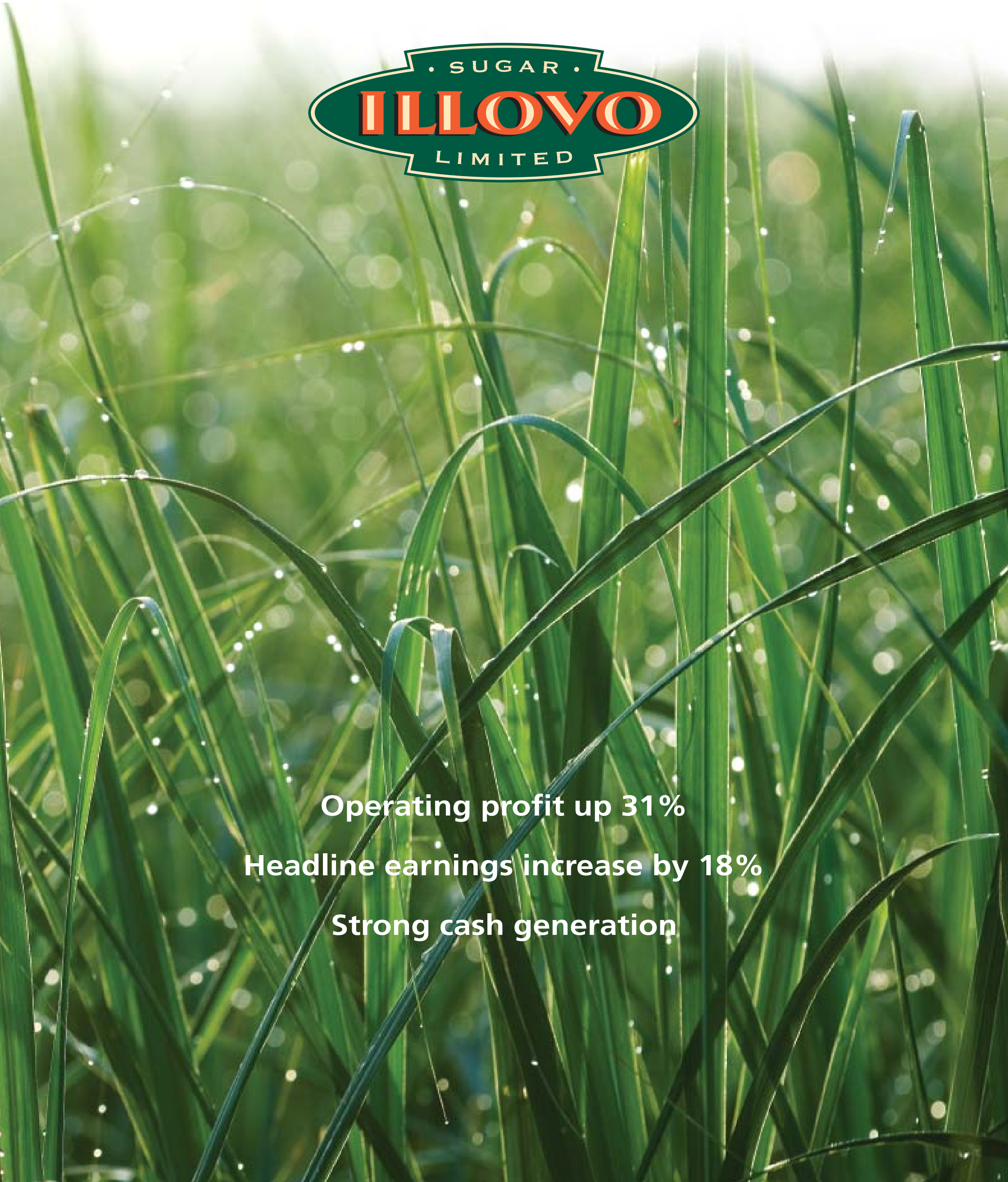
AUDITED GROUP RESULTS

FOR THE YEAR ENDED 31 MARCH 2012



SUGAR ILLOVO LIMITED

Operating profit up 31%

Headline earnings increase by 18%

Strong cash generation

CONTENTS

REVIEW

The group achieved much improved results in the past year despite abnormal weather conditions and volatile exchange rates. In South Africa, the impact of a second year of drought in the dry land cane growing areas of KwaZulu-Natal was pronounced and depressed overall group sugar production to a level below the previous year. Increased sugar production elsewhere was insufficient to offset the decline in South Africa.

