World of sugar

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More than 100 countries produce sugar, 78% 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 - 2006/07, Oct/Sep basis.)

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	7.661
Exports	–
Population	298
Per capita consumption	29

MEXICO	
Production	5.543
Exports (12)	0.380
Population	107
Per capita consumption	52

BRAZIL	
Production	33.591
Exports (1)	22.200
Population	188
Per capita consumption	56

EU

Production	16.762
Exports (7)	1.228
Population	457
Per capita consumption	35

PAKISTAN

Production	3.813
Exports	–
Population	166
Per capita consumption	25

INDIA

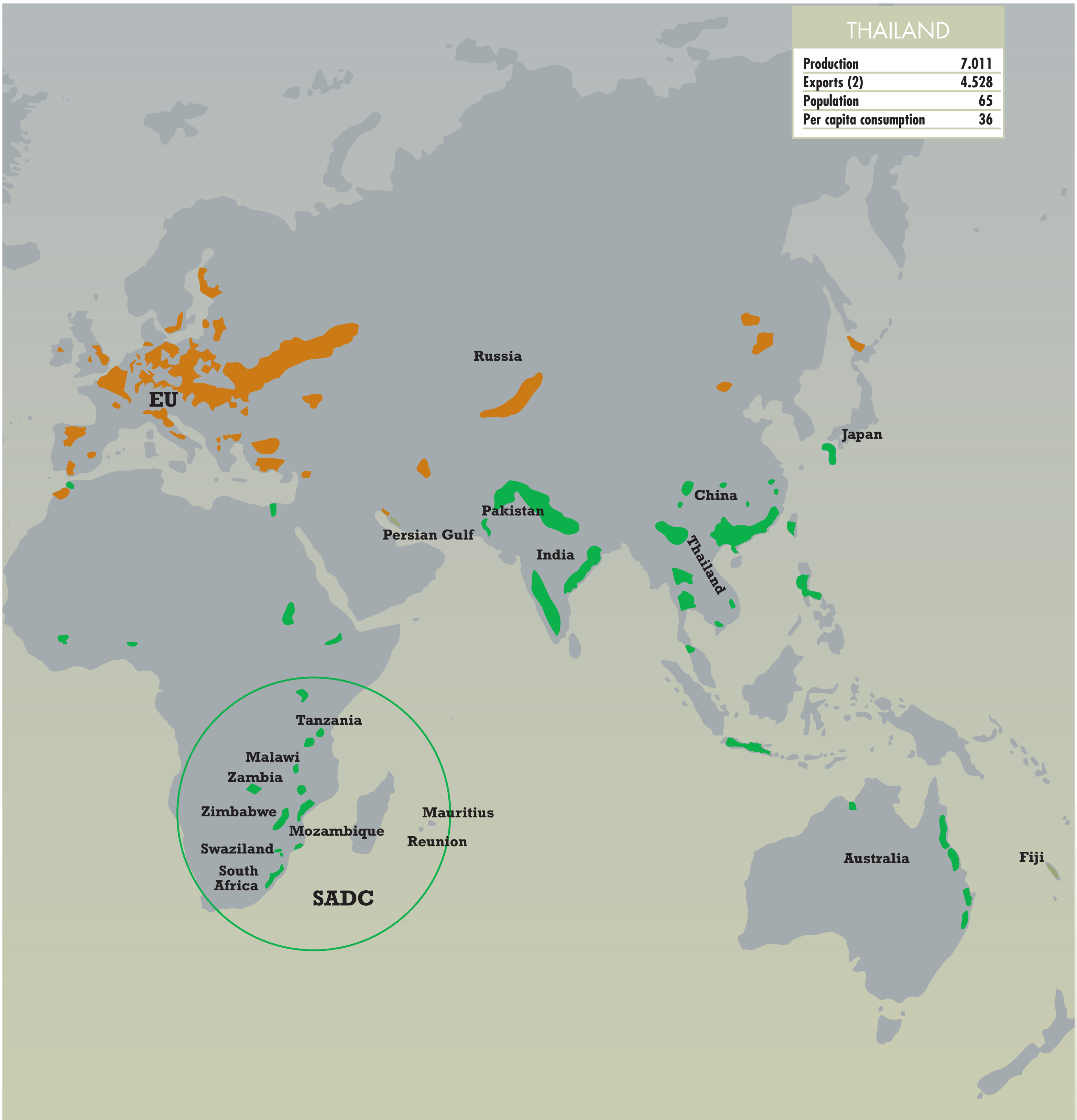
Production	27.174
Exports (6)	1.341
Population	1 117
Per capita consumption	20

