

04248



THE UNITED REPUBLIC OF TANZANIA
PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE

MP 19

FILE BEGINS

ENDS

PART

PART

FILE TITLE

FILE NUMBER
TICC

FILE NUMBER
TICC

CONFIDENTIAL

PP. 10
042143
~~01030-02~~

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M
DIF			22/11/2011											
Respect			22/11/2011											
Ag. Exp.	M		2/2/2011											
DIF			14/12/2011											
			19/12/2011											



PP. 10 01030-02
042143

ILLOVO DISTILLERS (TANZANIA) LTD

MINUTE SHEET

Dokezo
No.

10

Ag. EXD ✓

The approved project has fulfilled the investment requirements which are: -


(a) Minimum finance investment threshold has been exceeded the project expects to invest US\$ 33.2 m

(b) Legal entity has been incorporated under certificate

No. 82531 of 19/08/2011

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.


N/A Senzia

DIF

2nd December, 2011

20

EXD ✓

In response to the TIC letter of registration dated 2nd December 2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Standard Bank of Meru

(c) Sublicense from Kilombero Sugar Company

With the above submission EXD is requested to sign Certificate of Incentives No. 042143 herein attached.

20/12/2011



MINUTE SHEET

Dokezo
No.



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/8

20 March 2012

Managing Director,
Illovo Distillers Limited,
P. O. Box 50,
Kidatu- Morogoro

Dear Sir,

RE: DUTY AND VAT EXEMPTION ON CAPITAL GOODS VIDE CERTIFICATE OF INCENTIVES NO. 042143 OF 20 DECEMBER 2011 AND TIN 114-617-180

We are writing in response to your letter dated 9th March 2012 regarding the captioned subject.

Further from our letter ref. TRA/CE/C/P.20/8/1971 of 20th February 2012, we hereby confirm and approve **a single page list of items** as deemed capital for establishment of the project with the certificate of incentives mentioned.

The approved items will be assessed at 0% import duty and VAT relief under the Third Schedule to the VAT Act Cap 148 of 1997. You will however be required to complete VAT form 224 and submit the same to the Commissioner for Customs and Excise for all imported items and the Commissioner for Domestic Revenue for locally procured items for approval before clearance.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

GK/
c.c. Manager- Customs Service Centre
c.c. Manager – Tax Exemption
c.c. Manager – Wharf
c.c. Officer – Regional Officer In charge Morogoro
✓ c.c. Executive Director,
Tanzania Investment Centre,
Dar es salaam

ISO 9001:2008 Certified
CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania
Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
CONTRACT FOR THE MANUFACTURE , FABRICATION AND SUPPLY OF 1 (ONE) COMPLETE 40KLPD ENA ALCOHOL DISTILLERY (COMPLETE FACTORY).								
<u>Pipes & Pipe Fittings</u>								
8.32	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
9	<u>VALVES COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
9.17	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
10	<u>PAINTING COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
10.01	Paint	liters	20000	PLANT & MACHINERY		114-617-180		
10.02	Thinner	liters	6000	PLANT & MACHINERY		114-617-180		
10.03	Primer	liters	5000	PLANT & MACHINERY		114-617-180		
11	<u>ELECTRICAL COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
11.28	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
12	<u>PRE-FABRICATED-STRUCTURE COMPRISING in CKD form</u>	Structures	7	PLANT & MACHINERY		114-617-180		
13	<u>INSULATION-AND-CLADDING COMPRISING OF</u>	NO.		PLANT & MACHINERY		114-617-180		
13.03	Self Tapping Screws	Nos	200000	PLANT & MACHINERY		114-617-180		
14	<u>INSTRUMENTATION&CONTROL SYSTEM COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
15	<u>SUPPLY-RAW MATERIAL-SITE FABRICATED EQPT COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
15.01	Stainless Steel Coil	MT	60	PLANT & MACHINERY		114-617-180		
15.02	Stainless Steel Plate	MT	55	PLANT & MACHINERY		114-617-180		
15.03	Stainless Steel Rafter	Mtr	500	PLANT & MACHINERY		114-617-180		
15.04	Stainless Steel Backing Strip	MT	2	PLANT & MACHINERY		114-617-180		
15.05	Stainless Steel Angle	MT	2	PLANT & MACHINERY		114-617-180		
15.06	Mild Steel Plate	MT	300	PLANT & MACHINERY		114-617-180		
15.07	Mild Steel Channel	MT	30	PLANT & MACHINERY		114-617-180		
15.08	Mild Steel Angle	MT	70	PLANT & MACHINERY		114-617-180		
15.09	Mild Steel Backing Strip	MT	3	PLANT & MACHINERY		114-617-180		
15.1	Mild Steel Beam	MT	4	PLANT & MACHINERY		114-617-180		
15.11	Mild Steel Flat	MT	2	PLANT & MACHINERY		114-617-180		
15.12	Gratings	Sq Mtr	500	PLANT & MACHINERY		114-617-180		
15.13	Nuts and Bolts , Washers and Gaskets	No.	2000	PLANT & MACHINERY		114-617-180		
15.14	Railing	Mtr.	500	PLANT & MACHINERY		114-617-180		
15.15	Re-enforcement Steel 8mm DIA	MT	120	PLANT & MACHINERY		114-617-180		
15.16	Re-enforcement Steel 10mm DIA	MT	100	PLANT & MACHINERY		114-617-180		
15.17	Re-enforcement Steel 12mm DIA	MT	100	PLANT & MACHINERY		114-617-180		
15.18	Re-enforcement Steel 16mm DIA	MT	40	PLANT & MACHINERY		114-617-180		
15.19	Re-enforcement Steel 20mm DIA	MT	30	PLANT & MACHINERY		114-617-180		
15.2	Re-enforcement Steel 25mm DIA	MT	10	PLANT & MACHINERY		114-617-180		


 ARCHITECTS AND QUANTITY SURVEYORS
 COS SERVICES LTD
 OPL.8.8/8/98
 Sign: _____
 REGISTRATION BOARD
 TANZANIA



TANZANIA REVENUE AUTHORITY

TRA/CE/C/I.20/1

14 May 2012

Managing Director,
Illovo Distillers (Tanzania) Limited,
P. O. Box 50,
Kidatu, Morogoro

Dear Sir,

**RE: DUTY AND VAT EXEMPTION ON THREE UNITS TOYOTA HILUX
DOUBLE CABIN PICK UPS-PROJECT WITH TIC CERTIFICATE OF
INCENTIVES NO. 042143 OF 20 DECEMBER 2011**

Reference is made to your letter dated 3rd March 2011 regarding the captioned subject.

We regret to inform you that your request for import duty/VAT exemption on three units Double Cabin Pick Up intended for facilitation of your alcohol manufacturing project with certificate of incentives mentioned above has not been considered. Let it be known that Double Cabin Pick Ups are not among motor vehicles that qualify for exemption under manufacturing projects.

Please be informed accordingly.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

GK

c.c. Manager – Tax Exemption

✓ c.c. Executive Director,
Tanzania Investment Centre,
Dar es salaam

ISO 9001:2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/8/2634

05th November, 2012

Managing Director,
M/s Illovo Distillers (T) Limited,
P.O.BOX 70339,
DAR ES SALAAM.

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS
CERTIFICATE OF INCENTIVES NO.042143 OF 20.12.2011 TIN: 114-617-180**

We are writing in response to your letter dated 11th October, 2012 supported by the letter Ref. TICC/PP.10/042143/15 of 19th October, 2012 from Tanzania Investment Centre, regarding the captioned subject.

We hereby confirm and approve items as per a one-page list herewith attached as capital/deemed capital goods for establishment and facilitation of your project with certificate of incentives mentioned above. You are also advised to take note of the deleted items which are not eligible for exemption under the project

The approved goods will be assessable at 0% Import Duty and VAT relieved. Please complete VAT form 224 and submit for approval to the Commissioner for Domestic Revenue for local purchases and to the Commissioner for Customs and Excise for importations.

Sincerely yours,

Said Athumani

FOR: COMMISSIONER FOR CUSTOMS AND EXCISE.

EC/

C: C: Manager – Customs Service Centre,

C.C: Manager Tax Exemption,

C.C: Manager- TRA Morogoro,

C.C: Executive Director,

Tanzania Investment Centre,

DSM.

ISO 9001 : 2008 Certified

CUSTOMS & EXCISE DEPARTMENT

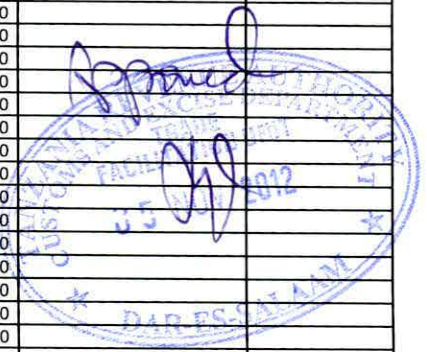
Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: +255-22-2117765, or 255-22-2127783/4/6/8 Fax: +255 22 2138878/2135193

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
X	COMMON SECTIONS FOR ENTIRE PLANT WITH ACCESSORIES COMPRISING OF							
8	PIPES AND PITE FITTINGS COMPRISING OF							
8.49	GI ELBOW	NOS	300	PLANT & MACHINERY		114-617-180		
8.50	GI TEE	NOS	300	PLANT & MACHINERY		114-617-180		
8.51	GI U Clamp	NO	1000	PLANT & MACHINERY		114-617-180		
8.52	GI UNION	NOS	500	PLANT & MACHINERY		114-617-180		
8.53	MILD STEEL HALF COUPLING	NOS	500	PLANT & MACHINERY		114-617-180		
8.54	MILD STEEL NIPPLES	NOS	500	PLANT & MACHINERY		114-617-180		
8.55	MILD STEEL PLUG	NOS	150	PLANT & MACHINERY		114-617-180		
8.56	MILD STEEL TEE	NOS	500	PLANT & MACHINERY		114-617-180		
8.57	PVC - END PLATE	NO	200	PLANT & MACHINERY		114-617-180		
8.58	PVC - STUBEND RING	NO	200	PLANT & MACHINERY		114-617-180		
8.59	PVC - UNION	NO	350	PLANT & MACHINERY		114-617-180		
8.60	PVC TUBE	MTR	1000	PLANT & MACHINERY		114-617-180		
8.61	PVC-TUBE-PVC-25NB	MTR	1000	PLANT & MACHINERY		114-617-180		
8.62	STAINLESS STEEL HALF COUPLING	NOS	700	PLANT & MACHINERY		114-617-180		
8.63	SMS UNION-SET WITH BLANK	NOS	400	PLANT & MACHINERY		114-617-180		
5	NOZZLE FOR SITE FABRICATED ITEMS COMPRISING OF							
5.83	GASKETS	NO	600	PLANT & MACHINERY		114-617-180		
9	VALVES COMPRISING OF							
9.25	PVC BALL VALVE	NOS	200	PLANT & MACHINERY		114-617-180		
9.26	MILD STEEL BALL VALVE	NOS	500	PLANT & MACHINERY		114-617-180		
9.27	PVC BUTTERFLY VALVE	NOS	200	PLANT & MACHINERY		114-617-180		
9.28	Mild Steel Butterfly Valve	NOS	400	PLANT & MACHINERY		114-617-180		
9.29	Foot Valve	NOS	100	PLANT & MACHINERY		114-617-180		
9.30	PVC NRV	NOS	100	PLANT & MACHINERY		114-617-180		
9.31	Pressure safety Valve	NOS	200	PLANT & MACHINERY		114-617-180		
9.32	SLIDE GATE VALVE	NOS	100	PLANT & MACHINERY		114-617-180		
14	INSTRUMENTATION & CONTROL SYSTEM COMPRISING OF							
14.68	CABLE TRAY-GI/POWDER COATED, PERFORATED	MTR	10000	PLANT & MACHINERY		114-617-180		
14.69	CABLES	MTR	50000	PLANT & MACHINERY		114-617-180		
14.70	CALIBRATION-SOFTWARE	NOS	10	PLANT & MACHINERY		114-617-180		
14.71	FERRULES BRASS	NO	500	PLANT & MACHINERY		114-617-180		
14.72	MALE-CONNECT-BRASS	NO	600	PLANT & MACHINERY		114-617-180		
14.73	PNEUMATIC ATUATED VALVES (On/off)	NOS	100	PLANT & MACHINERY		114-617-180		
14.74	REDUCER	NO	300	PLANT & MACHINERY		114-617-180		
14.75	THERMOWELL	NOS	200	PLANT & MACHINERY		114-617-180		
14.76	U TUBE MANOMETER	NOS	50	PLANT & MACHINERY		114-617-180		
14.77	HARDWARES (NUT, BOLTS & WASHERS)	NOS	600000	PLANT & MACHINERY		114-617-180		
14.78	CABLE TRAY ACCESSORIES	NOS	10000	PLANT & MACHINERY		114-617-180		
14.79	PH-SENSOR	NOS	10	PLANT & MACHINERY		114-617-180		
14.80	PH-TRANSMITTER	NOS	10	PLANT & MACHINERY		114-617-180		
14.81	Pneumatic Atuated Valves (On/off)	NOS	30	PLANT & MACHINERY		114-617-180		
11	ELECTRICAL COMPRISING OF							
11.34	ALUMINIUM-TAG-PLATE-1.2MMTHK	NOS.	10000	PLANT & MACHINERY		114-617-180		
11.35	BLIND PLUGS	NOS.	600	PLANT & MACHINERY		114-617-180		

Approved

11.36	CABLE TIE	NOS.	10000	PLANT & MACHINERY	114-617-180
11.37	HARDWARES (NUT, BOLTS & WASHERS)	NOS	500000	PLANT & MACHINERY	114-617-180
11.38	INSULATION TAPE	NOS.	50	PLANT & MACHINERY	114-617-180
11.39	MCB BOARD WITH MCB	NOS.	75	PLANT & MACHINERY	114-617-180
11.4	MOTORS	NOS	10	PLANT & MACHINERY	114-617-180
11.41	PIPE FOR LIGHTING	MTR	400	PLANT & MACHINERY	114-617-180
11.42	PUNCH SET	NOS.	10	PLANT & MACHINERY	114-617-180
11.43	RUBBER MAT	NOS.	90	PLANT & MACHINERY	114-617-180
11.44	BARE-CONDUCTOR-GI	MTR	8000	PLANT & MACHINERY	114-617-180
11.45	Cable	MTR	60000	PLANT & MACHINERY	114-617-180
11.46	COUPLER-PLATE-GI	NOS.	6000	PLANT & MACHINERY	114-617-180
11.47	EXIT BOARD-CTRL GEAR-INT-LED WITH BACKUP	NOS.	80	PLANT & MACHINERY	114-617-180
11.48	Electric Lamps	NO	50	PLANT & MACHINERY	114-617-180
11.49	Street Light fittings	No	400	PLANT & MACHINERY	114-617-180
11.50	Cable Tray - SS / GI / Powder coated, Perforated	MTR	30000	PLANT & MACHINERY	114-617-180
11.51	CABLE TRAY ACCESSORIES	NOS	200000	PLANT & MACHINERY	114-617-180
6	FIRE FIGHTING SYSTEM COMPRISING OF				
6.50	MS PIPES (WRAP COATED)	MTR	5000	PLANT & MACHINERY	114-617-180
6.51	MS PIPES (PAINTED)	MTR	2000	PLANT & MACHINERY	114-617-180
6.52	SS HYDRANT VALVES	NOS	100	PLANT & MACHINERY	114-617-180
6.53	SS BRANCH PIPES WITH NOZZLES	NOS	100	PLANT & MACHINERY	114-617-180
6.54	WATER MONITORS	NOS	30	PLANT & MACHINERY	114-617-180
6.55	FOAM FOR WATER MONITORS	LTR	13000	PLANT & MACHINERY	114-617-180
6.56	HOSES	NOS	200	PLANT & MACHINERY	114-617-180
6.57	HOSE BOXES	NOS	100	PLANT & MACHINERY	114-617-180
6.58	FIRE BRIGADE INLET WITH ISOLATION AND CHECK VALVE	NOS	5	PLANT & MACHINERY	114-617-180
6.59	SLUICE VALVES	NOS	100	PLANT & MACHINERY	114-617-180
6.60	AIR RELEASE VALVES WITH ISOLATION VALVE	NOS	50	PLANT & MACHINERY	114-617-180
6.61	STRUCTURAL STEEL	MT	10	PLANT & MACHINERY	114-617-180
6.62	GI PIPES (PAINTED)	MTR	6000	PLANT & MACHINERY	114-617-180
6.63	BUTTERFLY VALVES	NOS	70	PLANT & MACHINERY	114-617-180
6.64	DELUGE VALVES	NOS	30	PLANT & MACHINERY	114-617-180
6.65	D.V PANELS	NOS	20	PLANT & MACHINERY	114-617-180
6.66	BRASS SPRAYERS/ MVWS NOZZLES	NOS	600	PLANT & MACHINERY	114-617-180
6.67	QBD	NOS	500	PLANT & MACHINERY	114-617-180
6.68	PRESSURE SWITCHES	NOS	25	PLANT & MACHINERY	114-617-180
6.69	MS FOAM TANK	NOS	5	PLANT & MACHINERY	114-617-180
6.70	FOAM CONCENTRATE	LTR	15000	PLANT & MACHINERY	114-617-180
6.71	SS PIPES WITH FITTINGS AND ACCESSORIES FOR PUMP	MTR	500	PLANT & MACHINERY	114-617-180
6.72	SS NON RETURN VALVES	NOS	50	PLANT & MACHINERY	114-617-180
6.73	INLINE INDUCTORS	NOS	50	PLANT & MACHINERY	114-617-180
6.74	FOAM CHAMBERS WITH DEFLECTOR	NOS	40	PLANT & MACHINERY	114-617-180
6.75	Y STRAINERS WITH FITTINGS & ACCESSORIES	NOS	50	PLANT & MACHINERY	114-617-180
6.76	FOAM MAKERS WITH FOAM POURER	NOS	40	PLANT & MACHINERY	114-617-180
6.77	SS PIPES	NOS	60	PLANT & MACHINERY	114-617-180
6.78	SS GLOBE VALVES	NOS	20	PLANT & MACHINERY	114-617-180
6.79	FIRE ALARM PANEL WITH SMF BATTERY	NOS	5	PLANT & MACHINERY	114-617-180
6.80	SMOKE DETECTORS	NOS	40	PLANT & MACHINERY	114-617-180
6.81	INTERFACE MODULES	NOS	70	PLANT & MACHINERY	114-617-180
6.82	MANUAL CALL POINTS	NOS	80	PLANT & MACHINERY	114-617-180
6.83	HOOTER WITH FLASHER	NOS	5	PLANT & MACHINERY	114-617-180
6.84	SIREN	NOS	5	PLANT & MACHINERY	114-617-180
6.85	REPEATER PANEL	NOS	5	PLANT & MACHINERY	114-617-180
6.86	CABLES	MTR	10000	PLANT & MACHINERY	114-617-180
6.87	FIRE EXTINGUISHERS	NOS	80	PLANT & MACHINERY	114-617-180
6.88	SET OF EYE WASHERS & SAFETY SHOWERS	NOS	25	PLANT & MACHINERY	114-617-180



#3	INSULATION AND CLADDING COMPRISES OF					
13.06	Aluminium Cladding	KG	5000	PLANT & MACHINERY		114-617-180
1	LABORATORY-EQUIPMENTS COMPRISING OF					
1.29	Agilent GC Custom	NO	2	PLANT & MACHINERY		114-617-180
1.30	Capillary S/Sl inlet with EPC	NO	4	PLANT & MACHINERY		114-617-180
1.31	FID w/EPC	NO	2	PLANT & MACHINERY		114-617-180
1.32	Micro Electron Capture Detector with EPC	NO	2	PLANT & MACHINERY		114-617-180
1.33	Installation Kit for GCs w/out gas purifiers	NO	2	PLANT & MACHINERY		114-617-180
1.34	Automatic Liquid Sampler	NO	2	PLANT & MACHINERY		114-617-180
1.35	G1888 Headspace Sampler.	NO	2	PLANT & MACHINERY		114-617-180
1.36	DB-WAX	NO	2	PLANT & MACHINERY		114-617-180
1.37	DB-5	NO	2	PLANT & MACHINERY		114-617-180
1.38	OpenLAB CDS ChemStation Workstation (software-only)	NO	2	PLANT & MACHINERY		114-617-180
1.39	OpenLAB CDS Inst. Driver for Agilent GC	NO	2	PLANT & MACHINERY		114-617-180
1.40	Headspace Control	NO	2	PLANT & MACHINERY		114-617-180
1.41	Cary 60 Instrument	NO	2	PLANT & MACHINERY		114-617-180
1.42	Cary WinUV Software (non 21CFR11)	NO	2	PLANT & MACHINERY		114-617-180
1.43	Rectg, opentop quartz	NO	2	PLANT & MACHINERY		114-617-180
1.44	DMA 35 PORTABLE DENSITY METER	NO	2	PLANT & MACHINERY		114-617-180
1.45	SET WRISTBAND FOR DMA 35	NO	2	PLANT & MACHINERY		114-617-180
1.46	IrDA USB ADAPTER	NO	2	PLANT & MACHINERY		114-617-180
1.47	Beakers	NO	72	PLANT & MACHINERY		114-617-180
1.48	Burette	NO	24	PLANT & MACHINERY		114-617-180
1.49	Erlenmeyer Conical Flask	NO	24	PLANT & MACHINERY		114-617-180
1.50	Measuring Cylinder	NO	72	PLANT & MACHINERY		114-617-180
1.51	Graduated Pipette	NO	48	PLANT & MACHINERY		114-617-180
1.52	Round Bottom Flask	NO	24	PLANT & MACHINERY		114-617-180
1.53	Volumetric Flask	NO	48	PLANT & MACHINERY		114-617-180
1.54	UV cells	NO	12	PLANT & MACHINERY		114-617-180
1.55	Sykes hydrometer	NO	8	PLANT & MACHINERY		114-617-180
1.56	Thermometer	NO	12	PLANT & MACHINERY		114-617-180
1.57	Sykes Table Book	NO	4	PLANT & MACHINERY		114-617-180
1.58	Beakers	NO	72	PLANT & MACHINERY		114-617-180
1.59	Burette	NO	24	PLANT & MACHINERY		114-617-180
1.60	Erlenmeyer Conical Flask	NO	24	PLANT & MACHINERY		114-617-180
1.61	Measuring Cylinder	NO	72	PLANT & MACHINERY		114-617-180
1.62	Graduated Pipette	NO	48	PLANT & MACHINERY		114-617-180
1.63	Round Bottom Flask	NO	24	PLANT & MACHINERY		114-617-180
1.64	Volumetric Flask	NO	48	PLANT & MACHINERY		114-617-180
1.65	UV cells	NO	12	PLANT & MACHINERY		114-617-180
1.66	Sykes hydrometer	NO	8	PLANT & MACHINERY		114-617-180
1.67	Thermometer	NO	12	PLANT & MACHINERY		114-617-180
1.68	Sykes Table Book	NO	4	PLANT & MACHINERY		114-617-180
1.69	pH meter	NO	2	PLANT & MACHINERY		114-617-180
1.70	Weighing Balance	NO	2	PLANT & MACHINERY		114-617-180
1.71	Hot Air Oven	NO	2	PLANT & MACHINERY		114-617-180
1.72	Refrigerator	NO	2	PLANT & MACHINERY		114-617-180
1.73	Desiccator	NO	2	PLANT & MACHINERY		114-617-180
1.74	Distilled Water Apparatus	NO	2	PLANT & MACHINERY		114-617-180
1.75	Electronic Conductivity with TDS meter	NO	2	PLANT & MACHINERY		114-617-180
1.76	Dish Washer Set	NO	2	PLANT & MACHINERY		114-617-180
1.77	Fume hood set	NO	2	PLANT & MACHINERY		114-617-180
1.78	Steam Bath with evaporating basins	NO	2	PLANT & MACHINERY		114-617-180
1.79	Gas Purification Panel set	NO	2	PLANT & MACHINERY		114-617-180
1.80	Online UPS	NO	2	PLANT & MACHINERY		114-617-180
1.81	Computer	NO	2	PLANT & MACHINERY		114-617-180
1.82	Printer	NO	2	PLANT & MACHINERY		114-617-180

83	Microlitre Syringe	NO	4	PLANT & MACHINERY	114-617-180
12	PRE-FABRICATED-STRUCTURE COMPRISING IN CKD form	STRUCTURES	10	PLANT & MACHINERY	114-617-180
4	2 YEARS OPERATION SPARES				
4.01	FOR PUMPS & BLOWERS:				
4.0101	GASKET SETS	NO	120	PLANT & MACHINERY	114-617-180
4.0102	KEY SETS	NO	110	PLANT & MACHINERY	114-617-180
4.0103	RINGS	NO	150	PLANT & MACHINERY	114-617-180
4.0104	SLEEVES	NO	100	PLANT & MACHINERY	114-617-180
4.0105	OIL BAFFLE	NO	90	PLANT & MACHINERY	114-617-180
4.0106	CONSTANT OIL LEVELLER	NO	90	PLANT & MACHINERY	114-617-180
4.0107	BEARING SETS	NO	170	PLANT & MACHINERY	114-617-180
4.0108	INTERNAL CIRCLIPS	NO	90	PLANT & MACHINERY	114-617-180
4.0109	MECH. SEALS	NO	70	PLANT & MACHINERY	114-617-180
4.0110	OIL SEALS	NO	120	PLANT & MACHINERY	114-617-180
4.0111	WASHERS	NO	15	PLANT & MACHINERY	114-617-180
4.0112	DEFLECTORS	NO	50	PLANT & MACHINERY	114-617-180
4.0113	GLAND / PACKING	NO	170	PLANT & MACHINERY	114-617-180
4.0114	STATOR	NO	20	PLANT & MACHINERY	114-617-180
4.0115	UJ MAINTENANCE KIT	NO	20	PLANT & MACHINERY	114-617-180
4.0116	A.D. VALVE (NYLON)	NO	50	PLANT & MACHINERY	114-617-180
4.0117	TEFLON BALL	NO	40	PLANT & MACHINERY	114-617-180
4.0118	BALL SUPPORT (SS-304)	NO	25	PLANT & MACHINERY	114-617-180
4.0119	CHAMBER STACK KIT	NO	10	PLANT & MACHINERY	114-617-180
4.0120	LOCATING FLANGE	NO	15	PLANT & MACHINERY	114-617-180
4.0121	IMPELLER	NO	12	PLANT & MACHINERY	114-617-180
4.0122	HARDWARE SET(STUD, BOLT, NUT, WASHER)	NO	200	PLANT & MACHINERY	114-617-180
4.0123	SUCTION FILTERS	NO	24	PLANT & MACHINERY	114-617-180
4.0124	BUSHES	NO	100	PLANT & MACHINERY	114-617-180
4.0125	TENSIONING ELEMENT	NO	50	PLANT & MACHINERY	114-617-180
4.0126	OIL LEVEL SIGHT GLASS	NO	50	PLANT & MACHINERY	114-617-180
4.0127	PISTON RINGS	NO	400	PLANT & MACHINERY	114-617-180
4.0128	SET OF V BELT	NO	50	PLANT & MACHINERY	114-617-180
4.0129	SET OF GEARS	NO	50	PLANT & MACHINERY	114-617-180
4.0130	ROTOR	NO	10	PLANT & MACHINERY	114-617-180
4.0131	SHAFT	NO	10	PLANT & MACHINERY	114-617-180
4.0132	Gear wheel Pair	NO	15	PLANT & MACHINERY	114-617-180
4.0133	Ring seal	NO	15	PLANT & MACHINERY	114-617-180
4.0136	Discharge valve housing	NO	18	PLANT & MACHINERY	114-617-180
4.0136	SPRING	NO	25	PLANT & MACHINERY	114-617-180
4.01372	LIQUIFRAM SHAFT	NO	14	PLANT & MACHINERY	114-617-180
4.01383	WORM WHEEL	NO	14	PLANT & MACHINERY	114-617-180
4.0139	CAM BEARING	NO	18	PLANT & MACHINERY	114-617-180
4.01407	WORM SHAFT	NO	22	PLANT & MACHINERY	114-617-180
4.01418	ADJUSTMENT KNOB WITH GRUB SCREW	NO	19	PLANT & MACHINERY	114-617-180
4.0143	OIL SEAL LIQUIFRAM SHAFT	NO	25	PLANT & MACHINERY	114-617-180
4.0144	GASKET & O RING SET	NO	21	PLANT & MACHINERY	114-617-180
4.01453	STUFFING BOX GLAND	NO	20	PLANT & MACHINERY	114-617-180
4.01465	LANTERN RING	NO	22	PLANT & MACHINERY	114-617-180
4.01477	S.P.SLEEVE	NO	23	PLANT & MACHINERY	114-617-180
4.0149	Casing W Ring	NO	17	PLANT & MACHINERY	114-617-180
4.0150	Impeller W Ring	NO	18	PLANT & MACHINERY	114-617-180
4.01512	Set of Gaskets	NO	30	PLANT & MACHINERY	114-617-180

