

FEATURES

	Year ended 31 March		Change %
	2001 Audited	2000 Pro forma Unaudited Restated	
Results (Rm)			
Revenue	4 735.1	3 842.3	23
Profit from operations before finance costs	580.5	618.5	(6)
Headline earnings	222.9	277.3	(20)
Balance sheet and cash flow (Rm)			
Total assets	5 178.0	4 854.2	7
Cash inflow from operating activities	297.0	14.2	
Share performance (cents per share))			
Headline earnings	67.5	87.2	(23)
Dividend (interim - paid : final - declared)	34.0	48.0	
Year end market price	460	550	
Financial ratios			
Net worth per share (cents)	403.9	359.1	
Return on net assets (%)	14.7	19.3	
Gearing (%)	85.7	92.4	
Dividend cover (times)	2.0	1.8	
Interest cover (times)	3.2	3.9	
Price : headline earnings ratio	6.8	6.3	

ACQUISITION OF ZAMBIA SUGAR

DISPOSAL OF MON TRESOR AND MON DESERT

Change of the financial year

In the previous financial period, the group changed the end of its financial year from 30 September to 31 March, to coincide the financial year with the sugar seasons of its African-based operations.

Consequently, the previous audited reporting period covered by this annual report is of six months duration only. This needs to be taken into account when making comparisons with the current financial year. To provide a better understanding, pro forma figures for the year ended 31 March 2000, as compared with those of the current financial year, are provided in the features page, the seven year review on page 32 and the group income statement on page 52.

2001



GROUP PROFILE



Illovo Sugar is a leading, global, low cost sugar producer and a significant manufacturer of high-value downstream products. The group has extensive agricultural and manufacturing operations in Southern Africa and also operates a beet sugar manufacturing plant in the United States. Downstream operations include the manufacture of syrup, furfural, furfuryl alcohol, diacetyl, acetoin, 2,3-Pentanedione, ethyl alcohol, lactulose and dextran. Illovo Sugar is listed on the JSE Securities Exchange South Africa.

The productive base of the group has increased materially to approximately 5.4 million tons of cane and 2.2 million tons of sugar following the group's acquisition of Zambia Sugar in April 2001. The increased production takes into account the group's disposal of its 80.25% interest in Mon Tresor and Mon Desert Limited in Mauritius.

The group has agricultural estates in South Africa, Malawi, Swaziland, Zambia and Tanzania. Collectively they produce approximately 5.4 million tons of cane, of which a high proportion is grown under irrigation, with well above average growing conditions, resulting in good cane yields and high sucrose content. Group sugar production of almost 2.2 million tons of sugar derives from South Africa at 1.25 million tons, Malawi 240 000 tons, Swaziland 220 000 tons, Zambia 205 000 tons, Tanzania 75 000 tons and United States 185 000 tons. It is expected that Maragra in Mozambique, as a result of the excellent progress made in rehabilitating the agricultural estates after last year's floods, will produce approximately 12 000 tons of sugar in a shortened milling season in 2001 and will return to full production in 2002.

