



FEATURES

	Year ended 31 March		Change %
	2005	2004 Restated	
Results (Rm)			
Revenue	5 143.0	6 488.2	(21)
Profit from operations	405.6	726.6	(44)
Headline earnings	142.8	237.6	(40)
Share performance (cents per share)			
Headline earnings	42.6	71.3	(40)
Dividend (interim - paid; final - declared)	25.5	46.0	(45)
Year end market price	810	800	
Balance sheet and cash flow (Rm)			
Total assets	4 024.4	4 961.3	
Ordinary shareholders' funds	1 200.3	1 295.0	
Net borrowings	794.7	1 366.3	
Cash generated from operations	668.6	859.0	
Financial ratios			
Net worth per share (cents)	356.0	387.9	
Return on net assets (%)	10.2	16.0	
Gearing (%)	49.4	80.1	
Dividend cover (times)	1.7	1.6	
Interest cover (times)	2.6	2.8	
Price : headline earnings ratio	19.0	11.2	

- Reduction in borrowings and gearing
- 2 major BEE transactions
- Disposal of Monitor Sugar

GROUP PROFILE

Illovo Sugar is a leading, global, low-cost sugar producer and a significant manufacturer of high-value downstream products. The group is Africa's biggest sugar producer and has extensive agricultural and manufacturing operations in six African countries. Downstream products include furfural, furfuryl alcohol, Crop Guard, diacetyl, 2,3-pentanedione, ethyl alcohol, lactulose and syrup. Illovo is listed on the JSE Securities Exchange South Africa.

Excellent climatic and soil conditions found in the group's African countries of operation, accompanied by irrigation from secure water sources, are ideal for the cultivation of high-yielding and excellent quality sugar cane. Annual cane production of approximately 5.5 million tons is produced on agricultural estates in South Africa, Malawi, Zambia, Swaziland, Tanzania and Mozambique. Annual sugar output amounts to approximately 1.9 million tons comprising 1.0 million tons made in South Africa, Malawi 260 000 tons, Zambia 235 000 tons, Swaziland 215 000 tons, Tanzania 135 000 tons and Mozambique 60 000 tons.

During the 2004/05 season, the group sold its Monitor beet sugar company in the United States to a neighbouring sugar operation and its Gledhow sugar factory and cane growing estates near KwaDukuza on the north coast of KwaZulu-Natal to a Black economic empowerment (BEE) company. In addition, the Umfolozi sugar mill at Mtubatuba, also on the KwaZulu-Natal north coast, was sold to another BEE company with effect from 31 March 2005. Illovo has management agreements in respect of both the Gledhow and Umfolozi sugar operations until the end of the 2009 financial year.

The last independent survey of international sugar production costs for the period to 2002/03 revealed that Malawi, Zambia, South Africa and Swaziland were ranked among the world's ten lowest-cost cane sugar producers.

The group is a major supplier of sugar to African consumer and industrial markets particularly in its own countries of operation. In Malawi, Illovo is the country's sole sugar

producer and in Zambia and South Africa, the group manufactures 92% and 40% respectively of all locally produced sugar. Illovo has significant access to preferential markets in Europe and the United States while the African operations outside South Africa also have access to the South African Customs Union market in terms of the Southern African Development Community (SADC) Sugar Protocol on Trade. Sugar in consumer packs is supplied into other regional markets within Africa. The group, through the South African, Swaziland and Mozambique industries, also exports sugar into the world free 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 whilst 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 is manufactured at Merebank whilst syrup and speciality sugars are produced in South Africa and Zambia. In Malawi, speciality sugars are produced primarily for preferential markets in Europe.

In recognition of the group's interdependence with the communities in which it operates, Illovo co-ordinates a wide-range of social investment-related programmes focusing on basic needs such as the provision of water and sanitation, access to health care, education delivery and involvement in community outreach programmes. Illovo also provides considerable extension, training and other support to Black farmers in order to promote sustainable agriculture and economic development activities. Total cane supplies from small and medium-scale growers, including community-based co-operative schemes, amounts to two million tons annually, generating revenue of approximately R340 million. In addition, the group has a procurement policy which promotes and supports the development of small and medium-sized businesses to supply goods and services to both cane growing communities and to the group.

