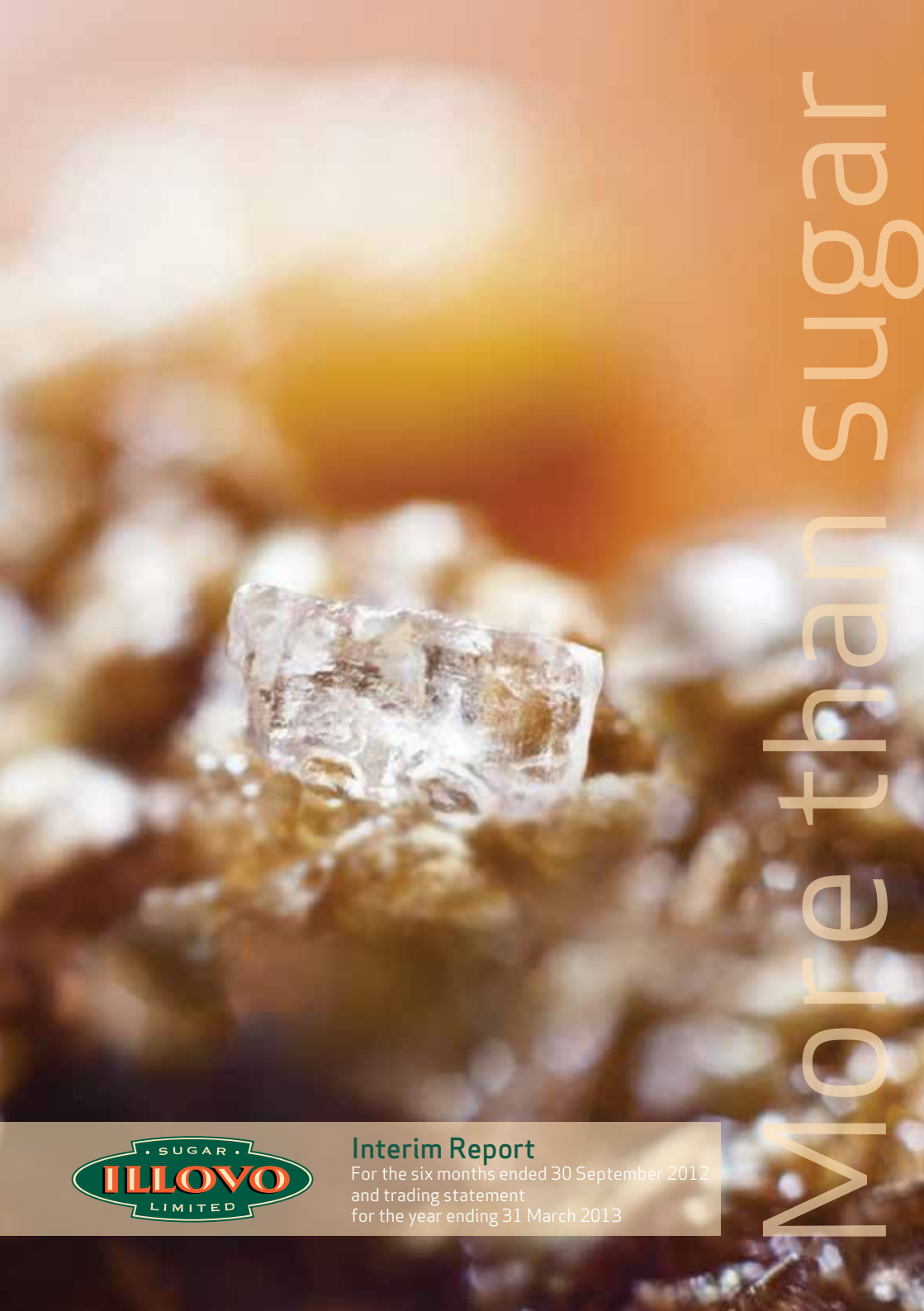

More than sugar

Interim Report

For the six months ended 30 September 2012
and trading statement
for the year ending 31 March 2013

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Basis of preparation

This report incorporates financial statements which reflect both actual results based on accounting policies and methods of computation which are based on International Financial Reporting Standards ("IFRS") and those determined on a sugar season basis which, in the directors' opinion, provide a better basis for evaluating the financial performance of the company.

