INTERIM REPORT

for the six months ended 30 September 2010

Company registration no. 1906/000622/06
Share code ILV ISIN ZAE000083846

Basis of preparation

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

The sugar industry is a seasonal agriculturally based business and the payment processes are such that cash flows throughout the season, which runs from 1 April to 31 March, are derived from the expected tonnages and prices that will be achieved for the season as a whole. The effect of this is that product sales tonnages and prices received, and raw material prices paid are provisional in nature until the conclusion of the season. For this reason the directors consider that profit figures based on actual cash flows may not represent the best basis for evaluating the performance and the results for the period. In respect of the sugar season basis results, operational profits for cane growing and sugar production comprise the company's view of the position at 30 September 2010 as it relates to the season as a whole. All other results are based on actual performance. The amounts disclosed in respect of cane growing and sugar production operations are based on a profit forecast for the year ending 31 March 2011 which has been examined by our auditors, Deloitte & Touche. Their unmodified accountants' report is available for inspection at the company's registered office.

The unaudited actual results for the six months ended 30 September 2010 have been prepared using accounting policies and methods of computation that comply with IFRS and are prepared in accordance with IAS34 (Interim financial reporting). The accounting policies adopted are consistent with those of the previous financial period.

Review

Actual results for the six months ended 30 September 2010, compared to the corresponding period last year, have been negatively impacted by the strength of the South African rand which has depressed export earnings and adversely affected the conversion of foreign subsidiaries' profits. Actual operating profit for the period reduced by 17% and headline earnings were 14% lower.

On a sugar season basis, group operating profit for the six months ended 30 September 2010 declined to R522.9 million from R775.7 million last year. This reduction of 33% reflects the ongoing strength of the rand and anticipated continuing weakness of the US dollar. Production in the same period, on a seasonal basis has also been negatively affected and was reduced by drought in South Africa and unseasonal rainfall elsewhere.

Net financing costs of R35.5 million were lower than in the previous year. Interest paid was R141.9 million lower, reflecting improved group gearing subsequent to the rights issue concluded in September 2009. Foreign exchange gains of R143.0 million included in net financing costs last year were not repeated in the six months to 30 September 2010. Headline earnings of R258.6 million are 33% lower.

The contributions to operating profit were sugar production 71%, cane growing 22% and downstream 7%. By country, contributions were Malawi 47%, Zambia 28%, Tanzania 12%, South Africa 7%, Swaziland 4% and Mozambique 2%.

The season to date has been negatively affected by variable weather conditions as well as the adverse impact of a weak US dollar and strong local currencies. In South Africa, the effect of drought conditions in KwaZulu-Natal has been most severe. The lack of rainfall during the critical growing period for the cane crop drastically reduced cane yields and cane availability resulting in the early closure of the Umzimkulu and Eston factories. Sugar production from Illovo's South African operations is expected to be approximately 90 000 tons, nearly 15% below the previous season. In Malawi, Mozambique and Swaziland late and unseasonal rains early in the season disrupted operations and reduced cane quality in those countries. In Zambia and Tanzania, however, normal climatic conditions have been experienced and the season has progressed favourably to-date.

In general, the group's sugar factories have operated satisfactorily, with the Zambian factory, which has settled down well following the recent major expansion, now regularly exceeding design capacity with crush volumes exceeding 100 000 tons of cane per week. Sugar recoveries have been reasonable across the group.

In Swaziland, the expansion programme at Ubombo is well-advanced and the upgraded factory facilities will be commissioned in time for the start of the next season. Cane development utilising water from the now complete Lubovane Dam is progressing satisfactorily. The co-generation facilities, designed to utilise a mixture of bagasse (cane fibre) and biomass (leaves and trash), will commence generating electricity following start up of the expanded factory. From 2011, the Ubombo operation will be self-sufficient in electricity and will be a significant supplier of power to the national grid. This "renewable energy" should also attract carbon trading opportunities for the group.

