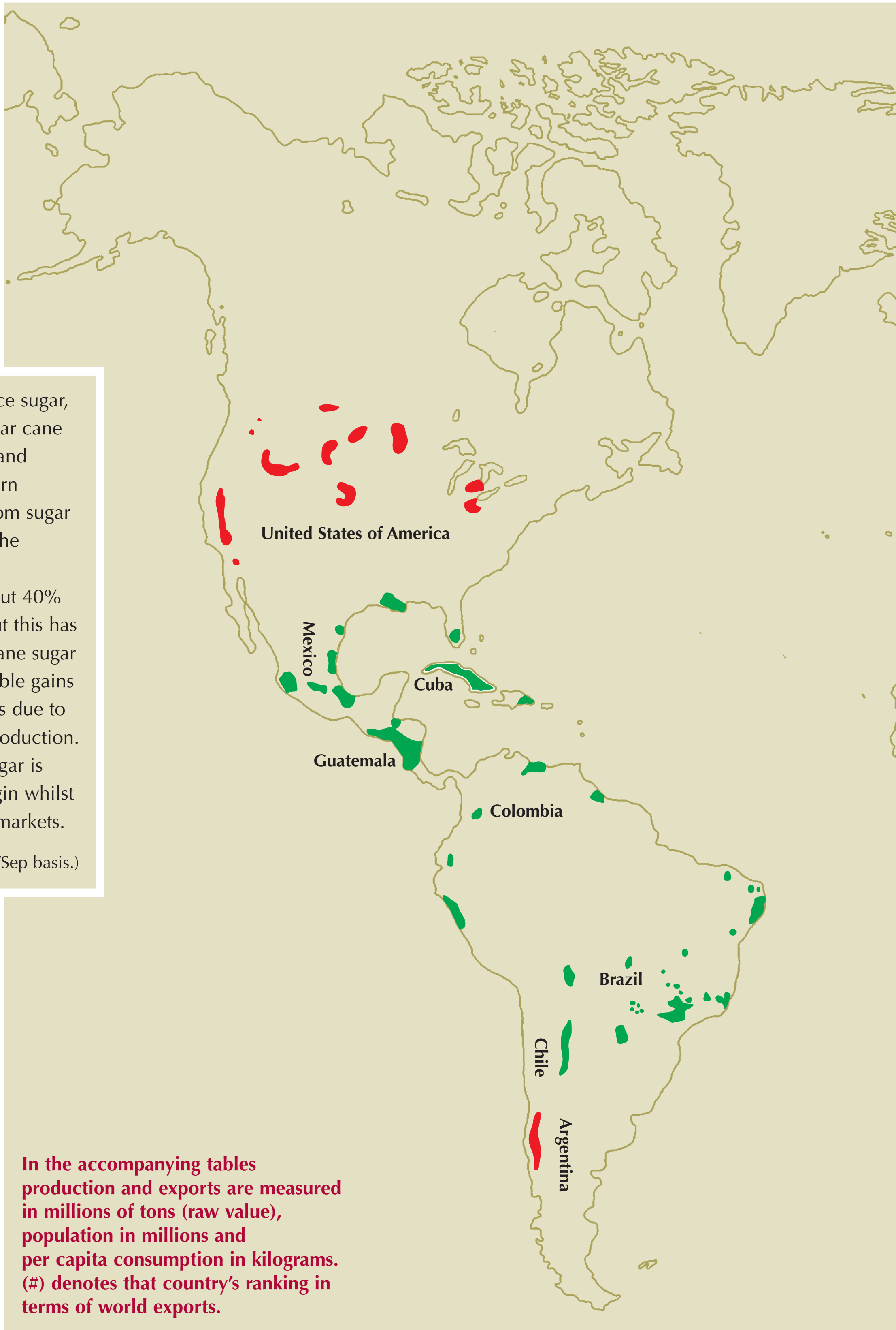
THE WORLD OF SUGAR



More than 100 countries produce sugar, 74% of which is made from sugar cane grown primarily in the tropical and sub-tropical zones of the southern hemisphere, and the balance from sugar beet which is grown mainly in the temperate zones of the northern hemisphere. Prior to 1990, about 40% of sugar was made from beet but this has decreased to current levels as cane sugar producers have made considerable gains in expanding their sugar markets due to the lower costs of cane sugar production. Currently 70% of the world's sugar is consumed in the country of origin whilst the balance is traded on world markets.

(Source: ED&F Man - 2004/05, Oct/Sep basis.)

Beet growing areas

Cane growing areas

In the accompanying tables production and exports are measured in millions of tons (raw value), population in millions and per capita consumption in kilograms. (#) denotes that country's ranking in terms of world exports.