Despite lower sugar production, a drive to maximise opportunities in a favourable market environment, together with a focus on cost control, enabled the group to grow profit year-on-year. Group turnover grew by R1.1 billion to R9.2 billion, whilst sugar sales volumes fell by 5% as a consequence of the lower sugar production. Pleasingly, the group operating margin increased from 12.7% to 14.7%, resulting in a 31% increase in operating profit from R1.03 billion to R1.35 billion. Net financing costs of R245 million reflected the cost of servicing the group's expansion-related debt. The effective tax rate for the group normalised at 30.3%. Material items include the impairment of the group's pre-production costs in Mali following the decision to terminate further involvement in the Markala Sugar Project. Headline earnings per share improved by 18.2% to 132.6 cents. The group's return on net assets increased commensurately from 13.8% to 15.9%.

The contributions to operating profit were sugar production 59%, cane growing 30%, downstream and power generation 11%. The country contributions were Malawi 39%, Zambia 33%, Tanzania 11%, South Africa 7%, Swaziland 6% and Mozambique 4%.

The consolidation of Illovo's own grown cane supply continued during 2011/12 and despite a climatically challenging season, a total of 6.2 million tons of cane was produced on the group's estates. This was slightly lower than the record cane production of 2010/11. The marginal reduction was the result of a second consecutive drought-affected season in South Africa and lower cane yields experienced in Malawi and Zambia due to harvesting those crops at a younger age than normal. In the case of Zambia, this was necessary to re-align the expanded cane growing area with the significantly increased milling capacity. These cane crops will benefit in future from harvesting at an optimal age of twelve months. In Tanzania, an extended wet season disrupted harvesting and resulted in a large area not being harvested and carried-over for harvest in 2012/13. Significant increases in Swaziland and Mozambique were achieved reflecting good growing conditions and an expanded area under cane. Adequate summer rainfall and a return to normal weather should drive a recovery in South Africa, whilst elsewhere in the group growing conditions have been normal. This, together with increased area under cane and irrigation upgrades, will secure the anticipated higher cane volumes for the ensuing year.

Sucrose levels in 2011/12 were generally well below expectation. The extended drought in South Africa adversely affected cane quality, but reduced sucrose levels elsewhere were likely the result of unusual climatic variations, with unseasonal rain also playing a part.

Group sugar production fell in total by 7% in 2011/12, from 1.639 million tons to 1.526 million tons. In South Africa, the drought-impacted reduction was again material, sugar production being some 24% below 2010/11. The reduction in South Africa was only partially offset by increased sugar production in Malawi, Mozambique and Swaziland, whilst small reductions were recorded in Zambia and in Tanzania, where an abnormally wet season restricted factory throughput. In South Africa, the reduced cane volume on the south coast of KwaZulu-Natal resulted in the Umzimkulu factory remaining closed for the season, with cane diverted to Sezela to optimise available factory capacity.

Factory performance across the group was generally satisfactory, although the newly expanded factory in Swaziland experienced operational difficulties early in the season.

A total of 64% of total sugar sales volumes was sold into domestic markets in 2011/12 via a range of bulk and pre-packed industrial and direct consumption sugars in both refined and brown sugar offerings. Logistics and distribution systems remain key to optimising domestic market realisations and the group continues to adapt to market requirements. Rural distribution outside of South Africa was effective and in South Africa work has commenced on the construction of a new custom-designed central warehouse in Pietermaritzburg, which will streamline storage and distribution to all segments of the domestic market at a lower cost.

The operations in Zambia and Malawi are geographically well positioned to supply large deficit markets in east and central Africa. Advantage was taken of enhanced pricing in this region and a range of direct consumption and industrial sugar was supplied from Malawi and Zambia. Preferential exports to the European Union and the United States grew during the year. European sugar prices rose compared to the previous year and bulk raw sugar contracts with European refiners delivered higher prices than in 2010/11. Niche speciality sugars, including "Fairtrade" sugar, continue to provide premium prices in Europe and the United States.

