

World of sugar

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.

	Production	Exports	Population	Per capita consumption
BRAZIL	35.914	27.597 (1)	195	61
EU	16.949	2.609 (4)	498	36
INDIA	16.305	- -	1 214	19
CHINA	12.054	- -	1 354	10
THAILAND	7.782	5.658 (2)	68	37

More than 100 countries produce sugar, about 79% 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, 71% of the world's sugar is consumed in the countries of origin, whilst the balance is traded on world markets.

(Source: Czarnikow Sugar - 2009/10, Oct/Sep basis.)



	Production	Exports	Population	Per capita consumption
UNITED STATES	6.868	- -	318	29
SADC	5.505	1.951 (5)	250	11
MEXICO	5.100	0.326 (13)	111	43
AUSTRALIA	4.789	4.017 (3)	22	48
RUSSIA	3.495	- -	194	32

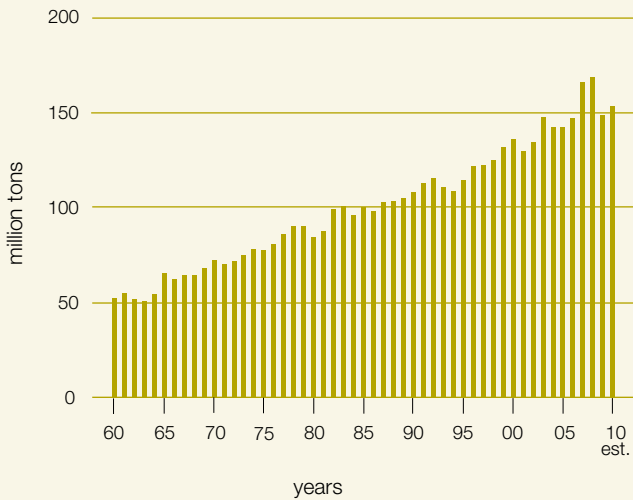
■ Cane
■ Beet



INTERNATIONAL STATISTICS

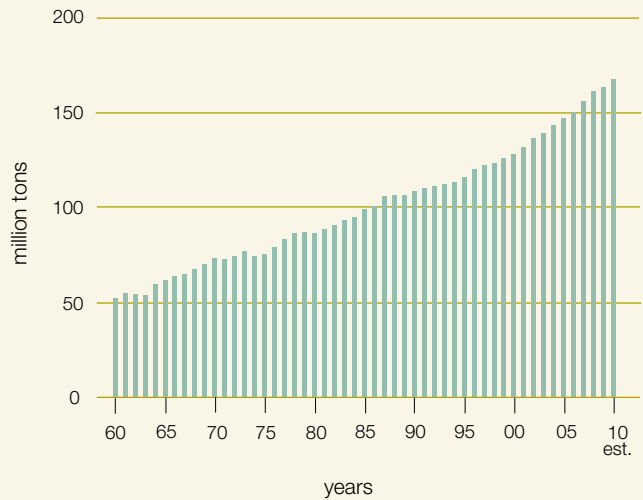
The world sugar year runs from October to September

WORLD SUGAR PRODUCTION



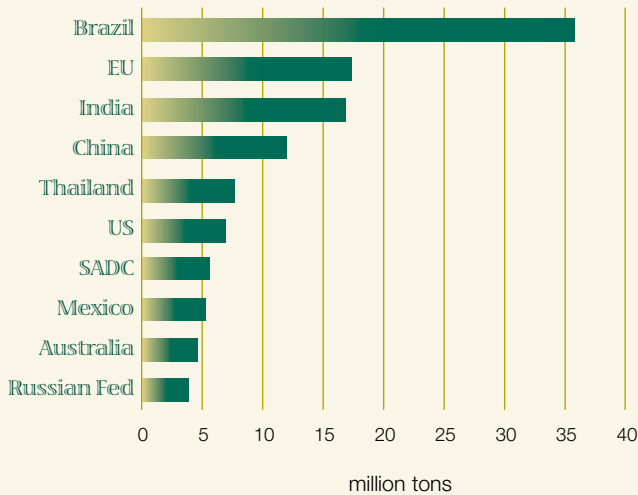
Following a considerable decline in 2009, global sugar production is forecast at 155 million tons, on the back of increased production in Brazil and India