Excellent climatic and soil conditions found in the group's African countries of operation, accompanied by irrigation from secure water sources, are ideal for the cultivation of high-yielding and excellent quality sugar cane.



GOALS AND OBJECTIVES

PRIMARY OBJECTIVE

- To enhance the wealth of shareholders 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.
- To achieve a balanced and integrated economic, social and environmental performance.

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; this in the current economic environment having been increased to 60%.

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.
- To undertake research and development to improve returns, and develop new products and applications, from its core commodity products using every stick of cane.

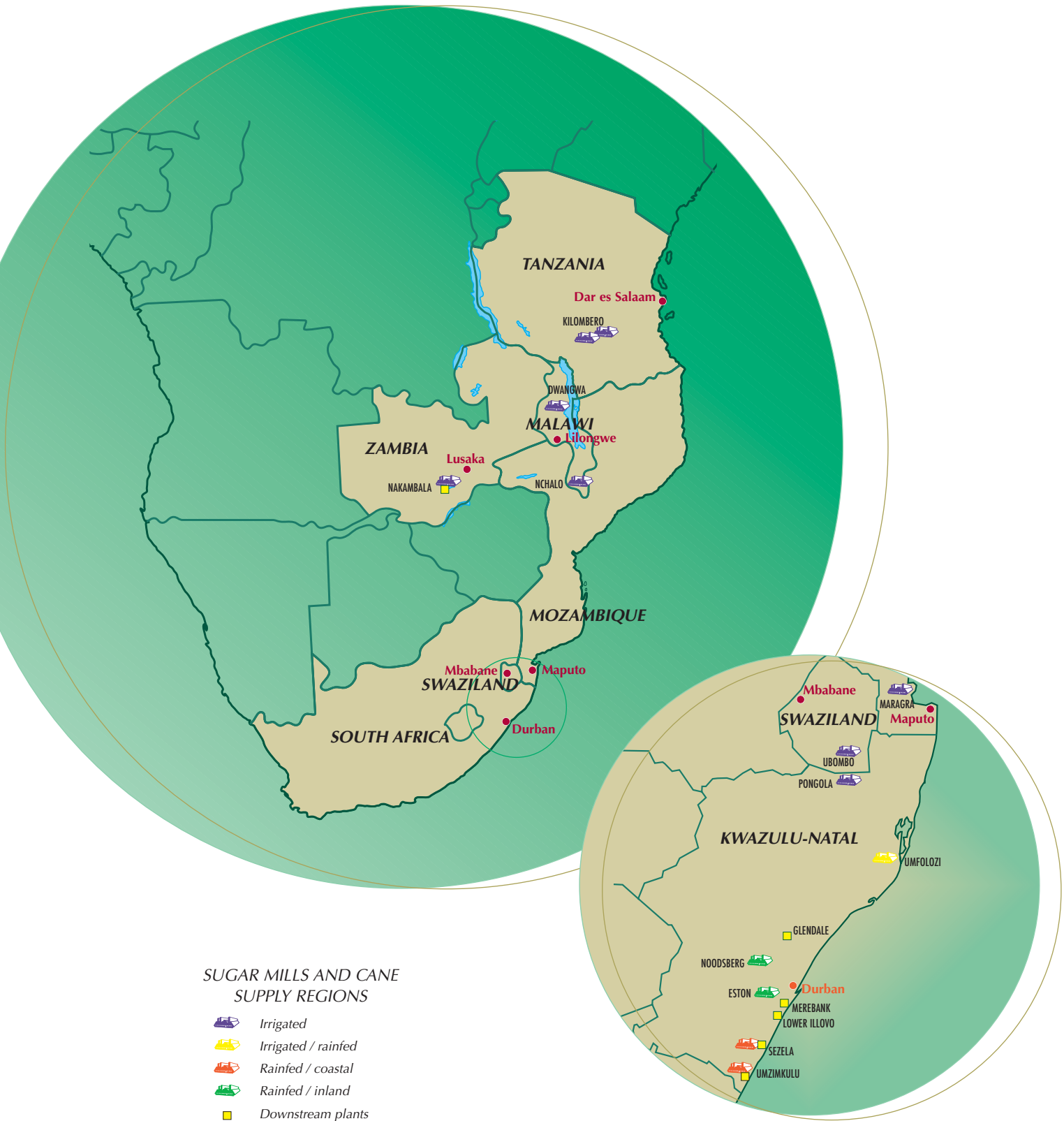
HUMAN RESOURCES

- 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.

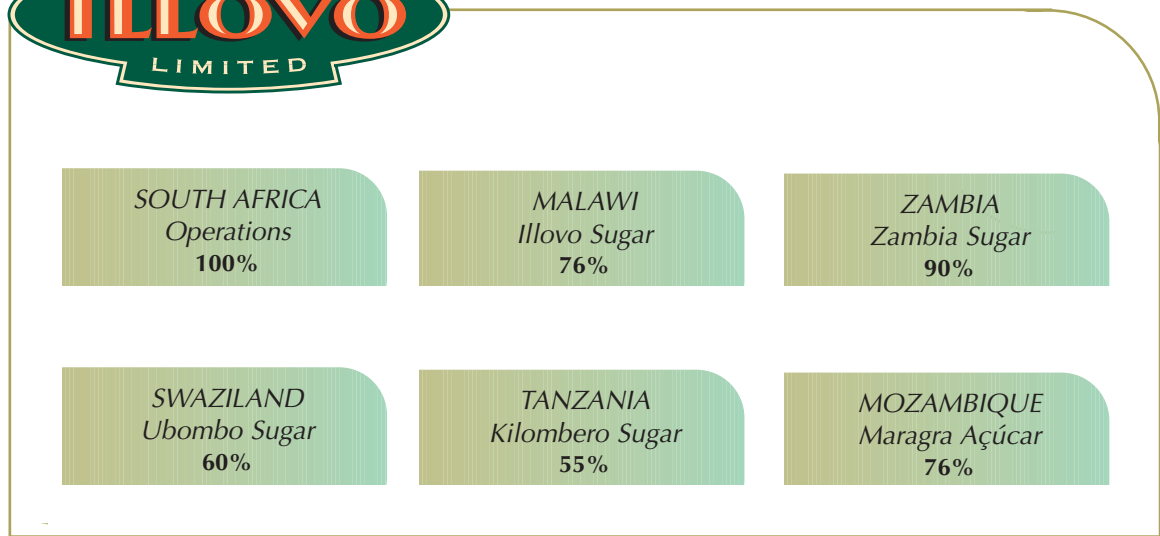
CORPORATE GOVERNANCE