World bulk raw sugar market sales from South Africa are only made via the single desk export marketing function of the South African Sugar Association. A significantly lower industry sugar crop in South Africa during 2011/12 resulted in only a small volume being sold on to the world market, with the Illovo group share amounting to 40 215 tons, priced at 25.8 US cents/lb. World market prices remain positively supported by longer-term supply and demand fundamentals and pricing of increased export availability for the 2012/13 season has commenced above 24 US cents/lb.

The diversion of cane to the Sezela factory in South Africa enabled the sugar factory and associated downstream products plant to operate close to capacity in 2011/12. This resulted in a 20% increase in furfural production compared to the previous year, with furfuryl alcohol production matched to optimise demand opportunities. Pricing for furfural products has remained positive in 2011/12 and the group derived increased returns in this market, enhanced by a reputation for the reliable supply of high quality products. Diacetyl and lactulose production were matched to meet market demand.

Production of potable and denatured ethanol was maximised at the Merebank and Glendale distilleries in South Africa from available molasses. Alcohol demand and pricing have been firm in both local and export markets. The group has started construction of a new potable alcohol distillery in Tanzania, designed to utilise all available molasses from the Kilombero factories, for the production of high quality potable alcohol which will be sold into the lucrative and growing East African market. Further molasses beneficiation opportunities are being evaluated.

Co-generation of electricity is being progressed across the group in an effort to become self-sufficient in power for our own requirements and where attractive to commercially export electricity into the national grid. Commissioning of the co-generation plant in Swaziland has been successfully completed and surplus power is now sold into the national grid in Swaziland in terms of a power purchase agreement.

Mali

Further to the Mali project updates published on 22 March 2012, failure to finalise key elements required for the promotion of the Markala Sugar Project in Mali has resulted in a decision to terminate further group involvement in this project. Incomplete funding of the agricultural component of the project via bi-lateral concessional funding to the government of Mali and its inability to complete key undertakings for the project to proceed, together with the deteriorating security situation in Mali and the country's uncertain political future have increased the project risks associated with a greenfield development of this size. Accordingly, the group's investment in pre-project expenditure associated with this project totalling R173.5 million has been fully impaired and written-off in the year under review.

Prospects

The current 2012/13 season should see a new record volume of group cane production. Sucrose levels look set to be more normal with early season trends supporting this likely outcome. Therefore, an increase in anticipated sugar production is expected from a better season in South Africa and further increases elsewhere in the group. Market opportunities remain positive and an ongoing focus on lowering costs of production should limit the impact of inflation on the group cost base. The Malawi Kwacha was officially devalued by approximately 50% against the US dollar on 7 May 2012. The devaluation will have a material negative influence on the operating cost base in Malawi, while export earnings will be enhanced in local currency, which will partially mitigate the impact of the currency devaluation. In accordance with group strategy to recover cost inflation from sugar pricing, an appropriate local sugar price increase was implemented in Malawi on 8 May 2012. This strategy will largely mitigate any material negative impact on group profits. Exchange rate volatility will continue to be a major influence on export earnings and the conversion of foreign subsidiary profits into rand. Strong cash generation will be deployed to reduce group debt and lower financing costs.

Capital reduction distribution by way of a reduction of Contributed Tax Capital

Notice is hereby given that a final capital reduction distribution by way of a reduction of Contributed Tax Capital of 43.0 cents per share has been declared, in lieu of a dividend, on the ordinary shares of the company in respect of the year ended 31 March 2012. This distribution, together with the interim capital reduction distribution of 23.0 cents per share which was declared on 22 November 2011, makes a total distribution in respect of the year ended 31 March 2012 of 66.0 cents per share. The directors have determined that the capital reduction distribution shall be paid out of qualifying contributed tax capital as contemplated in the definition of "contributed tax capital" in section 1 of the Income Tax Act, 1962.

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

Last day to trade cum the capital distribution	Friday, 29 June 2012
Shares commence trading ex the capital distribution	Monday, 2 July 2012
Record date	Friday, 6 July 2012
Payment of final capital distribution	Monday, 9 July 2012

Share certificates may not be dematerialised/rematerialised between Monday, 2 July 2012 and Friday, 6 July 2012, both days inclusive.

Relative to this capital reduction distribution, the directors have confirmed that the company will satisfy the solvency and liquidity test immediately after completing such distribution.

