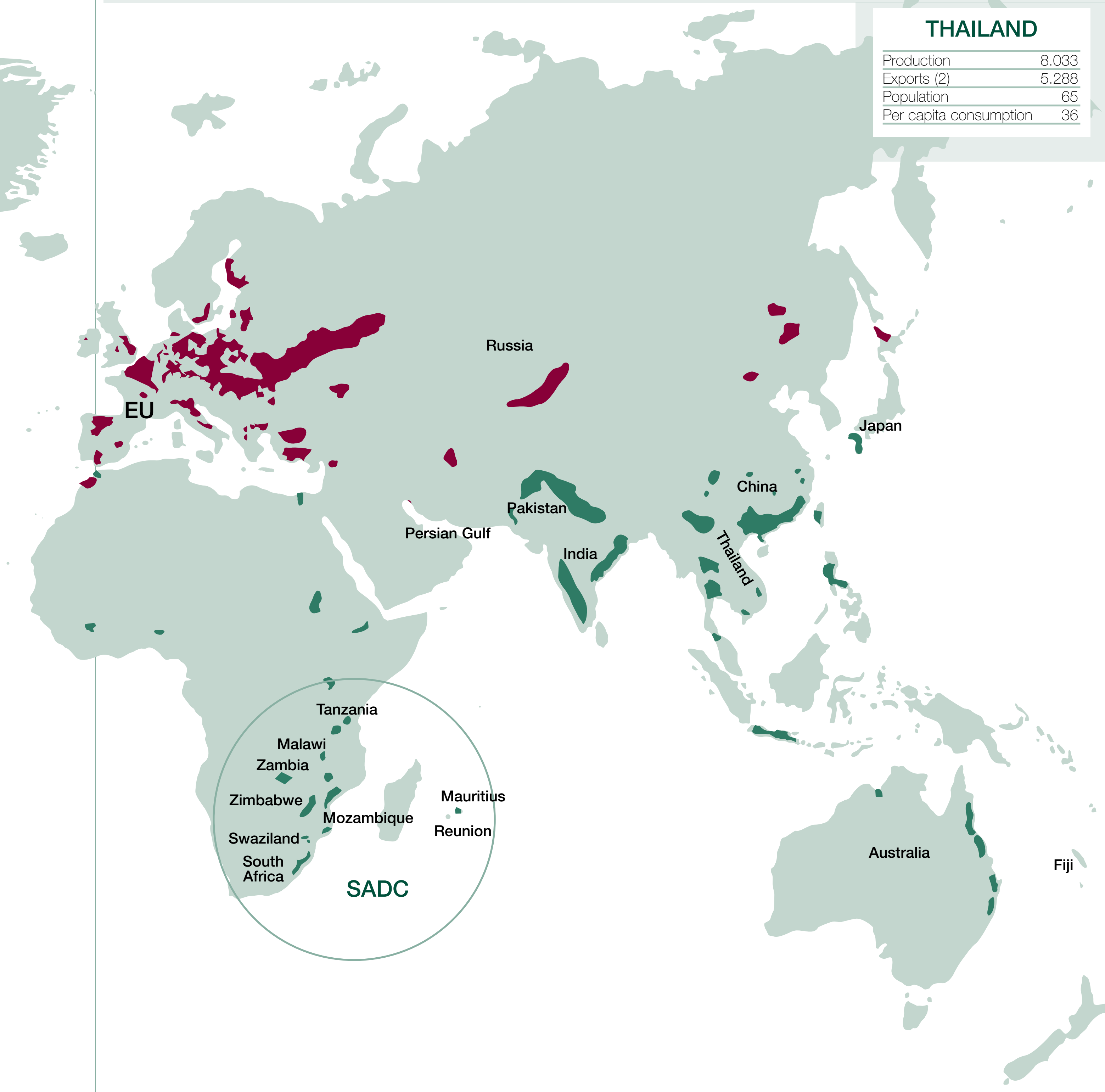
WORLD OF SUGAR



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 - 2007/08, Oct/Sep basis.)

Cane
Beet

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.