WORLD SUGAR CONSUMPTION



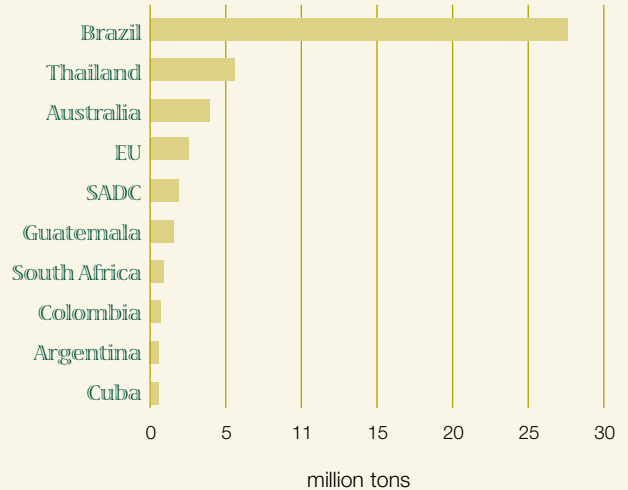
Global sugar consumption growth increases by between 1.5% and 2% per annum and in 2009/10 is forecast to increase to 169 million tons, resulting in a continued supply deficit.

TOP SUGAR PRODUCERS 2009/10 est.



The top ten producers account for 74% of global production.

TOP SUGAR EXPORTERS 2009/10 est.



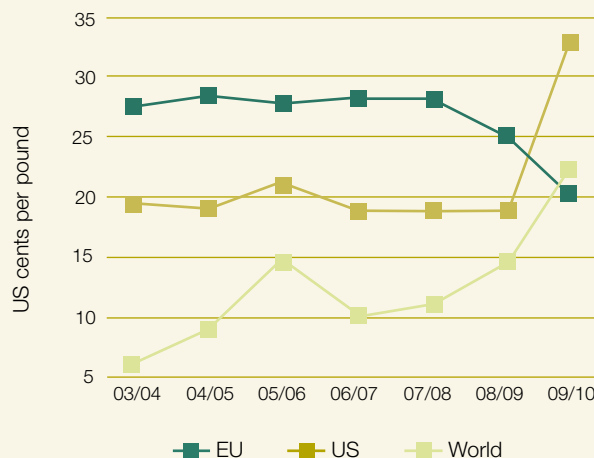
Around 71% of sugar production is expected to be consumed in the countries of origin, with the balance traded on world markets. Out of all the sugar producing countries which export on to the world sugar market, Brazil remains the dominant supplier with almost 28 million tons forecast to be exported in 2009/10.

WORLD RAW SUGAR PRICE



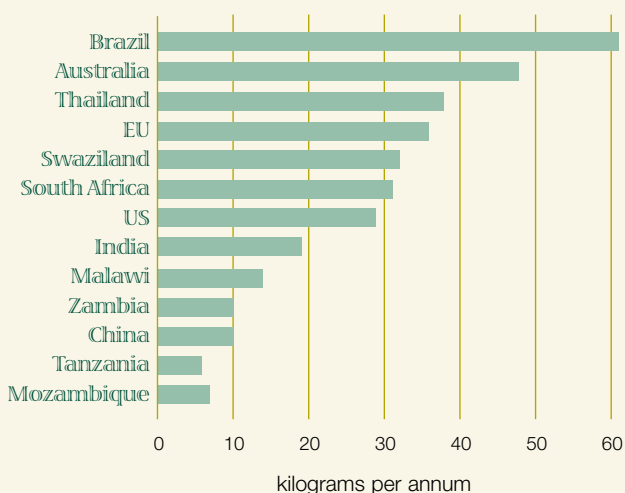
The world sugar price continued to live up to its reputation as being one of the most volatile commodities, trading to record highs of US30 cents/lb early in the first quarter of 2010, before falling to below US15 cents/lb towards the end of April.

