

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretation provisions commencing on page 15 of this Circular apply, *mutatis mutandis*, to this cover page (unless the context requires a contrary intention).

Action required:

1. If you have disposed of all your Shares, then this Circular, together with the attached Form of Proxy, Form of Surrender and Transfer and General Offer Form, should be handed to the purchaser of such Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected. Persons who hold Dematerialised Shares through a CSDP or broker who wish to attend the General Meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the General Meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with such CSDP or broker.
2. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders in relation to the Scheme", which commences on page 7, and the section "Action required by Shareholders in relation to the General Offer", which commences on page 11.
3. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.
4. Illovo, ABF, ABS Africa and any subsidiary or associate company of the foregoing companies do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or broker, including, without limitation, any failure on the part of the CSDP or broker or any registered holder of Shares to notify the holder of any beneficial interest in those Shares of the Proposed Offer or any other matter set out in this Circular.



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1906/000622/06)
JSE share code: ILV ISIN: ZAE000083846
("Illovo" or "the Company")

**Associated
British Foods
plc**

AB SUGAR AFRICA LIMITED

(Incorporated in England and Wales)
(Registration number 04317607)
("ABS Africa")
an indirect wholly-owned subsidiary of ABF

ASSOCIATED BRITISH FOODS PLC

(Incorporated in England and Wales)
(Registration number 00293262)
LSE share code: ABF ISIN: GB0006731235
("ABF")

COMBINED CIRCULAR TO SHAREHOLDERS

relating, among other things, to:

- a scheme of arrangement in terms of section 114 of the Companies Act proposed by the Board between Illovo and the Offer Shareholders in terms of which, if implemented, ABS Africa will acquire all of the Scheme Shares from the Scheme Participants for a cash consideration of R25 per Scheme Share;
- if the Scheme referred to above fails (as contemplated in this Circular) and ABS Africa so elects, a general offer by ABS Africa to the Offer Shareholders in terms of section 117(1)(c)(v) of the Companies Act to acquire all of the Offer Shares for a cash consideration of R25 per Offer Share;
- the termination of the listing of all the Shares from the Main Board of the JSE pursuant to the implementation of the Scheme or, if the Scheme fails (as contemplated in this Circular), the General Offer (if made) and the approval of the Delisting Resolution;

and including, among other things:

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act;
- historical financial information in respect of Illovo;
- a copy of section 115 of the Companies Act;

and enclosing, among other things:

- a notice convening the General Meeting (*yellow*);
- a Form of Proxy in respect of the General Meeting for use by Certificated Shareholders and Dematerialised Shareholders with “own-name” registration only (*green*);
- a Form of Surrender and Transfer for use by Certificated Shareholders only (*pink*); and
- a General Offer Form for use by Certificated Shareholders only, in connection with the General Offer (*blue*).

**Financial Adviser and
Transaction Sponsor to Illovo**



Standard Bank

**Financial Adviser to ABF
and ABS Africa**



ROTHSCHILD

Legal Adviser to Illovo



**Legal Adviser to ABF
and ABS Africa**

BG Bowman Gilfillan

**Independent Expert
to Illovo**



Date of issue: **26 April 2016**

This Circular is available in English only. Copies of this Circular may be inspected at the registered offices of Illovo and ABF, the financial adviser and transaction sponsor to Illovo and the financial adviser to ABF at the respective addresses set out in the “Corporate Information and Advisers” section of this Circular, from the date of issue of this Circular until the date of the General Meeting in the event of the Scheme being approved by the Voting Shareholders, or in the event that the General Offer is implemented, the General Offer Closing Date. This Circular will also be available in electronic form from the date of issue of this Circular on Illovo’s website at www.illovosugar.co.za.

IMPORTANT LEGAL NOTES

The definitions and interpretation provisions commencing on page 15 of this Circular shall apply, *mutatis mutandis*, to this section on Important Legal Notes (unless the context requires a contrary intention).

FORWARD-LOOKING STATEMENTS

This Circular may contain statements about ABF, ABS Africa and Illovo that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Illovo, ABF and ABS Africa caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which Illovo, ABF and ABS Africa operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Illovo, made by Illovo or, as regards ABF and ABS Africa, made by ABF and ABS Africa, as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although Illovo, ABF and ABS Africa believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Illovo, ABF or ABS Africa or not currently considered material by Illovo, ABF or ABS Africa.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of either Illovo, ABF or ABS Africa not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Illovo, ABF and ABS Africa have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act, the Takeover Regulations and the JSE Listings Requirements, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa, or the requirements of any exchange other than the JSE.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme and the General Offer, with care. Any decision to approve the Scheme or to accept the General Offer or any other response to the proposals should be made only on the basis of the information in this Circular.

This Circular and any accompanying documentation are not intended to, and do not constitute, or form part of, an offer to sell or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer or solicitation, or such offer or solicitation would require Illovo or ABS Africa to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances or otherwise if the distribution of this Circular and any accompanying documentation in

jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this Circular and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied or redistributed.

Shareholders who are not resident in South Africa must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning their right to receive the Scheme Consideration or the General Offer Consideration, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise Illovo and ABF of all such filing or regulatory obligations as Illovo, ABF or ABS Africa may be required to comply with in such jurisdictions in relation to the Transaction. Illovo, ABF and ABS Africa and their respective boards of directors accept no responsibility for the failure by a Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by Illovo, ABF or ABS Africa to observe the requirements of any jurisdiction.

Any Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

ILLOVO CORPORATE INFORMATION AND ADVISERS

Company Secretary

JA Kunst

Business and Registered Address

1 Nokwe Avenue
Ridgeside
Umhlanga Ridge
4320
(PO Box 194, Durban, 4000)

Place and date of incorporation

Incorporated in South Africa on 11 July 1906

Directors

TS Munday ^{##}^Ω (Chairman)
GB Dalglish (Managing Director)
MH Abdool-Samad (Financial Director)
MI Carr ^{##}
J Cowper ^{##}
G Gomwe ^{^##}^Ω
MJ Hankinson ^{##}^Ω
JP Hulley (Operations Director)
S Kana ^{##}^Ω
D Konar ^{##}^Ω
PA Lister ^{##}
CWN Molope ^{##}^Ω
AR Mpungwe ^{>##}^Ω
LW Riddle (Commercial Director)

** Independent*

Non-executive

Ω Member of the Independent Board

>Tanzanian

**British*

^ Zimbabwean

Financial Adviser and Transaction Sponsor to Illovo

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank
2196
(PO Box 7725, Johannesburg, 2000)

Auditors

Deloitte & Touche
(Registration number 1956/001883/07)
Building 3 Woodland Office Park
20 Woodlands Drive
Woodmead
2196
(PO Box X6, Gallo Manor, 2052)

Transfer Secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
Rennie House, 13th Floor
19 Ameshoff Street
Braamfontein
2001
(PO Box 4844, Johannesburg, 2000)

Legal Adviser to Illovo

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
1 Richefond Circle
Ridgeside Office Park
Durban
4320
(PO Box 3052, Durban, 4000)

Independent Expert

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
4 Merchant Place
Cnr Fredman Drive and Rivonia Road
2196
(PO Box 786273, Sandton, 2146)

Sponsor

JP Morgan Equities South Africa Proprietary
Limited
(Registration number 1995/011815/07)
1 Fricker Road
Illovo
Sandton
2196
(PO Box X9936, Sandton, 2146)

ABS AFRICA CORPORATE INFORMATION AND ADVISERS

Company Secretary

RS Schofield

Directors

PA Russell
RS Schofield

Business and Registered Address

Weston Centre
10 Grosvenor Street
London W1K 4QY
United Kingdom

Place and date of incorporation

Incorporated in England and Wales on
6 November 2001

Financial Adviser to ABS Africa

Rothschild (South Africa) Proprietary Limited
(Registration number 1999/021764/07)
3rd Floor Oxford Corner
32a Jellicoe Avenue
Rosebank, Johannesburg, 2196
South Africa
(PO Box 411332, Craighall, 2024, South Africa)

Legal Adviser to ABS Africa

Bowman Gilfillan Incorporated
(Registration number 1998/021409/21)
165 West Street
Sandton, 2196
South Africa
(PO Box 785812, Sandton, 2146, South Africa)

and

New Court
St Swithin's Lane
London EC4N 8AL
United Kingdom

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ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE SCHEME

The definitions and interpretation provisions commencing on page 15 of this Circular shall apply, *mutatis mutandis*, to this statement regarding action required (unless the context requires a contrary intention).

Please take careful note of the following provisions regarding the actions required. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.

The General Meeting will be held at 10:00 on 25 May 2016 to consider and, if deemed fit, pass, among other things, the resolutions required to enable ABS Africa to acquire the Scheme Shares in terms of the Scheme.

In order for the Scheme to become operative, among other things, the Voting Shareholders present in person or by proxy at the General Meeting exercising in aggregate at least 75% of the voting rights exercised at the General Meeting are required to vote in favour of the Scheme. Should the Scheme become operative, the Scheme Participants, irrespective of their election, will be deemed to have disposed of all their Scheme Shares to ABS Africa for the Scheme Consideration.

Shareholders should take note that the Independent Board and the Board recommend that Shareholders vote in favour of the Scheme Resolution and the other Transaction Resolutions.

A. ACTION REQUIRED IN RELATION TO THE SCHEME

1. IF YOU HAVE DEMATERIALIZED YOUR SHARES AND DO NOT HAVE "OWN-NAME" REGISTRATION

1.1 Voting at the General Meeting

You may be contacted by your duly appointed CSDP or broker in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker in order to obtain your instructions as regards voting your Shares at the General Meeting.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

You must **not** complete the attached Form of Proxy (*green*).

1.2 Attendance and representation at the General Meeting

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:

- attend, speak or vote at the General Meeting; or
- send a proxy (including the chairman of the General Meeting) to represent you at the General Meeting.

Your CSDP or broker will then issue the necessary letter of representation to you to attend, speak and vote at the General Meeting or send a proxy to represent you at the General Meeting. You will not be permitted to attend, speak or vote at the General Meeting, or send a proxy to represent you at the General Meeting without the necessary letter of representation being issued to you, and your CSDP or broker may then vote on your behalf or abstain from voting at the General Meeting in accordance with the mandate between you and your CSDP or broker.

1.3 Settlement of the Scheme Consideration

If the Scheme becomes operative, you will have your account held at your CSDP or broker debited with the Shares you are transferring in terms of the Scheme and credited with the Scheme Consideration in accordance with the settlement terms of the Scheme.

2. IF YOU ARE A CERTIFICATED SHAREHOLDER

2.1 Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person, subject to sections 57 and 58 of the Companies Act. Alternatively, if you are unable or do not wish to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the relevant attached Form of Proxy (*green*) in accordance with the instructions therein and return it to the Transfer Secretaries: Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 48 hours before the General Meeting that is to be held at 10:00 on 25 May 2016 (i.e., by no later than 10:00 on 23 May 2016).

2.2 Surrender of Documents of Title

You are required to surrender your Documents of Title in respect of all your Shares in order to claim the Scheme Consideration should the Scheme become operative. If you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*pink*) in accordance with its instructions, and return it, together with your Documents of Title, to the Transfer Secretaries: Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 12:00 on the Scheme Record Date. Documents of Title surrendered in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at your risk, pending the Scheme becoming operative. Your attention is drawn to the fact that if you surrender your Documents of Title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender. However, your right to attend and vote at the General Meeting will remain unaffected.

Should the Scheme not become unconditional and:

- you have not accepted the General Offer in respect of all your Offer Shares, the Transfer Secretaries shall, within five Business Days of either the General Offer Closing Date or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk; or
- you have accepted the General Offer in respect of all your Offer Shares but the General Offer does not become unconditional in all respects, or ABS Africa does not elect to make the General Offer, the Transfer Secretaries shall, within five Business Days of either the date upon which it becomes known that the General Offer will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk.

2.3 Settlement of the Scheme Consideration

If the Scheme becomes operative and if the attached Form of Surrender and Transfer (*pink*) together with your Documents of Title have been properly surrendered to the Transfer Secretaries:

- on or before 12:00 on the Scheme Record Date, you will have cheque(s) posted to you at your own risk, within five Business Days of the Operative Date, unless you have elected to receive the Scheme Consideration by way of EFT by completing the relevant section of the Form of Surrender and Transfer (*pink*), in which case the Scheme Consideration will be paid to you on the Operative Date by way of EFT; and
- after 12:00 on the Scheme Record Date, you will have cheque(s) posted to you at your risk, or paid to you by way of EFT (if this option was selected on the Form of Surrender and Transfer (*pink*)) within five Business Days of the Transfer Secretaries receiving your Form of Surrender and Transfer (*pink*) together with your Documents of Title.

3. IF YOU HAVE DEMATERIALISED YOUR SHARES WITH OWN NAME REGISTRATION

3.1 Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person subject, to sections 57 and 58 of the Companies Act. Alternatively, if you are unable or do not wish to attend the General

Meeting, you may appoint a proxy to represent you at the General Meeting by completing the relevant attached Form of Proxy (*green*) in accordance with the instructions therein and return it to the Transfer Secretaries: Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 48 hours before the General Meeting that is to be held at 10:00 on 25 May 2016 (i.e., by no later than 10:00 on 23 May 2016).

3.2 Settlement of the Scheme Consideration

If the Scheme becomes operative, you will have your account held at your CSDP or broker debited with the Shares you are transferring in terms of the Scheme and credited with the Scheme Consideration in accordance with the settlement terms of the Scheme.

4. OFFER SHAREHOLDERS' APPRAISAL RIGHTS

At any time before the Scheme Resolution or the MOI Amendment Resolution is to be voted on at the General Meeting, an Offer Shareholder may give Illovo written notice in terms of section 164 of the Companies Act objecting to the Scheme Resolution and/or the MOI Amendment Resolution.

Within 10 Business Days after Illovo has adopted the Scheme Resolution and/or the MOI Amendment Resolution, Illovo must send a notice that the Scheme Resolution and/or the MOI Amendment Resolution has been adopted to each Offer Shareholder who gave Illovo written notice of objection and has neither withdrawn that notice nor voted in favour of the Scheme Resolution and/or the MOI Amendment Resolution.

An Offer Shareholder who has given Illovo written notice in terms of section 164 of the Companies Act objecting to the Scheme Resolution and/or the MOI Amendment Resolution, has voted against the Scheme Resolution and/or the MOI Amendment Resolution and has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Scheme Resolution and/or the MOI Amendment Resolution has been adopted, then demand in writing:

- within 20 Business Days after receipt of the notice from Illovo referred to above; or
- if the Offer Shareholder does not receive the notice from Illovo referred to above, within 20 Business Days after learning that the Scheme Resolution and/or the MOI Amendment Resolution has been adopted,

that Illovo pay that Offer Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Shares held by that Offer Shareholder.

A more detailed explanation of the Offer Shareholders' appraisal rights is contained in paragraph 7 of this Circular.

B. ELECTRONIC PARTICIPATION

1. Shareholders are advised in terms of section 63(3) of the Companies Act, that while the General Meeting will be held in person, Shareholders (or their proxies) may participate in (but not vote at) the General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Shareholders or their proxies will be able, at their own expense, to participate in (but not vote at) the General Meeting by means of a teleconference facility.
2. Arrangements to participate in the General Meeting by teleconference facility should be made through the office of the Company Secretary, JA Kunst, by no later than 10:00 on 23 May 2016: Contact details: 1 Nokwe Avenue, Ridgeside, Umhlanga Rocks, Durban; +27(0)31 508 4300; jkunst@illovo.co.za.

C. GENERAL

1. The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Proposed Offer or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory and tax positions regarding the Proposed Offer or any other matter and in particular the receipt of the Scheme Consideration.

2. Illovo, ABF, ABS Africa and any subsidiary or associate company of the foregoing companies do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or broker, including, without limitation, any failure on the part of the CSDP or broker or any registered holder of Shares to notify the holder of any beneficial interest in those Shares of the Proposed Offer or any other matter set out in this Circular.
3. Shareholders are advised that, in terms of section 115(3) of the Companies Act, Illovo may in certain circumstances not proceed to implement the Scheme, notwithstanding that the Scheme may have been approved at the General Meeting, without the approval of the Court. A copy of section 115 of the Companies Act pertaining to the required approval of the Scheme is set out in **Annexure 4** to this Circular.

ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE GENERAL OFFER

The definitions and interpretation provisions commencing on page 15 of this Circular shall apply, *mutatis mutandis*, to this statement regarding action required (unless the context requires a contrary intention).

Please take careful note of the following provisions regarding the actions required. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.

If the Scheme fails (as contemplated in this Circular), ABS Africa is entitled to elect to make the General Offer to the Offer Shareholders by announcing its election on SENS within 10 (ten) Business Days after the day on which the Scheme so failed, on the terms and conditions set out herein.

The options available to you in the event that the General Offer is made to the Offer Shareholders are to:

- accept the General Offer in respect of all of your Shares; or
- reject the General Offer.

If you wish to reject the General Offer, you do not need to take any further action once the General Offer has been made.

If you wish to accept the General Offer, you must do so in the manner described below, depending on whether you are a Certificated Shareholder or a Dematerialised Shareholder.

In the event that the General Offer is made, you will only be able to accept the General Offer in respect of all of your Offer Shares.

Shareholders should take note that the Independent Board and the Board recommend that Shareholders vote in favour of the Transaction Resolutions.

A. ACTION REQUIRED IN RELATION TO THE GENERAL OFFER

1. CERTIFICATED SHAREHOLDERS

- 1.1 If you are a Certificated Shareholder and wish to accept the General Offer, you must complete the General Offer Form (*blue*) attached to this Circular in accordance with its instructions and forward it, together with your Documents of Title to the Transfer Secretaries. The General Offer Form and Documents of Title must be received **by no later than 12:00 on the General Offer Closing Date**. The General Offer Form may be delivered by hand or sent by registered mail to the following addresses:

If delivered by hand

Link Market Services Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
2001

If sent by mail

Link Market Services Proprietary Limited
PO Box 4844
Johannesburg
2000

- 1.2 If you accept the General Offer and surrender your Documents of Title, you will **NOT** be able to dematerialise and/or trade your Shares from the date that you surrender your Documents of Title in respect of those Shares.

2. DEMATERIALISED SHAREHOLDERS

- 2.1 If you are a Dematerialised Shareholder, you may be contacted by your duly appointed CSDP or broker in the manner stipulated in the custody agreement governing your relationship with your CSDP or broker and subject to the cut-off time in order to ascertain whether or not you wish to accept the General Offer. If you wish to accept the General Offer, you must notify your CSDP or broker of your acceptance of the General Offer in the time and manner stipulated in the custody agreement entered into between you and your CSDP or broker.

- 2.2 If you are a Dematerialised Shareholder and wish to accept the General Offer, but have not been contacted by your CSDP or broker, it would be advisable for you to contact and furnish your CSDP or broker with instructions in regard to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your custody agreement, and must be communicated by your CSDP or broker to the Transfer Secretaries **by no later than 12:00 on the General Offer Closing Date.**
- 2.3 You must **NOT** complete the attached General Offer Form (*blue*).
- 2.4 If you notify your CSDP or broker of your desire to accept the General Offer, you will **NOT** be able to rematerialise and/or trade your Shares from the date on which you notify your CSDP or broker of your acceptance of the General Offer.

B. ELECTRONIC PARTICIPATION

1. Shareholders are advised in terms of section 63(3) of the Companies Act, that while the General Meeting will be held in person, Shareholders (or their proxies) may participate in (but not vote at) the General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Shareholders or their proxies will be able, at their own expense, to participate in (but not vote at) the General Meeting by means of a teleconference facility.
2. Arrangements to participate in the General Meeting by teleconference facility should be made through the office of the Company Secretary by no later than 10:00 on 23 May 2016: Details are as follows: Jennifer Kunst, 1 Nokwe Avenue, Ridgeside, Umhlanga Rocks, Durban, +27(0)31 508 4300, jkunst@illovo.co.za.

C. GENERAL

1. The contents of this Circular do not purport to constitute personal legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Proposed Offer or any other matter for each Shareholder. Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory and tax positions regarding the Proposed Offer or any other matter and in particular the receipt of the General Offer Consideration, as applicable.
2. Illovo, ABF, ABS Africa and any subsidiary or associate company of the foregoing companies do not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or broker, including, without limitation, any failure on the part of the CSDP or broker or any registered holder of Shares to notify the holder of any beneficial interest in those Shares of the Proposed Offer or any other matter set out in this Circular.

IMPORTANT DATES AND TIMES IN RELATION TO THE PROPOSED OFFER

The definitions and interpretation provisions commencing on page 15 of this Circular shall apply, *mutatis mutandis*, to the dates and times set out hereunder (unless the context requires a contrary intention):

Action	2016
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 15 April
Posting of the Circular to Shareholders and notice convening General Meeting released on SENS	Tuesday, 26 April
Notice convening General Meeting published in the South African press	Thursday, 28 April
Last day to trade in Shares in order to be recorded on the Register on the Voting Record Date (Voting Last Day to Trade)	Friday, 13 May
Voting Record Date in respect of being eligible to vote at the General Meeting	Friday, 20 May
Forms of proxy to be received by 10:00	Monday, 23 May
Last date for Offer Shareholders to give notice, in terms of section 164 of the Companies Act, to Illovo objecting to the Scheme Resolution and/or the MOI Amendment Resolution	Wednesday, 25 May
General Meeting to be held at 10:00	Wednesday, 25 May
Results of General Meeting released on SENS	Wednesday, 25 May
Results of General Meeting published in the press	Thursday, 26 May
<i>Timetable if the Scheme is approved (certain dates will be confirmed in the finalisation announcement once the Scheme becomes unconditional):</i>	
Action	2016
Last date on which Shareholders can require Illovo to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act (if applicable)	Wednesday, 1 June
Last date on which Shareholders can make application to the court in terms of section 115(3)(b) of the Companies Act	Wednesday, 8 June
Last date for Illovo to send objecting Offer Shareholders who did not vote in favour of the Scheme Resolution and/or the MOI Amendment Resolution notice of the adoption of the Scheme Resolution and/or the MOI Amendment Resolution, in terms of section 164(4) of the Companies Act	Wednesday, 8 June
Expected last day for Offer Shareholders who validly exercised their appraisal rights to demand that Illovo acquires their Offer Shares at fair value, in terms of section 164(7) of the Companies Act (for purposes of clarity, this demand must be delivered to Illovo within 20 Business Days of the objecting Offer Shareholders receiving the abovementioned notice in terms of section 164(4) of the Companies Act or, if any objecting Offer Shareholders do not receive such a notice, within 20 Business Days of them learning that the Scheme Resolution and/or the MOI Amendment Resolution has been adopted)	Thursday, 7 July
<i>If all the Scheme Conditions have been fulfilled or waived (where capable of waiver), save for the Scheme Condition in respect of receipt of unconditional approval from the TRP in terms of a compliance certificate or exemption to be issued in terms of the Companies Act in relation to the Scheme</i>	
Expected date for receipt of compliance certificate from TRP	Wednesday, 8 June
Finalisation announcement expected to be released on SENS by 11:00	Thursday, 9 June

Action	2016
Finalisation announcement expected to be published in the South African press	Friday, 10 June
Expected last day to trade in Shares in order to be recorded on the Register on the Scheme Record Date (Scheme Last Day to Trade)	Friday, 17 June
Expected date of the suspension of listing of Shares on the JSE	Monday, 20 June
Expected Scheme Record Date on which Shareholders must be recorded in the Register to receive the Scheme Consideration	Friday, 24 June
Expected Operative Date of the Scheme	Monday, 27 June
Expected date of payment/posting of Scheme Consideration to Scheme Participants who hold Certificated Shares (if the Form of Surrender and Transfer and Documents of Title are received on or prior to 12:00 on the Scheme Record Date)	Monday, 27 June
Expected date of updating the accounts of Scheme Participants who hold Dematerialised Shares held at their CSDP or broker	Monday, 27 June
Expected termination of listing of Shares at commencement of trade on the JSE	Tuesday, 28 June

Timetable if Scheme is not approved by the Offer Shareholders:

If the Scheme fails, ABS Africa will be entitled to elect to make the General Offer to the Offer Shareholders within 10 (ten) Business Days after the Scheme has failed, by announcing its election on SENS. The relevant dates in respect of the General Offer will be confirmed in an announcement post failure of the Scheme.

Notes:

1. All dates and times in respect of the Scheme are subject to change by mutual agreement between Illovo and ABS Africa and the approval of the JSE and the TRP and may be subject to certain regulatory approval(s). Any change will be released on SENS and published in the South African press.
2. Although the salient dates and times are subject to change, such statement may not be regarded as consent or dispensation for any change to the time period which may be required in terms of the Takeover Regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the TRP.
3. The Shareholders are referred to paragraph 7 of this Circular (which contains a summary of Dissenting Shareholders' appraisal rights in respect of the Scheme Resolution and the MOI Amendment Resolution) regarding rights afforded to the Shareholders, the exercise of which may affect the timing regarding the implementation of the Proposed Offer.
4. The Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades currently takes place five Business Days after such trade. Therefore, persons who acquire Shares after the Voting Last Day to Trade (expected to be Friday, 13 May 2016), will not be eligible to vote at the General Meeting, but will, provided the Scheme is approved and they acquire the Shares on or prior to the Scheme Last Day to Trade (expected to be Friday, 17 June 2016), participate in the Scheme (i.e. dispose of their Shares to ABS Africa in accordance with the Scheme for the Scheme Consideration).
5. If you are unable or do not wish to attend the General Meeting, you may appoint a proxy to represent you at the General Meeting by completing the relevant attached Form of Proxy (green) in accordance with the instructions therein and return it to the Transfer Secretaries: Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 48 hours before the General Meeting that is to be held at 10:00 on Wednesday, 25 May 2016 (i.e., by no later than 10:00 on 23 May 2016).
6. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
7. All times given in this Circular are local times in South Africa.
8. No Dematerialisation or rematerialisation of Shares may take place from the commencement of business on the Business Day following the Scheme Last Day to Trade. The Scheme Last Day to Trade is expected to be on Friday, 17 June 2016.