USA	
Production	7.362
Exports (14)	0.173
Population	297
Per capita consumption	29

MEXICO	
Production	5.762
Exports (19)	0.054
Population	105
Per capita consumption	52

BRAZIL	
Production	29.151
Exports (1)	17.757
Population	181
Per capita consumption	54

EU

Production	21.381
Exports (2)	6.210
Population	461
Per capita consumption	39

PAKISTAN

Production	3.429
Exports (17)	0.109
Population	154
Per capita consumption	23

INDIA

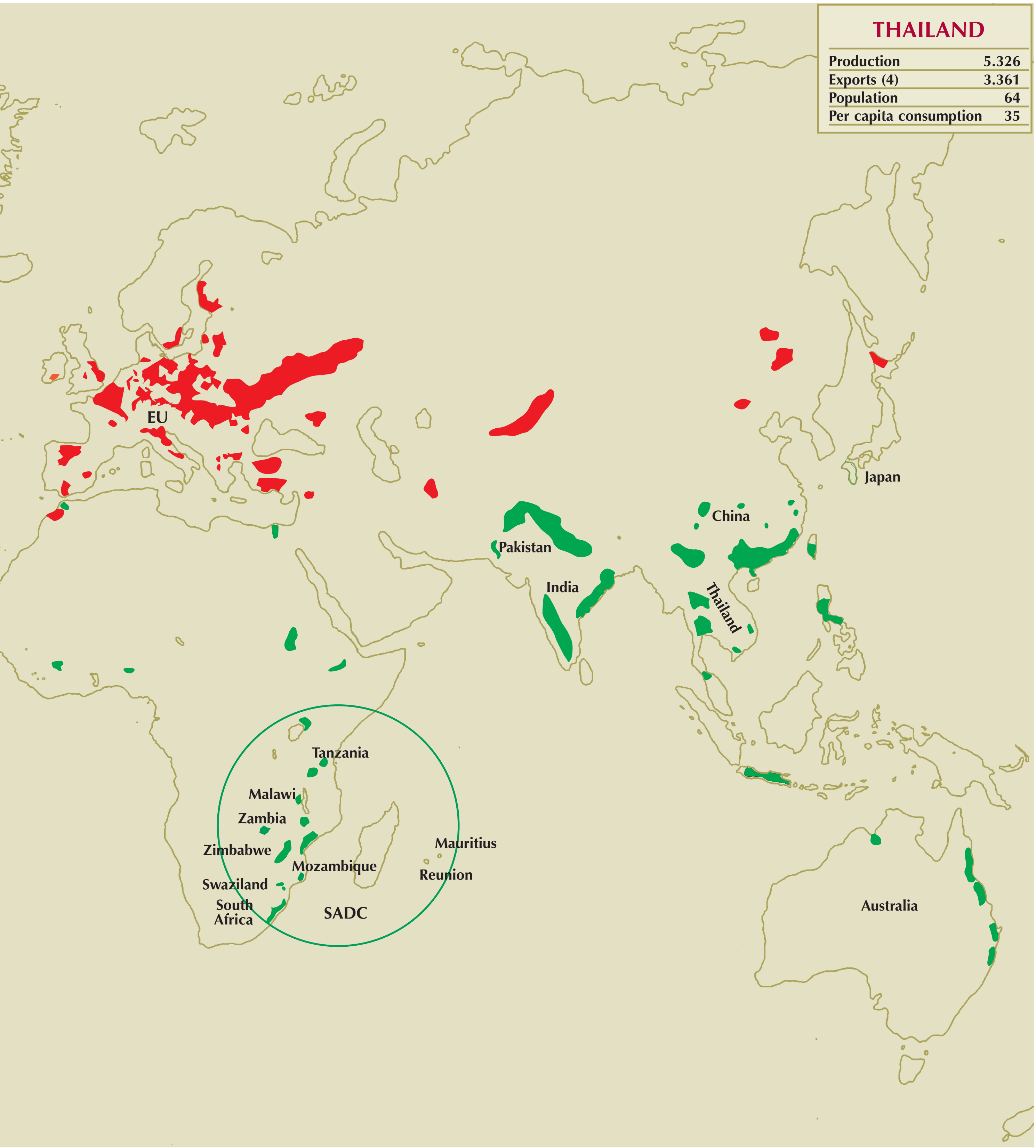
Production	13.587
Exports (–)	0
Population	1 086
Per capita consumption	17