PREFERENTIAL PRICES (FREE ON BOARD)



The average price of raw sugar in 2009/10 is forecast to exceed the now-reduced prices received for preferential exports into the EU. Sugar prices in the US also increased significantly in line with world market fundamentals.

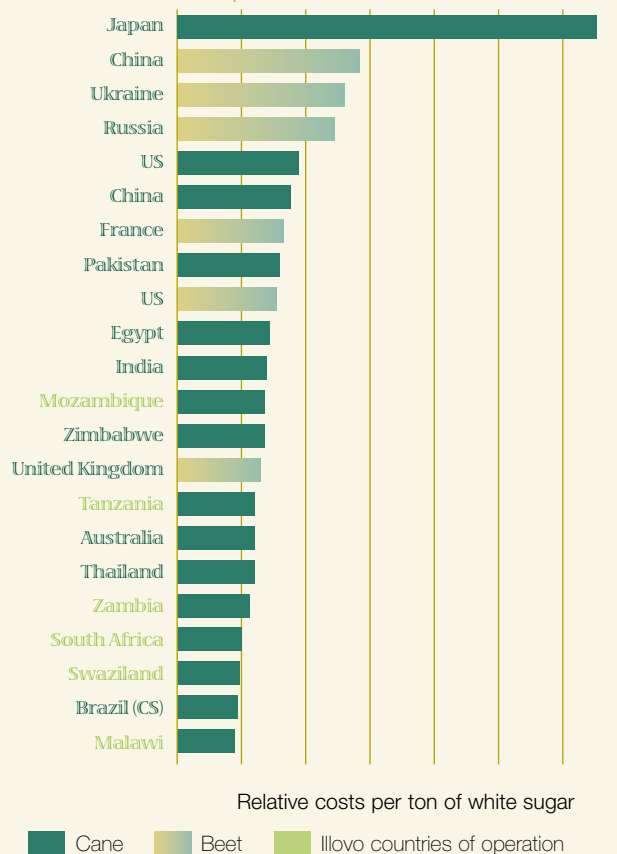
PER CAPITA CONSUMPTION 2009/10 est.



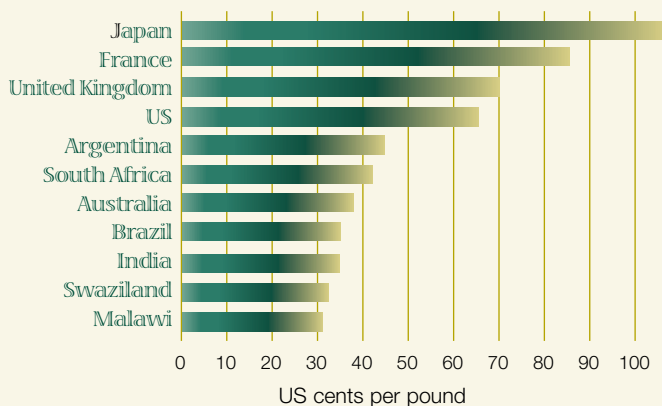
The potential for consumption growth in Southern African countries over the longer term remains promising.

LOWEST COST SUGAR PRODUCERS

for the period to 2006/07 to 2009/10*



DOMESTIC RETAIL SUGAR PRICES 2009/10 est.



Sugar prices in the SACU region remain substantially below those of some developed nations.

The most recent independent survey of international sugar production costs covering in excess of 100 sugar producing countries, for the period to 2006/07 to 2009/10* indicated that, of the six countries in which Illovo operates, three are in the top ten lowest-cost cane sugar producers in the world and all six are within the top 30.

