

ILLOVO SUGAR LIMITED
(Incorporated in the Republic of South Africa)
Company registration number 1906/000622/06
Share Code: ILV
ISIN: ZAE000003547
("Illovo" or "the company")

FURTHER CAUTIONARY ANNOUNCEMENT

Illovo shareholders are referred to the announcements published on 14 February 2006 and 10 March 2006, relating to two separate proposals to purchase a majority, but not all, of the shares of the company.

Illovo shareholders are advised that the first proposal has been received from Associated British Foods plc, a company which is listed on the London Stock Exchange and which owns 100% of British Sugar plc, and contemplates a cash offer for 51% of Illovo's shares.

The second proposal has been received from Tereos, Union de Cooperatives Agricoles ("Tereos"), a European agro-industrial cooperative group, and contemplates the transfer of Tereos' sugar assets in Brazil and Mozambique to Illovo, the consideration for which will be discharged by way of an issue of Illovo shares. The sale of the sugar assets will be made in conjunction with a partial offer to Illovo shareholders which, if implemented, would result in Tereos owning at least 51%, but not more than 75%, of Illovo's shares.

Both proposals envisage Illovo retaining its listing on the JSE Limited.

Illovo is considering both proposals and accordingly Illovo shareholders are advised to continue to exercise caution when dealing in the company's shares until a further announcement is made.

Mount Edgecombe
15 March 2006

Investment bank
Standard Bank

Sponsor
J.P. Morgan Equities Limited