CHINA

Production	10.652
Exports (17)	0.109
Population	1 324
Per capita consumption	9

THAILAND

Production	5.326
Exports (4)	3.361
Population	64
Per capita consumption	35



SADC

Production	5.173
Exports (7)	1.168
Population	163
Per capita consumption	21

AUSTRALIA

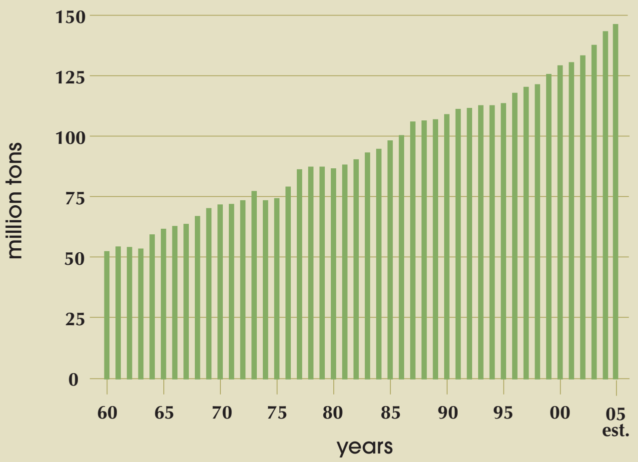
Production	5.516
Exports (3)	4.465
Population	20
Per capita consumption	46

THE WORLD OF SUGAR continued

International Statistics

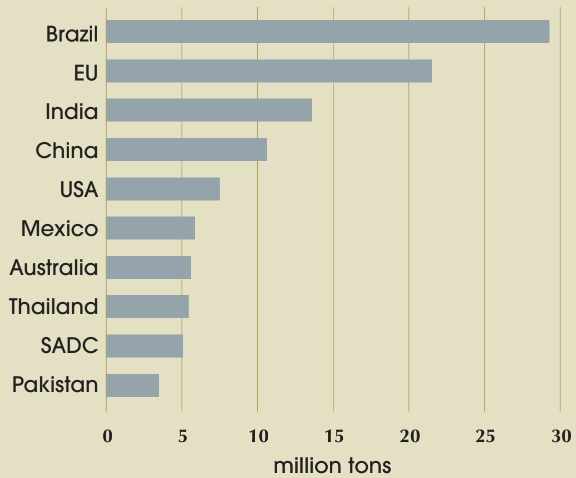
The world sugar year runs from September to August

WORLD SUGAR CONSUMPTION



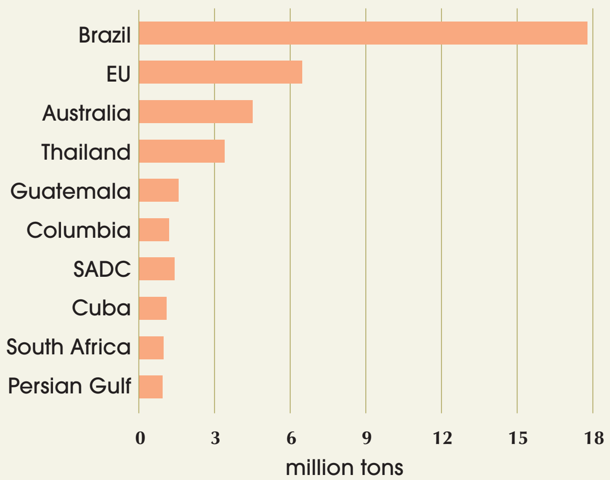
During the past 10 years, global sugar consumption has increased by an average of approximately 2.4% per annum, higher than the long-term annual average of about 2%. Consumption is expected to reach 147 million tons in 2004/05 season.

TOP SUGAR PRODUCERS 2004/05 est.



Global sugar production in 2004/05 is estimated at 144 million tons, 75% of which is produced by the world's top ten sugar producers. With the enlargement of the EU to 25 countries, 21 of which produce sugar, total production in this region compared to last year has increased by about 5 million tons to approximately 21 million tons.

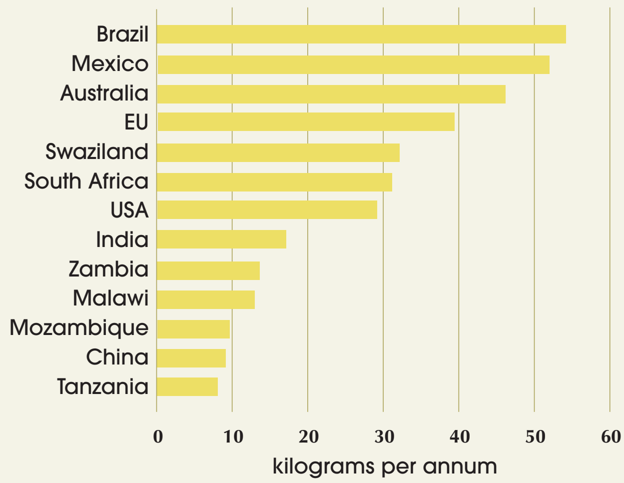
TOP SUGAR EXPORTERS 2004/05 est.