* - Forecast

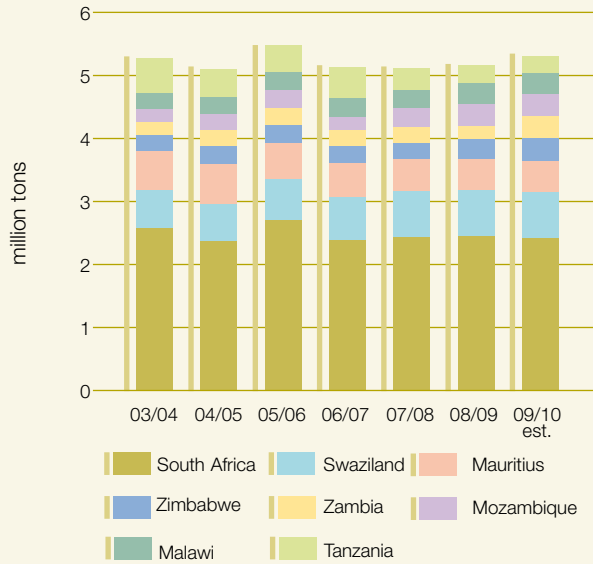
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY STATISTICS

The SADC sugar season runs from April to March

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

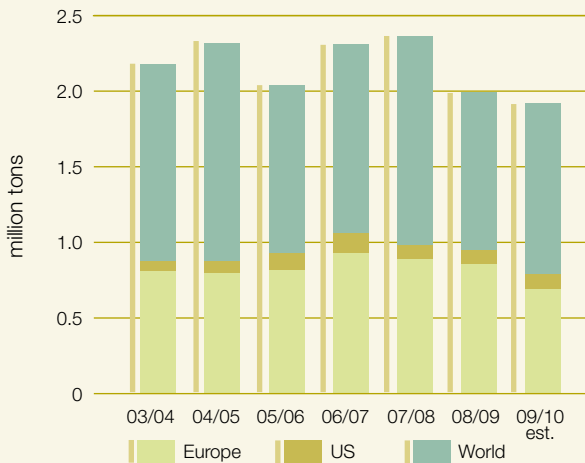
SADC countries	Sugar producers
Angola	
Botswana	
D R Congo	
Lesotho	
Madagascar	
Malawi	
Mauritius	
Mozambique	
Namibia	
Seychelles	
South Africa	
Swaziland	
Tanzania	
Zambia	
Zimbabwe	

SUGAR PRODUCTION BY COUNTRY



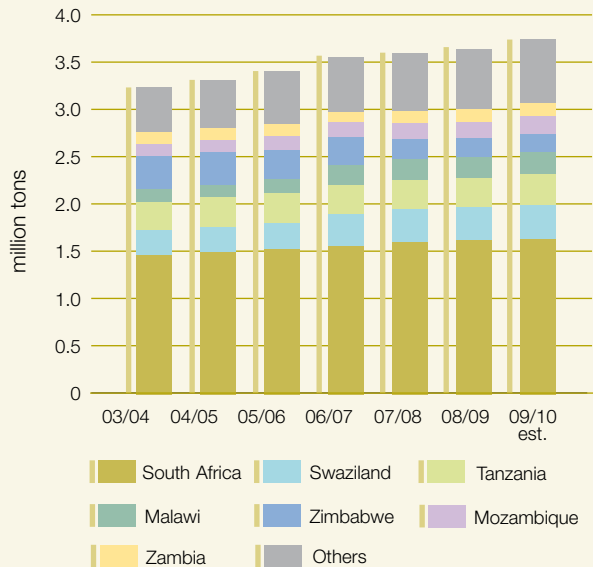
Sugar production in the SADC region is forecast to increase to almost 5.4 million tons in the 2009/10 season, with incremental increases in production experienced in almost every sugar producing country.

EXPORT MARKETS



More than 40% of sugar produced in the SADC region is exported to preferential markets in the EU and US and as such, are very important to sugar producing countries.

