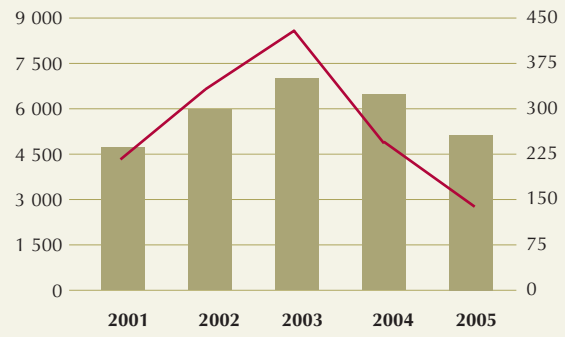
FIVE YEAR REVIEW

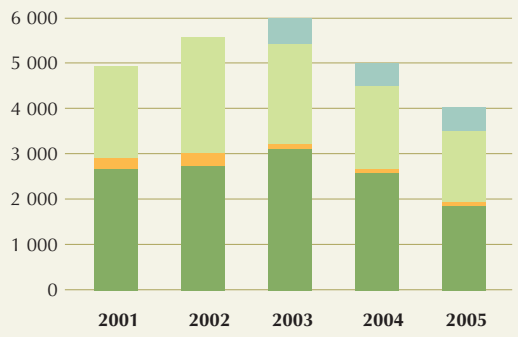
Rm	Ten year compound annual growth % 1995-2005	**March 2005**	Restated March 2004	March 2003	March 2002	March 2001
Consolidated income statement						
Revenue	12	**5 143.0**	6 488.2	7 025.0	6 001.0	4 735.1
Profit from operations	8	**405.6**	726.6	1 057.3	763.5	580.5
Net financing costs		**153.5**	256.4	247.1	228.0	184.1
Profit before taxation and abnormal items		**252.1**	470.2	810.2	535.5	396.4
Net profit attributable to ordinary shareholders		**40.7**	240.5	437.8	361.4	246.5
Headline earnings	3	**142.8**	237.6	438.7	340.3	222.9
Reconciliation of headline earnings						
Net profit attributable to ordinary shareholders		**40.7**	240.5	437.8	361.4	246.5
Adjusted for:						
Loss/(profit) on disposal of property, plant and equipment		**5.1**	(3.0)	(0.8)	2.8	(23.6)
Loss/(profit) on disposal of businesses		**97.0**	–	–	(23.3)	–
Amortisation of goodwill		**–**	(1.1)	1.7	(0.6)	–
Reorganisation of long term debt		**–**	1.2	–	–	–
Headline earnings		**142.8**	237.6	438.7	340.3	222.9
Consolidated balance sheet						
Property, plant and equipment		**1 853.6**	2 581.2	3 093.6	2 730.3	2 653.3
Cane roots		**543.7**	518.4	568.9	–	–
Goodwill		**–**	(21.0)	(22.1)	(11.5)	–
Investments and loans		**86.9**	80.6	118.0	263.8	253.7
Current assets		**1 540.2**	1 802.1	2 180.9	2 558.0	1 996.4
Total assets		**4 024.4**	4 961.3	5 939.3	5 540.6	4 903.4
Interests of shareholders in Illovo Sugar		**1 200.3**	1 295.0	1 616.2	1 786.3	1 333.6
Interest of outside shareholders		**408.4**	409.9	444.1	359.3	397.3
		1 608.7	1 704.9	2 060.3	2 145.6	1 730.9
Deferred taxation		**494.2**	608.5	697.2	575.1	456.1
Net borrowings		**794.7**	1 366.3	1 777.2	1 459.5	1 482.9
Interest-free liabilities		**1 126.8**	1 281.6	1 404.6	1 360.4	1 233.5
Total equity and liabilities		**4 024.4**	4 961.3	5 939.3	5 540.6	4 903.4

TURNOVER AND HEADLINE EARNINGS (Rm)