The sugar industry is a seasonal agricultural-based business and the payment processes are such that cash flows throughout the sugar season, which runs from 1 April to 31 March, are derived from the expected tonnages and prices that will be achieved for the season as a whole. The effect of this is that product sales tonnages and prices received, and raw material prices paid, are provisional in nature until the conclusion of the season. For this reason the directors consider that profit figures based on actual cash flows may not represent the best basis for evaluating the performance and the results for the period. In respect of the sugar season basis results, operational profits for cane growing and sugar production comprise the company's view of the position at 30 September 2012 as it relates to the season as a whole. All other financial results are based on actual performance. In respect of the sugar season results, the amounts disclosed in respect of cane growing and sugar production operations for the half year are based on a profit forecast for the year ending 31 March 2013 which has been examined by our auditors, Deloitte & Touche. The applicable reporting accountants' report is available for inspection at the company's registered office.

The unaudited actual results for the six months ended 30 September 2012 have been prepared using accounting policies and methods of computation that comply with IFRS and are prepared in accordance with IAS 34 (Interim financial reporting). The accounting policies adopted are consistent with those of the previous financial period.

Review

Actual operating profit for the six months ended 30 September 2012 reflected an improvement of 39% compared to the corresponding period last year. This result was primarily driven by increased sugar production, which was 17% higher than in the half year period ended 30 September 2011, and sugar sales volumes that were nearly 10% higher. Average prices improved reflecting better market conditions. Cost control was also effective in the period and operating margins improved. Profit after tax rose from R747.2 million to R972.7 million, resulting in a 29% improvement in headline earnings.

On a seasonal basis, operating profit increased by 38% from R620.2 million to R853.6 million, reflecting the positive impact of increased sugar production, good cost control and better market conditions than in the previous year. Production has benefited from a recovery from the prior season drought conditions in South Africa, which depressed sugar production. Elsewhere, cane production is anticipated to be higher than in the previous year with sucrose levels across the group returning to more normal levels.

On a seasonal basis, headline earnings for the half year increased from R289.2 million to R377.0 million, with headline earnings per share increasing by 30% from 62.9 cents to 82.1 cents per share.

On a seasonal basis, the contributions to operating profit were sugar production 60%, cane growing 34%, downstream and co-generation 6%. By country, contributions were Malawi 43%, Zambia 23%, South Africa 12%, Tanzania 9%, Swaziland 9% and Mozambique 4%.

A total of 10.9 million tons of cane was crushed in the half year, 10% more than last year. Group cane production in the six months to 30 September 2012 was much improved relative to the comparative period, the highlights being a recovery in South Africa and better performance elsewhere driven by prior year improvement programmes now delivering desired results. Recovery in South Africa has been pronounced following excellent rainfall received in the early season growing period, followed by further rainfall at ideal intervals to sustain good growth in the recovering crop. Total cane harvested in this period from the group's own estates reached 4.9 million tons compared to 4.3 million tons produced last year and a new record volume of group cane production is anticipated for the full season. The performance of third party growers supplying the Illovo factories was also good.

Initiatives to replant existing areas and develop new areas to cane have produced encouraging results in KwaZulu-Natal and it is pleasing to see these programmes gaining momentum. The benefits of upgraded irrigation and drainage, plus the positive impact of new cane varieties, continue to underpin better cane yields outside of South Africa. Cane quality in the period improved compared to last year.

Factory performance for the current season to date has improved in South Africa, Swaziland, Malawi and Zambia whilst operations in Tanzania and Mozambique have had to contend with disappointing mechanical efficiency. In South Africa, it has been pleasing to see the Umzimkulu factory re-commence crushing this season after its prior season closure due to the drought affected cane supply and in total, the four South African factories have operated at high levels of efficiency this season. The two Malawi factories have run very well this season and the expanded facilities in Zambia and Swaziland have reached throughput levels close to design capacity during the season to date.

The production of downstream products in South Africa has progressed well and expectations are for furfural and alcohol volumes to be maximised in the full season. Construction of the new distillery in Tanzania is on schedule and expectations remain for the first commercial production from this plant to become available in mid 2013. The co-generation of electricity in Swaziland and the associated export of surplus power into the Swaziland national grid is progressing well with power exports for the season to date exceeding contractual commitments.