Downstream production of furfural and derivatives in South Africa has been affected by lower cane availability this year and, although the plant has operated efficiently, production will be lower. Both alcohol plants in South Africa have operated well with available molasses sufficient for their needs. A major milestone in the further commercialisation of furfural for use as a nematicide, an agricultural chemical, was reached in July 2010 following the registration for its use on golf courses and turf farms in the United States by the Environmental Protection Agency. This approval opens a new market for high margin sales, and registration for use of the product on food crops is now being sought. Market conditions for furfural and alcohol are generally buoyant, and although prices have firmed, export earnings have been depressed by the strength of the rand in the first half of the year.

Domestic market sugar sales continue to be strong and good growth in volumes has been experienced in Malawi, Mozambique, Tanzania and Zambia. Marginal growth has occurred in South Africa and Swaziland.

Export volumes have increased following the expansion in Zambia and the group supplied increased tonnages of bulk raw sugar for refining in Europe via long term contracts secured with key European processors. The weakness of the Euro in the first half of the year, together with European sugar price realisations being lower than anticipated, resulted in earnings from sales into the EU market being below expectations. The resurgence in the world sugar price has positively influenced regional markets in Central Africa and prices have become attractive for exports into this region from Malawi, Swaziland and Zambia. An ongoing shortage of sugar in Zimbabwe has also seen an increase in sales to that market. Exports to the world sugar market only take place from South Africa and the strengthening world sugar price has enabled improved prices to be realised. However, lower sugar production has meant that the South African industry has been unable to take full advantage of this opportunity and world market exports are unlikely to exceed 355 000 tons for the year (2009/10: 742 281 tons), currently priced at US18.33 cents/lb, compared to US16.53 cents/lb achieved last year.

The group's greenfield project in Mali continues to progress positively and securing final approval of project finance is now the last remaining hurdle required to be cleared before construction work is able to commence. Extended due diligence and negotiation of financing terms have been completed and approval by the African Development Bank, the project debt coordinator, is expected before the end of the 2010 calendar year. Thereafter, financial completion is expected by mid-2011, following which agricultural activity will commence. Factory construction will thereafter start at the end of 2012 and will take 24 months to complete.

During the year, the group increased its shareholding in Maragra Açúcar SA, its operating subsidiary in Mozambique, to 90% following the purchase of shares from the minority shareholder.

Capital reduction distribution out of share premium in lieu of dividend

Notice is hereby given that, in terms of an ordinary resolution passed by the members of the company at the annual general meeting held on 21 July 2010, an interim capital reduction distribution out of share premium of 22.0 cents per share has been declared, in lieu of a dividend, on the ordinary shares of the company in respect of the six months ended 30 September 2010.

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

Last day to trade cum the capital distribution	Friday, 31 December 2010
Shares commence trading ex the capital distribution	Monday, 3 January 2011
Record date	Friday, 7 January 2011
Payment of interim capital distribution	Monday, 10 January 2011

Share certificates may not be dematerialised / rematerialised between Monday, 3 January 2011 and Friday, 7 January 2011, both days inclusive.

A more detailed announcement relating to the capital reduction will be issued concurrently herewith.

Prospects

Sugar production for the full year will be negatively impacted by the severe drop in output from South Africa due to the drought, whilst production in Swaziland will be below that of last season as a result of adverse weather conditions. This will be offset by a significant increase in Zambia and a marginal improvement in Tanzania. Overall, group sugar production for the year is expected to be similar to that of last year. The continued strength of the rand and weakness of the US dollar will have a negative impact on export earnings as well as on the conversion of foreign subsidiary profits.

As a result of the drought in the group's cane supply areas in South Africa, and even with good summer rainfall, cane production on the south coast of KwaZulu-Natal is forecast to be lower next year compared to the current year. It has therefore been decided not to operate the Umzimkulu factory in 2011/12 and to divert cane supplies to other group factories in order for them to run nearer to capacity and to maximise downstream production of furfural.

