Tongaat Hulett

AUDITED RESULTS
for the year ended 31 March 2016

- Revenue of R16,676 billion (2015: R16,155 billion) +3,2%
- Operating profit of R1,808 billion (2015: R2,089 billion) -13,5%
- Headline earnings of R783 million (2015: R945 million) -17,1%
- Cash flow from operations of R1,262 billion (2015: R2,533 billion) -50,2%
- Annual dividend of 230 cents per share (2015: 380 cents per share) -39,5%

COMMENTARY

The results for the year ended 31 March 2016 were attained with record performances from the starch operation and the land conversion and development activities being negated by the impact of the substantial reduction in Tongaat Hulett's sugar production as a result of poor growing conditions. The nature of sugar milling and cane growing is such that there is a high proportion of fixed costs. In total, revenue amounted to R16,7 billion and operating profit of R1,8 billion was generated, which is 13,5% below last year. Cash flow from operations was lower than operating profit, largely as a result of debtors increasing by some R1,3 billion due to the timing of inflows in respect of land conversion activities.

The starch and glucose operation increased operating profit to R658 million (2015: R561 million). There is ongoing improvement in the sales mix, enhanced by value added products. Maize costs were competitive and the business benefitted from favourable co-product prices, ongoing improvements in operating efficiencies, co-product recoveries and cost control. Sales volumes of prime products were 1% below last year, with gains in the alcoholic beverage sector being off-set by reductions in the confectionery, prepared foods, canning and paper making sectors.

Land conversion and development activities generated operating profit of R1,115 billion from the sale of 121 developable hectares (2015: R829 million from 108 developable hectares). Sales in this period came from Umhlanga Ridgeside Precinct 1 (high-intensity urban mixed use – 3 hectares), Ridgeside Precinct 4 (high-end residential – 20 hectares), Sibaya Node 1 (high-end residential – 19 hectares), Cornubia (industrial and office – 25 hectares), Umhlanga Ridge Town Centre (high-intensity urban mixed use – 3 hectares), Ntshongweni (retail – 14 hectares), Kindlewood (17 hectares), Izinga (19 hectares) and Bridge City (1 hectare). The profit per developable hectare averaged R9,2 million, in line with the value ranges detailed in the land portfolio document and enhanced through urban planning yielding higher land use integration and density.

The various sugar operations' total operating profit reduced to R124 million, from R806 million in the prior year. Sugar production volumes in the year to March 2016 reduced by a further 291 000 tons to 1,023 million tons (2015: 1,314 million tons and 2014: 1,424 million tons), in line with previous communication. Volumes were impacted by lower cane yields due to the severe drought in KwaZulu-Natal and poor growing conditions with low rainfall and restricted irrigation levels in Mozambique and Zimbabwe as a result of low water and dam levels. Electricity availability has, at times, also impacted on irrigation in Mozambique and Zimbabwe.

The benefit of improved import protection and higher prices in the various local markets was largely not yet reflected in revenue earned in the 2015/16 year due to the timing of the increases. In addition to lower sugar volumes, export revenues were also impacted by a lower international sugar price, with regional deficit markets and EU exports linked to that price. There are multiple currency dynamics, with positive and negative effects compared to last year. The cane valuations at year end reflect increased domestic market realisations going forward and the impact of a roots fair value cost increase in South Africa and Mozambique, reduced by lower cane yields than were expected at March 2015, in line with current growing conditions.

There has been a significant decrease in the cost base of the sugar operations over the past three years which, together with the impact of lower volumes, has resulted in a reduction of some R1,39 billion in respect of the cost of goods, services, transport, marketing, salaries and wages, in real terms compared to 2012/13.

The South African sugar operations, including agriculture, milling, refining and various downstream activities have seen an operating loss of R5 million (2015: R261 million profit). As a result of the drought (including the Darnall mill not being opened in the 2015/16 season) production volumes were 323 000 tons (substantially below the 541 000 tons of last year and the 634 000 tons of the year before). The overall reduction in volumes was partly off-set by focused cost reductions and some improvement in local market pricing earlier in the year, with a reducing impact of imports into the local market. The animal feeds operation was negatively affected by the shortage of feedstock.

The Tambankulu Estate in Swaziland recorded operating profit of R40 million (2015: R29 million), which reflects the impact of improving sugar cane prices, with a raw sugar equivalent of 56 000 tons being produced (2015: 57 000 tons).

