

ILLOVO SUGAR LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1906/000622/06)
Share Code: ILV
ISIN: ZAE000083846

ANNUAL GENERAL MEETING - 24 JULY 2007
CHAIRMAN'S ADDRESS - ROBBIE WILLIAMS

In respect of the year ended 31 March 2007, as already reported, the group achieved good results with headline earnings per share increasing by 43% to 149.1 cents. This was largely due to much improved world and regional sugar prices, strong domestic market sales, higher downstream product export prices, cost savings and the weaker rand, which more than offset the negative impact of lower sugar production, primarily in South Africa and Tanzania.

Cash generation was strong, with group borrowings of R271.7 million reflecting a decrease of R169.3 million, resulting in a gearing of 12.2%. The group is well positioned to pursue its growth strategy in respect of its existing operations and new investments in Africa. As part of this plan, a major expansion of the group's operations in Zambia, costing R1.4 billion commenced early in April 2007. The project will be undertaken over a two year period and is progressing according to plan. The long lead time items of plant have been ordered and a start has been made on the canal construction, bush clearing, field layouts and grower centre pivot installations.

The changes to the European Union (EU) sugar regime have only partially achieved their objective and the reform continues to be dynamic, with domestic focus being directed towards achieving a reduction in EU beet production. The changes are aimed at obtaining a sufficient reduction in output so as to maintain market equilibrium beyond 2009, when increased supplies from the Least Developed Countries (LDC's) and the African, Caribbean and Pacific (ACP) countries are expected. Increased market access for LDC and ACP producers is being progressed as part of the regional economic partnership negotiations with the EU which are expected to be concluded by the end of 2007. Export opportunities into the EU could improve significantly if these negotiations are concluded on schedule and the Illovo group is particularly well positioned to take up the benefits of improved EU market access.

This shareholders' meeting provides the opportunity to up-date you on the current state of the group's operations.

Generally climatic conditions have been good in the countries in which the group operates and favourable for crop growth. For the group as a whole, sugar production is forecast to be around 1.925 million tons which is over 200 000 tons above

that achieved last year, whilst cane production is expected to be similar to that of the previous season.

The sugar factories' performance in general has been satisfactory, whilst the downstream plants at Sezela and Merebank have continued to perform well and production is anticipated to be slightly above that of last year.

The world sugar price has declined from last year's levels, which will impact on revenues from both world and regional markets. The results for the current year will again be impacted by the level of the rand compared to other currencies, particularly the US dollar. Overall, however, it is still anticipated that growth in earnings in real terms will be achieved in the current financial year.

Mount Edgecombe
Tuesday 24 July 2007

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