UNITED STATES

Production	7.701
Exports	–
Population	301
Per capita consumption	29

MEXICO

Production	5.978
Exports (15)	0.350
Population	107
Per capita consumption	52

BRAZIL

Production	31.355
Exports (1)	20.957
Population	190
Per capita consumption	58

EU

Production	17.567
Exports (8)	1.400
Population	490
Per capita consumption	34

PAKISTAN

Production	4.891
Exports	–
Population	165
Per capita consumption	25

INDIA

Production	28.804
Exports (4)	3.298
Population	1 117
Per capita consumption	20

CHINA

Production	14.674
Exports	–
Population	1 314
Per capita consumption	11

THAILAND

Production	8.033
Exports (2)	5.288
Population	65
Per capita consumption	36

SADC

Production	5.834
Exports (5)	2.410
Population	157
Per capita consumption	22

AUSTRALIA

Production	5.013
Exports (3)	3.750
Population	20
Per capita consumption	47

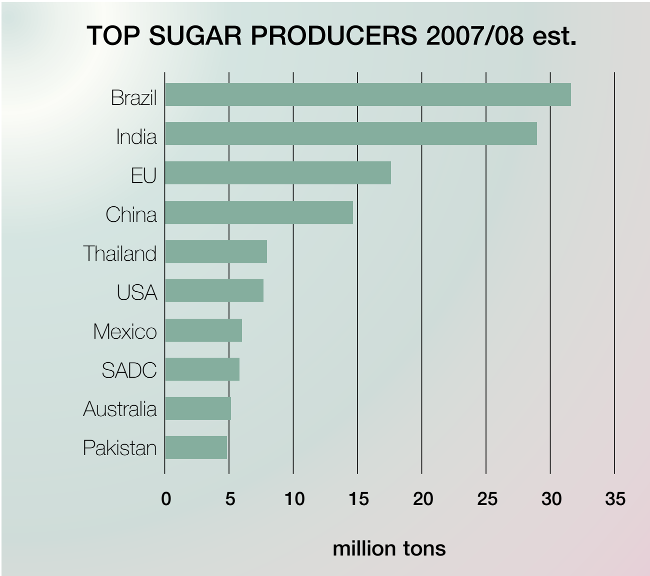
WORLD OF SUGAR

continued

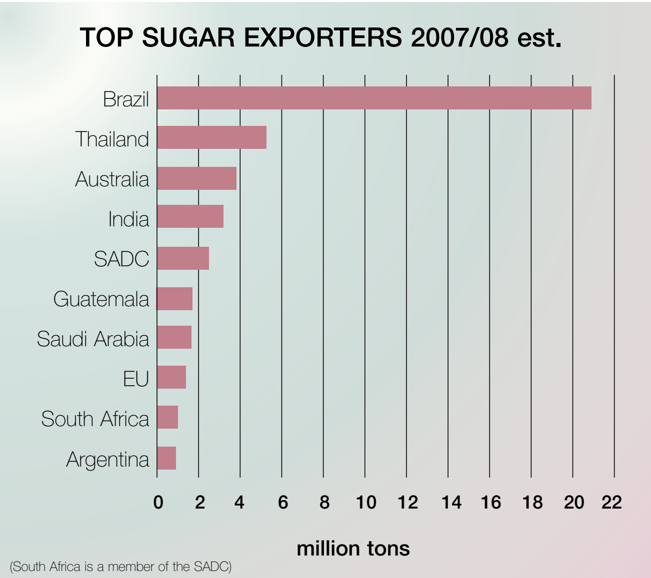
International statistics

The world sugar year runs fron September to August

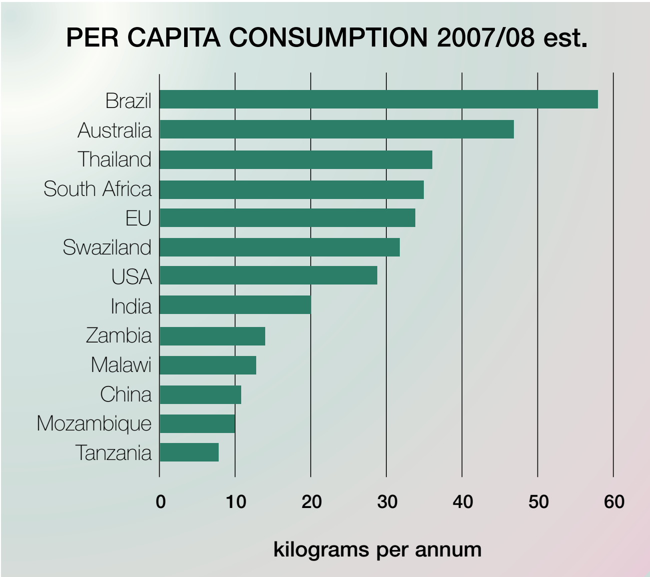
Global sugar consumption growth increases by about 2% per annum and in 2007/08 is expected to reach almost 160 million tons.