Revenue
Headline earnings

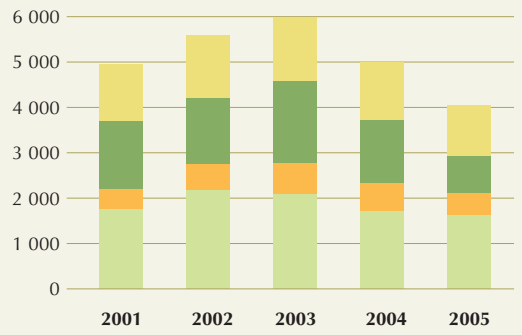
ASSETS EMPLOYED (Rm)



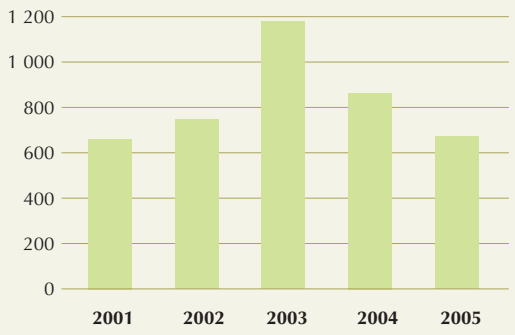
Fixed assets
Current assets
Investments and loans
Cane roots

Rm	Notes		March 2005	Restated March 2004	March 2003	March 2002	March 2001
Consolidated cash flow							
Profit from operations before working capital requirements			**531.1**	816.7	1 143.3	993.6	860.6
Working capital requirements			**137.5**	42.3	29.6	(250.2)	(203.0)
Cash generated from operations			**668.6**	859.0	1 172.9	743.4	657.6
Net financing costs			**(156.1)**	(259.0)	(249.0)	(230.1)	(194.4)
Taxation paid			**(60.1)**	(104.6)	(194.6)	(54.2)	(49.6)
Dividends paid			**(176.0)**	(239.4)	(227.8)	(165.3)	(125.1)
Dividend income			**2.6**	2.6	1.7	1.7	8.5
Net cash inflow from operating activities			**279.0**	258.6	503.2	295.5	297.0
Investment in future operations			**(40.5)**	(46.4)	(254.2)	(249.9)	(69.3)
Replacement of property, plant and equipment			**(306.3)**	(158.9)	(173.8)	(140.2)	(251.2)
Proceeds on disposal of businesses			**429.9**	–	–	389.7	–
Other movements			**23.9**	41.7	18.2	81.5	44.6
Net cash inflow/(outflow) from investing activties			**107.0**	(163.6)	(409.8)	81.1	(275.9)
Net cash inflow before financing activities			**386.0**	95.0	93.4	376.6	21.1
Long term borrowings repaid			**(133.1)**	(14.2)	(282.6)	(176.9)	(140.8)
Short term borrowings (repaid)/raised			**(169.1)**	(128.2)	109.0	(54.0)	119.1
Capitalised finance leases (repaid)/raised			**(0.5)**	2.3	(0.3)	(2.7)	0.9
Proceeds from issue of share capital			**18.2**	4.4	5.3	6.8	0.7
Net cash outflow from financing activities			**(284.5)**	(135.7)	(168.6)	(226.8)	(20.1)
Net increase/(decrease) in cash and cash equivalents			**101.5**	(40.7)	(75.2)	149.8	1.0
Earnings and dividends per share							
Net profit from ordinary activities	1	cents	**12.1**	72.1	131.8	109.2	74.7
Headline earnings	2	cents	**42.6**	71.3	132.0	102.8	67.5
Dividends (interim - paid, final - declared)		cents	**25.5**	46.0	68.0	51.0	34.0
Dividend cover on headline earnings	3	times	**1.7**	1.6	2.0	2.0	2.0

FUNDING OF TOTAL ASSETS (Rm)



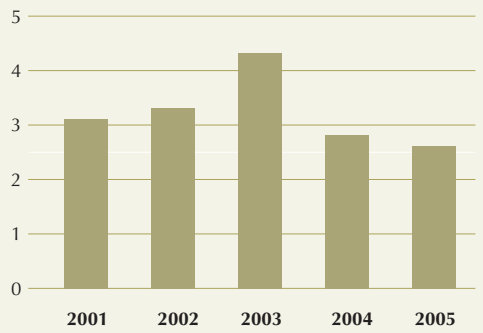
CASH GENERATION (Rm)