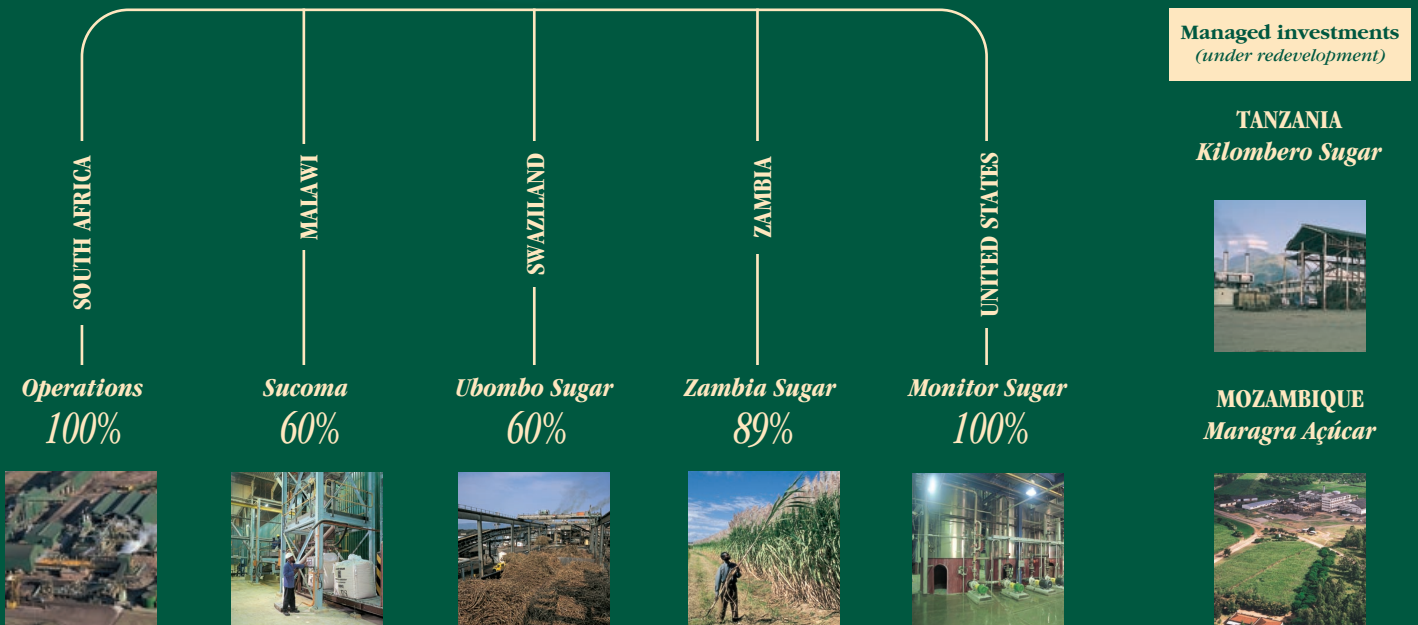
A recent independent international survey reveals that cane sugar production costs in Malawi, Zambia, South Africa and Swaziland are amongst the lowest in the world, while the production costs of Monitor Sugar, which produces sugar from beet, are also amongst the lowest in the United States.

The group is a major supplier of sugar to Southern African consumer and industrial markets particularly in South Africa, Swaziland, Malawi, Zambia and Tanzania. In Malawi, Illovo is the country's sole sugar producer whilst Zambia Sugar has a 97.5% share of all locally produced sugar. Illovo has significant access to preferential markets in Europe and the United States and will also benefit from the new SADC Sugar Protocol on Trade, which will allow Southern African sugar producers outside South Africa to export sugar into the South African Customs Union (SACU) market. The group, through the South African and Swaziland industries, also exports sugar into the world free market. Sugar produced at Monitor is sold in the local US market.

The majority of downstream products are sold internationally into high-value, niche markets. Furfural and its derivatives are made at the Sezela mill complex on the south coast of KwaZulu-Natal while high quality ethyl alcohol, from which various grades of alcohol are made, is produced at the Merebank plant near Durban and at the Glendale distillery on the north coast. Lactulose and dextran are made at Merebank. Beet pulp produced at Monitor is sold directly in the local US market and into Canada. Syrup is produced and marketed in South Africa under the Illovo brand name.

The Illovo group, throughout its African operations, provides considerable support for small-scale farmers in order to promote agricultural and economic development. With the acquisition of Zambia Sugar, total cane supplies from small-scale growers has increased to almost two million tons. Increasingly, the group has also focused its attention on medium-scale farmers and has in place various programmes to assist local entrepreneurs to purchase their own farms and to build up their cane growing operations. Associated with this is the promotion and support given to the development of small to medium-sized businesses to supply goods and services, not only to growers, but also to the group. Social investment programmes are undertaken in every country of operation, having been adapted to local conditions and requirements.

GROUP STRUCTURE



GOALS AND OBJECTIVES

PRIMARY OBJECTIVE

- To enhance the wealth of stakeholders by optimising the long term returns and growth of the business.
- To be a world class organisation and amongst the most efficient and lowest-cost producers in the world.