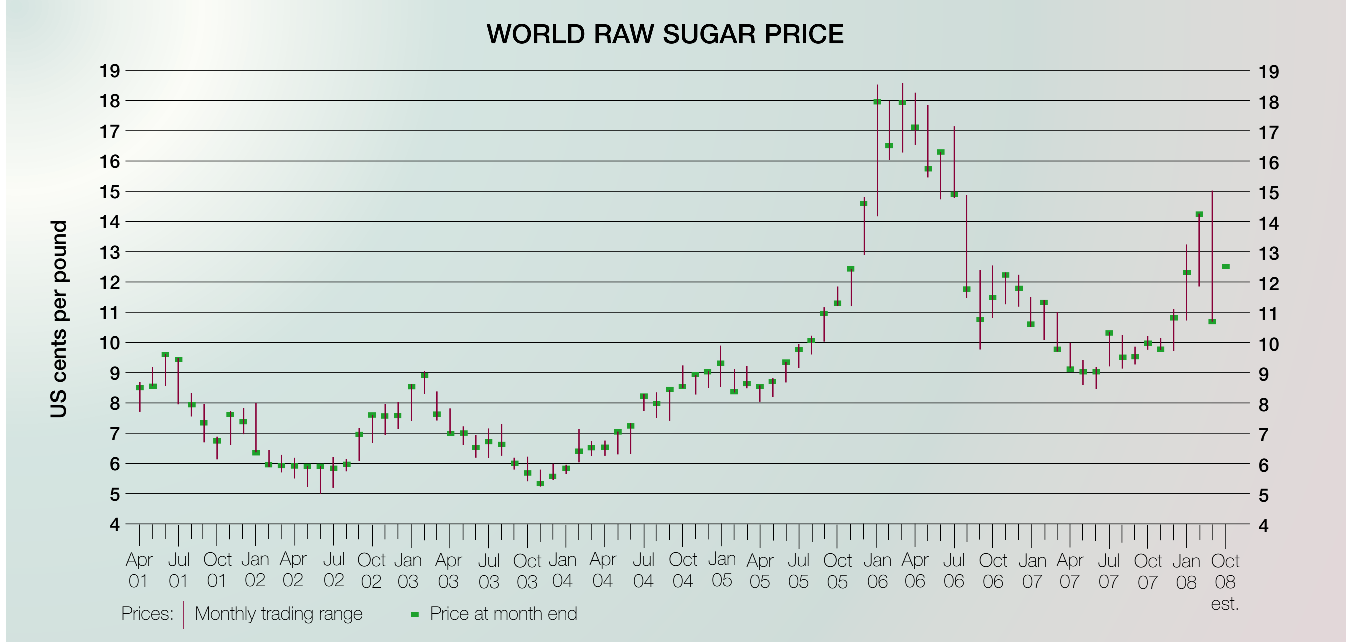
The top ten sugar producers account for 77% of global production which in 2007/08 is estimated at 169 million tons.



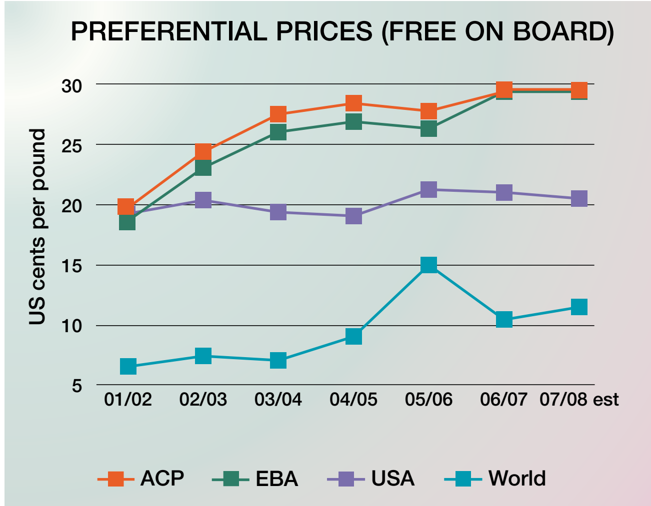
In 2007/08, about 69% of world sugar production is expected to be consumed in the countries of origin, with the balance traded on world markets. Record production in a number of major sugar producing countries has increased overall global export availability.