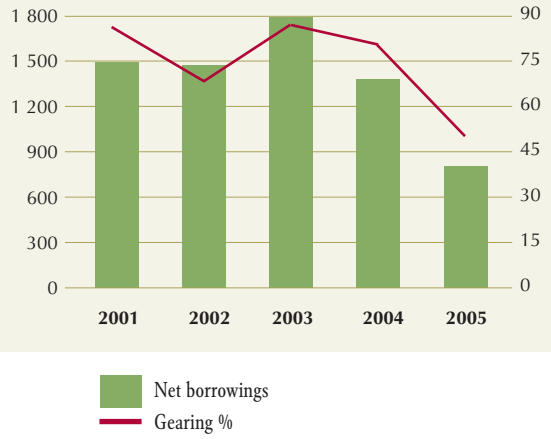
Interest of all shareholders
Interest bearing debt
Deferred taxation
Interest-free liabilities

	Notes		**March 2005**	Restated March 2004	March 2003	March 2002	March 2001
Profitability and asset management							
Operating margin		%	**7.9**	11.2	15.1	12.7	12.2
Return on average shareholders' equity	4	%	**3.3**	18.3	26.4	22.1	19.9
Return on net assets	5	%	**10.2**	16.0	24.0	19.0	14.7
Return on total assets	6	%	**8.3**	12.1	18.6	13.3	11.1
Working capital per rand of revenue	7	cents	**9.8**	9.1	12.0	19.0	16.8
Liquidity and borrowings							
Gearing	8	%	**49.4**	80.1	86.3	68.0	85.7
Total liabilities to total shareholders' funds	9	%	**174.0**	207.0	204.2	179.4	199.2
Current ratio	10	times	**0.9**	0.8	0.8	1.1	1.0
Interest cover	11	times	**2.6**	2.8	4.3	3.3	3.2
Employee statistics							
Total number of employees at year end	12		**14 598**	16 743	17 211	17 782	19 024
Average number of employees			**15 588**	17 126	17 496	18 403	20 296
Revenue per average no. of industrial employees		R000	**639.4**	702.5	752.3	576.9	385.1
Net assets per employee		R000	**103.2**	99.6	117.8	116.6	85.3
Note: Agricultural employees are excluded from the calculation of revenue per average number of employees							
The JSE Securities Exchange South Africa statistics							
Ordinary shares in issue		000	**337 195**	333 831	332 912	331 711	330 183
Weighted average number of shares		000	**335 019**	333 346	332 282	330 890	330 023
Net asset value per share	13	cents	**356.0**	387.9	485.5	538.5	403.9
Total volume of shares traded		000	**165 848**	166 930	98 349	135 640	145 854
Total value of shares traded		Rm	**1 302.1**	1 256.5	770.2	990.1	744.8
Ratio of shares traded to issued shares		%	**49.2**	50.0	29.5	40.9	44.2
Headline earnings yield at year end	14	%	**5.3**	8.9	19.2	12.5	14.7
Dividend yield at year end	15	%	**3.1**	5.8	9.9	6.2	7.4
Price : headline earnings ratio at year end	16	%	**19.0**	11.2	5.2	8.0	6.8
Market price per share							
– year end		cents	**810**	800	687	825	460
– highest		cents	**930**	840	900	865	610
– lowest		cents	**650**	625	670	465	410

INTEREST COVER (Times)



