

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. Generally, the costs of producing sugar from sugar cane are lower than those in respect of processing sugar beets. Currently 69% of the world's sugar is consumed in the country of origin whilst the balance is traded on world markets.

(Source: ED&F Man - 2005/06, Oct/Sep basis.)



USA

Production	6.837
Exports	-
Population	297
Per capita consumption	32

MEXICO

Production	5.761
Exports (19)	0.304
Population	105
Per capita consumption	53

BRAZIL

Production	27.910
Exports (1)	16.488
Population	181
Per capita consumption	59

EU

Production	21.735
Exports (2)	8.004
Population	461
Per capita consumption	39

RUSSIA

Production	2.696
Exports	-
Population	143
Per capita consumption	43

INDIA

Production	19.891
Exports (7)	1.087
Population	1 086
Per capita consumption	18

CHINA

Production	9.717
Exports	-
Population	1 324
Per capita consumption	9

THAILAND

Production	4.946
Exports (4)	2.596
Population	64
Per capita consumption	39



SADC

Production	5.680
Exports (5)	1.634
Population	163
Per capita consumption	22

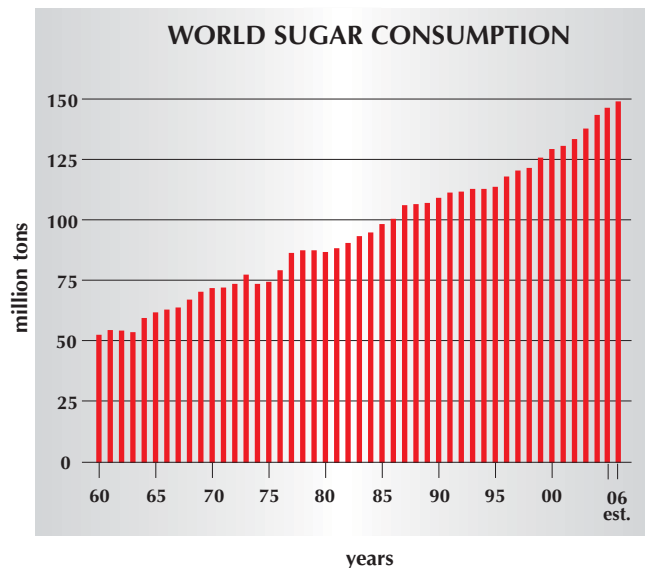
AUSTRALIA

Production	5.440
Exports (3)	4.115
Population	20
Per capita consumption	50

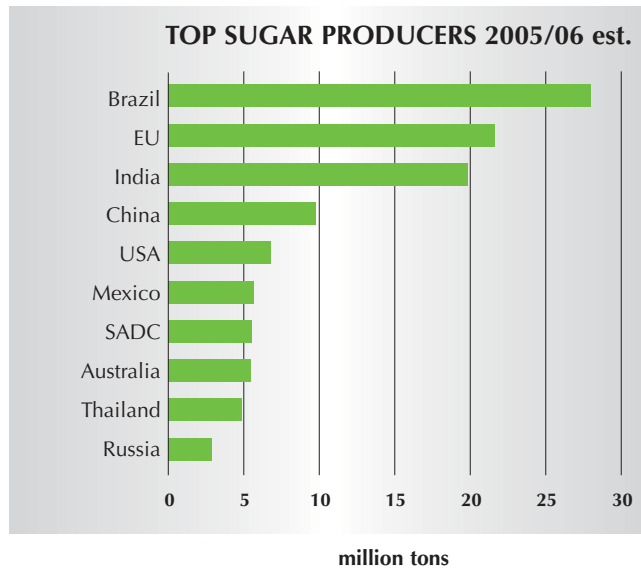
WORLD OF SUGAR CONTINUED

INTERNATIONAL STATISTICS

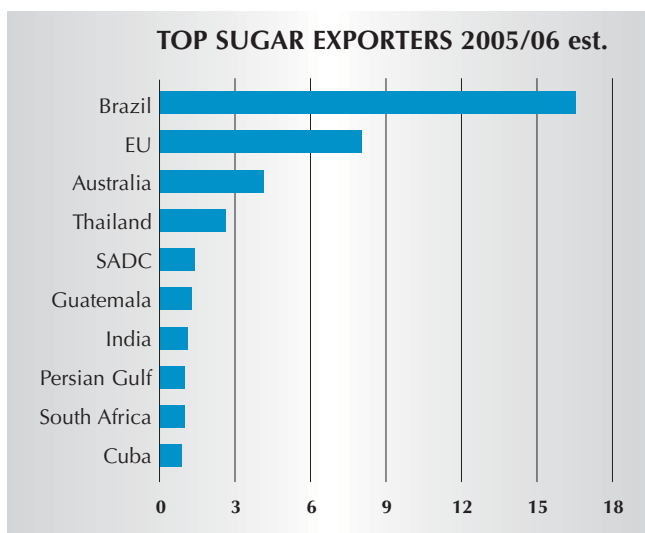
THE WORLD SUGAR YEAR RUNS FROM SEPTEMBER TO AUGUST



Global sugar consumption continues to increase by about 2% per annum, and in 2005/06 is expected to reach almost 150 million tons.



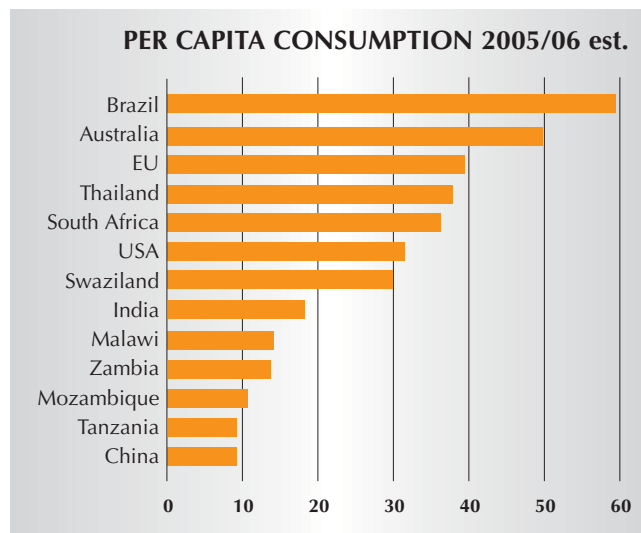
Global sugar production in 2005/06 is estimated as 147.7 million tons, 79% of which is produced by the world's top ten sugar producers.



(South Africa is a member of the SADC)

million tons

About 69% of total world sugar production is consumed in the country of origin, with the balance traded on world sugar markets. Exports from Brazil and Thailand are expected to be impacted by lower production, primarily as the result of unfavourable weather conditions.