The Mozambique sugar operating profit reduced to R74 million (2015: R130 million) due to lower volumes and lower export sales prices. Sugar production was 232 000 tons compared to 271 000 tons last year. The 29% local market price increase only came into effect towards the end of the year.

The Zimbabwe sugar operating profit reduced to R15 million compared to R386 million in the prior year. Sugar production of 412 000 tons was below the 445 000 tons of the prior year. There were both lower export sales volumes and lower export prices. Domestic market sales volume levels have been maintained. The strength of the US dollar has exerted pressure, particularly in respect of US dollar based costs (such as wages and salaries) and Euro based revenues.

Finance costs of R680 million (2015: R617 million) were commensurate with the borrowing levels and prevailing interest rates.

Cash flow from operations was some R1,3 billion (2015: R2,5 billion), after the absorption of R989 million in working capital (R44 million in the prior year). Capital expenditure increased by R509 million, mainly as a result of the Starch coffee/creamer production facility expansion, various boiler and electricity related upgrades and a SAP ERP system implementation. After taking all of the aforementioned into account, net debt at 31 March 2016 was R5,1 billion (2015: R4,0 billion).

Headline earnings attributable to Tongaat Hulett shareholders amounted to R783 million (2015: R945 million). A final dividend of 60 cents per share has been declared, bringing the annual dividend to 230 cents per share (2015: 380 cents per share). The annual dividend cover of 3 times is considered prudent in view of current sugar cane growing conditions.

OUTLOOK

Tongaat Hulett will continue to enhance its strategic positioning, focusing on multiple strategic thrusts, all with a positive impact on earnings and cash flow, through the various cycles that the business experiences.

Multiple Strong Sugar Market Positions with Protected, Growing Domestic Markets
Prices for sugar in the international market have been improving in the light of prospects for an increasing shortfall in global production after 5 years of surplus production, high stock levels and a low world price. Droughts in India and Thailand together with farmer behaviour worldwide, driven by low prices and input cost pressures, are exerting downward pressure on global sugar production levels. Global sugar consumption is predicted to continue to grow at a rate of some 1,5% per annum, with most of this growth coming from low per capita consumption developing countries.

The domestic markets in countries where Tongaat Hulett produces sugar remain its primary focus. They are increasingly protected from imports, with Government support, given the high rural job impact of these industries. In Zimbabwe and Mozambique, sugar refining matters are being addressed, which should lead to the replacement of imported industrial white sugar. Growth is expected in consumption per capita, off a low base, particularly in Mozambique and partly in Zimbabwe, supported by distribution and marketing initiatives. In South Africa, with its current low sugar production level, Tongaat Hulett is having to procure other producers' raw sugar for refining, to supply its local market white sugar position and plans to replace this with its own production in future. Tongaat Hulett has the leading sugar brands in South Africa, Zimbabwe, Botswana and Namibia.

Tongaat Hulett has key market positions and experience in both the EU and the region (southern and eastern Africa) for the sale of its additional sugar.

Growing Sugar Production from the Current Low Point
Current weather and growing conditions are masking the substantial progress that is being made with intensive agricultural improvement programs, irrigation efficiency and power reliability. Tongaat Hulett has more than 2,1 million tons of installed milling capacity, which requires little capital expenditure to use the additional available capacity which has a replacement value of more than R20 billion. Production increases from higher yields on existing hectares under cane and using the existing installed milling capacity have a low marginal cash cost of some 4 to 6 US cents per pound. The imminent completion in Zimbabwe of the Tokwe-Mukorsi dam and, in Mozambique (Xinavane), the raising of the Corumana dam wall and the construction of the new Moamba dam on the Incomati river will diversify the water catchment area and provide increased stability in future water supply.

Reducing the Cost of Sugar Production
The sustained decrease in costs achieved over the past three years (equivalent to some R1,39 billion in real terms) provides a good base for the next steps in the concerted cost reduction process in the sugar operations, particularly focused on bought-in goods, services, transport, marketing, salaries and wages. There is scope for considerable further reduction, with man-hour reductions focusing on flexible components and natural attrition, at the same time as eliminating non value-add activities and areas of waste. The paradigms around costs that have traditionally been viewed as fixed are being challenged, to mitigate against future potential volume volatility. Unit costs of sugar production will reduce further as these cost reduction processes continue, benefitting from future volume increases.