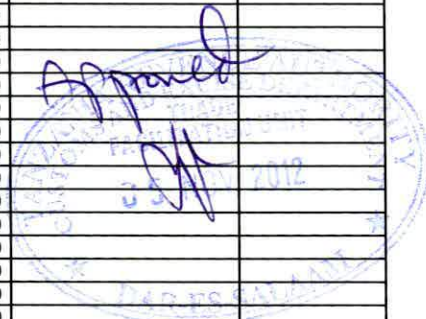
4.0152	Set of Keys	NO	25	PLANT & MACHINERY	114-617-180
4.02	FOR AGITATORS:				
4.0201	RINGS	NO	10	PLANT & MACHINERY	114-617-180
4.0202	BEARINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0203	OIL SEALS	NO	40	PLANT & MACHINERY	114-617-180
4.0204	INTERNAL GEARS	NO	10	PLANT & MACHINERY	114-617-180
4.0205	PINIONS	NO	10	PLANT & MACHINERY	114-617-180
4.0206	GASKETS	NO	10	PLANT & MACHINERY	114-617-180
4.0207	MECHANICAL SEALS	NO	10	PLANT & MACHINERY	114-617-180
4.0208	FLEXIBLE COUPLING	NO	20	PLANT & MACHINERY	114-617-180
4.0209	GLAND PACKING	NO	25	PLANT & MACHINERY	114-617-180
4.03	FOR DECANTER / CENTRIFUGE:				
4.0301	MAJOR KIT FOR BEARINGS	NO	50	PLANT & MACHINERY	114-617-180
4.0302	GASKETS	NO	10	PLANT & MACHINERY	114-617-180
4.0303	FEED TUBE	NO	10	PLANT & MACHINERY	114-617-180
4.0304	BEARINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0305	BELTS	NO	15	PLANT & MACHINERY	114-617-180
4.04	FOR PHES:				
4.0401	GASKETS	NO	550	PLANT & MACHINERY	114-617-180
4.05	FOR COOLING TOWERS				
4.0501	OIL SEALS AND "O" RINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0502	N.B.M INSERTS	NO	100	PLANT & MACHINERY	114-617-180
4.0503	TARGET NOZZLES	NO	1400	PLANT & MACHINERY	114-617-180
4.06	FOR AIR FILTER:				
4.0601	PANEL FILTER	NO	20	PLANT & MACHINERY	114-617-180
4.0602	ABSOLUTE PANEL FILTER	NO	10	PLANT & MACHINERY	114-617-180
4.07	FOR CLEANING NOZZLES:				
4.0701	BUSHES	NO	20	PLANT & MACHINERY	114-617-180
4.0702	GEARS	NO	20	PLANT & MACHINERY	114-617-180
4.0703	BEARINGS (WITH RETAINER & RACE)	NO	30	PLANT & MACHINERY	114-617-180
4.0704	SCREWS	NO	50	PLANT & MACHINERY	114-617-180
4.08	ROTARY VALVES:				
4.0801	GLAND ROPE	NO	14	PLANT & MACHINERY	114-617-180
4.0802	SEALS	NO	20	PLANT & MACHINERY	114-617-180
4.0803	BEARING	NO	20	PLANT & MACHINERY	114-617-180
4.09	FOR BREATHER VALVES:				
4.0901	DIAPHRAGM SET	NO	15	PLANT & MACHINERY	114-617-180
4.0902	O' RINGS	NO	20	PLANT & MACHINERY	114-617-180
4.10	FOR FLAME ARRESTOR WITH SAFETY SYSTEM:				
4.1001	DIAPHRAGM SET	NO	20	PLANT & MACHINERY	114-617-180
4.1002	O' RINGS	NO	20	PLANT & MACHINERY	114-617-180
4.11	FOR EMERGENCY VENT:				
4.1101	DIAPHRAGM SET	NO	20	PLANT & MACHINERY	114-617-180
4.12	FOR VACUUM RELIEF VALVE:				
4.1201	DIAPHRAGM SET	NO	50	PLANT & MACHINERY	114-617-180
4.1202	SPRING	NO	50	PLANT & MACHINERY	114-617-180
4.1203	PALLET ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.1204	SPINDLE	NO	10	PLANT & MACHINERY	114-617-180
4.1205	GASKET	NO	10	PLANT & MACHINERY	114-617-180
4.1206	FASTENERS SET	NO	10	PLANT & MACHINERY	114-617-180
4.13	FOR PRESSURE SAFETY VALVES:				
4.1301	SPRINGS	NO	50	PLANT & MACHINERY	114-617-180
4.14	FOR BAG FILTER:				
4.1401	BAG	NO	10	PLANT & MACHINERY	114-617-180
4.15	FOR BELT SKIMMER:				
4.1501	BELT	NO	10	PLANT & MACHINERY	114-617-180
4.1502	PU WIPER SET	NO	10	PLANT & MACHINERY	114-617-180
4.1503	BEARING	NO	12	PLANT & MACHINERY	114-617-180

4.16	FOR SPARK IGNITION SYSTEM:						
4.1601	IGNITION TRANSFORMER	NO	10	PLANT & MACHINERY		114-617-180	
4.1602	TIMER	NO	10	PLANT & MACHINERY		114-617-180	
4.1603	INDICATING LAMPS	NO	15	PLANT & MACHINERY		114-617-180	
4.1604	IGNITION ELECTRODE ASSEMBLY	NO	10	PLANT & MACHINERY		114-617-180	
4.1605	HT CABLE	MTR	300	PLANT & MACHINERY		114-617-180	
4.17	FOR FLAME ARRESTER:						
4.1701	GASKETS	NO	12	PLANT & MACHINERY		114-617-180	
4.1702	ARRESTER ELEMENT	NO	10	PLANT & MACHINERY		114-617-180	
4.18	FOR MECHANICAL PVRV:						
4.1801	GASKETS	NO	12	PLANT & MACHINERY		114-617-180	
4.1802	DIAPHRAGMS	NO	12	PLANT & MACHINERY		114-617-180	
4.19	FOR DOSING SYSTEMS:						
4.1901	RING SEAL	NO	50	PLANT & MACHINERY		114-617-180	
4.1902	CERAMIC BALL	NO	48	PLANT & MACHINERY		114-617-180	
4.1903	SUCTION VALVE SEAT SET	NO	20	PLANT & MACHINERY		114-617-180	
4.1904	DISCHARGE VALVE HOUSING	NO	20	PLANT & MACHINERY		114-617-180	
4.1905	DIAPHRAGM	NO	20	PLANT & MACHINERY		114-617-180	
4.1906	FUSE	NO	20	PLANT & MACHINERY		114-617-180	
4.1907	VARISTOR	NO	20	PLANT & MACHINERY		114-617-180	
4.1908	PULSER	NO	20	PLANT & MACHINERY		114-617-180	
4.1909	CARTRIDGES	NO	20	PLANT & MACHINERY		114-617-180	
4.1910	O RING SET	NO	20	PLANT & MACHINERY		114-617-180	
4.1911	OIL SEAL SET	NO	20	PLANT & MACHINERY		114-617-180	
4.1912	BEARING SETS	NO	20	PLANT & MACHINERY		114-617-180	
4.1913	DIAPHRAGM	NO	20	PLANT & MACHINERY		114-617-180	
4.1914	SPARE DOSING PUMPS	NO	30	PLANT & MACHINERY		114-617-180	
4.2	FOR GAS CHROMATOGRAPHY:						
4.201	NON-STICK BTO INLET SEPTA	NO	10	PLANT & MACHINERY		114-617-180	
4.202	LINER	NO	20	PLANT & MACHINERY		114-617-180	
4.203	INLET LINER NON-STICK O-RING,	NO	10	PLANT & MACHINERY		114-617-180	
4.204	COLUMN NUT 2/PK	NO	20	PLANT & MACHINERY		114-617-180	
4.205	SCREW VIALS, BLUE CAPS	NO	10	PLANT & MACHINERY		114-617-180	
4.206	JET, CAPILLARY ADAPTABLE	NO	13	PLANT & MACHINERY		114-617-180	
4.207	HEADSPACE SCREWTOP	NO	20	PLANT & MACHINERY		114-617-180	
4.208	ULTRACLEAN 18MM SCREWCAP	NO	25	PLANT & MACHINERY		114-617-180	
4.209	SYRINGE	NO	20	PLANT & MACHINERY		114-617-180	
4.210	FERRULE	NO	20	PLANT & MACHINERY		114-617-180	
4.21	FOR DENSITY METER:						
4.2101	HAND PUMP	NO	10	PLANT & MACHINERY		114-617-180	
4.2102	GLASS CYLINDER	NO	10	PLANT & MACHINERY		114-617-180	
4.2103	O-RING	NO	10	PLANT & MACHINERY		114-617-180	
4.2104	FILLING TUBE	NO	10	PLANT & MACHINERY		114-617-180	
4.2105	FRONT COVER WITH KEY PAD	NO	10	PLANT & MACHINERY		114-617-180	
4.22	FOR OTHER LAB EQUIPMENT:						
4.2201	PH ELECTRODE	NO	10	PLANT & MACHINERY		114-617-180	
4.2202	BUFFER TABLETS	NO	10	PLANT & MACHINERY		114-617-180	
4.2203	CALIBRATION WEIGHTS	NO	10	PLANT & MACHINERY		114-617-180	
4.2204	SILICA GEL	NO	10	PLANT & MACHINERY		114-617-180	
4.2205	CONDUCTIVITY SOLUTION	NO	10	PLANT & MACHINERY		114-617-180	
4.2206	TDS SOLUTION	NO	10	PLANT & MACHINERY		114-617-180	
4.23	FOR INSTRUMENTATION:						
4.2301	TRANSMITTER	NO	50	PLANT & MACHINERY		114-617-180	
4.2302	POSITIONER	NO	20	PLANT & MACHINERY		114-617-180	
4.2303	ACTUATOR SEAL KIT (DIAPRAGM, SPRING, STEM, O-RING)	NO	30	PLANT & MACHINERY		114-617-180	
4.2304	CONTROL VALVE SEAL KIT (GASKET SET, GLAND PACKING, GLAND NUT, SLOTTED NUT)	NO	30	PLANT & MACHINERY		114-617-180	
4.2305	GLAND PACKING	NO	12	PLANT & MACHINERY		114-617-180	
4.2306	AIR FILTER REGULATOR	NO	12	PLANT & MACHINERY		114-617-180	

4.2307	LEVEL GAUGE GLASS	NO	10	PLANT & MACHINERY	114-617-180
4.2308	MAGNETIC FLOWMETER	NO	10	PLANT & MACHINERY	114-617-180
4.2309	MASS FLOWMETER TRANSMITTER	NO	10	PLANT & MACHINERY	114-617-180
4.2310	SOLENOID VALVE	NO	10	PLANT & MACHINERY	114-617-180
4.2311	PRESSURE GAUGES	NO	100	PLANT & MACHINERY	114-617-180
4.2312	ACTUATOR SEAL KIT (DIAPHRAGM, SPRING, STEM, O-RING)	NO	10	PLANT & MACHINERY	114-617-180
4.2313	GLAND PACKING	NO	60	PLANT & MACHINERY	114-617-180
4.2314	SPARE GLASS	NO	60	PLANT & MACHINERY	114-617-180
4.2315	RTD	NO	60	PLANT & MACHINERY	114-617-180
4.2316	TEMPERATURE GAUGES	NO	12	PLANT & MACHINERY	114-617-180
4.2317	VORTEX FLOWMETER	NO	10	PLANT & MACHINERY	114-617-180
4.2318	ANALOG CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2319	DIGITAL CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2320	POWER SUPPLY	NO	15	PLANT & MACHINERY	114-617-180
4.2321	BARRIERS	NO	20	PLANT & MACHINERY	114-617-180
4.2322	RELAY	NO	40	PLANT & MACHINERY	114-617-180
4.2323	FLEX ANALOGS	NO	12	PLANT & MACHINERY	114-617-180
4.2324	FLEX 24 VDC	NO	12	PLANT & MACHINERY	114-617-180
4.2325	3 PORT ENET/IP TAP-3 TP	NO	10	PLANT & MACHINERY	114-617-180
4.2326	RELAY BOARD	NO	10	PLANT & MACHINERY	114-617-180
4.2327	RUBBER KIT	NO	30	PLANT & MACHINERY	114-617-180
4.2328	WASHERS	NO	20	PLANT & MACHINERY	114-617-180
4.2329	BODY GASKETS	NO	30	PLANT & MACHINERY	114-617-180
4.2330	VANE BLADES	NO	40	PLANT & MACHINERY	114-617-180
4.2331	SPRING DOWEL	NO	30	PLANT & MACHINERY	114-617-180
4.2332	SPRING	NO	10	PLANT & MACHINERY	114-617-180
4.2333	INT CIRCLIP	NO	20	PLANT & MACHINERY	114-617-180
4.2334	BEARINGS	NO	12	PLANT & MACHINERY	114-617-180
4.2335	BASKETS	NO	12	PLANT & MACHINERY	114-617-180
4.2336	FLOAT-BRACKET ASSEMBLY	NO	12	PLANT & MACHINERY	114-617-180
4.2337	SPINDLE	NO	10	PLANT & MACHINERY	114-617-180
4.2338	ROTOR SERVICE KIT-BM	NO	10	PLANT & MACHINERY	114-617-180
4.2339	GEARS	NO	12	PLANT & MACHINERY	114-617-180
4.24	FOR ALCOHOL DISPENSING SYSTEM:				
4.2401	GASKETS/SEAL SETS	NO	24	PLANT & MACHINERY	114-617-180
4.2402	O RING SETS	NO	12	PLANT & MACHINERY	114-617-180
4.2403	BASKET	NO	10	PLANT & MACHINERY	114-617-180
4.2404	FLOAT & REED ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.2405	VACUUM BREAKER	NO	10	PLANT & MACHINERY	114-617-180
4.2406	POSITION SWITCH	NO	10	PLANT & MACHINERY	114-617-180
4.2407	RUBBER KIT FOR SOLENOID VALVE	NO	10	PLANT & MACHINERY	114-617-180
4.2408	SPRING	NO	10	PLANT & MACHINERY	114-617-180
4.2409	SOLENOID VALVES	NO	12	PLANT & MACHINERY	114-617-180
4.2410	DIGITAL CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2411	KEYPAD ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.2412	METER PULSE CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2413	DISPLAY CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2414	CPU BOARD WITH COMMUNICATION CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2415	POWER SUPPLY CARDS	NO	20	PLANT & MACHINERY	114-617-180
4.2416	PCBS	NO	12	PLANT & MACHINERY	114-617-180
4.2417	ETHERNET INTERFACE CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2418	INDICATION LAMP WITH COVER RED, GREEN & AMBER	NO	10	PLANT & MACHINERY	114-617-180
4.2419	PUSH BUTTON – YELLOW, GREEN, RED	NO	10	PLANT & MACHINERY	114-617-180
4.25	FOR AIR COMPRESSOR:				
4.2501	AIR OIL FILTER KIT	NO	12	PLANT & MACHINERY	114-617-180
4.2502	LUBRICANT OIL	LTR	30	PLANT & MACHINERY	114-617-180
4.2503	OIL SEPERATOR	NO	10	PLANT & MACHINERY	114-617-180
4.26	FOR WEIGHBRIDGE:				

4.2601	ELECTRONIC WEIGHING INDICATOR	NO	10	PLANT & MACHINERY	114-617-180
4.2602	LOADCELL	NO	10	PLANT & MACHINERY	114-617-180
4.27	FLOWGLASS	NO	100	PLANT & MACHINERY	114-617-180
4.28	BALL FLOAT STEAM TRAPS	NO	20	PLANT & MACHINERY	114-617-180
4.29	THERMODYNAMIC STEAM TRAPS	NO	24	PLANT & MACHINERY	114-617-180
4.30	STRAINERS	NO	24	PLANT & MACHINERY	114-617-180
4.31	FINE BUBBLE DIFFUSERS	NO	24	PLANT & MACHINERY	114-617-180
4.32	COARSE BUBBLE DIFFUSERS	NO	80	PLANT & MACHINERY	114-617-180
4.33	FOR FIRE FIGHTING SYSTEM:				
4.3301	Set Of Double headed Hydrant Spindle with nuts of Hydrant valve Bonnet, gland nut, rubber assembly of hydrant Seat, check nut, washer assembly of hydrant valve Rubber washer for female coupling Instantaneous female coupling assembly complete Lock pin assy. for hydrant valve	NO	10	PLANT & MACHINERY	114-617-180
4.3302	Fire Hose (15 Long Hose with coupling)	NO	12	PLANT & MACHINERY	114-617-180
4.3303	Branch pipe with Nozzle	NO	12	PLANT & MACHINERY	114-617-180
4.3304	Water Monitor Nozzle	NO	10	PLANT & MACHINERY	114-617-180
4.3305	SET OF Stem	NO	10	PLANT & MACHINERY	114-617-180
4.3306	SET OF Seal rings (all types)	NO	10	PLANT & MACHINERY	114-617-180
4.3307	SET OF Gaskets	NO	10	PLANT & MACHINERY	114-617-180
4.3308	SET OF Clapper assembly complete	NO	10	PLANT & MACHINERY	114-617-180
4.3309	SET OF Disc	NO	10	PLANT & MACHINERY	114-617-180
4.331	SET OF Seal rings	NO	10	PLANT & MACHINERY	114-617-180
4.3311	SET OF Gaskets	NO	10	PLANT & MACHINERY	114-617-180
4.3312	SET OF Reduction gear operator	NO	10	PLANT & MACHINERY	114-617-180
4.3313	Strainers elements with O-rings and stiffners	NO	10	PLANT & MACHINERY	114-617-180
4.3314	MVV Nozzle	NO	50	PLANT & MACHINERY	114-617-180
4.3315	QBD Detector	NO	30	PLANT & MACHINERY	114-617-180
4.3316	Solenoid valve	NO	10	PLANT & MACHINERY	114-617-180
4.3317	AR-AFFF FOAM	LTR	900	PLANT & MACHINERY	114-617-180
4.3318	Smoke Detector	NO	10	PLANT & MACHINERY	114-617-180
4.3319	Hooter	NO	10	PLANT & MACHINERY	114-617-180
4.332	Digital LHS cable	MTR	450	PLANT & MACHINERY	114-617-180
4.3321	Interface Module	NO	10	PLANT & MACHINERY	114-617-180
4.34	FOR SHOP EQUIPMENT:				
4.3401	NACF GASKETS	NO	400	PLANT & MACHINERY	114-617-180
4.3402	EPDM GASKET	MTR	50	PLANT & MACHINERY	114-617-180
4.3403	GLASS	NO	200	PLANT & MACHINERY	114-617-180
4.3404	SET OF HEXBOLT, NUT AND 2 WASHERS	NO	500	PLANT & MACHINERY	114-617-180
4.3405	HINGE PIN	NO	50	PLANT & MACHINERY	114-617-180
4.3406	SPLIT PIN	NO	100	PLANT & MACHINERY	114-617-180
4.3407	SET OF STUD WITH 2 NUTS & 2 WASHERS	NO	800	PLANT & MACHINERY	114-617-180
4.35	FOR UV SYSTEM:				
4.3501	QUARTZ SLEEVE	NO	5	PLANT & MACHINERY	114-617-180
4.3502	UV LAMP	NO	5	PLANT & MACHINERY	114-617-180
3	SPARE PARTS FOR START-UP & COMMISSIONING				
3.01	FOR PUMPS & BLOWERS:				
3.0101	BEARINGS	NO	10	PLANT & MACHINERY	114-617-180
3.0102	RINGS	NO	50	PLANT & MACHINERY	114-617-180
3.0103	PACKING SLEEVES	NO	10	PLANT & MACHINERY	114-617-180
3.0104	GASKETS	NO	10	PLANT & MACHINERY	114-617-180
3.0105	OIL SEAL	NO	40	PLANT & MACHINERY	114-617-180
3.0106	SET OF V BELT	NO	30	PLANT & MACHINERY	114-617-180
3.02	FOR PHES:				
3.0201	NUT	NO	300	PLANT & MACHINERY	114-617-180
3.0202	WASHER CUM SLEEVE	NO	200	PLANT & MACHINERY	114-617-180
3.0203	NYLON BRUSH	NO	12	PLANT & MACHINERY	114-617-180
3.03	FOR DOSING SYSTEMS:				
3.0301	RING SEAL	NO	30	PLANT & MACHINERY	114-617-180

3.0302	CERAMIC BALL	NO	20	PLANT & MACHINERY	114-617-180
3.0303	FUSE	NO	20	PLANT & MACHINERY	114-617-180
3.0304	CARTRIDGES	NO	12	PLANT & MACHINERY	114-617-180
3.0305	O RING SET	NO	12	PLANT & MACHINERY	114-617-180
3.0306	OIL SEAL SET	NO	12	PLANT & MACHINERY	114-617-180
3.04	FOR INSTRUMENTATION:				
3.0401	PRESSURE GAUGES	NO	60	PLANT & MACHINERY	114-617-180
3.0402	POSITIONER	NO	20	PLANT & MACHINERY	114-617-180
3.0403	PRESSURE GAUGE-on-E/P-POSITIONER	NO	40	PLANT & MACHINERY	114-617-180
3.0404	GLAND PACKING	NO	50	PLANT & MACHINERY	114-617-180
3.0405	SPARE GLASS	NO	50	PLANT & MACHINERY	114-617-180
3.0406	RTD	NO	40	PLANT & MACHINERY	114-617-180
3.0407	TRANSMITTER	NO	25	PLANT & MACHINERY	114-617-180
3.05	FOR FIRE FIGHTING SYSTEM:				
3.0501	AR-AFFF FOAM	LTR	1000	PLANT & MACHINERY	114-617-180
15	SUPPLY-RAW MATERIAL-SITE FABRICATED EQPT COMPRISING OF				
15.21	CHEQUEREDPLATE	MT	50	PLANT & MACHINERY	114-617-180
15.22	MILD STEEL CHANNEL	MT	50	PLANT & MACHINERY	114-617-180
15.23	MILD STEEL FLAT	MT	40	PLANT & MACHINERY	114-617-180
15.24	MILD STEEL BEAM	MT	200	PLANT & MACHINERY	114-617-180
2	WEIGH BRIDGE COMPRISING OF				
2.8	YOKE	NO	12	PLANT & MACHINERY	114-617-180
2.9	WEIGHBRIDGE PANELS	NO	12	PLANT & MACHINERY	114-617-180
2.10	TOP CLAMP	NO	14	PLANT & MACHINERY	114-617-180
2.11	TERMINATION JUNCTION BOX	NO	5	PLANT & MACHINERY	114-617-180
2.12	SYSTEM OPERATION MANUAL	NO	5	PLANT & MACHINERY	114-617-180
2.13	SPIKE BUSTER	NO	5	PLANT & MACHINERY	114-617-180
2.14	SOFT WARE CD	NO	5	PLANT & MACHINERY	114-617-180
2.15	CABLES	MTR	70	PLANT & MACHINERY	114-617-180
2.16	PRINTER PAPER	NO	5	PLANT & MACHINERY	114-617-180
2.17	PC P IV WITH ACCESSORIES	NO	5	PLANT & MACHINERY	114-617-180
2.18	REMOTE SCOREBOARD	NO	5	PLANT & MACHINERY	114-617-180
2.19	MASTER JUNCTION BOX	NO	6	PLANT & MACHINERY	114-617-180
2.20	MIDDLE WELDMENT	NO	6	PLANT & MACHINERY	114-617-180
2.21	MONITOR	NO	5	PLANT & MACHINERY	114-617-180
2.22	HARDWARE (BOLTS, SCREWS, WASHERS)	NO	1000	PLANT & MACHINERY	114-617-180
2.23	M SEAL 100 GMS	NO	10	PLANT & MACHINERY	114-617-180
2.24	LOADCELL	NO	18	PLANT & MACHINERY	114-617-180
2.25	JUNCTION BOX	NO	5	PLANT & MACHINERY	114-617-180
2.26	LINKING JUNCTION BOX	NO	6	PLANT & MACHINERY	114-617-180
2.27	KEY BOARD	NO	5	PLANT & MACHINERY	114-617-180
2.28	EARTH BUSBAR	NO	5	PLANT & MACHINERY	114-617-180
2.29	END WELDMENT	NO	6	PLANT & MACHINERY	114-617-180
2.30	DECK PLATE PANELS	NO	14	PLANT & MACHINERY	114-617-180
2.31	DECK PLATE	NO	20	PLANT & MACHINERY	114-617-180
2.32	COPPER WIRE	MTR	75	PLANT & MACHINERY	114-617-180
2.33	COPPER BRAID WITH LUGS	NO	14	PLANT & MACHINERY	114-617-180
2.34	BOTTOM MTG BRACKET	NO	15	PLANT & MACHINERY	114-617-180
2.35	ELECTRONIC WEIGHING INDICATOR	NO	5	PLANT & MACHINERY	114-617-180
2.36	80 COLUMN DOT MATRIX PRINTER	NO	5	PLANT & MACHINERY	114-617-180
2.37	1C X 1.5SQ.MM CU CABLE 2 M WITH BOTH END CRIMPED	NO	8	PLANT & MACHINERY	114-617-180
2.38	PVC L BEND	NO	20	PLANT & MACHINERY	114-617-180
2.39	PVC COUPLING	NO	15	PLANT & MACHINERY	114-617-180
2.40	PVC FLEXIBLE HOSE	MTR	20	PLANT & MACHINERY	114-617-180
2.41	PVC CONDUIT PIPE 3MTR LONG	NO	20	PLANT & MACHINERY	114-617-180

Approved


7	CMS BLADDER COMPRISING OF						
7.06	Floats SPX33	NOS	500	PLANT & MACHINERY		114-617-180	
7.07	HDPE 1.5mm Sheeting (Rolls)	NOS	20	PLANT & MACHINERY		114-617-180	
7.08	HDPE 1.5mm Sheeting (Rolls)	NOS	5	PLANT & MACHINERY		114-617-180	
7.09	0.5mm Hi-drain Sheeting (Rolls)	NOS	20	PLANT & MACHINERY		114-617-180	
7.10	Water Removal System with Hose	NOS	3	PLANT & MACHINERY		114-617-180	
7.11	RFPP Sheeting (Rolls)	NOS	35	PLANT & MACHINERY		114-617-180	
7.12	RFPP Sheeting (Rolls)	NOS	5	PLANT & MACHINERY		114-617-180	
7.13	RFPP Welding Rod	NOS	20	PLANT & MACHINERY		114-617-180	
7.14	Whirly Birds	NOS	12	PLANT & MACHINERY		114-617-180	
7.15	HDPE Welding Rod	NOS	12	PLANT & MACHINERY		114-617-180	
7.16	20mm Rope	MTR	500	PLANT & MACHINERY		114-617-180	
7.17	S/S Angle Iron	MTR	500	PLANT & MACHINERY		114-617-180	
IX	EFFLUENT TREATMENT PLANT SECTION PLANT WITH ACCESSORIES COMPRISING OF						
55	COARSE DIFFUSERS IN EQT	NO	50	PLANT & MACHINERY		114-617-180	
56	BLOWER FOR DMF WITH MOTOR	NO	10	PLANT & MACHINERY		114-617-180	
II	FERMENTATION SECTION PLANT WITH ACCESSORIES COMPRISING OF						
51	SAFETY SYSTEM FOR FERMENTOR I-IV	NO	10	PLANT & MACHINERY		114-617-180	





TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/08/2900

19th February, 2013

Managing Director,
M/s Illovo Distillers (Tanzania) Ltd
P.O.Box 50,
KIDATU-MOROGORO.

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS
CERTIFICATE OF INCENTIVES NO.042143 OF 20TH DECEMBER, 2011
AND TIN: 114617180**

We are writing in response to your letter dated of 24th January, 2012, supported by the letter Ref. TICC/PP.10/042143/17 of 01st February, 2013 from Tanzania Investment Centre, regarding the captioned subject.