DEFINITIONS AND INTERPRETATION

In this Circular, unless otherwise stated or the context indicates otherwise, the terms and expressions in the first column will bear the meanings stated opposite them in the second column, and related expressions will bear corresponding meanings; words in the singular will include the plural and *vice versa*; words denoting one gender will include the other genders; and words denoting natural persons will include juristic persons and *vice versa*:

“Authorised Dealer”	an authorised dealer of the SARB, designated as such in the Exchange Control Regulations;
“AOL”	ABF Overseas Limited (registration number 03313345), a private company duly incorporated and registered in accordance with the laws of England and Wales, an indirect wholly-owned subsidiary of ABF;
“ABS Africa”	AB Sugar Africa Limited (registration number 04317607), a private company duly incorporated and registered in accordance with the laws of England and Wales, an indirect wholly-owned subsidiary of ABF;
“ABF Shares”	236 569 232 Shares held by AOL, representing approximately 51% of Illovo’s issued Shares;
“ABF”	Associated British Foods plc (registration number 00293262), a public limited company duly incorporated and registered in accordance with the laws of England and Wales, the shares of which are listed on the LSE;
“Accounts Date”	31 March 2016;
“Board”	the board of directors of Illovo, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as directors in paragraph 17.1 of this Circular;
“Business Day”	any day other than a Saturday, a Sunday or statutory public holiday in South Africa;
“Cautionary Announcement”	the Illovo cautionary announcement released on SENS on 8 February 2016;
“Certificated Scheme Participant”	a Scheme Participant who holds Certificated Shares;
“Certificated Share”	a Share which has not been Dematerialised, and title to which is evidenced by a Document of Title;
“Certificated Shareholder”	a Shareholder who holds Certificated Shares;
“Circular”	this document, including its annexures and attachments;
“Clearances”	means all approvals, consents, clearances, permissions, waivers and filings required and all waiting periods that need to have expired, from or under the laws, regulations or practices applied by any relevant regulatory authority (whether inside or outside of South Africa) in connection with the implementation of the Scheme or the General Offer, as applicable;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended or re-enacted from time to time;

“Competing Proposal”	any approach, proposal or offer (whether or not subject to suspensive conditions and whether or not legally binding): <ul style="list-style-type: none"> i) made by or to a <i>bona fide</i> third party which is not “acting in concert” (as defined in the Companies Act and as determined in terms of the Takeover Regulations) with ABS Africa; and ii) which involves or possibly involves the acquisition of, or subscription for, shares comprising, or which will comprise, 5% or more of Illovo’s issued shares or the shares of any Material Subsidiary, or which involves or possibly involves a disposal of a material part of the business or assets of the Company’s Group (viewed as a whole);
“Confidentiality Agreement”	the agreement titled “Confidentiality Agreement” between ABF and Illovo dated on or about 17 February 2016, as amended from time to time;
“CSDP”	a “Participant” , as defined in section 1 of the Financial Markets Act;
“Deemed Scheme Participant”	a Dissenting Shareholder who is subsequently deemed to be a Scheme Participant in the event that any of the circumstances contemplated in sections 164(9)(a) and (b) of the Companies Act occur after the Scheme Record Date, as contemplated in paragraph 7.6.2 of this Circular;
“Delisting”	the termination of the listing of all the Shares from the Main Board of the JSE pursuant to: <ul style="list-style-type: none"> • the Scheme becoming operative; or • if the Scheme fails, the General Offer (if made) and the approval of the Delisting Resolution;
“Delisting Resolution”	the ordinary resolution to be proposed by the Board at the General Meeting to approve the delisting of the Shares from the Main Board of the JSE in terms of section 1.14(a) of the JSE Listings Requirements, if the Scheme fails and the General Offer is made;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in a sub-register in electronic form;
“Dematerialised Share”	a Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in a sub-register in electronic form;
“Dematerialised Shareholder”	a Shareholder who holds Dematerialised Shares;
“Dissenting Shareholders”	the Offer Shareholders who validly exercise their appraisal rights by, among other things, objecting to the Scheme Resolution and/or the MOI Amendment Resolution by demanding, in terms of sections 164(5) and 164(8) of the Companies Act, that the Company pay to them the fair value of their Offer Shares;
“Distribution”	any capital reduction, distributions, dividends or similar payments to or for the benefit of Shareholders;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Shares reasonably acceptable to ABS Africa;
“EFT”	Electronic Funds Transfer;
“Escrow Agent”	Investec Share Plan Services Proprietary Limited, in its capacity as the escrow agent approved for the purposes of the FSP;
“ESP Trust”	the trustees for the time being of the Illovo Sugar Employees’ Share Purchase Trust;
“ESPS”	Illovo Sugar Employees’ Share Purchase Scheme;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, issued under section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended or re-enacted from time to time;

“Financial Markets Act”	the South African Financial Markets Act, No. 19 of 2012, as amended or re-enacted from time to time;
“Firm Intention Announcement”	the joint announcement by Illovo and ABF setting out the terms of the firm intention by ABF (or a wholly-owned subsidiary of ABF), as contemplated in Chapter 5 of the Companies Act and the Takeover Regulations, to proceed with the Proposed Offer, as released on SENS on 8 April 2016;
“Form of Proxy”	the form of proxy attached to this Circular (<i>green</i>) for use by Certificated Shareholders and Dematerialised Shareholders with “own name” registration only for appointment of a proxy to represent such Shareholders at the General Meeting;
“Form of Surrender and Transfer”	the form of surrender and transfer of Documents of Title attached to this Circular (<i>pink</i>), to be completed by Certificated Shareholders (only) in the event of the Scheme becoming operative;
“FSP”	Illovo Sugar Limited Forfeitable Share Plan;
“FSP Rules”	the rules of the FSP as approved by the Board on 22 May 2014;
“General Meeting”	the meeting of the Company held for the purposes of passing the Transaction Resolutions, together with any meeting held as a result of any postponement or adjournment or a reconvening thereof;
“General Offer”	the general offer to the Offer Shareholders made by ABS Africa, if the Scheme fails and ABS Africa so elects, as contemplated by section 117(1)(c)(v) of the Companies Act, to acquire all of the Offer Shares for the General Offer Consideration, subject to the General Offer Conditions (subject to any modification or amendment made thereto to which the Company and ABS Africa may agree in writing (and which the TRP approves, to the extent that the TRP’s approval is required)), the full terms and conditions of which are set out in Annexure 10 of this Circular;
“General Offer Closing Date”	the later of: <ul style="list-style-type: none"> i) the date falling 30 Business Days after the General Offer Opening Date or such later date as announced from time to time by ABS Africa on SENS; and ii) the date falling 10 Business Days after the date on which the General Offer is announced as being unconditional in all respects, as contemplated by Regulation 105(5) of the Takeover Regulations;
“General Offer Conditions”	the suspensive conditions to the implementation of the General Offer set out in paragraph 9 of Annexure 10 of this Circular, and “General Offer Condition” means any one of them, as the context may require;
“General Offer Consideration”	R25 in cash for every Offer Share acquired in terms of the General Offer;
“General Offer Form”	the form of acceptance, surrender and transfer of Shares (<i>blue</i>) for use by Certificated Shareholders (only) in respect of the General Offer which may be made by ABS Africa, if it so elects, to the Offer Shareholders under the terms herein;
“General Offer Long Stop Date”	15 September 2016, or such later date as ABS Africa and the Company agree in writing on or before that date;
“General Offer Opening Date”	the opening date of the General Offer as announced by ABS Africa on SENS;
“General Offer Payment Period”	in relation to an Offer Shareholder, a period of six Business Days after: <ul style="list-style-type: none"> i) the General Offer being declared unconditional in all respects as contemplated by Regulation 102(12)(a) of the Takeover Regulations; and ii) acceptance of the General Offer by such Offer Shareholder;

“General Offer Period”	the period beginning at 09:00 on the General Offer Opening Date and ending at 12:00 on the General Offer Closing Date, during which the Offer Shareholders will be entitled to accept the General Offer;
“General Offer Record Date”	the record date on which Shareholders must be recorded in the Register to accept the General Offer;
“Group” or “Group Company”	in relation to: <ul style="list-style-type: none"> i) ABF, means ABF and its Subsidiaries, other than the Company and the Company’s Subsidiaries; and ii) the Company, means the Company and its Subsidiaries;
“Independent Board”	the independent board of the Company determined in terms of the Takeover Regulations;
“Independent Expert” or “RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the independent expert appointed by the Independent Board in accordance with section 114(2) of the Companies Act and the Takeover Regulations;
“Illovo” or “the Company”	Illovo Sugar Limited (registration number 1906/000622/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
“Illovo’s Knowledge”	the actual knowledge of any person who is a director of Illovo, or the company secretary of Illovo;
“Interim Period”	the period commencing on the Signature Date and expiring on the first to occur of the following: <ul style="list-style-type: none"> i) the Operative Date; ii) the date on which the General Offer is fully implemented; and iii) the date on which the Transaction Implementation Agreement, the Scheme and the General Offer lapse or terminate;
“JSE”	as the context requires, the JSE Limited (registration number 2005/022939/06), a public company duly incorporated and registered in accordance with the laws of South Africa and licensed to operate as an exchange under the Financial Markets Act, or the securities exchange operated by that company;
“JSE Listings Requirements”	the Listings Requirements issued by the JSE, as amended from time to time;
“Last Practicable Date”	the last practicable date prior to finalisation of this Circular, being 20 April 2016;
“LSE”	the London Stock Exchange;
“MAC or Material Adverse Change”	<ul style="list-style-type: none"> i) any change or proposed change in any law, regulation or policy in South Africa which would restrict the ability of ABS Africa to transmit freely capital injected into, and/or dividends or other distributions paid out by, the Company into foreign exchange and to remit it offshore and, for the purposes hereof, a “proposed change” means a change proposed in terms of a bill introduced in the National Assembly of the Parliament of South Africa, or in terms of a draft bill or draft regulations published by a department of the Government of South Africa for public comment, in either case, after the Signature Date; or ii) an adverse effect, fact or circumstance or any potential adverse effect, fact or circumstance (which may include, a civil commotion or unrest, a coup d’état taking place, the outbreak of war or nationalisation or expropriation) which arises or occurs or is reasonably expected to arise or occur, and which results, or is reasonably expected to result, (alone or together with any other such actual or potential adverse effect fact or circumstance) in a reduction of more than R315 000 000 in the Company’s earnings before interest and tax for the financial year ending 31 March 2017;

“Material Subsidiaries”	<p>the following Subsidiaries of the Company:</p> <ul style="list-style-type: none"> i) Illovo Sugar (Malawi) Limited (registration number 839), a public company duly incorporated and registered in accordance with the laws of Malawi; ii) Kilombero Sugar Company Limited (registration number 2539), a private company duly incorporated and registered in accordance with the laws of Tanzania; iii) Maragra Acucar S.A. (registration number 10130), a private company duly incorporated and registered in accordance with the laws of Mozambique; iv) Illovo Sugar (South Africa) Limited (registration number 1915/000879/06), a public company duly incorporated and registered in accordance with the laws of South Africa; v) Ubombo Sugar Limited (registration number 2/1950), a public company duly incorporated and registered in accordance with the laws of Swaziland; vi) Zambia Sugar plc (registration number 2880), a public company duly incorporated and registered in accordance with the laws of Zambia; and vii) Illovo Group Holdings Limited (registration number 19870/3762), a private company duly incorporated and registered in accordance with the laws of Mauritius;
“Maximum Cash Amount”	R5 604 033 125;
“MOI”	the Memorandum of Incorporation of the Company in effect on the Signature Date, subject to any alteration made by the Board, or any person authorised by the Board, in accordance with the provisions of section 17(1) of the Companies Act;
“MOI Amendment Resolution”	the special resolution to be proposed by the Board at the General Meeting for the deletion, with effect from the date on which the Scheme becomes unconditional or the General Offer is made, as applicable, of article 8 and articles 135 to 146 of the MOI in terms of section 16(1)(c) of the Companies Act and article 8 of the MOI;
“Offer Shareholders”	holders of Offer Shares;
“Offer Shares”	224 161 325 Shares, being all the issued shares in the Company, but excluding the ABF Shares;
“Operative Date”	the date on which the Scheme becomes operative in accordance with its terms, being the first Business Day following the Scheme Record Date, or such other date as the JSE may direct;
“Parties”	ABS Africa and the Company, and “Party” means either of them, as the context may require;
“Proposed Offer”	<p>the proposed acquisition by ABS Africa of:</p> <ul style="list-style-type: none"> i) the Scheme Shares by way of the Scheme; or ii) if the Scheme fails and ABS Africa elects to make the General Offer, the Offer Shares by way of the General Offer, iii) each of which transaction constitutes an “affected transaction” as defined in section 117(1)(c) of the Companies Act;
“PSS Options”	the options in respect of not more than 12 292 275 phantom shares (“options” and “phantom shares” as defined in clause 1.6 and clause 1.9, respectively, of the rules of the PSS Rules);
“PSS Rules”	the rules of the PSS Scheme, as amended from time to time, and including the supplementary rules dated 14 September 2005;

“PSS Scheme”	the Illovo Sugar Phantom Share Scheme;
“R”	the lawful currency of South Africa;
“Register”	i) the register of shareholders of the Company (including the relevant sub-registers of the CSDP administering the sub-registers of the Company); or ii) the register of disclosures of the Company;
“SARB”	the South African Reserve Bank;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement in terms of section 114 (read with section 115) of the Companies Act, to be proposed by the Board between the Company and the Offer Shareholders upon the terms and subject to the conditions set out in this Circular, and which, if implemented, will result in ABS Africa acquiring the Scheme Shares from each Scheme Participant for the Scheme Consideration (subject to any modification or amendment made thereto to which the Company and ABS Africa may agree in writing (and which the TRP approves, to the extent that the TRP’s approval is required));
“Scheme Conditions”	the suspensive conditions to the implementation of the Scheme set out in paragraph 8 of this Circular, and “Scheme Condition” means any one of them, as the context may require;
“Scheme Consideration”	means R25 in cash for every Share which is the subject of the Scheme;
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated by the JSE Listings Requirements) is released on SENS, which date shall fall on the first Business Day following the date on which all the Scheme Conditions are fulfilled or waived, as the case may be (or such other date as the JSE may direct);
“Scheme Last Day to Trade”	the last day to trade Shares on the JSE in order to be eligible to receive the Scheme Consideration, being the first Friday on which trading on the JSE occurs following the week in which the Scheme Finalisation Date occurs (or such other date as the JSE may direct);
“Scheme Long Stop Date”	31 July 2016, or such later date as ABS Africa and the Company agree in writing on or before that date;
“Scheme Participants”	all Offer Shareholders who are recorded in the Register on the Scheme Record Date, excluding Dissenting Shareholders who have not, whether voluntarily or pursuant to a final order of the Court, withdrawn their demands made in terms of sections 164(5) to (8) of the Companies Act before the Scheme Record Date, or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse before the Scheme Record Date, being persons who are entitled to receive the Scheme Consideration;
“Scheme Record Date”	the date on, and time at, which a person must be recorded in the Register in order to be eligible to receive the Scheme Consideration, being the close of business on the first Friday following the Scheme Last Day to Trade (or such other date and time as the JSE may direct);
“Scheme Resolution”	the special resolution to be proposed at the General Meeting for the approval of the Scheme;
“Scheme Shares”	Shares held by a Scheme Participant on the Scheme Record Date;
“SENS”	the Stock Exchange News Service of the JSE;
“Share”	an ordinary share in the Company with a par value of R0.04;
“Shareholder”	a registered holder of a Share;
“Signature Date”	the last date upon which the Transaction Implementation Agreement was signed by ABF and the Company, being 7 April 2016;
“South Africa”	the Republic of South Africa;

“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, which is an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically;
“Subsidiary”	shall have the meaning ascribed to it in section 3 of the Companies Act, save that the reference to “company” in that section shall, in addition to the meaning set out in section 1 of the Companies Act, also include an entity incorporated outside of South Africa;
“Takeover Regulations”	the Takeover Regulations prescribed by the Minister of Trade and Industry in terms of section 120 of the Companies Act;
“Transaction”	all transactions contemplated by this Circular, including the Scheme and the General Offer
“Transaction Implementation Agreement”	the agreement titled “Transaction Implementation Agreement” between ABF and the Company dated on or about 7 April 2016, as amended from time to time;
“Transaction Resolutions”	the Scheme Resolution, the MOI Amendment Resolution and the Delisting Resolution;
“Transfer Secretaries”	the Transfer Secretaries of the Company, being Link Market Services Proprietary Limited (registration number 2000/007239/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“Treasury Shares”	the Shares held by the ESP Trust, pursuant to the ESPS;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;
“VWAP”	the volume weighted average traded price;
“Voting Last Day to Trade”	the last day to trade on the JSE to be able to vote at the General Meeting, being Friday, 13 May 2016;
“Voting Record Date”	the date on which a Voting Shareholder must be recorded in the Register in order to be eligible to vote on any Transaction Resolution at the General Meeting being Friday, 20 May 2016; and
“Voting Shareholders”	in respect of a Transaction Resolution, those Shareholders recorded in the Register at the close of business on the Voting Record Date who are in terms of the Companies Act, the MOI and the JSE Listings Requirements entitled to vote on that Transaction Resolution at the General Meeting, as more fully set out in this Circular.

In this Circular, unless otherwise expressed, references to “the Scheme failing”, “the failure of the Scheme” or any similar such wording shall be limited to the situations where: (i) the Scheme cannot be implemented by reason of all or any one of the Scheme Conditions not being fulfilled and ABS Africa not waiving such conditions (where capable of waiver); or (ii) any event of any nature whatsoever occurs, or any fact of any nature whatsoever becomes known, which indicates that the Scheme is unlikely to be implemented; or (iii) ABS Africa and the Company agree in writing that the Scheme is unlikely to be implemented.



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1906/000622/06)
JSE share code: ILV ISIN: ZAE000083846
("Illovo" or "the Company")

**Associated
British Foods**
plc

AB SUGAR AFRICA LIMITED

(Incorporated in England and Wales)
(Registration number 04317607)
("ABS Africa")
an indirect wholly-owned subsidiary of ABF

ASSOCIATED BRITISH FOODS PLC

(Incorporated in England and Wales)
(Registration number 00293262)
LSE share code: ABF ISIN: GB0006731235
("ABF")

COMBINED CIRCULAR TO SHAREHOLDERS

Directors of Illovo

TS Munday ^{**Ω} (*Chairman*)
GB Dalglish (*Managing Director*)
MH Abdool-Samad (*Financial Director*)
MI Carr ^{+#}
J Cowper ^{+#}
G Gomwe ^{^#*Ω}
MJ Hankinson ^{#*Ω}
JP Hulley (*Operations Director*)
S Kana ^{#*Ω}
D Konar ^{#*Ω}
PA Lister ^{+#}
CWN Molope ^{#*Ω}
AR Mpungwe ^{>#*Ω}
LW Riddle (*Commercial Director*)

Directors of ABS Africa

PA Russell
RS Schofield

**Independent*

#Non-executive

ΩMember of the Independent Board

>Tanzanian

**British*

^Zimbabwean

1. INTRODUCTION

- 1.1 In the Firm Intention Announcement released on SENS on Friday, 8 April 2016 and published in the press on Monday, 11 April 2016, Illovo shareholders were advised that Illovo entered into the Transaction Implementation Agreement with ABF, in terms of which ABF (or a wholly-owned subsidiary of ABF) will make an offer to acquire all of the issued ordinary shares in Illovo other than the 236 569 232 Shares already owned by AOL, by way of:
- 1.1.1 a scheme of arrangement in terms of section 114(1)(c) of the Companies Act, to be proposed by the Board between Illovo and its Shareholders, other than AOL; or
- 1.1.2 if the Scheme fails and ABF so elects, a general offer by ABF to the Offer Shareholders to acquire the Offer Shares.
- 1.2 On 20 April 2016, ABF assigned all its rights and obligations under the Transaction Implementation Agreement to its wholly-owned subsidiary, ABS Africa, as permitted by the Transaction Implementation Agreement. Accordingly, ABS Africa is the offeror and the entity through which the Proposed Offer will be implemented.
- 1.3 Offer Shareholders will receive a cash consideration of R25 per Share disposed of, which is equivalent to an aggregate cash consideration of R5 604 033 125 for all the Shares subject to the Proposed Offer and represents a premium of:

	Prior to the Cautionary Announcement (R)	Premium (%)
Market price ¹	18.37	36.1
30-day VWAP ²	17.25	44.9
60-day VWAP ³	16.32	53.2
90-day VWAP ⁴	17.17	45.6

Notes:

1. Closing price of Illovo shares on the JSE on 5 February 2016, being the last trading day prior to the publication of the Cautionary Announcement.
2. VWAP at which Illovo shares traded on the JSE for the 30 trading days up to and including 5 February 2016.
3. VWAP at which Illovo shares traded on the JSE for the 60 trading days up to and including 5 February 2016.
4. VWAP at which Illovo shares traded on the JSE for the 90 trading days up to and including 5 February 2016.
- 1.4 The implementation of the Scheme will be subject to the Scheme Conditions. In the event that the Scheme becomes operative, the listing of all the Shares on the Main Board of the JSE will be terminated, and Scheme Participants will be deemed to have disposed of their Scheme Shares for the Scheme Consideration, thereby constituting Illovo as an indirectly wholly-owned subsidiary of ABF.
- 1.5 In the event that the Scheme fails, ABS Africa may, at its election, make the General Offer to Offer Shareholders, which General Offer will be subject to the General Offer Conditions, the full details of which are set out in **Annexure 10** of this Circular. To the extent that the General Offer is implemented, following the approval of the Delisting Resolution, only Offer Shareholders who have accepted the General Offer will sell their Offer Shares to ABS Africa for the General Offer Consideration. Those Offer Shareholders who do not accept the General Offer will remain shareholders in Illovo, which will become an unlisted indirect subsidiary of ABF if the Delisting Resolution is passed.
- 1.6 The approval of the MOI Amendment Resolution is a Scheme Condition and a General Offer Condition. The effect of the MOI Amendment Resolution would be to delete, with effect from the date on which the Scheme becomes operative or the date on which the General Offer is made, article 8 and articles 135 to 146 of the MOI. Those articles reflect certain undertakings provided by ABF in favour of the Company and its other shareholders, regarding territorial expansion, disposals of subsidiaries of ABF (or businesses or material assets of such Subsidiaries) to the Company, commercial arrangements between the ABF Group and the Company and restrictions on the acquisition by ABF of a shareholding in the Company exceeding a level of 60%. The deletion is on the basis that those articles of the MOI would no longer be practical or appropriate if the Scheme becomes unconditional or the General Offer is made.

- 1.7 The Independent Board and the Board recommend that Shareholders vote in favour of the Scheme Resolution and the other Transaction Resolutions, and accept the General Offer, if made.
- 1.8 For a full understanding of the detailed legal terms and conditions of the Proposed Offer, this Circular should be read in its entirety.

2. **INFORMATION ABOUT ILLOVO AND ABF, AND RATIONALE FOR THE TRANSACTION**

2.1 Information about Illovo

Illovo is Africa's largest sugar producer and has extensive agricultural and manufacturing operations in six African countries. The Illovo group ("the group") harvested 6.3 million tons of sugar cane on its own estates and, together with sugar cane supplied by independent outgrowers across the group, produced 1.8 million tons of raw and refined sugar for the year ending 31 March 2015. It also produces a range of high-value downstream products and generates electricity, fuelled by renewable resources, providing about 90% of the group's annual energy requirements.

The group is a major supplier of sugar to the consumer and industrial markets in the countries in which it operates and to neighbouring regional African markets, using an extensive network of distribution and logistics channels. Export markets include the European Union ("EU") and United States of America ("USA") and, through the South African sugar industry, the broader world sugar market. Downstream production of furfural and its derivatives, ethyl alcohol and lactulose are sold primarily into international niche markets. Through its own internal electricity generating capability, using bio-renewable boiler-feedstock such as bagasse and biomass, Illovo provides cost-effective energy supply to all of its own operations and in some of the countries in which it operates, it supplies power into the national grids.

2.2 Information about ABF

ABF is a diversified international food, ingredients and retail group with annual sales of £12.8 billion and 124 000 employees in 48 countries. It has significant businesses in Europe, southern Africa, the Americas, Asia and Australia. It aims to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth, and deliver quality products and services that are central to people's lives. The ABF Group operates through five business segments: Sugar, Agriculture, Retail, Grocery and Ingredients.

AB Sugar, an operating division of ABF, is an industry leading group serving the international markets for sugar and sugar derived co-products. It has operations in the United Kingdom, Spain, southern Africa and Asia with an annual processing capacity of some five million tonnes of sugar and 600 million litres of ethanol. ABF acquired its majority shareholding in Illovo in 2006.

2.3 Rationale for the Proposed Offer

Africa is a growth market for sugar, driven by increasing populations and rising incomes. Illovo is well positioned to capitalise on this growth, although high global sugar stocks, low world sugar prices and forthcoming changes to the EU sugar regime have created a challenging global trading environment. AB Sugar has a strong track record of commercial development and delivering performance improvement programmes and believes that full ownership will accelerate Illovo's progress in these areas.

3. **TERMS OF THE SCHEME**

- 3.1 The Scheme is proposed by the Board between Illovo and the Offer Shareholders pursuant to which, if approved by the requisite majority of Voting Shareholders and the other Scheme Conditions are fulfilled or waived (where capable of waiver), ABS Africa will acquire all of the Scheme Shares from the Scheme Participants.
- 3.2 The consideration payable to the Scheme Participants for the Scheme Shares will be the Scheme Consideration (i.e. R25 per Scheme Share payable in cash by ABS Africa, as referred in paragraph 13 of this Circular) subject to the Maximum Cash Amount provided in paragraph 4.
- 3.3 The Scheme will be subject to the fulfilment or waiver (where capable of waiver) of the Scheme Conditions.