GROWTH

- To expand the group's sugar and cane production.
- To consolidate and improve the profitability of downstream products and further develop new applications where appropriate.
- To seek new opportunities for sugar and downstream products nationally and internationally.

PROFITABILITY

- To achieve a competitive rate of return on shareholders' funds and increase profits on an ongoing basis in real terms.
- To maintain a dividend cover of between two and three times.

ASSET MANAGEMENT

- To manage investments in fixed assets and working capital so as to achieve the most efficient usage of funds employed with the objective of achieving gearing of not more than 40% and an interest cover of not less than five times.

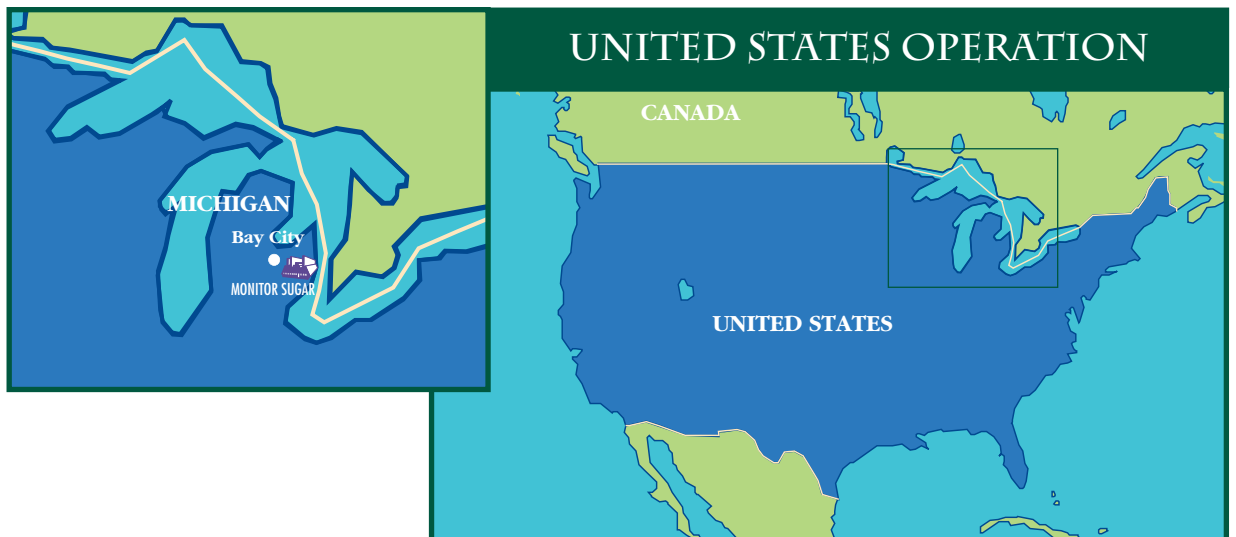
PRODUCT DEVELOPMENT

- To be proactive in identifying the needs of our customers.
- To consistently deliver quality products and services to our customers.

HUMAN RESOURCES

- To promote the ongoing development of all our employees in order that they reach their maximum level of competence and participate fully in achieving the group's primary objective.
- To offer equal opportunity to all employees.

GROUP LOCATIONS



OPERATIONS

Operation	Cane growing	Sugar manufacturing	Sugar refining	Sugar packaging	Downstream production	Warehousing & distribution
South Africa						
Pongola		■	■	■		■
Umfolozi		■	■	■		■
Gledhow	■	■	■	■		■
Glendale					■	
Noodsberg	■	■	■	■		
Eston	■	■			■	
Sezela	■	■			■	
Umzimkulu	■	■		■		
Merebank					■	
Durban						■
Malawi						
Nchalo	■	■	■	■		■
Dwangwa	■	■	■	■		■
Swaziland						
Ubombo	■	■	■			■
Zambia (Acquisition effective April 2001)						
Nakambala	■	■	■	■		■
United States						
Monitor		■	■	■	■	■
Tanzania						
* Kilombero	■	■		■		■
Mozambique						
* Maragra		■		■		■