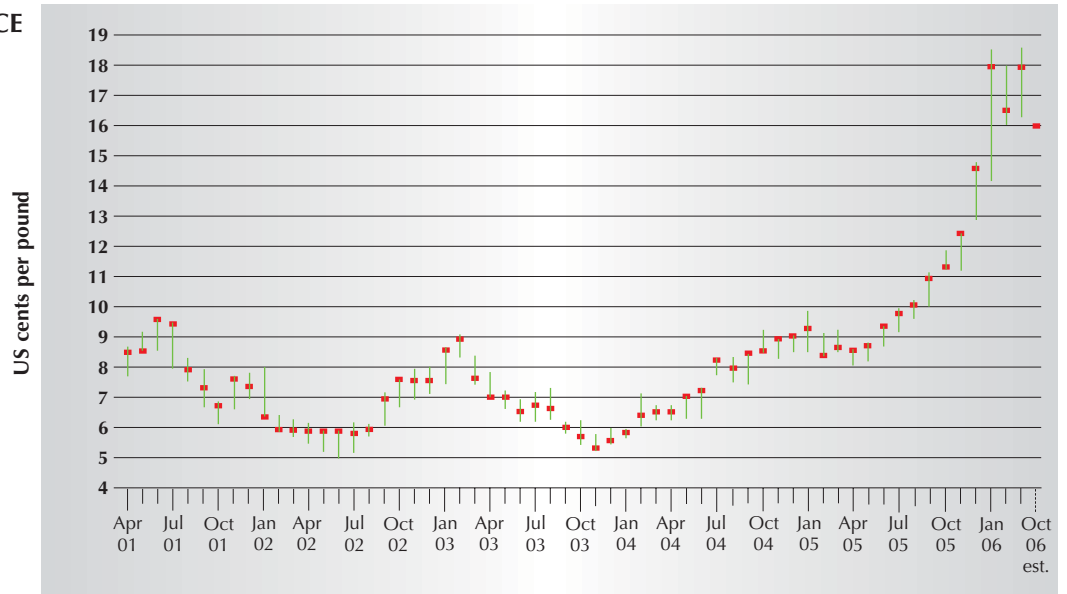


kilograms per annum

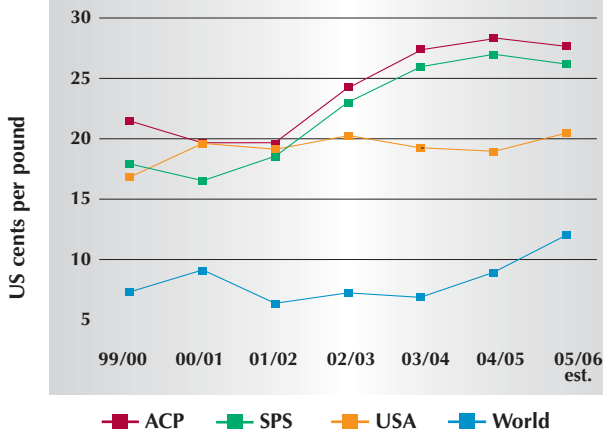
Long-term potential for consumption growth, particularly in African countries, remains positive.

WORLD RAW SUGAR PRICE

As a result of the ongoing global sugar production deficit, together with significant longer-term structural changes within the world sugar market during the past 12 months, world sugar prices, whilst still volatile, increased significantly from US8.0 cents/lb in April 2005 to US19.7 cents/lb in February 2006, and ended the financial year in the US17.0 to US18.0 cents/lb range.



PREFERENTIAL PRICES (FREE ON BOARD)