- 3.4 The Scheme will be subject to section 164 of the Companies Act and shall become binding on Illovo and the Scheme Participants (irrespective of whether or not each Shareholder supports the Scheme) if, *inter alia*:
 - 3.4.1 the Scheme Resolution is adopted at the General Meeting; and
 - 3.4.2 all the remaining Scheme Conditions for the implementation of the Scheme have been fulfilled or waived (where capable of waiver).
- 3.5 Subject to the Scheme becoming unconditional, the Scheme Participants shall be deemed with effect from the Operative Date to have:
 - 3.5.1 ceded their Shares to ABS Africa, which will be deemed to have acquired registered and beneficial ownership of such Shares, free of encumbrance, on the Operative Date, against payment of the Scheme Consideration in terms of paragraph 3.6 below;
 - 3.5.2 subject to paragraph 3.11 below, authorised Illovo as principal with power of substitution on their behalf to transfer and register the Scheme Shares into the name of ABS Africa on or at any time after the Operative Date; and
 - 3.5.3 subject to paragraph 3.11 below, authorised Illovo as principal with power of substitution on their behalf to collect from ABS Africa the Scheme Consideration for delivery to those Scheme Participants and all risk and benefit in the Scheme Shares will pass from those Scheme Participants to ABS Africa with effect from the Operative Date against payment of the Scheme Consideration in terms of paragraph 3.6 below.
- 3.6 ABS Africa shall, on the Operative Date, pay to Illovo as principal, or to the Transfer Secretaries for and behalf of Illovo, the Scheme Consideration in full and final discharge of ABS Africa's obligations to pay the Scheme Consideration under the Scheme.
- 3.7 Illovo, as principal, shall procure that ABS Africa complies with its obligations under the Scheme, and Illovo alone shall have the right to enforce these obligations (if necessary) against ABS Africa.
- 3.8 The rights of the Scheme Participants to receive the Scheme Consideration in respect of the Shares held by them will be the rights enforceable by Scheme Participants against Illovo only. Such rights will only be enforceable against Illovo if Illovo or its agents have received the Scheme Consideration from ABS Africa. The Scheme Participants shall be entitled to require Illovo to enforce its rights in terms of the Scheme against ABS Africa. Scheme Participants shall not be entitled to require Illovo to deliver or procure the delivery of the Scheme Consideration if Illovo or its agents have not received the Scheme Consideration or to hold Illovo liable for damages or the payment of any amount, save to the extent that Illovo itself is in breach of its obligations in terms of the Scheme.
- 3.9 The effect of the Scheme will be that, with effect from the Operative Date, the Scheme Shares will be acquired by ABS Africa, resulting in ABS Africa owning the Scheme Shares.
- 3.10 Furthermore, following the implementation of the Scheme, the listing of all the Shares on the Main Board of the JSE will be terminated in terms of section 1.16(b) of the JSE Listings Requirements.
- 3.11 With effect from the Operative Date, each and every officer/director of the Transfer Secretaries and/or Illovo or any other person nominated by Illovo, will irrevocably be deemed to be the attorney and agent *in rem suam* of the Scheme Participants to implement the transfer of their Shares in terms of paragraph 3.5 above and to sign any instrument of transfer in respect thereof or any other documents and to do any and all other acts required or desirable to implement the Scheme and the Delisting and to take all steps necessary to procure electronic delivery of the Shares which have been Dematerialised.

4. THE SCHEME CONSIDERATION

- 4.1 Subject to the Scheme becoming operative, the amount of cash payable by ABS Africa in terms of the Scheme shall not exceed the Maximum Cash Amount.
- 4.2 The Scheme Consideration is calculated on the basis that Illovo will not make any Distribution between 8 April 2016 and the settlement date of the Scheme Consideration. In the event that Illovo makes any Distribution, the Scheme Consideration will be adjusted downwards by the amount of the Distribution, including any taxes thereon, on a per Share basis.

5. PROCEDURE FOR ACCEPTANCE OF THE SCHEME

5.1 Certificated Shareholders

- 5.1.1 Certificated Scheme Participants shall, subject to the Scheme becoming operative and being implemented, only be entitled to receive the Scheme Consideration in respect of their Shares once they have surrendered their Documents of Title.
- 5.1.2 A Certificated Scheme Participant who wishes to surrender his Documents of Title in anticipation of the Scheme becoming operative may complete the Form of Surrender and Transfer (*pink*) and return it, together with the Documents of Title relating to all his Shares, to Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received prior to 12:00 on the Scheme Record Date.
- 5.1.3 Alternatively, Certificated Scheme Participants can submit their Documents of Title after 12:00 on the Scheme Record Date, and surrender their Documents of Title representing all of their Certificated Shares under cover of a completed Form of Surrender and Transfer (*pink*) at that time.
- 5.1.4 If the Documents of Title relating to the Shares held by any Certificated Scheme Participant have been lost or destroyed, such Certificated Scheme Participant should nevertheless return a duly completed Form of Surrender and Transfer, together with an indemnity on terms satisfactory to Illovo and ABS Africa. Illovo and ABS Africa may, in their sole discretion dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Documents of Title have been lost or destroyed and upon provision of an indemnity on terms acceptable to them. Unless otherwise agreed by Illovo and ABS Africa, only indemnity forms obtained from the Transfer Secretaries (available on request) will be regarded as suitable. Illovo and ABS Africa shall be entitled, in their absolute discretion to be exercised jointly, by way of agreement to waive the requirement of an indemnity.
- 5.1.5 No receipt will be issued for Documents of Title surrendered unless specifically requested. In order to comply with the requirements of the JSE, lodging agents must prepare special transaction receipts, if required.
- 5.1.6 Documents of Title surrendered by Certificated Scheme Participants prior to the Operative Date will be held in trust by the Transfer Secretaries, at the risk of the Certificated Scheme Participant concerned, pending the Scheme becoming operative. In the event of the Scheme not being operative for any reason whatsoever and a Certificated Scheme Participant:
 - 5.1.6.1 has not accepted the General Offer in respect of all his Offer Shares, the Transfer Secretaries shall, within five Business Days of either the General Offer Closing Date or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to such Certificated Scheme Participant, by registered post, at the risk of such Certificated Scheme Participant, to the address recorded in the Register;
 - 5.1.6.2 has accepted the General Offer in respect of all his Offer Shares but the General Offer does not become unconditional, or ABS Africa does not elect to make the General Offer, the Transfer Secretaries shall, within five Business Days after the date upon which it becomes known that the General Offer will not be implemented, return the Documents of Title to the Certificated Scheme Participant concerned by registered post, at the risk of such Certificated Scheme Participant, to the address recorded in the Register.
- 5.1.7 The attention of Certificated Scheme Participants is drawn to the fact that, if they surrender their Documents of Title in advance, they will not be in a position to deal in their Shares on the JSE between the date of surrender and the Operative Date, or if the Scheme is not implemented, between the date of surrender and the date on which their Shares are returned to them as set out in this Circular.

5.2 Dematerialised Shareholders

- 5.2.1 Dematerialised Shareholders must **NOT** complete the attached Form of Surrender and Transfer (*pink*).
- 5.2.2 The Scheme Consideration will be credited to the accounts of Dematerialised Shareholders by their CSDP or broker on the Operative Date.

6. SETTLEMENT OF THE SCHEME CONSIDERATION

- 6.1 In the event that the Scheme becomes unconditional in all respects and the Scheme is implemented, Scheme Participants, subject to the Exchange Control Regulations, will be entitled to receive the Scheme Consideration in respect of the Shares held by them. Subject to receipt of the Scheme Consideration in terms of paragraph 3.6 above, Illovo or its agents will administer and effect payment of the Scheme Consideration and transfer the Scheme Consideration to the Scheme Participants.

6.2 The following provisions relate to Scheme Participants who hold Certificated Shares:

- 6.2.1 subject to Exchange Control Regulations, details of which are set out in **Annexure 8** to this Circular, cheque(s) in respect of the Scheme Consideration will be posted to the Certificated Scheme Participant (at the risk of the Certificated Scheme Participant) (unless such Certificated Scheme Participant has elected to receive the Scheme Consideration by way of EFT by completing the relevant section of the Form of Surrender and Transfer (*pink*), in which case the Scheme Consideration will be paid to the Certificated Scheme Participant concerned on the Operative Date by way of EFT), by the Transfer Secretaries on behalf of Illovo within five Business Days of the Operative Date if such Certificated Scheme Participant's Form of Surrender and Transfer (*pink*), together with his Documents of Title, have been surrendered before 12:00 on the Scheme Record Date or, if the Certificated Scheme Participant's Form of Surrender and Transfer (*pink*), together with his Documents of Title, are surrendered after 12:00 on the Scheme Record Date, cheque(s) in respect of the Scheme Consideration will be posted to the Certificated Scheme Participant within five Business Days after receipt by the Transfer Secretaries of his Form and Surrender and Transfer (*pink*), together with his Documents of Title, by the Transfer Secretaries, unless the Certificated Scheme Participant has elected to receive the Scheme Consideration by way of EFT by completing the relevant section of the Form of Surrender and Transfer (*pink*), in which case the Scheme Consideration will be paid to the Certificated Scheme Participant by way of EFT within five Business Days of the Transfer Secretaries receiving his Form of Surrender and Transfer (*pink*) and Documents of Title;
- 6.2.2 where, on or subsequent to the Operative Date, a person who was not a registered holder of Certificated Shares on the Scheme Record Date, tenders to the Transfer Secretaries' Documents of Title together with a duly stamped Form of Surrender and Transfer purporting to have been executed by or on behalf of the then registered holder of such Certificated Shares, and provided that the Scheme Consideration shall not already have been posted or delivered to the registered holder, then such transfer may be accepted by Illovo as if it were a valid transfer to such person of the Certificated Shares concerned. The Scheme Consideration will be posted to such person in accordance with the provisions of this paragraph 6.2.2 within five Business Days of such tender, subject to proof satisfactory to the Transfer Secretaries as to the payment of any duty or tax payable, and provided that Illovo and ABS Africa are, if so required by them, given an indemnity on terms acceptable to them in respect of such consideration; and
- 6.2.3 if the Scheme Consideration is not sent to Certificated Shareholders entitled thereto because the relevant Form of Surrender and Transfer (*pink*) and Documents of Title have not been surrendered or if the Scheme Consideration is returned undelivered to the Transfer Secretaries, the Scheme Consideration will be held in trust by Illovo or the Transfer Secretaries on behalf of Illovo until claimed for a maximum period of 5 (five) years, after which period such funds shall be made over to the Guardians Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Illovo.

6.3 The following provision relates to Scheme Participants who hold Dematerialised Shares:

- 6.3.1 In respect of Dematerialised Shareholders, Illovo or its agents will deposit the Scheme Consideration into the account of the relevant CSDP via Strate and thereafter the accounts of Dematerialised Shareholders at their CSDPs or brokers will be credited and updated with the Scheme Consideration due to them in accordance with the custody agreements between the Dematerialised Shareholders and their CSDPs or brokers.
- 6.3.2 Settlement of the Scheme Consideration will be implemented in full in accordance with its terms without regard to any lien, right of set-off, counterclaim or other analogous right to which Illovo may otherwise be, or claim to be, entitled against such Scheme Participant.

7. OFFER SHAREHOLDERS' APPRAISAL RIGHTS

This paragraph 7 contains only a summary of the provisions of section 164 of the Companies Act. The full section is set out in Annexure 5 to this Circular.

7.1 Section 164 of the Companies Act provides that:

- 7.1.1 at any time before the Scheme Resolution and/or the MOI Amendment Resolution is to be voted on, an Offer Shareholder may give Illovo a written notice objecting to the Scheme Resolution and/or the MOI Amendment Resolution ("**Notice of Objection**");
- 7.1.2 within 10 Business Days after Illovo has adopted the Scheme Resolution and/or the MOI Amendment Resolution, it must send a notice that the Scheme Resolution and/or the MOI Amendment Resolution has been adopted to each Shareholder who gave Illovo a Notice of Objection and has neither withdrawn the Notice of Objection nor voted in favour of the Scheme Resolution and/or the MOI Amendment Resolution;
- 7.1.3 an Offer Shareholder may demand in writing within 20 Business Days after receipt of the notice referred to in paragraph 7.1.2 above or, if the Offer Shareholder does not receive the notice referred to in paragraph 7.1.2 above, within 20 Business Days after learning that the Scheme Resolution and/or the MOI Amendment Resolution was adopted, that Illovo pay the Offer Shareholder the fair value for all the Shares held by that Offer Shareholder if:
- (i) the Offer Shareholder sent Illovo a Notice of Objection;
 - (ii) Illovo has adopted the Scheme Resolution and/or the MOI Amendment Resolution; and
 - (iii) the Offer Shareholder voted against the Scheme Resolution and/or the MOI Amendment Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act;
- 7.1.4 the demand sent by the Offer Shareholder to Illovo as provided in paragraph 7.1.3 above must set out:
- (i) the Offer Shareholder's name and address;
 - (ii) the number of Shares in respect of which the Offer Shareholder seeks payment; and
 - (iii) a demand for payment of the fair value of those Shares. The fair value of the Shares is determined as at the date on which, and the time immediately before, Illovo adopted the Scheme Resolution and/or the MOI Amendment Resolution that gave rise to the Offer Shareholder's rights under this section.

7.2 Any Offer Shareholder who is in doubt as to what action to take must consult his legal or professional adviser in this regard. A copy of section 164 of the Companies Act is attached to this Circular as **Annexure 5**.

7.3 Before exercising their rights under section 164 of the Companies Act, Offer Shareholders should have regard to the following factors relating to the Scheme:

- (i) the Scheme Consideration is payable in cash;
- (ii) the report of the Independent Expert set out in **Annexure 1** to this Circular concludes that the terms of the Scheme are fair and reasonable to Shareholders; and
- (iii) the Court is empowered to grant a costs order in favour of, or against, an Offer Shareholder, as may be applicable.

- 7.4 An Offer Shareholder who has sent a demand in terms of section 164 of the Companies Act has no further rights in respect of his Shares, other than to be paid their fair value, unless:
- (i) the Offer Shareholder withdraws that demand before Illovo makes an offer to that Offer Shareholder under section 164(11) of the Companies Act, or allows any offer made by Illovo to lapse;
 - (ii) Illovo fails to make an offer in accordance with section 164(11) of the Companies Act and the Offer Shareholder withdraws the demand; or
 - (iii) Illovo, by a subsequent special resolution, revokes the adopted resolution that gave rise to the Offer Shareholder's rights under section 164,

in which case that Offer Shareholder's rights shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption. For the sake of clarity, except where expressly provided otherwise, all provisions applicable to Scheme Participants shall apply equally to any Offer Shareholder who becomes a Deemed Scheme Participant.

- 7.5 It should be noted that one of the Scheme Conditions is that the Offer Shareholders exercise appraisal rights in terms of section 164 of the Companies Act in respect of no more than 5% of the issued Shares eligible to vote on the Scheme Resolution and/or the MOI Amendment Resolution, provided that, in the event that Offer Shareholders give notice objecting to the Scheme and/or the MOI Amendment Resolution, as applicable, in terms of section 164(3) of the Companies Act and the aggregate number of votes exercised against either or both such resolutions at the General Meeting is in respect of no more than 5% of the issued Shares eligible to vote on the Scheme Resolution and/or MOI Amendment Resolution, this Scheme Condition shall be deemed to have been fulfilled at the time of the General Meeting (provided that if a Voting Shareholder exercises his votes against both such resolutions, his votes shall only be taken into account once).

- 7.6 In the event that any of the circumstances contemplated in sections 164(9)(a) to (c) of the Companies Act occur, then an Offer Shareholder:

7.6.1 shall if such event takes place on or before the Scheme Record Date in respect of the Scheme, be a Scheme Participant and be subject to the provisions of the Scheme;

7.6.2 shall if such event takes place after the Scheme Record Date in respect of the Scheme, be deemed to have been a Scheme Participant with retrospective effect as at the Operative Date, provided that settlement of the Scheme Consideration and transfer of that Offer Shareholder's Shares to ABS Africa shall take place on the later of:

- (i) the date which is five Business Days after that Offer Shareholder so withdrew his demand or allowed Illovo's proposal in terms of the Scheme to lapse, as the case may be;
- (ii) if that Offer Shareholder is a Certificated Shareholder, the date which is five Business Days after that Offer Shareholder surrendered his Documents of Title and completed a Form of Surrender and Transfer (*pink*) accepting the Scheme to the Transfer Secretaries;

7.6.3 hereby authorises Illovo and/or the Transfer Secretaries, on his behalf, to transfer his Shares to ABS Africa against payment of the Scheme Consideration and to take all other action and steps necessary to give effect to the foregoing.

8. **SUSPENSIVE CONDITIONS TO THE SCHEME**

- 8.1 The implementation of the Scheme is subject to the fulfilment or waiver, as applicable, of the following conditions by no later than the Scheme Long Stop Date:

8.1.1 the approval of the Scheme Resolution by the requisite majority of Voting Shareholders at the General Meeting in terms of the Companies Act and, if the provisions of section 115(2) (c) of the Companies Act become applicable:

- (i) the approval of the Scheme by the High Court; and
- (ii) if applicable, the Company not treating the Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;

- 8.1.2 the approval of the MOI Amendment Resolution by the requisite majority of Voting Shareholders at the General Meeting in terms of the Companies Act and the MOI, and the filing (together with the prescribed fee) of such resolution as contemplated by section 16(7) of the Companies Act with the Companies and Intellectual Property Commission;
- 8.1.3 in relation to any objection to the Scheme Resolution and/or the MOI Amendment Resolution by Voting Shareholders, either:
- (i) such Voting Shareholders giving notice objecting to the Scheme Resolution and/or the MOI Amendment Resolution, as applicable, as contemplated in section 164(3) of the Companies Act, and the aggregate number of votes exercised against either or both of such resolutions at the General Meeting is no more than 5% of all of the Offer Shares (provided that if a Voting Shareholder exercises his votes against both such resolutions, his votes shall only be taken into account once for the purposes of this paragraph 8.1.3(i)); or
 - (ii) if the circumstances contemplated in paragraph 8.1.3(i) arise, Voting Shareholders have not exercised appraisal rights by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all the Offer Shares within 30 (thirty) Business Days following the General Meeting (provided that if a Voting Shareholder exercises his appraisal rights in respect of both of such resolutions, his Offer Shares shall only be taken into account once for the purposes of this paragraph 8.1.3(ii));
- 8.1.4 all Clearances required to effect the Scheme are granted, including without being limited to:
- (i) the issue by the TRP of a compliance certificate with respect to the Scheme in terms of section 121(b) of the Companies Act; and
 - (ii) approval of the SARB in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act, 9 of 1933),

provided that if any such Clearance is granted subject to any condition or qualification, then ABS Africa shall be entitled to consent to the imposition of the condition or qualification, in which event the Clearance will be regarded as having been granted; provided further that if such Clearance is granted subject to any condition or qualification which is of a material nature, then, notwithstanding the foregoing, both Illovo and ABS Africa must agree to the imposition of such condition or qualification if the Clearance is to be regarded as having been granted.

8.2 Waiver of Scheme Conditions

- 8.2.1 ABS Africa shall be entitled to waive (in whole or in part) in writing the Scheme Conditions stipulated in paragraphs 8.1.2 and 8.1.3.
- 8.2.2 The Scheme Conditions stipulated in paragraph 8.1.1 and sub-paragraphs (i), (ii) and (iii) of 8.1.4 are not capable of waiver.
- 8.2.3 The Parties by agreement shall be entitled to waive (in whole or in part), in writing, the Scheme Conditions stipulated in paragraph 8.1.4 (save insofar as it relates to the specific approvals set out in sub-paragraphs (i) and (ii) thereof).
- 8.3 An announcement will be published on SENS as soon as practicable after all the Scheme Conditions have been fulfilled or waived, as the case may be.

9. TERMINATION OF THE SCHEME IN CERTAIN CIRCUMSTANCES

- 9.1 The Transaction Implementation Agreement and the Scheme shall terminate with immediate effect and all rights and obligations of the Parties under the Transaction Implementation Agreement and the Scheme shall, subject to the surviving provisions of the Transaction Implementation Agreement and this Circular, cease forthwith only as follows:
- 9.1.1 if any Scheme Condition, which may be waived by ABS Africa becomes incapable of fulfilment, and ABS Africa notifies Illovo in writing that ABS Africa will not waive that Scheme Condition;
 - 9.1.2 if all the Scheme Conditions have not been fulfilled or waived on or before the Scheme Long Stop Date;
 - 9.1.3 upon written notice by ABS Africa to Illovo, if the recommendation of the Independent Board referred to in paragraph 26.5 of this Circular is: (i) withdrawn; or (ii) having been given, is not withdrawn, but the Independent Board recommends a Competing Proposal;
 - 9.1.4 upon written notice by ABS Africa to Illovo, if a MAC has occurred after the Accounts Date;
 - 9.1.5 upon written notice by ABS Africa, to the Company, if the Company fails to certify immediately prior to the date on which this Circular is posted, the date of the General Meeting (and the date on which the General Meeting may be reconvened following any adjournment) and the Scheme Finalisation Date, by written notice to ABS Africa, that, to the Company's Knowledge (after all due and diligent enquiries), no MAC has occurred after the Accounts Date, provided that if, to the Company's Knowledge (after all due and diligent enquiries), no MAC has occurred immediately prior to each of the applicable dates, the Company shall deliver each such certificate; and
 - 9.1.6 upon written notice by either Party (**Terminating Party**) to the other Party (**Breaching Party**), given on or before the Scheme Last Day to Trade, if the Breaching Party commits a material breach of any provision of the Transaction Implementation Agreement or the Scheme and fails to remedy such breach within 10 (ten) Business Days of receipt of a notice from the Terminating Party to the Breaching Party requesting same.
- 9.2 Neither Party shall be entitled to terminate or otherwise cancel the Transaction Implementation Agreement or the Scheme after the Scheme Last Day to Trade. Accordingly if the Scheme Last Day to Trade occurs before the expiry of the remedy period set out in paragraph 9.1.6, the remedy period shall expire on the second Business Day before the Scheme Last Day to Trade, even if that results in there being no remedy period.

10. UNDERTAKINGS BY ILLOVO

- 10.1 Illovo has undertaken to ABS Africa in terms of the Transaction Implementation Agreement that, during the Interim Period, Illovo will (and Illovo will procure that all of its Material Subsidiaries will):
- 10.1.1 conduct their operations in the ordinary course, and, without limitation, will:
 - 10.1.1.1 carry on each of the aforementioned entity's (**Relevant Group Company**) business in compliance with all material laws and regulations;
 - 10.1.1.2 maintain each Relevant Group Company's business as a going concern and with a view to profit;
 - 10.1.1.3 not make any material change to the nature and scope of each Relevant Group Company's business;
 - 10.1.1.4 not make any material change to the organisation or senior management of the Company or any of its Material Subsidiaries (other than by reason of death, resignation, retirement, suspension or dismissal);
 - 10.1.1.5 not modify or terminate any rights under any Relevant Group Company's contracts which are material to such entity's business;

- 10.1.1.6 not undertake or agree to undertake any (i) corporate acquisition or disposal in excess of R50 000 000; or (ii) any transaction which would result in the disposal or reduction of its equity interest, whether direct or indirect, in any Material Subsidiary (other than the 4 458 438 shares in Zambia Sugar plc owned by Illovo Group Holdings Limited (**IGHL**) which are held in a Central Securities Depository in accordance with the agreement reached with the Lusaka Stock Exchange (**LuSE**), and which IGHL has agreed to sell to the public (in order to reduce its shareholding in Zambia Sugar plc to 75% in order to comply with the LuSE Rules));
- 10.1.1.7 not enter into any material partnership, joint venture or profit sharing agreement;
- 10.1.1.8 not dispose of any Treasury Shares, other than in terms of, or in order to give effect to, the ESPS, and consistent with past practice;
- 10.1.1.9 other than as contemplated in the Transaction Implementation Agreement, not issue any:
 - 10.1.1.9.1 securities of Illovo to any person; or
 - 10.1.1.9.2 securities of any Group Company of Illovo to any person (other than any issue of such securities to Illovo or to any Group Company of Illovo); or
 - 10.1.1.9.3 options, phantom options or awards in respect of or linked to the price of any securities of Illovo or any Group Company of Illovo to any person;
 - 10.1.1.9.4 refrain from engaging in any action contemplated in section 126 of the Companies Act without ABS Africa's prior written consent, unless ABS Africa otherwise consents (which consent shall not be unreasonably withheld or delayed).

10.2 Illovo undertakes to ABS Africa that it will not, without the prior written consent of ABS Africa, at any time during the Interim Period, make any Distribution.

10.3 Illovo undertakes to ABS Africa that, during the Interim Period, Illovo shall (and the Company shall procure that all of its Material Subsidiaries shall) not permit any Relevant Group Company to create any material borrowings or enter into any material security arrangement without prior consultation with ABS Africa.

11. GENERAL

11.1 Illovo may, but only after the receipt of ABS Africa's written consent:

11.1.1 before or at the General Meeting, prior to Shareholders casting their votes, agree to any amendment, variation or modification of the Scheme. The Shareholders will be notified of any such variation or modification; or

11.1.2 after the General Meeting, agree to any amendment, variation or modification of the Scheme, provided that no amendment, variation or modification made after the General Meeting may have the effect of diminishing the rights which will accrue to a Scheme Participant in terms of the Scheme.

11.2 Within 1 (one) Business Day of the fulfilment or waiver, to the extent permitted, of all the Scheme Conditions, the Parties shall execute a written certificate to such effect. Upon execution of the aforementioned certificate, all the Scheme Conditions shall be deemed to have been fulfilled or waived, to the extent permitted, notwithstanding that the Parties may subsequently discover that any Scheme Condition may not have been fulfilled or waived (as applicable).

11.3 Upon the Scheme being implemented, the Documents of Title held by any Scheme Participants will cease to be of any value, other than for the purposes of surrender in terms of the Scheme, and no certificates or deeds or documents will be issued by Illovo in place thereof.

- 11.4 Illovo will be entitled, and will have the authority on behalf of itself and each Shareholder, to authorise any person nominated by Illovo to sign all documents, and do any other thing required to be done in order to implement the terms of the Scheme and Delisting, including but not limited to, all transfer forms, instructions to CSDPs, forms of transfer, changes in address and cessions of rights to dividends, distributions and other entitlements to ABS Africa.
- 11.5 All times and dates referred to herein are subject to change, as contemplated in this Circular. Any such change shall be released on SENS and published in the South African press.
- 11.6 In terms of section 115(4) of the Companies Act, the voting rights of AOL in respect of the ABF Shares will not be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of shareholders is present and will not be taken into account in calculating the percentage of voting rights required to approve the Scheme Resolution.
- 11.7 The Scheme shall be governed by the laws of South Africa only. Each Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

12. GENERAL MEETING

- 12.1 The Scheme will be put to a vote at the General Meeting to be held at 10:00 on 25 May 2016 at 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320.
- 12.2 Each Certificated Shareholder and Dematerialised Shareholder recorded in the Register on the Voting Record Date with "own-name" registration can attend, speak and vote at the General Meeting in person or give a proxy to someone else (including the chairman of the General Meeting) to represent him at the General Meeting by completing the attached Form of Proxy (*green*).
- 12.3 The relevant Form of Proxy (*green*) must be completed in accordance with the instructions therein and returned to the Transfer Secretaries, Link Market Services Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by no later than 48 hours before the General Meeting that is to be held at 10:00 on 25 May 2016 (i.e., by no later than 10:00 on 23 May 2016).
- 12.4 Persons who have Dematerialised their Shares but who do not have "own-name" registration and who:
- 12.4.1 wish to attend, speak and vote at the General Meeting, must arrange with their CSDP or broker to obtain the necessary letter of representation; or
- 12.4.2 are unable to or do not wish to attend the General Meeting but wish to vote at the General Meeting, should provide their CSDP or broker with their voting instruction in the manner stipulated in the custody agreement governing the relationship between such persons and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. It is envisaged that the CSDP or broker will then provide the Transfer Secretaries with the relevant Forms of Proxy in terms of such persons' instructions.
- 12.5 The persons referred to in paragraph 12.4 above will not be permitted to attend, speak or vote at the General Meeting without the necessary letter of representation being issued to them by their CSDP or broker.