Increased sugar production has boosted the prospects for sugar sales this season, notably in Zambia and Malawi where consumer demand has been strong. Acceptable sales volumes have been maintained in Swaziland and Mozambique but market conditions have been difficult in South Africa and Tanzania where high levels of sugar imports have disrupted normal sales patterns to date. Exports to all traditional markets are on schedule and pricing has been slightly better than anticipated reflecting a continuation of generally positive market conditions. Alcohol pricing has been in line with expectations and an anticipated reduction in global furfural prices has occurred as economic conditions have slowed in Europe and China.

Progress on building the new sugar warehouse and distribution centre in South Africa is pleasing and the first sugar consignments are expected to be received in early 2013.

Net financing costs of R146.1 million were R57.1 million higher than in the previous half year, reflecting the cost of servicing the group's expansion related debt, non-recurring exchange gains which were brought to account in the previous half year, but not repeated this year, and the cost of increased working capital requirements in the current season. The group tax charge increased from R165.2 million to R215.1 million as profits improved.

Capital distribution out of share premium in lieu of dividend

Notice is hereby given that an interim capital distribution by way of a reduction of Contributed Tax Capital of 34.0 cents per share has been declared, in lieu of a dividend, on the ordinary shares of the company in respect of the six months ended 30 September 2012, to Illovo shareholders recorded in the register on Friday, 4 January 2013 ("the Distribution"). The directors have determined that the capital distribution shall be paid out of qualifying contributed tax capital as contemplated in the definition of "contributed tax capital" in section 1 of the Income Tax Act, 1962.

In accordance with the settlement procedures of Strate, the company has determined the following salient dates for the payment of the Distribution:

Last day to trade *cum* the capital distribution	Thursday, 27 December 2012
Shares commence trading *ex* the capital distribution	Friday, 28 December 2012
Record date	Friday, 4 January 2013
Payment of final capital distribution	Monday, 7 January 2013

Share certificates may not be dematerialised/rematerialised between Friday, 28 December 2012 and Friday, 4 January 2013, both days inclusive.

Relative to this Distribution, the directors have confirmed that the company will satisfy the solvency and liquidity test immediately after effecting the Distribution.

For income tax purposes, shareholders are advised that the Distribution will be paid out of qualifying contributed tax capital as contemplated in the definition of "contributed tax capital" in section 1 of the Income Tax Act, 1962, and as it will be regarded as a return of capital, consideration should be given to the potential capital gains tax consequences. Illovo shareholders are, therefore, advised to consult their tax advisors with regard to how they may be impacted by the Distribution.

Prospects

Group sugar production for the full year is likely to be between 10% and 15% higher than the tonnage produced in the previous season. This increase will be driven by an increase in South Africa, where a return to more normal growing conditions will likely produce an increase in cane crushed, resulting in South African seasonal sugar output improving by between 30% and 35% above last year. Elsewhere increases are likely to be more moderate. Unseasonal wet weather between August and November 2012 has been experienced in South Africa, Swaziland and Mozambique with the result that extended crushing seasons are likely. This could depress sucrose yields and factory performance in the latter part of the season in each of these countries. In Mozambique, sugar production is likely be lower than last year due to the impact of early season flooding and extremely dry conditions thereafter, which reduced outgrower cane yields in that country.

Market conditions across the group are expected to remain positive and a recovery in sales volumes in the second half of the year is expected in South Africa and Tanzania as the impact of prior imports into those markets diminishes. Pricing should meet expectations and currency weaknesses will boost the conversion of export earnings generally.

Cost control will remain a priority and operating margins are expected to be maintained. Net financing costs will begin to reduce as the group's expansion related net debt starts to decline. The effective tax rate should remain unchanged.

Trading statement for the year ending 31 March 2013

Increased sugar production, firm market pricing and effective cost control are likely to drive profit growth for the full year. The once-off impairment of the group's aborted investment in Mali in the prior year will not recur and consequently earnings and earnings per share for the full year are likely to increase by between 75% and 80%. Headline earnings and headline earnings per share are expected to be between 25% and 30% higher than for the previous year ended 31 March 2012.

This trading statement is issued in compliance with the JSE Listings Requirements. It has been based on a profit forecast for the year ending 31 March 2013 which has been examined by Illovo's auditors, Deloitte & Touche, in accordance with International Standards on Assurance Engagements (ISAE) 3400. Their report is available for inspection at the company's registered office.