We hereby confirm and approve items as per single page-list herewith attached as capital/deemed capital goods for establishment and facilitation of your project with certificate of incentives mentioned above.

The approved goods will be subjected to 0% Import Duty and VAT relieved. Please complete VAT form 224 and submit for approval to the Commissioner for Domestic Revenue for local purchases and the Commissioner for Customs and Excise for importations.

..

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE.

GF/

C: C: Manager – Customs Service Centre

C: C: Manager Tax Exemption,

C: C: Manager- TRA Morogoro,

✓ C: C: Executive Director,

Tanzania Investment Centre,
DSM.

ISO 9001 : 2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

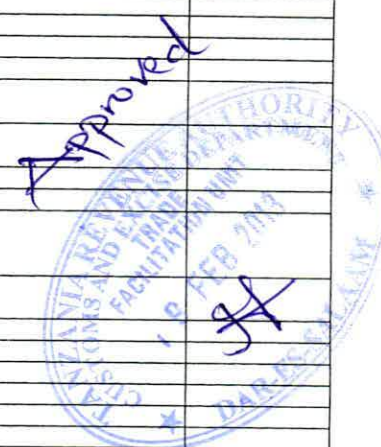
Tel: +255-22-2117765, or 255-22-2127783/4/6/8 Fax: +255 22 2138878/2135193

Illovo Distillers (Tanzania) Limited

Investment Project to build new distillery - Certificate of Incentives no 04213 based on TIC application 09674 valid to November 2014

Capital Goods List Supplemental list no 6 - CMS plant and office equipment for the distillery

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
Xii CMS Plant for the Distillery								
1	CMS Steel shed in SKD format (design and supply steel structure)	unit	1	PLANT & MACHINERY		114-617-180		
2	450mm X 20deg, Troughing Idlers Complete With 3 X 127 Mm Dia , Rolls	No	4	PLANT & MACHINERY		114-617-180		
3	450mm X 35deg Troughing Idlers Complete With 3 X 127mm Dia Rolls	No	14	PLANT & MACHINERY		114-617-180		
4	536mm X 127mm Dia. X S25mm Return Rolls Complete With 40mm Drop Buckets	No	8	PLANT & MACHINERY		114-617-180		
5	550mm Face X 334mm Dia. With 50mm Dia. Shaft . Overall Shaft Length 1000mm C/W 19mm Diamond Pattern Pulley Lagging	No	2	PLANT & MACHINERY		114-617-180		
6	550mm Face X 310mm Dia. With 50mm Dia.Shaft . Overall Shaft Length 80mm C/W 10mm Diamont Pattern Pulley Lagging	No	2	PLANT & MACHINERY		114-617-180		
7	46mt Of Moulded Rubber Chevron Conveyor Belt Class 400/3	metres	46	PLANT & MACHINERY		114-617-180		
8	Carry Our 2 X 450mm Splices On Chevron Belts	No	2	PLANT & MACHINERY		114-617-180		
9	Warmen 75d-Mp Hs Pump Fitted With 27% Chrome Iron Expeller, Impeller And Caseing Complete With 18.5kw , 4 Pole , Weg Premium Efficiency Motor Overhead Mount , Sub Base , V Drive, D.Frame Fitting Charge And Belt Guard	No	2	PLANT & MACHINERY		114-617-180		
10	A-Pump Model Crp 50-32-200 Vsss/160/900mm Vertical Spindle ,Cantiler, Seal Less, Dry Running Design Pump In 316 Stainless Steel,	No	1	PLANT & MACHINERY		114-617-180		
11	Tsm 500sf Co2 Tap Semi-Auto Compl Kit	No	1	PLANT & MACHINERY		114-617-180		
12	Tsa Dc 250-1 Inverter 380v + 250a Kit	No	1	PLANT & MACHINERY		114-617-180		
13	Tsm 600 Cc/Cv Machine	No	1	PLANT & MACHINERY		114-617-180		
14	Tig Torch 200 We26v-25-2pc	No	4	PLANT & MACHINERY		114-617-180		
15	05681 Argon Flowmeter	No	4	PLANT & MACHINERY		114-617-180		
16	Awser 316l 1 6mm Tig Rods	No	50	PLANT & MACHINERY		114-617-180		
17	10n24 2 4mm Collet	No	24	PLANT & MACHINERY		114-617-180		
18	10n32 2 4mm Collet Body	No	24	PLANT & MACHINERY		114-617-180		
19	10n46 Alumina No 8	No	24	PLANT & MACHINERY		114-617-180		
20	3/32 Diax6lg 2 4mm Thor Tungsten	No	100	PLANT & MACHINERY		114-617-180		
21	57y02 Long Back Cap	No	10	PLANT & MACHINERY		114-617-180		
22	Bnz 36a Shroud Conical	No	50	PLANT & MACHINERY		114-617-180		
23	Bnz 36a Gas Diffuser	No	50	PLANT & MACHINERY		114-617-180		
24	Bzn 36a Tip Holder M 8	No	50	PLANT & MACHINERY		114-617-180		
25	Bzn Contact Tip M8 X 1 0mm	No	50	PLANT & MACHINERY		114-617-180		
26	Gm0611 Teflon Liner 1 0-1 2	No	50	PLANT & MACHINERY		114-617-180		
27	500ml Anti Splatter Maxweld	No	50	PLANT & MACHINERY		114-617-180		
28	Pelox Passivating Gel (2kg)	No	10	PLANT & MACHINERY		114-617-180		
29	Priox Pickling Paste Tsk Green	No	10	PLANT & MACHINERY		114-617-180		
30	161-5row S/S Brushes	No	30	PLANT & MACHINERY		114-617-180		
31	E 115-5 A 30n Grind S/S	No	100	PLANT & MACHINERY		114-617-180		
32	Eh115-2.4 A 46r Cutt/D S/S	No	100	PLANT & MACHINERY		114-617-180		
33	Awser 316sl 1 Omm Mig Wire	No	400	PLANT & MACHINERY		114-617-180		
Xiii Distillery plant office equipment								
1	1500 X 750 Desk Shell	No	11	OFFICE EQUIPMENT		114-617-180		
2	2 Draws - Fitted	No	11	OFFICE EQUIPMENT		114-617-180		
3	Sliding Doors Credenza Witn One Shelf	No	4	OFFICE EQUIPMENT		114-617-180		
4	Hi Back Chair With G/Height Adj	No	7	OFFICE EQUIPMENT		114-617-180		
5	Visitors Chair With Arms	No	14	OFFICE EQUIPMENT		114-617-180		
6	6 Steel Stationery Cupboard	No	11	OFFICE EQUIPMENT		114-617-180		
7	6 Compartment Steel Locker	No	6	OFFICE EQUIPMENT		114-617-180		
8	4 Draw Metal Fitting Cabinet	No	7	OFFICE EQUIPMENT		114-617-180		





TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/8/1971

20 February 2012

Managing Director,
Illovo Distillers Limited,
P. O. Box 50,
Kidatu- Morogoro

Dear Sir,

RE: DUTY AND VAT EXEMPTION ON CAPITAL GOODS VIDE CERTIFICATE OF INCENTIVES NO. 042143 OF 20 DECEMBER 2011 AND TIN 114-617-180

Reference is made to a letter dated 1st February 2012 as supported by TIC letter ref. TRA/CE/C/P20/8/1971 of 03 February 2012 from Tanzania Investment Centre regarding the captioned subject.

We hereby confirm and approve items in a **twelve-page list** herewith attached as capital/deemed goods for establishment and facilitation of the project located at Farm no. 105 Ryembe Kilosa Morogoro with the certificate of incentives mentioned above. It should be noted however that, Building material therein deleted items could not be approved because they have not been quantified and approved by a Registered Quantity Surveyor. You are therefore required to comply on this requirement and provide us with the bill of quantity and structural drawing for our approval.

The approved items will be assessed at 0% import duty and VAT relief under the Third Schedule to the VAT Act Cap 148 of 1997. You will however be requested to complete VAT form 224 and submit the same to the Commissioner for Customs and Excise for all imported items and the Commissioner for Domestic Revenue for locally procured items for approval before clearance.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

- GK/
- c.c. Manager- Customs Service Centre
- c.c. Manager – Tax Exemption
- c.c. Manager – Wharf
- c.c. Officer – Regional Officer In charge Morogoro
- ✓ c.c. Executive Director,
Tanzania Investment Centre,
Dar es salaam

ISO 9001:2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

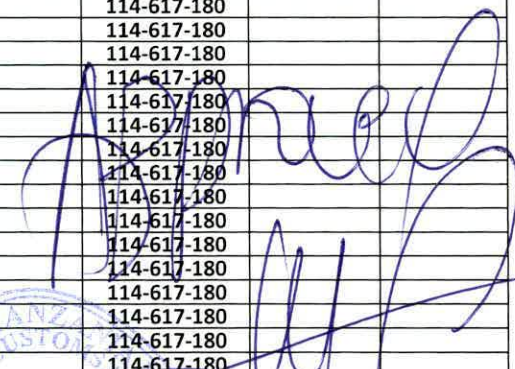
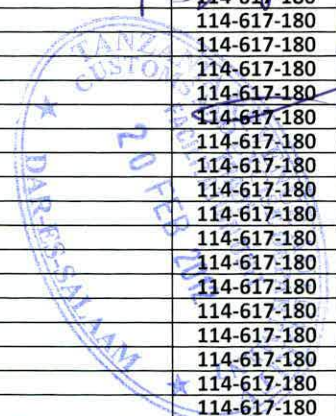
Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
CONTRACT FOR THE MANUFACTURE , FABRICATION AND SUPPLY OF 1 (ONE) COMPLETE 40KLPD ENA ALCOHOL DISTILLERY (COMPLETE FACTORY).								
I	EVAPORATION SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	EVAPORATION EFFECT-1	NO.	2	PLANT & MACHINERY		114-617-180		
2	EVAPORATION EFFECT-2	NO.	2	PLANT & MACHINERY		114-617-180		
3	EVAPORATION EFFECT-3	NO.	2	PLANT & MACHINERY		114-617-180		
4	EVAPORATION EFFECT-4	NO.	2	PLANT & MACHINERY		114-617-180		
5	EVAPORATION EFFECT-5	NO.	2	PLANT & MACHINERY		114-617-180		
6	SURFACE CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
7	REHEATER-3	NO.	2	PLANT & MACHINERY		114-617-180		
8	PREHEATER-I	NO.	2	PLANT & MACHINERY		114-617-180		
9	PROCESS CONDENSATE COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
10	VENT CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
11	CONDENSATE POT-1	NO.	2	PLANT & MACHINERY		114-617-180		
12	CONDENSATE POT-2	NO.	2	PLANT & MACHINERY		114-617-180		
13	FEED-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
14	RECIRCULATION CUM TRANSFER PUMP-I & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
15	RECIRCULATION CUM TRANSFER PUMP-II&MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
16	RECIRCULATION CUM TRANSF PUMP- 3 & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
17	RECIRCULATION PUMP-I WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
18	TRANSFER PUMP -I WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
19	RECIRCULATION PUMP-2 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
20	TRANSFER PUMP-2 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
21	PROCESS-CONDENSATE-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
22	STEAM-CONDENSATE-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
23	VAC PUMP-SEAL WATER RECR SYS WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
24	CIP PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
25	CIP-DRAIN-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
26	CMS TRANSFER PUMP (LAGOON) WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
27	CMS TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
28	SEAL WATER PUMP(PROCESS-PUMP)WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
29	RECIRCULATION CUM TRANSFER PUMP-II&MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
30	RECIRCULATION PUMP-V WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
31	CW RECIRC PUMP FOR EVAP. WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
32	SPENT WASH FEED TANK	NO.	2	PLANT & MACHINERY		114-617-180		
33	PROCESS CONDENSATE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
34	STEAM CONDENSATE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
35	C.I.P. COLLECTION TANK	NO.	2	PLANT & MACHINERY		114-617-180		
36	CMS STORAGE INTERMEDIATE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
37	CIP TANK	NO.	2	PLANT & MACHINERY		114-617-180		
38	SEALING WATER TANK FOR PROCESS PUMPS	NO.	2	PLANT & MACHINERY		114-617-180		
39	PRIMING POTS	NO.	2	PLANT & MACHINERY		114-617-180		
40	COOLING TOWER - EVAPORATION SECTION	NO.	2	PLANT & MACHINERY		114-617-180		
41	VAPOR LIQUID SEPARATOR - 1	NO.	2	PLANT & MACHINERY		114-617-180		
42	VAPOR LIQUID SEPARATOR - 2	NO.	2	PLANT & MACHINERY		114-617-180		
43	VAPOR LIQUID SEPARATOR - 3	NO.	2	PLANT & MACHINERY		114-617-180		
44	VAPOR LIQUID SEPARATOR - 4	NO.	2	PLANT & MACHINERY		114-617-180		
45	VAPOR LIQUID SEPARATOR - 5	NO.	2	PLANT & MACHINERY		114-617-180		
46	COOLING TOWER MESH- EVAP SECTION	NO.	2	PLANT & MACHINERY		114-617-180		

Handwritten signature and blue circular stamp. The stamp contains the text: "CUSTOMS AND EXCISE DEPARTMENT", "20 FEB 2012", and "KARNATAKA".

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
II	FERMENTATION SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	AGITATOR FOR FERMENTOR I WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
2	AGITATOR FOR WASH HOLDING TANK WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
3	AGITATOR FOR YEAST ACT VESSEL I WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
4	AGITATOR FOR YEAST ACT VESSEL II WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
5	AGITATOR FOR NUTRIENT TANK WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
6	PROCESS AIR BLOWER WITH DRIVE	NO.	2	PLANT & MACHINERY		114-617-180		
7	CO2 SCRUBBER FOR FERMENTOR	NO.	2	PLANT & MACHINERY		114-617-180		
8	PROCESS AIR FILTER	NO.	2	PLANT & MACHINERY		114-617-180		
9	FERMENTED WASH COOLER-I	NO.	2	PLANT & MACHINERY		114-617-180		
10	YEAST-ACTIVATION-VESSEL-COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
11	SEAL WATER COOLER FOR PROCESS AIRBLOWER	NO.	2	PLANT & MACHINERY		114-617-180		
12	MOLASSES DILUTOR FOR YEAST CULTURE VESSEL	NO.	2	PLANT & MACHINERY		114-617-180		
13	MOL BROTH MIXER FOR YEAST ACT VESSEL I&II	NO.	2	PLANT & MACHINERY		114-617-180		
14	MOLASSES BROTH MIXERS FOR FERM I- IV	NO.	4	PLANT & MACHINERY		114-617-180		
15	AIR SPARGER FOR YEAST ACT VESSEL I & II	NO.	2	PLANT & MACHINERY		114-617-180		
16	CELL-MASS-TRANSFER-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
17	FERM WASH RECI PUM FOR FERM-1 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
18	ACTIVATED YEAST TRANSFER PUMP WITH MOTOR	NO.	3	PLANT & MACHINERY		114-617-180		
19	WASH HOLDING TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
20	SEALING WAT. PUMP FOR AIR BLOWER & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
21	ANTIFOAM DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
22	SULPHURIC ACID DOSING PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
23	NUTRIENT-DOSING-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
24	SEAL WATER PUMP FOR PROC PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
25	CIP PUMP & MOTOR FOR FERM. VESSEL & PHE	NO.	3	PLANT & MACHINERY		114-617-180		
26	WASTE WATER SUMP PUMPS WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
27	YEAST VESSEL 1 WITH AIR SPARGER	NO.	2	PLANT & MACHINERY		114-617-180		
28	YEAST VESSEL 2 WITH AIR SPARGER	NO.	2	PLANT & MACHINERY		114-617-180		
29	YEAST VESSEL 3 WITH AIR SPARGER	NO.	2	PLANT & MACHINERY		114-617-180		
30	LIQUID SEPARATOR FOR AIR BLOWER	NO.	2	PLANT & MACHINERY		114-617-180		
31	SEALING WATER TANK FOR PROCES AIR BLOWER	NO.	2	PLANT & MACHINERY		114-617-180		
32	ANTIFOAM DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
33	SULPHURIC ACID DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
34	NUTRIENT DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
35	SEAL WATER RECIRCUL TANK (PROCESS PUMP)	NO.	2	PLANT & MACHINERY		114-617-180		
36	CLEANING NOZZLE FOR PREFERMENTOR I & II	NO.	2	PLANT & MACHINERY		114-617-180		
37	CLEANING NOZZLE FOR FERMENTOR	NO.	4	PLANT & MACHINERY		114-617-180		
38	CLEANING-NOZZLE-FOR-WASH-HOLDING-TANK	NO.	2	PLANT & MACHINERY		114-617-180		
39	SAFETY SYSTEM FOR FERMENTOR I-IV	NO.	4	PLANT & MACHINERY		114-617-180		
40	AIR FILTER FRAME	NO.	2	PLANT & MACHINERY		114-617-180		
41	AGITATOR FOR FERMENTOR II WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
42	AGITATOR FOR FERMENTOR III WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
43	AGITATOR FOR FERMENTOR IV WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
44	FERMENTED WASH COOLER-II	NO.	2	PLANT & MACHINERY		114-617-180		
45	FERMENTED WASH COOLER-III	NO.	2	PLANT & MACHINERY		114-617-180		
46	FERMENTED WASH COOLER-IV	NO.	2	PLANT & MACHINERY		114-617-180		
47	FERM WASH RECI PUM FOR FERM-2 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
48	FERM WASH RECI PUM FOR FERM-3 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
49	FERM WASH RECIPUMP FOR FERM-4 WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
50	CIP TANK	NO.	2	PLANT & MACHINERY		114-617-180		



Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
III	DISTILLATION SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	ANALYSER COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
2	DEGASSIFIER COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
3	PRE RECTIFIER COL.	NO.	2	PLANT & MACHINERY		114-617-180		
4	EXHAUST COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
5	EXTRATIVE DISTILLATION COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
6	RECTIFIER CUM EXHAUST COL.	NO.	2	PLANT & MACHINERY		114-617-180		
7	FOC COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
8	SIMMERING COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
9	ALCOHOL SCRUBBER	NO.	2	PLANT & MACHINERY		114-617-180		
10	ANALYSER COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
11	FERMENTED WASH PREHEATER	NO.	2	PLANT & MACHINERY		114-617-180		
12	VENT CONDENSER FOR ANALYSER REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
13	DEGASSIFIER COLUMN CONDENSOR-I	NO.	2	PLANT & MACHINERY		114-617-180		
14	DEGASSIFIER COLUMN CONDENSOR-II	NO.	2	PLANT & MACHINERY		114-617-180		
15	LEES COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
16	SPENT WASH COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
17	PRE RECTIFIER COL. CONDENSER 1	NO.	2	PLANT & MACHINERY		114-617-180		
18	PRE RECTIFIER COL. CONDENSER 2	NO.	2	PLANT & MACHINERY		114-617-180		
19	PRE RECTIFIER COLUMN VENT CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
20	EXHAUST COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
21	PRC FUSEL OIL COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
22	EXTRACTIVE DISTILLATION COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
23	RECTIFIER CUM EXHAUST COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
24	RECTIFI CUM EXHAUST COLUMN PCV CONDENSOR	NO.	2	PLANT & MACHINERY		114-617-180		
25	RECTIFIER COLUMN FUSEL OIL COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
26	RECTIFIER COLUMN ENA COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
27	RECTIFIER COLUMN FEED PREHEATER	NO.	2	PLANT & MACHINERY		114-617-180		
28	DM-WATER-PRE-HEATER	NO.	2	PLANT & MACHINERY		114-617-180		
29	RECTIFIER LESS COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
30	FOC COL. CONDENSER 1	NO.	2	PLANT & MACHINERY		114-617-180		
31	FOC COL. CONDENSER 2	NO.	2	PLANT & MACHINERY		114-617-180		
32	FO COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
33	FOC COL. REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
34	RECYCLE-SPENT-WASH-COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
35	SIMMERING COLUMN CONDENSOR-I	NO.	2	PLANT & MACHINERY		114-617-180		
36	SIMMERING COLUMN CONDENSOR-II	NO.	2	PLANT & MACHINERY		114-617-180		
37	SIMMERING COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
38	SIMMERING REBOILER VENT CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
39	PRODUCT COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
40	TA COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
41	VACCUM PUMP SEALING WATER COOLER	NO.	2	PLANT & MACHINERY		114-617-180		
42	VAPOR BOTTLE FOR ANALYSER REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
43	VAPOR BOTTLE ANA REBOILER VENT CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
44	VAPOR BOTTLE DEGASSI. COL. CONDENSER 1	NO.	2	PLANT & MACHINERY		114-617-180		
45	VAPOR BOTTLE DEGASSI. COL. CONDENSER 2	NO.	2	PLANT & MACHINERY		114-617-180		
46	VAPOR BOTTLE FOR PRC CONDENSOR - I	NO.	2	PLANT & MACHINERY		114-617-180		
47	VAPOR BOTTLE FOR PRC CONDENSOR - II	NO.	2	PLANT & MACHINERY		114-617-180		
48	VAPOR BOTTLE FOR PRE-RECTIFIER VENT COND	NO.	2	PLANT & MACHINERY		114-617-180		
49	VAPOR BOTTLE-EXHAUST COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
50	FEED BOTTLE-EXTRACTIVEDISTILLATIONCOLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
51	MANOMETER BOTTLE FOR ED COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
52	VAPOR BOTTLE RECTIFIER PCV CONDENSER	NO.	2	PLANT & MACHINERY		114-617-180		
53	VAPOR BOTTLE FOC COL.CONDENSER 1	NO.	2	PLANT & MACHINERY		114-617-180		
54	VAPOR BOTTLE FOC COL.CONDENSER 2	NO.	2	PLANT & MACHINERY		114-617-180		
55	MANOMETER BOTTLE FOC COL.	NO.	2	PLANT & MACHINERY		114-617-180		
56	VAPOR BOTTLE-SIMMERING CONDENSER I	NO.	2	PLANT & MACHINERY		114-617-180		

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
57	VAPOR BOTTLE-SIMMERING CONDENSER II	NO.	2	PLANT & MACHINERY		114-617-180		
58	VAPOR BOTTLE SIMMERING COLUMN REBOILER	NO.	2	PLANT & MACHINERY		114-617-180		
59	VAPOR BOTTLE FOR SIMM REBOILER VENT COND	NO.	2	PLANT & MACHINERY		114-617-180		
60	MANOMETER BOTTLE FOR SIMMERING COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
61	TA COLLECTION BOTTLE	NO.	2	PLANT & MACHINERY		114-617-180		
62	SPENT WASH PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
63	ANALYSER FLASH TANK TRAN PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
64	LEES TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
65	PRC DRAW PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
66	FUSEL-OIL-DRAW-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
67	FUSEL OIL WASHING PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
68	PRE-RECTIFIER-COLUMN-BOTTOM-PUMP&MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
69	VACUUM PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
70	EXHAUST-COLUMN-BOTTOM-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
71	PRC REFLUX PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
72	ED COLUMN CONDENSATE TRANSFER PUMP&MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
73	E D-COLUMN-BOTTOM-TRANSFER-PUMP-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
74	RECT CUM EXH COL REFLUX PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
75	SPENT LEES TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
76	FOC COLUMN REFLUX TRANSF PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
77	RECYCLE-SPENT-WASH-TRANSFER-PUMP-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
78	ENA TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
79	SIMMERING-REFLUX-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
80	VP SEALING WATER RECIRC PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
81	STEAM CONDENSATE TRANSFER PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
82	GAS SEPARATOR FOR ANALYSER COLUMN	NO.	2	PLANT & MACHINERY		114-617-180		
83	PRC FUSEL OIL DECANTER	NO.	2	PLANT & MACHINERY		114-617-180		
84	FOC COLUMN FUSEL OIL DECANTOR	NO.	2	PLANT & MACHINERY		114-617-180		
85	ANALYSER COLUMN FLASH TANK	NO.	2	PLANT & MACHINERY		114-617-180		
86	SPENT LEES COLLECTION TANK	NO.	2	PLANT & MACHINERY		114-617-180		
87	PRC DRAW TANK	NO.	2	PLANT & MACHINERY		114-617-180		
88	FO DRAW TANK	NO.	2	PLANT & MACHINERY		114-617-180		
89	F O WASHING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
90	SEAL POT	NO.	2	PLANT & MACHINERY		114-617-180		
91	PRC REFLUX TANK	NO.	2	PLANT & MACHINERY		114-617-180		
92	ED / PURIFIER COLUMN CONDENSATE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
93	RECTIFIER CUM EXHAUST COLUMN REFLUX TANK	NO.	2	PLANT & MACHINERY		114-617-180		
94	FOC COLUMN REFLUX TANK	NO.	2	PLANT & MACHINERY		114-617-180		
95	SIMMERING COLUMN REFLUX TANK	NO.	2	PLANT & MACHINERY		114-617-180		
96	VACUUM PUMP SEALING WATER TANK	NO.	2	PLANT & MACHINERY		114-617-180		
97	STEAM CONDENSATE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
98	SPENT WASH HOLDING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
99	FOC SIPHON	NO.	2	PLANT & MACHINERY		114-617-180		
IV	SPENT WASH HANDLING SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY (One)			114-617-180		
1	SLUDGE-TRANSFER-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
2	SPENT-WASH-FEED-PUMP-&-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
3	CLARIFIED SPENT WASH TRANSF PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
4	DECANTER	NO.	2	PLANT & MACHINERY		114-617-180		
5	SLUDGE TROUGH	NO.	2	PLANT & MACHINERY		114-617-180		
6	SPENT CAKE HOPPER	NO.	2	PLANT & MACHINERY		114-617-180		

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Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
V	UTILITY SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	COOLING WATER CIRC PUMP & MOTOR - FERM	NO.	2	PLANT & MACHINERY		114-617-180		
2	COOLING WATER CIRC PUMP & MOTOR - DIST	NO.	2	PLANT & MACHINERY		114-617-180		
3	PROCESS-WATER-PUMP-MOTOR	NO.	3	PLANT & MACHINERY		114-617-180		
4	SOFT WATER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
5	DM WATER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
6	BLOW DOWN WATER TRANSFER PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
7	COOLING-TOWER-FOR-FERMENTATION-SECTION	NO.	2	PLANT & MACHINERY		114-617-180		
8	COOLING-TOWER-FOR-DISTILLATION-SECTION	NO.	2	PLANT & MACHINERY		114-617-180		
9	INSTRU AIR COMPRESSOR & DRYER WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
10	COOLING TOWER MESH- FERM SECTION	NO.	2	PLANT & MACHINERY		114-617-180		
11	MESH FOR COOLING TOWER - DISTILLATION	NO.	2	PLANT & MACHINERY		114-617-180		
12	POTABLE WATER TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
VI	RAW MOLASSES HANDLING SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	MOLASSES FILTER	NO.	2	PLANT & MACHINERY		114-617-180		
2	MOLASSES FILTER	NO.	2	PLANT & MACHINERY		114-617-180		
3	RAW MOLASSES TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
4	RAW MOLASSES TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
5	BULK MOLASSES TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
6	COOLING-WATER-RECIRC-PUMP-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
VII	CHEMICAL STORAGE SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	FUME ABSORBER FOR HNO3 ACID STORAGE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
2	FUME ABSORBER -HCL ACID STORAGE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
3	FUME ABSORBER -H2SO4 ACID STORAGE TANK	NO.	2	PLANT & MACHINERY		114-617-180		
4	TRANSFER PUMP WITH MOTOR FOR HNO3 ACID	NO.	2	PLANT & MACHINERY		114-617-180		
5	TRF PUMP WITH MOTOR FOR BULK CAUSTIC LYE	NO.	2	PLANT & MACHINERY		114-617-180		
6	TRANSFER PUMP WITH MOTOR FOR ANTIFOAM	NO.	2	PLANT & MACHINERY		114-617-180		
7	TRANSFER PUMP WITH MOTOR FOR HCL ACID	NO.	2	PLANT & MACHINERY		114-617-180		
8	SULPHURICACID BULK STORAGE PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
9	SCRUB WATER RECIRC & TRANSF PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
10	BULK STORAGE OF HYDROCHLORIC ACID	NO.	2	PLANT & MACHINERY		114-617-180		
VIII	WATER TREATMENT SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	FILTER BACKWASH PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
2	NaOCl DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
3	NAOCl DOSING PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
4	MULTI GRADE FILTER	NO.	2	PLANT & MACHINERY		114-617-180		
5	ACTIVATED CARBON FILTER	NO.	2	PLANT & MACHINERY		114-617-180		
6	BLOWER FOR DMF WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
7	SOFTENER FEED PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
8	SOFTENER	NO.	2	PLANT & MACHINERY		114-617-180		
9	SAC FEED PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
10	STRONG ACID CATION EXCHANGER	NO.	2	PLANT & MACHINERY		114-617-180		
11	STRONG BASE ANION EXCHANGER	NO.	2	PLANT & MACHINERY		114-617-180		
12	BRINE DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
13	ALKALI DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
14	ACID DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
15	RAW WATER TRANSFER PUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
IX	EFFLUENT TREATMENT SECTION PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	SPARK IGINATION SYSTEM	NO.	2	PLANT & MACHINERY		114-617-180		
2	BELT SKIMMER WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
3	BAR SCREEN	NO.	2	PLANT & MACHINERY		114-617-180		
4	ALKALI DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		