CHINA

Production	11.630
Exports	–
Population	1 321
Per capita consumption	10

THAILAND

Production	7.011
Exports (2)	4.528
Population	65
Per capita consumption	36



SADC

Production	5.419
Exports (4)	2.339
Population	157
Per capita consumption	23

AUSTRALIA

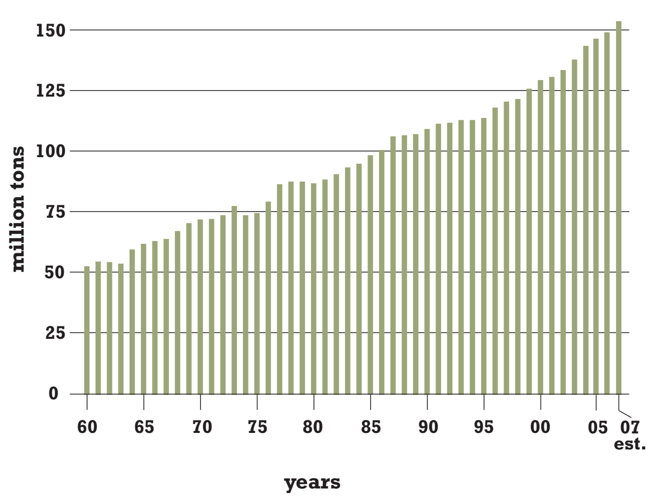
Production	5.156
Exports (3)	3.958
Population	20
Per capita consumption	46

World of sugar continued

INTERNATIONAL STATISTICS

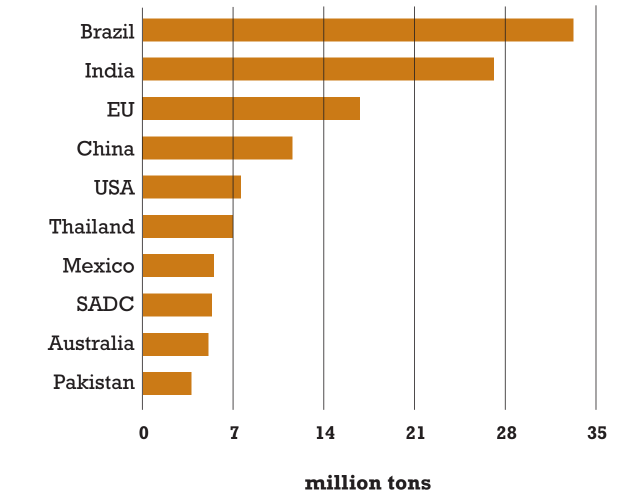
THE WORLD SUGAR YEAR RUNS FROM SEPTEMBER TO AUGUST

WORLD SUGAR CONSUMPTION



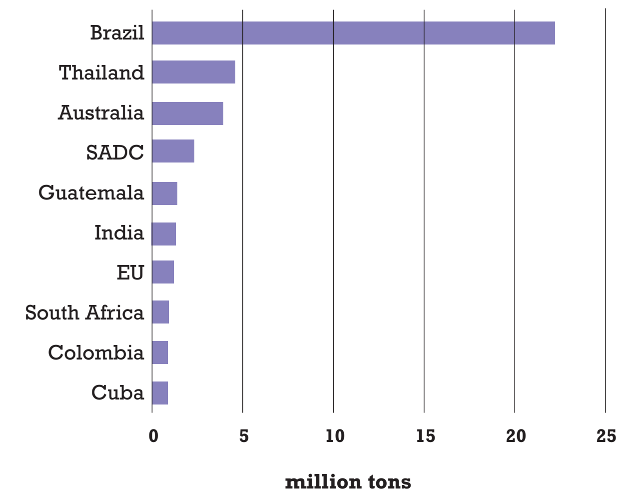
Global sugar consumption continues to increase by about 2% per annum, and in 2006/07 is expected to reach almost 154 million tons.

TOP SUGAR PRODUCERS 2006/07 est.



Global sugar production in 2006/07 is estimated at 161 million tons, 80% of which is produced by the world's top ten sugar producers.