13. CONFIRMATION OF FINANCIAL RESOURCES

- 13.1 In accordance with Regulation 111(4) and Regulation 111(5) of the Takeover Regulations, ABSA Bank Limited has provided the TRP with a bank guarantee to satisfy payment of the Scheme Consideration or the General Offer Consideration, as may be applicable, in full.

14. ILLOVO SHARES

The authorised and issued shares of Illovo at the Last Practicable Date are set out below:

	R'000
Authorised shares	
900 000 000 ordinary shares with a par value of R0.04 per share	
Issued shares	
460 730 557 ordinary shares with a par value of R0.04 per share	18 429
Share premium	1 177 624

Notes: All the Shares are listed on the Main Board of the JSE.

15. MAJOR BENEFICIAL SHAREHOLDERS

15.1 As at the Last Practicable Date, the following Shareholders hold 81.6% or more of Illovo's shares:

Shareholder	Total number of Shares held	% of issued shares of Illovo
AOL ¹	236 569 232	51
Allan Gray Proprietary Limited ²	88 308 178	19
Public Investment Corporation	24 788 623	5
Investec Asset Management ³	26 296 803	6
Total	375 962 836	

Notes:

- AOL is an indirect wholly-owned Subsidiary of ABF. ABS Africa is acting as principal and not as agent in respect of the Proposed Offer and it is not acting in concert with any other party for purposes of the implementation of the Proposed Offer, other than any other ABF Group Company.*
- The beneficial ownership of the shares vests with Allan Gray Proprietary Limited's underlying clients and not Allan Gray Proprietary Limited itself.*
- The beneficial ownership of the shares vests with Investec Asset Management Proprietary Limited's underlying clients and not Investec Asset Management Proprietary Limited itself.*

15.2 For the six months prior to the date of issue of this Circular, neither ABS Africa nor any other ABF Group Company has acquired any issued shares of Illovo.

16. HISTORICAL FINANCIAL INFORMATION RELATING TO ILLOVO

16.1 The audited consolidated financial statements for financial years ended 31 March 2015, 2014 and 2013 and the reviewed consolidated financial statements of Illovo for the interim financial period ended 30 September 2015 are set out in **Annexure 2** and **Annexure 3** to this Circular, respectively.

16.2 The price and trading history of Shares on the JSE is set out in **Annexure 7** to this Circular.

17. INFORMATION ON DIRECTORS OF ILLOVO

17.1 The names, age, business address and function of the directors of Illovo are set out below:

Director	Age	Business address	Function at Illovo
TS Munday ^{#Ω}	66	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Chairman
GB Dalgleish	50	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Managing Director
MH Abdool-Samad	45	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Financial Director
JP Hulley	56	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Operations Director

Director	Age	Business address	Function at Illovo
LW Riddle	56	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Commercial Director
MI Carr [#]	53	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
PA Lister [#]	51	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
J Cowper [#]	41	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
G Gomwe ^{^*Ω}	60	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
MJ Hankinson ^{#*Ω}	66	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
S Kana ^{#*Ω}	61	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
D Konar ^{#*Ω}	62	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
CWN Molope ^{#*Ω}	51	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive
AR Mpungwe ^{>#*Ω}	65	1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320	Non-executive

**Independent #Non-executive ΩMember of the Independent Board >Tanzanian ^British ^Zimbabwean*

17.2 Directors' Remuneration and Service Contracts

17.2.1 The table below sets out the remuneration of the directors of Illovo for the 12 months ended 31 March 2015

Executive directors	Basic salary	Bonuses	Retirement, medical and UIF contributions	Car allowances	Total
MH Abdool-Samad	R3 445 000	R1 034 000	R455 000	R230 000	R5 164 000
GB Dagleish	R4 806 000	R1 300 000	R587 000	R379 000	R7 072 000
JP Hulley	R2 715 000	R718 000	R367 000	R275 000	R4 075 000
LW Riddle	R2 659 000	R997 000	R370 000	R295 000	R4 321 000
Non-executive directors			Non-executive directors' fees		
DG MacLeod [#]					R2 200 000
TS Munday					R736 000
MJ Hankinson					R664 000
D Konar					R525 000
PM Madi [#]					R430 000
CWN Molope					R484 000
AR Mpungwe					R421 000
GM Rhodes [*]					–
MI Carr					–
PA Lister					–
J Cowper					–
Total					R5 460 000

**Retired 15 July 2015.*

**Retired 31 October 2014.*

17.2.2 It is anticipated that the Board will be restructured as a consequence and upon implementation of the Proposed Offer, consistent with Illovo being a wholly-owned subsidiary of ABF, and in order to remove any duplication of roles. In this regard, the restructured board will comprise four directors (the first such directors being Dr MI Carr and Messrs GB Dagleish, MH Abdool-Samad, and J Cowper). The current remuneration of these directors will not change as a result of the implementation of the Proposed Offer, except as may arise in consequence of matters set out in paragraph 19.

17.2.3 ABS Africa has confidence in the Illovo executive management team and recognises the key role they have played in the development of the business. It is anticipated that the executive management will remain in place with no material changes to their overall remuneration packages as a result of the implementation of the Proposed Offer, except as may arise in consequence of matters set out in paragraph 19.

17.3 Details of the service contracts of the directors

17.3.1 Executive directors are appointed in terms of written letters of appointment, which appointments will terminate upon retirement at the age of 63 years or three months' written notice by either party provided that if the Company terminates an executive's employment pursuant to a takeover of the Company (ie, a change in majority shareholding), a restructuring of the Illovo Group, or any other event outside the normal course of its business, the Company shall be required to give not less than 12 months' written notice of termination to the executive. The terms of employment are not subject to a restraint of trade undertaking. The contractual relationship between Illovo and its executive directors is controlled through the Company's Remuneration and Nomination Committees.

17.3.2 Dr MI Carr and Messrs PA Lister and J Cowper (the "Nominee Directors") are nominees of ABF sitting on the Board. The terms of employment between ABF and the Nominee Directors are based on ABF's standard terms and conditions of employment with market related compensation. The Nominee Directors do not receive any further remuneration for their services to Illovo.

17.3.3 No service contracts were amended in the last six months prior to the date of issue of this Circular, other than certain amendments made in November 2015 to the executive service contracts, correcting certain errors in their original contracts relative to their functions following a review by the Remuneration Committee.

17.4 Directors' interests in other transactions

17.4.1 The directors of Illovo have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by Illovo during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

18. INTERESTS OF ILLOVO, ABF, ABS AFRICA AND THEIR RESPECTIVE DIRECTORS

18.1 Interests of the Illovo directors in Illovo

18.1.1 As at the Last Practicable Date, the directors of Illovo held the following interests in the issued shares of Illovo:

Director	Direct	Indirect	Total number of Shares held	% of issued Illovo shares
MJ Hankinson	3 925	3 925	7 850	0.00
GB Dagleish	172 000	–	172 000	0.04
MH Abdool-Samad	62 000	–	62 000	0.01
JP Hulley	92 000	–	92 000	0.02
LW Riddle	47 000	–	47 000	0.01
	376 925	3 925	380 850	0.08

18.1.2 There were no dealings by the directors of Illovo in the shares of Illovo during the last six months prior to the Last Practicable Date.

18.1.3 The directors of Illovo intend to vote in favour of the special and ordinary resolutions set out in the notice of the General Meeting attached to and forming part of this Circular in respect of their entire shareholding in Illovo, to the extent they are permitted to do so in terms of the Takeover Regulations and the JSE Listings Requirements.

18.2 Interests of Illovo and its directors in the ABF Group

18.2.1 As at the Last Practicable Date, the directors of Illovo held the following interests in the issued shares of ABF:

Director	Total number of Shares held	% of issued ABF shares
MI Carr	64 901	0.008
PA Lister	93 964	0.011
	158 865	0.02

18.2.2 Information relating to the Illovo directors' dealings in ABF shares during the last six months prior to the Last Practicable Date are set out below:

Director	Nature of trade	Trade date	Trade price (pence per share)	Total number of ABF shares traded
MI Carr	Purchase (through vesting employee share scheme)	23/11/2015	34.517940	9 171
	Sale	24/11/2015	34.517940	9 171
PA Lister	Purchase (through vesting employee share scheme)	23/11/2015	34.517940	5 271
	Sale	24/11/2015	34.517940	3 878
	Purchase (through dividend re-investment)	8/01/2016	31.3332	736

18.3 Interests of ABF directors in ABF and ABS Africa

18.3.1 As at the Last Practicable Date, the directors of ABF held the following interests in the issued shares of ABF:

Director	Total number of Shares held	% of issued ABF shares
ES Adamo [#]	504 465	0.063721290
LR Cairnie	1 500	0.000894720
T Clarke	4 000	0.000505258
FJF Larraz	2 400	0.000000303
GG Weston [#]	3 561 936	0.449924486
WG Hauser	1 283	0.000162062
JG Bason	130 033	0.016425065
CJF Sinclair	12 760	0.001611774
PA Smith	2 000	0.000252629
Total	4 220 377	0.533095191

[#] ES Adamo and GG Weston are directors of Wittington Investments Limited which, together with its subsidiary, Howard Investments Limited, holds 431 515 108 ordinary shares in ABF.

18.3.2 Information relating to the ABF directors' dealings in securities during the last six months prior to the Last Practicable Date are set out below.

Director	Nature of trade	Trade date	Trade price (pence per share)	Total number of ABF shares traded
GG Weston	Purchase (through vesting employee share scheme)	23/11/2015	34.517940	24 575
	Sale	24/11/2015	34.517940	11 586
JG Bason	Purchase (through vesting employee share scheme)	23/11/2015	34.517940	16 168
	Sale	24/11/2015	34.517940	11 168
	Purchase (through dividend re-investment)	08/01/2016	31.3332	984

18.3.3 As at the Last Practicable Date, no ABF director holds any direct or indirect interest in the issued shares of ABS Africa, except through their shareholding in ABF detailed in paragraph 18.3.1 above.

18.4 **Interests of ABS Africa directors in ABF and ABS Africa**

As at the Last Practicable Date, the following directors of ABS Africa held the following interests in the issued shares of ABF:

Director	Total number of Shares held	% of issued ABF shares
Peter Russell	37 358	0.00473936
RS Schofield	8 535	0.00108278
Total	45 893	0.00582213

18.5 **Interests of the ABF Group and the directors of ABF and ABS Africa in Illovo**

18.5.1 As at the Last Practicable Date, no company in the ABF Group holds any direct or indirect interest in the issued shares of Illovo, other than AOL which beneficially and directly owns 236 569 232 Shares, representing approximately 51% of the issued shares of Illovo. ABS Africa is acting as principal and not as agent in respect of the Proposed Offer and it is not acting in concert with any other party for purposes of the implementation of the Proposed Offer, other than any other Group Company.

18.5.2 As at the Last Practicable Date, none of the directors of ABF and ABS Africa hold any direct or indirect interest in the Shares (other than an indirect interest through AOL's shareholding in Illovo).

18.5.3 There were no dealings by the directors of ABF in Shares during the last six months prior to the Last Practicable Date.

19. **INCENTIVE AGREEMENTS**

19.1 The PSS Rules have been amended in accordance with the PSS Rules so as to provide that, if the Proposed Offer is implemented and takes effect, each of the employees of Illovo or any subsidiary of Illovo participating in the PSS Scheme will receive a cash settlement of R10 in respect of each of his PSS Options, to be paid out in three annual tranches, the receipt of each of which will

be forfeited if prior to the due date therefor an employee resigns or is dismissed (other than for operational requirements or incapacity due to ill health or injury) from the employment of Illovo or any subsidiary of Illovo.

- 19.2 The FSP Rules have been amended in accordance with the FSP Rules so as to provide that, if the Proposed Offer is implemented and takes effect, all of the Shares that, as at the signature date of the Transaction Implementation Agreement have not yet, in terms of the FSP Rules, vested in the participants of the FSP will be forfeited by those participants and will be disposed of by the Escrow Agent, in its capacity as the escrow agent for the purpose of the FSP, to ABS Africa pursuant to the Proposed Offer for the Scheme Consideration or the General Offer Consideration (as the case may be), which will be paid to Illovo. The FSP will then terminate and the Company will establish a separate incentive scheme for the participants who forfeited their shares, which scheme shall be subject to specified retention and performance related criteria.
- 19.3 It is intended that, if the Transaction is implemented and takes effect, the Shares held by the ESP Trust will be disposed of to ABF pursuant to the Transaction, for the Scheme Consideration or the General Offer Consideration (as the case may be), which will then be paid over to the relevant employees of the Company Group in accordance with the rules of the ESPS, and the ESPS will be terminated.

20. MATERIAL AGREEMENTS

There are no material arrangements, agreements or understandings, other than the Transaction Implementation Agreement and those listed below, between the ABF Group, on the one hand, and the Illovo Group, on the other:

- 20.1 An oral agreement in terms of which the ABF Group purchases sugar from Illovo, in the ordinary course of business and on arm's length terms, to satisfy its supply obligations into Spain.
- 20.2 A shareholders' agreement, dated on or about 20 December 2013, governing the relationship of ABF, Illovo Sugar (South Africa) Limited, a public company registered in accordance with the laws of South Africa with registration number 1915/000879/06, and Little John Holding Limited, a company registered in accordance with the laws of Cyprus with registration number HE 315881, as shareholders of Relax Limited, a company registered in accordance with the laws of Malta with registration number C42329. Relax Limited is an international supplier of various lactulose products.
- 20.3 A shareholders' agreement, dated on or about 20 December 2013, governing the relationship of ABF, Illovo Sugar (South Africa) Limited, a public company registered in accordance with the laws of South Africa with registration number 1915/000879/06, and Little John Holding Limited, a company registered in accordance with the laws of Cyprus with registration number HE 315881, as shareholders of Lacsas Proprietary Limited, a company registered in accordance with the laws of South Africa with registration number 1993/005406/07. Lacsas manufactures and sells various lactulose products to customers in South Africa.
- 20.4 An oral arrangement between ABF and Illovo in which ABF provides ad hoc managerial services to Illovo without receiving any consideration therefor.
- 20.5 The following financing arrangements, dated on or about 22 March 2016, which were concluded at an arm's length basis:
- 20.5.1 USD25 million inter-company facility agreement between ABF and Illovo Group Holdings Limited;
- 20.5.2 USD76 million inter-company facility agreement between Mountsfield Park Finance Limited and Illovo Group Financing Services; and
- 20.5.3 USD75 million inter-company facility agreement between Mountsfield Park and Illovo Group Finance Limited.

(Collectively, the "**Material Agreements**").

21. OTHER ARRANGEMENTS

Save for the undertaking and letters of support from the Shareholders to vote in favour of the Transaction Resolutions referred in paragraph 22 below, the Transaction Implementation Agreement and the Confidentiality Agreement entered into by ABF and Illovo, no arrangements, agreements or understandings which have any connection with or dependence on the Proposed Offer exist between Illovo, the Shareholders, ABF or ABS Africa, or any person acting in concert with any of them, or any director of Illovo or any person who was a director of Illovo within the period commencing 12 months prior to the date on which the Firm Intention Announcement was released on SENS, or any person who is or was a Shareholder within the abovementioned period.

22. UNDERTAKING AND LETTERS OF SUPPORT

22.1 ABF has received an undertaking from Investec Asset Management Proprietary Limited to vote in favour of the Transaction Resolutions and, if made, to accept the general offer in respect of 26 314 828 Shares (11.74% of the Offer Shares) which it holds. In respect of half of those Shares, however, it is entitled to dispose of them and its undertaking in respect of them only applies insofar as it has not disposed of them. Furthermore, its entire undertaking is subject to the instructions of its clients on whose behalf it holds the shares. The undertaking will not subsist beyond 17:00 on 30 June 2016.

22.2 ABF has received letters of support from Allan Gray Proprietary Limited ("Allan Gray") and Kagiso Asset Management Proprietary Limited ("Kagiso"), collectively holding or managing 42.24% of the Offer Shares, on behalf of their clients, to either vote in favour of, or recommend to their clients (as in the case of Allan Gray) to vote in favour of, the Scheme and/or all Transaction Resolutions. Allan Gray's letter of support will not subsist beyond 31 May 2016 and is subject to the instructions of its clients. Kagiso's letter of support will not subsist beyond the date of the General Meeting, and is subject to the instructions of its clients and is not prohibited from disposing of its shares prior to the General Meeting.

22.3 ABF has received non-binding letters of support from each of the executive directors of Illovo representing in aggregate 0.17% of the Offer Shares to support the Proposed Offer, vote in favour of the Transaction Resolutions and accept the General Offer, if made.

22.4 In terms of section 115(4) of the Companies Act, Shares held by AOL will be excluded from calculating the percentage of voting rights (i) required to be present in determining whether the applicable quorum requirements are satisfied or (ii) required to be voted in support of the resolution to approve the Scheme at the General Meeting. In terms of section 1.15 of the JSE Listings Requirements, the votes of any controlling shareholder, its associates and any party acting in concert will not be taken into account in determining the results of the voting of the Delisting Resolution.

22.5 In terms of article 8 of the MOI, article 8 and articles 135 to 146 of the MOI may only be amended by special resolution, provided that not less than 50% of the votes of Shareholders who are not members of the ABF Group are cast in favour of the adoption of the special resolution.

22.6 As at the Last Practicable Date, none of the Shareholders referred to in paragraph 22.1 above hold any direct or indirect interest in the issued shares of ABF or ABS Africa.

22.7 Details of the Shares traded by the Shareholders listed in paragraphs 22.1 and 22.2 above during the six months prior to the Last Practicable Date, are set out in **Annexure 9** to this Circular.

23. SUSPENSION AND TERMINATION OF LISTING

23.1 The listing of all the Shares will be terminated from the Main Board of the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, the General Offer (if made) and the approval of the Delisting Resolution.

23.2 Subject to the Scheme becoming unconditional and the Scheme being implemented, or in the event of the General Offer being implemented, as may be applicable, the JSE has granted approval for the termination of the listing of all the Shares from the Main Board of the JSE, subject to Shareholders voting in favour of the Delisting Resolution (excluding any votes by a controlling shareholder).

24. AGREEMENTS IN RELATION TO THE PROPOSED OFFER

No agreement exists between Illovo and any Shareholders which could be considered material to a decision regarding the Proposed Offer to be taken by Shareholders. As at the Last Practicable Date, no other agreements have been entered into between Illovo and any of the directors of Illovo or Shareholders in relation to the Proposed Offer, save for the undertaking and letters of support referred to in paragraph 22.

25. COSTS

Each of ABF and Illovo shall bear all costs incurred by it in connection with the preparation, negotiation and entry into of the Transaction Implementation Agreement and the documents to be entered into pursuant to it (including this Circular).

26. OPINIONS AND RECOMMENDATIONS

26.1 In accordance with section 114(3) of the Companies Act and regulation 90(1) of the Takeover Regulations, the Board appointed RMB as the Independent Expert (which meets the requirements set out in section 114(2) of the Companies Act) for the purposes of providing external advice in regard to, among other things, the Scheme and the General Offer and to make appropriate recommendations to the Board for the benefit of Shareholders in respect of the Scheme and the General Offer.

26.2 Similarly, in accordance with paragraph 1.14(d) of the JSE Listings Requirements, the Board appointed RMB as the Independent Expert for the purposes of providing external advice in regard to the fairness of the General Offer Consideration insofar as same relates to the termination of the listing of all the Shares from the Main Board of the JSE, in the event that the Scheme fails but the General Offer is made.

26.3 The Independent Expert has advised the Independent Board that it has considered the terms and conditions of the Scheme and the General Offer and is of the opinion that these terms and conditions are fair and reasonable in the case of both the Scheme and General Offer.

26.4 The text of the letter from the Independent Expert is included in **Annexure 1** to this Circular and the report has not been withdrawn prior to the publication of this Circular.

26.5 The Independent Board, after due consideration of the report of the Independent Expert, concurs with the findings of the Independent Expert and recommends that Shareholders vote in favour of the Scheme Resolution and the other Transaction Resolutions.

26.6 The Board recommends that Shareholders vote in favour of the Transaction Resolutions.

26.7 The Independent Board has not received any other offers in the six months preceding the date of this Circular.

27. MATERIAL CHANGES, LITIGATION AND CONTINUATION OF ILLOVO'S BUSINESS

27.1 There are no material legal or arbitration proceedings against Illovo (including any such proceedings that are pending or threatened), of which the directors are aware which may have or have had during the 12 months preceding the date of this Circular, a material effect on Illovo's financial position.

27.2 In the event that ABS Africa acquires all the ordinary issued shares of Illovo, ABS Africa intends to:

27.2.1 restructure the Board, consistent with Illovo being a wholly-owned subsidiary of ABF and to remove any duplication of roles. In this regard, the restructured board will comprise four directors (the first such directors being Dr MI Carr and Messrs GB Dagleish, MH Abdool-Samad and J Cowper); and

27.2.2 manage the business of Illovo in a similar manner as it was managed prior to the implementation of the Proposed Offer.

28. RESPONSIBILITY STATEMENT

28.1 The Independent Board, insofar as any information in this Circular relates to Illovo and the directors of ABS Africa, whose names appear on page 22 of this Circular, insofar as any information in this Circular relates to ABS Africa :

28.1.1 have considered all statements of fact and opinion in this Circular;

28.1.2 collectively and individually, accept full responsibility for the accuracy of the information given;

28.1.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;

- 28.1.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 28.1.5 confirm that this Circular contains all information required by the JSE Listings Requirements and the Takeover Regulations.

29. **CONSENTS**

Rothschild (South Africa) Proprietary Limited, JP Morgan Equities South Africa Proprietary Limited, Edward Nathan Sonnenbergs Incorporated, Bowman Gilfillan Incorporated, The Standard Bank of South Africa Limited, and Rand Merchant Bank, a division of FirstRand Bank Limited consented in writing to the inclusion of their names and reports, as applicable, in this Circular, in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

30. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the registered office of Illovo, from the date of this Circular until the date of the General Meeting, or in the event that the General Offer is implemented, the General Offer Closing Date:

- 30.1 the Memorandum of Incorporation of Illovo;
- 30.2 the report of the Independent Expert, as reproduced at **Annexure 1** to this Circular;
- 30.3 the audited consolidated financial statements of Illovo for the financial years ended 31 March 2013, 2014 and 2015, as reproduced at **Annexure 2** to this Circular;
- 30.4 the reviewed consolidated financial statements of Illovo for the interim financial period ended 30 September 2015;
- 30.5 the PSS Rules;
- 30.6 the FSP Rules;
- 30.7 the trust deed for the ESP Trust (to which the rule for the ESPS are annexed);
- 30.8 the irrevocable undertaking and letters of support from Shareholders referred to in paragraph 22 of this Circular;
- 30.9 the written consents referred to in paragraph 29 of this Circular;
- 30.10 Illovo's directors' service contracts;
- 30.11 the letter of approval from the TRP in respect of this Circular;
- 30.12 material agreements referred to in paragraph 20 above; and
- 30.13 a copy of this Circular.

For and on behalf of Illovo Sugar Limited

Who is duly authorised hereto in terms of resolutions passed by all the directors as well as by the Independent Board of Illovo Sugar Limited

TS Munday

Chairman
26 April 2016

For and on behalf of AB Sugar Africa Limited

Who is duly authorised hereto in terms of a resolution passed by the board of directors of AB Sugar Africa Limited.

RS Schofield

Director
26 April 2016

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26 April 2016

The Board of Directors

Illovo Sugar Limited
1 Nokwe Avenue
Ridgeside
Umhlanga Rocks
Durban

For the attention of: Trevor Munday

Dear Sir

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT RELATING TO THE PROPOSED ACQUISITION BY ASSOCIATED BRITISH FOODS PLC (“ABF”) OF ALL THE ISSUED SHARES IN ILLOVO SUGAR LIMITED (“ILLOVO” OR THE “COMPANY”) THAT IT DOES NOT ALREADY OWN (THE “PROPOSED OFFER”)

1. Introduction

- 1.1. The definitions used in the Circular apply equally to this document.
- 1.2. On 7 April 2016 ABF and Illovo entered into the Transaction Implementation Agreement setting out the terms of the Proposed Offer.
- 1.3. ABF, through its wholly-owned subsidiary AOL, currently holds 236 569 232 Shares, representing approximately 51% of the Company’s current issued Shares.
- 1.4. The Proposed Offer contemplates ABS Africa, a wholly-owned subsidiary of ABF, acquiring the remaining 224 161 325 Shares from the Offer Shareholders.
- 1.5. The Proposed Offer is to be implemented by way of the Scheme and, in the event that the Scheme fails, and if ABF so elects, by way of the General Offer.
- 1.6. The Scheme Consideration is R25.00, in cash, for every Offer Share which is subject to the Scheme.
- 1.7. The General Offer Consideration is R25.00, in cash, for every Offer Share acquired in terms of the General Offer.
- 1.8. FirstRand Bank Limited, acting through Rand Merchant Bank Corporate Finance (“RMB”) has been appointed as the independent professional expert (“the Expert”) to provide a fair and reasonable opinion in relation to the Proposed Offer in terms of s114 of the Companies Act, no 71 of 2008 (the “Act”), Regulations 90 and 110 of the Act and s1.14(d) of the JSE Listing Requirements.



2. Responsibility

- 2.1. The Expert's responsibility is to report to the Independent Board on the value and terms of the Proposed Offer and whether it is fair and reasonable to Offer Shareholders.

3. Definition of "fair and reasonable"

- 3.1. The Proposed Offer would be considered to be fair and reasonable to Offer Shareholders if the value attributed to the Company based on the Scheme Consideration and General Offer Consideration is equal to or greater than the fair value of the Company and the terms of the Proposed Offer are reasonable to Offer Shareholders.

4. Sources of information

- 4.1. In arriving at its opinion, RMB has relied on the following principle sources of information:
- Audited financial statements of the Company for the four years ended 31 March 2012 to 2015 as well as 30 September 2015 interim results;
 - Management's estimated financial results for the Company for the most recent financial year ended 31 March 2016;
 - Management's 2016/2017 budget, 2017/2018 forecast and EBITDA estimates to FY2021;
 - Engagement with members of the management and executive teams;
 - Management's strategy documents; and
 - Other publically available information.
- 4.2. The information above was obtained from:
- Management team;
 - 2012 to 2015 Company published integrated annual reports;
 - Research reports prepared by industry experts;
 - RMB Economics Department;
 - Capital IQ database;
 - Bloomberg;
 - I-Net Bridge; and
 - Other public sources of information available on the Internet.