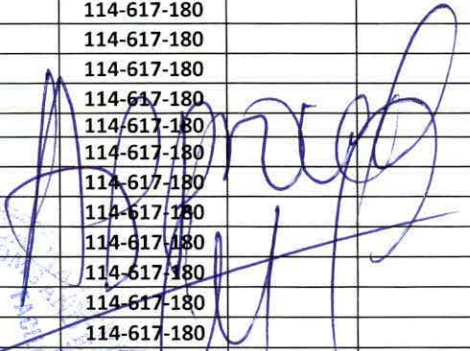
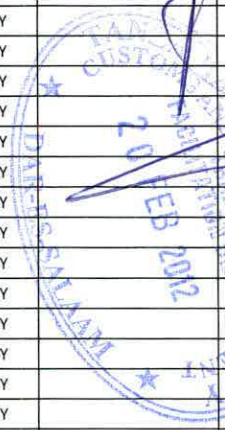
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Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
5	PANIC POND TRANSFER PUMPS WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
6	STATIC MIXER	NO.	2	PLANT & MACHINERY		114-617-180		
7	ALKALI DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
8	AGITATOR-FLOCCULENT DOSING TANK & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
9	NUTRIENT DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
10	NUTRIENT-DOSING-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
11	AGITATOR-NUTRIENT DOSING TANK WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
12	MECHANICAL PVRV	NO.	2	PLANT & MACHINERY		114-617-180		
13	FLAME ARRESTER	NO.	2	PLANT & MACHINERY		114-617-180		
14	NUTRIENT DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
15	NUTRIENT-DOSING-PUMP-WITH-MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
16	AGITATOR-NUTRIENT DOSING TANK WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
17	AGITATOR FOR SLUDGE SUMP WITH MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
18	TREATED EFFLUENT TRANSFER PUMP & MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
19	COARSE DIFFUSERS IN EQT	NO.	2	PLANT & MACHINERY		114-617-180		
20	BLOWER IN EQT WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
21	TRANSFER PUMPS NEAR EQT WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
22	ALKALI DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
23	FLOCCULATOR	NO.	2	PLANT & MACHINERY		114-617-180		
24	AGITATOR FOR FLOCCULATOR & DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
25	TUBE SETTLER	NO.	2	PLANT & MACHINERY		114-617-180		
26	FLOCCULENT DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
27	FLOCCULENT DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
28	POLY DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
29	POLY DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
30	POLY DOSING AGITATOR WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
31	FINE BUBBLE DIFFUSERS IN AERATION TANK	NO.	2	PLANT & MACHINERY		114-617-180		
32	BLOWER FOR AERATION TANK & DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
33	CENTRIFUGE FEED PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
34	CENTRIFUGE MACHINE WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
35	SPARE DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
36	MBR SYSTEM (COMPRISES OF MEMBRANES, RAS PUMPS, PERMEATE PUMP, PIPING MATERIAL, VALVES, AIR SCOURING BLOWER, MOVING ARM, EJECTOR, SCREEN, PLC SYSTEM WITH PC AND MONITOR, PERMEATE TRANSFER PUMP, ELECTRICAL CABLES & TRAYS, INSTRUMENTATION CABLES, TRAYS ETC	NO.		PLANT & MACHINERY		114-617-180		
37	ECOMET - SB FEED PUMPS WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
38	ECOMET - SB G-L-S-S (TOP DOMES)	NO.	2	PLANT & MACHINERY		114-617-180		
39	ECOMET - SB G-L-S-S (MIDDLE DOMES)	NO.	2	PLANT & MACHINERY		114-617-180		
40	ECOMET - SB G-L-S-S (LOWER DOMES)	NO.	2	PLANT & MACHINERY		114-617-180		
41	ECOMET - SB G-L-S-S (GUTTERS)	NO.	2	PLANT & MACHINERY		114-617-180		
42	ALKALI DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
43	POLY DOSING TANK	NO.	2	PLANT & MACHINERY		114-617-180		
44	POLY DOSING PUMP WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
45	POLY DOSING AGITATOR WITH DRIVE MOTOR	NO.	2	PLANT & MACHINERY		114-617-180		
46	FLARE STACK	NO.	2	PLANT & MACHINERY		114-617-180		
X	COMMON SECTIONS FOR ENTIRE PLANT WITH ACCESSORIES COMPRISING OF		QUANTITY - (One)			114-617-180		
1	<u>LABORATORY-EQUIPMENTS COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
1.01	GC with FID Detector and Auto Sampler 8400 with 10ul Hamilton syringes	NO.	2	PLANT & MACHINERY		114-617-180		
1.02	Syringe for manual injections	NO.	2	PLANT & MACHINERY		114-617-180		
1.03	Capillary Column	NO.	2	PLANT & MACHINERY		114-617-180		
1.04	Density Meter -	NO.	2	PLANT & MACHINERY		114-617-180		
1.05	pH meter	NO.	2	PLANT & MACHINERY		114-617-180		
1.06	Drying Oven	NO.	2	PLANT & MACHINERY		114-617-180		

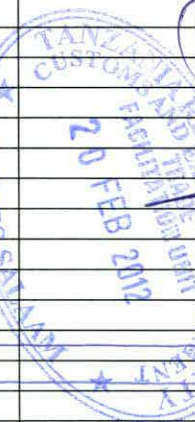
Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
1.07	Steam Bath with evaporating basins	NO.	2	PLANT & MACHINERY		114-617-180		
1.08	UV/Vis Spectrophotometer	NO.	2	PLANT & MACHINERY		114-617-180		
1.09	Analytical Balance with calibrated weights	NO.	2	PLANT & MACHINERY		114-617-180		
1.1	Conductivity Meter	NO.	2	PLANT & MACHINERY		114-617-180		
1.11	GC with ECD Detector fitted with capillary column	NO.	2	PLANT & MACHINERY		114-617-180		
1.12	Distilled Water Unit	NO.	2	PLANT & MACHINERY		114-617-180		
1.13	Drying oven or drying rack	NO.	2	PLANT & MACHINERY		114-617-180		
1.14	Glass burette	NO.	2	PLANT & MACHINERY		114-617-180		
1.15	Round bottom flask	NO.	2	PLANT & MACHINERY		114-617-180		
1.16	Erlenmeyer flasks	NO.	2	PLANT & MACHINERY		114-617-180		
1.17	Graduated glass pipettes	NO.	2	PLANT & MACHINERY		114-617-180		
1.18	Volumetric flasks	NO.	2	PLANT & MACHINERY		114-617-180		
1.19	Glass beakers	NO.	2	PLANT & MACHINERY		114-617-180		
1.2	Glass measuring cylinder	NO.	2	PLANT & MACHINERY		114-617-180		
1.21	UV cells	NO.	2	PLANT & MACHINERY		114-617-180		
1.22	Conway flask	NO.	2	PLANT & MACHINERY		114-617-180		
1.23	Desiccator	NO.	2	PLANT & MACHINERY		114-617-180		
1.24	Fridge	NO.	2	PLANT & MACHINERY		114-617-180		
1.25	Dish washer	NO.	2	PLANT & MACHINERY		114-617-180		
1.26	Chemical storage room with poison cupboard	NO.	2	PLANT & MACHINERY		114-617-180		
1.27	Gas storage area outside laboratory with gas lines to the necessary equipment	NO.	2	PLANT & MACHINERY		114-617-180		
1.28	Fume hood	NO.	2	PLANT & MACHINERY		114-617-180		
2	<u>WEIGH BRIDGE COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
2.1	Load cells	No	8	PLANT & MACHINERY		114-617-180		
2.2	Display	No	2	PLANT & MACHINERY		114-617-180		
2.3	Real time clock	No	2	PLANT & MACHINERY		114-617-180		
2.4	PC with Monitor, Printer, cables	No	2	PLANT & MACHINERY		114-617-180		
2.5	Jumbo display	No	2	PLANT & MACHINERY		114-617-180		
2.6	Weigh Bridge structural	No	2			114-617-180		
2.7	Weight Bridge Platform	No	2			114-617-180		
3	SPARE PARTS FOR START-UP & COMMISSIONING <u>(DETAILS WILL BE INFORMED AFTER DETAIL ENGINEERING)</u>	NO.	2	PLANT & MACHINERY		114-617-180		
4	SPARE PARTS FOR 2 YEARS OPERATION <u>(DETAILS WILL BE INFORMED AFTER DETAIL ENGINEERING)</u>	NO.	2	PLANT & MACHINERY		114-617-180		
5	<u>NOZZLE FOR SITE FABRICATED ITEMS COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
5.01	Stainless Steel Manhole	NO.	60	PLANT & MACHINERY		114-617-180		
5.04	Sight Glass / Light Glass	NO.	25	PLANT & MACHINERY		114-617-180		
5.05	Name Plate	NO.	35	PLANT & MACHINERY		114-617-180		
5.06	Flushing Nozzle	NO.	25	PLANT & MACHINERY		114-617-180		
5.07	Socket for Thermowell	NO.	25	PLANT & MACHINERY		114-617-180		
5.08	Earthing Boss	NO.	70	PLANT & MACHINERY		114-617-180		
5.09	Teflon Bush	NO.	20	PLANT & MACHINERY		114-617-180		
5.1	Level Indicator	NO.	25	PLANT & MACHINERY		114-617-180		
5.11	Stainless Steel Wire Mesh	NO.	20	PLANT & MACHINERY		114-617-180		
5.14	Washing System for Foam Sensor	NO.	20	PLANT & MACHINERY		114-617-180		



Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
5.15	Stainless Steel Barrel Nipple	NO.	30	PLANT & MACHINERY		114-617-180		
5.16	Reducer	NO.	26	PLANT & MACHINERY		114-617-180		
5.18	MS Flange	NO.	200	PLANT & MACHINERY		114-617-180		
5.19	Plug	NO.	26	PLANT & MACHINERY		114-617-180		
5.28	Stainless Steel Pipe	Mtr	24	PLANT & MACHINERY		114-617-180		
5.33	Spool pipe piece	NO.	25	PLANT & MACHINERY		114-617-180		
5.35	SS Channel	Mtr	409	PLANT & MACHINERY		114-617-180		
5.38	Socket & Spray Plug Assly	NO.	70	PLANT & MACHINERY		114-617-180		
5.441	Stainless Steel Stubends	NO.	50	PLANT & MACHINERY		114-617-180		
5.486	Gaskets	NO.	200	PLANT & MACHINERY		114-617-180		
5.531	SMS union with Blind	NO.	30	PLANT & MACHINERY		114-617-180		
5.576	Hardware	NO.	2000	PLANT & MACHINERY		114-617-180		
5.621	stainless steel bend	NO.	30	PLANT & MACHINERY		114-617-180		
5.666	Mild Steel Bends	NO.	30	PLANT & MACHINERY		114-617-180		
5.711	Mild Steel Pipe	NO.	24	PLANT & MACHINERY		114-617-180		
5.756	Stainless Steel Angle	MT	2	PLANT & MACHINERY		114-617-180		
6	<u>FIRE FIGHTING SYSTEM COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
6.1	Double Headed Fire Hydrant Valves	NO.	35	PLANT & MACHINERY		114-617-180		
6.2	Double Door MS HOSE BOX	NO.	35	PLANT & MACHINERY		114-617-180		
6.3	Stand post type Swiveling type Water Monitor With nozzles	NO.	5	PLANT & MACHINERY		114-617-180		
6.4	Hose Reel	NO.	25	PLANT & MACHINERY		114-617-180		
6.5	WATER DELUGE SYSTEM (COMPRISES OF)			PLANT & MACHINERY		114-617-180		
6.6	Mild Steel Pipes	Mtr	4000	PLANT & MACHINERY		114-617-180		
6.12	Butterfly Valve	No.	30	PLANT & MACHINERY		114-617-180		
6.16	Cast Iron 'Y' strainer	No.	20	PLANT & MACHINERY		114-617-180		
6.19	Medium Velocity water spray nozzle	No.	300	PLANT & MACHINERY		114-617-180		
6.22	Q B detector	No.	300	PLANT & MACHINERY		114-617-180		
6.23	steel ball valve	No.	30	PLANT & MACHINERY		114-617-180		
6.24	Structural support for spray piping	KG	3500	PLANT & MACHINERY		114-617-180		
6.25	Drain point	No.	5	PLANT & MACHINERY		114-617-180		
6.26	Pressure Guages	No.	20	PLANT & MACHINERY		114-617-180		
6.27	Foam Chamber with vapour seal	No.	20	PLANT & MACHINERY		114-617-180		
6.28	Foam deflector	No.	20	PLANT & MACHINERY		114-617-180		
6.3	Foam tank	No.	2	PLANT & MACHINERY		114-617-180		
6.32	Alcohol resistant AFFF Foam	Ltr.	2500	PLANT & MACHINERY		114-617-180		
6.33	In-Line Foam Inductor	No.	25	PLANT & MACHINERY		114-617-180		
6.34	Mild Steel Bends	No.	200	PLANT & MACHINERY		114-617-180		
6.36	Structural supports for above ground pipe	KG	2000	PLANT & MACHINERY		114-617-180		
6.4	NRV	No.	25	PLANT & MACHINERY		114-617-180		
6.42	Butter Fly valves	No.	25	PLANT & MACHINERY		114-617-180		
6.43	Hardware	NO.	3000	PLANT & MACHINERY		114-617-180		
6.45	Gaskets	No.	200	PLANT & MACHINERY		114-617-180		
6.46	Flanges	No.	200	PLANT & MACHINERY		114-617-180		
6.47	Mild Steel Reducers	No.	200	PLANT & MACHINERY		114-617-180		
6.49	Control Panel	No.	2	PLANT & MACHINERY		114-617-180		
7	<u>CMS BLADDER COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
7.01	GeoSynthetic Clay Liner	SQ Meter	6000	PLANT & MACHINERY		114-617-180		
7.02	HDPE Liner	SQ Meter	6000	PLANT & MACHINERY		114-617-180		
7.03	Angle	Meter	500	PLANT & MACHINERY		114-617-180		
7.04	Pipes	NO	20	PLANT & MACHINERY		114-617-180		
7.05	Rain water removal Pump	NO	2	PLANT & MACHINERY		114-617-180		
8	<u>PIPES AND PIPE FITTINGS COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
8.01	Stainless Steel Pipes	Mtr	6900	PLANT & MACHINERY		114-617-180		
8.02	Flanges	Nos	5250	PLANT & MACHINERY		114-617-180		
8.03	Stainless Steel Elbow	Nos	2870	PLANT & MACHINERY		114-617-180		
8.04	Stubend	Nos	3770	PLANT & MACHINERY		114-617-180		
8.05	Stainless Steel U Clamp	Nos	2230	PLANT & MACHINERY		114-617-180		
8.06	Stainless Steel Tee	Nos	260	PLANT & MACHINERY		114-617-180		
8.07	Stainless Steel Half Coupling	Nos	30	PLANT & MACHINERY		114-617-180		
8.08	Stainless Steel Socket	Nos	230	PLANT & MACHINERY		114-617-180		
8.09	Stainless Steel Nipples	Nos	460	PLANT & MACHINERY		114-617-180		
8.1	CS Pipe	Mtr	5820	PLANT & MACHINERY		114-617-180		
8.11	Mild Steel Elbow	Nos	2230	PLANT & MACHINERY		114-617-180		
8.12	Mild Steel Tee	Nos	90	PLANT & MACHINERY		114-617-180		
8.13	Mild Steel Half Coupling	Nos	30	PLANT & MACHINERY		114-617-180		
8.14	Mild Steel Socket	Nos	260	PLANT & MACHINERY		114-617-180		
8.15	Mild Steel Nipples	Nos	250	PLANT & MACHINERY		114-617-180		
8.16	GI U Clamp	Nos	700	PLANT & MACHINERY		114-617-180		
8.17	Gasket	Nos	3360	PLANT & MACHINERY		114-617-180		
8.18	Mild Steel & Stainless Steel Reducer	Nos	830	PLANT & MACHINERY		114-617-180		
8.19	Piping supporting Material	MT	20	PLANT & MACHINERY		114-617-180		
8.2	PVC-TUBE-Cu-COAT-PVC-6	Mtr	230	PLANT & MACHINERY		114-617-180		
8.21	PVC-TUBE-PVC-15NB	Mtr	220	PLANT & MACHINERY		114-617-180		
8.22	PVC-TUBE-PVC-25NB	Mtr	20	PLANT & MACHINERY		114-617-180		
8.23	FERRULE-NUT-BRASS	Nos	260	PLANT & MACHINERY		114-617-180		
8.24	Stainless Steel Plug	Nos	200	PLANT & MACHINERY		114-617-180		
8.25	HOSE	Nos	200	PLANT & MACHINERY		114-617-180		
8.26	SMS UNION-SET WITH BLANK	Nos	50	PLANT & MACHINERY		114-617-180		
8.27	StainLess Steel Spectacal BLIND	Nos	20	PLANT & MACHINERY		114-617-180		
8.28	TEFLON-TAPE	Nos	70	PLANT & MACHINERY		114-617-180		
8.29	M-SEAL	KG	20	PLANT & MACHINERY		114-617-180		
8.3	Pump Oil	Lit	20	PLANT & MACHINERY		114-617-180		
8.31	Grease	Kg	20	PLANT & MACHINERY		114-617-180		
8.32	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
9	<u>VALVES COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
9.01	Stainless Steel Ball Valve	Nos	2460	PLANT & MACHINERY		114-617-180		
9.02	Stainless Steel Globe Valve	Nos	30	PLANT & MACHINERY		114-617-180		
9.03	Stainless Steel Butterfly Valve	Nos	420	PLANT & MACHINERY		114-617-180		
9.04	Stainless Steel NRV	Nos	200	PLANT & MACHINERY		114-617-180		
9.05	Stainless Steel gate Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.06	Stainless Steel Diap. Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.07	Stainless Steel Needle Valve	Nos	200	PLANT & MACHINERY		114-617-180		



Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
9.08	Mild Steel Ball Valve	Nos	290	PLANT & MACHINERY		114-617-180		
9.09	Mild Steel Globe Valve	Nos	40	PLANT & MACHINERY		114-617-180		
9.1	Mild Steel Butterfly Valve	Nos	230	PLANT & MACHINERY		114-617-180		
9.11	Mild Steel NRV	Nos	60	PLANT & MACHINERY		114-617-180		
9.12	Mild Steel gate Valve	Nos	200	PLANT & MACHINERY		114-617-180		
9.13	Pressure safety Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.14	Vaccum Relief Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.15	Foot Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.16	Float Valve	Nos	20	PLANT & MACHINERY		114-617-180		
9.17	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
10	<u>PAINTING COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
10.01	Paint	liters	20000	PLANT & MACHINERY		114-617-180		
10.02	Thinner	liters	6000	PLANT & MACHINERY		114-617-180		
10.03	Primer	liters	5000	PLANT & MACHINERY		114-617-180		
11	<u>ELECTRICAL COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
11.01	6.6 KV transformer	No	2	PLANT & MACHINERY		114-617-180		
11.02	PCC Panel	No	2	PLANT & MACHINERY		114-617-180		
11.03	Earth Pit (GI / Copper plate / pipe electrode) -		60	PLANT & MACHINERY		114-617-180		
11.04	Street Light fittings	No	50	PLANT & MACHINERY		114-617-180		
11.05	Structural Steel for tray supports, Panel supports & PB / Lighting supports	Tonnes	20	PLANT & MACHINERY		114-617-180		
11.06	MCC Panel	No	20	PLANT & MACHINERY		114-617-180		
11.07	MLDB (Plant lighting)	No	2	PLANT & MACHINERY		114-617-180		
11.08	MLDB (Yard lighting)	No	2	PLANT & MACHINERY		114-617-180		
11.09	LDB	No	20	PLANT & MACHINERY		114-617-180		
11.1	Lightning arrestor -	No	5	PLANT & MACHINERY		114-617-180		
11.11	Epoxy Insulator	Nos.	2270	PLANT & MACHINERY		114-617-180		
11.12	Push button stations	Nos.	370	PLANT & MACHINERY		114-617-180		
11.13	Junction Boxes	Nos.	200	PLANT & MACHINERY		114-617-180		
11.14	DOL starters	Nos.	20	PLANT & MACHINERY		114-617-180		
11.15	Electric lamps	Nos.	50	PLANT & MACHINERY		114-617-180		
11.16	32 amp, 1 ph / 3 ph plug-socket	Nos.	20	PLANT & MACHINERY		114-617-180		
11.17	Rubber mat	Nos.	30	PLANT & MACHINERY		114-617-180		
11.18	Danger Boards(to be locally procured by contractor)	Nos.	20	PLANT & MACHINERY		114-617-180		
11.19	Bus duct from Transformer to PCC	Nos.	2	PLANT & MACHINERY		114-617-180		
11.2	FLP / WP On-Off Rotary Switch	Nos.	60	PLANT & MACHINERY		114-617-180		
11.21	FLP / WP junction box	Nos.	280	PLANT & MACHINERY		114-617-180		
11.22	Cable	Mtr	43360	PLANT & MACHINERY		114-617-180		
11.23	Gland	Nos	2200	PLANT & MACHINERY		114-617-180		
11.24	Lugs	Nos	2200	PLANT & MACHINERY		114-617-180		
11.25	Cable Tray - SS / GI / Powder coated, Perforated	Mtr	6890	PLANT & MACHINERY		114-617-180		
11.26	Earthing Conductor	Nos	9020	PLANT & MACHINERY		114-617-180		
11.27	Lighting Fixture	Nos	570	PLANT & MACHINERY		114-617-180		
11.28	Hardwares (Nut, Bolts & Washers)	Nos	20000	PLANT & MACHINERY		114-617-180		
12	<u>PRE-FABRICATED-STRUCTURE COMPRISING in CKD form</u>	Structures	7	PLANT & MACHINERY		114-617-180		
13	<u>INSULATION-AND-CLADDING COMPRISING OF</u>	NO.		PLANT & MACHINERY		114-617-180		
13.01	Mineral Wool	Sq.m	8000	PLANT & MACHINERY		114-617-180		

Handwritten signature: *M. Prasad*

Official stamp: CUSTOMS EXEMPTION AUTHORITY, CHENNAI, dated 20 FEB 2012.

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
13.02	Binding Wire	KG	350	PLANT & MACHINERY		114-617-180		
13.03	Self Tapping Screws	Nos	200000	PLANT & MACHINERY		114-617-180		
13.04	Aluminium Cladding	KG	9500	PLANT & MACHINERY		114-617-180		
13.05	Wire Mesh	KG	200	PLANT & MACHINERY		114-617-180		
14	<u>INSTRUMENTATION&CONTROL SYSTEM COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		
14.01	DCS Panel	No	2	PLANT & MACHINERY		114-617-180		
14.02	Cables	Mtr	20500	PLANT & MACHINERY		114-617-180		
14.03	Glands	Nos	2050	PLANT & MACHINERY		114-617-180		
14.04	Lugs	Nos	2050	PLANT & MACHINERY		114-617-180		
14.05	Cable Tray - GI / Powder coated, Perforated	Mtr	2570	PLANT & MACHINERY		114-617-180		
14.06	WP/FLP Junction box	Nos	90	PLANT & MACHINERY		114-617-180		
14.07	SS tube - upto 1/2"	Mtr	550	PLANT & MACHINERY		114-617-180		
14.08	Copper tube - upto 1/4"	Mtr	390	PLANT & MACHINERY		114-617-180		
14.09	RTD with Temp. Transmitter	Nos	290	PLANT & MACHINERY		114-617-180		
14.1	Temp. Gauges.	Nos	50	PLANT & MACHINERY		114-617-180		
14.11	Pressure Gauge	Nos	250	PLANT & MACHINERY		114-617-180		
14.12	Vaccum Gauge	Nos	2	PLANT & MACHINERY		114-617-180		
14.13	Control Valve (B/F,with ZT,Globe)	Nos	70	PLANT & MACHINERY		114-617-180		
14.14	Air Filter Regulator	Nos	70	PLANT & MACHINERY		114-617-180		
14.15	Pneumatic Atuuated Valves (On/off)	Nos	20	PLANT & MACHINERY		114-617-180		
14.16	Flow Transmeter	Nos	20	PLANT & MACHINERY		114-617-180		
14.17	Level Transmitter	Nos	40	PLANT & MACHINERY		114-617-180		
14.18	Pressure Transmitter	Nos	20	PLANT & MACHINERY		114-617-180		
14.19	Vortex Flowmeter	Nos	20	PLANT & MACHINERY		114-617-180		
14.2	Mag. Flowmeter	Nos	20	PLANT & MACHINERY		114-617-180		
14.21	P.D.Meter	Nos	3	PLANT & MACHINERY		114-617-180		
14.22	Rotameter	Nos	50	PLANT & MACHINERY		114-617-180		
14.23	PRDS system	Nos	2	PLANT & MACHINERY		114-617-180		
14.24	PRDS Contro Panel	Nos	2	PLANT & MACHINERY		114-617-180		
14.25	Pressure Switch	Nos	20	PLANT & MACHINERY		114-617-180		
14.26	Level Switch	Nos	20	PLANT & MACHINERY		114-617-180		
14.27	Electronic Weighing System. (Incl. Junction Box)	Nos	2	PLANT & MACHINERY		114-617-180		
14.28	Control Panel for Weighing System	Nos	2	PLANT & MACHINERY		114-617-180		
14.29	UPS with PC Installation	Nos	2	PLANT & MACHINERY		114-617-180		
14.3	Conductivity transmitter	Nos	20	PLANT & MACHINERY		114-617-180		
14.31	Density meter	Nos	20	PLANT & MACHINERY		114-617-180		
14.32	Mass flow meter	Nos	20	PLANT & MACHINERY		114-617-180		
14.33	Float Switch	Nos	30	PLANT & MACHINERY		114-617-180		
14.34	Proximity Switch	Nos	20	PLANT & MACHINERY		114-617-180		
14.35	Pressure Reducing Station	Nos	2	PLANT & MACHINERY		114-617-180		
14.36	Solenoid Valves	Nos	50	PLANT & MACHINERY		114-617-180		
14.37	Alcohol Despensing System	Nos	2	PLANT & MACHINERY		114-617-180		
14.38	Orifice	Nos	30	PLANT & MACHINERY		114-617-180		
14.39	Air Compressor with Dryer	Nos	2	PLANT & MACHINERY		114-617-180		
15	<u>SUPPLY-RAW MATERIAL-SITE FABRICATED EQPT COMPRISING OF</u>	NO.	2	PLANT & MACHINERY		114-617-180		



Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
15.01	Stainless Steel Coil	MT	60	PLANT & MACHINERY		114-617-180		
15.02	Stainless Steel Plate	MT	55	PLANT & MACHINERY		114-617-180		
15.03	Stainless Steel Rafter	Mtr	500	PLANT & MACHINERY		114-617-180		
15.04	Stainless Steel Backing Strip	MT	2	PLANT & MACHINERY		114-617-180		
15.05	Stainless Steel Angle	MT	2	PLANT & MACHINERY		114-617-180		
15.06	Mild Steel Plate	MT	300	PLANT & MACHINERY		114-617-180		
15.07	Mild Steel Channel	MT	30	PLANT & MACHINERY		114-617-180		
15.08	Mild Steel Angle	MT	70	PLANT & MACHINERY		114-617-180		
15.09	Mild Steel Backing Strip	MT	3	PLANT & MACHINERY		114-617-180		
15.1	Mild Steel Beam	MT	4	PLANT & MACHINERY		114-617-180		
15.11	Mild Steel Flat	MT	2	PLANT & MACHINERY		114-617-180		
15.12	Gratings	Sq Mtr	500	PLANT & MACHINERY		114-617-180		
15.13	Nuts and Bolts , Washers and Gaskets	No.	2000	PLANT & MACHINERY		114-617-180		
15.14	Railing	Mtr.	500	PLANT & MACHINERY		114-617-180		
15.15	Re-enforcement Steel 8mm DIA	MT	120	PLANT & MACHINERY		114-617-180		
15.16	Re-enforcement Steel 10mm DIA	MT	100	PLANT & MACHINERY		114-617-180		
15.17	Re-enforcement Steel 12mm DIA	MT	100	PLANT & MACHINERY		114-617-180		
15.18	Re-enforcement Steel 16mm DIA	MT	40	PLANT & MACHINERY		114-617-180		
15.19	Re-enforcement Steel 20mm DIA	MT	30	PLANT & MACHINERY		114-617-180		
15.2	Re-enforcement Steel 25mm DIA	MT	10	PLANT & MACHINERY		114-617-180		





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We CAIRN MATHEW BENNIE
(director/directors/agent of ILLOVO DISTILLERS (TANZANIA) LIMITED)
(name of business enterprise) apply for registration of

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at MSOLWA ADMINISTRATION OFFICES
KILOMBERO SUGAR ESTATES, KIDATU, MOROGORO

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at THE REGISTERED OFFICE

4. The Principal Officers of the Company are PER ATTACHED

5. Auditors of the Company are DELOITTE + COMPANY, DAR ES SALAAM

6. The authorized share capital of the Company is Tshs./~~US\$~~ 40,000,000,000 (FORTY BILLION)
CONSISTING OF FOUR MILLION SHARES OF TSH10,000 EACH

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 33.2 MILLION
8. The month and day of the financial year end is MARCH 31

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, CAIRN MATHEW BENNIE of Post Office Number 8008 DAR ES SALAAM

..... do solemnly and sincerely declare that I am a ~~director~~/duly authorized agent of ILLOVO DISTILLERS (TANZANIA) LIMITED

- AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }

The 18 day of NOVEMBER 2011 }



Applicant

Before me:

 **IMAM H. DAFFA**
ADVOCATE, NOTARY PUBLIC &
COMMISSIONER FOR OATHS
P. O. Box 38591, DAR ES SALAAM

.....
 Commissioner for Oaths

APPLICATION SUMMARY

Company Name: ILLOVO DISTILLERS (TANZANIA) LIMITED

Certificate of Incorporation Number: 85231 Status: NEW

Certificate of Incorporation Date: 18 AUGUST 2011

Post Box: 50

Town: KIDATI
MANUFACTURING

Sector: AGRICULTURE Sub-Sector: ALCOHOL DISTILLERY
SUGAR

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>TSH 40 BILLION</u>			<u>US \$ 11M</u>
<u>± US \$ 22.2M</u>			

Project Objectives: TO ADD VALUE TO MOLASSES (A WASTE PRODUCT FROM SUGAR CANE PRODUCTION), TO REPLACE IMPORTED PRODUCT (POTABLE ALCOHOL) AND TO CREATE A VIABLE MEANS OF DISPOSING OF MOLASSES TO AVERT ENVIRONMENTAL CONTAMINATION

Capacity: 11.6 MILLION LITRES OF POTABLE ALCOHOL

Employment: Foreign: 5 Local: 35 Total: 40

Implementation Period: 18 MONTHS TO MAY 2013

Project Location

Site/Plot/Block No.: FARM 105

Street: RUEMBE District: KILISA Region: MOROGORO

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>ILLOVO GROUP HOLDING</u>	<u>MADRITIAN</u>	<u>80</u>
<u>ED + F MAN GROUP</u>	<u>BRITISH</u>	<u>20</u>
.....
.....
.....