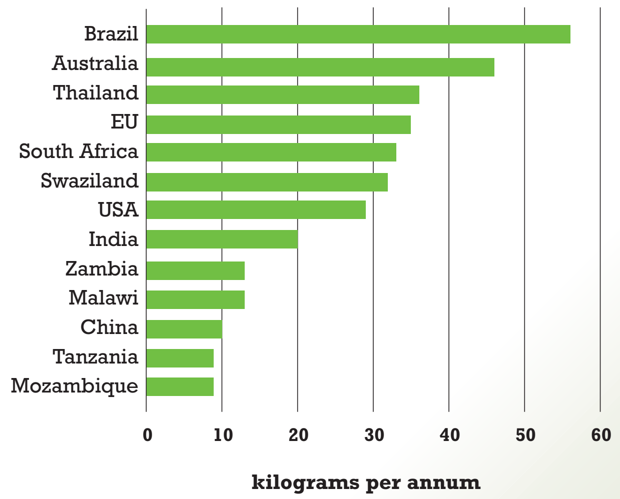
TOP SUGAR EXPORTERS 2006/07 est.



(South Africa is a member of the SADC)

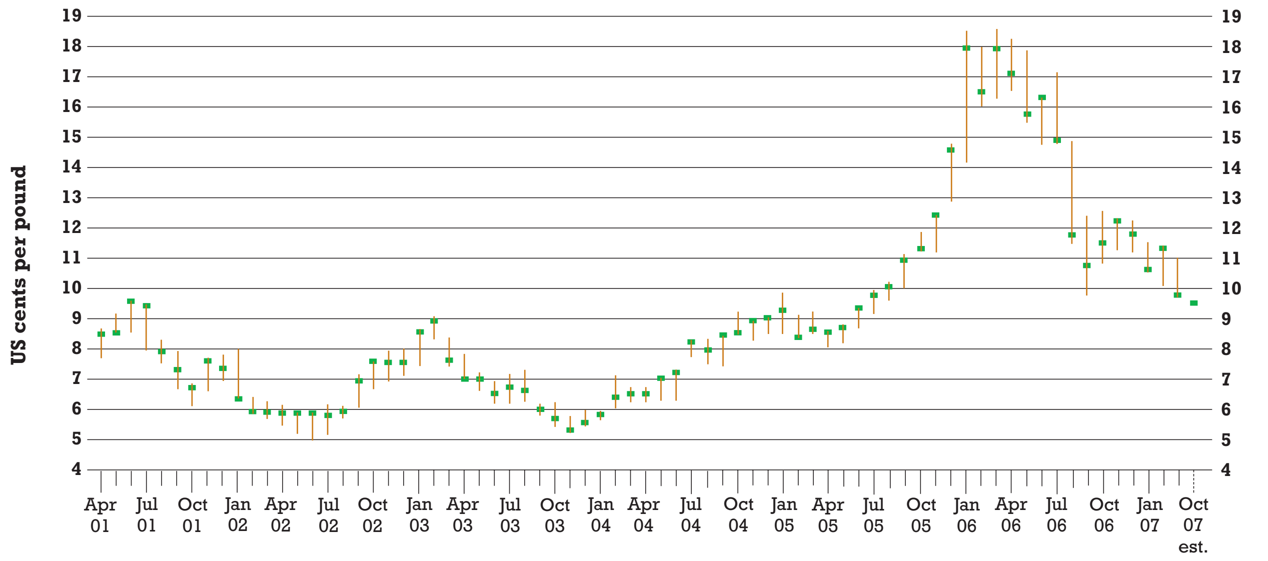
Currently, 69% of the world's sugar is consumed in the countries of origin, whilst the balance is traded on world markets.

PER CAPITA CONSUMPTION 2006/07 est.



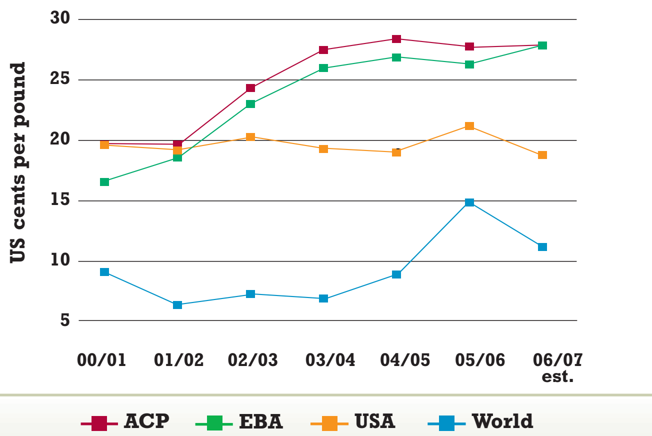
Long-term potential for consumption growth, particularly in Southern African countries, remains positive. Consumption growth in China has increased as a result of the bouyant economic conditions currently being experienced in that country.