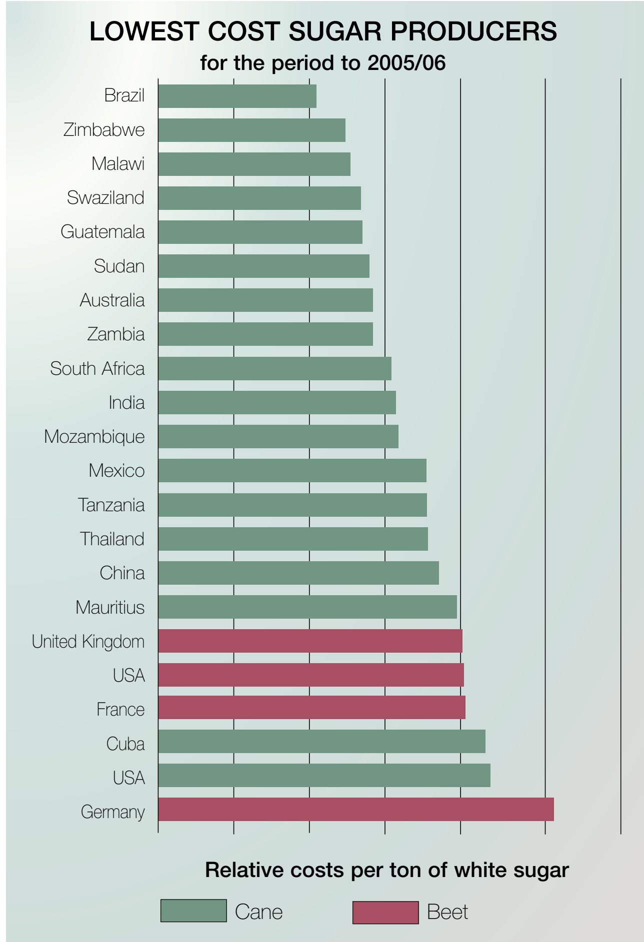
In recent years, consumption growth has steadily increased in a number of Southern African countries, with the longer-term potential for future gains remaining favourable.



Against the background of a record global sugar surplus of nine million tons in 2006/07, world raw sugar prices in 2007 traded in a relatively narrow but volatile range, between US9.00 cents/lb and US11.00 cents/lb. However, as the result of significant trading activity by global investment funds in the sugar market in December 2007, futures prices lifted significantly reaching a high of US15.02 cents/lb in March.



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



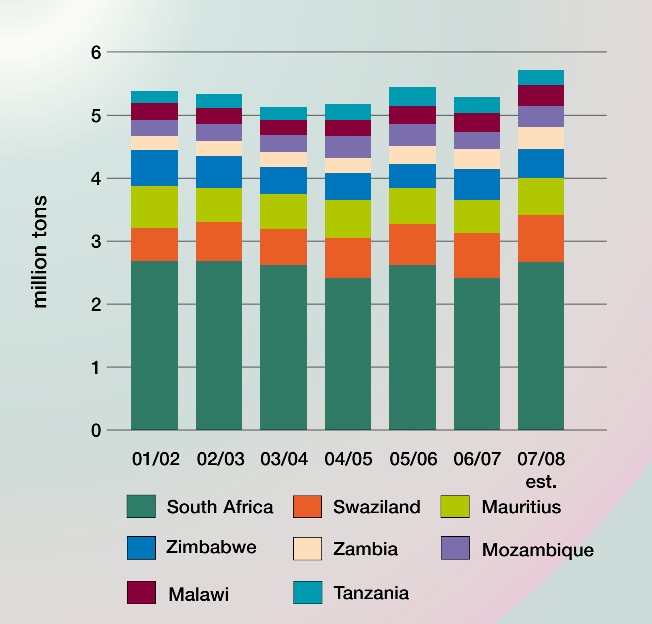
The most recent independent survey of international sugar production costs covering in excess of 100 sugar producing countries indicated that, of the six countries in which Illovo operates, three are in the top fifteen lowest-cost cane sugar producers in the world, and all six are within the top 25.

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

South African Development Community statistics

The SADC sugar season runs from April to March

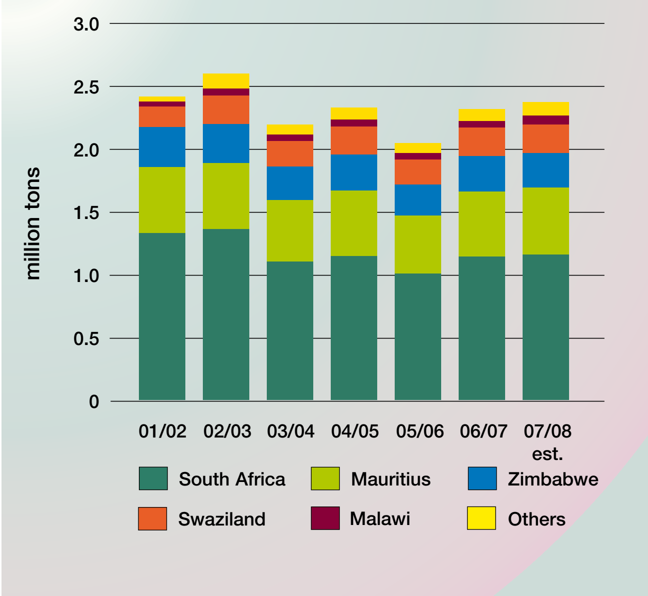
SUGAR PRODUCTION BY COUNTRY



A record 5.8 million tons of sugar was estimated to be produced by SADC countries in 2007/08.