Directorate/Secretary

During the year, Karin Zarnack resigned as financial director and was succeeded by Mohammed Abdool-Samad. Barry Stuart retired as operations director and was succeeded in that position by Gavin Dalgleish who was appointed as a director earlier in the year. Gordon Knox retired as Company Secretary and was succeeded by Jennifer Kunst.

On behalf of the Board

D G Macleod	**G J Clark**	Mount Edgecombe
Chairman	*Managing Director*	25 May 2012

CORPORATE INFORMATION

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

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AUDITORS: Deloitte & Touche

TRANSFER SECRETARIES: Link Market Services South Africa (Pty) Limited
Rennie House, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001
PO Box 4844, Johannesburg, 2000

SPONSOR: JP Morgan Equities Limited

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

ABRIDGED GROUP INCOME STATEMENT

	Note	Change %	Year ended 31 March 2012 Rm	2011 Rm
Revenue		13	**9 173.2**	8 107.9
Operating profit		31	**1 348.8**	1 029.3
Dividend income			**3.5**	2.1
Net financing costs	2		**244.6**	95.5
Profit before taxation and non-trading items			**1 107.7**	935.9
Share of profit/(loss) from associates			**7.2**	(3.6)
Material items	3		**(163.7)**	30.2
Profit before taxation			**951.2**	962.5
Taxation			**344.8**	248.6
Profit for the year			**606.4**	713.9
Attributable to:				
Shareholders of Illovo Sugar Limited		(19)	**443.1**	546.2
Non-controlling interest			**163.3**	167.7
			606.4	713.9

STATEMENT OF OTHER COMPREHENSIVE INCOME

		Note	Change %	Year ended 31 March 2012 Rm	2011 Rm
Profit for the year				**606.4**	713.9
Other comprehensive income					
Adjustments in respect of cash flow hedges, net of tax				**(2.7)**	10.1
Actuarial (losses)/gains on post-retirement obligations, net of tax				**(6.7)**	3.2
Recognition of asset for defined benefit pension fund				**7.3**	–
Hedge of net investment in foreign subsidiary				**(87.3)**	(2.1)
Foreign currency translation differences				**307.8**	(482.7)
Total comprehensive income for the year				**824.8**	242.4
Attributable to:					
Shareholders of Illovo Sugar Limited				**631.6**	155.0
Non-controlling interest				**193.2**	87.4
				824.8	242.4
Headline earnings per share	(cents)	4	18	**132.6**	112.2
Diluted headline earnings per share	(cents)			**132.5**	112.1
Basic earnings per share	(cents)			**96.4**	118.8
Diluted basic earnings per share	(cents)			**96.3**	118.6
Distribution per share (interim – paid; final – declared)	(cents)	5	18	**66.0**	56.0

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

		Note	31 March 2012 Rm	2011 Rm
ASSETS				
Non-current assets			**6 900.4**	6 440.3
Property, plant and equipment			**5 328.0**	4 984.5
Cane roots			**1 216.3**	1 087.9
Intangible assets			**218.1**	174.0
Investments			**106.3**	163.0
Deferred tax asset			**31.7**	30.9
Current assets			**4 510.5**	3 396.3
Inventories			**881.9**	739.1
Growing cane			**1 346.7**	1 155.8
Trade and other receivables			**877.8**	768.5
Financial instruments			**14.0**	15.1
Cash and cash equivalents			**1 390.1**	717.8
Total assets			**11 410.9**	9 836.6
EQUITY AND LIABILITIES				
Total equity			**6 465.3**	5 975.3
Equity holders' interest			**5 562.6**	5 191.2
Non-controlling interest			**902.7**	784.1
Non-current liabilities			**2 530.1**	991.1
Long-term borrowings			**1 545.4**	235.3
Deferred taxation			**854.0**	718.5
Other liabilities			**130.7**	37.3
Current liabilities			**2 415.5**	2 870.2
Short-term borrowings			**568.4**	994.7
Trade and other payables			**1 840.7**	1 871.5
Financial instruments			**6.4**	4.0
Total equity and liabilities			**11 410.9**	9 836.6
OTHER SALIENT FEATURES				
Operating margin	(%)		**14.7**	12.7
Interest cover	(times)		**5.5**	10.8
Effective tax rate	(%)		**30.3**	26.6
Net debt:equity ratio		6	**11.2**	8.6
Return on net assets	(%)		**15.9**	13.8
Net asset value per share	(cents)		**1 405.5**	1 299.6
Depreciation			**239.5**	188.1
Capital expenditure			**449.8**	1 474.3
– Expansion capital			**198.0**	1 262.9
– Replacement capital			**239.2**	199.8
			437.2	1 462.7
– Expansion of area under cane			**0.2**	8.2
– Product registration costs			**12.4**	3.4
Capital commitments			**1 125.9**	2 606.4
– Contracted			**168.1**	63.2
– Approved but not contracted			**957.8**	2 543.2
Lease commitments			**284.7**	300.3
Contingent liabilities			**175.0**	175.0