Growing Starch and Glucose
The starch and glucose operation is well positioned strategically and is focused on growing its sales volume, with an enhanced product mix, by reducing imports and on the back of customer growth, including into Africa. This is underpinned by improving use of its available capacity and the efficiency of its operations. The expansion project for the coffee/creamer sector, that will enable the replacement of imported glucose, has been commissioned and production is being ramped up. Capital expenditure, including new boiler facilities, completed at the Meyerton plant, will enable further growth in the production of value added modified starches for use in the prepared foods sector.

Value Creation from Land Conversion and Development
The momentum in Tongaat Hulett's land conversion and development activities continues to increase, with good progress on numerous activities that increase demand, unlock supply of land and enhance value across the portfolio of 7 970 developable hectares in KZN earmarked for development. A major milestone in the past year was to increase the number of hectares with approval for release from agriculture for development, in terms of Act 70 of 1970, by some 2 600 developable hectares to more than 3 000 hectares.

An updated and enhanced land portfolio document is available on the www.tongaat.com website. It gives details of these activities and includes an update of the possible 5-year sales outcomes, indicating a range of hectares for each demand driver. The net cash profit per developable hectare varies, depending on the use, ranging from R2 million to R39 million per developable hectare. The various residential categories are expected to be the largest demand driver.

An integrated approach is being followed to ensure value creation for all stakeholders. Good progress is being made on the various value unlocking activities underpinning the land conversion process together with Government, related organisations and key stakeholders in the property industry. These activities commence with collaborative planning with authorities on optimum use of land for all stakeholders, leading to release from agriculture and other development approvals, and simultaneously strengthening demand drivers and unlocking infrastructure at key points, while executing optimal sales and development strategies for the various parcels of land. An increasing number of important black economic empowerment related land development transactions are taking place. This all has a positive impact on economic development, including industrial, commercial, tourism and all levels of residential development in the Durban/KZN North Coast area, and points to the potential for similar collaboration for rural development including new agricultural cane developments.

The Year Ahead

The next year should see Tongaat Hulett benefit substantially from improved local sugar market revenues (volumes and prices) following the import protection measures implemented in South Africa and Mozambique (higher US dollar based reference prices for the calculation of import duties) and Zimbabwe (import duties and import permit controls). Actions to reduce costs will continue. Total sugar production in 2016/17 is expected to continue to be impacted by the drought in KwaZulu-Natal and, in Zimbabwe, Mozambique and Swaziland, the quantum of irrigation has been reduced as a mitigation measure against poor rainfall and low dam levels. The estimate for sugar production in total for the 2016/17 season is between 990 000 and 1 150 000 tons, compared to 1 023 000 tons last year. Rainfall during the summer of 2016/17 will determine whether more regular production levels return in 2017/18.

The recent investments in the starch and glucose production capacity, together with evolving product and customer mix improvements through the displacement of imports and new product development will partly mitigate the impact of the higher maize prices. The prevailing drought conditions have resulted in South Africa having to import maize for the 2016/17 maize season. Maize prices have risen to import parity levels since December 2015 and are expected to remain at these levels for the 2016/17 financial year. The evolving sales contracting mix has restricted the impact of these higher maize prices to 55% of the starch operations sales volumes which are not contracted on a formula basis.

Increased land sales potential has been unlocked, opening up new development areas, with recent catalytic sales in node 1 of Sibaya at eMdloti, 14 hectares for a new retail centre as a catalyst for the Ntshongweni development west of Durban, the expansion of Umhlanga Ridge Town Centre westwards into Cornubia and on the sea facing slopes to the east in precinct 1 of Ridgeside and the new precinct 4. The decision to sell the 42 hectares in Ridgeside precincts 1 and 2 as multiple sales rather than a single sale is proving optimal. The land portfolio document details those areas where sales or negotiations have commenced or are about to commence. Over the past three years, 488 developable hectares have been sold, generating operating profit of R3,024 billion while the net cash flow was R1,620 billion. The conversion of profits into cash varies with the nature of the transactions concluded and there have been a number of larger transactions that have a lead time before transfer. The dynamic of profit exceeding cash flow is expected to reverse as these transfers take place.