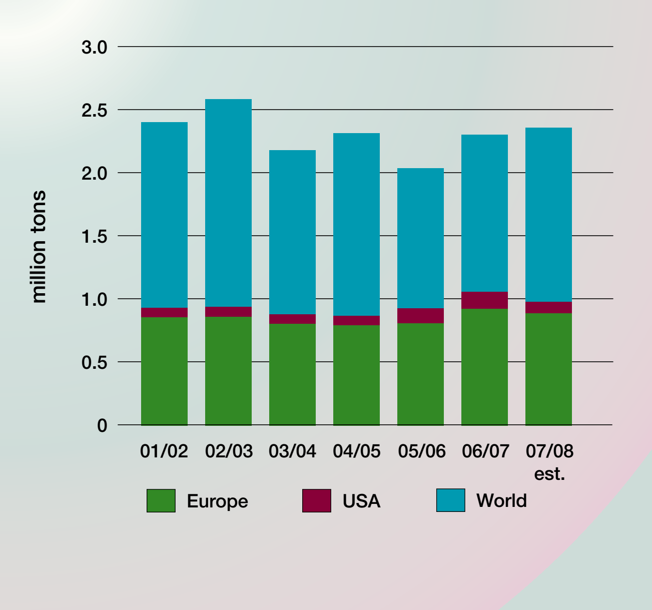
EXPORTS BY COUNTRY

(excluding inter-regional exports)



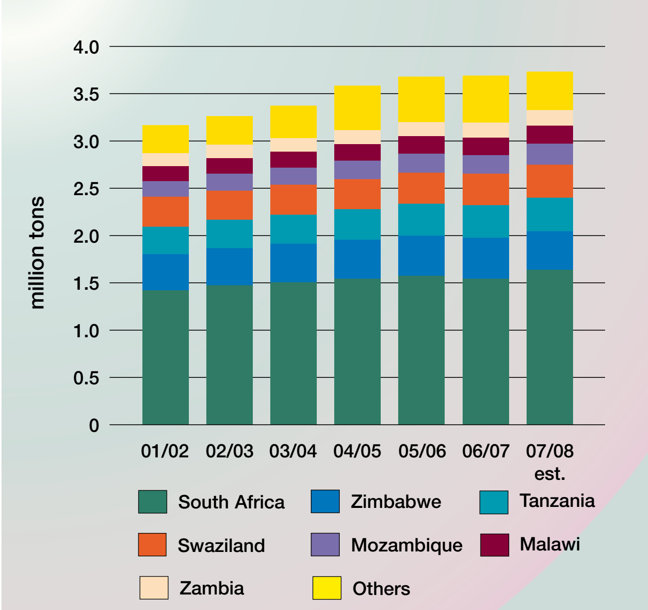
The SADC consistently ranks amongst the world's top sugar exporting regions.

EXPORT MARKETS



Exports to premium-priced markets in the EU and USA are very important to SADC sugar producing countries.

LOCAL CONSUMPTION

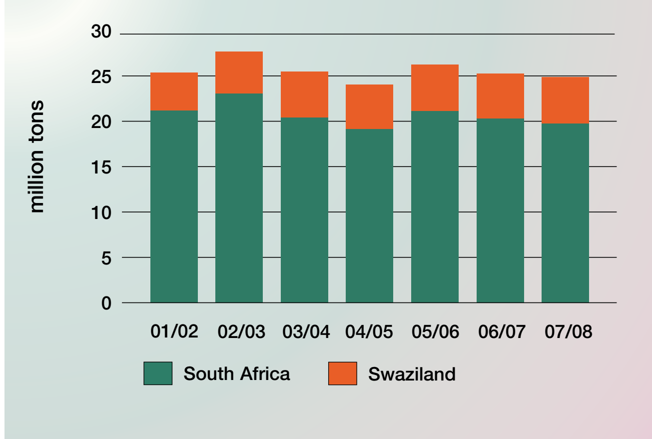


Annual consumption across the SADC region increases by about 2.5% per annum.