On behalf of the Board

D G MacLeod	**G J Clark**	Mount Edgecombe
Chairman	*Managing Director*	14 November 2012

Corporate information

DIRECTORS
D G MacLeod *(Chairman)**
G J Clark *(Managing Director)* (Australian)
M H Abdool-Samad
M I Carr#*
G B Dalgleish
M J Hankinson*
D Konar*
P A Lister#*
P M Madi*
C W N Molope*
A R Mpungwe (Tanzanian)*
T S Munday*
R N Pike #*
L W Riddle
#British
**Non-executive*

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Telefax: +27 31 508 4535
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Deloitte & Touche

TRANSFER SECRETARIES:
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Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001
PO Box 4844, Johannesburg, 2000

SPONSOR:
JP Morgan Equities Limited

CORPORATE INFORMATION:
Company registration number: 1906/000622/06
Share code: ILV
ISIN: ZAE000083846

Abridged group income statement

	Notes	Actual Unaudited Six months ended 30 September 2012 Rm	2011 Rm	Sugar season results Six months ended 30 September 2012 Rm	2011 Rm	Change %	Actual Audited Year ended 31 March 2012 Rm
Revenue		5 136.7	4 094.4	5 701.4	4 556.7	25	9 173.2
Operating profit		1 498.9	1 080.4	853.6	620.2	38	1 348.8
Dividend income		–	–	–	–		3.5
Net financing costs	1	146.1	89.0	146.1	89.0		244.6
Profit before non-trading items		1 352.8	991.4	707.5	531.2		1 107.7
Share of (loss)/profit from associates		(0.1)	1.0	(0.1)	1.0		7.2
Material items	2	1.0	4.3	1.0	4.3		(163.7)
Profit before taxation		1 353.7	996.7	708.4	536.5		951.2
Taxation		381.0	249.5	215.1	165.2		344.8
Profit for the period		972.7	747.2	493.3	371.3		606.4
Attributable to:							
Shareholders of Illovo Sugar Limited		777.7	604.1	377.0	289.2	30	443.1
Non-controlling interest		195.0	143.1	116.3	82.1		163.3
		972.7	747.2	493.3	371.3		606.4
Other comprehensive income							
Foreign currency translation differences		(215.0)	310.9	(215.0)	310.9		307.8
Adjustments in respect of cash flow hedges, net of tax		5.5	15.6	5.5	15.6		(2.7)
Actuarial gains on post-retirement obligations, net of tax		2.8	–	2.8	–		0.6
Hedge of net investment in foreign subsidiaries		6.2	(9.8)	6.2	(9.8)		(87.3)
Total comprehensive income for the period		772.2	1 063.9	292.8	688.0		824.8
Attributable to:							
Shareholders of Illovo Sugar Limited		633.8	886.3	233.1	571.4		631.6
Non-controlling interest		138.4	177.6	59.7	116.6		193.2
		772.2	1 063.9	292.8	688.0		824.8
Headline earnings per share (cents)	3	169.2	131.4	82.1	62.9	30	132.6
Diluted headline earnings per share (cents)		169.0	131.2	82.0	62.9		132.5
Basic earnings per share (cents)		169.0	131.4	81.9	62.9		96.4
Diluted basic earnings per share (cents)		168.9	131.2	81.9	62.8		96.3
Distribution per share (cents)	4	34.0	23.0	34.0	23.0	48	66.0