Investment Breakdown US\$/Tsh.M

Land/Building	0.7M
Plant	31.5M
Vehicles	0.1M
Furniture & Fittings	0.2M
Pre-expenses	
Others	
Working Capital	0.7M
TOTAL	33.2M

Contact Details:

Name: C. M. BENNIE

Title: COMPANY SECRETARY

Telephone: 0784-761244

Fax: 22-2110675

Email: jbennie@simbanet.net

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000

SKETCH MAP SHOWING PROJECT LOCATION



PER ATTACHED





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)

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(Made under Regulation 42)

To: The Executive Director
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(name of business enterprise) apply for registration of

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..... }

The 18 day of NOVEMBER 2011 }

Applicant

Before me:

 **IMAM H. DAFFA**
ADVOCATE, NOTARY PUBLIC &
COMMISSIONER FOR OATHS
P. O. Box 38591, DAR ES SALAAM

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Certificate of Incorporation Date: 18 AUGUST 2011

Post Box: 50

Town: KIDATI

Sector: AGRICULTURE

Sub-Sector: SUGAR

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Project Objectives: TO ADD VALUE TO MOLASSES (A WASTE PRODUCT FROM SUGAR CAN PRODUCTION), TO REPLACE IMPORTED PRODUCT (POTABLE ALCOHOL) AND TO CREATE A VIABLE MEANS OF DISPOSING OF MOLASSES TO AVERT ENVIRONMENTAL CONTAMINATION

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Site/Plot/Block No.: FARM 105

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(Attach sketch map showing project location)

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<u>ILLOVO GROUP HOLDING</u>	<u>MAYRITIAN</u>	<u>80</u>
<u>ED+F MAN GROUP</u>	<u>BRITISH</u>	<u>20</u>
.....
.....
.....

Investment Breakdown	US\$/ US\$ M
Land/Building	0.7M
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Vehicles	0.1M
Furniture & Fittings	0.2M
Pre-expenses	
Others	
Working Capital	0.7M
TOTAL	33.2M

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TANZANIA INVESTMENT CENTRE
 STANDARD CHARTERED BANK TANZANIA LTD.
 SWIFT ADDRESS: SCBLTZTX
 ACCOUNT NO.: 8702006002000

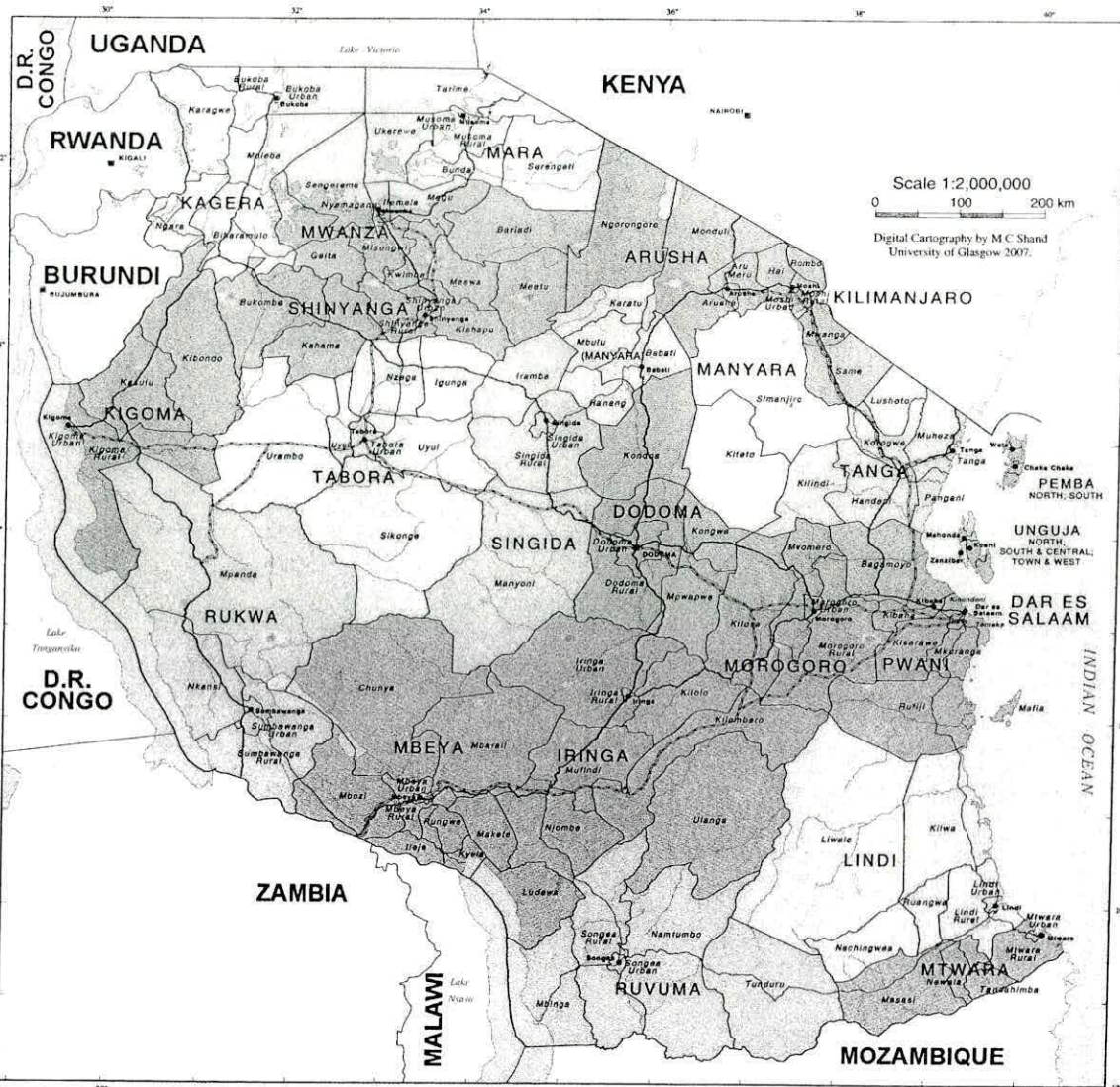
SKETCH MAP SHOWING PROJECT LOCATION

ANNEXURE A

PLAN OF THE LEASED PROPERTY REFERRED TO IN CLAUSE 1.1.13

RUEMBE SUGAR MILL





Scale 1:2,000,000
0 100 200 km
Digital Cartography by M.C. Shand
University of Glasgow 2007.

Standard Bank (Mauritius) Limited, Business Registration No. C07027404

Member of the Standard Bank Group Ltd.

Computer Generated Copy

Date range statement: 08/11/2011 - 16/11/2011

Account number 0140046029601	Account name ILLOVO GROUP HOLDINGS LTD	Account owner ILLOVO GROUP HOLDINGS LIMITED
Opening balance on 07/11/2011 20,442,633.55	Closing balance on 14/11/2011 20,442,633.55	Currency USD - US Dollar
Bank name Standard Bank (Mauritius) Limited	BIC (SWIFT) SBICMUMU	Sort code 220100
IBAN		

Date	Description	Debit	Credit	Value date	Running balance	Type	Originator reference
07/11/2011	Opening balance		20,442,633.55				
08/11/2011	Last uncleared balance		20,442,633.55				
08/11/2011	Opening balance		20,442,633.55				
09/11/2011	Last uncleared balance		20,442,633.55				
09/11/2011	Opening balance		20,442,633.55				
10/11/2011	Last uncleared balance		20,442,633.55				
10/11/2011	Opening balance		20,442,633.55				
11/11/2011	Last uncleared balance		20,442,633.55				
11/11/2011	Opening balance		20,442,633.55				
14/11/2011	Last uncleared balance		20,442,633.55				

End of date range statement

Page 1 of 1

Created 15/11/2011 10:49:08 MUT

Disclaimer

Standard Bank (Mauritius) Limited provides the information contained herein on an "as is" and "as available" basis. While Standard Bank (Mauritius) Limited makes every effort to ensure that the content of this report is accurate and complete, Standard Bank (Mauritius) Limited makes no representation or warranty, whether express or implied, as to the integrity, accuracy, completeness or reliability of any information contained herein.

CA 2143

(17)

DIF

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF LABOUR AND EMPLOYMENT

Telegrams : "KAZI AJIRA"
Telephone : 2110876/7
Fax: 2112054
E Mail: ps@kazi. go.tz.
In reply please quote:
Ref. No. AC:27/340/58



P. O. BOX 1422,
DAR ES SALAAM.

Noted
DIF
14/06/2013

07/06/2013

Managing Director,
Illovo Distillers (T) Ltd,
P.O.BOX 50,
DAR ES SALAAM



**RE: APPEAL AGAINST NON RECOMMENDATION FOR ISSUANCE OF
A WORK PERMIT TO MR. CHRISTIAN J. VANDEBERG**

Please refer to the above subject,

Having gone through your grounds of appeal and reasons adduced by the Labour Commissioner for not recommending issuance of work permit, I am of the considered view that there are valid and sufficient reasons to reject the appeal hence I hereby confirm the Labour Commissioner's decision not to grant a work permit.

.....
Gaudentia .M. Kabaka

Minister for Labour and Employment

Copy to: Labour Commissioner,
P.O.BOX 9014
Dar es salaam

Principal Commissioner for Immigration,
P.O.BOX 512
Dar es salaam

Executive Director,
Tanzania Investment Centre,
P.O.BOX 938,
Dar es salaam

TICC/PP.10/042143/17

01/02/2013

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042143**

M/S Illovo Distillers (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042143** which is valid up to **November 2014**

The company has been registered with objectives of establishing alcohol distillery plant.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TIC

Received on
29/1/13
M
TIC

16



ILLOVO DISTILLERS (TANZANIA) LIMITED

24th January 2013

Commissioner of Customs and Excise
Tanzania Revenue Centre,
P O Box 9053
Dar Es Salaam

P.O.Box 50, KIDATU,

MOROGORO, TANZANIA

TELEPHONE: (+255) 23 262 6011

FAX: (+255) 23 262 6188 / 262 6084

CRIMELINE: 0800 ILLOVO

WEBSITE: www.illovosugar.com

COMPANY NUMBER: 85231



UFS
The Executive Director
Tanzania Investment Centre,
PO Box 938,
Dar Es Salaam

Dear Sir/Madame

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS ON CERTIFICATE OF INCENTIVES NO: 04213 FOR ILLOVO DISTILLERS (TANZANIA) LIMITED – SUBMISSION NO 6.

Illovo Distillers (Tanzania) Limited, a subsidiary of Illovo Group Holdings Limited, has received the Certificate of Incentives No 042143 for the new distillery based on application - TIC 09674 which is valid up to November 2014.

The company has been registered with the objectives of adding value to molasses (a waste product from sugar production) to replace import product (potable alcohol) and to create a viable means of disposing of molasses to avert environmental contamination.

This is supplementary list no 6 Capital goods List (CGL) submission.

The contract is to construct, supply and erect – one unit complete distillery plant Value USD 33.2 million

Please find attached the following documentation in support of our application:-

1	2 Copies of the TIC Investment certificate no 042143	A
2	2 Copies of TIN Certificate no1095750	B
3	10 copies of the list of Items	C
4	1 Cd soft copy in excel format of list of items	D

We trust that you will look upon our request in a favorable light and look forward to hearing from you.

Kind regards

K Rowney
K Rowney
Project Financial Manager
(022-2626571; 0685863449; krowney@illovo.co.za)

DIRECTORS:

D.H. Carter-Brown G.I. Clark I.G. Parrott M.H. Abdool-Samad

File Original
Signature: [Signature]
Date: 29/11/2013
For Executive Director
Tanzania Investment Centre



00218287

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042143

This is to certify that

ILLOVO DISTILLERS (TANZANIA) LTD

of address P.O. BOX 50

KIDATU - MOROGORO

has been granted a Certificate of Incentives to invest in a new, rehabilitation/expansion or equity of the enterprise known as

ILLOVO DISTILLERS (TANZANIA) LTD

Which is located at FARM NO. 105 RYEMBE

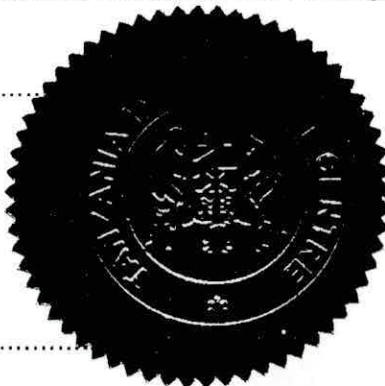
KILOSA - MOROGORO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 20TH DECEMBER, 2011



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders
- | | Nationality | Shareholding (%) |
|----------------------|-------------|------------------|
| ED+ F Man Group | British | 20 |
| Illovo Group Holding | Mauritian | 80 |
2. Proposed Activities : To establish portable alcohol distillery plant
3. Sector: Manufacturing Subsector Alcohol Distillery
4. Investment cost: Foreign USD 0m. Local USD 33.2 Total USD 33.2m.
5. Project Financing: Equity USD 22.2m. Loans USD 11m. Total USD 33.2m.
6. Source, terms and conditions of loan none
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|---------|------------|------------|
| | USD 0m. | USD 33.2m. | USD 33.2m. |
8. Technology Agreement None
9. Date of TIC Registration: 2nd December, 2011
10. Implementation period December, 2011 - November, 2014
11. Operative date December, 2014
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- None

Signed 
Ag. Executive Director

CTIN: 1095750

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

ILLOVO DISTILLERS (TANZANIA) LIMITED

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer

Identification Number

114-617-180

with effect from 12/Sep/2011


P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

Ilovo Distillers (Tanzania) Limited

Investment Project to build new distillery - Certificate of Incentives no 04213 based on TIC application 09674 valid to November 2014

Capital Goods List Supplemental list no 6 - CMS plant and office equipment for the distillery

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
Xii	CMS Plant for the Distillery							
1	CMS Steel shed in SKD format (design and supply steel structure)	unit	1	PLANT & MACHINERY		114-617-180		
2	450mm X 20deg, Troughing Idlers Complete With 3 X 127 Mm Dia , Rolls	No	4	PLANT & MACHINERY		114-617-180		
3	450mm X 35deg Troughing Idlers Complete With 3 X 127mm Dia Rolls	No	14	PLANT & MACHINERY		114-617-180		
4	536mm X 127mm Dia. X S25mm Return Rolls Complete With 40mm Drop Buckets	No	8	PLANT & MACHINERY		114-617-180		
5	550mm Face X 334mm Dia. With 50mm Dia. Shaft . Overall Shaft Length 1000mm C/W 19mm Diamond Pattern Pulley Lagging	No	2	PLANT & MACHINERY		114-617-180		
6	550mm Face X 310mm Dia. With 50mm Dia.Shaft . Overall Shaft Length 80mm C/W 10mm Diamont Pattern Pulley Lagging	No	2	PLANT & MACHINERY		114-617-180		
7	46mt Of Moulded Rubber Chevron Conveyor Belt Class 400/3	metres	46	PLANT & MACHINERY		114-617-180		
8	Carry Our 2 X 450mm Splices On Chevron Belts	No	2	PLANT & MACHINERY		114-617-180		
9	Warmen 75d-Mp Hs Pump Fitted With 27% Chrome Iron Expeller, Impeller And Caseing Complete With 18.5kw , 4 Pole , Weg Premium Efficiency Motor Overhead Mount , Sub Base , V Drive, D.Frame Fitting Charge And Belt Guard	No	2	PLANT & MACHINERY		114-617-180		
10	A-Pump Model Crp 50-32-200 Vsss/160/900mm Vertical Spindle ,cantiler, Seal Less, Dry Running Design Pump In 316 Stainless Steel,	No	1	PLANT & MACHINERY		114-617-180		
11	Tsm 500sf Co2 Tap Semi-Auto Compl Kit	No	1	PLANT & MACHINERY		114-617-180		
12	Tsa Dc 250-1 Inverter 380v + 250a Kit	No	1	PLANT & MACHINERY		114-617-180		
13	Tsm 600 Cc/Cv Machine	No	1	PLANT & MACHINERY		114-617-180		
14	Tig Torch 200 We26v-25-2pc	No	4	PLANT & MACHINERY		114-617-180		
15	05681 Argon Flowmeter	No	4	PLANT & MACHINERY		114-617-180		
16	Awser 316l 1 6mm Tig Rods	No	50	PLANT & MACHINERY		114-617-180		
17	10n24 2 4mm Collet	No	24	PLANT & MACHINERY		114-617-180		
18	10n32 2 4mm Collet Body	No	24	PLANT & MACHINERY		114-617-180		
19	10n46 Alumina No 8	No	24	PLANT & MACHINERY		114-617-180		
20	3/32 Diax6lg 2 4mm Thor Tungsten	No	100	PLANT & MACHINERY		114-617-180		
21	57y02 Long Back Cap	No	10	PLANT & MACHINERY		114-617-180		
22	Bnz 36a Shroud Conical	No	50	PLANT & MACHINERY		114-617-180		
23	Bnz 36a Gas Diffuser	No	50	PLANT & MACHINERY		114-617-180		
24	Bzn 36a Tip Holder M 8	No	50	PLANT & MACHINERY		114-617-180		
25	Bzn Contact Tip M8 X 1 0mm	No	50	PLANT & MACHINERY		114-617-180		
26	Gm0611 Teflon Liner 1 0-1 2	No	50	PLANT & MACHINERY		114-617-180		
27	500ml Anti Splatter Maxweld	No	50	PLANT & MACHINERY		114-617-180		
28	Pelox Passivating Gel (2kg)	No	10	PLANT & MACHINERY		114-617-180		
29	Prlrox Pickling Paste Tsk Green	No	10	PLANT & MACHINERY		114-617-180		
30	161-5row S/S Brushes	No	30	PLANT & MACHINERY		114-617-180		
31	E 115-5 A 30n Grind S/S	No	100	PLANT & MACHINERY		114-617-180		
32	Eh115-2.4 A 46r Cutt/D S/S	No	100	PLANT & MACHINERY		114-617-180		
33	Awser 316si 1 0mm Mig Wire	No	400	PLANT & MACHINERY		114-617-180		
Xiii	Distillery plant office equipment							
1	1500 X 750 Desk Shell	No	11	OFFICE EQUIPMENT		114-617-180		
2	2 Draws - Fitted	No	11	OFFICE EQUIPMENT		114-617-180		
3	Sliding Doors Credenza Witn One Shelf	No	4	OFFICE EQUIPMENT		114-617-180		
4	Hi Back Chair With G/Height Adj	No	7	OFFICE EQUIPMENT		114-617-180		
5	Visitors Chair With Arms	No	14	OFFICE EQUIPMENT		114-617-180		
6	6 Steel Stationery Cupboard	No	11	OFFICE EQUIPMENT		114-617-180		
7	6 Compartment Steel Locker	No	6	OFFICE EQUIPMENT		114-617-180		
8	4 Draw Metal Fitting Cabinet	No	7	OFFICE EQUIPMENT		114-617-180		

(15)

TICC/PP.10/042143/15

19/10/2012

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042143**

M/S Illovo Distillers (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042143** which is valid up to **November 2014**

The company has been registered with objectives of establishing alcohol distillery plant.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

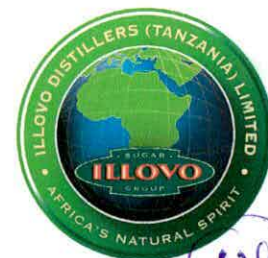
TANZANIA INVESTMENT CENTRE



Revocatus Arbogast

FOR: EXECUTIVE DIRECTOR

042143



14

ILLOVO DISTILLERS (TANZANIA) LIMITED

11th October 2012

Commissioner of Customs and Excise
Tanzania Revenue Centre,
P O Box 9053
Dar Es Salaam

P.O. BOX 50, KIDATU,
MOROGORO, TANZANIA

TELEPHONE: (+255) 23 262 6011

FAX: (+255) 23 262 6188 / 262 6084

CRIMELINE: 0800 ILLOVO

WEBSITE: www.illovosugar.com

COMPANY NUMBER: 85231

UFS
The Executive Director
Tanzania Investment Centre,
PO Box 938,
Dar Es Salaam



Dear Sir/Madame

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS ON CERTIFICATE OF INCENTIVES NO: 04213 FOR ILLOVO DISTILLERS (TANZANIA) LIMITED – SUBMISSION NO 5.

Illovo Distillers (Tanzania) Limited, a subsidiary of Illovo Group Holdings Limited, has received the Certificate of Incentives No 042143 for the new distillery based on application - TIC 09674 which is valid up to November 2014.

The company has been registered with the objectives of adding value to molasses (a waste product from sugar production) to replace import product (potable alcohol) and to create a viable means of disposing of molasses to avert environmental contamination.

This is supplementary list no 5 Capital goods List (CGL) submission.

**The contract is to construct, supply and erect – one unit complete distillery plant
Value USD 33.2 million**

Please find attached the following documentation in support of our application:-

1	2 Copies of the TIC Investment certificate no 042143	A
2	2 Copies of TIN Certificate no1095750	B
3	10 copies of the list of Items	C
4	1 Cd soft copy in excel format of list of items	D

We trust that you will look upon our request in a favorable light and look forward to hearing from you.

