

## LATEST NEWS

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Tongaat-Hulett announced today that Triangle Sugar Corporation Limited (Triangle) had acquired Anglo American's 50,35% stake in the Zimbabwe Stock Exchange listed Hippo Valley Estates Limited for US\$ 36 million.

Peter Staude, the CEO of Tongaat-Hulett said, "We are delighted to have acquired a majority shareholding in Hippo Valley. It adds a new dimension to our asset base and strengthens our position as a leading sugar producer in SADC. Together with our expansion plans in Mozambique, Tongaat-Hulett is set for exciting times capitalising on our strong regional competitive positioning in the emerging world sugar dynamics. It is part of the strategy of investing in the business to create further value."

"Tongaat-Hulett's existing sugar business in Zimbabwe, Triangle, is capable of producing in excess of 300 000 tons of sugar per annum. The acquisition of Hippo Valley will almost double Tongaat-Hulett's production in Zimbabwe and will lift Tongaat-Hulett's overall regional sugar capacities by a further 300 000 tons to 1,5 million tons per annum. This acquisition provides the opportunity to extract the synergistic benefits available from the operations of these two large world-class sugar enterprises with the two sugar factories being only 30 kms apart and the cane estates practically side-by-side" Staude said. "The lowveld in Zimbabwe was recognised as the lowest cost producer in the region if not the world with the potential to move from its current annual sugar production capacity to one million tons. This acquisition takes us a step closer to realising this potential" Staude indicated.

"World sugar markets are presenting exciting growth opportunities for Tongaat-Hulett. The already announced EU Sugar reforms, in particular the WTO ruling with regard to EU exports that will result in EU exports reducing from 5-7 million tons to a maximum of 1,4 million tons as from next year, the increasing use of sugar cane for ethanol production and the fact that the world sugar consumption growth rate is 2% per annum are all contributing factors" Staude said. "The next few years would offer major opportunities for further expansion of the company's low cost production. We are already benefiting from the changing global sugar fundamentals," he commented.

"The Zimbabwe lowveld has ideal sugar cane growing conditions, with excellent topography, climate and established water storage and conveyance infrastructures for irrigation. This results in some of the best sugar cane yields worldwide", said Staude.

As a consequence of Tongaat-Hulett's Zimbabwe operations not being consolidated into its financial results, the transaction will at this stage not have a significant impact on Tongaat-Hulett's earnings.

As a reorganisation of Anglo American's sugar interests in Zimbabwe, the acquisition will not trigger an offer to Hippo Valley's minorities.

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**NOTE TO EDITORS**

The Tongaat-Hulett Group ("THG") is separating into Tongaat-Hulett ("TH") and Hulamin during the 2nd quarter of 2007. This follows the previous disposals of non-core businesses, investment in core businesses and actions to enhance earnings. The transactions will result in the unbundling by THG of its 50% interest in Hulett Aluminium to its shareholders and the listing of Hulamin on the JSE Limited ("JSE") by its shareholders with Sustainable Black Economic Empowerment ("BEE") equity transactions at both Hulamin and Tongaat-Hulett. As a consequence two separately listed and focused companies will emerge:

- Tongaat-Hulett will be an agri-processing business with significant integrated land management, agriculture and property development activities.
- Hulamin an independent aluminium rolled products and extrusion business;

Tongaat-Hulett has been adding value in refined carbohydrates and through agricultural raw materials for more than a century. Tongaat-Hulett produces almost half of the refined carbohydrates manufactured in South Africa. It has established considerable expertise in adding value to agricultural products, an area that requires specific knowledge and skills. Listed on the JSE with a market capitalisation of some R11 billion it employs 27 000 people.