Preferential prices in Europe and the United States remain at a premium to the world raw sugar price. The ongoing strength of the Euro continues to benefit ACP (African, Caribbean and Pacific) and SPS (Special Protocol Sugar) prices in US dollar terms.

LOWEST COST SUGAR PRODUCERS for the period to 2004/05

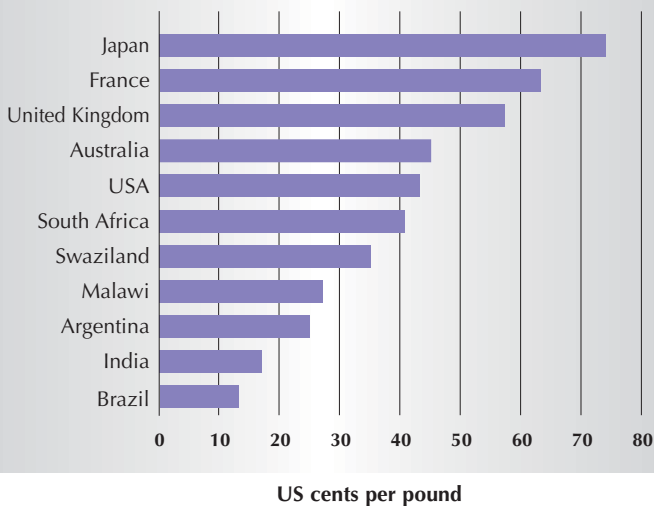


Relative costs per ton of white sugar

Legend: Cane (Green), Beet (Orange)

The latest independent survey of international sugar production costs covering in excess of 100 sugar producing countries indicated that, of the six countries in which Illovo operates, three are ranked in the top ten lowest-cost producers in the world, and all six are within the top 25.

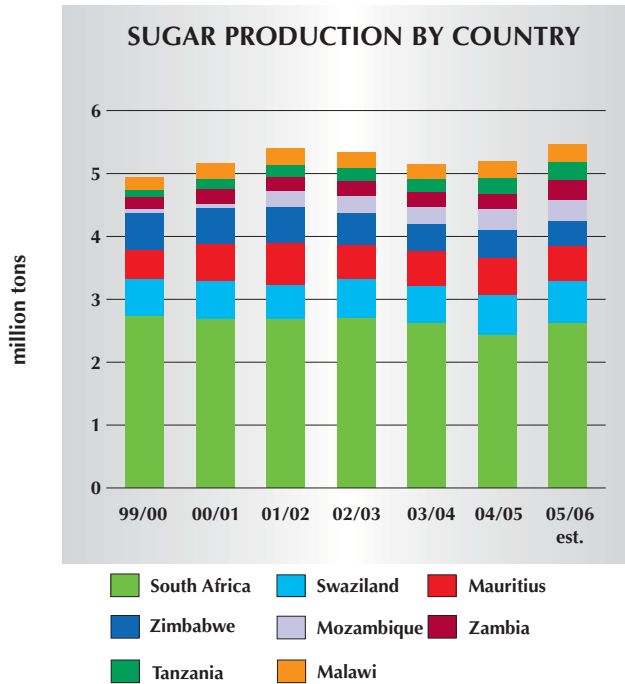
DOMESTIC RETAIL SUGAR PRICES 2005/06 est.