Trading Statement

Trading conditions have deteriorated across the group as a consequence of the serious drought in KwaZulu-Natal in South Africa, together with further weakening of the US dollar and the strengthening of the rand. In addition, the weaker Euro in the first half of the year impacted negatively on downstream revenue and sugar export earnings from sales to the European Union. Accordingly, earnings and headline earnings will be lower than achieved in the previous financial year. Further to the guidance given on 21 July 2010, earnings per share and headline earnings per share, which are also affected by the full year dilution impact of the rights issue completed in September 2009, are currently expected to be between 30% and 40%, and 35% and 45% lower respectively than achieved in the financial year ended 31 March 2010.

On behalf of the Board

R A Williams	**G J Clark**	Mount Edgecombe
Chairman	Managing Director	17 November 2010

Directors :
R A Williams (Chairman)*, D G MacLeod (Deputy Chairman)*, G J Clark (Managing Director) (Australian), M I Carr#*, M J Hankinson*, D Konar*, P A Lister#*, P M Madi*, C W N Molope*, A R Mpungwe (Tanzanian)*, T S Munday*, R N Pike#*, L W Riddle, B M Stuart, K Zarnack

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Auditors :
Deloitte & Touche

Sponsor :
J P Morgan Equities Limited

ABRIDGED GROUP INCOME STATEMENT

		Actual		**Sugar season basis**			Actual
		Unaudited		Unaudited			Audited
		Six months ended		Six months ended			Year ended
		30 September		30 September			31 March
		2010	2009	**2010**	2009	Change	2010
	Notes	**Rm**	Rm	**Rm**	Rm	%	Rm
Revenue		**3 968.5**	4 247.6	**4 257.3**	4 345.3	(2)	8 467.9
Operating profit		**1 025.8**	1 236.9	**522.9**	775.7	(33)	1 498.6
Dividend income		**-**	1.4	**-**	1.4		3.9
Net financing costs	1	**(35.5)**	(39.7)	**(35.5)**	(39.7)		(139.0)
Profit before non-trading items		**990.3**	1 198.6	**487.4**	737.4		1 363.5
Share of loss from associates		**(2.2)**	-	**(2.2)**	-		(8.4)
Material items	2	**19.8**	(27.9)	**19.8**	(27.9)		(52.4)
Profit before taxation		**1 007.9**	1 170.7	**505.0**	709.5		1 302.7
Taxation		**(282.0)**	(327.6)	**(149.1)**	(216.8)		(411.5)
Profit for the period		**725.9**	843.1	**355.9**	492.7		891.2
Attributable to:							
Shareholders of Illovo Sugar Limited		**594.0**	647.0	**278.4**	363.1	(23)	662.0
Non-controlling interest		**131.9**	196.1	**77.5**	129.6		229.2
		725.9	843.1	**355.9**	492.7		891.2

Determination of headline earnings:							
Profit attributable to shareholders		**594.0**	647.0	**278.4**	363.1	(23)	662.0
Adjusted for :							
- (Profit)/loss on disposal of business	2	**(19.8)**	28.9	**(19.8)**	28.9		37.3
- Impairment of investment in agricultural joint venture	2	**-**	-	**-**	-		15.0
- (Profit)/loss on disposal of property	2	**-**	(1.0)	**-**	(1.0)		0.1
- Loss/(profit) on disposal of plant and equipment		**-**	0.3	**-**	0.3		(2.9)
Total tax effect of adjustments		**-**	(7.1)	**-**	(7.1)		(10.0)
Total non-controlling interest effect of adjustments		**-**	-	**-**	-		1.0
Headline earnings		**574.2**	668.1	**258.6**	384.2	(33)	702.5
Number of shares in issue (millions)		**459.4**	460.0	**459.4**	460.0		460.2
Weighted average number of shares on which headline earnings per share are based (millions)		**460.0**	360.8	**460.0**	360.8		410.3
Headline earnings per share (cents)		**124.8**	185.2	**56.2**	106.5	(47)	171.2
Diluted headline earnings per share (cents)		**124.6**	184.5	**56.2**	106.2		170.7
Basic earnings per share (cents)		**129.1**	179.3	**60.5**	100.6		161.4
Diluted basic earnings per share (cents)		**128.9**	178.7	**60.5**	100.4		160.9
Distribution per share (cents)	3	**22.0**	32.0	**22.0**	32.0	(31)	86.0

