



An AB Sugar company

ILLOVO SUGAR SOUTH AFRICA ANNOUNCES ANOTHER TRANSFORMATION MILESTONE

Jobs Fund Project Approval Enables Company to Deliver 1188 New Jobs and Train 1630 KZN People

Illovo Sugar South Africa (Illovo SA) has received official approval from the South African National Treasury Jobs Fund to provide capital for its project to develop 3 000ha of small-scale grower, cane land on the South Coast of KwaZulu-Natal. Working in partnership with Traditional Councils, this initiative will see Illovo SA create sustainable employment for black growers and their families, provide training opportunities for rural households and also increase its contribution to stimulating economic activity in deep rural areas.

The project funding structure comprises of a 50% Jobs Fund grant, 15% Illovo grant and 35% beneficiary debt equity, underwritten by Illovo. Illovo SA expects that 1 188 new jobs will be created as a result of the funded initiatives and that 1 630 beneficiaries will be trained.

In recognition of the need to accelerate the development of black farmers, Illovo SA has further demonstrated its active support of the South African government's social and economic development agenda by:

- promoting the productivity and sustainability of redistributed land as part of the land reform programme. To date, Illovo's own land redistribution initiative has resulted in the sale of 28 086 hectares - comprising 55% of its own land portfolio - to black people and in the process, has facilitated the establishment of more than 50 black commercial farmers;

- providing extensive support services to black land reform and small-scale growers, helping to improve the livelihoods of rural communities.

Illovo SA is committed to the continuing transformation of its business in South Africa. The company is a "Level 2" BEE Contributor and has a track record of meeting, or exceeding, its BBBEE target score in the categories of Land Ownership, Enterprise Development and Socio-economic Development.

In 2004, the company sold its Gledhow sugar milling and agricultural estates to a black empowerment company which today remains an active and viable contributor to the SA Sugar Industry.

During the past financial year, and as evidenced in an independent socio-economic impact study of Illovo Sugar Africa across its operating footprint, Illovo SA's total economic impact on the local economy amounted to approximately R9.6 billion, which includes R1.4 billion resulting from the direct impacts of its business operations in KwaZulu-Natal. The balance comprises the multiplier effects of the business within its supply chain and the wider economy.

Illovo SA is steadfast in its commitment to the success of the government's land reform programme and as a strategic partner to government, offers comprehensive technical and capacity-building support to black farmers on restituted land. At an industry level, our commitment has also been through contributions to, and participation in, the South African Sugar Association's land reform and farmer support programmes.

