

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

(“Illovo” or “the company”)

TRADING STATEMENT

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

In terms of established practice, Illovo issues financial statements for the first six months of its financial year which reflect both actual results based on International Financial Reporting Standards and, because the sugar industry is a seasonal agriculturally-based business, results which are determined on a sugar season basis. It is the directors’ opinion that the results for the first half of the financial year, determined on a sugar season basis, provide a better basis for evaluating the financial performance of the company, noting that for the full year there is no difference between actual results and those determined on a sugar season basis.

Illovo’s results are generally impacted by production volumes, domestic market sales, the level of the rand compared to other currencies, and by the world price of sugar.

Actual results for the six months ended 30 September 2009, compared to the corresponding period last year, will particularly reflect the positive impact of improved world market sugar prices in South Africa, increased sugar production in Zambia following the commissioning of the major expansion at Nakambala, and increased sugar production and favourable sugar sales pricing in Tanzania. Accordingly, operating profits for the period are anticipated to increase by around 35%, whilst actual headline earnings per share (“heps”) and earnings per share (“eps”) for the first six months of the current financial year are expected to be between 25% and 30% higher than those of the corresponding period last year.

However, for the first six months of the financial year, determined on a sugar season basis, heps and eps are expected to be similar to those of the comparative period of the previous year. This is due to the value of the rand, which is currently projected to remain significantly stronger for the remainder of the current year compared to the second half of the previous financial year. This will impact negatively on foreign currency denominated export revenue in respect of both sugar and downstream products, as well as the conversion of foreign subsidiary company profits into rands, for the season as a whole.

Operating profits for the full year ending 31 March 2010 are expected to be between 10% and 20 % higher than those of the previous year. Group financing costs for the year will reduce following the receipt of rights issue proceeds in September 2009, but as a result of taxation normalising at around 30%, headline earnings are anticipated to be similar to those of the previous year. The higher weighted average number of shares in issue after the rights issue, which provided for the issue of 30.83 new shares for every 100 existing Illovo shares, is expected to dilute heps and eps for the full year by between 10% and 20% compared to the previous financial year.

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

The company's Interim Report for the six months ended 30 September 2009 is due to be released on 19 November 2009.

Mount Edgecombe

3 November 2009

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