Kind regards

K Rowney
K Rowney
Project Financial Manager
(022-2626571; 0685863449; krowney@illovo.co.za)

DIRECTORS:

D.H. Carter-Brown G.I. Clark I.G. Parrott M.H. Abdool-Samad

Illovo Distillers (Tanzania) Limited

Investment Project to build new distillery - Certificate of Incentives no 04213 based on TIC application 09674 valid to November 2014

Capital Goods List Supplemental list no 5

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
X	COMMON SECTIONS FOR ENTIRE PLANT WITH ACCESSORIES COMPRISING OF							
8	PIPES AND PITE FITTINGS COMPRISING OF							
8.49	GI ELBOW	NOS	300	PLANT & MACHINERY		114-617-180		
8.50	GI TEE	NOS	300	PLANT & MACHINERY		114-617-180		
8.51	GI U Clamp	NO	1000	PLANT & MACHINERY		114-617-180		
8.52	GI UNION	NOS	500	PLANT & MACHINERY		114-617-180		
8.53	MILD STEEL HALF COUPLING	NOS	500	PLANT & MACHINERY		114-617-180		
8.54	MILD STEEL NIPPLES	NOS	500	PLANT & MACHINERY		114-617-180		
8.55	MILD STEEL PLUG	NOS	150	PLANT & MACHINERY		114-617-180		
8.56	MILD STEEL TEE	NOS	500	PLANT & MACHINERY		114-617-180		
8.57	PVC - END PLATE	NO	200	PLANT & MACHINERY		114-617-180		
8.58	PVC - STUBEND RING	NO	200	PLANT & MACHINERY		114-617-180		
8.59	PVC - UNION	NO	350	PLANT & MACHINERY		114-617-180		
8.60	PVC TUBE	MTR	1000	PLANT & MACHINERY		114-617-180		
8.61	PVC-TUBE-PVC-25NB	MTR	1000	PLANT & MACHINERY		114-617-180		
8.62	STAINLESS STEEL HALF COUPLING	NOS	700	PLANT & MACHINERY		114-617-180		
8.63	SMS UNION-SET WITH BLANK	NOS	400	PLANT & MACHINERY		114-617-180		
5	NOZZLE FOR SITE FABRICATED ITEMS COMPRISING OF							
5.83	GASKETS	NO	600	PLANT & MACHINERY		114-617-180		
9	VALVES COMPRISING OF							
9.25	PVC BALL VALVE	NOS	200	PLANT & MACHINERY		114-617-180		
9.26	MILD STEEL BALL VALVE	NOS	500	PLANT & MACHINERY		114-617-180		
9.27	PVC BUTTERFLY VALVE	NOS	200	PLANT & MACHINERY		114-617-180		
9.28	Mild Steel Butterfly Valve	NOS	400	PLANT & MACHINERY		114-617-180		
9.29	Foot Valve	NOS	100	PLANT & MACHINERY		114-617-180		
9.30	PVC NRV	NOS	100	PLANT & MACHINERY		114-617-180		
9.31	Pressure safety Valve	NOS	200	PLANT & MACHINERY		114-617-180		
9.32	SLIDE GATE VALVE	NOS	100	PLANT & MACHINERY		114-617-180		
14	INSTRUMENTATION & CONTROL SYSTEM COMPRISING OF							
14.68	CABLE TRAY-GI/POWDER COATED, PERFORATED	MTR	10000	PLANT & MACHINERY		114-617-180		
14.69	CABLES	MTR	50000	PLANT & MACHINERY		114-617-180		
14.70	CALIBRATION-SOFTWARE	NOS	10	PLANT & MACHINERY		114-617-180		
14.71	FERRULES BRASS	NO	500	PLANT & MACHINERY		114-617-180		
14.72	MALE-CONNECT-BRASS	NO	600	PLANT & MACHINERY		114-617-180		
14.73	PNEUMATIC ATUATED VALVES (On/off)	NOS	100	PLANT & MACHINERY		114-617-180		
14.74	REDUCER	NO	300	PLANT & MACHINERY		114-617-180		
14.75	THERMOWELL	NOS	200	PLANT & MACHINERY		114-617-180		
14.76	U TUBE MANOMETER	NOS	50	PLANT & MACHINERY		114-617-180		
14.77	HARDWARES (NUT, BOLTS & WASHERS)	NOS	600000	PLANT & MACHINERY		114-617-180		
14.78	CABLE TRAY ACCESSORIES	NOS	10000	PLANT & MACHINERY		114-617-180		
14.79	PH-SENSOR	NOS	10	PLANT & MACHINERY		114-617-180		
14.80	PH-TRANSMITTER	NOS	10	PLANT & MACHINERY		114-617-180		
14.81	Pneumatic Atuated Valves (On/off)	NOS	30	PLANT & MACHINERY		114-617-180		
11	ELECTRICAL COMPRISING OF							
11.34	ALUMINIUM-TAG-PLATE-1.2MMTHK	NOS.	10000	PLANT & MACHINERY		114-617-180		
11.35	BLIND PLUGS	NOS.	600	PLANT & MACHINERY		114-617-180		

11.36	CABLE TIE						
11.37	HARDWARES (NUT, BOLTS & WASHERS)	NOS.	10000	PLANT & MACHINERY		114-617-180	
11.38	INSULATION TAPE	NOS	500000	PLANT & MACHINERY		114-617-180	
11.39	MCB BOARD WITH MCB	NOS.	50	PLANT & MACHINERY		114-617-180	
11.4	MOTORS	NOS.	75	PLANT & MACHINERY		114-617-180	
11.41	PIPE FOR LIGHTING	NOS	10	PLANT & MACHINERY		114-617-180	
11.42	PUNCH SET	MTR	400	PLANT & MACHINERY		114-617-180	
11.43	RUBBER MAT	NOS.	10	PLANT & MACHINERY		114-617-180	
11.44	BARE-CONDUCTOR-GI	NOS.	90	PLANT & MACHINERY		114-617-180	
11.45	Cable	MTR	8000	PLANT & MACHINERY		114-617-180	
11.46	COUPLER-PLATE-GI	MTR	60000	PLANT & MACHINERY		114-617-180	
11.47	EXIT BOARD-CTRL GEAR-INT-LED WITH BACKUP	NOS.	6000	PLANT & MACHINERY		114-617-180	
11.48	Electric Lamps	NOS.	80	PLANT & MACHINERY		114-617-180	
11.49	Street Light fittings	NO	50	PLANT & MACHINERY		114-617-180	
11.50	Cable Tray - SS / GI / Powder coated, Perforated	No	400	PLANT & MACHINERY		114-617-180	
11.51	CABLE TRAY ACCESSORIES	MTR	30000	PLANT & MACHINERY		114-617-180	
		NOS	200000	PLANT & MACHINERY		114-617-180	
6	FIRE FIGHTING SYSTEM COMPRISING OF						
6.50	MS PIPES (WRAP COATED)						
6.51	MS PIPES (PAINTED)	MTR	5000	PLANT & MACHINERY		114-617-180	
6.52	SS HYDRANT VALVES	MTR	2000	PLANT & MACHINERY		114-617-180	
6.53	SS BRANCH PIPES WITH NOZZLES	NOS	100	PLANT & MACHINERY		114-617-180	
6.54	WATER MONITORS	NOS	100	PLANT & MACHINERY		114-617-180	
6.55	FOAM FOR WATER MONITORS	NOS	30	PLANT & MACHINERY		114-617-180	
6.56	HOSES	LTR	13000	PLANT & MACHINERY		114-617-180	
6.57	HOSE BOXES	NOS	200	PLANT & MACHINERY		114-617-180	
6.58	FIRE BRIGADE INLET WITH ISOLATION AND CHECK VALVE	NOS	100	PLANT & MACHINERY		114-617-180	
6.59	SLUICE VALVES	NOS	5	PLANT & MACHINERY		114-617-180	
6.60	AIR RELEASE VALVES WITH ISOLATION VALVE	NOS	100	PLANT & MACHINERY		114-617-180	
6.61	STRUCTURAL STEEL	NOS	50	PLANT & MACHINERY		114-617-180	
6.62	GI PIPES (PAINTED)	MT	10	PLANT & MACHINERY		114-617-180	
6.63	BUTTERFLY VALVES	MTR	6000	PLANT & MACHINERY		114-617-180	
6.64	DELUGE VALVES	NOS	70	PLANT & MACHINERY		114-617-180	
6.65	D.V PANELS	NOS	30	PLANT & MACHINERY		114-617-180	
6.66	BRASS SPRAYERS/ MVWS NOZZLES	NOS	20	PLANT & MACHINERY		114-617-180	
6.67	QBD	NOS	600	PLANT & MACHINERY		114-617-180	
6.68	PRESSURE SWITCHES	NOS	500	PLANT & MACHINERY		114-617-180	
6.69	MS FOAM TANK	NOS	25	PLANT & MACHINERY		114-617-180	
6.70	FOAM CONCENTRATE	NOS	5	PLANT & MACHINERY		114-617-180	
6.71	SS PIPES WITH FITTINGS AND ACCESSORIES FOR PUMP	LTR	15000	PLANT & MACHINERY		114-617-180	
6.72	SS NON RETURN VALVES	MTR	500	PLANT & MACHINERY		114-617-180	
6.73	INLINE INDUCTORS	NOS	50	PLANT & MACHINERY		114-617-180	
6.74	FOAM CHAMBERS WITH DEFLECTOR	NOS	50	PLANT & MACHINERY		114-617-180	
6.75	Y STRAINERS WITH FITTINGS & ACCESSORIES	NOS	40	PLANT & MACHINERY		114-617-180	
6.76	FOAM MAKERS WITH FOAM POURER	NOS	50	PLANT & MACHINERY		114-617-180	
6.77	SS PIPES	NOS	40	PLANT & MACHINERY		114-617-180	
6.78	SS GLOBE VALVES	NOS	60	PLANT & MACHINERY		114-617-180	
6.79	FIRE ALARM PANEL WITH SMF BATTERY	NOS	20	PLANT & MACHINERY		114-617-180	
6.80	SMOKE DETECTORS	NOS	5	PLANT & MACHINERY		114-617-180	
6.81	INTERFACE MODULES	NOS	40	PLANT & MACHINERY		114-617-180	
6.82	MANUAL CALL POINTS	NOS	70	PLANT & MACHINERY		114-617-180	
6.83	HOOTER WITH FLASHER	NOS	80	PLANT & MACHINERY		114-617-180	
6.84	SIREN	NOS	5	PLANT & MACHINERY		114-617-180	
6.85	REPEATER PANEL	NOS	5	PLANT & MACHINERY		114-617-180	
6.86	CABLES	NOS	5	PLANT & MACHINERY		114-617-180	
6.87	FIRE EXTINGUISHERS	MTR	10000	PLANT & MACHINERY		114-617-180	
6.88	SET OF EYE WASHERS & SAFETY SHOWERS	NOS	80	PLANT & MACHINERY		114-617-180	
		NOS	25	PLANT & MACHINERY		114-617-180	

13	INSULATION AND CLADDING COMPRISES OF						
13.05	Aluminium Cladding	KG	5000	PLANT & MACHINERY		114-617-180	
1	LABORATORY-EQUIPMENTS COMPRISING OF						
1.29	Agilent GC Custom	NO	2	PLANT & MACHINERY		114-617-180	
1.30	Capillary S/SI inlet with EPC	NO	4	PLANT & MACHINERY		114-617-180	
1.31	FID w/EPC	NO	2	PLANT & MACHINERY		114-617-180	
1.32	Micro Electron Capture Detector with EPC	NO	2	PLANT & MACHINERY		114-617-180	
1.33	Installation Kit for GCs w/out gas purifiers	NO	2	PLANT & MACHINERY		114-617-180	
1.34	Automatic Liquid Sampler	NO	2	PLANT & MACHINERY		114-617-180	
1.35	G1888 Headspace Sampler.	NO	2	PLANT & MACHINERY		114-617-180	
1.36	DB-WAX	NO	2	PLANT & MACHINERY		114-617-180	
1.37	DB-5	NO	2	PLANT & MACHINERY		114-617-180	
1.38	OpenLAB CDS ChemStation Workstation (software-only)	NO	2	PLANT & MACHINERY		114-617-180	
1.39	OpenLAB CDS Inst. Driver for Agilent GC	NO	2	PLANT & MACHINERY		114-617-180	
1.40	Headspace Control	NO	2	PLANT & MACHINERY		114-617-180	
1.41	Cary 60 Instrument	NO	2	PLANT & MACHINERY		114-617-180	
1.42	Cary WinUV Software (non 21CFR11)	NO	2	PLANT & MACHINERY		114-617-180	
1.43	Rectg. opentop quartz	NO	2	PLANT & MACHINERY		114-617-180	
1.44	DMA 35 PORTABLE DENSITY METER	NO	2	PLANT & MACHINERY		114-617-180	
1.45	SET WRISTBAND FOR DMA 35	NO	2	PLANT & MACHINERY		114-617-180	
1.46	IrDA USB ADAPTER	NO	2	PLANT & MACHINERY		114-617-180	
1.47	Beakers	NO	72	PLANT & MACHINERY		114-617-180	
1.48	Burette	NO	24	PLANT & MACHINERY		114-617-180	
1.49	Erlenmeyer Conical Flask	NO	24	PLANT & MACHINERY		114-617-180	
1.50	Measuring Cylinder	NO	72	PLANT & MACHINERY		114-617-180	
1.51	Graduated Pipette	NO	48	PLANT & MACHINERY		114-617-180	
1.52	Round Bottom Flask	NO	24	PLANT & MACHINERY		114-617-180	
1.53	Volumetric Flask	NO	48	PLANT & MACHINERY		114-617-180	
1.54	UV cells	NO	12	PLANT & MACHINERY		114-617-180	
1.55	Sykes hydrometer	NO	8	PLANT & MACHINERY		114-617-180	
1.56	Thermometer	NO	12	PLANT & MACHINERY		114-617-180	
1.57	Sykes Table Book	NO	4	PLANT & MACHINERY		114-617-180	
1.58	Beakers	NO	72	PLANT & MACHINERY		114-617-180	
1.59	Burette	NO	24	PLANT & MACHINERY		114-617-180	
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1.67	Thermometer	NO	12	PLANT & MACHINERY		114-617-180	
1.68	Sykes Table Book	NO	4	PLANT & MACHINERY		114-617-180	
1.69	pH meter	NO	2	PLANT & MACHINERY		114-617-180	
1.70	Weighing Balance	NO	2	PLANT & MACHINERY		114-617-180	
1.71	Hot Air Oven	NO	2	PLANT & MACHINERY		114-617-180	
1.72	Refrigerator	NO	2	PLANT & MACHINERY		114-617-180	
1.73	Desiccator	NO	2	PLANT & MACHINERY		114-617-180	
1.74	Distilled Water Apparatus	NO	2	PLANT & MACHINERY		114-617-180	
1.75	Electronic Conductivity with TDS meter	NO	2	PLANT & MACHINERY		114-617-180	
1.76	Dish Washer Set	NO	2	PLANT & MACHINERY		114-617-180	
1.77	Fume hood set	NO	2	PLANT & MACHINERY		114-617-180	
1.78	Steam Bath with evaporating basins	NO	2	PLANT & MACHINERY		114-617-180	
1.79	Gas Purification Panel set	NO	2	PLANT & MACHINERY		114-617-180	
1.80	Online UPS	NO	2	PLANT & MACHINERY		114-617-180	
1.81	Computer	NO	2	PLANT & MACHINERY		114-617-180	
1.82	Printer	NO	2	PLANT & MACHINERY		114-617-180	

1.83	Microlitre Syringe	NO	4	PLANT & MACHINERY	114-617-180	
12	PRE-FABRICATED-STRUCTURE COMPRISING IN CKD form	STRUCTURES	10	PLANT & MACHINERY	114-617-180	
4	2 YEARS OPERATION SPARES					
4.01	FOR PUMPS & BLOWERS:					
4.0101	GASKET SETS	NO	120	PLANT & MACHINERY	114-617-180	
4.0102	KEY SETS	NO	110	PLANT & MACHINERY	114-617-180	
4.0103	RINGS	NO	150	PLANT & MACHINERY	114-617-180	
4.0104	SLEEVES	NO	100	PLANT & MACHINERY	114-617-180	
4.0105	OIL BAFFLE	NO	90	PLANT & MACHINERY	114-617-180	
4.0106	CONSTANT OIL LEVELLER	NO	90	PLANT & MACHINERY	114-617-180	
4.0107	BEARING SETS	NO	170	PLANT & MACHINERY	114-617-180	
4.0108	INTERNAL CIRCLIPS	NO	90	PLANT & MACHINERY	114-617-180	
4.0109	MECH. SEALS	NO	70	PLANT & MACHINERY	114-617-180	
4.0110	OIL SEALS	NO	120	PLANT & MACHINERY	114-617-180	
4.0111	WASHERS	NO	15	PLANT & MACHINERY	114-617-180	
4.0112	DEFLECTORS	NO	50	PLANT & MACHINERY	114-617-180	
4.0113	GLAND / PACKING	NO	170	PLANT & MACHINERY	114-617-180	
4.0114	STATOR	NO	20	PLANT & MACHINERY	114-617-180	
4.0115	UJ MAINTENANCE KIT	NO	20	PLANT & MACHINERY	114-617-180	
4.0116	A.D. VALVE (NYLON)	NO	50	PLANT & MACHINERY	114-617-180	
4.0117	TEFLON BALL	NO	40	PLANT & MACHINERY	114-617-180	
4.0118	BALL SUPPORT (SS-304)	NO	25	PLANT & MACHINERY	114-617-180	
4.0119	CHAMBER STACK KIT	NO	10	PLANT & MACHINERY	114-617-180	
4.0120	LOCATING FLANGE	NO	15	PLANT & MACHINERY	114-617-180	
4.0121	IMPELLER	NO	12	PLANT & MACHINERY	114-617-180	
4.0122	HARDWARE SET(STUD, BOLT, NUT, WASHER)	NO	200	PLANT & MACHINERY	114-617-180	
4.0123	SUCTION FILTERS	NO	24	PLANT & MACHINERY	114-617-180	
4.0124	BUSHES	NO	100	PLANT & MACHINERY	114-617-180	
4.0125	TENSIONING ELEMENT	NO	50	PLANT & MACHINERY	114-617-180	
4.0126	OIL LEVEL SIGHT GLASS	NO	50	PLANT & MACHINERY	114-617-180	
4.0127	PISTON RINGS	NO	400	PLANT & MACHINERY	114-617-180	
4.0128	SET OF V BELT	NO	50	PLANT & MACHINERY	114-617-180	
4.0129	SET OF GEARS	NO	50	PLANT & MACHINERY	114-617-180	
4.0130	ROTOR	NO	10	PLANT & MACHINERY	114-617-180	
4.0131	SHAFT	NO	10	PLANT & MACHINERY	114-617-180	
4.0132	Gear wheel Pair	NO	15	PLANT & MACHINERY	114-617-180	
4.0133	Ring seal	NO	15	PLANT & MACHINERY	114-617-180	
4.0136	Discharge valve housing	NO	18	PLANT & MACHINERY	114-617-180	
4.0136	SPRING	NO	25	PLANT & MACHINERY	114-617-180	
4.01372	LIQUIFRAM SHAFT	NO	14	PLANT & MACHINERY	114-617-180	
4.01383	WORM WHEEL	NO	14	PLANT & MACHINERY	114-617-180	
4.0139	CAM BEARING	NO	18	PLANT & MACHINERY	114-617-180	
4.01407	WORM SHAFT	NO	22	PLANT & MACHINERY	114-617-180	
4.01418	ADJUSTMENT KNOB WITH GRUBB SCREW	NO	19	PLANT & MACHINERY	114-617-180	
4.0143	OIL SEAL LIQUIFRAM SHAFT	NO	25	PLANT & MACHINERY	114-617-180	
4.0144	GASKET & O RING SET	NO	21	PLANT & MACHINERY	114-617-180	
4.01453	STUFFING BOX GLAND	NO	20	PLANT & MACHINERY	114-617-180	
4.01465	LANTERN RING	NO	22	PLANT & MACHINERY	114-617-180	
4.01477	S.P.SLEEVE	NO	23	PLANT & MACHINERY	114-617-180	
4.0149	Casing W Ring	NO	17	PLANT & MACHINERY	114-617-180	
4.0150	Impeller W Ring	NO	18	PLANT & MACHINERY	114-617-180	
4.01512	Set of Gaskets	NO	30	PLANT & MACHINERY	114-617-180	

SPARES

No

4.0152	Set of Keys	NO	25	PLANT & MACHINERY	114-617-180
4.01	FOR AGITATORS:				
4.0201	RINGS	NO	10	PLANT & MACHINERY	114-617-180
4.0202	BEARINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0203	OIL SEALS	NO	40	PLANT & MACHINERY	114-617-180
4.0204	INTERNAL GEARS	NO	10	PLANT & MACHINERY	114-617-180
4.0205	PINIONS	NO	10	PLANT & MACHINERY	114-617-180
4.0206	GASKETS	NO	10	PLANT & MACHINERY	114-617-180
4.0207	MECHANICAL SEALS	NO	10	PLANT & MACHINERY	114-617-180
4.0208	FLEXIBLE COUPLING	NO	20	PLANT & MACHINERY	114-617-180
4.0209	GLAND PACKING	NO	25	PLANT & MACHINERY	114-617-180
4.03	FOR DECANter / CENTRIFUGE:				
4.0301	MAJOR KIT FOR BEARINGS	NO	50	PLANT & MACHINERY	114-617-180
4.0302	GASKETS	NO	10	PLANT & MACHINERY	114-617-180
4.0303	FEED TUBE	NO	10	PLANT & MACHINERY	114-617-180
4.0304	BEARINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0305	BELTS	NO	15	PLANT & MACHINERY	114-617-180
4.04	FOR PHES:				
4.0401	GASKETS	NO	550	PLANT & MACHINERY	114-617-180
4.05	FOR COOLING TOWERS				
4.0501	OIL SEALS AND "O" RINGS	NO	40	PLANT & MACHINERY	114-617-180
4.0502	N.B.M INSERTS	NO	100	PLANT & MACHINERY	114-617-180
4.0503	TARGET NOZZLES	NO	1400	PLANT & MACHINERY	114-617-180
4.06	FOR AIR FILTER:				
4.0601	PANEL FILTER	NO	20	PLANT & MACHINERY	114-617-180
4.0602	ABSOLUTE PANEL FILTER	NO	10	PLANT & MACHINERY	114-617-180
4.07	FOR CLEANING NOZZLES:				
4.0701	BUSHES	NO	20	PLANT & MACHINERY	114-617-180
4.0702	GEARS	NO	20	PLANT & MACHINERY	114-617-180
4.0703	BEARINGS (WITH RETAINER & RACE)	NO	30	PLANT & MACHINERY	114-617-180
4.0704	SCREWS	NO	50	PLANT & MACHINERY	114-617-180
4.08	ROTARY VALVES:				
4.0801	GLAND ROPE	NO	14	PLANT & MACHINERY	114-617-180
4.0802	SEALS	NO	20	PLANT & MACHINERY	114-617-180
4.0803	BEARING	NO	20	PLANT & MACHINERY	114-617-180
4.09	FOR BREATHER VALVES:				
4.0901	DIAPHRAGM SET	NO	15	PLANT & MACHINERY	114-617-180
4.0902	O' RINGS	NO	20	PLANT & MACHINERY	114-617-180
4.10	FOR FLAME ARRESTOR WITH SAFETY SYSTEM:				
4.1001	DIAPHRAGM SET	NO	20	PLANT & MACHINERY	114-617-180
4.1002	O' RINGS	NO	20	PLANT & MACHINERY	114-617-180
4.11	FOR EMERGENCY VENT:				
4.1101	DIAPHRAGM SET	NO	20	PLANT & MACHINERY	114-617-180
4.12	FOR VACUUM RELIEF VALVE:				
4.1201	DIAPHRAGM SET	NO	50	PLANT & MACHINERY	114-617-180
4.1202	SPRING	NO	50	PLANT & MACHINERY	114-617-180
4.1203	PALLET ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.1204	SPINDLE	NO	10	PLANT & MACHINERY	114-617-180
4.1205	GASKET	NO	10	PLANT & MACHINERY	114-617-180
4.1206	FASTENERS SET	NO	10	PLANT & MACHINERY	114-617-180
4.13	FOR PRESSURE SAFETY VALVES:				
4.1301	SPRINGS	NO	50	PLANT & MACHINERY	114-617-180
4.14	FOR BAG FILTER:				
4.1401	BAG	NO	10	PLANT & MACHINERY	114-617-180
4.15	FOR BELT SKIMMER:				
4.1501	BELT	NO	10	PLANT & MACHINERY	114-617-180
4.1502	PU WIPER SET	NO	10	PLANT & MACHINERY	114-617-180
4.1503	BEARING	NO	12	PLANT & MACHINERY	114-617-180

SPARES

4.2307	LEVEL GAUGE GLASS	NO	10	PLANT & MACHINERY	114-617-180
4.2308	MAGNETIC FLOWMETER	NO	10	PLANT & MACHINERY	114-617-180
4.2309	MASS FLOWMETER TRANSMITTER	NO	10	PLANT & MACHINERY	114-617-180
4.2310	SOLENOID VALVE	NO	10	PLANT & MACHINERY	114-617-180
4.2311	PRESSURE GAUGES	NO	100	PLANT & MACHINERY	114-617-180
4.2312	ACTUATOR SEAL KIT (DIAPHRAGM, SPRING, STEM, O-RING)	NO	10	PLANT & MACHINERY	114-617-180
4.2313	GLAND PACKING	NO	60	PLANT & MACHINERY	114-617-180
4.2314	SPARE GLASS	NO	60	PLANT & MACHINERY	114-617-180
4.2315	RTD	NO	60	PLANT & MACHINERY	114-617-180
4.2316	TEMPERATURE GAUGES	NO	12	PLANT & MACHINERY	114-617-180
4.2317	VORTEX FLOWMETER	NO	10	PLANT & MACHINERY	114-617-180
4.2318	ANALOG CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2319	DIGITAL CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2320	POWER SUPPLY	NO	15	PLANT & MACHINERY	114-617-180
4.2321	BARRIERS	NO	20	PLANT & MACHINERY	114-617-180
4.2322	RELAY	NO	40	PLANT & MACHINERY	114-617-180
4.2323	FLEX ANALOGS	NO	12	PLANT & MACHINERY	114-617-180
4.2324	FLEX 24 VDC	NO	12	PLANT & MACHINERY	114-617-180
4.2325	3 PORT ENET/UP TAP-3 TP	NO	10	PLANT & MACHINERY	114-617-180
4.2326	RELAY BOARD	NO	10	PLANT & MACHINERY	114-617-180
4.2327	RUBBER KIT	NO	30	PLANT & MACHINERY	114-617-180
4.2328	WASHERS	NO	20	PLANT & MACHINERY	114-617-180
4.2329	BODY GASKETS	NO	30	PLANT & MACHINERY	114-617-180
4.2330	VANE BLADES	NO	40	PLANT & MACHINERY	114-617-180
4.2331	SPRING DOWEL	NO	30	PLANT & MACHINERY	114-617-180
4.2332	SPRING	NO	10	PLANT & MACHINERY	114-617-180
4.2333	INT CIRCLIP	NO	20	PLANT & MACHINERY	114-617-180
4.2334	BEARINGS	NO	12	PLANT & MACHINERY	114-617-180
4.2335	BASKETS	NO	12	PLANT & MACHINERY	114-617-180
4.2336	FLOAT-BRACKET ASSEMBLY	NO	12	PLANT & MACHINERY	114-617-180
4.2337	SPINDLE	NO	10	PLANT & MACHINERY	114-617-180
4.2338	ROTOR SERVICE KIT-BM	NO	10	PLANT & MACHINERY	114-617-180
4.2339	GEARS	NO	12	PLANT & MACHINERY	114-617-180
4.24	FOR ALCOHOL DISPENSING SYSTEM:				
4.2401	GASKETS/SEAL SETS	NO	24	PLANT & MACHINERY	114-617-180
4.2402	O RING SETS	NO	12	PLANT & MACHINERY	114-617-180
4.2403	BASKET	NO	10	PLANT & MACHINERY	114-617-180
4.2404	FLOAT & REED ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.2405	VACUUM BREAKER	NO	10	PLANT & MACHINERY	114-617-180
4.2406	POSITION SWITCH	NO	10	PLANT & MACHINERY	114-617-180
4.2407	RUBBER KIT FOR SOLENOID VALVE	NO	10	PLANT & MACHINERY	114-617-180
4.2408	SPRING	NO	10	PLANT & MACHINERY	114-617-180
4.2409	SOLENOID VALVES	NO	12	PLANT & MACHINERY	114-617-180
4.2410	DIGITAL CARDS	NO	12	PLANT & MACHINERY	114-617-180
4.2411	KEYPAD ASSEMBLY	NO	10	PLANT & MACHINERY	114-617-180
4.2412	METER PULSE CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2413	DISPLAY CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2414	CPU BOARD WITH COMMUNICATION CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2415	POWER SUPPLY CARDS	NO	20	PLANT & MACHINERY	114-617-180
4.2416	PCBS	NO	12	PLANT & MACHINERY	114-617-180
4.2417	ETHERNET INTERFACE CARD	NO	10	PLANT & MACHINERY	114-617-180
4.2418	INDICATION LAMP WITH COVER RED, GREEN & AMBER	NO	10	PLANT & MACHINERY	114-617-180
4.2419	PUSH BUTTON - YELLOW, GREEN, RED	NO	10	PLANT & MACHINERY	114-617-180
4.25	FOR AIR COMPRESSOR:				
4.2501	AIR OIL FILTER KIT	NO	12	PLANT & MACHINERY	114-617-180
4.2502	LUBRICANT OIL	LTR	30	PLANT & MACHINERY	114-617-180
4.2503	OIL SEPERATOR	NO	10	PLANT & MACHINERY	114-617-180
4.26	FOR WEIGHBRIDGE:				