WORLD RAW SUGAR PRICE



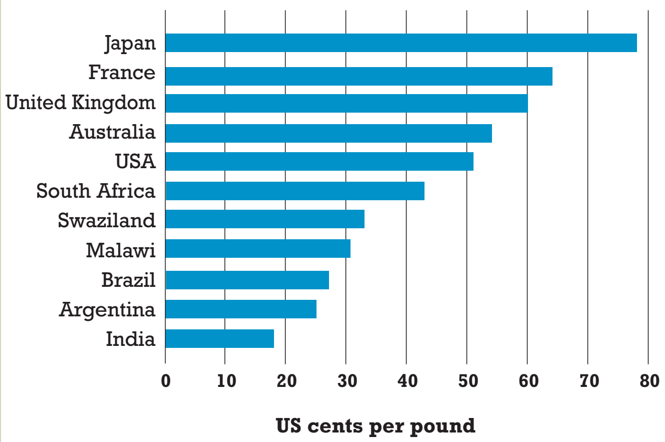
Higher world market prices during the past two years provided the incentive amongst sugar producers worldwide to expand their cane and beet sugar crops. The resultant increased sugar availability has served to dampen world market prices which have fallen from US20 cents/lb in February 2006 to around US10 cents/lb at the end of March 2007.

PREFERENTIAL PRICES (FREE ON BOARD)



Preferential prices in the EU and US remain at a significant premium to the world sugar price. In terms of the EU Sugar Regime reform, a uniform price is now being paid for ACP (African, Caribbean and Pacific) and EBA (Everything But Arms) sugar protocol exports. The ongoing strength of the Euro continues to benefit these prices in US dollar terms.

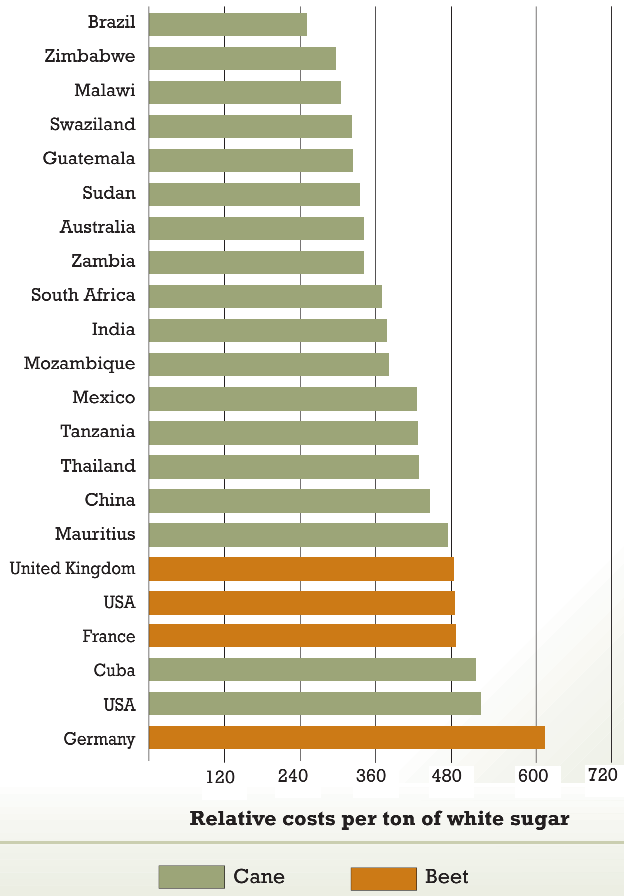
DOMESTIC RETAIL SUGAR PRICES 2006/07 est.