5. Considerations

- 5.1. In arriving at its opinion, RMB gave consideration to the following key external and internal factors that impact the value of the Company:

External

- Significant negative impact on current year earnings as a result of a severe drought;
- Concurrent sharp decline in world sugar price and deterioration of the Euro/USD exchange rate; and



- Proposed sugar tax in South Africa as set out in the February 2016 budget speech.

Internal

- Cost saving initiatives within the Company which are currently being implemented and already showing positive results; and
 - Improvement of the sales mix with increased growth in both domestic and regional African sales, whilst reducing exposure to Europe.
- 5.2. The Scheme will be subject to section 164 of the Companies Act and shall become binding on Illovo and the Scheme Participants (irrespective of whether or not each Shareholder supports the Scheme) if, *inter alia*:
- 5.2.1. the Scheme Resolution is adopted at the General Meeting; and
 - 5.2.2. all the remaining Scheme Conditions for the implementation of the Scheme have been fulfilled or waived (where capable of waiver).
- 5.3. Subject to the Scheme becoming unconditional, the Scheme Participants shall be deemed with effect from the Operative Date to have:
- 5.3.1. ceded their Shares to ABS Africa, which will be deemed to have acquired registered and beneficial ownership of such Shares, free of encumbrance, on the Operative Date, against payment of the Scheme Consideration;
 - 5.3.2. authorised Illovo as principal with power of substitution on their behalf to transfer and register the Scheme Shares into the name of ABS Africa on or at any time after the Operative Date; and
 - 5.3.3. authorised Illovo as principal with power of substitution on their behalf to collect from ABS Africa the Scheme Consideration for delivery to those Scheme Participants and all risk and benefit in the Scheme Shares will pass from those Scheme Participants to ABS Africa with effect from the Operative Date against payment of the Scheme Consideration.
- 5.4. Following the implementation of the Scheme, the listing of all the Shares on the Main Board of the JSE will be terminated in terms of section 1.16(b) of the JSE Listings Requirements.
- 5.5. In the event the Scheme fails and if ABS Africa elects to make the General Offer, should the General Offer be accepted by Offer Shareholders holding at least 90% of the Offer Shares, ABS Africa may, at its election, invoke the provisions of section 124(1) of the Companies Act to compulsorily acquire all the Offer Shares in respect of which the General Offer was not accepted.
- 5.6. The Circular contains the relevant extracts from sections 115, 124 and 164 of the Companies Act.
- 5.7. The effects of the Scheme and the General Offer will be the same for directors who hold shares in the Company as for the Offer Shareholders.

6. Assumptions

- 6.1. In arriving at its opinion, RMB has made the following key assumptions:
- That reliance can be placed on the information that was provided to RMB, i.e. the total integrity of the data provided had to be assumed in order to perform the assessment;
 - The assessment and analysis only addressed the value of the Company and the terms of the Proposed Offer; and



- The Proposed Offer will be implemented as per the Transaction Implementation Agreement dated 7 April 2016.

7. Appropriateness and reasonableness of underlying information and assumptions

7.1. RMB has satisfied itself as to the appropriateness and reasonableness of the information and assumptions employed in arriving at the opinion by:

- Reviewing the audited financial statements of the Company; and
- Determining the extent to which representations from management were confirmed by documentary evidence as well as RMB's understanding of the Company and the economic environment in which it operates.

8. Procedures

8.1. In arriving at its opinion, RMB has undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Proposed Offer:

- Reviewed forecast income statements prepared by management of the Company and the basis of the assumptions therein, including the prospects of the business. This review included an assessment of the recent historical performance as well as the reasonableness of the outlook based on discussions with management;
- Compiled a detailed financial model using forecast financial information prepared by management and applied RMB's cost of capital assumptions to the forecast cash flows to produce a discounted cash flow valuation of the Company;
- Performed a sensitivity analysis of the key assumptions in the financial model relating to the sugar production volumes, EBITDA, cost of capital, exchange rates and world sugar prices;
- Performed a comparable analysis in order to assess the reasonableness of the discounted cash flow valuation. The comparable company analysis included: peer trading benchmarking, peer operational benchmarking and precedent transactions;
- Assessed the long-term potential of the Company, taking account of the key value drivers in the respective businesses, being the outlook for sugar, downstream products and co-generation in the domestic, regional and international markets in which the Company operates, the impact of the South African government's planned sugar tax on the South African business, together with the broader economic and market considerations within which the Company and its subsidiaries operate;
- Evaluated the relative risks of the Company and the markets in which it operates;
- Reviewed certain publically available information relating to the Company that RMB deemed to be relevant, including Company announcements, analyst reports and media articles; and
- Where relevant representations made by management and / or directors were corroborated to source documents or independent analytical procedures performed by RMB, so as to examine and understand the markets in which the company operates and to analyse the external factors that could influence their business.



9. Limiting conditions

- 9.1. This opinion is provided to the Independent Board, in connection with, and for the purposes of, the Proposed Offer. The opinion does not purport to cater for each individual Offer Shareholder's particular circumstances, but rather that of the general body of Offer Shareholders. An individual Offer Shareholder's decision may be influenced by such Offer Shareholder's particular circumstances, and accordingly an Offer Shareholder should consult an independent adviser if in any doubt as to the merits or impact of the Proposed Offer on their personal shareholdings or otherwise.
- 9.2. RMB has relied upon and assumed the accuracy of the information provided to it in deriving its opinion. Where practical, RMB has corroborated the reasonableness of the information provided to it for purposes of its opinion, whether in writing or procured through its discussions with the management of the Company. While RMB's work has involved an analysis of, *inter alia*, the comparable transactions, and other information provided to it, the engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.
- 9.3. RMB has furthermore assumed that the Proposed Offer will have the legal consequences described in discussions with, and materials furnished to it by, representatives and advisers of the Company and expresses no opinion on such consequences.
- 9.4. RMB's opinion is based on current economic, regulatory and market conditions. Subsequent developments may affect this opinion, and RMB is under no obligation to update, review or re-affirm its opinion based on such developments.

10. Valuation

- 10.1. RMB performed a comprehensive valuation of the Company to determine whether the value of the Proposed Offer is fair to Offer Shareholders.
- 10.2. The primary valuation methodologies employed include discounted cash flow and comparative valuation metrics.
- 10.3. The valuation was performed taking cognisance of risk and other market and industry factors possibly affecting the Company. Additionally, comprehensive sensitivity analyses were performed considering key value drivers including *inter alia* an improvement / deterioration in ZAR/USD exchange rate, sugar production and world sugar prices. The valuation is most sensitive to sugar production and the ZAR/USD exchange rate. A decline in sugar production and strengthening of the ZAR against the USD will materially reduce the valuation range.
- 10.4. RMB determined a base case valuation range of between R22.36 per Share and R27.04 per Share with a midpoint of R24.70 per Share.
- 10.5. Accordingly, the Scheme Consideration of R25.00 per Offer Share and General Offer Consideration of R25.00 per Offer Share falls within the valuation range.

11. Independence

- 11.1. RMB has no material equity interest in the Company or in any other party to the Proposed Offer. It should, however, be noted that RMB, FirstRand Bank Limited and the other companies in the FirstRand Group and their respective directors may hold shares in the Company in the ordinary course of their portfolio investments. Other than for any such interests, RMB has no interest, direct or indirect, beneficial or non-beneficial, in the Company or in the outcome of the Proposed Offer.



- 11.2. RMB confirms that it has not previously provided fee earning advisory services to the Company.
- 11.3. Furthermore, RMB confirms that its professional fee of R2 million ex VAT for the provision of the fair and reasonable opinion is not contingent upon the success of the Proposed Offer.

12. Opinion

- 12.1. RMB has considered the terms and conditions of the Proposed Offer and, based on and subject to the conditions set out herein, is of the opinion that the Proposed Offer is fair and reasonable to Offer Shareholders.
- 12.2. The opinion is necessarily based upon the information available to RMB up to 7 April 2016 as well as other conditions and circumstances existing and disclosed to it.
- 12.3. Accordingly, it should be understood that subsequent developments may impact the opinion, but RMB is under no obligation to update, revise or re-affirm its opinion as a result thereof.
- 12.4. In formulating our opinion, we have not addressed the underlying business decision to effect the Proposed Offer.

Yours faithfully

Craig Forbes

For and on behalf of FirstRand Bank Limited, acting through Rand Merchant Bank Corporate Finance

1 Merchant Place
Cnr. Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Gareth Armstrong

For and on behalf of FirstRand Bank Limited, acting through Rand Merchant Bank Corporate Finance

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(PO Box 786273, Sandton, 2146)

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF ILLOVO FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 31 MARCH 2014 AND 31 MARCH 2013

The historical information of Illovo set out below, has been extracted from the published audited financial statements for the years ended 31 March 2015, 31 March 2014 and 31 March 2013 on which unqualified audit opinions were expressed by Deloitte & Touche.

The historical financial information is the responsibility of the Board. No adjustments have been made to previously reported historical financial information used in the preparation of this **Annexure 2**.

SUMMARY CONSOLIDATED INCOME STATEMENT

For the year ended 31 March

	Notes	2015 Rm	2014 Rm	2013 Rm
Revenue		13 266.5	13 190.1	10 980.7
Cost of sales		8 206.1	8 108.7	6 464.4
Gross profit		5 060.4	5 081.4	4 516.3
Distribution expenses		1 155.2	1 141.1	843.6
Administrative expenses		1 517.8	1 277.1	1 257.7
Other operating expenses		732.3	776.3	528.0
Operating profit		1 655.1	1 886.9	1 887.0
Dividend income		2.8	5.1	2.3
Net financing costs	2	355.8	336.4	295.4
Profit before taxation and non-trading items		1 302.1	1 555.6	1 593.9
Share of profit from joint venture		4.6	12.9	5.0
Share of profit from associates		22.1	12.3	0.7
Material items	3	3.0	24.5	4.6
Profit before taxation		1 331.8	1 605.3	1 604.2
Taxation		388.0	486.8	505.7
Profit for the year		943.8	1 118.5	1 098.5
Attributable to:				
Shareholders of Illovo Sugar Limited		826.4	916.3	859.9
Non-controlling interest		117.4	202.2	238.6
		943.8	1 118.5	1 098.5

	Notes	2015 Rm	2014 Rm	2013 Rm
STATEMENT OF OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gains on post-retirement obligations		43.2	2.6	(17.3)
Tax effect of actuarial gains on post-retirement obligations		(13.4)	(3.0)	1.9
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		(408.9)	209.7	(231.2)
Adjustments in respect of cash flow hedges		(13.7)	(51.4)	0.8
Tax effect of cash flow hedges		2.3	3.2	1.3
Hedge of net investment in foreign subsidiaries		(26.1)	(231.3)	(64.8)
Tax effect of hedge of net investment in foreign subsidiaries		11.7	1.2	14.5
Total comprehensive income for the year		538.9	1 049.5	803.7
Attributable to:				
Shareholders of Illovo Sugar Limited		431.1	821.8	638.3
Non-controlling interest		107.8	227.7	165.4
		538.9	1 049.5	803.7
Earnings per share (cents)*				
Basic		179.4	199.0	186.9
Diluted		179.4	198.9	186.8
<i>* See note 4 for headline earnings per share</i>				
Distribution per share (cents)	5	90.0	97.0	97.0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	2015 Rm	2014 Rm	2013 Rm
ASSETS			
Non-current assets	9 472.9	8 895.0	7 995.1
Property, plant and equipment	7 043.3	6 783.3	6 209.5
Cane roots	1 776.4	1 531.0	1 260.0
Intangible assets	311.9	288.0	266.1
Investment in joint venture	0.7	0.7	30.6
Investment in associates	73.5	67.6	43.1
Investments	74.7	22.5	17.3
Loans	163.9	157.8	111.1
Deferred taxation asset	28.5	44.1	57.4
Current assets	5 353.6	4 924.8	4 546.6
Inventories	1 022.6	998.9	909.0
Growing cane	1 797.2	1 662.5	1 520.4
Trade and other receivables	1 660.9	1 309.2	1 337.5
Factory overhaul costs	372.0	338.6	309.3
Derivative financial instruments	24.4	18.5	16.9
Cash and cash equivalents	476.5	597.1	453.5
Total assets	14 826.5	13 819.8	12 541.7
EQUITY AND LIABILITIES			
Equity attributable to shareholders of Illovo Sugar Limited	6 472.4	6 340.3	5 968.5
Share capital and premium	1 196.1	1 609.9	2 055.4
Share-based payment reserve	7.2	13.1	13.1
Non-distributable reserves	(3.9)	5.8	42.3
Distribution reserve	244.1	276.4	280.9
Retained earnings	5 028.9	4 435.1	3 576.8
Non-controlling interest	1 203.3	1 128.3	1 006.2
Total equity	7 675.7	7 468.6	6 974.7
Non-current liabilities	3 754.4	3 320.8	2 410.6
Long-term borrowings	2 042.9	1 824.8	1 164.0
Deferred taxation liability	1 412.6	1 189.9	930.1
Deferred income	101.8	111.7	121.7
Provisions	197.1	194.4	194.8
Current liabilities	3 396.4	3 030.4	3 156.4
Short-term borrowings	714.4	447.9	967.3
Trade and other payables	2 042.5	1 933.5	1 807.3
Bank overdraft	450.2	410.3	195.1
Taxation	64.9	126.8	129.1
Provisions	43.3	50.4	47.3
Derivative financial instruments	81.1	61.5	10.3
Total liabilities	7 150.8	6 351.2	5 567.0
Total equity and liabilities	14 826.5	13 819.8	12 541.7

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March

	2015	2014	2013
	Rm	Rm	Rm
Cash flows from operating activities			
Cash operating profit	1 663.7	1 922.4	1 551.9
Working capital movements	(314.1)	105.2	(516.5)
Cash generated from operations	1 349.6	2 027.6	1 035.4
Net financing costs	(355.8)	(336.4)	(295.4)
Taxation paid	(252.7)	(298.6)	(193.5)
Dividend income	2.8	5.1	2.3
Distributions/dividends paid	(575.9)	(556.9)	(458.0)
Net cash inflows from operating activities	168.0	840.8	90.8
Cash flows from investing activities			
Replacement capital expenditure	(365.6)	(342.6)	(291.0)
Expansion/opportunity capital expenditure	(318.3)	(366.2)	(640.8)
Expansion of area under cane	(5.7)	(7.9)	(28.4)
Capitalisation of product registrations	(9.9)	(5.3)	(10.5)
Proceeds on disposal of property, plant and equipment	9.6	8.7	6.8
Movement on investments and loans	21.5	(17.1)	2.5
Acquisition of business	–	15.6	–
Proceeds on disposal of shareholding in joint ventures	–	9.5	–
Funding from non-controlling interest	–	–	41.7
Net cash outflows from investing activities	(668.4)	(705.3)	(919.7)
Net cash (outflows)/inflows before financing activities	(500.4)	135.5	(828.9)
Cash flows from financing activities			
Long-term borrowings repaid	(79.6)	(175.3)	(245.7)
Short-term borrowings raised	276.2	226.9	215.6
Issue of share capital net of associated costs	0.8	1.3	3.1
Purchase of shares in terms of forfeitable share plan	(5.9)	–	–
Proceeds on part-disposal of shareholding in subsidiary	189.3	–	–
Net cash inflows from financing activities	380.8	52.9	(27.0)
Net (decrease)/increase in cash and cash equivalents	(119.6)	188.4	(855.9)
Cash and cash equivalents at beginning of the year	597.1	453.5	1 381.6
Exchange rate translation	(1.0)	(44.8)	(72.2)
Cash and cash equivalents at end of the year	476.5	597.1	453.5

STATEMENT OF CHANGES IN EQUITY

	Share capital and premium Rm	Share-based payment reserve Rm	Translation reserve Rm	Other non-distributable reserves Rm	Distribution reserve Rm	Retained earnings Rm	Equity holders interest Rm	Non-controlling interest Rm	Total Rm
Balance at 31 March 2012	2 489.8	13.1	–	155.8	197.8	2 706.1	5 562.6	902.7	6 465.3
Total comprehensive income for the year	–	–	(211.7)	(0.3)	–	850.3	638.3	165.4	803.7
Profit for the year					859.9		859.9	238.6	1 098.5
Actuarial losses on post-retirement obligations					(9.6)		(9.6)	(5.8)	(15.4)
Cash flow hedges				(0.3)			(0.3)	2.4	2.1
Hedge of net investment in foreign subsidiaries			(44.3)				(44.3)	(6.0)	(50.3)
Foreign currency translation differences			(167.4)				(167.4)	(63.8)	(231.2)
Issue of share capital	3.1						3.1		3.1
Change in non-controlling shareholder							–	41.7	41.7
Realised profit on disposal of property transferred to retained earnings				(82.0)		82.0	–		–
Distributions/dividends paid					(354.4)		(354.4)	(103.6)	(458.0)
Transfer to distribution reserve	(437.5)				437.5		–		–
Transfer of debit foreign currency translation reserve to retained earnings			211.7			(211.7)	–		–
Release of non-controlling shareholders' transactions to retained earnings				(31.2)		31.2	–		–
Gain on redemption of preference shares						118.9	118.9		118.9
Balance at 31 March 2013	2 055.4	13.1	–	42.3	280.9	3 576.8	5 968.5	1 006.2	6 974.7

STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital premium Rm	Share- based payment reserve Rm	Other non- distributable reserves Rm	Distribution reserve Rm	Retained earnings Rm	Equity holders interest Rm	Non- controlling interest Rm	Total Rm
Balance at 31 March 2013	2 055.4	13.1	–	42.3	280.9	3 576.8	1 006.2	6 974.7
Total comprehensive income for the year	–	(64.9)	(36.5)	–	923.2	821.8	227.7	1 049.5
Profit for the year					916.3	916.3	202.2	1 118.5
Actuarial gains/(losses) on post-retirement obligations					6.9	6.9	(7.3)	(0.4)
Cash flow hedges			(36.5)			(36.5)	(11.7)	(48.2)
Hedge of net investment in foreign subsidiaries						(229.9)	(0.2)	(230.1)
Foreign currency translation differences						165.0	44.7	209.7
Issue of share capital	1.3					1.3		1.3
Distributions/dividends paid				(451.3)		(451.3)	(105.6)	(556.9)
Transfer to distribution reserve	(446.8)			446.8		–		–
Transfer of debit foreign currency translation reserve to retained earnings					(64.9)	–		–
Balance at 31 March 2014	1 609.9	13.1	–	5.8	276.4	4 435.1	1 128.3	7 468.6

STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital and premium Rm	Share- based payment reserve Rm	Translation reserve Rm	Other non- distributable reserves Rm	Distribution reserve Rm	Retained earnings Rm	Equity holders interest Rm	Non- controlling interest Rm	Total Rm
Balance as at 31 March 2014	1 609.9	13.1	-	5.8	276.4	4 435.1	6 340.3	1 128.3	7 468.6
Total comprehensive income for the year:	-	-	(416.8)	(9.7)	-	857.6	431.1	107.8	538.9
Profit for the year					826.4		826.4	117.4	943.8
Actuarial gains/(losses) on post-retirement obligations					31.2		31.2	(1.4)	29.8
Cash flow hedges				(9.7)			(9.7)	(1.7)	(11.4)
Hedge of net investment in foreign subsidiaries			(11.9)				(11.9)	(2.5)	(14.4)
Foreign currency translation differences			(404.9)				(404.9)	(4.0)	(408.9)
Issue of share capital	0.8						0.8		0.8
Purchase of shares in terms of forfeitable share plan		(5.9)					(5.9)		(5.9)
Gain on part-disposal of shareholding in subsidiary					93.1		93.1	96.2	189.3
Gain on liquidation of subsidiary					59.9		59.9		59.9
Distributions/dividends paid					(446.9)		(446.9)	(129.0)	(575.9)
Transfer to distribution reserve	(414.6)				414.6		-		-
Transfer of debit foreign currency translation reserve to retained earnings			416.8			(416.8)	-		-
Balance at 31 March 2015	1 196.1	7.2	-	(3.9)	244.1	5 028.9	6 472.4	1 203.3	7 675.7

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurements and recognition requirements of International Financial Reporting Standards (IFRS) and interpretations issued respectively by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB in particular International Accounting Standard 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, that are relevant to its operations and effective for annual reporting periods beginning on or after 1 April 2014, and the South African Companies Act 2008.

The accounting policies applied in preparation of these summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

The audited summarised consolidated financial statements have been prepared under the supervision of the group Financial Director, Mr MH Abdool-Samad CA(SA). The summarised consolidated financial statements for the year ended 31 March 2015 were approved by the board of directors on 21 May 2015.

The full consolidated annual financial statements from which these summarised consolidated financial statements were derived are electronically available on the group's website www.illovosugar.com.

2. NET FINANCING COSTS

	2015	2014	2013
For the year ended 31 March	Rm	Rm	Rm
Interest paid	362.9	353.5	322.0
Less: Capitalised to property, plant and equipment	(4.0)	(20.8)	(21.7)
	358.9	332.7	300.3
Interest received	(13.4)	(8.3)	(17.6)
Foreign exchange losses	10.3	12.0	12.7
	355.8	336.4	295.4

3. MATERIAL ITEMS

Profit on disposal of property	3.0	1.3	1.5
Profit on disposal of previously impaired assets	–	0.1	3.1
Gain on bargain purchase	–	2.2	–
Proceeds received from insurance claim	–	19.1	–
Disposal and deregistration of businesses	–	1.8	–
	3.0	24.5	4.6

4. DETERMINATION OF HEADLINE EARNINGS

	2015	2014	2013
For the year ended 31 March	Rm	Rm	Rm
Profit attributable to shareholders of Illovo Sugar Limited	826.4	916.3	859.9
Adjusted for:			
– Profit on disposal of property	(3.0)	(1.3)	(1.5)
– Profit on disposal of previously impaired assets	–	(0.1)	(3.1)
– Gain on bargain purchase	–	(2.2)	–
– Proceeds received from insurance claim	–	(19.1)	–
– Disposal and deregistration of businesses	–	(1.8)	–
Total tax effect of adjustments	–	1.4	0.6
Total non-controlling interest effect of adjustments	1.2	0.4	–
Headline earnings	824.6	893.6	855.9
Number of shares in issue (millions)	460.7	460.6	460.4
Weighted average number of shares on which headline earnings per share is based (millions)	460.7	460.5	460.2
Headline earnings per share			
Basic (cents)	179.0	194.0	186.0
Diluted (cents)	179.0	194.0	185.9

5. DISTRIBUTIONS PAID

– Distribution #41 of 43.0 cents per share (final 2012) paid 9 July 2012			197.9
– Distribution #42 of 34.0 cents per share (interim 2013) paid 7 January 2013			156.5
– Distribution #43 of 61.0 cents per share (final 2013) paid 8 July 2013		280.9	
– Distribution #44 of 37.0 cents per share (interim 2014) paid 13 January 2014		170.4	
– Distribution #45 of 60.0 cents per share (final 2014) 7 July 2014	276.4		
– Distribution #46 of 37.0 cents per share (interim 2015) 12 January 2015	170.5		
	446.9	451.3	354.4

6. SOLVENCY RATIOS

Net debt : equity ratio (%)	35.6	27.9	26.9
Gearing (%)	26.2	21.8	21.2

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

7. COMMITMENTS AND CONTINGENCIES

For the year ended 31 March	2015 Rm	2014 Rm	2013 Rm
Capital commitments	1 868.4	1 042.2	1 013.6
– Contracted	326.9	255.1	152.7
– Approved but not contracted	1 541.5	787.1	860.9
Lease commitments	189.3	220.7	201.7
Contingent liabilities	155.9	116.5	119.9

8. FINANCIAL INSTRUMENTS

The fair values of financial instruments are determined using inputs that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), other than quoted prices in an active market and therefore fall into the level 2 fair value category. The fair values of non-financial assets are determined using inputs that are unobservable, using the best information available in the circumstances for using the assets and therefore fall into the level 3 fair value category.

This report does not include the information required to paragraph 16A(j) of IAS 34 – *Interim Financial Reporting*. The full consolidated annual financial statements are available for inspection on the group's website, together with the required disclosures.

9. POST-BALANCE SHEET EVENTS

No material change has taken place in the affairs of the group between the end of the financial year and the date of this report.