Abridged group statement of financial position

	Actual Unaudited 30 September 2012 Rm	2011 Rm	Sugar season results 30 September 2012 Rm	2011 Rm	Actual Audited 31 March 2012 Rm
ASSETS					
Non-current assets	**6 993.2**	6 795.2	**6 993.2**	6 795.2	6 868.7
Property, plant and equipment	**5 487.8**	5 199.5	**5 487.8**	5 199.5	5 328.0
Cane roots	**1 164.9**	1 164.7	**1 164.9**	1 164.7	1 216.3
Intangible assets	**244.2**	181.4	**244.2**	181.4	218.1
Investments	**96.3**	249.6	**96.3**	249.6	106.3
Current assets	**6 354.0**	5 629.2	**6 354.0**	5 629.2	4 510.5
Inventories	**2 899.7**	2 196.2	**2 899.7**	2 196.2	881.9
Growing cane	**1 314.3**	1 216.7	**1 314.3**	1 216.7	1 346.7
Trade and other receivables	**1 461.1**	1 245.5	**1 461.1**	1 245.5	877.8
Financial instruments	**23.1**	33.9	**23.1**	33.9	14.0
Cash and cash equivalents	**655.8**	936.9	**655.8**	936.9	1 390.1
Total assets	**13 347.2**	12 424.4	**13 347.2**	12 424.4	11 379.2
EQUITY AND LIABILITIES					
Total equity	**7 112.8**	6 818.0	**6 633.4**	6 442.1	6 465.3
Equity holders' interest	**6 074.2**	5 921.5	**5 673.5**	5 606.6	5 562.6
Non-controlling interest	**1 038.6**	896.5	**959.9**	835.5	902.7
Non-current liabilities	**2 102.2**	2 724.7	**2 102.2**	2 724.7	2 498.4
Long-term borrowings	**1 209.1**	1 865.5	**1 209.1**	1 865.5	1 545.4
Deferred taxation	**767.4**	723.6	**767.4**	723.6	822.3
Other liabilities	**125.7**	135.6	**125.7**	135.6	130.7
Current liabilities	**4 132.2**	2 881.7	**4 611.6**	3 257.6	2 415.5
Short-term borrowings	**1 697.2**	698.5	**1 697.2**	698.5	568.4
Trade and other payables	**2 423.0**	2 170.6	**2 902.4**	2 546.5	1 840.7
Financial instruments	**12.0**	12.6	**12.0**	12.6	6.4
Total equity and liabilities	**13 347.2**	12 424.4	**13 347.2**	12 424.4	11 379.2
OTHER SALIENT FEATURES					
Operating margin (%)	**29.2**	26.4	**15.0**	13.6	14.7
Interest cover (times)	**10.3**	12.1	**5.8**	7.0	5.5
Effective tax rate (%)	**28.2**	25.2	**30.4**	31.1	30.3
Net debt:equity ratio (refer note 5)	**31.6**	23.9	**33.9**	25.3	11.2
Net asset value per share (cents)	**1 545.9**	1 482.8	**1 441.7**	1 401.1	1 405.5
Depreciation	**161.9**	141.6	**161.9**	141.6	239.5
Capital expenditure	**230.4**	137.4	**230.4**	137.4	449.8
– Expansion capital	**68.6**	48.3	**68.6**	48.3	198.0
– Replacement capital	**140.4**	87.0	**140.4**	87.0	239.2
	209.0	135.3	**209.0**	135.3	437.2
– Expansion of area under cane	**14.7**	–	**14.7**	–	0.2
– Product registration costs	**6.7**	2.1	**6.7**	2.1	12.4
Capital commitments	**906.3**	2 692.3	**906.3**	2 692.3	1 125.9
– Contracted	**177.6**	121.3	**177.6**	121.3	168.1
– Approved but not contracted	**728.7**	2 571.0	**728.7**	2 571.0	957.8
Lease commitments	**225.9**	371.4	**225.9**	371.4	284.7
Contingent liabilities	**78.6**	155.9	**78.6**	155.9	175.0

Abridged group statement of cash flows

	Actual Unaudited Six months ended 30 September		Sugar season results Six months ended 30 September		Actual Audited Year ended 31 March
	2012 Rm	2011 Rm	**2012 Rm**	2011 Rm	2012 Rm
Cash flows from operating and investing activities					
Cash operating profit	**1 453.8**	1 168.2	**808.0**	708.0	1 348.4
Working capital requirements	**(2 136.2)**	(1 620.9)	**(1 490.4)**	(1 160.7)	(291.6)
Cash (utilised by)/generated from operations	**(682.4)**	(452.7)	**(682.4)**	(452.7)	1 056.8
Replacement capital expenditure	**(140.4)**	(87.0)	**(140.4)**	(87.0)	(239.2)
Financing costs, taxation and distributions	**(485.8)**	(433.8)	**(485.8)**	(433.8)	(820.4)
Net investment in future operations	**(90.0)**	(50.4)	**(90.0)**	(50.4)	(210.6)
Other movements	**20.7**	49.9	**20.7**	49.9	51.1
Net cash outflows before financing activities	**(1 377.9)**	(974.0)	**(1 377.9)**	(974.0)	(162.3)
Borrowings raised	**641.0**	1 146.8	**641.0**	1 146.8	815.2
Other financing activities	**38.3**	0.3	**38.3**	0.3	1.9
Net (decrease)/increase in cash and cash equivalents	**(698.6)**	173.1	**(698.6)**	173.1	654.8