ABRIDGED GROUP STATEMENT OF CASH FLOWS

	Year ended 31 March 2012 Rm	2011 Rm
Cash flows from operating and investing activities		
Cash operating profit	**1 348.4**	1 132.9
Working capital movements	**(291.6)**	146.3
Cash generated from operations	**1 056.8**	1 279.2
Financing costs, taxation and distributions	**(820.4)**	(735.7)
Deferred income	**110.0**	40.0
Net cash inflows from operating activities	**346.4**	583.5
Replacement capital expenditure	**(239.2)**	(199.8)
Net investment in future operations	**(210.6)**	(1 274.5)
Other movements	**(58.9)**	52.3
Net cash outflows from investing activities	**(508.7)**	(1 422.0)
Net cash outflows before financing activities	**(162.3)**	(838.5)
Borrowings raised	**815.2**	263.0
Other financing activities	**1.9**	(26.7)
Net increase/(decrease) in cash and cash equivalents	**654.8**	(602.2)
Cash and cash equivalents at the beginning of the year	**717.8**	1 345.4
Exchange rate translation	**17.5**	(25.4)
Cash and cash equivalents at the end of the year	**1 390.1**	717.8

AUDIT OPINION:
The independent auditors, Deloitte & Touche, have issued their opinion on the group's annual financial statements for the year ended 31 March 2012. Their audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the company's registered office. These abridged financial statements have been derived from and are consistent in all material respects with the group's annual financial statements. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the group's external auditors.

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	31 March 2012 Rm	2011 Rm
Share capital and share premium		
Balance at beginning of the year	**2 791.5**	3 075.7
Issue/(repurchase) of share capital	**1.9**	(26.7)
Transfer to distribution reserve	**(303.6)**	(257.5)
Balance at end of the year	**2 489.8**	2 791.5
Share-based payments reserve		
Balance at beginning and end of the year	**13.1**	13.1
Non-distributable reserves		
Balance at beginning of the year	**154.0**	224.7
Realised profit on disposal of property	**4.2**	9.9
Transfer of (credit)/debit foreign currency translation reserve	**(190.3)**	403.8
Transactions with non-controlling shareholders	**–**	(90.0)
Total comprehensive income for the year:		
– Cash flow hedges	**(2.4)**	9.4
– Hedge of net investment in foreign subsidiary	**(87.9)**	(2.1)
– Foreign currency translation	**278.2**	(401.7)
Balance at end of the year	**155.8**	154.0
Retained earnings		
Balance at beginning of the year	**2 076.3**	1 940.6
Realised profit on disposal of property	**(4.2)**	(9.9)
Transfer of credit/(debit) foreign currency translation reserve	**190.3**	(403.8)
Total comprehensive income for the year:		
– Profit for the year	**443.1**	546.2
– Actuarial (losses)/gains on post-retirement obligations	**(6.7)**	3.2
– Recognition of asset for defined benefit pension fund	**7.3**	–
Balance at end of the year	**2 706.1**	2 076.3
Distribution reserve		
Balance at beginning of the year	**156.3**	248.5
Transfer from share premium	**303.6**	257.5
Distributions paid	**(262.1)**	(349.7)
Balance at end of the year	**197.8**	156.3
Equity holders' interest	**5 562.6**	5 191.2
Non-controlling interest		
Balance at beginning of the year	**784.1**	812.1
Distributions paid	**(108.2)**	(106.2)
Acquisition of business	**–**	–
Change in shareholding	**33.6**	(9.2)
Total comprehensive income for the year:		
– Profit for the year	**163.3**	167.7
– Cash flow hedges	**(0.3)**	0.7
– Hedge of net investment in foreign subsidiary	**0.6**	–
– Foreign currency translation	**29.6**	(81.0)
Balance at end of the year	**902.7**	784.1
Total equity	**6 465.3**	5 975.3