10. SEGMENTAL ANALYSIS

Business segments

	Revenue Rm	Operating profit Rm	Capital expenditure Rm
Year to 31 March 2015			
Sugar production	9 242.3	1 179.8	455.1
Cane growing	2 848.3	207.4	218.5
Downstream and co-generation	1 175.9	267.9	25.9
	13 266.5	1 655.1	699.5
Year to 31 March 2014			
Sugar production	9 355.7	1 320.3	480.8
Cane growing	2 856.2	388.8	161.8
Downstream and co-generation	978.2	177.8	79.4
	13 190.1	1 886.9	722.0
Year to 31 March 2013			
Sugar production	7 610.8	1 035.0	496.6
Cane growing	2 565.5	760.5	289.3
Downstream and co-generation	804.4	91.5	184.8
	10 980.7	1 887.0	970.7

Geographic segments

	Revenue Rm	Operating profit Rm	Total assets Rm	Capital expenditure Rm
Year to 31 March 2015				
Malawi	2 362.7	625.3	2 878.7	178.1
Mozambique	593.3	24.6	944.7	39.1
South Africa	4 481.6	215.2	2 857.6	223.5
Swaziland	1 396.5	68.7	2 033.2	67.7
Tanzania	1 247.4	145.0	1 598.8	32.1
Zambia	3 185.0	576.3	3 984.1	159.0
	13 266.5	1 655.1	14 297.1	699.5
Year to 31 March 2014				
Malawi	2 341.5	762.0	2 052.8	190.9
Mozambique	552.8	32.5	918.9	31.4
South Africa	4 504.1	265.8	2 658.7	217.3
Swaziland	1 601.1	257.5	2 046.0	36.0
Tanzania	924.7	11.0	1 690.3	145.3
Zambia	3 265.9	558.1	3 793.4	101.1
	13 190.1	1 886.9	13 160.1	722.0
Year to 31 March 2013				
Malawi	1 829.8	899.3	1 560.1	172.4
Mozambique	536.4	109.1	809.1	47.1
South Africa	4 081.3	150.3	2 422.7	227.9
Swaziland	1 314.9	155.8	2 068.5	84.6
Tanzania	698.5	93.7	1 376.0	284.9
Zambia	2 519.8	478.8	3 777.5	153.8
	10 980.7	1 887.0	12 013.9	970.7

REVIEWED CONSOLIDATED FINANCIAL STATEMENTS OF ILLOVO FOR THE INTERIM FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015 Rm
Revenue		5 489.1
Operating profit		881.4
Net financing costs	2	(227.5)
Profit before non-trading items		653.9
Share of profit from joint venture		2.7
Share of loss from associates		(5.4)
Material items	3	(201.2)
Profit before taxation		450.0
Taxation		(216.1)
Profit for the period		233.9
Attributable to:		
Shareholders of Illovo Sugar Limited		141.8
Non-controlling interest		92.1
		233.9
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Remeasurement of defined benefit obligations		0.1
Items that may be reclassified to profit or loss in subsequent periods, net of tax:		
Cash flow hedges		(53.8)
Hedge of net investment in foreign subsidiaries		(607.2)
Foreign currency translation differences		(829.8)
Total comprehensive loss for the period		(1 256.8)
Attributable to:		
Shareholders of Illovo Sugar Limited		(1 137.5)
Non-controlling interest		(119.3)
		(1 256.8)
Headline earnings per share (cents)	4	
Basic		71.7
Diluted		71.7
Earnings per share (cents)		
Basic		30.8
Diluted		30.8
Distribution per share (cents)	5	

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2015

Unaudited
Six months ended
30 September 2015
Rm

ASSETS	
Non-current assets	8 652.8
Property, plant and equipment	6 556.2
Cane roots	1 668.7
Intangible assets	103.5
Investment in joint venture	0.7
Investment in associates	69.8
Investments	75.7
Loans	128.2
Deferred taxation asset	50.0
Current assets	7 309.7
Inventories	3 868.2
Growing cane	1 277.8
Trade and other receivables	1 806.8
Factory overhaul costs	127.6
Derivative financial instruments	20.8
Cash and cash equivalents	208.5
Total assets	15 962.5
EQUITY AND LIABILITIES	
Equity attributable to shareholders of Illovo Sugar Limited	5 086.6
Share capital and premium	1 196.1
Share-based payment reserve	3.0
Other reserves	(76.1)
Retained earnings	3 963.6
Non-controlling interest	1 058.6
Total equity	6 145.2
Non-current liabilities	4 015.9
Long-term borrowings	2 468.0
Deferred taxation liability	1 254.6
Deferred income	96.7
Provisions	196.6
Current liabilities	5 801.4
Short-term borrowings	2 782.6
Trade and other payables	2 767.2
Taxation	88.7
Provisions	31.6
Derivative financial instruments	131.3
Total liabilities	9 817.3
Total equity and liabilities	15 962.5

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2015

	Share capital and premium Rm	Share- based payments reserve Rm	Other reserves Rm	Retained earnings Rm	Share- holders of Illovo Sugar Limited Rm	Non- controlling interest Rm	Total equity Rm
Balance at 31 March 2014 (audited)	1 886.3	13.1	5.8	4 435.1	6 340.3	1 128.3	7 468.6
Total comprehensive income for the period	–	–	245.6	791.8	1 037.4	224.4	1 261.8
Profit for the period	–	–	–	789.0	789.0	155.3	944.3
Remeasurement of defined benefit obligations	–	–	–	2.8	2.8	(2.4)	0.4
Cash flow hedges	–	–	69.2	–	69.2	17.2	86.4
Hedge of net investment in foreign subsidiaries	–	–	129.9	–	129.9	0.3	130.2
Foreign currency translation differences	–	–	46.5	–	46.5	54.0	100.5
Issue of share capital	0.8	–	–	–	0.8	–	0.8
Distributions paid	(276.4)	–	–	–	(276.4)	(83.5)	(359.9)
Gain on part-disposal of shareholding in subsidiary	–	–	–	91.5	91.5	97.5	189.0
Transfer of foreign currency translation reserve	–	–	(176.4)	176.4	–	–	–
Balance at 30 September 2015 (unaudited)	1 196.1	3.0	(76.1)	3 963.6	5 086.6	1 058.6	6 145.2

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015 Rm
Cash flows from operating activities		
Cash operating profit	6	1 235.8
Working capital movements	7	(2 486.3)
Cash utilised by operations		
Net financing costs		(1 250.5)
Taxation paid		(227.5)
Distributions paid		(90.2)
Net cash outflows from operating activities		
Cash flows from investing activities		
Replacement of property, plant and equipment		(165.8)
Expansion of property, plant and equipment		(472.9)
Expansion of area under cane		(7.1)
Capitalisation of product registration costs		(4.0)
Proceeds on disposal of property		17.0
Proceeds on disposal of plant and equipment		1.7
Movement on investments and loans		32.5
Acquisition of business	8	(34.9)
Net cash outflows from investing activities		
Net cash outflows before financing activities		
Cash flows from financing activities		
Long-term borrowings raised		361.1
Short-term borrowings raised		1 871.2
Purchase of shares in terms of forfeitable share plan		(5.1)
Net cash inflows from financing activities		
Net decrease in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period		
Exchange rate translation		(24.0)
Cash and cash equivalents at the end of the period		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2015 have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listing Requirements of the JSE Limited, the information as required by IAS 34: *Interim Financial Reporting*, and the requirements of the South African Companies Act No, 71 of 2008. The accounting policies applied in preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements. The interim financial statements have been prepared under the supervision of the group financial director, Mr M H Abdool-Samad, CA(SA) and have not been audited by the group's external auditors.

2. NET FINANCING COSTS

	Unaudited Six months ended 30 September 2015 Rm
Interest paid	190.8
Less: Capitalised to property, plant and equipment	(19.3)
	171.5
Interest received	(4.7)
Foreign exchange losses/(gains)	60.7
	227.5

3. MATERIAL ITEMS

	Unaudited Six months ended 30 September 2015 Rm
Loss on closure of business	(216.3)
Net proceeds received from insurance claim	15.1
	(201.2)

On 17 September 2015, a decision was made to close the furfural-based nematicide business in the United States of America (USA) following difficulties in obtaining registration with the US Environmental Protection Agency for application on food crops. A loss of R216.3 million has been determined as at 30 September 2015 based on the directors' best estimate of the costs of closure.

4. DETERMINATION OF HEADLINE EARNINGS

	Unaudited Six months ended 30 September 2015 Rm
Profit attributable to shareholders	141.8
Adjusted for:	
Loss on closure of business	216.3
Net proceeds received from insurance claim	(15.1)
Total tax effect of adjustments	27.2
Total non-controlling interest effect of adjustments	(39.7)
Headline earnings	330.5
Number of shares (millions)	
Issued	460.7
Weighted average	460.7
Diluted weighted average	460.7
Headline earnings per share (cents)	
Basic	71.7
Diluted	71.7

5. DISTRIBUTION PER SHARE

Owing to the weather related crop decline, difficult commercial environment, increased working capital levels and committed capital expenditure, the directors have not declared an interim capital distribution (2014: 37.0 cents per share). A distribution will be considered in May 2016 for year ended 31 March 2016.

6. CASH OPERATING PROFIT

	Unaudited Six months ended 30 September 2015 Rm
Operating profit	881.4
Material items	(201.2)
	680.2
Add back:	
Depreciation	218.9
Amortisation of intangible assets	8.4
Amortisation of deferred income	(5.0)
Change in fair value of cane roots	(123.0)
Change in fair value of growing cane	253.7
Loss on closure of business	216.3
Profit on disposal of property	(15.1)
Loss on disposal of plant and equipment	0.5
Share-based payments charge	0.9
	1 235.8

7. WORKING CAPITAL MOVEMENTS

	Unaudited Six months ended 30 September 2015 Rm
Inventories	(3 299.9)
Trade and other receivables	(356.0)
Factory overhaul costs	226.2
Trade and other payables	943.4
	(2 486.3)

8. ACQUISITION OF BUSINESS

On 1 April 2015, the group acquired the business of Kilombero Sugar Distributors Limited ("KSD"), a company in which the group holds a 20% investment. KSD held the exclusive right to market and distribute the group's sugar production in Tanzania. The group acquired the business to allow it direct access to existing customers in Tanzania as well as to exert increased influence over the marketing and distribution decisions. KSD will be liquidated in due course. From the date of acquisition, the business acquired from KSD has contributed R3.9 million to net profit before taxation.

The fair values of the identifiable assets of KSD as at the date of acquisition were:

Intangible assets	34.9
Purchase consideration paid	34.9

9. FINANCIAL INSTRUMENTS

The fair values of financial instruments are determined using inputs that are observable, either directly, (i.e. as prices) or indirectly (i.e. derived from prices), other than quoted prices in an active market and therefore fall into the level 2 fair value category. The fair values of non-financial assets are determined using inputs that are unobservable, using the best information available in the circumstances for using the assets and therefore fall into the level 3 fair value category. This report does not include the information required by paragraph 16A(j) of IAS 34: *Interim Financial Reporting*.

10. SEGMENT INFORMATION

	Unaudited Six months ended 30 September 2015 Rm	%
Business segments		
Revenue		
Sugar production	2 773.2	50
Cane growing	2 125.3	39
Downstream and co-generation	590.6	11
	5 489.1	100
Operating profit		
Sugar production	437.0	50
Cane growing	285.1	32
Downstream and co-generation	159.3	18
	881.4	100

	Unaudited Six months ended 30 September 2015 Rm	%
Geographic segments		
Revenue		
Malawi	1 052.9	18
Mozambique	383.2	7
South Africa	1 357.5	25
Swaziland	1 018.6	19
Tanzania	479.4	9
Zambia	1 197.5	22
	5 489.1	100
Operating profit		
Malawi	239.7	27
Mozambique	34.6	4
South Africa	86.4	10
Swaziland	210.5	24
Tanzania	106.1	12
Zambia	204.1	23
	881.4	100
Total assets		
Malawi	3 259.0	20
Mozambique	883.5	6
South Africa	4 331.0	28
Swaziland	2 126.4	14
Tanzania	1 645.9	10
Zambia	3 437.4	22
	15 683.2	100

Note: Total assets exclude cash and cash equivalents, deferred taxation and derivative financial instruments.

11. POST-BALANCE SHEET EVENTS

No material change has taken place in the affairs of the group between 30 September 2015 and the date of this report.

**SECTION 115 – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED
IN PART OF CHAPTER 5 OF THE COMPANIES ACT**

- “(1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
 - the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company’s Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the Company’s holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the Company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the Company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the Company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the Company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

SECTION 164 – DISSENTING SHAREHOLDERS’ APPRAISAL RIGHTS

- “(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
- (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the Company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the Company must send a notice that the resolution has been adopted to each shareholder who:
- (a) gave the Company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if:
- (a) the shareholder:
 - (i) sent the Company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the Company’s Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the Company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the Company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the Company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder’s name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.

- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the Company makes an offer under subsection (11), or allows an offer made by the Company to lapse, as contemplated in subsection (12)(b);
 - (b) the Company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the Company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the Company received a demand as contemplated in subsection (7)(b), if applicable, the Company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the Company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the Company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the Company or the Company's transfer agent; and
 - (b) the Company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the Company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the Company to pay the shareholder the fair value so determined, if the Company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the Company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the Company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

- (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the Company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the Company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the Company fulfills its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the Company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the Company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the Company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the Company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the Company may apply to a court for an order varying the Company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the Company; and
 - (ii) ensures that the person to whom the Company owes money in terms of this section is paid at the earliest possible date compatible with the Company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this Section authorised the Company to amalgamate or merge with one or more other companies, such that the Company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the Company, or an acquisition of its shares by the Company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the Company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the TRP rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

SECTION 124 – COMPULSORY ACQUISITIONS AND SQUEEZE OUT

- “(1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
- (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - (i) that the offer has been accepted to that extent; and
 - (ii) that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1) (a), a person may apply to a court for an order:
- (a) that the offeror is not entitled to acquire the applicant’s securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
- (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1) (a); and
 - (b) the court may make the order applied for, if:
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
- (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person’s securities of the class concerned; and
 - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4) (b):

- (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of the those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
- (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7) (a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer."

PRICE AND TRADING HISTORY OF ILLOVO ON THE JSE

Set out below is a table showing the highest, lowest and closing prices and aggregate volumes traded in Offer Shares for:

- each day over the 30 trading days preceding the Last Practicable Date; and
- each month over the 12 months prior to the date of issue of this Circular.

Monthly	High (cents)	Low (cents)	Closing (cents)	Volume	Value
April 2015	2 477	1 950	2 156	7 330 394	166 223 688
May 2015	2 220	1 740	1 800	9 492 277	186 899 599
June 2015	1 808	1 300	1 475	15 172 692	239 502 618
July 2015	1 696	1 267	1 336	17 632 089	252 090 661
August 2015	1 540	1 305	1 486	12 879 473	184 783 576
September 2015	1 801	1 400	1 634	19 573 301	304 687 934
October 2015	1 995	1 588	1 745	16 246 369	297 765 024
November 2015	1 861	1 500	1 610	8 741 251	147 812 556
December 2015	1 700	1 320	1 690	13 605 600	213 357 043
January 2016	1 899	1 450	1 875	5 963 422	100 872 977
February 2016	2 305	1 747	2 050	12 363 098	160 726 341
March 2016	2 200	1 910	2 065	7 828 397	262 610 338

Daily	High (cents)	Low (cents)	Closing (cents)	Volume	Value
04/03/2016	2 148	2 020	2 109	170 532	359 651 988
07/03/2016	2 159	2 000	2 054	250 887	515 321 898
08/03/2016	2 200	2 000	2 120	123 870	262 604 400
09/03/2016	2 100	2 050	2 060	105 539	217 410 340
10/03/2016	2 150	2 021	2 059	233 718	481 225 362
11/03/2016	2 065	2 040	2 053	176 495	362 344 235
14/03/2016	2 065	2 028	2 043	81 623	166 755 789
15/03/2016	2 062	2 000	2 050	123 008	252 166 400
16/03/2016	2 065	1 962	2 065	218 590	451 388 350
17/03/2016	2 120	2 000	2 030	536 996	1 090 101 880
18/03/2016	2 120	2 002	2 060	367 634	757 326 040
22/03/2016	2 065	1 910	2 053	473 180	971 438 540
23/03/2016	2 065	2 000	2 055	65 201	133 988 055
24/03/2016	2 065	2 003	2 050	272 972	559 592 600
29/03/2016	2 064	2 007	2 038	2 402 000	4 895 276 000
30/03/2016	2 050	2 000	2 015	300 468	605 443 020
31/03/2016	2 065	2 015	2 065	937 541	1 936 022 165
01/04/2016	2 064	2 009	2 050	657 849	1 348 590 450
04/04/2016	2 198	2 050	2 052	40 028	82 137 456
05/04/2016	2 120	2 050	2 100	80 279	168 585 900
06/04/2016	2 221	2 052	2 070	16 827	34 831 890
07/04/2016	2 070	2 025	2 054	49 980	102 658 920
08/04/2016	2 425	2 362	2 371	2 710 819	6 427 351 849
11/04/2016	2 400	2 360	2 370	625 124	1 481 543 880
12/04/2016	2 370	2 358	2 362	770 553	1 820 046 186
13/04/2016	2 396	2 255	2 365	440 685	1 042 220 025
14/04/2016	2 385	2 359	2 365	424 647	1 004 290 155
15/04/2016	2 419	2 360	2 393	2 946 462	7 050 883 566
18/04/2016	2 410	2 365	2 377	673 880	1 601 812 760
19/04/2016	2 394	2 370	2 376	359 974	8 552 982

EXCHANGE CONTROL REGULATIONS

1. The settlement of the Scheme Consideration or the General Offer Consideration, as may be applicable, for both Certificated Shareholders and Dematerialised Shareholders will be made subject to the Exchange Control Regulations.
2. The following is a summary of the Exchange Control Regulations. Shareholders that are to receive either the Scheme Consideration or the General Offer Consideration, as may be applicable, who are not resident in South Africa, or who have registered addresses outside, must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Scheme Consideration or General Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If any Offer Shareholder is in any doubt, he/she should consult his professional advisers without delay.

3. RESIDENTS OF THE COMMON MONETARY AREA

In the case of:

- 3.1 Certificated Shareholders whose registered address in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration or the General Offer Consideration will be posted to such Certificated Shareholders, in accordance with paragraph 6 of this Circular and paragraph 8 of **Annexure 10** to this Circular; or
- 3.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the Scheme Consideration or the General Offer Consideration will be credited directly to the accounts nominated for the relevant Dematerialised Shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

4. EMIGRANTS FROM THE COMMON MONETARY AREA

In the case of Shareholders who are emigrants from the Common Monetary Area and whose Shares form part of their blocked assets, the Scheme Consideration or the General Offer Consideration will:

- 4.1 in the case of Certificated Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the Exchange Control Regulations against delivery of the relevant Documents of Title. The attached Form of Surrender and Transfer (*pink*) makes provision for details of the Authorised Dealer concerned to be given; or
- 4.2 in the case of Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or broker, which shall arrange for same to be credited directly to the blocked Rand bank account of the Shareholder concerned with their Authorised Dealer in foreign exchange in South Africa.

5. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Scheme Consideration or the General Offer Consideration accruing to non-resident Shareholders whose registered addresses are outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will:

- 5.1 in the case of Certificated Shareholders whose Documents of Title have been restrictively endorsed in terms of the Exchange Control Regulations, be deposited with their Authorised Dealer in foreign exchange in South Africa nominated by such Certificated Shareholder; or
- 5.2 in the case of Dematerialised Shareholders, be paid to their duly appointed CSDP or broker and credited to such Shareholders in terms of the provisions of the custody agreement with their CSDP or broker.

6. **INFORMATION NOT PROVIDED**

If the information regarding Authorised Dealers is not given or the instructions are not given the Scheme Consideration or the General Offer Consideration will be held in trust by Illovo or the Transfer Secretaries on behalf of Illovo for the Shareholders concerned, pending receipt of the necessary information or instructions.

DETAILS OF SHARES TRADED BY SHAREHOLDERS WHO HAVE PROVIDED AN UNDERTAKING OR LETTER OF SUPPORT

Details of the Shares traded by the Shareholders listed in paragraphs 22.1 and 22.2 of this Circular during the six months prior to the Last Practicable Date, are set out in **Annexure 9** to this Circular:

Investec Asset Management Proprietary Limited has dealt in Illovo shares as indicated below:

Trade date	Nature of trade	Trade price	Total number of shares traded
15/04/2016	Buy	23.88	9 270
14/04/2016	Sell	23.64	(55 831)
13/04/2016	Buy	23.60	7 359
12/04/2016	Sell	23.65	(2 273)
06/04/2016	Sell	20.52	(529)
05/04/2016	Buy	20.50	1 079
04/04/2016	Buy	20.50	358
01/04/2016	Buy	20.50	83 604
01/04/2016	Buy	20.50	504 000
31/03/2016	Buy	20.50	688 188
30/03/2016	Buy	20.13	82 528
24/03/2016	Sell	20.53	(21 700)
15/03/2016	Sell	20.26	(19 541)
14/03/2016	Sell	20.45	(5 359)
14/03/2016	Sell	20.49	(9 900)
14/03/2016	Buy	20.51	800
25/02/2016	Sell	20.20	(21 521)
23/02/2016	Sell	22.00	(1 281)
23/02/2016	Buy	21.80	2 700
18/02/2016	Sell	22.35	(24 000)
18/02/2016	Sell	22.00	(1 411 461)
18/02/2016	Sell	22.00	(200 000)
17/02/2016	Sell	21.85	(14 959)
12/02/2016	Sell	21.80	(3 665)
10/02/2016	Sell	22.25	(62 219)
10/02/2016	Sell	22.18	(31 553)
10/02/2016	Sell	22.08	(592)
09/02/2016	Sell	20.70	(22 494)
08/02/2016	Sell	19.88	(475 962)
05/02/2016	Sell	18.50	(2 670)
04/02/2016	Sell	18.35	(11 155)
02/02/2016	Sell	18.45	(11 671)
02/02/2016	Sell	18.45	(5 011)
01/02/2016	Buy	19.04	155 328
29/01/2016	Buy	18.22	38 831
28/01/2016	Buy	17.47	9 000
27/01/2016	Buy	17.44	50 789
25/01/2016	Sell	16.80	(10 015)
22/01/2016	Sell	16.80	(139 855)
22/01/2016	Sell	16.64	(4 399)
21/01/2016	Sell	17.00	(14 542)
20/01/2016	Sell	17.18	(31 960)
13/01/2016	Sell	16.39	(4 200)

Trade date	Nature of trade	Trade price	Total number of shares traded
08/01/2016	Sell	16.30	(2 300)
07/01/2016	Sell	15.59	(17 177)
30/12/2015	Sell	16.82	(2 384)
29/12/2015	Sell	16.14	(1 732)
29/12/2015	Sell	16.42	(15 102)
28/12/2015	Sell	16.14	(4 470)
28/12/2015	Sell	15.62	(5 812)
22/12/2015	Sell	15.74	(6 949)
18/12/2015	Sell	16.01	(36 271)
18/12/2015	Buy	15.69	35 825
18/12/2015	Sell	15.29	(3 451)
14/12/2015	Sell	14.62	(290 000)
14/12/2015	Sell	14.70	(1 178)
11/12/2015	Sell	14.25	(212 379)
10/12/2015	Sell	15.64	(139 692)
10/12/2015	Sell	15.90	(2 916)
08/12/2015	Sell	15.90	(104 651)
07/12/2015	Sell	15.90	(3 757)
03/12/2015	Sell	16.12	(2 044)
25/11/2015	Buy	16.20	24 699
11/11/2015	Sell	17.48	(4 979)
05/11/2015	Sell	18.05	(2 210)
04/11/2015	Sell	18.19	(122 104)
28/10/2015	Buy	17.66	5 997
27/10/2015	Sell	18.11	(3 870)
26/10/2015	Sell	18.12	(55 389)
22/10/2015	Buy	17.90	197 000
Total			(1 763 780)

Allan Gray Proprietary Limited has dealt in Illovo shares as indicated below:

Trade date	Nature of trade	Trade price	Total number of shares traded
20/10/2015	Sell	19.37	(9 000)
28/10/2015	Sell	17.71	(153 690)
29/10/2015	Sell	17.42	(68 029)
30/10/2015	Sell	17.50	(78 079)
02/11/2015	Sell	17.61	(62 089)
03/11/2015	Sell	17.99	(176 118)
10/11/2015	Sell	17.20	(96 000)
11/11/2015	Sell	17.52	(17 181)
18/11/2015	Sell	15.73	(7 102)
18/11/2015	Buy	15.49	79 195
20/11/2015	Buy	16.19	88 762
23/11/2015	Buy	15.93	13 568
24/11/2015	Buy	16.18	47 992
25/11/2015	Buy	16.05	2 789
26/11/2015	Buy	15.94	3 101
30/11/2015	Buy	15.92	16 613
01/12/2015	Buy	16.13	5 179
02/12/2015	Buy	16.28	118 873
03/12/2015	Buy	16.03	69 190
04/12/2015	Buy	15.92	85 016
07/12/2015	Buy	15.91	36 280

Trade date	Nature of trade	Trade price	Total number of shares traded
08/12/2015	Buy	15.93	101 814
09/12/2015	Buy	15.89	74 196
10/12/2015	Buy	15.74	313 831
11/12/2015	Buy	14.06	243 052
14/12/2015	Buy	14.63	184 580
17/12/2015	Buy	15.48	6 428
18/12/2015	Buy	15.63	91 574
22/12/2015	Buy	15.59	6 615
23/12/2015	Buy	15.96	72 433
24/12/2015	Buy	16.00	9 024
28/12/2015	Buy	15.88	25 593
07/01/2016	Buy	15.49	4 479
08/01/2016	Buy	15.61	31 148
21/01/2016	Sell	16.85	(70 000)
25/01/2016	Buy	16.67	2 074
26/01/2016	Buy	16.74	49 224
29/01/2016	Buy	17.89	5 382
01/02/2016	Sell	19.11	(238 004)
01/02/2016	Buy	18.65	17 700
03/02/2016	Sell	18.48	(17 494)
04/02/2016	Sell	18.30	(23 833)
05/02/2016	Buy	18.35	47 713
05/02/2016	Sell	18.31	(58 673)
05/02/2016	Sell	18.36	(50 000)
09/02/2016	Sell	22.28	(700 000)
10/02/2016	Sell	22.26	(75 720)
11/02/2016	Sell	21.68	(58 636)
12/02/2016	Sell	21.55	(79 364)
16/02/2016	Sell	22.00	(3 666)
17/02/2016	Sell	22.04	(37 808)
19/02/2016	Sell	21.72	(5 600)
23/02/2016	Sell	21.50	(12 000)
10/03/2016	Buy	20.61	55 000
11/03/2016	Buy	20.59	30 000
Total			(159 668)

Kagiso Asset Management Proprietary Limited has dealt in Illovo shares as indicated below:

Trade Date	Nature of trade	Trade price	Total number of shares traded
21/10/2015	Buy	18.00	1 780
26/10/2015	Sell	17.81	(2 539)
28/10/2015	Sell	17.60	(2 611)
06/11/2015	Sell	17.90	(35 572)
12/11/2015	Buy	16.99	84 899
13/11/2015	Buy	16.95	1 989
17/11/2015	Buy	15.99	58 852
18/11/2015	Sell	15.45	(18 343)
18/11/2015	Buy	15.76	189 103
19/11/2015	Buy	16.00	76 638
20/11/2015	Sell	16.16	(55 491)
23/11/2015	Buy	15.97	76 411
23/11/2015	Sell	16.07	(233 893)
24/11/2015	Sell	16.18	(86 192)
25/11/2015	Sell	16.08	(16 304)
27/11/2015	Buy	16.20	13 641
02/12/2015	Sell	16.40	(49 465)
03/12/2015	Buy	16.14	3 668
09/12/2015	Sell	15.85	(8 281)
09/12/2015	Buy	15.91	24 629
18/12/2015	Buy	15.51	7 954
18/12/2015	Buy	15.80	4 061
28/12/2015	Buy	16.20	10 857
06/01/2016	Buy	16.19	3 322
06/01/2016	Sell	16.17	(7 890)
08/01/2016	Sell	15.60	(8 964)
29/01/2016	Buy	18.27	27 979
29/01/2016	Sell	18.34	(122 351)
01/02/2016	Buy	19.20	860
04/02/2016	Sell	18.21	(1 276)
05/02/2016	Sell	18.30	(3 234)
15/02/2016	Sell	21.61	(2 193)
22/02/2016	Buy	21.48	13 140
25/02/2016	Buy	19.54	2 317
26/02/2016	Sell	20.84	(12 904)
02/03/2016	Buy	20.60	2 819
03/03/2016	Buy	20.80	10 724
07/03/2016	Sell	20.56	(225)
09/03/2016	Buy	20.77	1 046
09/03/2016	Buy	20.87	2 639
16/03/2016	Sell	20.36	(1 568)
22/03/2016	Buy	20.20	4 960
30/03/2016	Sell	20.07	(699)
30/03/2016	Buy	20.00	17 599
04/04/2016	Sell	20.52	(1 229)
11/04/2016	Sell	23.79	(627)
15/04/2016	Sell	23.94	(2 727)
Total			(32 691)



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1906/000622/06)
 JSE share code: ILV ISIN: ZAE000083846
 ("Illovo" or "the Company")

**Associated
 British Foods**
 plc

AB SUGAR AFRICA LIMITED

(Incorporated in England and Wales)
 (Registration number 04317607)
 ("ABS Africa")
 an indirect wholly-owned subsidiary of ABF

ASSOCIATED BRITISH FOODS PLC

(Incorporated in England and Wales)
 (Registration number 00293262)
 LSE share code: ABF ISIN: GB0006731235
 ("ABF")

GENERAL OFFER BY ABS AFRICA TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 In the Firm Intention Announcement released on SENS on Friday, 8 April 2016 and published in the press on Monday, 11 April 2016, Illovo shareholders were advised that Illovo entered into the Transaction Implementation Agreement with ABF, in terms of which ABF (or a wholly-owned subsidiary of ABF) will make an offer to acquire all of the issued ordinary shares in Illovo other than the 236 569 232 Shares already owned by AOL, by way of:
 - 1.1.1 a scheme of arrangement in terms of section 114(1)(c) of the Companies Act, to be proposed by the Board between Illovo and its Shareholders, other than AOL; or
 - 1.1.2 if the Scheme fails and ABF so elects, a general offer by ABF to the Offer Shareholders to acquire the Offer Shares.
- 1.2 In the event that the Scheme fails, ABS Africa may, at its election, make the General Offer to Offer Shareholders, which General Offer will be subject to the General Offer Conditions. To the extent that the General Offer is implemented, following the approval of the Delisting Resolution, only Offer Shareholders who have accepted the General Offer will sell their Offer Shares to ABS Africa for the General Offer Consideration. Those Offer Shareholders who do not accept the General Offer will remain shareholders in Illovo, which will become an unlisted indirect subsidiary of ABF if the Delisting Resolution is passed.
- 1.3 The approval of the MOI Amendment Resolution is a Scheme Condition and a General Offer Condition. The effect of the MOI Amendment Resolution would be to delete, with effect from the date on which the Scheme becomes unconditional or the date on which the General Offer is made, as applicable article 8 and articles 135 to 146 of the MOI. Those articles reflect certain undertakings provided by ABF in favour of the Company and its other shareholders, regarding territorial expansion, disposals of Subsidiaries of ABF (or businesses or material assets of such Subsidiaries) to the Company, commercial arrangements between the ABF Group and the Company and restrictions on the acquisition by ABF of a shareholding in the Company exceeding a level of 60%. The deletion is on the basis that those articles of the MOI would no longer be practical or appropriate if the Scheme becomes unconditional or the General Offer is made.