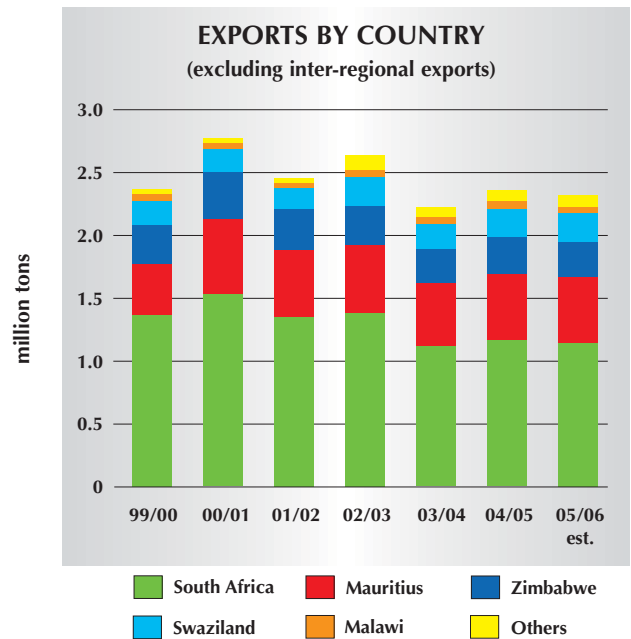
Domestic sugar prices in the South African Customs Union remain substantially below those of some developed nations.

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY STATISTICS

THE SADC SEASON RUNS FROM APRIL TO MARCH



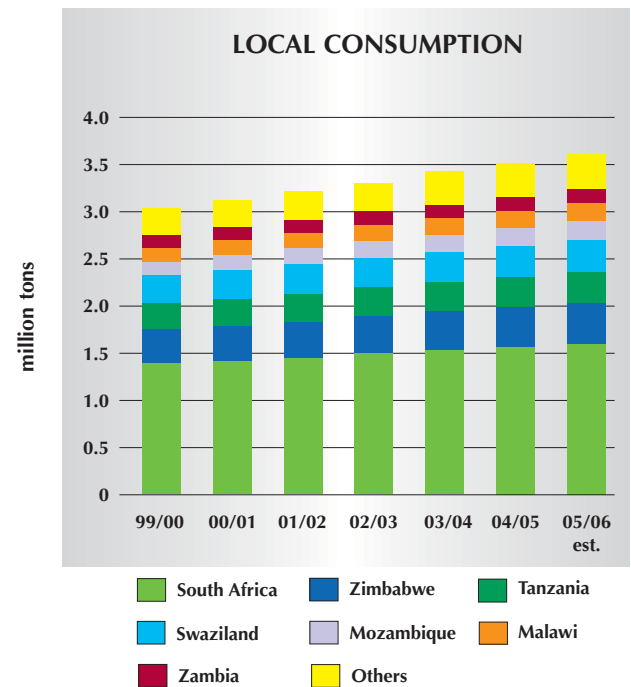
Sugar production in the SADC region is expected to reach a record 5.5 million tons in the 2005/06 season and remains one of the world's important sugar producing regions.



Better growing conditions in South Africa have increased that country's export availability. Consequently, total sugar exports in 2005/06 are expected to increase over last year.



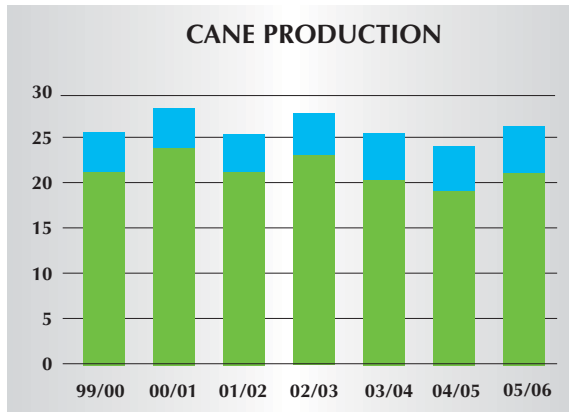
Whilst exports to preferential markets in the EU remain reasonably constant, exports to the US are to increase in 2005/06 as the result of a revision of US import allocations, benefiting four SADC sugar producing countries. World free market exports fluctuate relative to production.