SEGMENTAL ANALYSIS

	Year ended 31 March			
	2012		2011	
	Rm	**%**	Rm	%
BUSINESS SEGMENTS				
Revenue				
Sugar production	**6 310.1**	**69**	5 543.9	68
Cane growing	**1 995.9**	**22**	1 779.3	22
Downstream and co-generation	**867.2**	**9**	784.7	10
	9 173.2		8 107.9	
Operating profit				
Sugar production	**803.4**	**59**	742.8	72
Cane growing	**398.7**	**30**	193.9	19
Downstream and co-generation	**146.7**	**11**	92.6	9
	1 348.8		1 029.3	
Total assets				
Sugar production	**5 237.3**	**53**	4 595.7	51
Cane growing	**3 984.0**	**40**	3 708.1	41
Downstream and co-generation	**753.8**	**7**	769.0	8
	9 975.1		9 072.8	

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

GEOGRAPHICAL SEGMENTS				
Revenue				
Malawi	**1 686.8**	**18**	1 447.8	18
Zambia	**2 208.3**	**24**	1 829.9	23
Tanzania	**702.1**	**8**	626.1	7
South Africa	**3 129.2**	**34**	3 219.2	40
Swaziland	**989.1**	**11**	738.0	9
Mozambique	**457.7**	**5**	246.9	3
	9 173.2		8 107.9	
Operating profit				
Malawi	**530.9**	**39**	430.1	41
Zambia	**445.8**	**33**	242.4	24
Tanzania	**144.6**	**11**	128.0	12
South Africa	**89.2**	**7**	148.0	14
Swaziland	**78.4**	**6**	78.2	8
Mozambique	**59.9**	**4**	2.6	1
	1 348.8		1 029.3	

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

These condensed consolidated financial statements have been prepared under the supervision of M Abdool-Samad CA (SA). The condensed consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) in issue and effective for the group at 31 March 2012 and the AC 500 standards issued by the Accounting Practices Board or its successor. The results are presented in terms of IAS 34 Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited and the Companies Act, No 71of 2008. These abridged group annual financial statements were approved by the board of directors on 24 May 2012. The accounting policies adopted are consistent with those applied in the previous financial year except for the adoption of the revised IFRS 3 Business Combinations, IAS 24 Related Party Disclosures, IFRIC 14 Prepayments of a Minimum Funding Requirement, and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The adoption of these revised standards has had no impact on the financial statements.