* under redevelopment

DIRECTORATE

EXECUTIVE DIRECTORS



D G MacLeod (54) *
B.Com., A.M.P. (Oxon)
 Appointed to the board in 1983
 Managing Director



W M A Buchanan (51)
S.E.P. (Stanford), CM(S.A.), B.Tech. (Mkt.)
 Appointed to the board in 1996
 Marketing Director

G J Clark (Australian) (45)
B.Acct.(Hons.), A.C.A.
 Appointed to the board in 1997
 Operations Director - Africa



N M Hawley (44)
B.Com.(Hons.)
 Appointed to the board in 1998
 Human Resources Director

CHAIRMAN

R A Williams (59) * #
B.A., LL.B.
 Appointed to the board in 1985
 Chairman of Tiger Brands Limited
 Director of companies

NON-EXECUTIVE DIRECTORS

Name	Qualifications	Appointed to the Board	Position
D E Cooper (61) #	C.A.(S.A.)	1989	Chairman of Standard Bank Investment Corporation Limited. Director of companies
B P Connellan (60)	C.A.(S.A.)	1993	Chairman of Nampak Limited. Director of companies
R D Hamilton (63)	B.Sc., B.Com.	1989	Director of companies
D Konar (Dr) (47) *	C.A.(S.A.), M.A.S.(Illinois), D.Com.	1995	Director of companies
D D B Mkhwanazi (48)	B. Admin., P.M.D. (Harvard)	1993	Management Consultant. Director of companies
A R Mpungwe (50) (Tanzanian)	B.A.(Hons.)	2001	Management Consultant. Director of Companies
R A Norton (62) * #	M.A. (Oxon)	1997	Director of companies



R L Hetzler (USA) (56)
B.A. (Indiana), J.D. (Michigan)
Appointed to the board in 1992
President and Chief Executive Officer
of Monitor Sugar Company



G D Knox (British) (52)
B.Com.
Appointed to the board in 1996
Administration Director



A B Ravnö (Dr) (62)
Pb.D., A.M.P. (Harvard)
Appointed to the board in 1992
Technical Director

J T Russell (52)
A.C.M.A.
Appointed to the board in 1993
Financial Director



B M Stuart (53)
B.Com., Dip. Sugar Tech., S.E.P. (Stanford)
Appointed to the board in 1994
Operations Director - South Africa

SENIOR MANAGEMENT

Name	Qualifications	Joined the group	Operational responsibility
GROUP OPERATIONS			
P G Braithwaite (58)	Pr. Eng., B.Sc. Agric. Eng.	1980	Agriculture
E J Cheevers (Dr) (58)	M.B., DOH, DPH, AMP	1986	Medical services
D G Coates (50)	H.N.Dip. Mech. Eng., G.C.O.C.	1983	Technical
D E Howells (37)	C.A.(S.A.)	1995	Finance
D A Schaller (37)	B.Com., A.C.M.A.	1999	Information technology
M A Walsh (53)	B.Com., C.A.(S.A.)	1988	Projects
SOUTH AFRICA OPERATIONS			
Corporate Services			
H R Hackman (42)	B.Com.	2000	Industrial affairs
G E Hoppe (50)	H.E.D., Dip. Mkt. Mng. (I.M.M.)	1987	Sugar marketing
A Koen (56)	Cert. Eng., E.M.P. (Berkeley)	1982	Operations
C H Kyle (51)	B.Com., H.D.P.M.	1998	Human resources
A D Nourse (60)	C.A.(S.A.), A.M.P. (Harvard)	1998	Finance
Agriculture			
D H Carter-Brown (51)	B.Sc. Agric. Eng.	1978	Agriculture operations
D J Main (51)	B.Com., Dip. Agric.	1974	Small-scale growers
C B Pfothhauer (52)	B.Com.	1977	Cane growing
Sugar and downstream production			
M T Crossman (55)	B.Sc. Eng., M.B.L.	1992	Pongola
St J T Field (55)	Dip. Sugar Tech., B.Sc. Mech. Eng.	1986	Umfolozi
S D Langton (40)	Pr.Eng., B.Sc. Eng.	1996	Sezela
G F Mann (47)	Dip. Sugar Tech.	1979	Noodsberg
S S Munsamy (46)	P.M.D., B.Tech. (Mngt)	1982	Umzimkulu
S Rau (49)	B.Sc. Agric.	1981	Gledhow
L W Riddle (41)	B.Com., C.A.(S.A.)	1986	Merebank
T C Wormald (55)	Dip. Sugar Tech.	1968	Eston
INTERNATIONAL OPERATIONS			
Malawi			
B M Stewardson (52)	B.Sc., P.C.M.A.	1986	Managing director
R J de Allende (42)	B.A.	1999	Marketing
D A Hardman (58)	B.Admin., B.Com.(Hons.)	1974	Human resources
H Hardy-Theobald (60)	Agric. Cert.	1968	Dwangwa
J E Horn (38)	C.A.(S.A.), A.C.M.A.	1999	Finance
G B O'Reilly (59)	Pr. Eng., B.Sc. Eng.	1972	Nchalo
T L Pearse (58)	M.Sc.	1997	Agriculture
Swaziland			
E I Williams (54)	Cert. Eng., S.M.S.A.I.E.E.	1984	Managing director
S Cloete (46)	G.C.O.C.	1980	Factory
D W H Cousens (52)	M.Sc.Eng., M.B.L.	1988	Agriculture
M Hlatswayo (43)	B.A.(Law)	1987	Human resources
K Rowney (53)	B.Com.	1992	Finance