(South Africa is a member of the SADC)

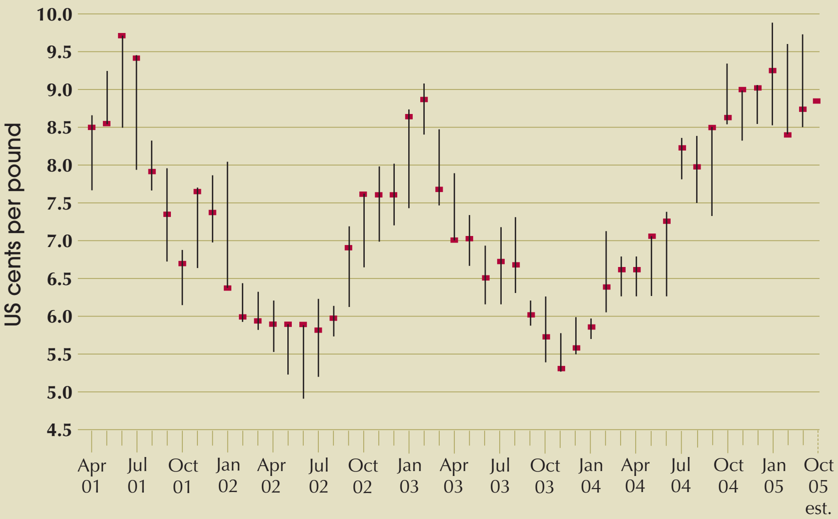
Approximately 70% of total world sugar production is consumed in the country of origin with the balance traded on global markets. As the world's largest sugar producer, Brazil remains the world's dominant sugar exporter.

PER CAPITA CONSUMPTION 2004/05 est.



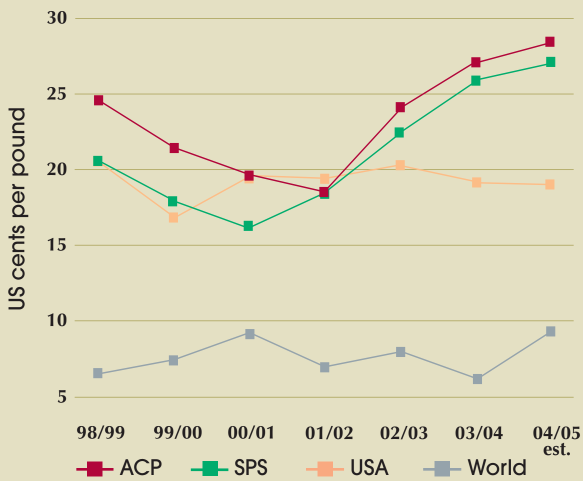
For the second year in succession, per capita sugar consumption in China has increased, due primarily to the recent upturn in that country's economy. Consumption trends in other countries, however, are similar to previous years.

WORLD RAW SUGAR PRICE



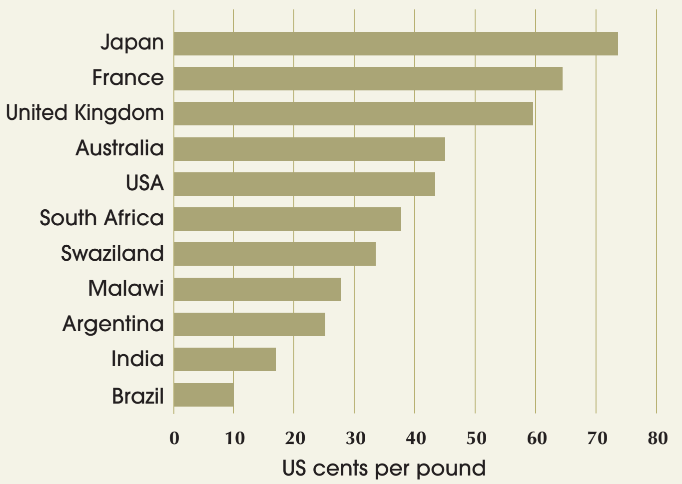
As a result of the current global sugar production deficit, world raw sugar prices, whilst remaining volatile throughout the season, saw an upward adjustment during the year, rising from the nearby futures price of US7.15 cents/lb in March 2004 to over US9.00 cents/lb by March 2005.