Average sugar consumption in the SADC region increases by about 3% per annum.

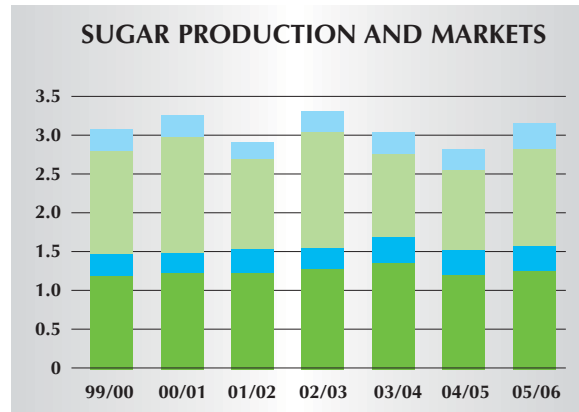
SOUTH AFRICAN CUSTOMS UNION STATISTICS

THE SOUTHERN AFRICAN SUGAR SEASON RUNS FROM APRIL TO MARCH



■ South Africa ■ Swaziland

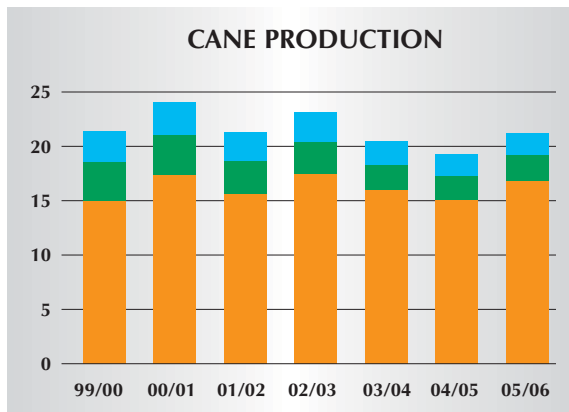
Continuing dry conditions in Swaziland resulted in cane production being similar to 2004/05, whilst in South Africa, improved rainfall across the cane belt resulted in better yields and a subsequent increase in cane production.



■ Local - South Africa ■ Local - Swaziland
 ■ Export - South Africa ■ Export - Swaziland

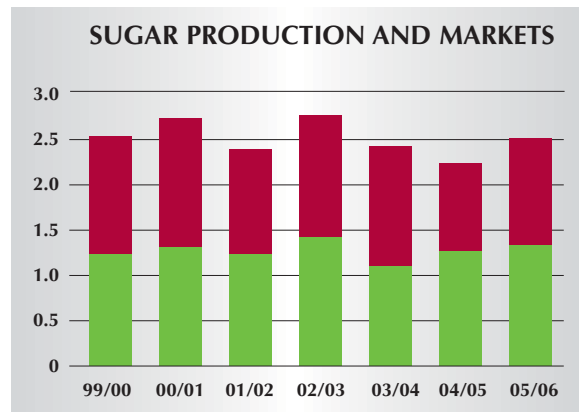
Export availability increased in 2005/06 due to the improved cane crop in South Africa.

SOUTH AFRICAN STATISTICS



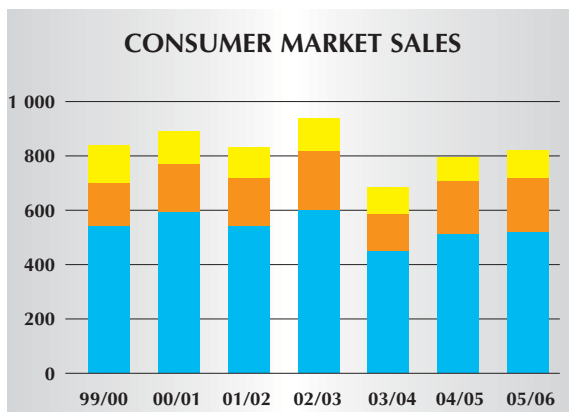
■ Large-scale growers ■ Small-scale growers
 ■ Milling companies

Better growing conditions resulted in increased production across all three growing sectors. Total production in 2005/06 was just over 20 million tons of cane.