- To ensure that the company is managed in an efficient, accountable, responsible and moral manner.
- To be socially responsible, and maintain and develop appropriate ethical, environmental and risk management standards as an integral part of the business.
- To take cognisance of all stakeholders' interests in the group's business.

GROUP LOCATIONS



GROUP STRUCTURE



OPERATIONS

Operation	Cane growing	Sugar manufacturing	Sugar refining	Sugar packaging	Downstream production
SOUTH AFRICA ● Pongola		●	●	●	
Umfolozi		●	●	●	
Noodsberg	●	●	●	●	
Eston	●	●			●
Sezela	●	●			●
Umzimkulu	●	●		●	●
Merebank					●
Glendale					●
MALAWI ● Nchalo	●	●	●	●	●
Dwangwa	●	●	●	●	
ZAMBIA ● Nakambala	●	●	●	●	●
SWAZILAND ● Ubombo	●	●	●	●	
TANZANIA ● Kilombero	●	●	●	●	
MOZAMBIQUE ● Maragra	●	●		●	

EXECUTIVE DIRECTORS

D G MacLeod (58) * ^ +

B.Com., A.M.P. (Oxon)

Managing Director

Joined the sugar industry 1971

Appointed to the Board 1983

G J Clark (Australian) (49) ^ +

B.Acct.(Hons.), A.C.A.