PREFERENTIAL PRICES (FREE ON BOARD)



Despite the rise in world raw sugar prices during the past year, preferential prices in Europe and the United States prices remain at a considerable premium. The continued strength of the Euro has further increased ACP (African, Caribbean and Pacific) and SPS (Special Protocol Sugar) prices in US$ terms.

DOMESTIC RETAIL SUGAR PRICES 2004/05 est.



Domestic sugar prices in the South African Customs Union remain substantially below those of some developed nations.

LOWEST COST SUGAR PRODUCERS

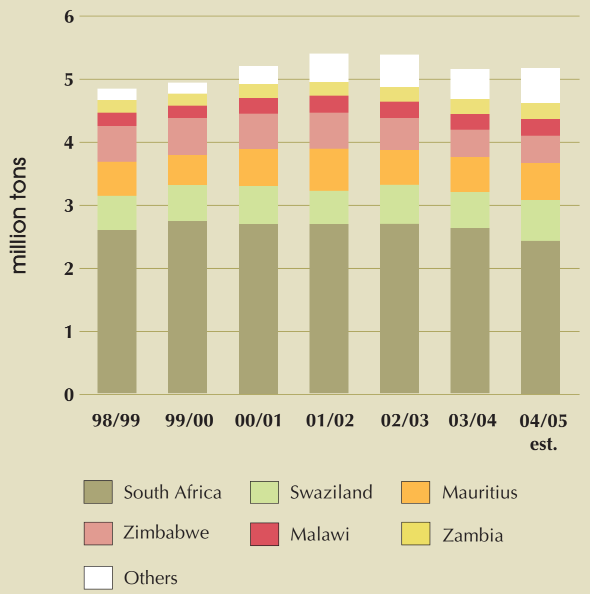
for the period to 2002/03

The last independent survey of international sugar production costs revealed that Southern African countries remain amongst the world's lowest-cost sugar producers.

Southern African Development Community Statistics

The SADC sugar season runs from April to March

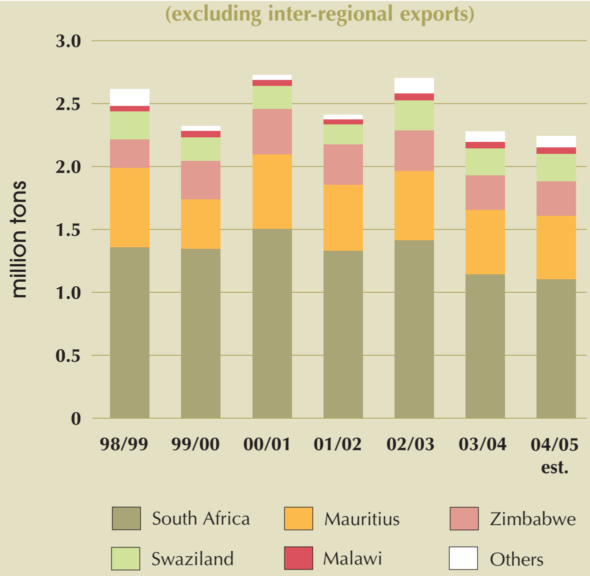
SUGAR PRODUCTION BY COUNTRY



The SADC remains one of the world's important sugar producing regions with ongoing annual production in excess of 5 million tons.

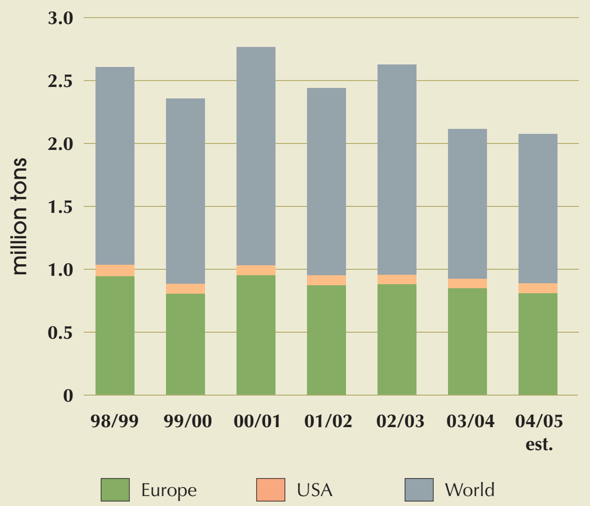
EXPORTS BY COUNTRY

(excluding inter-regional exports)