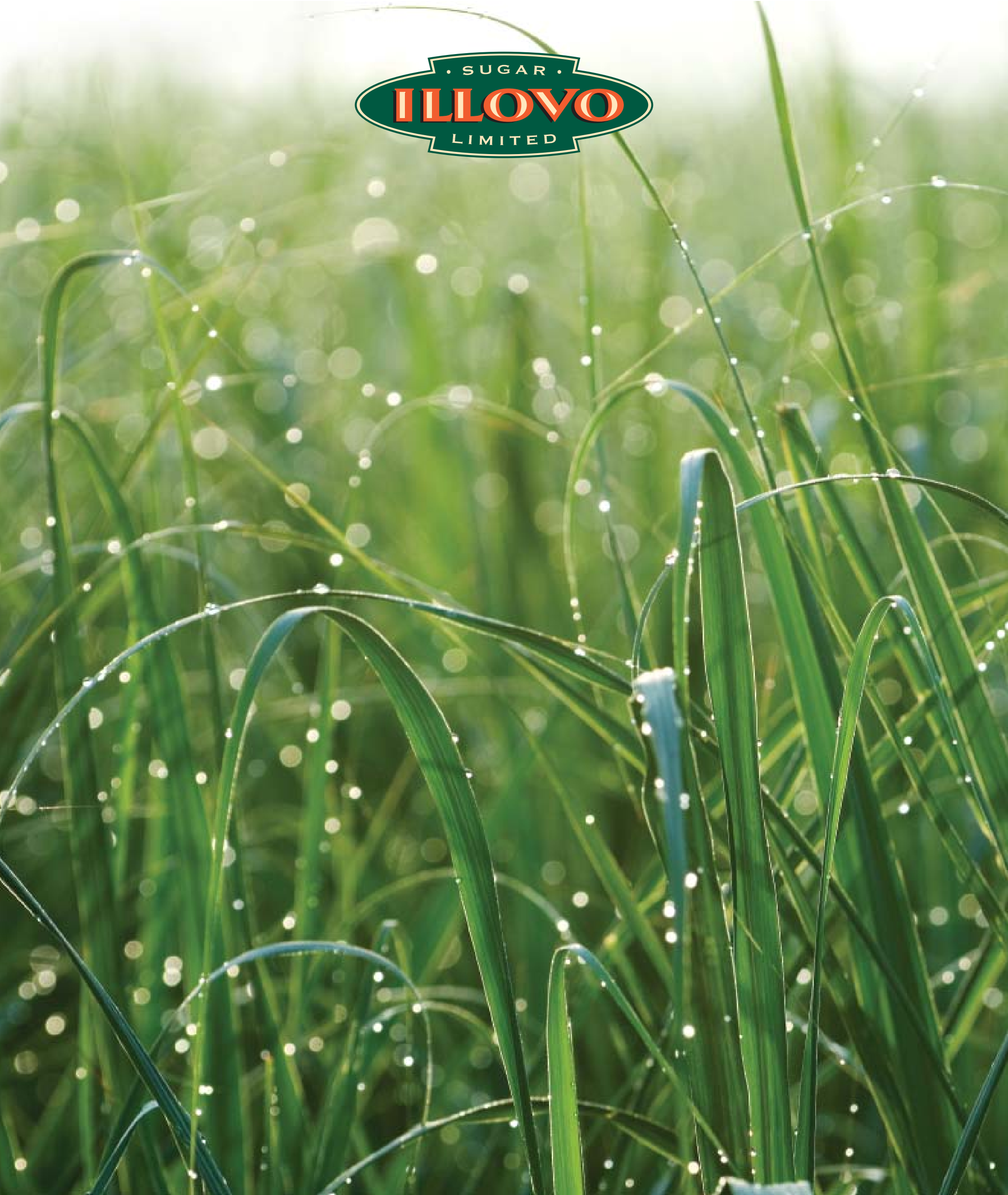
		Year ended 31 March	
		2012	2011
		Rm	Rm
2.	**Net financing costs**		
	Interest paid	**274.4**	144.0
	Less: capitalised	**–**	(26.1)
		274.4	117.9
	Interest received	**(20.7)**	(25.0)
	Foreign exchange losses/(gains)	**(9.1)**	2.6
		244.6	95.5
3.	**Material items**		
	Profit/(loss) on disposal of business	**–**	19.8
	Impairment of investment in Mali project	**(173.5)**	–
	Profit arising on disposal of property	**9.8**	10.4
	Material (loss)/profit before taxation	**(163.7)**	30.2
	Taxation	**(0.3)**	(0.7)
	Material (loss)/profit attributable to shareholders of Illovo Sugar Limited	**(164.0)**	29.5
4.	**Headline earnings**		
	Determination of headline earnings:		
	Profit attributable to shareholders	**443.1**	546.2
	Adjusted for:		
	Profit on disposal of business	**–**	(19.8)
	Impairment of investment in Mali project	**173.5**	–
	Profit arising on disposal of property	**(9.8)**	(10.4)
	Profit/(loss) on disposal of plant and equipment	**1.7**	(0.9)
	Total tax effect of adjustments	**(0.2)**	1.0
	Total non-controlling interest effect of adjustments	**1.5**	–
	Headline earnings	**609.8**	516.1
	Number of shares in issue (millions)	**460.0**	459.8
	Weighted average number of shares on which headline earnings per share are based (millions)	**459.9**	459.8
	Headline earnings per share (cents)	**132.6**	112.2

5. Distribution per share

The distribution per share of 66.0 cents (2011: 56.0 cents) includes an interim capital distribution of 23.0 cents paid out of share premium and a final capital distribution of 43.0 cents declared out of share premium.

6. 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.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