Operations Director - Africa

Joined the sugar industry 1980

Appointed to the Board 1997

N M Hawley (48) +

B.Com.(Hons.)

Human Resources Director

Joined the sugar industry 1978

Appointed to the Board 1998

M I Hlatshwayo (Swazi) (47) +

B.A.(Law)

Corporate Affairs Director

Joined the sugar industry 1987

Appointed to the Board 2003

J T Russell (56) ^ +

A.C.M.A.

Financial Director

Joined the sugar industry 1978

Appointed to the Board 1993

B M Stuart (57) ^ +

B.Com., Dip. Sugar Tech.,

S.E.P. (Stanford)

Operations Director - South Africa

Joined the sugar industry 1968

Appointed to the Board 1994

MANAGING DIRECTOR



Don MacLeod



Graham Clark



Nigel Hawley



Mandla Hlatshwayo



John Russell



Barry Stuart

- * Member of Audit Committee
- # Member of Remuneration/Nomination Committee
- ^ Member of Risk Management Committee
- + Member of the Group Executive Committee

CHAIRMAN



Robbie Williams



Brian Connellan



Robin Hamilton



Len Konar



Phinda Madi



Ami Mpungwe



Tony Norton



Martin Shaw

NON-EXECUTIVE AND INDEPENDENT DIRECTORS

R A Williams (64) * #

B.A., L.L.B.

Chairman of Tiger Brands Limited.
Director of companies

Appointed to the Board 1985

B P Connellan (64)

C.A.(S.A.)

Director of companies

Appointed to the Board 1993

R D Hamilton (67)

B.Sc., B.Com.

Director of companies

Appointed to the Board 1989

D Konar (Dr) (51) *

C.A.(S.A.), M.A.S.(Illinois), D.Com.
Chairman of Audit Committee

Director of companies

Appointed to the Board 1995

P M Madi (41) #

B.Proc., E.D.P.

Director of companies

Appointed to the Board 2002

A R Mpungwe (Tanzanian) (54) ^

B.A.(Hons.)

Director of companies

Appointed to the Board 2001

R A Norton (66) * #

M.A.(Oxon)

*Chairman of Remuneration/
Nomination Committee*

Director of companies

Appointed to the Board 1997

M J Shaw (66) * # ^

C.A.(S.A.), S.E.P. (Stanford)

