



(Incorporated in the Republic of South Africa)
Company Registration number 1906/000622/06
Share code ILV : ISIN ZAE000003547
("Illovo Sugar")

Sale of Umfolozi sugar mill to a BEE company

1.0 Introduction

Further to the announcement of 23 September 2004, shareholders are advised that Illovo Sugar has entered into a sale agreement with Umvoti Transport (Proprietary) Limited, a broad-based Black economic empowerment ("BEE") company ("Umvoti"), in terms of which Illovo Sugar will, subject to the approval of the Competition Authority, sell its interests in the Umfolozi sugar mill ("Umfolozi"), ("the transaction") with effect from midnight on 31 March 2005.

The transaction will secure further BEE participation in the South African sugar milling industry.

2.0 Financial effects

The transaction will have a favourable effect on Illovo Sugar's headline earnings. The impact of the transaction on net assets and net tangible assets per share is not significant.

3.0 Information on Umfolozi

Umfolozi is located on the north coast of KwaZulu-Natal, adjacent to Mtubatuba.

Annually the mill crushes approximately 1.3 million tons of cane and produces around 150000 tons of sugar, constituting some 6% of South Africa's annual sugar production and 8% of the annual sugar output of the Illovo Sugar group.

Currently Umfolozi employs 244 people in its sugar milling operations.

Mount Edgecombe
11 February 2004