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 2005/06



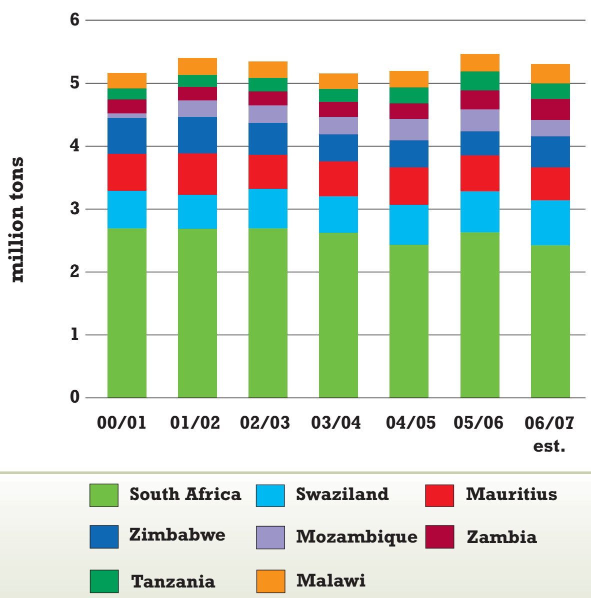
The most recent independent survey of international sugar production costs covering in excess of 100 sugar producing countries indicated that, of the six countries in which Illovo operates, three are in the top 15 lowest-cost cane sugar producers in the world, and all six are within the top 25.

World of sugar continued

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY STATISTICS

THE SADC SEASON RUNS FROM APRIL TO MARCH

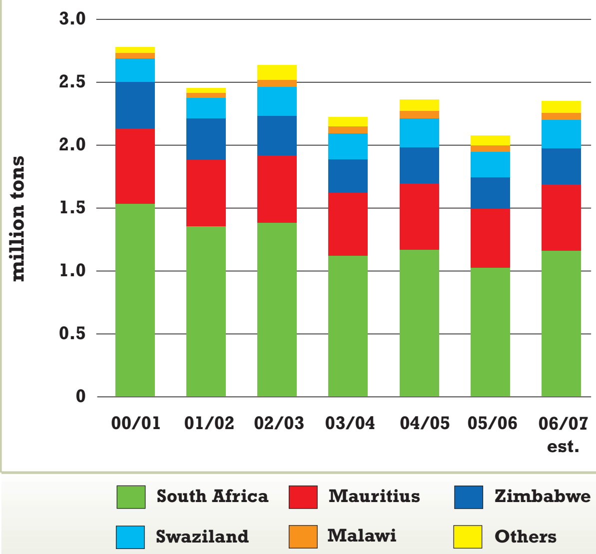
SUGAR PRODUCTION BY COUNTRY



Sugar production in the SADC region in 2006/07 was marginally below the previous season primarily as the result of lower production in South Africa and Tanzania.

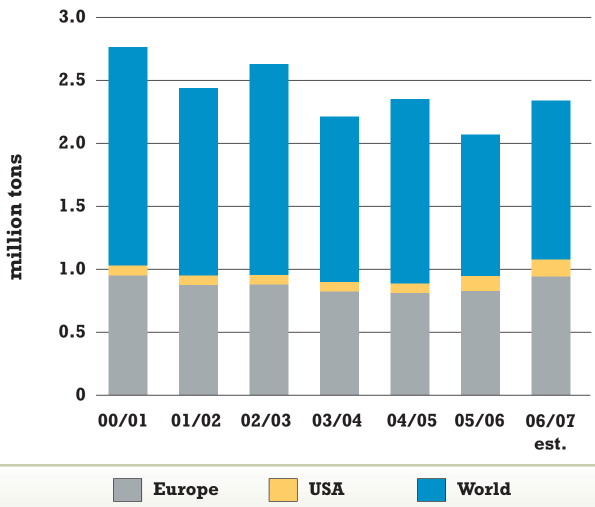
EXPORTS BY COUNTRY

(excluding inter-regional exports)



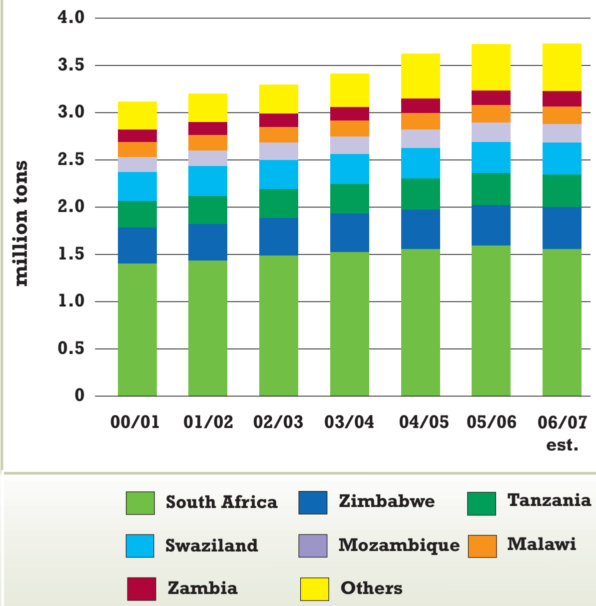
In 2006/07 the SADC was ranked amongst the world's top five sugar exporters.