Name	Qualifications	Joined the group	Operational responsibility
Zambia			
J M Moulton (52)	B.Sc.Eng., Nat.Dip.Tech.	1995	Managing director
F M Banda (50)	F.C.M.A., A.C.I.S.	1973	Finance
C M Bennie (51)	B.Com., C.A.(S.A.)	1987	Commercial
L Brouckaert (46)	B.Sc. Mech. Eng	1979	Factory
G Geldard (54)		2001	Agriculture
D Kabunda (38)	B.A. Pub. Admin, M.B.A.	1986	Human resources
R M L Katowa (40)	B.A., M.B.A.	1997	Marketing
United States			
J T Coleman (53)	M.B.A. Mktg., B.A. History	1995	Marketing
D A Keyser (44)	M.B.A., C.P.A.	1983	Finance
P D Pfenninger (46)	B.S. Bio.	1981	Agriculture
C D Rhoten (53)	B.S. Biochem.	1996	Factory
Tanzania			
D Haworth (52)	B.Sc. (Hons)	1999	Managing director
R Durrans (56)	B.Sc. Mech. Eng., M.I. Mech. Eng.	1981	Projects
J F K Nkandala (50)	B.Sc.Eng., M.B.A.	1999	Factories
R J Russell (40)	SHND Acc., F.C.C.A.	2001	Finance
J Verster (56)	B.A. (Hons), L.R.Dip. (Advanced)	1978	Human resources
Mozambique			
J P M De Robillard (54)	Dip. Sugar Tech.	1974	General manager
A J F Alexander (38)	B.Sc.Agric.(Hons.)	2001	Agriculture
A F Currie (48)	B.Com., Dip. Sugar Tech.	1998	Factory
J Madonsela (35)	I.P.M. Dip.	2001	Human resources
P Mashangu (30)	B.Tech.(Hons.)	2001	Finance

CORPORATE INFORMATION

Secretary:	G D Knox
Business address and registered office:	Illovo Sugar Park, 1 Montgomery Drive, Mount Edgecombe, 4300
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Telefax:	+27 31 508-4525
Website:	www.illovosugar.com
Transfer Secretaries:	Mercantile Registrars Limited
Business address:	11 Diagonal Street, Johannesburg, 2001
Postal address:	P O Box 1053, Johannesburg, 2000
Telephone:	+27 11 370-5000
Telefax:	+27 11 370-5721

Auditors:	Deloitte & Touche
Attorneys:	Garlicke & Bousfield Incorporated
Principal Bankers:	The Standard Bank of South Africa Limited, First National Bank of Southern Africa Limited and Rabobank International
Sponsor:	ING Bank N.V. South Africa Branch