LOCAL CONSUMPTION

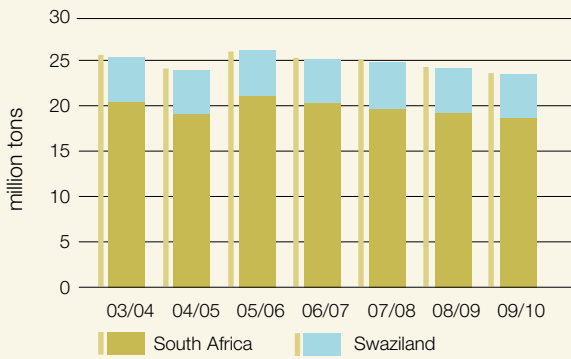


Annual sugar consumption across the SADC region was forecast to increase to 3.8 million tons in 2009/10.

SOUTH AFRICAN CUSTOMS UNION STATISTICS

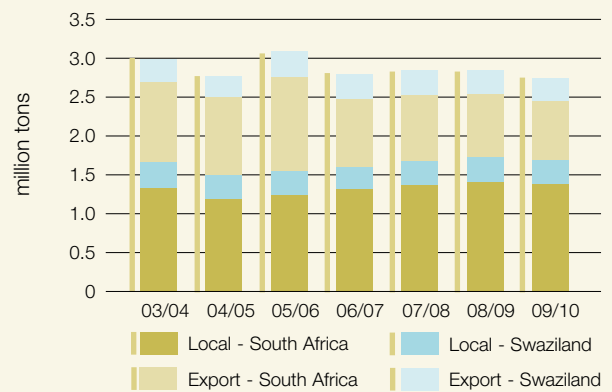
The Southern African sugar season runs from April to March

CANE PRODUCTION



Total cane production in the region was marginally lower than that of the previous season, due primarily to weather-related factors in South Africa.

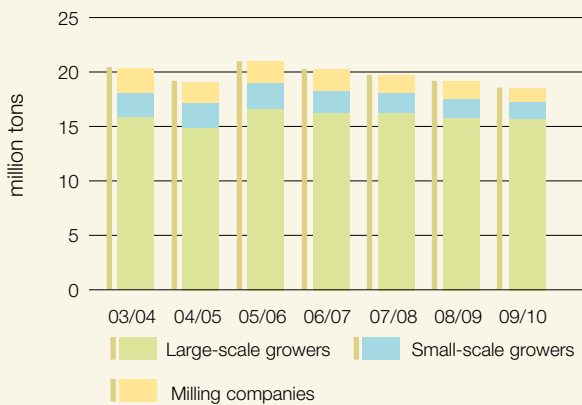
SUGAR PRODUCTION AND MARKETS



Total export availability was reduced as a result of increased local market sales which benefited from an overall decline in sugar imports into the region and from a reduced availability from Zimbabwe.

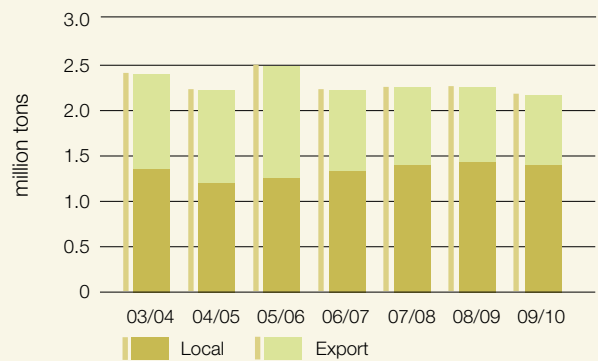
SOUTH AFRICAN STATISTICS

CANE PRODUCTION



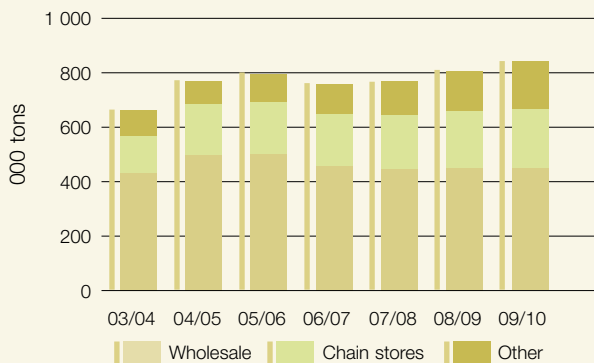
Variable weather conditions, including higher than normal rainfall received towards the end of the 2009/10 season, impacted negatively on cane production. Cane farming activities continue to be affected in the longer term by land issues, including unsettled land claims and the use of traditional cane growing land for other purposes.