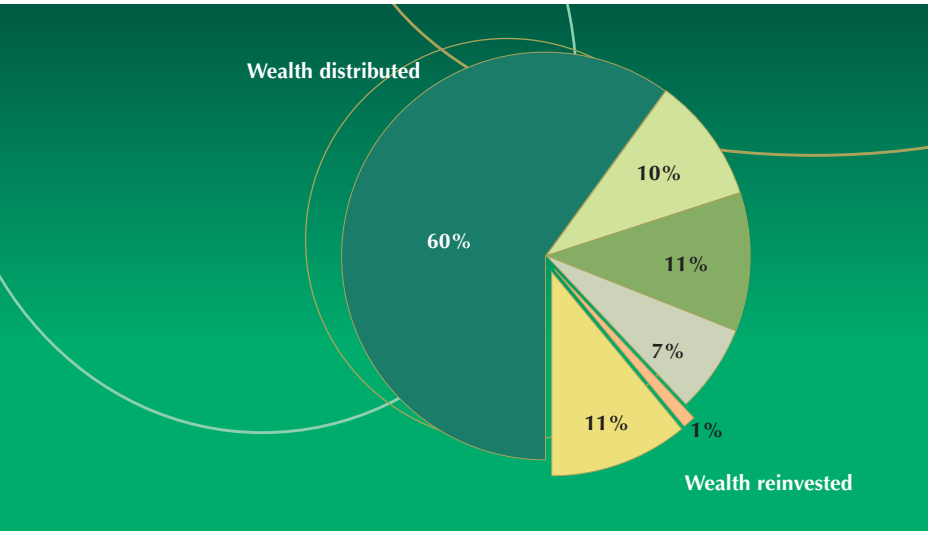
NET BORROWINGS (Rm)



Notes:

1. **Net profit from ordinary activities per share**
   Profit from ordinary activities divided by the weighted average number of ordinary shares in issue.
2. **Headline earnings per share**
   Headline earnings divided by the weighted average number of ordinary shares in issue.
3. **Dividend cover on headline earnings**
   Headline earnings per share divided by dividends per share (interim - paid, final - declared).
4. **Return on average shareholders' equity**
   Profit attributable to shareholders expressed as a percentage of average shareholders' equity.
5. **Return on net assets**
   Profit before financing costs and taxation expressed as a percentage of average net operating assets.
6. **Return on total assets**
   Profit before financing costs, including income from investments, expressed as a percentage of total average assets.
7. **Working capital per rand of revenue**
   Average of inventories and accounts receivable less accounts payable, divided by revenue.
8. **Gearing**
   Interest-bearing liabilities including preference shares (net of cash) expressed as a percentage of total shareholders' funds including minority interest.
9. **Total liabilities to total shareholders' funds**
   Interest-bearing liabilities and other liabilities expressed as a percentage of total shareholders' funds.
10. **Current ratio**
    Current assets divided by current liabilities.
11. **Interest cover**
    Profit from operations before financing costs divided by net financing costs.
12. **Total number of employees**
    The number of employees excludes those employed by associate companies.
13. **Net asset value per share**
    Shareholders' equity divided by the number of shares in issue.
14. **Headline earnings yield**
    Headline earnings per share as a percentage of year end market price.
15. **Dividend yield at year end**
    Dividend per share (interim - paid, final - declared) as a percentage of year end market price.
16. **Price : headline earnings ratio**
    Year end market price divided by headline earnings per share.
17. **Change in accounting policy**
    Where a change of accounting policy is implemented with retrospective application, the previous year is restated but all other years are not restated in the five year review.

VALUE ADDED STATEMENT



Wealth distributed
- Employee costs
- Finance costs
- Dividends
- Taxation

Wealth reinvested
- Retained profits
- Depreciation

The value added statement shows the wealth the company has been able to create through manufacturing, trading and investment and its subsequent distribution and reinvestment in the business.

During the current financial period, R1 587 million was created, which is 23% less than during 2004. Of this amount, R1 388 million was distributed to employees, providers of capital and to the government, which is 16% less than in 2004.

Of the wealth created, 60% was paid to employees.

The balance of the wealth created was retained and reinvested in the company for the replacement of assets and the development of operations.

Rm	March 2005	Restated March 2004
Wealth created		
Revenue	**5 143**	6 488
Income from investments	**3**	3
Paid to growers for cane and beet purchases	**(1 754)**	(2 522)
Manufacturing costs	**(1 805)**	(1 914)
	1 587	2 055
Wealth distributed		
To employees as salaries, wages and other benefits	**945**	1 040
To lenders of capital as interest	**156**	259
To shareholders as dividends	**176**	239
To governments as taxation	**111**	118
	1 388	1 656
Wealth reinvested		
Retained profits in holding and subsidiary companies	**18**	103
Depreciation	**180**	236
Deferred taxation	**1**	60
	1 587	2 055