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	Actual Unaudited 30 September **2010** **Rm**	Actual Unaudited 30 September 2009 Rm	Sugar season basis Unaudited 30 September **2010** **Rm**	Sugar season basis Unaudited 30 September 2009 Rm	Actual Audited 31 March 2010 Rm
ASSETS					
Non-current assets	**5 676.7**	5 467.3	**5 676.7**	5 467.3	5 722.8
Property, plant and equipment	**4 246.7**	3 948.9	**4 246.7**	3 948.9	4 262.7
Cane roots	**1 080.3**	1 133.3	**1 080.3**	1 133.3	1 100.2
Intangible assets	**174.4**	205.9	**174.4**	205.9	179.1
Investments	**175.3**	179.2	**175.3**	179.2	180.8
Current assets	**5 002.5**	5 797.7	**5 002.5**	5 797.7	3 925.1
Inventories	**2 506.5**	2 241.8	**2 506.5**	2 241.8	679.1
Growing cane	**1 032.8**	1 181.7	**1 032.8**	1 181.7	1 260.7
Trade and other receivables	**902.4**	1 259.9	**902.4**	1 259.9	639.0
Financial instruments	**3.0**	11.6	**3.0**	11.6	0.9
Cash and cash equivalents	**557.8**	1 102.7	**557.8**	1 102.7	1 345.4
Total assets	**10 679.2**	11 265.0	**10 679.2**	11 265.0	9 647.9
EQUITY AND LIABILITIES					
Total equity	**6 343.6**	6 721.6	**5 973.6**	6 371.2	6 314.7
Equity holders' interest	**5 493.4**	5 827.4	**5 177.8**	5 543.5	5 502.6
Non-controlling interest	**850.2**	894.2	**795.8**	827.7	812.1
Non-current liabilities	**2 071.0**	2 266.0	**2 071.0**	2 266.0	1 818.0
Deferred taxation	**596.0**	644.7	**596.0**	644.7	685.8
Borrowings	**1 475.0**	1 621.3	**1 475.0**	1 621.3	1 132.2
Current liabilities	**2 264.6**	2 277.4	**2 634.6**	2 627.8	1 515.2
Trade and other payables	**2 246.9**	2 222.6	**2 616.9**	2 573.0	1 513.4
Financial instruments	**17.7**	54.8	**17.7**	54.8	1.8
Total equity and liabilities	**10 679.2**	11 265.0	**10 679.2**	11 265.0	9 647.9

OTHER SALIENT FEATURES

	Note					
Operating margin (%)		**25.8**	29.1	**12.3**	17.9	17.7
Interest cover (times)		**28.9**	31.2	**14.7**	19.5	10.8
Effective tax rate (%)		**28.5**	27.3	**30.6**	29.4	30.2
Net debt : equity ratio	4	**14.5**	7.7	**15.4**	8.1	(3.4)
Net asset value per share (cents)		**1 380.8**	1 461.2	**1 300.2**	1 385.0	1 372.3
Depreciation		**188.6**	167.9	**188.6**	167.9	250.4
Capital expenditure		**483.1**	829.2	**483.1**	829.2	1 328.6
- expansion capital		**373.4**	403.2	**373.4**	403.2	845.6
- replacement capital		**107.9**	134.7	**107.9**	134.7	181.1
		481.3	537.9	**481.3**	537.9	1 026.7
- acquisition of business		**-**	251.7	**-**	251.7	249.9
- expansion of area under cane		**-**	34.2	**-**	34.2	40.9
- product registration costs		**1.8**	5.4	**1.8**	5.4	11.1
Capital commitments		**3 639.1**	3 599.6	**3 639.1**	3 599.6	3 414.5
- contracted		**559.1**	173.4	**559.1**	173.4	640.5
- approved but not contracted		**3 080.0**	3 426.2	**3 080.0**	3 426.2	2 774.0
Lease commitments		**248.8**	139.7	**248.8**	139.7	241.2
- land and buildings		**169.6**	67.4	**169.6**	67.4	151.1
- other		**79.2**	72.3	**79.2**	72.3	90.1
Contingent liabilities		**49.2**	3.1	**49.2**	3.1	48.7