EXPORT MARKETS



Exports in the EU have increased due to the re-allocation of additional quota under the Everything But Arms (EBA) initiative in 2006/07. World free market exports fluctuate relative to production.

LOCAL CONSUMPTION

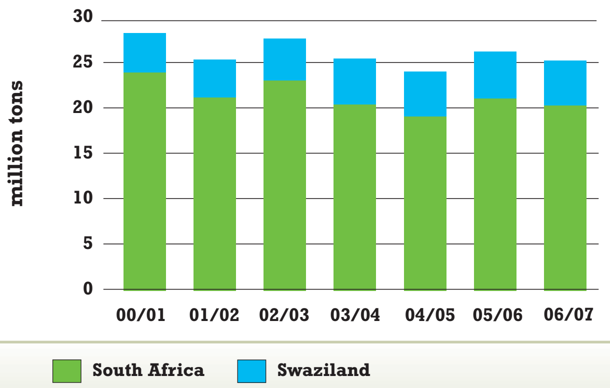


Average sugar consumption in the SADC region increases by about 3% per annum.

SOUTH AFRICAN CUSTOMS UNION STATISTICS

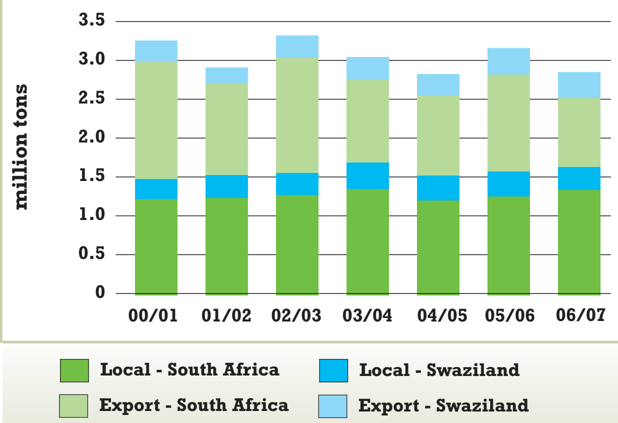
THE SOUTHERN AFRICAN SUGAR SEASON RUNS FROM APRIL TO MARCH

CANE PRODUCTION



Cane production in both South Africa and Swaziland in 2006/07 was negatively affected by inconsistent weather conditions during the season.

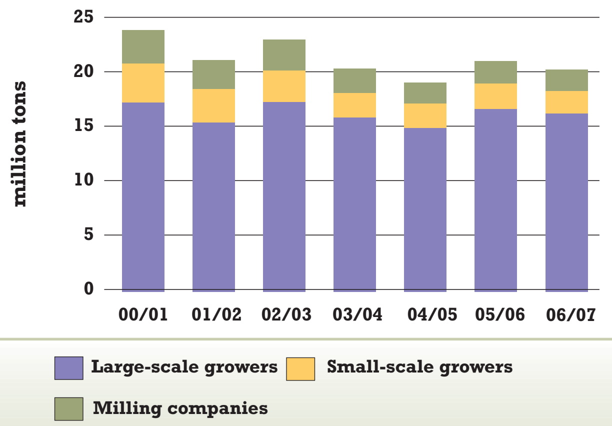
SUGAR PRODUCTION AND MARKETS



Export availability in South Africa and Swaziland decreased in 2006/07 as a result of lower sugar production.