SUGAR PRODUCTION AND MARKETS



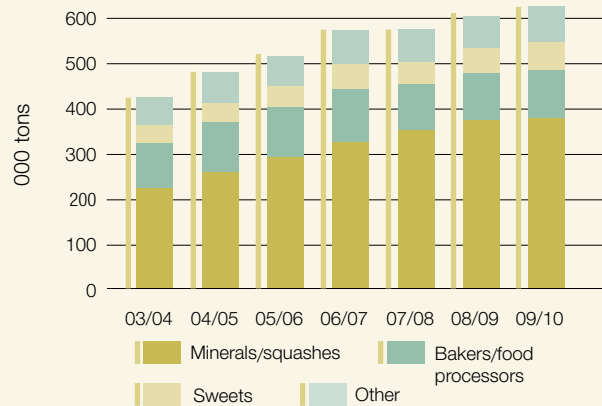
Sugar production in 2009/10 was impacted by lower cane availability, decreasing by almost 4% compared to the previous season.

CONSUMER MARKET SALES



Retail market sales benefited from reduced sugar imports into the South African market, whilst other sales were positively impacted by reduced availability from Zimbabwe.

INDUSTRIAL MARKET SALES

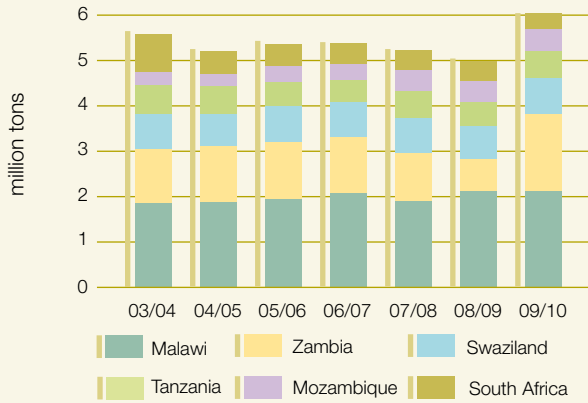


Industrial sales continue to show good growth year-on-year.

ILLOVO GROUP STATISTICS

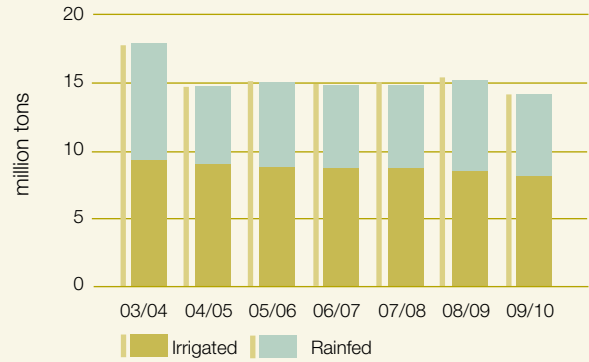
The group sold its operation in the USA in 2004

CANE PRODUCTION



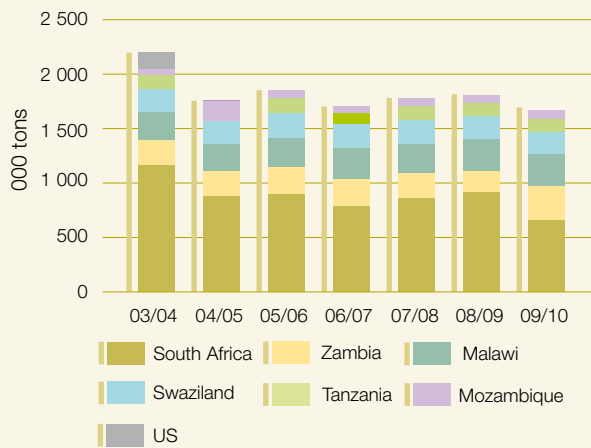
Cane production in 2009/10 increased by more than one million tons compared to last year primarily due to the recent expansion of Zambia Sugar's area under cane, together with its acquisition of Nanga Farms. Increased cane production was also achieved in Malawi, Mozambique, Swaziland and Tanzania.