1.4 The purpose of the **Annexure 10** is to set out the terms and conditions on which the General Offer is extended to Offer Shareholders, if made.

2. **IMPORTANT DATES AND TIMES**

If a General Offer is made, all salient dates and times in relation to the General Offer will be published on SENS and in the press.

3. **INFORMATION ABOUT ILLOVO AND ABF, AND RATIONALE FOR THE TRANSACTION**

Please refer to paragraph 2 of this Circular for information regarding Illovo and ABF, and rationale for the Proposed Offer.

4. **TERMS OF THE GENERAL OFFER**

4.1 It is an express term of the Proposed Offer that if the Scheme fails, ABS Africa shall be entitled to elect, within 10 (ten) Business Days after the day on which ABS Africa declares the Scheme has failed, to make the General Offer to the Offer Shareholders to acquire the Offer Shares by announcing its election in this regard on SENS.

4.2 The General Offer Consideration will be payable to the Offer Shareholders who elect to take up the General Offer. In this regard, if the General Offer is made, Offer Shareholders will only be able to accept the General Offer in respect of all of their Offer Shares.

4.3 The General Offer will be subject to any and all those General Offer Conditions which remain unfulfilled or which have not been waived (where capable of waiver) when such General Offer is made.

5. **THE GENERAL OFFER CONSIDERATION**

5.1 In terms of the General Offer, if made, ABS Africa shall acquire the Offer Shares of the Offer Shareholders who accept the General Offer for the General Offer Consideration.

5.2 The amount of cash payable by ABS Africa in terms of the General Offer shall not exceed the Maximum Cash Amount.

5.3 The General Offer Consideration is calculated on the assumption that Illovo will not make any Distribution between 8 April 2016 and the General Offer Closing Date. In the event that Illovo makes any such Distribution, the General Offer Consideration will be adjusted downwards by the amount of the Distribution, including any taxes thereon, on a per Share basis.

6. **GENERAL OFFER PERIOD**

6.1 The General Offer is irrevocable and will open for acceptance from 09:00 on the General Offer Opening Date, and will, in accordance with Regulations 102(4) and 105(5) of the Takeover Regulations, close at 12:00 on the General Offer Closing Date. Accordingly, the General Offer will be open for acceptance by those Offer Shareholders that are recorded in the Register at any time during the General Offer Period.

6.2 ABS Africa may, in its absolute and sole discretion, but subject to the provisions and requirements of the Companies Act and the Takeover Regulations, extend the General Offer Closing Date. If ABS Africa so elects, the amended General Offer Closing Date will be released on SENS and published in the South African press.

7. **PROCEDURE FOR ACCEPTANCE OF THE GENERAL OFFER**

7.1 **Certificated Shareholders**

7.1.1 Certificated Shareholders who wish to accept the General Offer must complete the attached General Offer Form (*blue*) and send it, together with their Documents of Title in respect of

their Offer Shares, to the Transfer Secretaries. The General Offer Form and the Documents of Title must be received by no later than 12:00 on the General Offer Closing Date in order for Certificated Shareholders to be eligible to receive the General Offer Consideration. The General Offer Form may be delivered by hand or sent by registered mail to the following addresses:

If delivered by hand

Link Market Services Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
2001

If sent by mail

Link Market Services Proprietary Limited
PO Box 4844
Johannesburg
2000

- 7.1.2 If the General Offer Form and Documents of Title are not received by 12:00 on the General Offer Closing Date, the General Offer will be deemed to have been declined. Late acceptances may be accepted or rejected at ABS Africa's discretion. Acceptances of the General Offer that are sent through the post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the General Offer are received timeously. It is therefore recommended that such acceptances be sent by registered post, or delivered by hand to the same Transfer Secretaries.
- 7.1.3 No receipts will be issued for Documents of Title surrendered, unless specifically requested by the Certificated Shareholders concerned. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
- 7.1.4 If the General Offer lapses because of the non-fulfilment of one or more of the General Offer Conditions, then Documents of Title will be returned to their respective Certificated Shareholders by registered post within five Business Days of the General Offer so lapsing.
- 7.1.5 If Documents of Title relating to any Offer Shares have been destroyed or lost, Certificated Shareholders should nevertheless return the General Offer Form duly signed and completed, together with evidence satisfactory to ABS Africa that the Documents of Title to the relevant Shares have been destroyed or lost and an indemnity acceptable to ABS Africa against any damage, expense, loss or payment that it, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the General Offer Consideration to such person. An acceptable form of indemnity may be obtained from ABS Africa.
- 7.1.6 ABS Africa reserves the right, in its absolute and sole discretion:
- (i) to treat as invalid General Offer Forms not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to ABS Africa that the Documents of Title to the relevant Offer Shares have been destroyed or lost and an indemnity reasonably acceptable to ABS Africa, as detailed above);
 - (ii) to treat as invalid General Offer Forms that have not been completed in accordance with the instructions set out therein;
 - (iii) to require proof of the authority of the person signing the General Offer Form, where such proof has not been lodged with, or recorded by, the Transfer Secretaries; or
 - (iv) to condone the non-compliance by any Certificated Shareholder with any of the terms of the General Offer.
- 7.1.7 If a General Offer Form is treated as invalid due to non-compliance with the instructions contained therein, then the Certificated Shareholder who submitted that General Offer Form will be deemed to have declined the General Offer, unless that Certificated Shareholder re-submits to the Transfer Secretaries, before 12:00 on the General Offer Closing Date, a properly completed General Offer Form.

7.2 Dematerialised Shareholders

- 7.2.1 Dematerialised Shareholders will be contacted by their duly appointed CSDPs or brokers in the manner stipulated in the custody agreements entered into between those Dematerialised Shareholders and their CSDPs or brokers, as the case may be, in order to

ascertain whether or not the Dematerialised Shareholders wish to accept the General Offer. If a Dematerialised Shareholder wishes to accept the General Offer, it must notify its CSDP or broker of its acceptance of the General Offer in the time and manner stipulated in the custody agreement entered into between it and its CSDP or broker, as the case may be.

7.2.2 If a Dematerialised Shareholder wishes to accept the General Offer, but has not been contacted by its CSDP or broker, it would be advisable for that Dematerialised Shareholder to contact and furnish its CSDP or broker with instructions in relation to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time advised by the CSDP or broker in terms of the custody agreement and must be communicated to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.

7.2.3 These Dematerialised Shareholders must **NOT** complete the attached General Offer Form.

7.3 **Inability to trade in Shares**

The Offer Shareholders who have accepted the General Offer will not be able to trade their Offer Shares from the date on which they accept the General Offer.

8. **SETTLEMENT OF THE GENERAL OFFER CONSIDERATION**

8.1 **Certificated Shareholders**

8.1.1 The General Offer Consideration due to Certificated Shareholders will be settled either by cheque(s) posted by registered post to the Certificated Shareholders concerned, at their risk, or, if a Certificated Shareholder has elected to receive the General Offer Consideration by way of an EFT by completing the relevant section of the General Offer Form, by way of EFT, in either case within the General Offer Payment Period.

8.1.2 If any General Offer Consideration that is posted is returned undelivered for any reason whatsoever, ABS Africa will hold that General Offer Consideration in trust until it is claimed by any person legally entitled to it, for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.

8.2 **Dematerialised Shareholders**

The General Offer Consideration due to Dematerialised Shareholders will be credited to their accounts with their CSDPs or brokers within the General Offer Payment Period.

8.3 **Compulsory acquisition in terms of section 124 of the Companies Act**

8.3.1 Should the General Offer be accepted by Offer Shareholders holding at least 90% of the Offer Shares, ABS Africa may, at its election, invoke the provisions of section 124(1) of the Companies Act to compulsorily acquire all the Offer Shares in respect of which the General Offer was not accepted.

8.3.2 Should the requisite number of acceptances be obtained to allow the provisions of section 124(1) of the Companies Act to be invoked, a Circular will be sent to those Offer Shareholders who have not accepted the General Offer, which Circular will incorporate the notice envisaged by section 124(1)(a) and a further form of acceptance, surrender and transfer.

8.3.3 A copy of section 124 of the Companies Act is set out in **Annexure 6** to this Circular.

8.4 **General Offer not made in any restricted jurisdiction**

The General Offer is not being made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of the national securities exchange of a restricted jurisdiction, and the General Offer cannot be accepted by any such use, means, instrumentality or facility or from within a restricted jurisdiction. Accordingly, neither copies of this Circular nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a restricted jurisdiction, and if received in any restricted jurisdiction, the Circular shall be treated as being received for information purposes only.

9. **SUSPENSIVE CONDITIONS TO THE GENERAL OFFER**

9.1 The General Offer is subject to the fulfilment or waiver, as applicable, of the following conditions by no later than the General Offer Long Stop Date:

9.1.1 approval of the MOI Amendment Resolution by the requisite majority of Voting Shareholders at the General Meeting in terms of the Companies Act and the MOI, and the filing (together with the prescribed fee) of such resolution as contemplated by section 16(7) of the Companies Act with the Companies and Intellectual Property Commission;

9.1.2 approval of the Delisting Resolution by the requisite majority of Voting Shareholders at the General Meeting in terms of the Companies Act and the MOI;

9.1.3 in relation to any objection to the MOI Amendment Resolution by Voting Shareholders, either:

(i) such Voting Shareholders give notice objecting to the MOI Amendment Resolution, as contemplated in section 164(3) of the Companies Act, and vote against such resolution at the General Meeting in respect of no more than 5% of all of the Offer Shares; or

(ii) if Voting Shareholders do give notice objecting to the MOI Amendment Resolution and vote against such resolution at the General Meeting in respect of more than 5% of all the Offer Shares, Voting Shareholders have not exercised appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 5% of all the Offer Shares within 30 Business Days following the General Meeting;

9.1.4 all Clearances required to effect the General Offer are granted, including without being limited to:

(i) the issue by the TRP of a compliance certificate with respect to the General Offer in terms of section 121(b) of the Companies Act;

(ii) approval of the SARB in terms of the South African Exchange Control Regulations (promulgated in terms of the South African Currency and Exchanges Act, 9 of 1933); and

(iii) approval of the JSE, including among other things, all approvals required from the JSE in connection with the termination of the listing of the Shares from the Main Board of the JSE, if the Delisting Resolution has been passed,

provided that if any such Clearance is granted subject to any condition or qualification, then ABS Africa shall be entitled to consent to the imposition of the condition or qualification, in which event the Clearance will be regarded as having been granted; provided further that if such Clearance is granted subject to any condition or qualification which is of a material nature, then, notwithstanding the foregoing, both Parties must agree to the imposition of such condition or qualification if the Clearance is to be regarded as having been granted.

9.2 Waiver of General Offer Conditions

- 9.2.1 ABS Africa shall be entitled to waive (in whole or in part) in writing the General Offer Conditions stipulated in paragraphs 9.1.1, 9.1.2 and 9.1.3 of this **Annexure 10**;
- 9.2.2 The General Offer Conditions in sub-paragraph (i), (ii) and (iii) of paragraph 9.1.4 of this **Annexure 10** are not capable of waiver;
- 9.2.3 The Parties by agreement shall be entitled to waive (in whole or in part), in writing, the General Offer Conditions stipulated in paragraph 9.1.4 of this **Annexure 10** (save insofar as it relates to the specific approvals set out in sub-paragraphs (i), (ii) and (iii) thereof).

10. TERMINATION OF THE GENERAL OFFER IN CERTAIN CIRCUMSTANCES

- 10.1 The Transaction Implementation Agreement and the General Offer shall terminate with immediate effect and all rights and obligations of the Parties under the Transaction Implementation Agreement and the General Offer shall, subject to the surviving provisions of the Transaction Implementation Agreement, cease forthwith only as follows:
 - 10.1.1 if any General Offer Condition, which may be waived by ABS Africa become incapable of fulfilment, and ABS Africa notifies Illovo in writing that ABS Africa will not waive that General Offer Condition;
 - 10.1.2 if all the General Offer Conditions have not been fulfilled or waived on or before the General Offer Long Stop Date;
 - 10.1.3 upon written notice by ABS Africa to Illovo, if the recommendation of the Independent Board referred to in paragraph 26.5 of this **Annexure 10** is: (i) withdrawn; or (ii) having been given, is not withdrawn, but the Independent Board recommends a Competing Proposal;
 - 10.1.4 upon written notice by ABS Africa to Illovo, if a MAC has occurred after the Accounts Date;
 - 10.1.5 upon written notice by ABS Africa to the Company, if the Company fails to certify immediately prior to the date on which this Circular posted, the date of the General Meeting (and the date on which the General Meeting may be reconvened following any adjournment) and the Scheme Finalisation Date, by written notice to ABS Africa, that, to the Company's Knowledge (after all due and diligent enquiries), no MAC has occurred after the Accounts Date, provided that if, to the Company's Knowledge (after all due and diligent enquiries), no MAC has occurred immediately prior to each of the applicable dates, the Company shall deliver each such certificate; and
 - 10.1.6 upon written notice by either Party (**Terminating Party**) to the other Party (**Breaching Party**), given on or before the latest date permitted by the TRP (**General Offer Cut Off Date**), if the Breaching Party commits a material breach of any provision of the Transaction Implementation Agreement or the General Offer and fails to remedy such breach within 10 (ten) Business Days of receipt of a notice from the Terminating Party to the Breaching Party requesting same.
- 10.2 Neither Party shall be entitled to terminate or otherwise cancel the Transaction Implementation Agreement or the General Offer after the General Offer Cut Off Date. Accordingly if the General Offer Cut Off Date occurs before the expiry of the remedy period set out in paragraph 10.1.6 of this **Annexure 10**, the remedy period shall expire on the second Business Day before the General Offer Cut Off Date, even if that results in there being no remedy period.

11. UNDERTAKINGS BY ILLOVO

- 11.1 Illovo has undertaken to ABS Africa in terms of the Transaction Implementation Agreement that, during the Interim Period, Illovo will (and Illovo will procure that all of its Material Subsidiaries will):
 - 11.1.1 conduct their operations in the ordinary course, and, without limitation, will:
 - 11.1.1.1 carry on each of the aforementioned entity's (**Relevant Group Company**) business in compliance with all material laws and regulations;

- 11.1.1.2 maintain each Relevant Group Company's business as a going concern and with a view to profit;
- 11.1.1.3 not make any material change to the nature and scope of each Relevant Group Company's business;
- 11.1.1.4 not make any material change to the organisation or senior management of the Company or any of its Material Subsidiaries (other than by reason of death, resignation, retirement, suspension or dismissal);
- 11.1.1.5 not modify or terminate any rights under any Relevant Group Company's contracts which are material to such entity's business;
- 11.1.1.6 not undertake or agree to undertake any (i) corporate acquisition or disposal in excess of R50 000 000; or (ii) any transaction which would result in the disposal or reduction of its equity interest, whether direct or indirect, in any Material Subsidiary (other than the 4 458 438 shares in Zambia Sugar plc owned by Illovo Group Holdings Limited (**IGHL**) which are held in a Central Securities Depository in accordance with the agreement reached with the Lusaka Stock Exchange (**LuSE**), and which IGHL has agreed to sell to the public (in order to reduce its shareholding in Zambia Sugar plc to 75% in order to comply with the LuSE Rules);
- 11.1.1.7 not enter into any material partnership, joint venture or profit sharing agreement;
- 11.1.1.8 not dispose of any Treasury Shares, other than in terms of or in order to give effect to, the ESPS, and consistent with past practice;
- 11.1.1.9 other than as contemplated in the Transaction Implementation Agreement, not issue any:
 - 11.1.1.9.1 securities of Illovo to any person; or
 - 11.1.1.9.2 securities of any Group Company of Illovo to any person (other than any issue of such securities to Illovo or to any Group Company of Illovo); or
 - 11.1.1.9.3 options, phantom options or awards in respect of or linked to the price of any securities of Illovo or any Group Company of Illovo to any person;
 - 11.1.1.9.4 refrain from engaging in any action contemplated in section 126 of the Companies Act without ABS Africa's prior written consent, unless ABS Africa otherwise consents (which consent shall not be unreasonably withheld or delayed).

11.2 Illovo undertakes to ABS Africa that it will not, without the prior written consent of ABS Africa, at any time during the Interim Period, make any Distribution.

11.3 Illovo undertakes to ABS Africa that, during the Interim Period, Illovo shall (and the Company shall procure that all of its Material Subsidiaries shall) not permit any Relevant Group Company to create any material borrowings or enter into any material security arrangement without prior consultation with ABS Africa.

12. GENERAL

12.1 Within 1 (one) Business Day of the fulfilment or waiver, to the extent permitted, of all the General Offer Conditions, the Parties shall execute a written certificate to such effect. Upon execution of the aforementioned certificate, all the General Offer Conditions shall be deemed to have been fulfilled or waived, to the extent permitted, notwithstanding that the Parties may subsequently discover that any General Offer Condition may not have been fulfilled or waived (as applicable).

12.2 All times and dates referred to herein are subject to change, as contemplated in this Circular. Any such change shall be released on SENS and published in the South African press.

13. **CONFIRMATION OF FINANCIAL RESOURCES**

In accordance with Regulation 111(4) and Regulation 111(5) of the Takeover Regulations, Absa Bank Limited has provided the TRP with a bank guarantee to satisfy payment of the General Offer Consideration in full.

14. **ILLOVO SHARES**

The authorised and issued shares of Illovo at the Last Practicable Date are set out in paragraph 14 of this Circular.

15. **MAJOR BENEFICIAL SHAREHOLDERS**

Major beneficial shareholders, as at the Last Practicable Date, who hold 81% or more of Illovo's shares are set out in paragraph 15 of this Circular.

16. **HISTORICAL FINANCIAL INFORMATION RELATING TO ILLOVO**

16.1 The audited consolidated financial statements for financial years ended 31 March 2015, 2014 and 2013 and the reviewed consolidated financial statements of Illovo for the interim financial period ended 30 September 2015 are set out in **Annexure 2** and **Annexure 3** to this Circular, respectively.

16.2 The price and trading history of Shares on the JSE is set out in **Annexure 7** to this Circular.

17. **INFORMATION ON DIRECTORS OF ILLOVO**

Shareholders are referred to paragraph 17 of the Circular for information regarding the details of Illovo's directors, including remuneration and service contracts.

18. **INTERESTS OF ILLOVO, ABF, ABS AFRICA AND THEIR RESPECTIVE DIRECTORS**

18.1 **Interests of the Illovo directors in Illovo**

Shareholders are referred to paragraph 18.1 of this Circular for information regarding the interests of Illovo directors in Shares, as well as their dealings in Shares during the last six months prior to the Last Practicable Date.

18.2 **Interests of Illovo and its directors in the ABF Group**

Shareholders are referred to paragraph 18.2 of this Circular for information regarding the interests of Illovo directors in ABF shares, as well as their dealings in ABF shares during the last six months prior to the Last Practicable Date.

18.3 **Interests of ABF directors in ABF and ABS Africa**

Shareholders are referred to paragraph 18.3 of this Circular for information regarding the interests of ABF directors in ABF and ABS Africa shares, as well as their dealings in ABF shares during the last six months prior to the Last Practicable Date.

18.4 **Interests of ABS Africa directors in ABF and ABS Africa**

Shareholders are referred to paragraph 18.4 of this Circular for information regarding the interests of ABS Africa directors in ABF, as at the Last Practicable Date.

18.5 **Interests of the ABF Group and the directors of ABF and ABS Africa in Illovo**

Shareholders are referred to paragraph 18.5 of this Circular for information regarding the interests of the ABF Group, and directors of ABF Group and ABS Africa in Illovo Shares, as well as their dealings in Shares during the last six months prior to the Last Practicable Date.

19. INCENTIVE AGREEMENTS

Shareholders are referred to paragraph 19 of this Circular for information regarding the treatment of the PSS Rules, FSP Rules, ESP Trust and ESPS.

20. MATERIAL AGREEMENTS

There are no material arrangements, agreements or understandings, other than the Transaction Implementation Agreement and those listed in paragraph 20 of this Circular, between the ABF Group, on the one hand, and the Illovo Group, on the other.

21. OTHER ARRANGEMENTS

Save for the undertaking and letters of support from the Shareholders to vote in favour of the Transaction Resolutions referred in paragraph 22 of this Circular, the Transaction Implementation Agreement, the Confidentiality Agreement entered into by ABF and Illovo, no arrangements, agreements or understandings which have any connection with or dependence on the Proposed Offer exist between Illovo, the Shareholders, ABF or ABS Africa, or any person acting in concert with any of them, or any director of Illovo or any person who was a director of Illovo within the period commencing 12 months prior to the date on which the Firm Intention Announcement was released on SENS, or any person who is or was a Shareholder within the abovementioned period.

22. UNDERTAKING AND LETTERS OF SUPPORT

Shareholders are referred to paragraph 22 of this Circular for information regarding the undertaking and letters of support to accept the General Offer, if made.

23. SUSPENSION AND TERMINATION OF LISTING

23.1 The listing of all the Shares will be terminated from the Main Board of the JSE pursuant to the implementation the General Offer (if made) and the approval of the Delisting Resolution.

23.2 In the event of the General Offer being implemented, the JSE has granted approval for the termination of the listing of all the Shares from the Main Board of the JSE.

24. AGREEMENTS IN RELATION TO THE PROPOSED OFFER

No agreement exists between Illovo and any Shareholders which could be considered material to a decision regarding the Proposed Offer to be taken by Shareholders. As at the Last Practicable Date, no other agreements have been entered into between Illovo and any of the directors of Illovo or Shareholders in relation to the Proposed Offer, save for the undertaking and letters of support referred to in paragraph 22.

25. COSTS

Each of ABF and Illovo shall bear all costs incurred by it in connection with the preparation, negotiation and entry into of the Transaction Implementation Agreement and the documents to be entered into pursuant to it (including this Circular).

26. OPINIONS AND RECOMMENDATIONS

26.1 In accordance with section 114(3) of the Companies Act and regulation 90(1) of the Takeover Regulations, the Board appointed RMB as the Independent Expert (which meets the requirements set out in section 114(2) of the Companies Act) for the purposes of providing external advice in regard to, among other things, the Scheme and the General Offer and to make appropriate recommendations to the Board for the benefit of Shareholders in respect of the Scheme and the General Offer.

- 26.2 Similarly, in accordance with paragraph 1.14(d) of the JSE Listings Requirements, the Board appointed RMB as the Independent Expert for the purposes of providing external advice in regard to the fairness of the General Offer Consideration insofar as same relates to the termination of the listing of all the Shares from the Main Board of the JSE, in the event that the Scheme fails but the General Offer is made.
- 26.3 The Independent Expert has advised the Independent Board that it has considered the terms and conditions of the Scheme and the General Offer and is of the opinion that these terms and conditions are fair and reasonable in the case of both the Scheme and General Offer.
- 26.4 The text of the letter from the Independent Expert is included in **Annexure 1** to this Circular and the report has not been withdrawn prior to the publication of this Circular.
- 26.5 The Independent Board, after due consideration of the report of the Independent Expert, concurs with the findings of the Independent Expert and recommends that Shareholders vote in favour of the Scheme Resolution and the other Transaction Resolutions, and to accept the General Offer, if made.
- 26.6 The Board recommends that Shareholders vote in favour of the Transaction Resolutions, and to accept the General Offer, if made.
- 26.7 The Independent Board has not received any other offers in the six months preceding the date of this Circular.