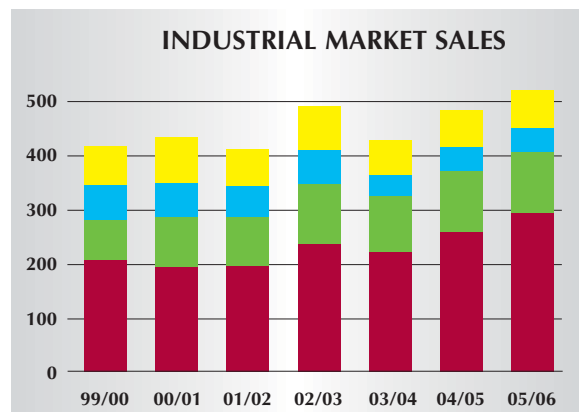
■ Local ■ Export

Local market sales continued to improve in 2005/06, increasing by 4% over the previous year. The improved sugar production achieved by the industry resulted in a substantial increase in volumes available for export.



■ Wholesale ■ Chain stores ■ Other

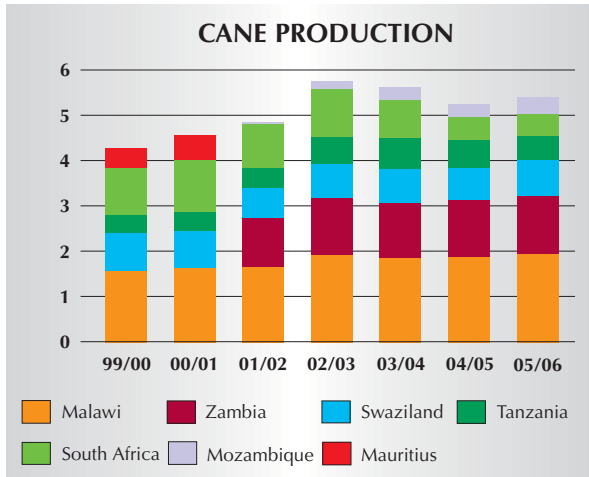
Direct market sales in 2005/06 were above those of the previous year, although negatively impacted by increased sales of Swaziland sugar in this sector.



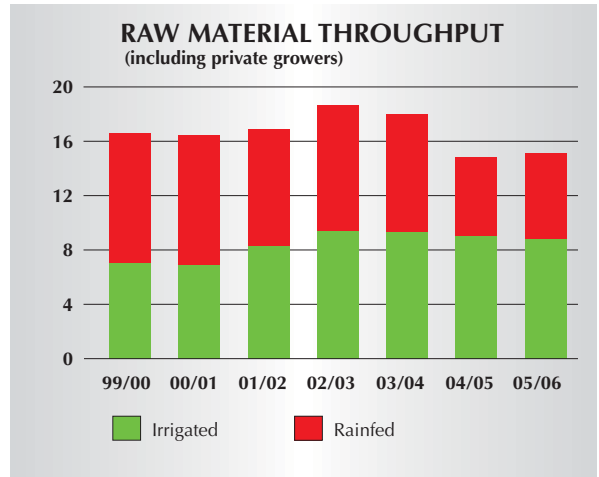
■ Minerals/squashes ■ Bakers/food processors
 ■ Sweets ■ Other

Good growth in demand was enjoyed from the major manufacturing sectors in 2005/06.