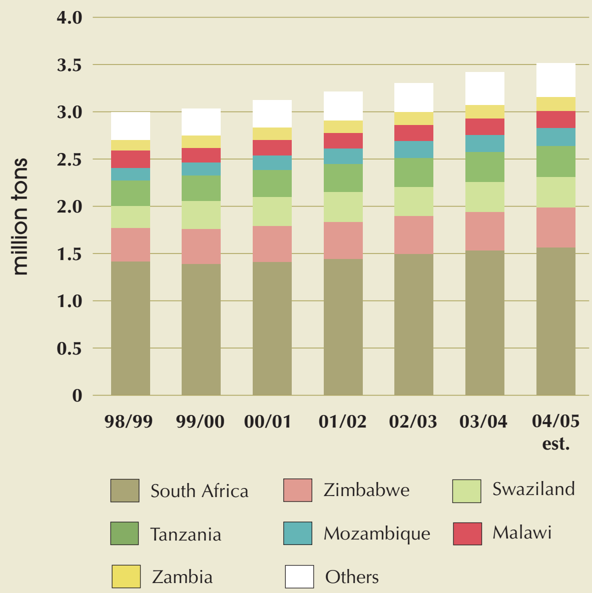
The decline in South African export availability, primarily due to dry weather conditions, has impacted on total SADC exports.

EXPORT MARKETS



The sugar tonnage sold into preferential markets remains reasonably constant, with the world free market exports fluctuating relative to production.

LOCAL CONSUMPTION

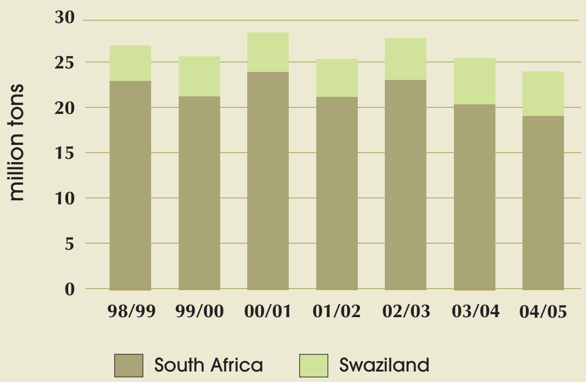


Sugar consumption in the SADC region continues to increase at a steady pace, marginally exceeding 3.5 million tons for the first time in 2004/05.

Southern African Customs Union Statistics

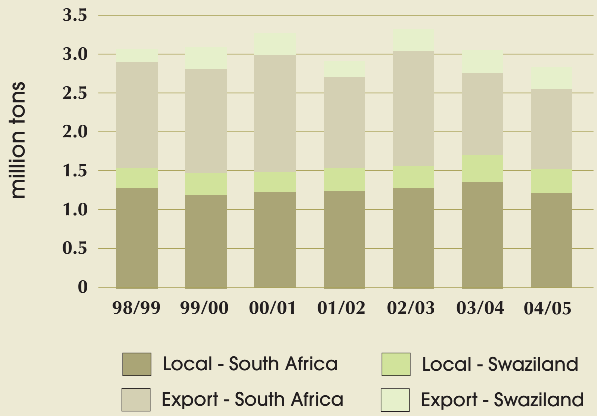
The Southern African sugar season runs from April to March

CANE PRODUCTION



Dry weather conditions in both South Africa and Swaziland impacted negatively on cane growing operations, resulting in a reduced crop of 24 million tons of cane during 2004/05.

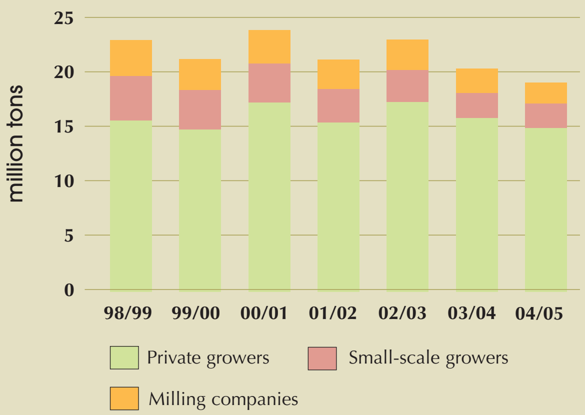
SUGAR PRODUCTION AND MARKETS



Sugar production in 2004/05 was affected by the lower cane crop and consequently export availability was reduced. Production for the local market was impacted by relatively high levels of opening sugar stocks.