27. MATERIAL CHANGES, LITIGATION AND CONTINUATION OF ILLOVO'S BUSINESS

- 27.1 There are no material legal or arbitration proceedings against Illovo (including any such proceedings that are pending or threatened), of which the directors are aware which may have or have had during the 12 months preceding the date of this Circular, a material effect on Illovo's financial position.
- 27.2 In the event that ABS Africa acquires all the ordinary issued shares of Illovo, ABS Africa intends to:
- 27.2.1 restructure the Board, consistent with Illovo being a wholly-owned subsidiary of ABF and to remove any duplication of roles. In this regard, the restructured board will comprise four directors (the first such directors being Dr MI Carr and Messrs GB Dalglish, MH Abdool-Samad and J Cowper); and
 - 27.2.2 manage the business of Illovo in a similar manner as it was managed prior to the implementation of the Proposed Offer.

28. RESPONSIBILITY STATEMENT

- 28.1 The Independent Board, insofar as any information in this Circular relates to Illovo and the directors of ABS Africa, whose names appear on page 22 of this Circular, insofar as any information in this Circular relates to ABS Africa :
- 28.1.1 have considered all statements of fact and opinion in this Circular;
 - 28.1.2 collectively and individually, accept full responsibility for the accuracy of the information given;
 - 28.1.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;
 - 28.1.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
 - 28.1.5 confirm that this Circular contains all information required by the JSE Listings Requirements and the Takeover Regulations.

29. **CONSENTS**

Rothschild (South Africa) Proprietary Limited, JP Morgan Equities South Africa Proprietary Limited, Edward Nathan Sonnenbergs Incorporated, Bowman Gilfillan Incorporated, The Standard Bank of South Africa Limited, and Rand Merchant Bank, a division of FirstRand Bank Limited consented in writing to the inclusion of their names and reports, as applicable, in this Circular, in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

30. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the documents listed in paragraph 30 of this Circular will be available for inspection during normal business hours at the registered office of Illovo, from the date of this Circular until the General Offer Closing Date.

For and on behalf of Illovo Sugar Limited

Who is duly authorised hereto in terms of resolutions passed by all the directors as well as by the Independent Board of Illovo Sugar Limited

TS Munday

Chairman

26 April 2016

For and on behalf of AB Sugar Africa Limited

Who is duly authorised hereto in terms of a resolution passed by the board of directors of AB Sugar Africa Limited.

RS Schofield

Director

26 April 2016



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1906/000622/06)

JSE share code: ILV ISIN: ZAE000083846

("Illovo" or "the Company")

NOTICE OF GENERAL MEETING

Directors

TS Munday ^{#*Ω} (*Chairman*)
GB Dalglish (*Managing Director*)
MH Abdool-Samad (*Financial Director*)
MI Carr ^{+#}
J Cowper ^{+#}
G Gomwe ^{^#*Ω}
MJ Hankinson ^{#*Ω}
JP Hulley (*Operations Director*)
S Kana ^{#*Ω}
D Konar ^{#*Ω}
PA Lister ^{+#}
CWN Molope ^{#*Ω}
AR Mpungwe ^{>#*Ω}
LW Riddle (*Commercial Director*)

**Independent*

#Non-executive

ΩComprising the Independent Board

>Tanzanian

**British*

^Zimbabwean

All terms defined in the Circular to which this Notice of General Meeting is attached ("Circular") shall bear the same meanings herein.

Notice is hereby given that a general meeting of Illovo Shareholders will be held at 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320 on 25 May 2016, at 10:00 for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out below in the manner required by the Companies Act and the Listings Requirements.

Shareholders are reminded that:

- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, participate and vote at the General Meeting in the place of the Shareholder and the Shareholders are referred to the attached Form of Proxy in this regard;
- a proxy need not be a Shareholder;
- a Shareholder may appoint up to two proxies to exercise voting rights attached to different Shares held by the Shareholder which entitle the Shareholder to vote at the General Meeting;
- the proxy may delegate the authority granted to it as proxy, subject to any restriction in the proxy itself.

Record date

The directors have determined that the record date on which a Shareholder must be registered in the Register in order to:

- receive notice of the General Meeting is Friday, 15 April 2016; and
- participate in and vote at the General Meeting is Friday, 20 May 2016.

Therefore the Last Day to Trade in order to be able to participate at the General Meeting is Friday, 13 May 2016.

Identification

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the General Meeting, either as an Illovo Shareholder, or as a proxy for a Shareholder, has been reasonably verified.

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SCHEME

“RESOLVED THAT, the Scheme of Arrangement in terms of section 114(1)(c) of the Companies Act (as more fully described in this Circular), proposed by the Board between Illovo and the Offer Shareholders, in terms of which, if such scheme becomes operative and unconditional, ABS Africa will, amongst other things, acquire on the terms and subject to the conditions set out in this Circular (as may be amended as contemplated in the Circular) all of the Scheme Shares from the Scheme Participants for the Scheme Consideration, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act pursuant to which, the Shares will be delisted from the Main Board of the JSE.”

The percentage of voting rights that will be required for Special Resolution Number 1 to be adopted is at least 75% of the voting rights exercised on the resolution.

Reason and effect of Special Resolution Number 1

The reason and effect of Special Resolution Number 1 is to obtain shareholder approval, in terms of section 114 read with 115 of the Companies Act, for the Scheme proposed by the Board between Illovo and the Offer Shareholders.

In terms of section 115(4) of the Companies Act, the voting rights of AOL in respect of ABF Shares will not be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of Shareholders is present and will not be taken into account in calculating the percentage of voting rights required to approve this Special Resolution.

SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE SCHEME IS TERMINATED

“RESOLVED THAT, subject to and in the event of (i) the Special Resolution Number 1 being approved at the General Meeting in terms of the Companies Act; and (ii) the Scheme being terminated, Special Resolution Number 1 is revoked with effect from the date of the announcement of (ii) above, as contemplated in section 164(9) of the Companies Act, and accordingly any Dissenting Shareholder that has sent a demand to Illovo in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Shares, shall have no rights to be so paid under section 164 of the Companies Act.”

The percentage of voting rights that will be required for Special Resolution Number 2 to be adopted is at least 75% of the voting rights exercised on the resolution.

Reason and effect of Special Resolution Number 2

The reason and effect of Special Resolution Number 2 is to remove the rights to payment of Dissenting Shareholders if the Scheme is terminated and shall become effective only if: (i) the Special Resolution is approved at the General Meeting in terms of the Companies Act; and (ii) the Scheme is terminated. The effect of Special Resolution Number 2 is to remove any right to payment that a Dissenting Shareholder may have under section 164 of the Companies Act if the Scheme is terminated.

SPECIAL RESOLUTION NUMBER 3 – AMENDMENT OF MOI

“RESOLVED THAT, in terms of section 16(1)(c)(i)(aa) of the Companies Act and article 8 of the MOI, article 8 and articles 135 to 146 of the MOI be and are hereby deleted with effect from the date on which the Scheme becomes unconditional or the General Offer is made, as applicable.”

Reason and effect of Special Resolution Number 3

The reason and effect of Special Resolution Number 3 is to delete, with effect from the date on which the Scheme becomes unconditional or the date on which the General Offer is made, article 8 and articles 135 to 146 of the MOI. Those articles reflect certain undertakings provided by ABF in favour of the Company and its other shareholders, regarding territorial expansion, disposals of Subsidiaries of ABF (or businesses or material assets of such Subsidiaries) to the Company, commercial arrangements between the ABF Group and the Company and restrictions on the acquisition by ABF of a shareholding in the Company exceeding a level of 60%. The deletion is on the basis that those articles of the MOI would no longer be practical or appropriate if the Scheme becomes unconditional or the General Offer is made.

In terms of the Companies Act, the percentage of voting rights that will be required for Special Resolution Number 3 to be adopted is at least 75% of the voting rights exercised on the resolution.

In terms of article 8 of the MOI, article 8 and articles 135 to 146 of the MOI may only be amended by Special Resolution (see above), provided that not less than 50% of the voting rights of Shareholders other than AOL (Minority Shareholders) are exercised in favour of the adoption of the special resolution. Accordingly, the voting rights of AOL in respect of ABF Shares will be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of Shareholders is present and also the percentage of voting rights required to approve this Special Resolution, but the Special Resolution will not be adopted if less than 50% of the Minority Shareholder’s voting rights are exercised in favour of the adoption of the Special Resolution.

ORDINARY RESOLUTION 1 – DELISTING RESOLUTION

“RESOLVED THAT, if the Scheme as proposed in Special Resolution Number 1 fails, in terms of section 1.14(a) of the JSE Listings Requirements and subject to the General Offer being made and implemented, the listing of all the Shares on the Main Board of the JSE be suspended and terminated at such times and such dates as will be approved by the JSE and ABF.

Reason and effect of Ordinary Resolution Number 1

The reason for the passing of Ordinary Resolution Number 1 is to approve the termination of the listing of all the Shares from the Main Board of the JSE in terms of section 1.14(a) of the JSE Listings Requirements, if the Scheme as proposed in Special Resolution Number 1 fails, and ABS Africa makes and implements the General Offer.

The effect of Ordinary Resolution Number 1 will be that, if ABS Africa makes and implements the General Offer, the listing of all the Shares on the Main Board of the JSE will be terminated.

In terms of section 1.14 of the JSE Listings Requirements, the percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is 50% plus 1 vote of the total number voting rights exercised at the General Meeting by Shareholders present and voting, either in person or by proxy. In terms of section 1.15 of the JSE Listings Requirements, the votes of any controlling shareholder, its associates and any party acting in concert will not be taken into account in determining the results of the voting on Ordinary Resolution Number 1. Accordingly, the voting rights of AOL in respect of the ABF Shares will be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of Shareholders is present, but the voting rights of AOL in respect of the ABF Shares will not be taken into account in determining the results of the voting on Ordinary Resolution Number 1.

ORDINARY RESOLUTION 2 – AUTHORISING RESOLUTION

“RESOLVED THAT, any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such steps as may be necessary for or incidental to the implementation of Special Resolution Number 1, Special Resolution Number 2, Special Resolution Number 3 and Ordinary Resolution Number 1 (if passed) at the meeting at which this Ordinary Resolution Number 2 is considered.”

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this Ordinary Resolution Number 2 to be adopted is 50% plus 1 vote of the total number of voting rights exercised at the General Meeting by Shareholders present and voting, either in person or by proxy.



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 1906/000622/06)
 JSE share code: ILV ISIN: ZAE000083846
 (“Illovo” or “the Company”)

FORM OF PROXY

Where appropriate and applicable, terms defined in the Circular to which this Form of Proxy is attached and forms part of shall bear the same meanings in this Form of Proxy.

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALIZED SHAREHOLDERS AT THE GENERAL MEETING OF ILLOVO TO BE HELD AT 1 NOKWE AVENUE, RIDGESIDE, UMHLANGA RIDGE, 4320 AT 10:00 ON 25 MAY 2016 OR AT ANY POSTPONEMENT OR ADJOURNMENT THEREOF

A Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

Dematerialised Shareholders other than Own-name Dematerialised Shareholders should advise their CSDP or broker as to which action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Dematerialised Shareholders, other than Own-name Dematerialised Shareholders, must not return this Form of Proxy to the Transfer Secretaries. Their voting instructions must be sent to their CSDP or Broker. Dematerialised Shareholders, other than Own-name Dematerialised Shareholders who wish to attend and vote at the General Meeting or wish to be represented by proxy thereat should inform their CSDP or broker timeously of their intention in order for the CSDP or Broker to issue them with the necessary letter of representation to do so.

I/We (FULL NAMES IN BLOCK LETTERS)

of (ADDRESS)

Telephone number:

Cellphone number:

Email address

being the holder(/s) of Illovo shares in the issued share capital of the Company hereby appoints

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the General Meeting, as my/our proxy to act for me/us on my/our behalf at the General Meeting to be held at 1 Nokwe Avenue, Ridgeside, Umhlanga Ridge, 4320, on Wednesday, 25 May 2016 at 10:00 and at any adjournment thereof, and to vote or to abstain from voting on my/our behalf on the resolutions to be proposed at the General Meeting, as follows:

	Number of votes		
	*For	*Against	*Abstain
Special Resolution number 1 – Approval of the Scheme			
Special Resolution number 2 – Revocation of Special Resolution Number 1 if the Scheme is terminated			
Special Resolution number 3 – Amendment of MOI			
Ordinary Resolution number 1 – Delisting resolution			
Ordinary Resolution number 2 – Authorising resolution			

*Please indicate with an “X” how you wish your votes to be cast. Unless otherwise directed, the proxy will vote or abstain as he thinks fit in respect of your entire holding.

Signed this _____ day of _____ 2016

Signature of Shareholder(s)

Assisted by me (where applicable)

Please read the following notes on the reverse side here

Notes: Shareholder is entitled to appoint 1 (one) or more proxies (none of whom need be a Shareholder) to attend, speak and vote in place of that Shareholder at the General Meeting.

2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided with or without deleting "the chairman of the General Meeting", but the Shareholder must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or in the event of any other authorised proxy, to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), to be received by them by no later than 48 hours before the General Meeting that is to be held at 10:00 on Wednesday, 25 May 2016 (i.e., by no later than 10:00 on 23 May 2016).
5. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. In addition to the foregoing, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Transfer Secretaries. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument is delivered in the required manner.
6. The chairman of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or in accordance with the Memorandum of Incorporation of the Company.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(/ies).
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by the Company or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered earlier by the Company or the Transfer Secretaries or waived by the chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A Shareholder who is a minor, must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered earlier by the Company or the Transfer Secretaries.
12. Dematerialised Shareholders who are not Own-name Dematerialised Shareholders and who wish to attend the General Meeting, or wish to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy, which arrangement must be done in terms of the custody agreement between them and their CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This Form of Proxy shall in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate her or his authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or until the end of any adjournment of the General Meeting.

The following is a summary of the rights established in terms of section 58 of the Companies Act:

"58. Shareholder right to be represented by proxy

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the company for doing so.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a Company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."



ILLOVO SUGAR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1906/000622/06)

JSE share code: ILV ISIN: ZAE000083846

("Illovo" or "the Company")

FORM OF SURRENDER AND TRANSFER

FOR USE BY CERTIFICATED SHAREHOLDERS ONLY IN TERMS OF THE SCHEME

The definitions and interpretations commencing on page 15 of the Circular to which this Form of Surrender, Transfer and Acceptance is attached, apply, unless the context clearly indicates otherwise, to this Form of Surrender, Transfer and Acceptance.

INSTRUCTIONS: HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. The Form of Surrender and Transfer of Documents of Title is for use only by Certificated Shareholders recorded in the Register on the Scheme Record Date.
2. A separate Form of Surrender and Transfer is required for each Certificated Shareholder.
3. Part A must be completed by all Certificated Shareholders who return this form.
4. Part B:
 - 4.1 Section 1 must be completed by all Certificated Shareholders who are emigrants from the Common Monetary Area.
 - 4.2 Section 2 must be completed by all other Certificated Shareholders who are non-residents of the Common Monetary Area (and who are not required to complete Section 1 of this Part B).
5. Part C must be completed by all Certificated Shareholders who wish to receive the Offer Consideration by way of EFT.
6. If this Form of Surrender and Transfer is returned with the relevant Documents of Title, it will be treated as a conditional surrender which is made subject to the Scheme becoming unconditional, the details of which are set out in the Circular to which this form is attached and forms part of. In the event of the Scheme not becoming unconditional for any reason whatsoever, the Transfer Secretaries will, by not later than 5 (five) Business Days after the date upon which it becomes known that the Scheme of Arrangement will not be operative, return the Documents of Title to the relevant Certificated Shareholders concerned, by registered mail, at the risk of such Certificated Shareholders.
7. Persons who have acquired Shares after the date of the issue of the Circular to which this Form of Surrender and Transfer is attached can obtain copies of the Form of Surrender and Transfer and the Circular from the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein 2001 (PO Box 4844, Johannesburg, 2000).
8. The Scheme Consideration will not be sent to Certificated Shareholders recorded in the Register on the Scheme Record Date unless and until Documents of Title in respect of the relevant Shares have been surrendered to the Transfer Secretaries.

To: **Link Market Services South Africa Proprietary Limited**

(Registration number 2000/007239/07)

Rennie House, 13th Floor

19 Ameshoff Street

Braamfontein

2001

South Africa

(PO Box 4844, Johannesburg, 2000, South Africa)

Dear Sirs

PART A: To be completed by ALL SCHEME PARTICIPANTS HOLDING CERTIFICATED SHARES who are recorded in the Register on the Scheme Record Date and who return this form

I/We hereby surrender the share certificate(s) and/or other Documents of Title attached hereto, representing Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme of Arrangement becoming unconditional and implementable, to register the transfer of these Shares into the name of ABS Africa upon payment of the Offer Consideration:		
Name of registered holder (separate form for each holder)	Certificate Number(s)	Number of Shares covered by each certificate(s) enclosed
Total		

Surname or name of corporate body
First names (in full)
Title (Mr,Mrs,Miss,Ms,etc)
Address to which the Offer Consideration should be sent (if different from registered address):
Postal Code:

Signature of Certificated Shareholder	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cellphone number	

PART B:

1. To be completed by emigrants from the Common Monetary Area.

Nominated Authorised Dealer in the case of a Scheme Participant that holds Shares who is an emigrant from the Common Monetary Area (see note 2 below)

Name of dealer
Account number
Address of dealer

2. To be completed only by all other non-resident Certificated Shareholders.

The Offer Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and an address provided below.

Name of dealer
Account number
Address of dealer
Substitute address in South Africa

Part C:

To be completed by all Scheme Participants holding Certificated Shares wishing to receive payment of the Offer Consideration by EFT

Name of Certificated Shareholder
Name of bank
Branch and branch code
Account number
Contact person
Contact telephone number ()

In terms of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) requirements, the Transfer Secretaries will only be able to record any changes in address or payment mandate if the undermentioned documentation is received from the relevant Shareholder:

- an original certified copy of an identity document (in respect of change of address and payment mandate);
- an original certified copy of an original bank statement (in respect of payment mandate);
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths (in respect of change of address and payment mandate); and
- an original or an original certified copy of a service bill to verify your residential address (in respect of a change of address mandate).

Payment to Shareholders that do not have an existing mandate with the Transfer Secretaries or who do not provide the Transfer Secretaries with the abovementioned documents will be made by cheque and posted at the Shareholder's own risk.

Instructions:

1. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, Lodging Agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender and Transfer.
2. Persons who are emigrants from the Common Monetary Area (comprising the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) should nominate the Authorised Dealer in the Republic of South Africa which has control of their blocked assets in Part B of this Form of Surrender and Transfer. Failing such nomination, the Offer Consideration due to such Certificated Shareholders in accordance with the provisions of the Scheme of Arrangement will be held by Illovo, pending instructions from the Certificated Shareholder concerned.

3. Any alteration to this Form of Surrender and Transfer must be signed in full and not merely initialled.
4. If this Form of Surrender and Transfer is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Illovo or its Transfer Secretaries at an earlier stage).
5. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with Illovo or its Transfer Secretaries at an earlier stage, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender and Transfer must be submitted if so requested by Illovo.
6. Instruction 4 above does not apply in the event of this form bearing a JSE broker's stamp. If this Form of Surrender and Transfer is not signed by the Certificated Shareholder, the Certificated Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries of Illovo to implement the Certificated Shareholder's obligations under the Scheme of Arrangement on his/her behalf.
7. Where there are any joint holders of any Certificated Shares, only the holder whose name appears first in the Register in respect of such Certificated Shares, needs to sign this Form of Surrender and Transfer.
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries at an earlier stage.



ILLOVO SUGAR LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1906/000622/06)
JSE share code: ILV ISIN: ZAE000083846
("Illovo" or "the Company")

GENERAL OFFER FORM: FORM OF SURRENDER, TRANSFER AND ACCEPTANCE (FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

The definitions and interpretations commencing on page 15 of the Circular to which this Form of Surrender, Transfer and Acceptance is attached, apply, unless the context clearly indicates otherwise, to this Form of Surrender, Transfer and Acceptance.

To: The Transfer Secretaries

Hand deliveries to:

Link Market Services South Africa Proprietary Limited
Rennie House, 13th Floor
19 Ameshoff Street
Braamfontein
2001

Postal Deliveries to:

Link Market Services South Africa
PO Box 4844
Johannesburg
2000

This form should be read in conjunction with the Circular.

Instructions:

1. A separate Form of Surrender, Transfer and Acceptance is required for each Shareholder. Shareholders must complete this Form of Surrender, Transfer and Acceptance in BLOCK CAPITALS.
2. **Part A** must be completed by all Certificated Shareholders who wish to accept the General Offer.
3. **Part B** must be completed by Certificated Shareholders who wish to receive the General Offer Consideration by EFT.
4. **Part C** must be completed by all Certificated Shareholders who wish to accept the General Offer and who are emigrants from the Common Monetary Area (see note 2).
5. **Part D** must be completed by all Certificated Shareholders who wish to accept the General Offer and who are non-residents of the Common Monetary Area or who are emigrants from the Common Monetary Area whose Shares have been released and wish for the General Offer Consideration to be paid to an authorised dealer.
6. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents are requested to prepare special transaction receipts, if required.
7. Please also read notes contained in this form.

Dear Sirs

I/We hereby accept the General Offer and surrender and enclose the share certificates and Documents of Title in respect of my/our holdings of Shares, as per may/our instructions contained herein:

PART A – TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS WHO RETURN THIS FORM.

I/We hereby accept the General Offer in respect of

Certificated Shares

Surname or Name of corporate body

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Address to which the General Offer Consideration, which a Certificated Shareholder is entitled to in terms of the General Offer, should be sent (if different from registered address)

Postal code

Country

Telephone ()

Cellular telephone number

Email address

Fax number ()

Please note: In order to comply with the requirements of the Financial Intelligence Centre Act, No. 38 of 2001, the Transfer Secretaries will not be able to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

I/WE HEREBY SURRENDER THE ENCLOSED SHARE CERTIFICATE/S, CERTIFIED TRANSFER DEED/S AND/OR OTHER DOCUMENTS OF TITLE, DETAILS OF WHICH HAVE BEEN COMPLETED BELOW.

Share certificate/s and/or other Document(s) of Title to be surrendered (as enclosed)

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Illovo shares covered by each certificate
Total		

Signature of Shareholder	Stamp and Address of agent lodging this form
Assisted by me (if applicable)	
State full name and capacity	
Date	
Telephone Number (Home) ()	
Cellphone Number ()	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

I/We hereby certify that:

- I/We own the shares issued by Illovo as detailed in the table set out above at the end of Part A (defined for purposes of this Part B as the "Shares");
- the Shares are fully paid-up;
- the Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Shares and have the power to dispose of the Shares;
- there are no pre-emption right nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Shares be transferred to him;
- none of the Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Shares and none of the Shares are subject of any attachment; and
- the Shares are freely transferable.

PART B – TO BE COMPLETED IN BLOCK CAPITALS BY SHAREHOLDERS WISHING TO RECEIVE PAYMENT OF THE GENERAL OFFER CONSIDERATION BY MEANS OF EFT

In order to comply with the requirements of the Financial Intelligence Centre Act, No. 38 of 2001, the Transfer Secretaries will not be able to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- a certified true copy of ID; and
- a certified true copy of bank statement.

I/We, being a holder/s of Offer Shares hereby request that the General Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third party accounts):

Bank name:

Branch name:

Branch code:

Account number:

Swift number:

IBAN number:

Signature of Shareholder:

Assisted by me (if applicable):

(State full name and capacity):

Date:

Telephone number ()

Telephone number ()

(Home) ()

(Work) ()

Cellphone ()

PART C – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES HAVE NOT BEEN RELEASED

The General Offer Consideration due to Certificated Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released will be forwarded to the authorised dealer controlling his blocked assets and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

Name of Authorised Dealer in South Africa:

Address:

Account number:

If no nomination is made above, the Offer Consideration will be held in trust by Illovo until a written instruction is received as to the disposal of such amount

PART D – TO BE COMPLETED IN BLOCK CAPITALS BY CERTIFICATED SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE GENERAL OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER

The General Offer Consideration due to Certificated Shareholders who have registered addresses outside South Africa (other than Certificated Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released) and whose share certificates are endorsed "non-resident" will be posted to the relevant Certificated Shareholder, unless that Certificated Shareholder nominates an authorised dealer to which such General Offer Consideration should be paid.

Name of Authorised Dealer in South Africa or alternative instructions:

Address:

Account number:

Notes:

1. Emigrants of the Common Monetary Area must, in addition to Part A, also complete Part C. If Part C is not properly completed, the General Offer Consideration will be held in trust by the Company or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.
2. All other non-residents of the Common Monetary Area must complete Part D if they wish the General Offer Consideration to be to be paid to an authorised dealer in South Africa.
3. The General Offer Consideration will not be sent to Shareholders unless and until Documents of Title in respect of the relevant Shares have been surrendered to the Transfer Secretaries.
4. If a Certificated Shareholder produces evidence to the satisfaction of Illovo that Documents of Title in respect of Shares have been lost or destroyed, Illovo may waive the surrender of such Documents of Title against delivery of a duly executed indemnity (including against any damage, expense, loss or payment that ABS Africa, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the General Offer Consideration to such person) in a form and on terms and conditions approved by Illovo and ABS Africa, or may in their discretion waive such indemnity.
5. If this Form of Surrender, Transfer and Acceptance is not signed by the Certificated Shareholder, the Shareholder will be deemed to have irrevocably appointed the company secretary of Illovo to implement that Shareholder's obligations under the Scheme or the General Offer, as the case may be, on his/her behalf.
6. Persons who have acquired Shares after the date of posting of the Circular to which this Form of Surrender, Transfer and Acceptance is attached, can obtain copies of the Form of Surrender, Transfer and Acceptance and the Circular from Illovo's company secretary at 1 Nokwe Avenue, Ridgeside, Umhlanga Rocks, Durban and from the Transfer Secretaries at Link Market Services South Africa Proprietary Limited, Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000).
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this Form of Surrender, Transfer and Acceptance.
8. Any alteration to this Form of Surrender, Transfer and Acceptance must be signed in full and should not be merely initialled.
9. If this Form of Surrender, Transfer and Acceptance is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Form of Surrender, Transfer and Acceptance for noting (unless it has already been noted by Illovo or the Transfer Secretaries).
10. Where the Certificated Shareholder is a company or a close corporation, unless it has already been registered with Illovo or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender, Transfer and Acceptance must be submitted if so requested by Illovo.
11. Note 10 does not apply in the case of a form bearing a JSE broker's stamp.
12. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or Transfer Secretaries.
13. Where Shares are held jointly, all joint holders are required to sign this Form of Surrender, Transfer and Acceptance.