Abridged statement of changes in equity

	Actual Unaudited Six months ended 30 September 2012 Rm	2011 Rm	Sugar season results Six months ended 30 September 2012 Rm	2011 Rm	Actual Audited Year ended 31 March 2012 Rm
Share capital and share premium					
Balance at beginning of the period	2 489.8	2 791.5	2 489.8	2 791.5	2 791.5
Issue of share capital	1.0	0.3	1.0	0.3	1.9
Transfer to distribution reserve	(156.5)	(106.9)	(156.5)	(106.9)	(303.6)
Balance at end of the period	2 334.3	2 684.9	2 334.3	2 684.9	2 489.8
Share-based payments reserve					
Balance at beginning and end of the period	13.1	13.1	13.1	13.1	13.1
Non-distributable reserves					
Balance at beginning of the period	155.8	154.0	155.8	154.0	154.0
Realised profit on disposal of property	–	–	–	–	4.2
Transfer of foreign currency translation reserve	151.1	(271.9)	151.1	(271.9)	(190.3)
Redemption of preference shares in subsidiary	74.7	–	74.7	–	–
Total comprehensive income:					
– Foreign currency translation	(163.1)	281.7	(163.1)	281.7	278.2
– Cash flow hedges	4.4	10.3	4.4	10.3	(2.4)
– Hedge of net investment in foreign subsidiaries	12.0	(9.8)	12.0	(9.8)	(87.9)
Balance at end of the period	234.9	164.3	234.9	164.3	155.8
Retained earnings					
Balance at beginning of the period	2 706.1	2 076.3	2 706.1	2 076.3	2 076.3
Realised profit on disposal of property	–	–	–	–	(4.2)
Transfer of foreign currency translation reserve	(151.1)	271.9	(151.1)	271.9	190.3
Total comprehensive income:					
– Profit for the period	777.7	604.1	377.0	289.2	443.1
– Actuarial gains on post-retirement obligations	2.8	–	2.8	–	0.6
Balance at end of the period	3 335.5	2 952.3	2 934.8	2 637.4	2 706.1
Distribution reserve					
Balance at beginning of the period	197.8	156.3	197.8	156.3	156.3
Transfer from share premium	156.5	106.9	156.5	106.9	303.6
Distributions paid	(197.9)	(156.3)	(197.9)	(156.3)	(262.1)
Balance at end of the period	156.4	106.9	156.4	106.9	197.8
Equity holders' interest	6 074.2	5 921.5	5 673.5	5 606.6	5 562.6
Non-controlling interest					
Balance at beginning of the period	902.7	784.1	902.7	784.1	784.1
Distributions paid	(39.8)	(65.2)	(39.8)	(65.2)	(108.2)
Change in shareholding	37.3	–	37.3	–	33.6
Total comprehensive income:					
– Foreign currency translation	(51.9)	29.2	(51.9)	29.2	29.6
– Hedge of net investment in foreign subsidiary	(5.8)	–	(5.8)	–	0.6
– Cash flow hedges	1.1	5.3	1.1	5.3	(0.3)
– Profit for the period	195.0	143.1	116.3	82.1	163.3
Balance at end of the period	1 038.6	896.5	959.9	835.5	902.7
Total equity	7 112.8	6 818.0	6 633.4	6 442.1	6 465.3

Segmental analysis

	Actual Unaudited Six months ended 30 September		Sugar season results Six months ended 30 September				Actual Audited Year ended 31 March
	2012	2011	**2012**		2011		2012
	Rm	Rm	**Rm**	**%**	Rm	%	Rm
BUSINESS SEGMENTS							
Revenue							
Sugar production	**2 624.6**	2 162.1	**3 717.6**	**65**	2 949.8	65	6 310.1
Cane growing	**2 065.2**	1 510.6	**1 494.6**	**26**	1 159.4	25	1 995.9
Downstream and co-generation	**446.9**	421.7	**489.2**	**9**	447.5	10	867.2
	5 136.7	4 094.4	**5 701.4**		4 556.7		9 173.2
Operating profit							
Sugar production	**665.1**	490.1	**507.8**	**60**	347.3	56	803.4
Cane growing	**780.3**	513.5	**291.4**	**34**	191.4	31	398.7
Downstream and co-generation	**53.5**	76.8	**54.4**	**6**	81.5	13	146.7
	1 498.9	1 080.4	**853.6**		620.2		1 348.8
Total assets							
Sugar production	**7 552.4**	6 852.3	**7 552.4**	**60**	6 852.3	60	5 237.3
Cane growing	**3 966.8**	3 697.4	**3 966.8**	**31**	3 697.4	32	3 984.0
Downstream and co-generation	**1 149.1**	903.9	**1 149.1**	**9**	903.9	8	753.8
	12 668.3	11 453.6	**12 668.3**		11 453.6		9 975.1