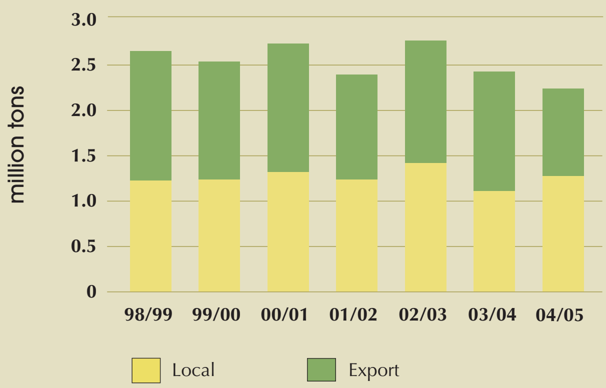
South African Statistics

CANE PRODUCTION



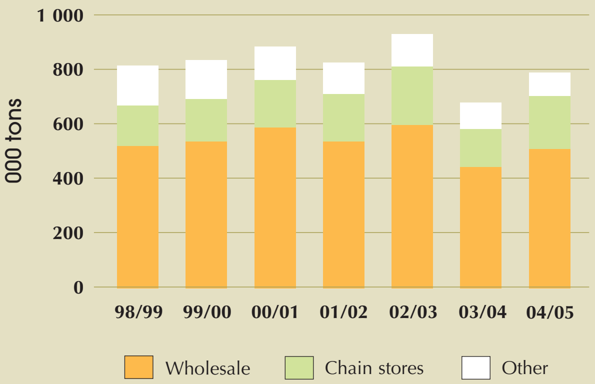
Cane production across all three sectors was impacted by dry weather conditions during the season, resulting in a reduced crop of 19 million tons of cane in 2004/05.

SUGAR PRODUCTION AND MARKETS



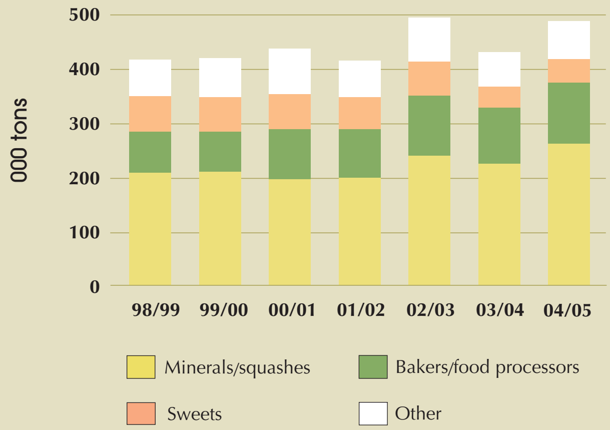
Sugar production in 2004/05 declined due to adverse weather conditions. However, local market sales improved over the previous season.

CONSUMER MARKET SALES



Improved demand in the direct market reflected the more bouyant conditions experienced throughout the consumer sector.

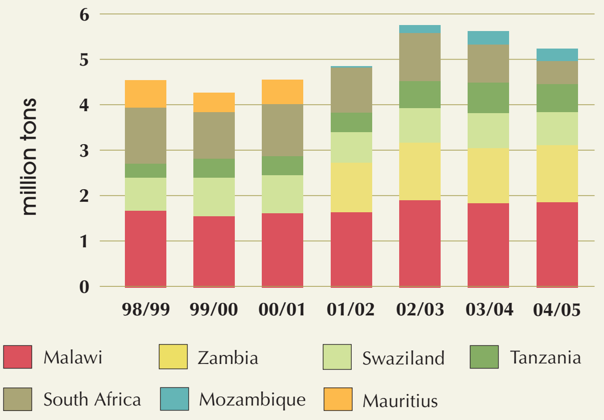
INDUSTRIAL MARKET SALES



All major food and beverage manufacturers enjoyed the effect of increased consumer spending in 2004.

Illovo Group Statistics

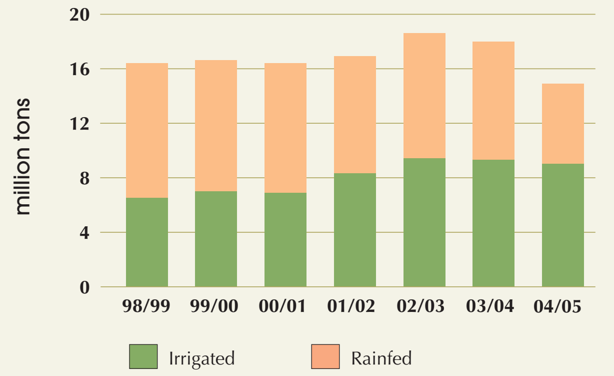
CANE PRODUCTION



Partly as a result of the sale of the Gledhow sugar mill and its cane estates to a Black economic empowerment company, and partly due to dry weather conditions, South African cane output in 2004/05 was much lower than that of last year. Cane production in the group's other countries of operations was similar to the previous year.

