TOTAL LIABILITIES	**14 598**	**13 177**	**19 531**
TOTAL EQUITY AND LIABILITIES	**14 022**	**13 344**	**17 927**

TongaatHulett

Summarised consolidated unaudited statement of profit or loss and other comprehensive income for the year ended 31 March 2022

R' million	31 March 2022	31 March 2021 Restated
Continuing Operations		
Revenue	**15 479**	**15 474**
Sugar industry equalisation	(898)	**(536)**
Cost of sales	(11 558)	(10 964)
Gross profit	**3 023**	**3 974**
Marketing and selling expenses	(859)	(958)
Administrative and other expenses	(2 549)	(2 021)
Net impairment loss on non-financial assets	(402)	(139)
Net impairment loss / (reversal) on financial assets	15	(65)
Fair value adjustment on biological assets	896	(114)
Non-trading items - gain	27	380
Other operating income	433	352
Operating profit	**584**	**1 409**
Net finance costs	(1 180)	(1 579)
Finance costs	*(1 196)*	*(1 416)*
Finance income	*89*	*82*
Net foreign exchange loss revaluation of borrowings and lease liabilities	*(73)*	*(245)*
Net monetary gain / (loss) arising from hyperinflation in Zimbabwe	86	(91)
Share of net profit of associates	17	22
Loss before taxation	**(493)**	**(239)**
Taxation	(295)	(159)
Loss from continuing operations	**(788)**	**(398)**
Profit from discontinued operation	-	3 348
(Loss) / Profit for the year	**(788)**	**2 950**
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss		
Foreign exchange differences on translation of foreign operations	173	(906)
Items that will not be reclassified subsequently to profit or loss	-	-
Remeasurement of post-retirement benefit obligations	(73)	(151)
Tax effect of remeasurement of post-retirement benefit obligations	17	38
Remeasurement of a retirement fund surplus	-	36
Tax effect of remeasurement of retirement fund surplus	-	(10)
Other comprehensive income / (loss) for the year, net of tax	**117**	**(993)**
Total comprehensive (loss) / income for the year	**(671)**	**1 957**
(Loss) / Profit for the year is attributable to:		
Owners of Tongaat Hulett Limited	(1 065)	2 586
Non-controlling interests	277	364
	(788)	**2 950**
Total comprehensive (loss) / income for the year is attributable to:		
Owners of Tongaat Hulett Limited	(879)	1 815
Non-controlling interests	208	142
	(671)	**1 957**
Earnings per share arising from loss from continuing operations attributable to the owners of Tongaat Hulett Limited (cents)		
Basic	(790)	(565)
Diluted	(790)	(565)
Earnings per share arising from (loss) / profit attributable to the owners of Tongaat Hulett Limited (cents)		
Basic	(790)	1 918
Diluted	(790)	1 918

Summarised consolidated unaudited statement of cash flows for the year ended 31 March 2022

R' million	31 March 2022	31 March 2021 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	17	1 109
Taxation paid	(256)	(368)
Net cash (outflow utilised by) / inflow generated from operating activities	**(239)**	**741**
CASH FLOWS FROM INVESTING ACTIVITIES		
Finance income received	85	46
Dividends received	2	-
Additions to property, plant and equipment	(379)	(490)
Replacement and ongoing capital	*(220)*	*(348)*
Replanting of existing area under cane	*(159)*	*(142)*
Additions to intangible assets	(11)	(15)
Sharecropper and cane supply arrangements	*(1)*	*(7)*
Software and other	(10)	*(8)*
Proceeds on disposal of property, plant and equipment and intangibles	43	29
Proceeds on disposal of business	23	495
Proceeds on disposal of discontinued operations	457	4 744
Proceeds on liquidation of legacy pension fund	-	151
Loans repaid by/(advanced to) growers and key / strategic business partners	68	11
Net cash inflow from investing activities	**288**	**4 971**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid:	(67)	(182)
To shareholders of Tongaat Hulett Limited	-	-
To non-controlling shareholders	*(67)*	*(182)*
Finance costs paid	(771)	(1 229)
Borrowings:	785	(4 865)
Raised	*16 495*	*5 955*
Repaid	*(15 710)*	*(10 820)*
Lease liabilities	(41)	(39)
Purchase of shares for delivery to employees	-	(1)
Net cash outflow from financing activities	**(94)**	**(6 316)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	**(45)**	**(604)**
Cash and cash equivalents at the beginning of the year	629	1 242
Foreign currency translation effect on cash and cash equivalents	-	(1)
Hyperinflation effect on cash and cash equivalents	(34)	(8)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**550**	**629**

Note to the summarised consolidated unaudited statement of cash flows for the year ended 31 March 2022

R' million	31 March 2022	31 March 2021 Restated
CASH GENERATED FROM OPERATIONS		
(Loss) / profit for the year (including discontinued operation)	**(788)**	**2 950**
Adjusted for:		
Finance costs	1 196	1 434
Finance income	(89)	(84)
Net foreign exchange loss on revaluation of borrowings and lease liabilities	73	245
Share of profit of associate	(17)	(22)
Income tax	295	159
Income tax - discontinued operations	-	509
Net monetary (gain) / loss	(86)	91
Operating profit	**584**	**5 282**
Adjusted for:		
Depreciation on property, plant and equipment	371	388
Depreciation on right-of-use assets	65	64
Amortisation of intangible assets	93	67
Lease incentive recognised in profit or loss	12	12
Impairment losses on property, plant, equipment, intangibles and lease incentives	402	139
Net impairment loss on financial assets	(60)	(40)
(Profit) / loss on disposal of property, plant and equipment and right-of-use assets	(21)	4
(Profit) / loss on modification of lease contracts	(5)	5
Loss on disposal of intangible assets	1	2
Profit on disposal of business	-	(375)
Profit on disposal of discontinued operations	-	(3 498)
Movement in fair value of biological assets	(896)	114
SA Sugar stock loss provision for industry obligation, payable to SASA	(143)	143
Foreign exchange losses / (gains)	103	(7)
Share-based payments	(1)	(3)
Movement in other provisions	(211)	(139)
Movement in accrual for land development	182	(5)
Movement in provision for retirement benefit obligations	(37)	(80)
Deferred income released to statement of profit or loss	(20)	(20)
Movement on pension fund employer surplus account	37	115
Other non-cash items	-	(7)
Operating cash flows before movements in working capital	**456**	**2 161**
Working capital		
Movement in inventories	(589)	(835)
Movement in trade and other receivables	(161)	(817)
Movement in trade and other payables and contract liabilities	311	600
Net movement in working capital	**(439)**	**(1 052)**
Cash generated from operations	**17**	**1 109**

CORPORATE INFORMATION

Tongaat Hulett Limited Registration Number: 1892/000610/06 JSE Share Code: TON ISIN: ZAE 000096541 **Business Rescue Practitioners** TJ Murgatroyd PF van den Steen GC Albertyn **Directors** DL Marokane (Acting Chief Executive Officer) RD Aitken (Chief Financial Officer) **Company Secretary** JJ van Rooyen **Registered Address** Amanzimnyama Hill Road Tongaat KwaZulu-Natal **Postal Address** P O Box 3 Tongaat 4400 **Tel no:** +27 32 439 4019 **Fax no:** +27 31 570 1055 **Website:** www.tongaat.com **e-mail:** br@tongaat.com	**Independent External Auditor** Ernst & Young Inc. **Internal Auditor** KPMG **Sponsor** PSG Capital +27 21 887 9604 **Transfer Secretaries** Computershare Investor Services (Pty) Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196 P O Box 61051 Marshalltown 2017