South African Customs Union statistics

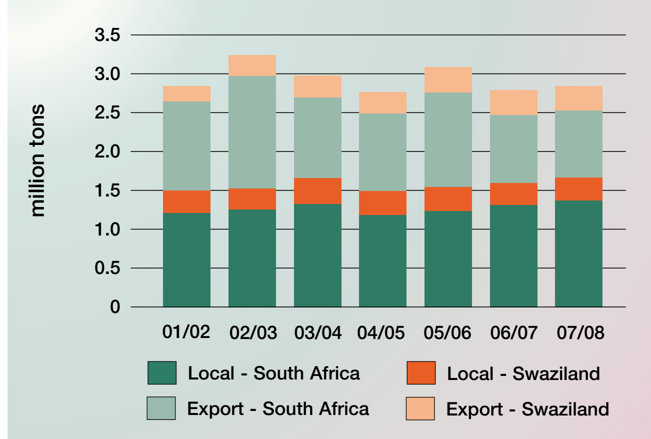
The Southern African sugar season runs from April to March

CANE PRODUCTION



Total cane production in the SACU region amounted to 24.8 million tons, slightly lower than that of 2006/07 due to weather-related factors.

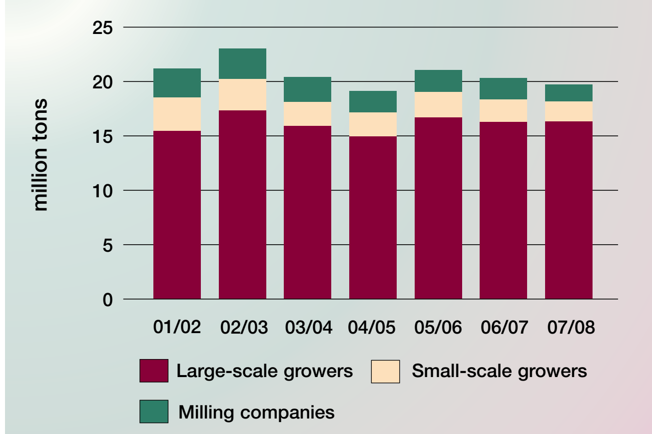
SUGAR PRODUCTION AND MARKETS



As a result of an increase in domestic sales in both South Africa and Swaziland, the export availability of both countries was marginally reduced.

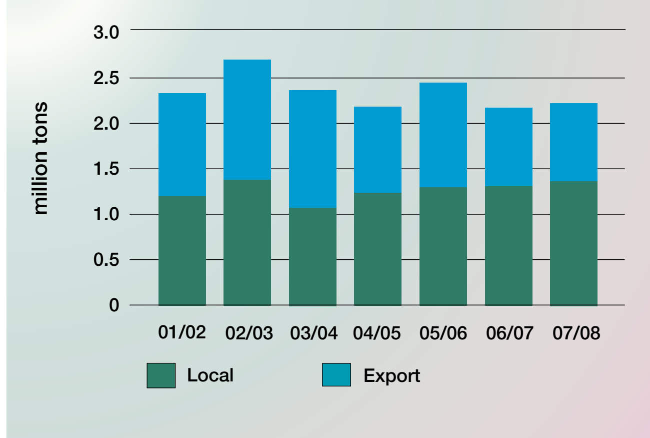
South African statistics

CANE PRODUCTION



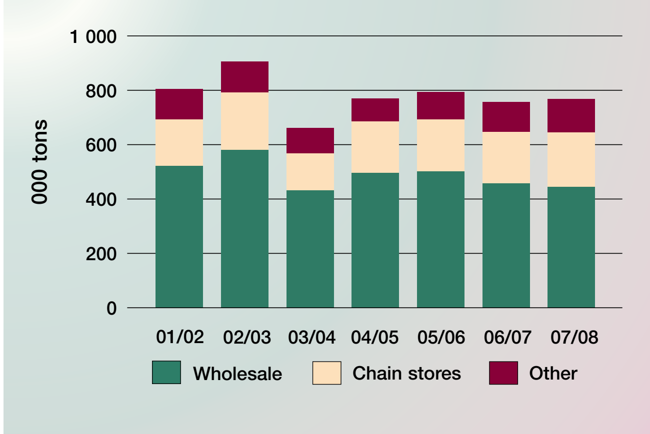
Cane production in South Africa reduced marginally compared to the previous season as a result of heavy rain in October and November 2007 which disrupted harvesting operations.