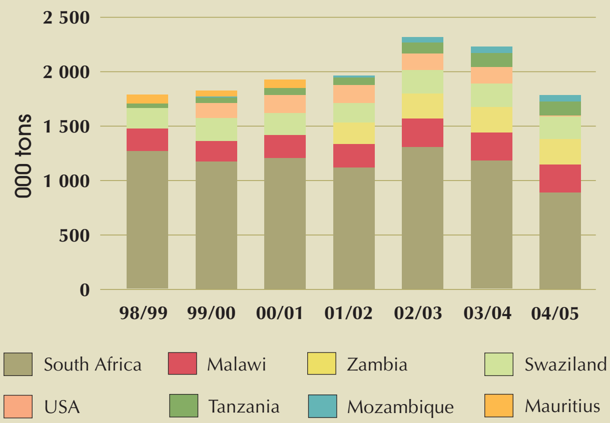
RAW MATERIAL THROUGHPUT

(including private growers)



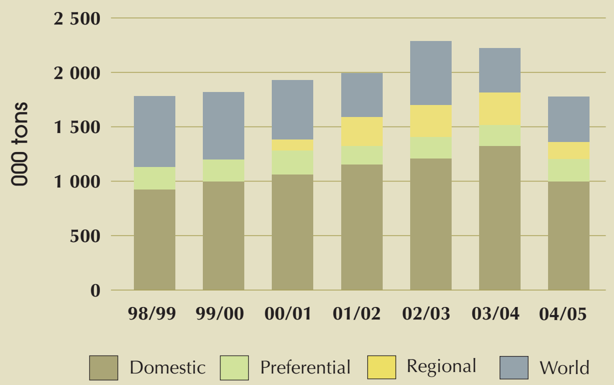
Cane grown under irrigation as a percentage of total cane delivered to the mills has increased to more than 60%, primarily due to sale of company farms to Black economic empowerment growers in South Africa where the majority of the crop is rainfed.

SUGAR PRODUCTION



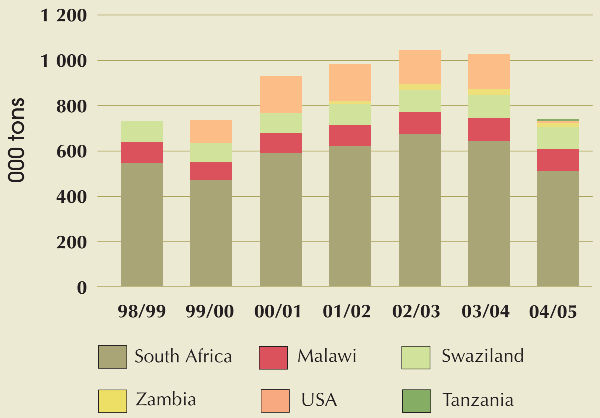
Sugar production in Malawi, Zambia, Swaziland, Tanzania and Mozambique was similar to that achieved last year, whilst output in South Africa was affected by the sale of the Gledhow mill and by adverse weather conditions. Group production of 1.777 million tons was also impacted by the sale of Monitor Sugar in the USA.

GROUP MARKETS



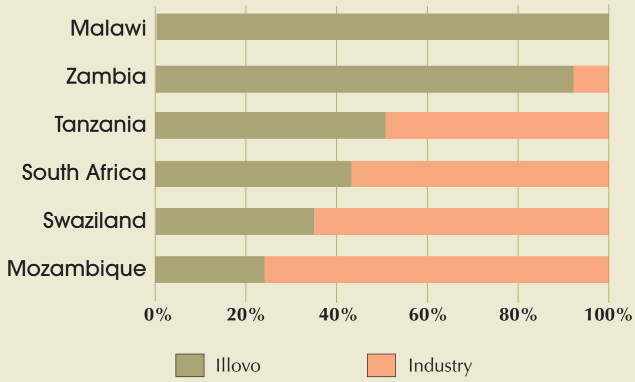
The group supplies sugar products to domestic, regional and export markets. A significant strength of the group is that 70% of sugar production by volume and 85% by value was sold into stable domestic or premium-priced export markets in 2004/05.

REFINED SUGAR PRODUCTION



Whilst the sale of Monitor Sugar and Gledhow resulted in a reduction in group refined sugar output, refining operations at Noodsberg and Pongola in South Africa are to be expanded and optimised using equipment from the Umfolozi refinery and packing plant which did not form part of the Umfolozi sale transaction.

ILLOVO SHARE OF INDUSTRY PRODUCTION



Illovo commands a significant share of production in each of the countries in which it operates.