RAW MATERIAL THROUGHPUT (including private growers)



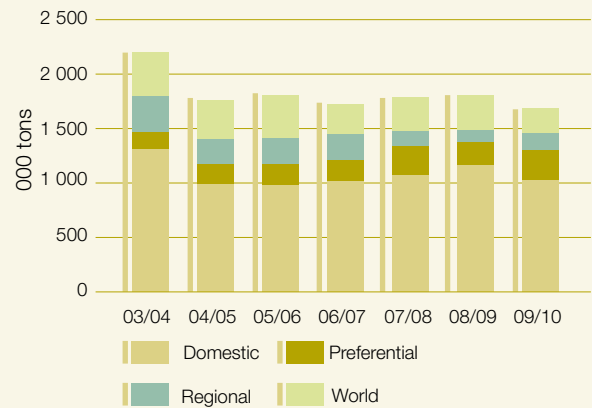
Around 57% of cane throughput supplied by the group's own agricultural operations and by private growers is cultivated under irrigation. Excluding South Africa, this percentage increases to 93%.

SUGAR PRODUCTION



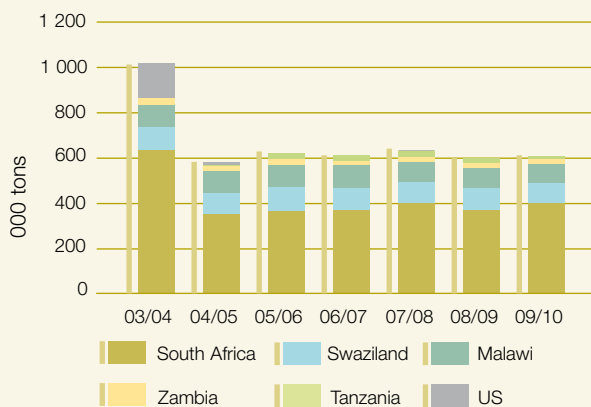
Excluding the Pongola and Umfolozi sugar mills which have been sold, group sugar production of 1.686 million tons exceeded last season's output by in excess of 100 000 tons.

GROUP MARKETS



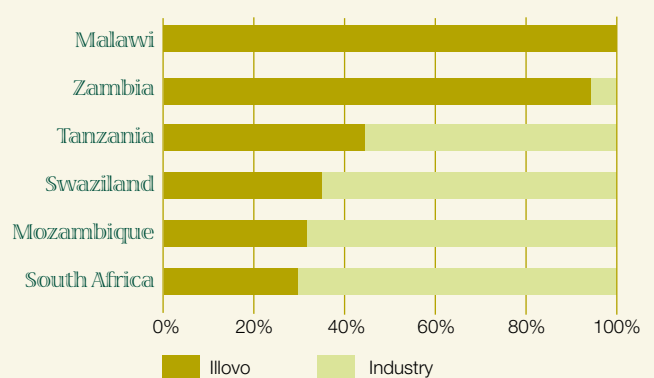
Maximum sales to higher-priced and stable domestic markets form the basis of Illovo's primary marketing strategy. Sugar sales to these markets in the countries in which the group operates accounted for 63% of total revenue in 2009/10.

REFINED SUGAR PRODUCTION



Overall, refined sugar production in 2009/10 increased marginally above that of the previous season. The refinery performance at Noodsberg in South Africa showed considerable improvement compared to last year.

ILLOVO SHARE OF INDUSTRY PRODUCTION



Consistent with its Strategic Intent, Illovo commands a significant share of production in each of the countries in which it operates.