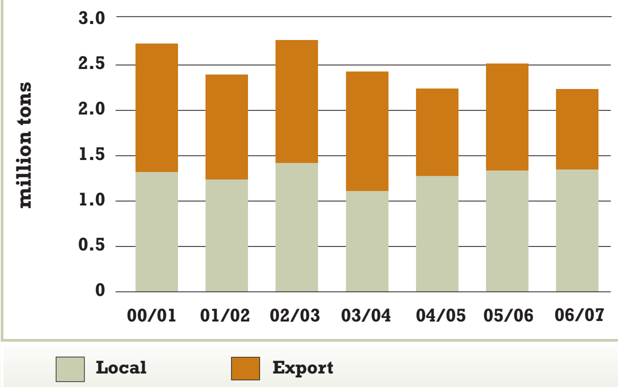
SOUTH AFRICAN STATISTICS

CANE PRODUCTION



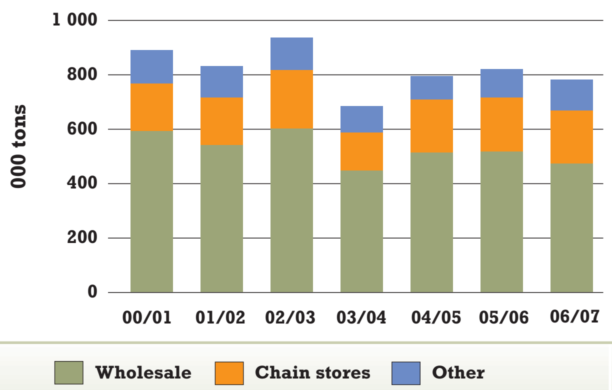
Cane production in South Africa in 2006/07 amounted to 20.3 million tons which represented a 4% decrease in production compared to the previous season.

SUGAR PRODUCTION AND MARKETS



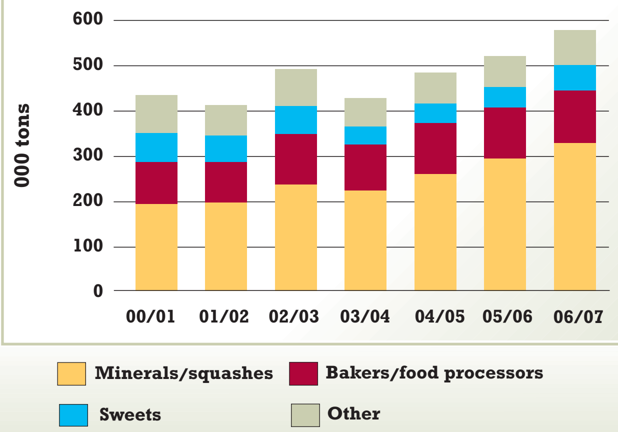
Sugar production in 2006/07 was negatively impacted by poor quality cane and lower sucrose content, as a result of adverse weather conditions in 2006.

CONSUMER MARKET SALES



Sales to the wholesale market in 2006/07 were adversely affected by an increased penetration of this sector by contract packers using Swazi sugar.

INDUSTRIAL MARKET SALES

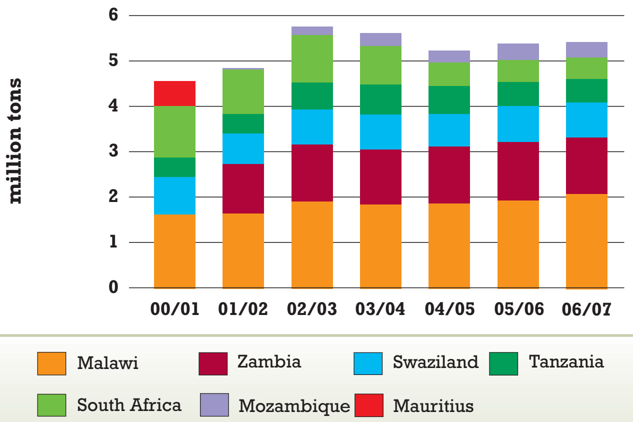


Increased demand in the industrial market was assisted by the diversion of Swazi sugar into the direct market. Despite carbon dioxide shortages, the minerals and squashes sector performed strongly.

ILLOVO GROUP STATISTICS

The group sold its operations in Mauritius and the USA in 2001 and 2004 respectively.

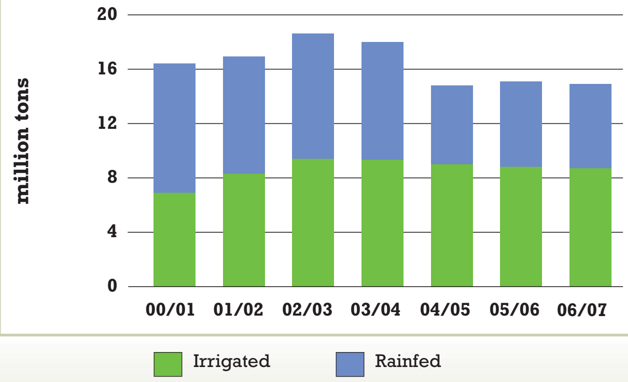
CANE PRODUCTION



Cane production of 5.44 million tons in 2006/07 was similar to that of the previous season, with most agricultural operations performing well. Cane yields in Malawi were excellent.