Overall, Tongaat Hulett's profit for the next year will continue to be influenced by a number of substantial and varying dynamics, both positive and negative, and the full impact is difficult to predict at this stage. Cash flow is expected to improve substantially, including a reversal of the working capital absorption of the 2015/16 year.

Tongaat Hulett continues to focus on value creation for all stakeholders through an all-inclusive approach to growth and development, with its footprint in six SADC countries, its ability to process both sugar cane and maize, animal feeds thrust, electricity generation and ethanol opportunities, increased momentum in land conversion and its socio-economic positioning and constructive interfaces with Governments and society.

For and on behalf of the Board

Bahle Sibisi	**Peter Staude**
Chairman	Chief Executive Officer
Amanzimnyama, Tongaat, KwaZulu-Natal	26 May 2016

DIVIDEND DECLARATION

Notice is hereby given that the Board has declared a final gross cash dividend (number 177) of 60 cents per share for the year ended 31 March 2016 to shareholders recorded in the register at the close of business on Friday 24 June 2016.

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

Last date to trade ordinary shares "CUM" dividend	Friday	17 June 2016
Ordinary shares trade "EX" dividend	Monday	20 June 2016
Record date	Friday	24 June 2016
Payment date	Thursday	30 June 2016

Share certificates may not be dematerialised or re-materialised, nor may transfers between registers take place between Monday 20 June 2016 and Friday 24 June 2016, 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 17 June 2016.

The dividend has been declared from income reserves. A net dividend of 51 cents per share will apply to shareholders liable for the local 15% dividend withholding tax and 60 cents per share to shareholders exempt from paying the dividend tax.

The issued ordinary share capital as at 26 May 2016 is 135 112 506 shares. The company's income tax reference number is 9306/101/20/6.

For and on behalf of the Board

M A C Mahlari
Company Secretary
Amanzimnyama, Tongaat, KwaZulu-Natal 26 May 2016

CORPORATE INFORMATION

Tongaat Hulett Limited
Registration No: 1892/000610/06 JSE share code: TON ISIN: ZAE000096541
Directorate: C B Sibisi (Chairman), P H Staude (Chief Executive Officer)*, S M Beesley, F Jakoet, J John, R P Kupara^, T N Mgoduso, N Mjoli-Mncube, M H Munro*, S G Pretorius, T A Salomão +
* Executive directors + Mozambican ^ Zimbabwean
Registered office: Amanzimnyama Hill Road, Tongaat, KwaZulu-Natal
P O Box 3, Tongaat 4400 Telephone: +27 32 439 4019 Facsimile: +27 31 570 1055
Transfer secretaries: Computershare Investor Services (Pty) Limited
Telephone: +27 11 370 7700
Sponsor: Investec Bank Limited Telephone: +27 11 286 7000

INCOME STATEMENT

Summarised consolidated

Rmillion	2016	2015
Revenue	**16 676**	16 155
Operating profit	**1 808**	2 089
Net financing costs (note 1)	**(680)**	(617)
Profit before tax	**1 128**	1 472
Tax (note 2)	**(358)**	(425)
Net profit for the year	**770**	1 047
Profit attributable to:		
Shareholders of Tongaat Hulett	**820**	989
Minority (non-controlling) interest	**(50)**	58
	770	1 047
Headline earnings attributable to Tongaat Hulett shareholders (note 3)	**783**	945
Earnings per share (cents)		
Net profit per share		
Basic	**710,1**	864,6
Diluted	**710,1**	864,6
Headline earnings per share		
Basic	**678,1**	826,1
Diluted	**678,1**	826,1
Dividend per share (cents)	**230,0**	380,0
Currency conversion		
Rand/US dollar closing	**14,84**	12,17
Rand/US dollar average	**13,81**	11,05
Rand/Metical average	**0,35**	0,35
Rand/Euro average	**15,20**	13,96
US dollar/Euro average	**1,10**	1,26