5/2/12

4.2601	ELECTRONIC WEIGHING INDICATOR	NO	10	PLANT & MACHINERY	114-617-180		
4.2602	LOADCELL	NO	10	PLANT & MACHINERY	114-617-180		
4.27	FLOWGLASS	NO	100	PLANT & MACHINERY	114-617-180		
4.28	BALL FLOAT STEAM TRAPS	NO	20	PLANT & MACHINERY	114-617-180		
4.29	THERMODYNAMIC STEAM TRAPS	NO	24	PLANT & MACHINERY	114-617-180		
4.30	STRAINERS	NO	24	PLANT & MACHINERY	114-617-180		
4.31	FINE BUBBLE DIFFUSERS	NO	24	PLANT & MACHINERY	114-617-180		
4.32	COARSE BUBBLE DIFFUSERS	NO	80	PLANT & MACHINERY	114-617-180		
4.33	FOR FIRE FIGHTING SYSTEM:						
4.3301	Set Of Double headed Hydrant Spindle with nuts of Hydrant valve Bonnet, gland nut, rubber assembly of hydrant Seat, check nut, washer assembly of hydrant valve Rubber washer for female coupling Instantaneous female coupling assembly complete Lock pin assy. for hydrant valve	NO	10	PLANT & MACHINERY	114-617-180		
4.3302	Fire Hose (15 Long Hose with coupling)	NO	12	PLANT & MACHINERY	114-617-180		
4.3303	Branch pipe with Nozzle	NO	12	PLANT & MACHINERY	114-617-180		
4.3304	Water Monitor Nozzle	NO	10	PLANT & MACHINERY	114-617-180		
4.3305	SET OF Stem	NO	10	PLANT & MACHINERY	114-617-180		
4.3306	SET OF Seal rings (all types)	NO	10	PLANT & MACHINERY	114-617-180		
4.3307	SET OF Gaskets	NO	10	PLANT & MACHINERY	114-617-180		
4.3308	SET OF Clapper assembly complete	NO	10	PLANT & MACHINERY	114-617-180		
4.3309	SET OF Disc	NO	10	PLANT & MACHINERY	114-617-180		
4.331	SET OF Seal rings	NO	10	PLANT & MACHINERY	114-617-180		
4.3311	SET OF Gaskets	NO	10	PLANT & MACHINERY	114-617-180		
4.3312	SET OF Reduction gear operator	NO	10	PLANT & MACHINERY	114-617-180		
4.3313	Strainers elements with O-rings and stiffners	NO	10	PLANT & MACHINERY	114-617-180		
4.3314	MVW Nozzle	NO	50	PLANT & MACHINERY	114-617-180		
4.3315	QBD Detector	NO	30	PLANT & MACHINERY	114-617-180		
4.3316	Solenoid valve	NO	10	PLANT & MACHINERY	114-617-180		
4.3317	AR-AFFF FOAM	LTR	900	PLANT & MACHINERY	114-617-180		
4.3318	Smoke Detector	NO	10	PLANT & MACHINERY	114-617-180		
4.3319	Hooter	NO	10	PLANT & MACHINERY	114-617-180		
4.332	Digital LHS cable	MTR	450	PLANT & MACHINERY	114-617-180		
4.3321	Interface Module	NO	10	PLANT & MACHINERY	114-617-180		
4.34	FOR SHOP EQUIPMENT:						
4.3401	NACF GASKETS	NO	400	PLANT & MACHINERY	114-617-180		
4.3402	EPDM GASKET	MTR	50	PLANT & MACHINERY	114-617-180		
4.3403	GLASS	NO	200	PLANT & MACHINERY	114-617-180		
4.3404	SET OF HEXBOLT, NUT AND 2 WASHERS	NO	500	PLANT & MACHINERY	114-617-180		
4.3405	HINGE PIN	NO	50	PLANT & MACHINERY	114-617-180		
4.3406	SPLIT PIN	NO	100	PLANT & MACHINERY	114-617-180		
4.3407	SET OF STUD WITH 2 NUTS & 2 WASHERS	NO	800	PLANT & MACHINERY	114-617-180		
4.35	FOR UV SYSTEM:						
4.3501	QUARTZ SLEEVE	NO	5	PLANT & MACHINERY	114-617-180		
4.3502	UV LAMP	NO	5	PLANT & MACHINERY	114-617-180		
3	SPARE PARTS FOR START-UP & COMMISSIONING						
3.01	FOR PUMPS & BLOWERS:						
3.0101	BEARINGS	NO	10	PLANT & MACHINERY	114-617-180		
3.0102	RINGS	NO	50	PLANT & MACHINERY	114-617-180		
3.0103	PACKING SLEEVES	NO	10	PLANT & MACHINERY	114-617-180		
3.0104	GASKETS	NO	10	PLANT & MACHINERY	114-617-180		
3.0105	OIL SEAL	NO	40	PLANT & MACHINERY	114-617-180		
3.0106	SET OF V BELT	NO	30	PLANT & MACHINERY	114-617-180		
3.02	FOR PHES:						
3.0201	NUT	NO	300	PLANT & MACHINERY	114-617-180		
3.0202	WASHER CUM SLEEVE	NO	200	PLANT & MACHINERY	114-617-180		
3.0203	NYLON BRUSH	NO	12	PLANT & MACHINERY	114-617-180		
3.03	FOR DOSING SYSTEMS:						
3.0301	RING SEAL	NO	30	PLANT & MACHINERY	114-617-180		

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3.0302	CERAMIC BALL	NO	20	PLANT & MACHINERY	114-617-180
3.0303	FUSE	NO	20	PLANT & MACHINERY	114-617-180
3.0304	CARTRIDGES	NO	12	PLANT & MACHINERY	114-617-180
3.0305	O RING SET	NO	12	PLANT & MACHINERY	114-617-180
3.0306	OIL SEAL SET	NO	12	PLANT & MACHINERY	114-617-180
3.04	FOR INSTRUMENTATION:				
3.0401	PRESSURE GAUGES	NO	60	PLANT & MACHINERY	114-617-180
3.0402	POSITIONER	NO	20	PLANT & MACHINERY	114-617-180
3.0403	PRESSURE GAUGE-on-E/P-POSITIONER	NO	40	PLANT & MACHINERY	114-617-180
3.0404	GLAND PACKING	NO	50	PLANT & MACHINERY	114-617-180
3.0405	SPARE GLASS	NO	50	PLANT & MACHINERY	114-617-180
3.0406	RTD	NO	40	PLANT & MACHINERY	114-617-180
3.0407	TRANSMITTER	NO	25	PLANT & MACHINERY	114-617-180
3.05	FOR FIRE FIGHTING SYSTEM:				
3.0501	AR-AFFF FOAM	LTR	1000	PLANT & MACHINERY	114-617-180
15	SUPPLY-RAW MATERIAL-SITE FABRICATED EQPT COMPRISING OF				
15.21	CHEQUEREDPLATE	MT	50	PLANT & MACHINERY	114-617-180
15.22	MILD STEEL CHANNEL	MT	50	PLANT & MACHINERY	114-617-180
15.23	MILD STEEL FLAT	MT	40	PLANT & MACHINERY	114-617-180
15.24	MILD STEEL BEAM	MT	200	PLANT & MACHINERY	114-617-180
2	WEIGH BRIDGE COMPRISING OF				
2.8	YOKE	NO	12	PLANT & MACHINERY	114-617-180
2.9	WEIGHBRIDGE PANELS	NO	12	PLANT & MACHINERY	114-617-180
2.10	TOP CLAMP	NO	14	PLANT & MACHINERY	114-617-180
2.11	TERMINATION JUNCTION BOX	NO	5	PLANT & MACHINERY	114-617-180
2.12	SYSTEM OPERATION MANUAL	NO	5	PLANT & MACHINERY	114-617-180
2.13	SPIKE BUSTER	NO	5	PLANT & MACHINERY	114-617-180
2.14	SOFT WARE CD	NO	5	PLANT & MACHINERY	114-617-180
2.15	CABLES	MTR	70	PLANT & MACHINERY	114-617-180
2.16	PRINTER PAPER	NO	5	PLANT & MACHINERY	114-617-180
2.17	PC P IV WITH ACCESSORIES	NO	5	PLANT & MACHINERY	114-617-180
2.18	REMOTE SCOREBOARD	NO	5	PLANT & MACHINERY	114-617-180
2.19	MASTER JUNCTION BOX	NO	6	PLANT & MACHINERY	114-617-180
2.20	MIDDLE WELDMENT	NO	6	PLANT & MACHINERY	114-617-180
2.21	MONITOR	NO	5	PLANT & MACHINERY	114-617-180
2.22	HARDWARE (BOLTS, SCREWS, WASHERS)	NO	1000	PLANT & MACHINERY	114-617-180
2.23	M SEAL 100 GMS	NO	10	PLANT & MACHINERY	114-617-180
2.24	LOADCELL	NO	18	PLANT & MACHINERY	114-617-180
2.25	JUNCTION BOX	NO	5	PLANT & MACHINERY	114-617-180
2.26	LINKING JUNCTION BOX	NO	6	PLANT & MACHINERY	114-617-180
2.27	KEY BOARD	NO	5	PLANT & MACHINERY	114-617-180
2.28	EARTH BUSBAR	NO	5	PLANT & MACHINERY	114-617-180
2.29	END WELDMENT	NO	6	PLANT & MACHINERY	114-617-180
2.30	DECK PLATE PANELS	NO	14	PLANT & MACHINERY	114-617-180
2.31	DECK PLATE	NO	20	PLANT & MACHINERY	114-617-180
2.32	COPPER WIRE	MTR	75	PLANT & MACHINERY	114-617-180
2.33	COPPER BRAID WITH LUGS	NO	14	PLANT & MACHINERY	114-617-180
2.34	BOTTOM MTG BRACKET	NO	15	PLANT & MACHINERY	114-617-180
2.35	ELECTRONIC WEIGHING INDICATOR	NO	5	PLANT & MACHINERY	114-617-180
2.36	80 COLUMN DOT MATRIX PRINTER	NO	5	PLANT & MACHINERY	114-617-180
2.37	1C X 1.5SQ.MM CU CABLE 2 M WITH BOTH END CRIMPED	NO	8	PLANT & MACHINERY	114-617-180
2.38	PVC L BEND	NO	20	PLANT & MACHINERY	114-617-180
2.39	PVC COUPLING	NO	15	PLANT & MACHINERY	114-617-180
2.40	PVC FLEXIBLE HOSE	MTR	20	PLANT & MACHINERY	114-617-180
2.41	PVC CONDUIT PIPE 3MTR LONG	NO	20	PLANT & MACHINERY	114-617-180

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7	CMS BLADDER COMPRISING OF						
7.06	Floats GPX33	NOS	500	PLANT & MACHINERY		114-617-180	
7.07	HDPE 1.5mm Sheeting (Rolls)	NOS	20	PLANT & MACHINERY		114-617-180	
7.08	HDPE 1.5mm Sheeting (Rolls)	NOS	5	PLANT & MACHINERY		114-617-180	
7.09	0.5mm Hi-drain Sheeting (Rolls)	NOS	20	PLANT & MACHINERY		114-617-180	
7.10	Water Removal System with Hose	NOS	3	PLANT & MACHINERY		114-617-180	
7.11	RFPP Sheeting (Rolls)	NOS	35	PLANT & MACHINERY		114-617-180	
7.12	RFPP Sheeting (Rolls)	NOS	5	PLANT & MACHINERY		114-617-180	
7.13	RFPP Welding Rod	NOS	20	PLANT & MACHINERY		114-617-180	
7.14	Whirly Birds	NOS	12	PLANT & MACHINERY		114-617-180	
7.15	HDPE Welding Rod	NOS	12	PLANT & MACHINERY		114-617-180	
7.16	20mm Rope	MTR	500	PLANT & MACHINERY		114-617-180	
7.17	S/S Angle Iron	MTR	500	PLANT & MACHINERY		114-617-180	
IX	EFFLUENT TREATMENT PLANT SECTION PLANT WITH ACCESSORIES COMPRISING OF						
55	COARSE DIFFUSERS IN EQT	NO	50	PLANT & MACHINERY		114-617-180	
56	BLOWER FOR DMF WITH MOTOR	NO	10	PLANT & MACHINERY		114-617-180	
II	FERMENTATION SECTION PLANT WITH ACCESSORIES COMPRISING OF						
51	SAFETY SYSTEM FOR FERMENTOR I-IV	NO	10	PLANT & MACHINERY		114-617-180	

DIF

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ILLOVO DISTILLERS (TANZANIA) LIMITED

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**TANZANIAN INVESTMENT CENTRE
DAR ES SALAAM**

**KB1007 DISTILLERY PROJECT – Investment certificate number 042143
PROJECT PROGRESS REPORT
31st August 2012**

1. Planned activities for the period :

- a. Civil construction is progressing well and is at an advanced stage.

SR. NO	ACTIVITY	PLANNED COMPLN. DATE	PERCENTAGE COMPLETION
01	FERMENTATION SECTION	12.04.2013	56%
02	DISTILLATION SECTION	01.10.2012	63%
03	ALCHOHOL STORAGE	22.02.2013	61%
04	EVAPORATION SECTION	01.11.2012	66%
05	CHEMICAL STORAGE	12.02.2013	12%
06	UTILITY SECTION	19.11.2012	3%
07	MOLASSES HANDING SECTION	21.01.2013	61%
08	EFFLUENT TREATMENT PLANT	30.01.2013	19%
09	DECANTATION SECTION	18.02.2013	44%
10	WATER TREATMENT PLANT	19.12.2012	14%



- b. Tank fabrication started in June and is progressing well

SR NO	ACTIVITY	PLANNED COMPLN. DATE	PERCENTAGE COMPLETION
01	BULK MOLASSES section	21.12.2012	10%
02	BULK ENA TANK - A	17.12.2012	12%
03	BULK ENA TANK - B	03.12.2012	10%
04	BULK TA	30.10.2012	20%
05	DAILY RECEIVER ENA - A	22.09.2012	8%
06	DAILY RECEIVER ENA - B	22.09.2012	9%
07	FERMENTOR - 1	02.10.2012	9%
08	FERMENTOR - 2	19.10.2012	4%
09	FERMENTOR - 3	06.10.2012	5%
10	FERMENTOR - 4	13.10.2012	4%
11	WASH HOLDING TANK	22.10.2012	2%
12	SPENTWASH SETTLING TANK	04.01.2013	0%
13	INTERMEDIATE SPENT WASH HOLDING TANK	10.01.2013	0%
14	CAUSTIC LYE BULK TANK	24.10.2012	0%

2. Achievements made on project implementation to date:

- a. Safety - 233 238 manhours worked to date without a disabling or lost time incident.
- b. The site has transformed from a single level of concrete of bases into a multi level site incorporating civil works , concrete columns and tank fabrication and erection
- c. Detailed engineering drawings almost complete.
- d. Delivery of equipment from India on track even considering difficult port conditions



3. Project Financial Expenditure to date:

Description	Foreign	Local	Total
	TZS 000'S	TZS 000'S	TZS 000'S
Land & buildings			
Plant and Machinery	14 436 887	8 686 578	23 123 465
Vehicles	0	217 446	217 446
Furniture	0	3 056	3 056
Office equipment	0	30 247	30 247
Insurance cover	0	679 340	679 340
Pre operational expenditure	0	293 505	293 505
Working capital	0	880 515	880 515
Grand Total	14 436 887	10 790 687	25 227 574

4. Project Financing:

- The project is financed through partly through foreign investor equity funding and the balance through local debt funding through CRDB commercial bank.
- The debt financing loan is repayable over 8 years effective from the date that the distillery has been commissioned and is commercially operational.

5. Problems and Solutions:

- Some of the equipment that was being built by the EPC contractor Praj Industries in India arrived out of sequence on site after being cleared due to shipping delays but by rescheduling the sequence of some of the construction work, the construction work was not effected detrimentally.

Prepared and authorised by:


Ken Rowney

IDTL Project Financial Manager

ILLOVO DISTILLERS (TANZANIA) LTD.
P. O. Box 50, KIDATU
MOROGORO, TANZANIA

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TICC/PP.10/042143/12

31/07/2012

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042143**

M/S Illovo Distillers (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042143** which is valid up to **November 2014**

The company has been registered with objectives of establishing alcohol distillery plant.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR



u

ILLOVO DISTILLERS (TANZANIA) LIMITED

12th July 2012

Commissioner of Customs and Excise
Tanzania Revenue Centre,
P O Box 9053
Dar Es Salaam

P.O. BOX 50, KIDATU,

MOROGORO, TANZANIA

TELEPHONE: (+255) 23 262 6011

FAX: (+255) 23 262 6166 / 262 6084

CRIMELINE: 0800 ILLOVO

WEBSITE: www.illovosugar.com

COMPANY NUMBER: 60231

UFS
The Executive Director
Tanzania Investment Centre,
PO Box 938,
Dar Es Salaam



Dear Sir/Madame

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS ON CERTIFICATE OF INCENTIVES NO: 04213 FOR ILLOVO DISTILLERS (TANZANIA) LIMITED – SUBMISSION OF SUPPLEMENTAL BILLING LIST NO 2.

Illovo Distillers (Tanzania) Limited, a subsidiary of Illovo Group Holdings Limited, has received the Certificate of Incentives No 042143 for the new distillery based on application - TIC 09674 which is valid up to November 2014.

**The contract is to construct, supply and erect – one unit complete distillery plant
Value USD 33.2 million**

The Following Capital Goods Lists have already been submitted and approved by Customs and Excise:-

1. Original Capital Goods Billing List
2. Amendment no 1 to Original Capital Goods Billing List for inclusion of raw materials – Rebar, steel etc
3. Supplemental Capital Goods Billing List no 1

Please now Receive Supplemental Billing List no 2 as per attached for lodging and approval

1	2 Copies of the TIC Investment certificate no 042143	A
3	10 copies of the supplemental list no 2 of Billing Items	B
4	1 CD soft copy in excel format of supplemental list no 2 of Billing items	C

We trust that you will look upon our request in a favorable light and look forward to hearing from you.

Kind regards
K Rowney
K Rowney
Project Financial Manager
(022-2626571; 0685863449; krowney@illovo.co.za)

DIRECTORS:
D.H. Carter-Brown G.I. Clark I.G. Parrott M.H. Abdool-Samad





00218287

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042143

This is to certify that

ILLOVO DISTILERS (TANZANIA) LTD

of address P.O. BOX 50

KIDATHU - MOROGORO

has been granted a Certificate of Incentives to invest in a new ~~XXXXXX~~ ^{rehabilitation / expansion} ~~XXXXXX~~ ^{XXXXXX} enterprise known as

ILLOVO DISTILERS (TANZANIA) LTD

Which is located at FARM NO. 105 RYEMBE

KILOSA - MOROGORO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 20TH DECEMBER, 2011



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

Shareholders	Nationality	Shareholding (%)
ED+ F Man Group	British	20
Illovo Group Holding	Mauritian	80
.....
.....

2. Proposed Activities: To establish portable alcohol distillery plant

3. Sector: Manufacturing Subsector Alcohol Distillery

4. Investment cost: Foreign USD 0m. Local USD 33.2 Total USD 33.2m.

5. Project Financing: Equity USD 22.2m. Loans USD 11m. Total USD 33.2m.

6. Source, terms and conditions of loan: none

7. Assets to be invested:

Capital Items:	Foreign	Local	Total
	<u>USD 0m.</u>	<u>USD 33.2m.</u>	<u>USD 33.2m.</u>

8. Technology Agreement: None

9. Date of TIC Registration: 2nd December, 2011

10. Implementation period: December, 2011 - November, 2014

11. Operative date: December, 2014

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate

None

Signed 
Ag. Executive Director

Sr. No.	Item Name	Unit Measurement	Qty.	Item Group	Item Priced	TIN	Exemption Reference No.	Exemption Date
X	COMMON SECTIONS FOR ENTIRE PLANT WITH ACCESSORIES COMPRISING OF							
8	PIPES AND PITE FITTINGS COMPRISING OF							
8.36	Stainless Steel Pipes	Mtr	13000	PLANT & MACHINERY		114-617-180		
8.37	CS Pipe	Mtr	13000	PLANT & MACHINERY		114-617-180		
8.38	PVC - Pipe	Mtr	1000	PLANT & MACHINERY		114-617-180		
8.39	PVC - Elbow	NO	100	PLANT & MACHINERY		114-617-180		
8.40	PVC - Tee	NO	200	PLANT & MACHINERY		114-617-180		
8.41	PVC - Bush	NO	50	PLANT & MACHINERY		114-617-180		
8.42	Coupling - Mild Steel	NO	100	PLANT & MACHINERY		114-617-180		
8.43	Coupling - Stainless Steel	NO	100	PLANT & MACHINERY		114-617-180		
8.44	Stainless Steel Elbow	NO	1000	PLANT & MACHINERY		114-617-180		
8.45	Stainless Steel Tee	NO	1000	PLANT & MACHINERY		114-617-180		
8.46	Stubends	NO	1000	PLANT & MACHINERY		114-617-180		
8.47	GI U Clamp	NO	1000	PLANT & MACHINERY		114-617-180		
8.48	Mild Steel Tee	NO	200	PLANT & MACHINERY		114-617-180		
5	NOZZLE FOR SITE FABRICATED ITEMS COMPRISING OF							
5.78	Mild Steel Pipe	Mtr	6000	PLANT & MACHINERY		114-617-180		
5.79	Stainless Steel Pipe	Mtr	2000	PLANT & MACHINERY		114-617-180		
5.80	Stainless Steel Flanges	NO	400	PLANT & MACHINERY		114-617-180		
5.81	MS Flange	NO	500	PLANT & MACHINERY		114-617-180		
5.82	Hardware	NO	1000	PLANT & MACHINERY		114-617-180		
9	VALVES COMPRISING OF							
9.18	ROTARY-VALVE	NO	10	PLANT & MACHINERY		114-617-180		
9.19	PVC-ADHESIVE SOLUTION FOR VALVE	NO	20	PLANT & MACHINERY		114-617-180		
9.20	Mild Steel Ball Valve	NO	300	PLANT & MACHINERY		114-617-180		
9.21	MS Globe Valve	NO	200	PLANT & MACHINERY		114-617-180		
9.22	Mild Steel NRV	NO	200	PLANT & MACHINERY		114-617-180		
9.23	Stainless Steel Gate Valve	NO	150	PLANT & MACHINERY		114-617-180		
9.24	Stainless Steel Globe Valve	NO	150	PLANT & MACHINERY		114-617-180		
14	INSTRUMENTATION & CONTROL SYSTEM COMPRISING OF							
14.40	Orifice	NO	20	PLANT & MACHINERY		114-617-180		
14.41	Differential Pressure Transmitter	NO	50	PLANT & MACHINERY		114-617-180		
14.42	Control Valve (B/F,with ZT,Globe)	NO	40	PLANT & MACHINERY		114-617-180		
14.43	Level Transmitters	NO	30	PLANT & MACHINERY		114-617-180		
14.44	Pressure Gauge	NO	450	PLANT & MACHINERY		114-617-180		
14.45	Level Gauge	NO	20	PLANT & MACHINERY		114-617-180		
14.46	SYPHON-TYPE-U or COIL Type	NO	500	PLANT & MACHINERY		114-617-180		
14.47	Snubber	NO	400	PLANT & MACHINERY		114-617-180		
14.48	Compression Male connector - SS304-1/2"	NO	500	PLANT & MACHINERY		114-617-180		
14.49	TEE-SS304-1/2"X1/2"	NO	50	PLANT & MACHINERY		114-617-180		
14.5	NEEDLE VALVE-SS304-1/2"	NO	50	PLANT & MACHINERY		114-617-180		

14.51	BALL VALVE - SS304 - 1/2"	NO	100	PLANT & MACHINERY	114-617-180
14.52	BARREL NIPPLE - SS304-1/2"	NO	150	PLANT & MACHINERY	114-617-180
14.53	UNION WITH FERRULE AND NUT	NO	60	PLANT & MACHINERY	114-617-180
14.54	FERRULES SS316	NO	80	PLANT & MACHINERY	114-617-180
14.55	MANIFOLD SS304	NO	80	PLANT & MACHINERY	114-617-180
14.56	MANIFOLD O RING	NO	30	PLANT & MACHINERY	114-617-180
14.57	CONDENSATE POT 50NB SS304	NO	70	PLANT & MACHINERY	114-617-180
14.58	CONDENSATE POT 80NB CS	NO	45	PLANT & MACHINERY	114-617-180
14.59	CABLE EARTHING COPPER PVC 1C X 6 SQMM	MTR	1000	PLANT & MACHINERY	114-617-180
14.6	Earth Pit (GI / Copper plate / pipe electrode) -	NO	20	PLANT & MACHINERY	114-617-180
14.61	Funnel & CI cover	NO	20	PLANT & MACHINERY	114-617-180
14.62	COPPER STRIPS		100	PLANT & MACHINERY	114-617-180
14.63	COPPER PLATE 300MM X 300MM X 6MM	NO	20	PLANT & MACHINERY	114-617-180
14.64	ANGLE	MT	10	PLANT & MACHINERY	114-617-180
14.65	SUPPORT PIPE MS 50 NB	MTR	200	PLANT & MACHINERY	114-617-180
14.66	INSERT PLATE MS 150MM X 150MM X 6MM	NO	40	PLANT & MACHINERY	114-617-180
14.67	ANCHOR BOLTS	NO	200	PLANT & MACHINERY	114-617-180
11	ELECTRICAL COMPRISING OF				
11.29	High Mass - Lighting	NO	5	PLANT & MACHINERY	114-617-180
11.30	Lighting Pole	NO	80	PLANT & MACHINERY	114-617-180
11.31	Electric Lamps	NO	700	PLANT & MACHINERY	114-617-180
11.32	Funnel & CI cover	NO	150	PLANT & MACHINERY	114-617-180
11.33	Earth Pit (GI / Copper plate / pipe electrode) -	NO	200	PLANT & MACHINERY	114-617-180
VIII	WATER TREATMENT SECTION PLANT WITH ACCESSORIES COMPRISING OF				
24	Flash mixer mechanism	NO	2	PLANT & MACHINERY	114-617-180
25	Flocculator mechanism	NO	2	PLANT & MACHINERY	114-617-180
26	Tube settler pack	NO	50	PLANT & MACHINERY	114-617-180
27	Tube modules support	NO	50	PLANT & MACHINERY	114-617-180
28	Over flow launders	NO	50	PLANT & MACHINERY	114-617-180
29	Sodium carbonate dosing system	NO	1	PLANT & MACHINERY	114-617-180
30	Alum dosing system	NO	1	PLANT & MACHINERY	114-617-180
31	Anionic polymer dosing system	NO	1	PLANT & MACHINERY	114-617-180
32	Tube settler tank	NO	2	PLANT & MACHINERY	114-617-180
33	Flash mixer tank	NO	2	PLANT & MACHINERY	114-617-180
34	Flocculator tank.	NO	2	PLANT & MACHINERY	114-617-180
35	Frontal and Interconnecting Piping in SKD form	NO	10	PLANT & MACHINERY	114-617-180
36	Reject Transfer Pump with motor	NO	3	PLANT & MACHINERY	114-617-180
XI	ALCOHOL STORAGE SECTION PLANT WITH ACCESSORIES COMPRISES OF				
1	ENA DAILY RECEIVER TRANSFER PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180
2	T A DAILY RECEIVER TRANSFER PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180
3	FO BULK STORAGE TRANSFER PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180
4	ENA BULK STORAGE TRANSFER PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180
5	TA BULK STORAGE TRANSFER PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180
6	COOLING WATER RECIRCULATION PUMP & MOTOR	NO	3	PLANT & MACHINERY	114-617-180

7	FLM ARREST & SAFETY SYS-DAILY REC-ENA	NO	3	PLANT & MACHINERY		114-617-180		
8	FLM ARREST & SAFETY SYS-DAILY REC T A	NO	3	PLANT & MACHINERY		114-617-180		
9	FLM ARREST & SAFETY SYS-BULK STORAGE-FO	NO	2	PLANT & MACHINERY		114-617-180		
10	FLM ARREST & SAFETY SYS-BULK STORAGE-ENA	NO	2	PLANT & MACHINERY		114-617-180		
11	FLM ARREST & SAFETY SYS-BULK STORAGE-TA	NO	3	PLANT & MACHINERY		114-617-180		
12	PRODUCT FILTER FOR ENA	NO	10	PLANT & MACHINERY		114-617-180		
13	PRODUCT FILTER FOR TA	NO	10	PLANT & MACHINERY		114-617-180		
14	VENT CONDENSER FOR ENA BULK STORAGE TANK	NO	4	PLANT & MACHINERY		114-617-180		
15	VENT CONDENSER FOR TA BULK STORAGE TANK	NO	4	PLANT & MACHINERY		114-617-180		
16	VENT CONDENSER FOR FO BULK STORAGE	NO	4	PLANT & MACHINERY		114-617-180		
IX	EFFLUENT TREATMENT PLANT SECTION PLANT WITH ACCESSORIES COMPRISING OF							
53	REJECT TRANSFER PUMP WITH MOTOR	NO	3	PLANT & MACHINERY		114-617-180		
54	SPARE DOSING PUMP WITH DRIVE MOTOR	NO	3	PLANT & MACHINERY		114-617-180		
V	UTILITY SECTION PLANT WITH ACCESSORIES COMPRISING OF							
13	HIGH PRESSURE PUMP FOR PRDS WITH MOTOR	NO	3	PLANT & MACHINERY		114-617-180		
14	STEAM CONDENSATE TANK FOR PRDS							
I	EVAPORATION SECTION PLANT WITH ACCESSORIES COMPRISES OF							
48	RECIRCULATION PUMP-II WITH MOTOR	NO	3	PLANT & MACHINERY		114-617-180		
49	CAUSTIC LYE PREPARATION TANK	NO	2	PLANT & MACHINERY		114-617-180		
IV	SPENT WASH HANDLING SECTION PLANT WITH ACCESSORIES COMPRISING OF							
8	SPENT CAKE HOPPER	NO	3	PLANT & MACHINERY		114-617-180		
9	SLUDGE TROUGH	NO	3	PLANT & MACHINERY		114-617-180		
10	PRIMING POTS	NO	15	PLANT & MACHINERY		114-617-180		
III	DISTILLATION SECTION PLANT WITH ACCESSORIES COMPRISING OF							
123	SAMPLE COOLER FOR P-1492 A/B	NO	2	PLANT & MACHINERY		114-617-180		
124	SAMPLE COOLER FOR P-1491 A/B	NO	2	PLANT & MACHINERY		114-617-180		
125	SAMPLE COOLER	NO	6	PLANT & MACHINERY		114-617-180		

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TICC/PP.10/042143/10

21/06/2012

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042143**

M/S Illovo Distillers (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042143** which is valid up to **November 2014**

The company has been registered with objectives of establishing alcohol distillery plant.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR



ILLOVO DISTILLERS (TANZANIA) LIMITED

P.O.Box 50, KIDATU,

MOROGORO, TANZANIA

TELEPHONE: (+255) 23 262 6011

FAX: (+255) 23 262 6188 / 262 6084

CRIMELINE: 0800 ILLOVO

WEBSITE: www.illovosugar.com

COMPANY NUMBER: 85231



9th May 2012

Commissioner of Customs and Excise
Tanzania Revenue Centre,
P O Box 9053
Dar Es Salaam

UFS
The Executive Director
Tanzania Investment Centre,
PO Box 938,
Dar Es Salaam

Dear Sir/Madame

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS ON CERTIFICATE OF INCENTIVES NO: 04213 FOR ILLOVO DISTILLERS (TANZANIA) LIMITED – SUBMISSION NO 3.