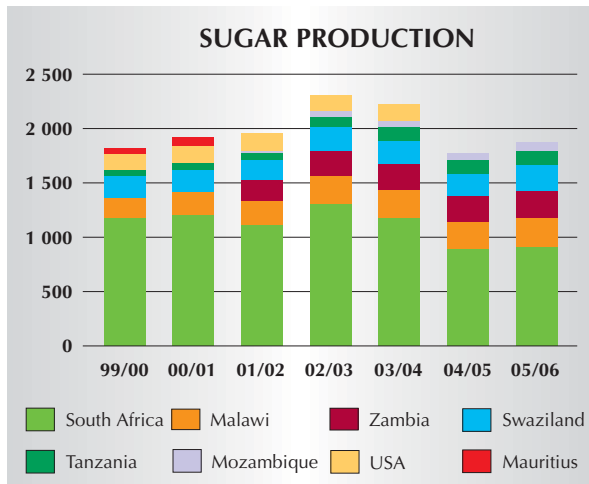
ILLOVO GROUP STATISTICS



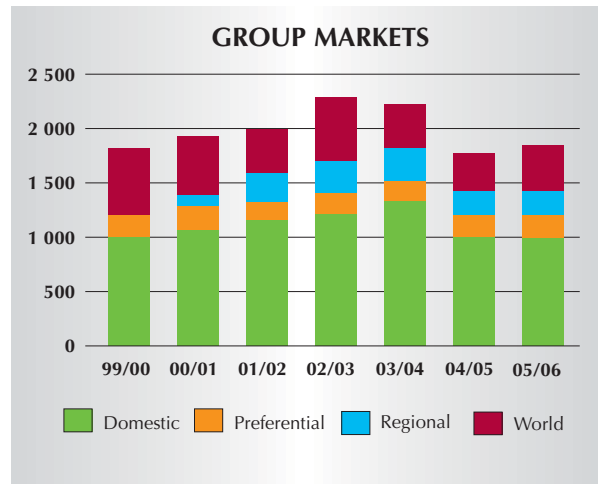
Whilst the countries in which the group has operations experienced varying climatic conditions leading up to and during the 2005/06 season, an underlying feature of the increase in the group's cane production to 5.46 million tons was the good overall performance of its agricultural operations. The importance of secure irrigation sources and infrastructure was particularly evident in Zambia and Swaziland, where very dry conditions were offset by effective irrigation.



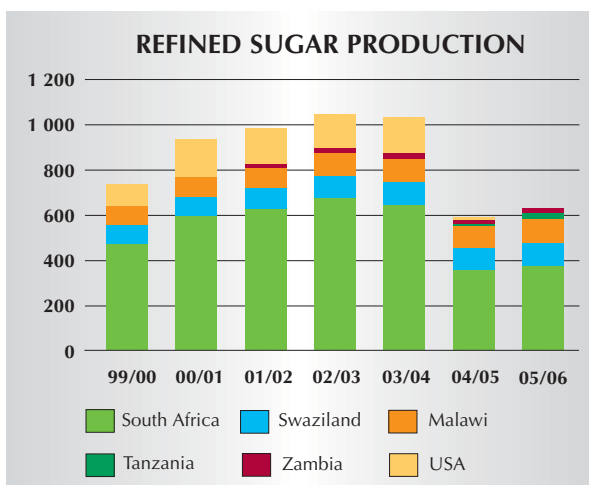
Approximately 58% of cane throughput supplied by the group's own agricultural operations and by private growers, is cultivated under irrigation. Excluding South Africa, this percentage increases to 93%.



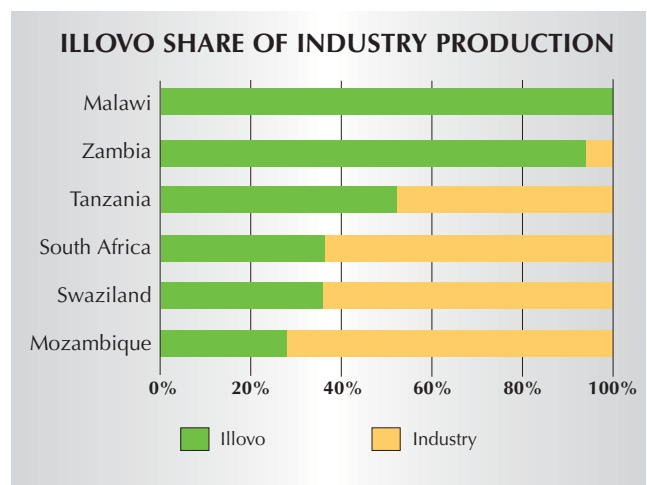
Group sugar production amounted to 1.87 million tons, with record output in all countries of operation outside South Africa. Excluding production from the Umfolozi mill which was sold prior to the start of the 2005/06 season, South African production increased by 20%.



The group supplies sugar products to domestic, regional and export markets. A significant strength of the group was that 69% of sugar production by volume and 80% by value was sold into the domestic or premium-priced export markets in 2005/06.



Refined sugar production in 2005/06 was slightly improved with increased output in Malawi, Swaziland and Tanzania. Major refinery expansions were undertaken at the Noodsberg and Pongola factories, which will extend refined sugar capacity in South Africa beyond that which existed prior to the sale of the Umfolozi mill.



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