SEGMENTAL ANALYSIS

	2016	2015
REVENUE		
Sugar		
Zimbabwe	**3 549**	3 471
Swaziland	**205**	203
Mozambique	**1 664**	1 804
South Africa	**5 964**	6 143
Sugar operations - total	**11 382**	11 621
Starch operations	**3 640**	3 447
Land Conversion and Developments	**1 654**	1 087
Consolidated total	**16 676**	16 155
OPERATING PROFIT		
Sugar		
Zimbabwe	**15**	386
Swaziland	**40**	29
Mozambique	**74**	130
South Africa	**(5)**	261
Sugar operations - total	**124**	806
Starch operations	**658**	561
Land Conversion and Developments	**1 115**	829
Centrally accounted and consolidation items	**(70)**	(86)
BEE IFRS 2 charge and transaction costs	**(19)**	(21)
Consolidated total	**1 808**	2 089
FURTHER ANALYSIS OF SUGAR OPERATING PROFIT		
Sugar operations - before root planting costs & cane valuations	**483**	1 155
Zimbabwe	**389**	549
Swaziland	**38**	53
Mozambique	**145**	324
South Africa	**(89)**	229
Root planting costs	**(596)**	(445)
Zimbabwe	**(318)**	(229)
Swaziland	**(11)**	(13)
Mozambique	**(209)**	(109)
South Africa	**(58)**	(94)
Cane valuations - income statement effect	**237**	96
Zimbabwe	**(56)**	66
Swaziland	**13**	(11)
Mozambique	**138**	(85)
South Africa	**142**	126
Sugar operations - after root planting costs & cane valuations	**124**	806
Zimbabwe	**15**	386
Swaziland	**40**	29
Mozambique	**74**	130
South Africa	**(5)**	261

STATEMENT OF CASH FLOWS

	2016	2015
Operating profit	**1 808**	2 089
Surplus on disposal of property, plant and equipment	**(84)**	(77)
Depreciation	**587**	564
Growing crops and other non-cash items	**(60)**	1
Operating cash flow	**2 251**	2 577
Change in working capital	**(989)**	(44)
Cash flow from operations	**1 262**	2 533
Tax payments	**(221)**	(353)
Net financing costs	**(680)**	(617)
Cash flow from operating activities	**361**	1 563
Expenditure on property, plant and equipment:		
New	**(488)**	(203)
Replacement and plant overhaul	**(634)**	(529)
Intangible assets	**(123)**	(4)
Capital expenditure on growing crops	**(67)**	(76)
Other capital items	**109**	97
Net cash flow before dividends and financing activities	**(842)**	848
Dividends paid	**(436)**	(429)
Net cash flow before financing activities	**(1 278)**	419
Borrowings raised	**1 273**	218
Non-recourse equity-settled BEE borrowings	**(49)**	(37)
Shares issued		1
Settlement of share-based payment awards	**(39)**	(175)
Net (decrease) / increase in cash and cash equivalents	**(93)**	426
Balance at beginning of year	**1 668**	1 067
Foreign currency translation	**302**	175
Cash and cash equivalents at end of year	**1 877**	1 668

STATEMENT OF OTHER COMPREHENSIVE INCOME

	2016	2015
Net profit for the year	**770**	1 047
Other comprehensive income	**1 382**	1 039
Items that will not be reclassified to profit or loss:		
Foreign currency translation	**1 393**	1 057
Actuarial loss	**(24)**	(23)
Tax on actuarial loss	**6**	7
Items that may be reclassified subsequently to profit or loss:		
Hedge reserve	**10**	(3)
Tax on movement in hedge reserve	**(3)**	1
Total comprehensive income for the year	**2 152**	2 086
Total comprehensive income attributable to:		
Shareholders of Tongaat Hulett	**1 865**	1 815
Minority (non-controlling) interest	**287**	271
	2 152	2 086