Note: *Total assets excludes cash and cash equivalents and financial instruments.*

GEOGRAPHICAL SEGMENTS							
Revenue							
Malawi	**916.4**	719.8	**873.3**	**14**	815.8	18	1 686.8
Zambia	**1 231.8**	1 036.2	**1 303.9**	**23**	1 135.7	25	2 208.3
Tanzania	**209.8**	303.8	**431.3**	**8**	338.0	7	702.1
South Africa	**1 592.7**	1 158.3	**2 203.5**	**39**	1 575.4	35	3 129.2
Swaziland	**788.6**	573.4	**630.1**	**11**	469.2	10	989.1
Mozambique	**397.4**	302.9	**259.3**	**5**	222.6	5	457.7
	5 136.7	4 094.4	**5 701.4**		4 556.7		9 173.2
Operating profit							
Malawi	**698.1**	469.2	**368.6**	**43**	282.4	45	530.9
Zambia	**334.7**	306.1	**198.5**	**23**	201.7	33	445.8
Tanzania	**22.4**	66.4	**79.5**	**9**	83.6	13	144.6
South Africa	**177.4**	97.6	**102.5**	**12**	10.4	2	89.2
Swaziland	**143.2**	56.3	**72.9**	**9**	18.8	3	78.4
Mozambique	**123.1**	84.8	**31.6**	**4**	23.3	4	59.9
	1 498.9	1 080.4	**853.6**		620.2		1 348.8

Notes to the financial statements

	Actual Unaudited Six months ended 30 September		Sugar season results Six months ended 30 September		Actual Audited Year ended 31 March
	2012	2011	**2012**	2011	2012
	Rm	Rm	**Rm**	Rm	Rm
1. Net financing costs					
Interest paid	**169.1**	124.4	**169.1**	124.4	274.4
Less: capitalised	**(7.4)**	–	**(7.4)**	–	–
	161.7	124.4	**161.7**	124.4	274.4
Interest received	**(13.2)**	(8.8)	**(13.2)**	(8.8)	(20.7)
Foreign exchange gains	**(2.4)**	(26.6)	**(2.4)**	(26.6)	(9.1)
	146.1	89.0	**146.1**	89.0	244.6
2. Material items					
Profit on disposal of property	**1.0**	4.3	**1.0**	4.3	9.8
Impairment of investment in Mali project	**–**	–	**–**	–	(173.5)
Material profit before taxation	**1.0**	4.3	**1.0**	4.3	(163.7)
Taxation	**–**	–	**–**	–	(0.3)
Non-controlling interest	**(0.4)**	–	**(0.4)**	–	(2.1)
Material profit attributable to shareholders of Illovo Sugar Limited	**0.6**	4.3	**0.6**	4.3	(166.1)
3. Determination of headline earnings					
Profit attributable to shareholders	**777.7**	604.1	**377.0**	289.2	443.1
Adjusted for:					
– Profit on disposal of property (refer note 2)	**1.0**	(4.3)	**1.0**	(4.3)	(9.8)
– Loss on disposal of plant and equipment	**–**	4.4	**–**	4.4	1.7
– Impairment of investment in Mali project	**–**	–	**–**	–	173.5
Total tax effect of adjustments	**–**	–	**–**	–	(0.2)
Total non-controlling interest effect of adjustments	**(0.4)**	–	**(0.4)**	–	1.5
Headline earnings	**778.3**	604.2	**377.6**	289.3	609.8
Number of shares in issue (millions)	**460.1**	459.8	**460.1**	459.8	460.0
Weighted average number of shares on which headline earnings per share are based (millions)	**460.1**	459.8	**460.1**	459.8	459.9
Headline earnings per share (cents)	**169.2**	131.4	**82.1**	62.9	132.6

4. Distribution per share

The distribution per share of 34.0 cents represents an interim capital distribution declared out of share premium (2011: interim distribution of 23.0 cents).

5. Net debt:equity ratio

The net debt:equity ratio is calculated as interest-bearing liabilities, net of cash and cash equivalents, divided by total equity.

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