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Actual		Sugar season basis		Actual
	Unaudited		Unaudited		Audited
	Six months ended		Six months ended		Year ended
	30 September		30 September		31 March
	2010	2009	**2010**	2009	2010
	Rm	Rm	**Rm**	Rm	Rm
Cash flows from operating and investing activities					
Cash operating profit	**1 326.7**	1 323.5	**823.8**	862.3	1 443.1
Working capital requirements	**(1 582.8)**	(1 649.8)	**(1 079.9)**	(1 188.6)	(183.2)
Cash (utilised by)/generated from operations	**(256.1)**	(326.3)	**(256.1)**	(326.3)	1 259.9
Replacement capital expenditure	**(107.9)**	(134.7)	**(107.9)**	(134.7)	(181.1)
Financing costs, taxation and distributions	**(507.9)**	(534.0)	**(507.9)**	(534.0)	(929.5)
Net investment in future operations	**(375.2)**	(442.8)	**(375.2)**	(442.8)	(897.6)
Research expenditure	**(10.3)**	(10.5)	**(10.3)**	(10.5)	(23.2)
Acquisition of business	**-**	(251.7)	**-**	(251.7)	(249.9)
Other movements	**35.0**	78.5	**35.0**	78.5	36.1
Net cash outflows before financing activities	**(1 222.4)**	(1 621.5)	**(1 222.4)**	(1 621.5)	(985.3)
Proceeds from rights issue, net of associated costs	**-**	2 959.8	**-**	2 959.8	2 950.5
Borrowings raised/(repaid)	**481.1**	(1 030.3)	**481.1**	(1 030.3)	(1 426.6)
Other financing activities	**(29.0)**	263.0	**(29.0)**	263.0	262.0
Net (decrease)/increase in cash and cash equivalents	**(770.3)**	571.0	**(770.3)**	571.0	800.6

STATEMENT OF OTHER COMPREHENSIVE INCOME

Profit for the period	**725.9**	843.1	**355.9**	492.7	891.2
Other comprehensive income					
Foreign currency translation differences	**(168.6)**	(501.9)	**(168.6)**	(501.9)	(748.4)
Adjustments in respect of cash flow hedges	**(13.1)**	(18.1)	**(13.1)**	(18.1)	(17.2)
Actuarial losses on post-retirement obligations	**-**	-	**-**	-	(2.7)
Hedge of net investment in foreign subsidiary	**(37.7)**	2.8	**(37.7)**	2.8	-
Total comprehensive income/(loss) for the period	**506.5**	325.9	**136.5**	(24.5)	122.9
Attributable to:					
Shareholders of Illovo Sugar Limited	**356.9**	188.6	**41.3**	(95.3)	24.6
Non-controlling interest	**149.6**	137.3	**95.2**	70.8	98.3
	506.5	325.9	**136.5**	(24.5)	122.9