STATEMENT OF FINANCIAL POSITION

Summarised consolidated

Rmillion	2016	2015
ASSETS		
Non-current assets		
Property, plant and equipment	**13 318**	12 059
Growing crops	**6 148**	5 473
Long-term receivable	**564**	518
Goodwill	**438**	376
Intangible assets	**212**	64
Investments	**26**	27
	20 706	18 517
Current assets	**10 123**	8 026
Inventories	**2 866**	2 472
Trade and other receivables	**4 738**	3 291
Major plant overhaul costs	**642**	595
Cash and cash equivalents	**1 877**	1 668
TOTAL ASSETS	**30 829**	26 543
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**135**	135
Share premium	**1 544**	1 544
BEE held consolidation shares	**(625)**	(674)
Retained income	**8 295**	7 959
Other reserves	**4 026**	2 925
Shareholders' interest	**13 375**	11 889
Minority (non-controlling) interest	**2 155**	1 887
Equity	**15 530**	13 776
Non-current liabilities	**8 118**	7 944
Deferred tax	**2 896**	2 491
Long-term borrowings	**3 791**	4 056
Non-recourse equity-settled BEE borrowings	**605**	654
Provisions	**826**	743
Current liabilities	**7 181**	4 823
Trade and other payables (note 5)	**3 897**	3 173
Short-term borrowings	**3 187**	1 604
Tax	**97**	46
TOTAL EQUITY AND LIABILITIES	**30 829**	26 543
Number of shares (000)		
– in issue	**135 113**	135 113
– weighted average (basic)	**115 471**	114 388
– weighted average (diluted)	**115 471**	114 388

STATEMENT OF CHANGES IN EQUITY

	2016	2015
Balance at beginning of year	**11 889**	10 562
Total comprehensive income for the year	**1 865**	1 815
Retained earnings	**802**	973
Movement in hedge reserve	**7**	(2)
Foreign currency translation	**1 056**	844
Dividends paid	**(417)**	(417)
Shares issued		1
BEE share-based payment charge	**17**	18
Share-based payment charge	**60**	85
Settlement of share-based payment awards	**(39)**	(175)
Shareholders' interest	**13 375**	11 889
Minority (non-controlling) interest	**2 155**	1 887
Balance at beginning of year	**1 887**	1 628
Total comprehensive income for the year	**287**	271
Retained earnings	**(50)**	58
Foreign currency translation	**337**	213
Dividends paid to minorities	**(19)**	(12)
Equity	**15 530**	13 776

NOTES

	2016	2015
1. Net financing costs		
Interest paid	**(778)**	(685)
Interest capitalised	**28**	1
Interest received	**70**	67
	(680)	(617)
2. Tax		
Normal	**(277)**	(261)
Deferred	**(81)**	(164)
	(358)	(425)
3. Headline earnings		
Profit attributable to shareholders	**820**	989
Adjusted for:		
Capital profit on disposal of land and buildings	**(42)**	(48)
Loss on other capital items	**4**	2
Minority (non-controlling) interest	**(1)**	
Tax on the above items	**2**	2
	783	945

4. Growing crops
Growing crops, comprising roots and standing cane, are measured at fair value which is determined using an estimate of cane yields and prices. Changes in fair value are recognised in profit or loss. A change in yield of one ton per hectare on the estimated yield of 73 tons cane per hectare (2015: 83 tons per hectare) would result in a R37 million (2015: R25 million) change in fair value while a change of one percent in the cane price would result in a R33 million (2015: R26 million) change in fair value.

5. Trade and other payables
Included in trade and other payables is the maize obligation (interest bearing) of R376 million (2015: R246 million).

	2016	2015
6. Capital expenditure commitments		
Contracted	**196**	163
Approved	**213**	478
	409	641
7. Operating lease commitments	**75**	82
8. Guarantees and contingent liabilities	**101**	33

9. Basis of preparation
The summarised consolidated financial statements for the year ended 31 March 2016 have been prepared in accordance with the JSE Limited Listings Requirements for provisional reports, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contains the information as required by International Accounting Standard 34 Interim Financial Reporting and the requirements of, including the audit thereof in terms of the Companies Act of South Africa. The additional disclosure required in terms of paragraph 16A(j) of IAS 34 is available on the website, at the registered office or on request. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the consolidated annual financial statements for the year ended 31 March 2015 and were prepared under the supervision of the Chief Financial Officer, M H Munro CA (SA).

Tongaat Hulett has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for Tongaat Hulett from 1 January 2015. The adoption of these standards, had no recognition and measurement impact on the financial results.

10. Audited results
These summarised consolidated financial statements, which have been derived from the audited consolidated annual financial statements for the year ended 31 March 2016 and with which they are consistent in all material respects, have been audited by Deloitte & Touche. Their unmodified audit opinions on the consolidated annual financial statements and on the summarised consolidated financial statements are available for inspection at the registered office of the company. The auditor's report does not necessarily report on all of the information contained in this announcement and any reference to future financial performance included in this announcement has not been audited or reported on. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the registered office of Tongaat Hulett.