SUGAR PRODUCTION AND MARKETS



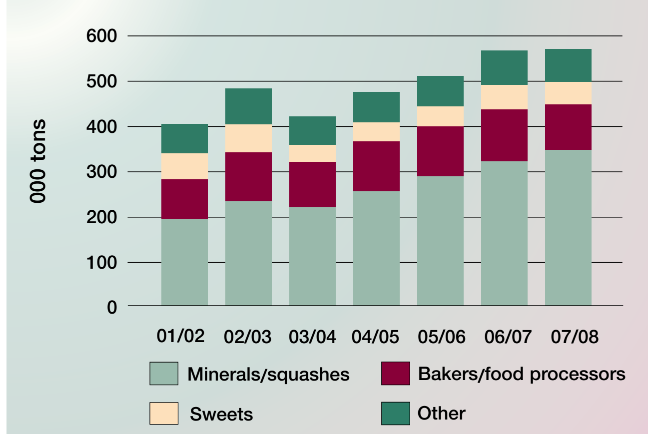
Sugar production in South Africa was higher than in 2006/07 due mainly to higher sucrose content and conducive milling conditions in the dry winter months. This benefit was partly offset by the very wet conditions towards the end of the season.

CONSUMER MARKET SALES



Domestic sales were slightly higher than in 2007/08 despite the presence of increased duty-paid imports in the local market.

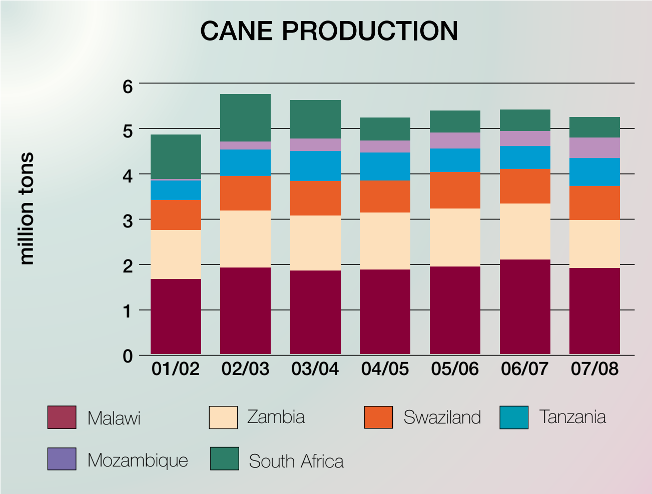
INDUSTRIAL MARKET SALES

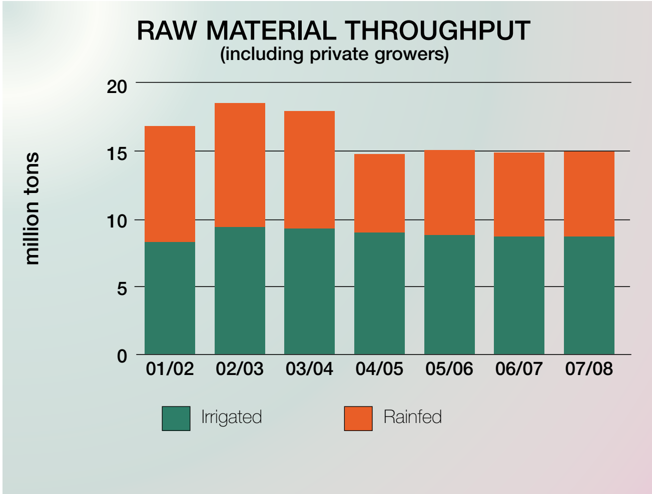


Domestic sugar sales to industrial users recorded a small growth over last year, having benefited from increased offtake in the first nine months of the year, but were impacted negatively in the latter part of the season by reduced requirements of mineral water manufacturers as a result of a carbon dioxide shortage in South Africa.

Illovo group statistics

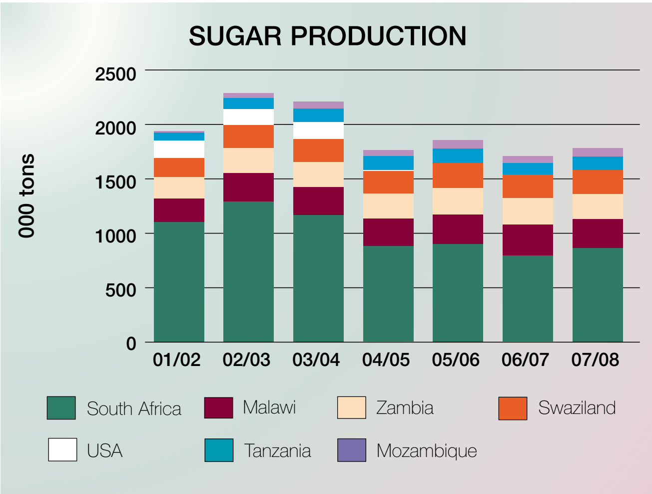
The group sold its operations in Mauritius and the USA in 2001 and 2004 respectively.