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Actual		Sugar season basis		Actual
	Unaudited		Unaudited		Audited
	Six months ended		Six months ended		Year ended
	30 September		30 September		31 March
	2010	2009	**2010**	2009	2010
	Rm	Rm	**Rm**	Rm	Rm
Share capital and share premium					
Balance at beginning of the period	**3 075.7**	367.5	**3 075.7**	367.5	367.5
Issue of new shares	**1.4**	2 959.8	**1.4**	2 959.8	2 956.7
Net cost of share buy-back	**(30.4)**	-	**(30.4)**	-	-
Transfer to distribution reserve	**(101.2)**	-	**(101.2)**	-	(248.5)
Balance at end of the period	**2 945.5**	3 327.3	**2 945.5**	3 327.3	3 075.7
Share-based payments reserve					
Balance at beginning of the period	**13.1**	13.1	**13.1**	13.1	13.1
Share-based payment expense	**-**	-	**-**	-	-
Balance at end of the period	**13.1**	13.1	**13.1**	13.1	13.1
Non-distributable reserves					
Balance at beginning of the period	**224.7**	396.5	**224.7**	396.5	396.5
Realised loss on disposal of property	**-**	-	**-**	-	(0.1)
Transfer of debit foreign currency translation reserve	**187.1**	-	**187.1**	-	341.8
Transactions with non-controlling shareholders	**(88.5)**	131.2	**(88.5)**	131.2	121.2
Total comprehensive income:					
- Foreign currency translation	**(187.1)**	(443.1)	**(187.1)**	(443.1)	(618.1)
- Cash flow hedges	**(12.3)**	(18.1)	**(12.3)**	(18.1)	(16.6)
- Hedge of net investment in foreign subsidiary	**(37.7)**	2.8	**(37.7)**	2.8	-
Balance at end of the period	**86.2**	69.3	**86.2**	69.3	224.7
Retained surplus					
Balance at beginning of the period	**1 940.6**	1 770.4	**1 940.6**	1 770.4	1 770.4
Realised loss on disposal of property	**-**	-	**-**	-	0.1
Transfer of debit foreign currency translation reserve	**(187.1)**	-	**(187.1)**	-	(341.8)
Transfer to distribution reserve	**-**	(146.9)	**-**	(146.9)	(147.4)
Total comprehensive income:					
- Profit for the period	**594.0**	647.0	**278.4**	363.1	662.0
- Actuarial loss on post-retirement obligations	**-**	-	**-**	-	(2.7)
Balance at end of the period	**2 347.5**	2 270.5	**2 031.9**	1 986.6	1 940.6
Distribution reserve					
Balance at beginning of the period	**248.5**	226.3	**248.5**	226.3	226.3
Transfer from share premium	**101.2**	-	**101.2**	-	248.5
Transfer from retained surplus	**-**	146.9	**-**	146.9	147.4
Distributions paid	**(248.6)**	(226.0)	**(248.6)**	(226.0)	(373.7)
Balance at end of the period	**101.1**	147.2	**101.1**	147.2	248.5
Equity holders' interest	**5 493.4**	5 827.4	**5 177.8**	5 543.5	5 502.6
Non-controlling interest					
Balance at beginning of the period	**812.1**	671.2	**812.1**	671.2	671.2
Distributions paid	**(103.9)**	(82.9)	**(103.9)**	(82.9)	(116.5)
Acquisition of business	**-**	36.7	**-**	36.7	41.9
Change in shareholding	**(7.6)**	131.9	**(7.6)**	131.9	117.2
Total comprehensive income:					
- Foreign currency translation	**18.5**	(58.8)	**18.5**	(58.8)	(130.3)
- Cash flow hedges	**(0.8)**	-	**(0.8)**	-	(0.6)
- Profit for the period	**131.9**	196.1	**77.5**	129.6	229.2
Balance at end of the period	**850.2**	894.2	**795.8**	827.7	812.1
Total equity	**6 343.6**	6 721.6	**5 973.6**	6 371.2	6 314.7

