

Illovo Sugar Limited / Trading Statement

ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1906/000622/06)

Share Code: ILV

ISIN: ZAE000083846

MAJOR EXPANSION IN ZAMBIA / TRADING STATEMENT

As advised in the Chairman's Statement included in the 2006 Annual Report, the group's existing factory and field operations have significant expansion potential. The company has approved a major expansion in Zambia which will commence in early April 2007, whereby an additional 10 500 hectares of irrigated cane will be developed by the company and its growers, representing a 50% increase in area, and the factory at Nakambala will be expanded to produce 440 000 tons of sugar per annum, an increase of around 200 000 tons compared to the current year. The project will be undertaken over two years and will cost R1,4 billion. The first phase of the expansion will be completed in time for the commencement of the 2008/09 sugar season. This project has the support of the Zambian Government which has granted a number of investment incentives in terms of prevailing legislation.

The following trading statement is issued in compliance with the Listings Requirements (Section 3.4(b)) of the JSE Limited.

Due to adverse weather conditions, sugar production in both South Africa and Tanzania was lower than previously forecast, resulting in aggregate group production in 2006/07 of 1,72 million tons. In addition, the world sugar price, which has trended lower over the past few months and is currently around US10,5 cents/lb, also impacted negatively on export realisations.

As an update to the prospects contained in the Interim Report issued on 16 November 2006, shareholders are advised that headline earnings per share and earnings per share for the year to 31 March 2007 will be around 40% higher than in the previous year.

The forecast financial information on which this trading forecast is based has not been reviewed or reported upon by the company's auditors.

Mount Edgecombe

2 April 2007