*Chairman of Risk Management
Committee*

Director of companies

Appointed to the Board 2001

SENIOR MANAGEMENT

Name	Qualifications	Joined the group	Operational responsibility
GROUP			
P H Canter (Dr) (58) ^	MB.Ch.B, D.T.M.&H.	1990	Medical services
J P M De Robillard (58)	Dip.Sugar Tech.	1974	New projects
D E Howells (41) +	C.A.(S.A.)	1995	Finance
G D Knox (56) ^ +	B.Com.	1984	Administration
D A Rowbotham (60) ^	C.A.(S.A.)	1987	Internal audit
D A Schaller (41)	B.Com., A.C.M.A.	1999	Information technology
SOUTH AFRICA OPERATIONS			
W M A Buchanan (55) +	B.Tech.(Mkt.), S.E.P. (Stanford), C.M.(S.A.)	1981	Marketing
C H Kyle (55)	B.Com., H.D.P.M.	1998	Human resources
S D Langton (44) +	Pr.Eng., B.Sc.Eng.	1996	Raw sugar production
G F Mann (51) +	Dip.Sugar Tech.	1979	Refined sugar production
L W Riddle (45) +	B.Com., C.A.(S.A.)	1986	Commercial / alcohols
L Bachan (51)	B.Sc., M.B.L., Dip.Sugar Tech	1978	Umzimkulu
B R Cornish (51)	B.Com., H.N.Dip.Mech.Eng.	1983	Eston
M T Crossman (59)	B.Sc.Eng., M.B.L.	1992	Noodsberg
G B Dagleish (39)	M.Sc.Eng.(Chem.)	1990	Merebank
J P Hulley (45)	Dip.Mech.Eng., M.D.P.	1978	Pongola
S S Munsamy (50)	B.Tech.(Mgt), P.M.D.	1982	Sezela
S Rau (53)	B.Sc.Agric.	1981	Gledhow / Umfolozi
AFRICA OPERATIONS			
R J de Allende (46)	B.A.	1999	Marketing
D Haworth (56) +	B.Sc.(Hons.)	1999	Commercial
A Koen (60) +	Cert.Eng., E.M.P. (Berkeley)	1982	Operations
Malawi			
B M Stewardson (56) +	B.Sc., P.C.M.A.	1986	Managing director
D H Carter-Brown (55)	B.Sc.Agric.Eng.	1978	Dwangwa
D P R Davies (50)	Dip.Mkt.Mgt.(I.M.M.)	2003	Marketing
A J Fuggle (61)	B.A., M.D.P.	2002	Human resources
G M Mkandawire (58)	B.Sc.(Econ.), M.Com.(Mktg.)	2003	Commercial
I G Parrott (38)	B.Com., C.I.A.	1997	Finance
T C Wormald (59)	Dip.Sugar Tech.	1968	Nchalo
Zambia			
J M Moulton (56) +	B.Sc.Eng., Nat.Dip.Tech.	1995	Managing director
J A Blumberg (45)	B.Compt., M.B.L.	1996	Finance
D Kabunda (42)	B.A.Pub.Admin., M.B.A.	1986	Human resources
R M L Katowa (44)	B.A., M.B.A.	1997	Marketing
L M Sievu (42)	A.C.M.A., A.C.I.S.	2004	Corporate affairs
P J Van Greunen (40)	H.N.D.Mech.Eng., G.C.O.C.	1983	Factory
H Veenstra (48)	M.Agric.Mgt.	1990	Agriculture

^ Member of the Risk Management Committee

+ Member of Group Executive Committee

Name	Qualifications	Joined the group	Operational responsibility
Swaziland			
E I Williams (58) +	Cert.Eng., S.M.S.A.I.E.E.	1984	Managing director
C R Crebo (51)	B.Com., Dip.Sugar Tech.	1984	Factory
D W H Cousens (56)	M.Sc.Eng., M.B.L.	1988	Commercial
A H Domleo (45)	B.Com.	1983	Agriculture
J Mashwama (42)	M.Sc.(Soil Science), Dip.I.R.	1993	Human resources
K Rowney (57)	B.Com.	1992	Finance
Tanzania			
D G Coates (54) +	H.N.Dip.Mech.Eng., G.C.O.C.	1983	Managing director
S Cloete (50)	G.C.O.C.	1980	Factory
S K Coster (58)	B.Sc.Agric.	1996	Agriculture
J H Verster (60)	B.A.(Hons), L.R.Dip.(Advanced)	1978	Human resources
Mozambique			
A F Currie (52) +	B.Com., Dip.Sugar Tech.	1998	General manager
M Cotter (49)	R.C.E., G.C.O.C.	1989	Factory
L A Elkington (55)	B.Compt.	1984	Finance
R Giblot-Ducray (49)	Cert.Labour, Cert.Sugar Cane Agric.	2002	Agriculture
P Streng (55)	B.A.(Law), F.I.P.M.	2001	Human resources

CORPORATE INFORMATION

Company Secretary:

Business address
and registered office:

Postal address:

Telephone:

Telefax:

Website:

Transfer Secretaries:

Business address:

Postal address:

Telephone:

Telefax:

E-mail:

G D Knox

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Auditors:

Deloitte & Touche

Attorneys:

Garlicke & Bousfield Incorporated

Principal Bankers:

The Standard Bank Group Limited and
First Rand Bank Limited

Sponsor:

JP Morgan Equities Limited

Financial Adviser:

The Standard Bank Group Limited

Company Registration No:

1906/000622/06

Share Code:

ILV

International Security Identification No:

ZAE000003547