SEGMENTAL ANALYSIS

	Actual Unaudited Six months ended 30 September		Sugar season basis Unaudited Six months ended 30 September				Actual Audited Year ended 31 March
	2010	2009	**2010**		2009		2010
	Rm	Rm	**Rm**	%	Rm	%	Rm
BUSINESS SEGMENTS							
Revenue							
Sugar production	**2 266.8**	2 520.8	**2 948.4**	**69**	3 014.6	70	5 893.5
Cane growing	**1 337.5**	1 387.4	**946.1**	**22**	1 013.1	23	1 910.8
Downstream	**364.2**	339.4	**362.8**	**9**	317.6	7	663.6
	3 968.5	4 247.6	**4 257.3**		4 345.3		8 467.9
Operating profit							
Sugar production	**638.2**	623.1	**371.8**	**71**	471.8	61	890.3
Cane growing	**321.3**	528.4	**116.9**	**22**	257.9	33	505.2
Downstream	**66.3**	85.4	**34.2**	**7**	46.0	6	103.1
	1 025.8	1 236.9	**522.9**		775.7		1 498.6
Total assets							
Sugar production	**6 334.7**	5 952.6	**6 334.7**	**63**	5 952.6	59	4 037.9
Cane growing	**3 371.4**	3 788.9	**3 371.4**	**33**	3 788.9	37	3 949.9
Downstream	**412.3**	409.2	**412.3**	**4**	409.2	4	313.8
	10 118.4	10 150.7	**10 118.4**		10 150.7		8 301.6

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

	Actual Unaudited Six months ended 30 September		Sugar season basis Unaudited Six months ended 30 September				Actual Audited Year ended 31 March
	2010	2009	**2010**		2009		2010
	Rm	Rm	**Rm**	%	Rm	%	Rm
GEOGRAPHICAL SEGMENTS							
Revenue							
Malawi	**809.3**	840.4	**788.7**	**19**	897.8	21	1 711.3
Zambia	**859.2**	806.0	**998.2**	**23**	874.1	20	1 468.1
Tanzania	**249.8**	357.6	**314.5**	**7**	319.7	7	682.1
South Africa	**1 336.2**	1 395.3	**1 644.1**	**39**	1 680.9	39	3 447.0
Swaziland	**519.5**	541.8	**356.9**	**8**	395.0	9	799.5
Mozambique	**194.5**	306.5	**154.9**	**4**	177.8	4	359.9
	3 968.5	4 247.6	**4 257.3**		4 345.3		8 467.9
Operating profit							
Malawi	**381.2**	479.5	**245.6**	**47**	323.4	42	637.5
Zambia	**235.3**	215.7	**147.0**	**28**	199.8	26	264.3
Tanzania	**57.6**	81.4	**63.7**	**12**	61.8	8	166.8
South Africa	**233.0**	222.4	**38.3**	**7**	108.1	14	255.3
Swaziland	**99.3**	118.3	**20.0**	**4**	56.3	7	119.7
Mozambique	**19.4**	119.6	**8.3**	**2**	26.3	3	55.0
	1 025.8	1 236.9	**522.9**		775.7		1 498.6

NOTES TO THE FINANCIAL STATEMENTS

	Unaudited Six months ended 30 September **2010** **Rm**	2009 Rm	Audited Year ended 31 March 2010 Rm
1. Net financing costs			
Interest paid	**(79.0)**	(220.9)	(307.6)
Less: capitalised	**8.4**	8.1	14.2
	(70.6)	(212.8)	(293.4)
Interest received	**35.2**	30.1	30.5
Foreign exchange (losses)/gains	**(0.1)**	143.0	123.9
	(35.5)	(39.7)	(139.0)
2. Material items			
Profit/(loss) on disposal of business	**19.8**	(28.9)	(37.3)
Impairment of investment in agricultural joint venture	**-**	-	(15.0)
Profit/(loss) on disposal of property	**-**	1.0	(0.1)
Material profit/(loss) before taxation	**19.8**	(27.9)	(52.4)
Taxation	**-**	7.1	10.2
Material profit/(loss) attributable to shareholders of Illovo Sugar Limited	**19.8**	(20.8)	(42.2)

3. Distribution per share

The distribution per share of 22.0 cents represents an interim capital distribution declared out of share premium (2009 : interim dividend of 32.0 cents).

4. Net debt : equity ratio

The net debt : equity ratio is calculated as interest-bearing liabilities, net of cash and cash equivalents, divided by total equity. A negative net debt : equity ratio indicates that the group is in a net cash position.