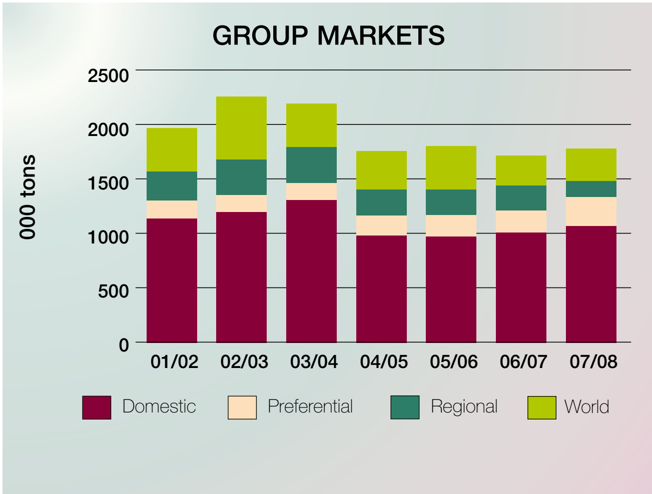




The agricultural operations generally performed satisfactorily with cane production in the 2007/08 season amounting to 5.285 million tons. A record 460 000 tons of cane was produced at Maragra in Mozambique.

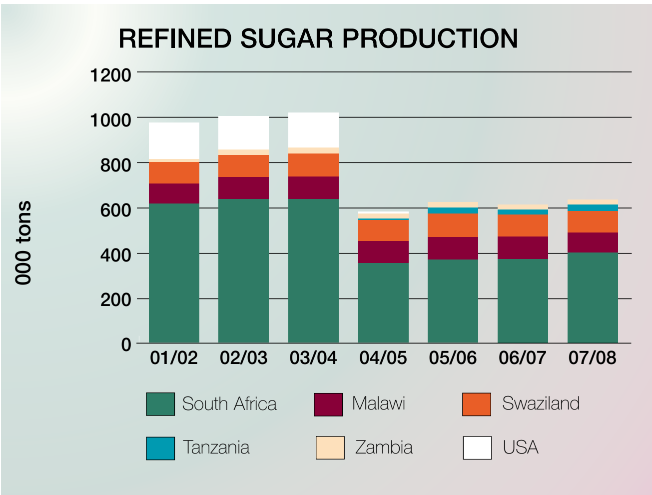
Approximately 58% of cane thoughput supplied by the group's own agricultural operations and by private growers, is cultivated under irrigation. Excluding South Africa, the percentage increases to 93%.

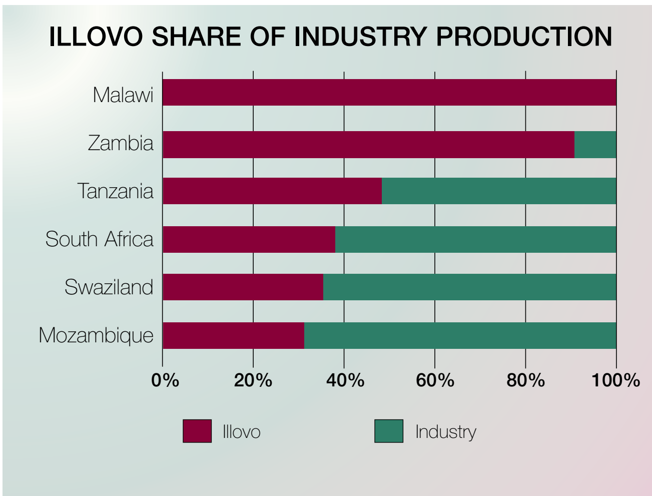




Group sugar production of 1.792 million tons was 4% above that of the previous season. The performance levels of factories throughout the group were generally satisfactory, with improved recoveries of sugar from cane and better operational efficiency levels.

The group supplies sugar products to domestic, preferential, regional and world markets. A significant strength of the group was that 78% of sugar production by volume and 83% by value was sold into the domestic or premium-priced export markets.





The increase in refined sugar production in 2007/08 was attributable to the refinery upgrades at the Pongola and Noodsberg mills in South Africa.

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