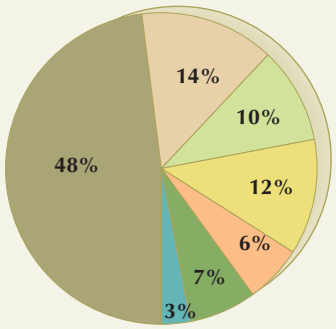
Analysis of taxes paid to and collected on behalf of government

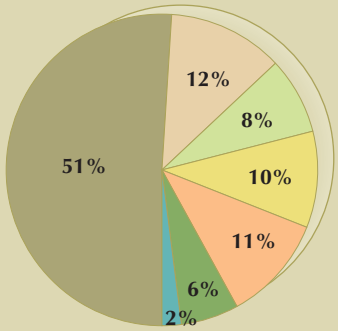
Central and local governments	
Current taxation (including secondary tax on companies)	**72**
Regional Service Council levies	**5**
Rates and taxes paid to local authorities	**9**
Customs duties, import surcharges and excise taxes	**25**
Net contribution to central and local governments	**111**
The above amount contributed excludes the following -	
- employees taxation deducted from remuneration paid	**141**
- net vat amount collected on behalf of government	**79**
- NRST	**18**
	238

SEGMENTAL ANALYSIS

2005 | 2004

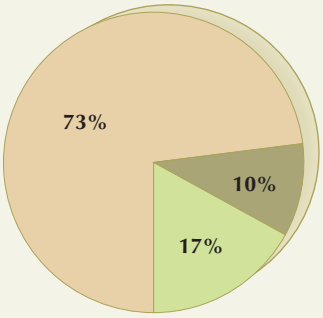
REVENUE BY COUNTRY

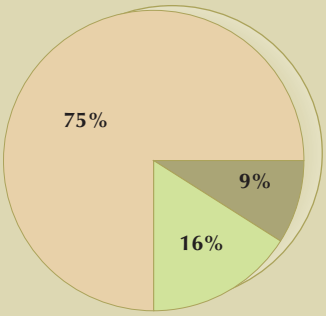




- South Africa
- Malawi
- Swaziland
- Zambia
- United States
- Tanzania
- Mozambique

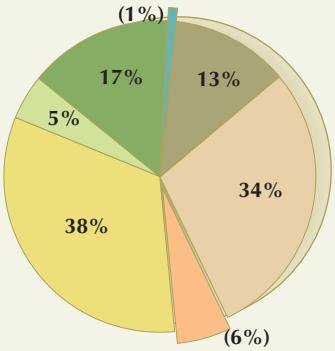
REVENUE BY ACTIVITY

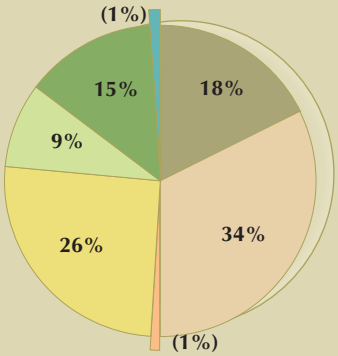




- Sugar
- Downstream
- Cane growing

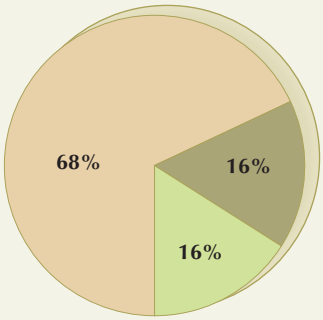
OPERATING PROFIT BY COUNTRY

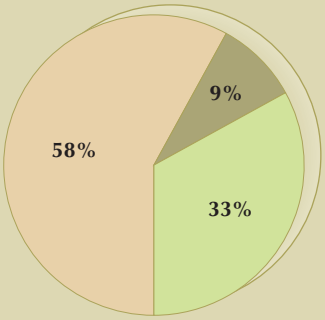




- South Africa
- Malawi
- United States
- Zambia
- Swaziland
- Tanzania
- Mozambique

OPERATING PROFIT BY ACTIVITY





- Sugar
- Downstream
- Cane growing