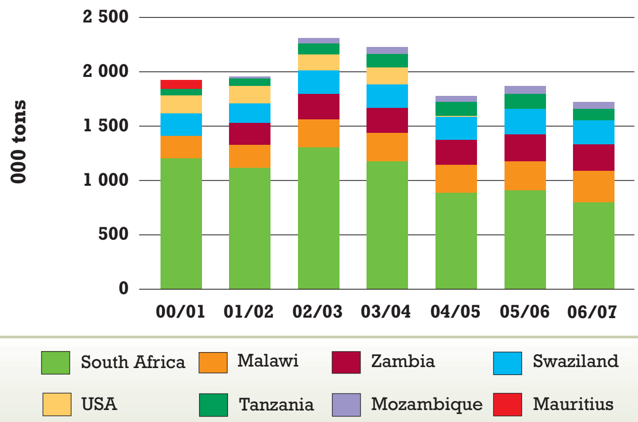
RAW MATERIAL THROUGHPUT

(including private growers)



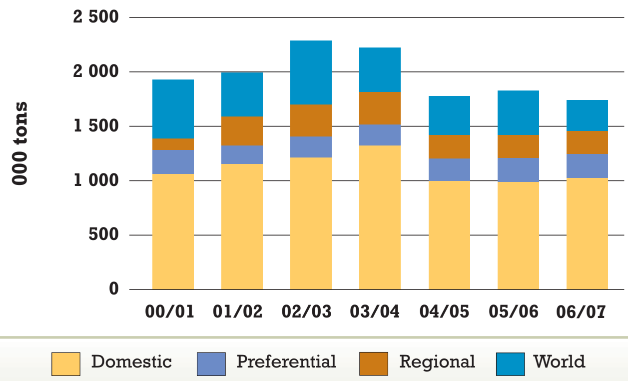
Approximately 58% of cane throughput supplied by the group's own agricultural operations and by private growers, is cultivated under irrigation. Excluding South Africa, this percentage increases to 93%.

SUGAR PRODUCTION



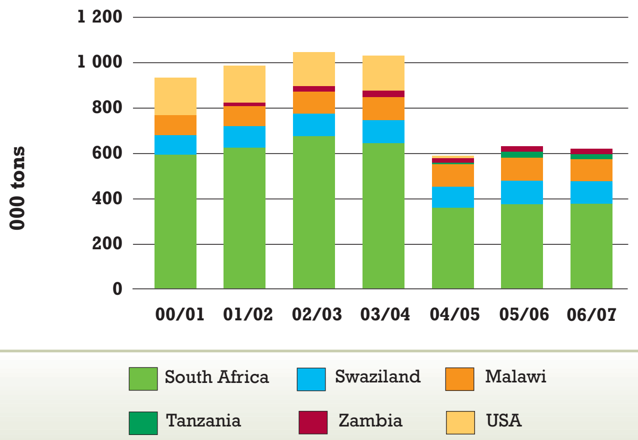
Group sugar production of 1.719 million tons in 2006/07 was impacted significantly by lower production in South Africa and Tanzania, representing an 8% reduction compared to last season.

GROUP MARKETS



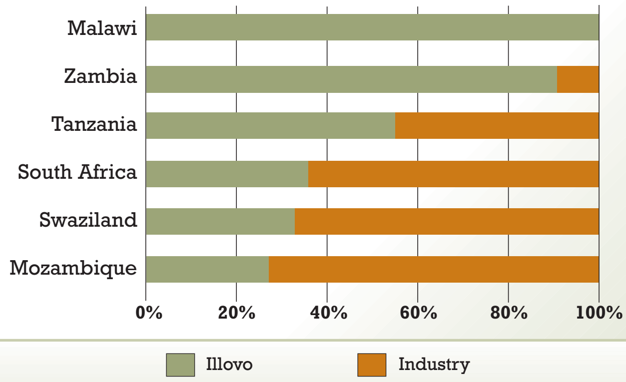
The group supplies sugar products to domestic, regional and export markets. A significant strength of the group was that 74% of sugar production by volume and 80% by value was sold into the domestic or premium-priced export markets in 2006/07.

REFINED SUGAR PRODUCTION



Refined sugar production was marginally reduced in 2006/07 with the full benefit of the refinery upgrades at Noodsberg and Pongola expected in 2007/08.

ILLOVO SHARE OF INDUSTRY PRODUCTION



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