Illovo Distillers (Tanzania) Limited, a subsidiary of Illovo Group Holdings Limited, has received the Certificate of Incentives No 042143 for the new distillery based on application - TIC 09674 which is valid up to November 2014.

The company has been registered with the objectives of adding value to molasses (a waste product from sugar production) to replace import product (potable alcohol) and to create a viable means of disposing of molasses to avert environmental contamination.

**The contract is to construct, supply and erect – one unit complete distillery plant
Value USD 33.2 million**

Please find attached the following documentation in support of our application:-

1	2 Copies of the TIC Investment certificate no 042143	A
2	2 Copies of TIN Certificate no1095750	B
3	10 copies of the list of Items	C
4	1 Cd soft copy in excel format of list of items	D

DIRECTORS:

D.H. Carter-Brown G.J. Clark I.G. Parrott M.H. Abdool-Samad

We trust that you will look upon our request in a favorable light and look forward to hearing from you.

~~Kind regards~~

K Rowney

Project Financial Manager

(022-2626571; 0685863449; krowney@illovo.co.za)

SR NO	Item Name	Unit Measurement	Quantity	Item Group	Item Priced	TIN	Exemption Reference No	Exemption Date
VII	CHEMICAL STORAGE SECTION PLANT WITH ACCESSORIES COMPRISING OF							
11	AGITATOR FOR CAUSTIC LYE PREP TANK	NO	1	PLANT & MACHINERY		114-617-180		
12	CAUSTIC LYE PREPARATION TANK	NO	1	PLANT & MACHINERY		114-617-180		
13	CAUSTIC LYE COOLER	NO	1	PLANT & MACHINERY		114-617-180		
14	HOPPER FOR CAUSTIC LYE PREPARATION TANK	NO	1	PLANT & MACHINERY		114-617-180		
15	CAUSTIC LYE PREPARATION PUMP WITH MOTOR	NO	2	PLANT & MACHINERY		114-617-180		
IV	SPENT WASH HANDLING SECTION PLANT WITH ACCESSORIES COMPRISING OF							
7	SPENT WASH RECYCLE TANK	NO	1	PLANT & MACHINERY		114-617-180		
III	DISTILLATION SECTION PLANT WITH ACCESSORIES COMPRISING OF							
100	CIP PUMP - DISTILLATION WITH MOTOR	NO	2	PLANT & MACHINERY		114-617-180		
101	CIP TANK - DISTILLATION	NO	1	PLANT & MACHINERY		114-617-180		
102	SAMPLE COOLER FOR ANALYZER BOTTON SPENT WASH	NO	1	PLANT & MACHINERY		114-617-180		
103	SAMPLE COOLER FOR FLASK TANK BOTTON SPENT WASH	NO	1	PLANT & MACHINERY		114-617-180		
104	SAMPLE COOLER FOR K-1404	NO	1	PLANT & MACHINERY		114-617-180		
105	SAMPLE COOLER FOR K-1405	NO	1	PLANT & MACHINERY		114-617-180		
106	SAMPLE COOLER FOR PRE RECTIFIER BOTTOM LEES	NO	1	PLANT & MACHINERY		114-617-180		
107	SAMPLE COOLER FOR EXHAUST/STRIPPER LEES	NO	1	PLANT & MACHINERY		114-617-180		
108	SAMPLE COOLER FOR P-1411 A/B	NO	1	PLANT & MACHINERY		114-617-180		
109	SAMPLE COOLER FOR P-1417 A/B	NO	1	PLANT & MACHINERY		114-617-180		
110	SAMPLE COOLER FOR ED BOTTOM ALCOHOL WATER LIQUID	NO	1	PLANT & MACHINERY		114-617-180		
111	SAMPLE COOLER FOR ED CONDENSATE / FOC FEED ALCOHOL WATER LIQUID	NO	1	PLANT & MACHINERY		114-617-180		
112	SAMPLE COOLER FOR RECTIFIER CUM EXHAUST LEES	NO	1	PLANT & MACHINERY		114-617-180		
113	SAMPLE COOLER FOR RECTIFIER CUM EXHAUST REFLUX	NO	1	PLANT & MACHINERY		114-617-180		
114	SAMPLE COOLER FOR RECTIFIER CUM EXHAUST LIGHT FUSEL OIL	NO	1	PLANT & MACHINERY		114-617-180		
115	SAMPLE COOLER FOR RECTIFIER CUM EXHAUST HEAVEY FUSEL OIL	NO	1	PLANT & MACHINERY		114-617-180		
116	SAMPLE COOLER FOR RECTIFIER CUM EXHAUST ENA DRAW	NO	1	PLANT & MACHINERY		114-617-180		
117	SAMPLE COOLER FOR K-1492	NO	1	PLANT & MACHINERY		114-617-180		
118	SAMPLE COOLER FOR FOC/ RECOVERY HEAVEY FUSEL OIL	NO	1	PLANT & MACHINERY		114-617-180		
119	SAMPLE COOLER FOR FOC/ RECOVERY LIGHT FUSEL OIL	NO	1	PLANT & MACHINERY		114-617-180		
120	SAMPLE COOLER FOR FOC RECOVERY REFLUX	NO	1	PLANT & MACHINERY		114-617-180		
121	SAMPLE COOLER FOR SIMMERING REFLUX	NO	1	PLANT & MACHINERY		114-617-180		
122	SAMPLE COOLER FOR SIMMERING BOTTOM ENA	NO	1	PLANT & MACHINERY		114-617-180		
I	EVAPORATION SECTION PLANT WITH ACCESSORIES COMPRISING OF					114-617-180		
47	SAMPLE COOLER	NO	10	PLANT & MACHINERY		114-617-180		
IX	EFFLUENT TREATMENT PLANT SECTION PLANT WITH ACCESSORIES COMPRISING OF							
47	NaOCI DOSING TANK	NO	1	PLANT & MACHINERY		114-617-180		
48	NaOCI DOSING PUMP WITH DRIVE MOTOR	NO	1	PLANT & MACHINERY		114-617-180		
49	CITRIC ACID DOSING TANK	NO	1	PLANT & MACHINERY		114-617-180		
50	CITRIC ACID DOSING PUMP WITH DRIVE MOTOR	NO	1	PLANT & MACHINERY		114-617-180		
51	CITRIC ACID AGITATOR WITH DRIVE MOTOR	NO	1	PLANT & MACHINERY		114-617-180		
52	PERMEATE TRANSFER PUMP WITH DRIVE MOTOR	NO	2	PLANT & MACHINERY		114-617-180		

SR NO	Item Name	Unit Measurement	Quantity	Item Group	Item Priced	TIN	Exemption Reference No	Exemption Date
VIII	WATER TREATMENT PLANT SECTION PLANT WITH ACCESSORIES COMPRISING OF							
16	BRINE DOSING SYSTEM	NO	1	PLANT & MACHINERY		114-617-180		
17	ACID DOSING SYSTEM	NO	1	PLANT & MACHINERY		114-617-180		
18	ALKALI DOSING SYSTEM	NO	1	PLANT & MACHINERY		114-617-180		
19	FILTER FEED PUMP WITH MOTOR	NO	2	PLANT & MACHINERY		114-617-180		
20	SUMP PUMP WITH MOTOR	NO	1	PLANT & MACHINERY		114-617-180		
21	REGENERATION PUMP WITH MOTOR	NO	1	PLANT & MACHINERY		114-617-180		
22	NAOCL DOSING SYSTEM FOR UF SYSTEM	NO	1	PLANT & MACHINERY		114-617-180		
23	CARTRIDGE FILTER	NO	50	PLANT & MACHINERY		114-617-180		
X	COMMON SECTIONS FOR ENTIRE PLANT WITH ACCESSORIES COMPRISING OF							
8	PIPES AND PIPE FITTINGS COMPRISING OF							
8.33	Y-TYPE STRAINER	NO	25	PLANT & MACHINERY		114-617-180		
8.34	THERMODYNAMIC STEAM TRAP	NO	25	PLANT & MACHINERY		114-617-180		
8.35	BALL FLOAT STEAM TRAP	NO	25	PLANT & MACHINERY		114-617-180		
12	PRE-FABRICATED-STRUCTURE COMPRISING IN CKD form	STUCTURES	10	PLANT & MACHINERY		114-617-180		
16	MISCELLANEOUS BOUGHT-OUTS COMPRISING OF							
1	CHAIN BLOCK WITH TROLLY & ACCESERIES	NO	10	PLANT & MACHINERY		114-617-180		



00218287

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042143

This is to certify that

ILLOVO DISTILLERS (TANZANIA) LTD

of address P.O. BOX 50

KIDATU - MOROGORO

has been granted a Certificate of Incentives to invest in a new ~~rehabilitation/expansion~~ ~~or equity of the~~ enterprise known as

ILLOVO DISTILLERS (TANZANIA) LTD

Which is located at FARM NO. 105 RYEMBE

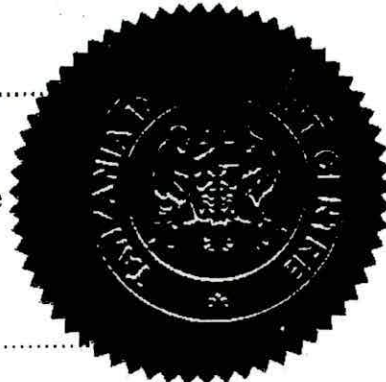
KILOSA - MOROGORO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 20TH DECEMBER, 2011



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

Shareholders	Nationality	Shareholding (%)
ED+ F Man Group	British	20
Illovo Group Holding	Mauritian	80
.....
.....
2. Proposed Activities: To establish portable alcohol distillery plant
3. Sector: Manufacturing Subsector: Alcohol Distillery
4. Investment cost: Foreign USD 0m. Local USD 33.2 Total USD 33.2m.
5. Project Financing: Equity USD 22.2m. Loans USD 11m. Total USD 33.2m.
6. Source, terms and conditions of loan: none
7. Assets to be invested:

Capital Items:	Foreign	Local	Total
	<u>USD 0m.</u>	<u>USD 33.2m.</u>	<u>USD 33.2m.</u>
8. Technology Agreement: None
9. Date of TIC Registration: 2nd December, 2011
10. Implementation period: December, 2011 – November, 2014
11. Operative date: December, 2014
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate: None

Signed 
Ag. Executive Director

8



ILLOVO DISTILLERS (TANZANIA) LIMITED

P.O.BOX 50
KIDATU, Morogoro
Tel (+255) 23 2626011
Fax (+255) 23 2626188 / 2626084
web: www.illovosugar.com

8 December 2011

TANZANIA INVESTMENT CENTRE
9A & B Shaaban Robert Street
Dar es Salaam

Attention: The Executive Director

Dear Sir/Madame

Kilombero Sugar Company Limited wishes to make application for Investment Incentives for the proposed Energy Efficiency Upgrade of its Ruembe (K2) sugar factory at Kidatu Tanzania. We refer you to our recent application for investment incentives made by Illovo Distillers (Tanzania) Limited (Ref 09674) which made reference to this proposed expansion and on which the viability of the distillery is dependant. The upgraded plant will be required to supply the Steam and Energy needs of the new Distillery plant, which will be located adjacent to the Ruembe factory, throughout the entire season from existing bagasse supplies.

Please find attached the following documentation in support of our application:-

1	Registration Form for Certificate of Incentives (completed in triplicate) – No 09133	A
2	Copy of the audited accounts for the past three years	B
3	Copy of the Memorandum and Articles of Association	C
4	Copy of Certificate of Incorporation	D
6	Copy of the lease agreement	F
7	Project implementation schedule	G
9	Extract from the minutes of the Directors meeting where the project was approved	H
10	Front End Packages (Business Plan)	I



We are seeking investment incentives, through your good offices, to facilitate the viability of this project. In addition to the standard waiver of import duties we seek at least the following:

- A waiver of VAT payable on import. This will act as a cash flow incentive and ultimately is of no cost to Government.
- Any other incentives that can be availed to us (we refer you to our recent correspondence in this regard)

We trust that you will look upon our request in a favourable light and look forward to hearing from you.

Kind regards


C.M. (Jack) Bennie
Commercial Manager
(022-2133566; 0784-761244; jbennie@simbanet.net)



7

TICC/PP.10/042143/7

03/02/2012

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042143**

M/S Illovo Distillers (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042143** which is valid up to **November 2014**

The company has been registered with objectives of establishing alcohol distillery plant.

The Company has imported **One Unit Complete Distillery Plant** for production of alcohol.

Attached herewith please find a Certificate of Incentives and TIN Certificate for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TIC

6



ILLOVO DISTILLERS (TANZANIA) LIMITED

1st February 2012

Commissioner of Customs and Excise
Tanzania Revenue Centre,
P O Box 9053
Dar Es Salaam

P.O.Box 50, KIDATU,
MOROGORO, TANZANIA

TELEPHONE: (+255) 23 262 6011

FAX: (+255) 23 262 6188 / 262 6084

CRIMELINE: 0800 ILLOVO

WEBSITE: www.illovosugar.com

COMPANY NUMBER: 65231

UFS
The Executive Director
Tanzania Investment Centre,
PO Box 938,
Dar Es Salaam



Dear Sir/Madame

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 04213 FOR ILLOVO DISTILLERS (TANZANIA) LIMITED.

Illovo Distillers (Tanzania) Limited, a subsidiary of Illovo Group Holdings Limited, has received the Certificate of Incentives No 042143 for the new distillery based on application - TIC 09674 which is valid up to November 2014.

The company has to make down payments to the project contractor before the TRA Vat and Duty Capital Goods List has been finalized for full submission. The company therefore wishes to apply for Vat exemption, until such time as the full TRA exemption is granted.

The company has been registered with the objectives of adding value to molasses (a waste product from sugar production) to replace import product (potable alcohol) and to create a viable means of disposing of molasses to avert environmental contamination.

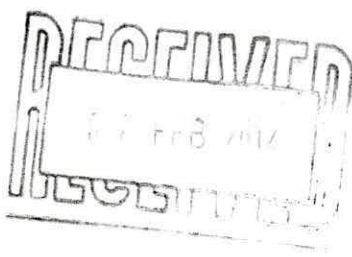
**The contract is to construct, supply and erect – one unit complete distillery plant
Value USD 33.2 million**

Please find attached the following documentation in support of our application:-

1	Copy of the TIC Investment certificate no 042143	A
---	--	---

We trust that you will look upon our request in a favorable light and look forward to hearing from you.

Kind regards
C.M. Bennie
C.M. (Jack) Bennie
Commercial Manager
(022-2133566; 0784-761244; jbenne@simbanet.net)





TANZANIA REVENUE AUTHORITY

Certificate of Registration for Value Added Tax (VAT)

(ISSUED UNDER SECTION 20 OF THE VALUE ADDED TAX ACT NO. 24 OF 1997)

THIS IS TO CERTIFY THAT
ILLOVO DISTILLERS (TANZANIA) LIMITED

WHOSE TAXPAYER IDENTIFICATION NUMBER (TIN) IS

114-617-180

HAS BEEN REGISTERED FOR VALUE ADDED TAX (VAT)

AND ASSIGNED VAT REGISTRATION NUMBER (VRN)

40-010398-W

FOR BUSINESS LOCATED AT MSOLWA MILL 540
KIDATU

WITH EFFECT FROM 01 November 2011

GIVEN UNDER MY HAND

THIS 1st **DAY OF** November 2011

P. N. Kassera
COMMISSIONER FOR VAT



NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF



00218287

(S)

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042143

This is to certify that

ILLOVO DISTILERS (TANZANIA) LTD

of address P.O. BOX 50

KIDATU - MOROGORO

has been granted a Certificate of Incentives to invest in a new, rehabilitation/expansion or equity of the enterprise known as

ILLOVO DISTILERS (TANZANIA) LTD

Which is located at FARM NO. 105 RYEMBE

KILOSA - MOROGORO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 20TH DECEMBER, 2011



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

	Nationality	Shareholding (%)
ED+ F Man Group	British	20
Illovo Group Holding	Mauritian	80
.....
.....

2. Proposed Activities : To establish portable alcohol distillery plant

3. Sector: Manufacturing Subsector Alcohol Distillery

4. Investment cost: Foreign USD 0m. Local USD 33.2 Total USD 33.2m.

5. Project Financing: Equity USD 22.2m. Loans USD 11m. Total USD 33.2m.

6. Source, terms and conditions of loan none

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0m.	USD 33.2m.	USD 33.2m.

8. Technology Agreement None

9. Date of TIC Registration: 2nd December, 2011

10. Implementation period December, 2011 - November, 2014

11. Operative date December, 2014

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate

None

Signed 
Ag. Executive Director



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC005484

No. 000248

Received from : ILLOVO DISTILLERS TANZANIA LTD

Address P. O. Box Dar Es Salaam


Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: Chq 000179 12/11

Date : 06-Dec-2011

JSimba 
Receiving Officer

CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF A POTABLE ALCOHOL DISTILLERY PLANT – TIC 09674

With reference to your letter dated 2nd December 2011 wherein you advised us that our application for registration for Investment Incentive Allowances had been approved subject to the provision of a Board Resolution and a Letter of No Objection from the Government (Ministry of Finance), we now have pleasure in enclosing the said two documents. We also enclose a copy of the receipt (000248 d/d 06/12/2011) for the payment of US\$750-00 in respect of the facilitation fee. We would appreciate your processing of the Certificate of Incentives as soon as possible.

We will, in the interim, proceed with the registration of the project with Tanzania Revenue Authority, Customs and Excise Department and with the Immigration Department for the issue of the relevant work permits.



We note your requirement for progress reports to be submitted and confirm that such reports will be furnished to you during April and October 2012 for the periods to 31 March and 30 September 2012 respectively and in April 2013 for the period to 31 March 2013 with the final report being submitted on completion of the project.

Thanking you in anticipation

Kind regards



C.M. (Jack) Bennie

Company Secretary

(022-2133566; 0784-761244; jbennie@simbanet.net)

cc. ID(T)L Project Manager
IDTH Finance Manager



CONFIDENTIAL

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE**

Telegram "Treasury" DARES SALAAM.
Telephone: 2111174-6.
(all official communication should
be addressed to the Principal Secretary
to the Treasury and not to individuals) In reply
please quote:



P. O. BOX 9111,
DAR ES SALAAM.

Ref. No. TYC/S/500/3/130

2nd November, 2011

Managing Director,
Kilombero Sugar Co.Ltd,
P.o.Box 50,
KIDATU.



RE: KILOMBERO DISTILLERY PROJECT.

Reference is made to your letter to the Minister for Finance dated 18th August, 2011 regarding the above subject matter.

The Ministry of Finance has reviewed the proposal by Kilombero Holdings Limited to establish a distillery project at Kilombero Sugar Company Limited to utilize molasses from the factory. We have also consulted with the Ministry of Industries and Trade, The Attorney General Chambers, Ministry of Agriculture, Food and Cooperatives and The Sugar Board of Tanzania.

We would like to inform you that the Minister for Finance has approved Kilombero Holdings Limited to proceed with the execution of the Alcohol Distillery project as an independent Company without the Government's participation in funding or involvement of Kilombero Sugar Limited.

Thank you for your continued cooperation.

G.M.K Msella

For: PERMANENT SECRETARY -TREASURY

CONFIDENTIAL

ILLOVO DISTILLERS (TANZANIA) LIMITED
(Registration Number: 85231)

WRITTEN RESOLUTION OF THE DIRECTORS OF ILLOVO DISTILLERS (TANZANIA) LIMITED (THE "COMPANY") IN TERMS OF ARTICLE 95 OF THE COMPANY'S ARTICLES OF ASSOCIATION

Agreements relating to the construction and financing of the Tanzania Distillery:

It is recorded that:-

- 1 The Company intends to construct, own and operate a distillery on the Kilombero sugar estate in Tanzania.
- 2 Various agreements are to be concluded in relation to the construction, establishment and operation of the distillery and matters ancillary thereto and in order to facilitate the negotiation and execution of these agreements, it is expedient to grant to the persons mentioned hereinbelow the authority to negotiate and execute those agreements on behalf of the Company.

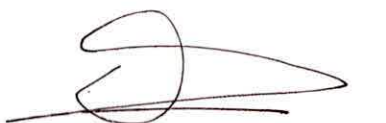
RESOLVED THAT:

- 1 Gavin Barry Dalgleish, Christian Rees and Gavin Wayne van Schoor, in their capacities as senior managers of the Company's ultimate holding company, are hereby authorised, on behalf of the Company, to negotiate and settle the terms of all agreements relating to the construction, establishment and operation of the distillery to be erected by the Company on the Kilombero sugar estate and matters ancillary thereto, including without limitation, agreements with consultants, contractors and other third parties providing goods and/or services in connection with the construction and operation of the distillery, contracts for the provision of technical and management services, supply contracts with third parties, contracts relating to the provision of finance to the Company, any loan or other financing agreement/s or arrangement/s as may be required between the Company and Kilombero Sugar Company Limited, and any assignments, amendments and/or addenda to such agreements;
- 2 any two directors of the Company, alternatively one director and the company secretary, be and they are hereby authorised and empowered to execute the agreements referred to in resolution 1 above on behalf of the Company;
- 3 the Supply Agreement between the Company and Praj Industries Limited executed by Gavin Barry Dalgleish and Gavin Wayne van Schoor on behalf of the Company on 7 September 2011, is hereby ratified.

This resolution may be signed in counterparts each of which so signed shall constitute one and the same instrument.

Handwritten initials

Handwritten initials



Donald Harold Carter-Brown

Director

Date 28/9/2011



Graham John Clark

Director

Date 29/09/2011

Ian George Parrott

Director

Date _____

CONFIDENTIAL

THE UNITED REPUBLIC OF TANZANIA
TANZANIA INVESTMENT CENTRE

Telegraphic Address: "INVEST"

Tel: No: (255)-22-2116328

Fax: (255-22) -2118253

E-mail: information@tic.co.tz

Website: www.tic.co.tz

In reply please quote:

TICC/PP.10/01030-02/3

Ref. No:.....



Shaaban Robert Street

P.O. Box 938,

DAR ES SALAAM.

2nd December, 2011

Managing Director,
Illovo Distillers (Tanzania) Ltd.,
P.O. Box 50,
Kidatu Morogoro.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A PORTABLE ALCOHOL DISTILLERY PLANT**

We wish to acknowledge receipt of your project proposal to establish portable alcohol distillery plant as presented in the TIC P.A. 1 Form No. 09674 and Feasibility Study with a projected investment of USD 33.2m.

We have studied your project proposal and we are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

Company Board Resolution

Letter of No Objection from the Government (Ministry of Finance)

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

..../2

CONFIDENTIAL

TICC/PP.10/010423/3

1st December, 2011

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

We wish you every success in the implementation of the project.

Yours sincerely,
Tanzania Investment Centre


R.P. Mbilinyi
Ag. Executive Director

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Agriculture, Food Security and Cooperatives,
P. O. Box 9192,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM
PROGRESS REPORT**

(Information required for the project's progress report after every six months)

1. Planned Activities for the period
2. Achievements made on the project implementation todate:
(i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

3. **Project Financial Expenditure todate:**

	Foreign	Local	Total
Land and Buildings			
Plant and machinery			
Vehicles/Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
GRAND TOTAL			

4. **Project Financing**

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc.

5. **Problems and Solution**

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

6. **Future Plans**

Explain future plans for the next coming six months and planned financial commitments

7. **Recommendations and any other comments**

8. **ETC.**



TIC Evaluation Report

Name of the Company
Illovo Distillers (Tanzania) Ltd.

Post Box	Ryembe, Farm No. 105, Kilosa District	COI Number	82531	Contact	Mr. C. M. Bennie
Post Office	50, Kidatu	COI Date	18/08/2011	Designation	Company Secretary
Region	Morogoro	Application F. No	09674	Phone	0
Country	Tanzania	Status	Expansion	Direct Phone	0
		Sector	Agriculture	Cell Phone	00784761244
		Sub Sector	Sugar	Fax	022 2110675
		File No	01030-02-042143	E-Mail Address	Jbennie@Simbanet.Net

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Farm No. 105	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>22.2</td> <td>0</td> <td>0</td> <td>11</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	22.2	0	0	11			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
22.2	0		0	11									
Street	Ryembe												
District	Kilosa												
Region	Morogoro												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.7
ED + F Man Group	British	20	Plant	31.5
Illovo Group Holding	Mauritian	80	Vehicles	0.1
			Furniture & Fittings	0.2
			Pre-expenses	0
			Others	0
			Working Capital	0.7
			Total	33.2

Employment	40	Evaluated By	wf officer2
Capacity	11.6 m. litres of portable alcohol	Drawn By	wf regist3
Project Turn Over		Project Type	Mixed(Local & Foreign)

Description

To establish portable alcohol distillery plant

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision

Approved
R. M. M. M. M.
29/11

1



ILLOVO DISTILLERS (TANZANIA) LIMITED

P.O. BOX 50
KIDATU, Morogoro
Tel (+255) 23 2626011
Fax (+255) 23 2626188 / 2626084
web: www.illovosugar.com

November 21, 2011

TANZANIA INVESTMENT CENTRE
9A & B Shaaban Robert Street
Dar es Salaam



Attention: The Executive Director

Dear Sir/Madame

Illovo Distillers (Tanzania) Limited, a recently formed subsidiary of Illovo Group Holdings Limited, wishes to make application for Investment incentives for the potable alcohol distillery plant that is to be established adjacent to the Kilombero Sugar Company Limited (KSC) Ruembe Factory in Kidatu.

Regrettably the Government of Tanzania, a 25% shareholder in KSC, was unable to participate in providing additional equity and was not prepared to have its shareholding diluted and this meant that for the Distillery project to proceed a new company had to be formed. The remaining shareholders of KSC, being Illovo Sugar Limited and the ED&F Man Group, then subscribed to the company known as Illovo Distillers (Tanzania) Limited on a 80:20 basis.

When the project was conceived there was no large-scale potable alcohol distillery in Tanzania and KSC was having difficulty in disposing of the molasses produced at its two mills. Value can be added to molasses produced by installing a potable alcohol plant at Kilombero which would sell potable alcohol into both the local and regional markets. These markets are already well established and



are currently largely supplied by Illovo Merebank. Additional strategic justifications are that the molasses does not meet the newly introduced nitrate specification for export to the European Union and the declining reliability of the railway and port facilities in Tanzania which puts the molasses export program at risk. The local molasses market is over-supplied and any failure of the export infrastructure could result in molasses disposal becoming a significant expense as well as posing an environmental risk.

As a result it is proposed that an 11 500 kl/annum distillery be built at Kilombero. The distillery will run for 45 weeks per annum, operate at an Overall Time Efficiency of 95% and will process all of the molasses manufactured by KSC's Msolwa and Ruembe Mills. The plant would also be capable of producing concentrated molasses solids (CMS) suitable for application as fertiliser on miller cum planter (MCP) land thus reducing MCP fertiliser costs and foreign exchange demands .

The plant will be configured to operate on a stand-alone basis out of the sugar factory season but steam and electricity will be supplied by the Ruembe factory throughout the entire season.

In order to produce sufficient excess bagasse, so that it is possible to utilise it as fuel in one of Ruembe's Boilers to provide steam to the Distillery and to the TA Set to generate power, an energy efficiency Project will be undertaken at KSC which will be the subject of a separate application for Investment Incentives. This Project will reduce the HP steam demand in the factory and the Boiler's efficiencies will be increased by the installation of economisers on each Boiler. This will also effectively increase the Boilers' Maximum Continuous Rating (MCR) to 50 t/hr.



Please find attached the following documentation in support of our application:-

1	Registration Form for Certificate of Incentives (completed in duplicate) – No 06777	A
2	Copy of Certificate of Incorporation	B
3	Copy of Certificate of Registration for Taxpayer Identification Number	C
4	Copy of Registration for Value Added Tax	D
6	Copy of the sublease agreement	E
7	Copy of the Memorandum and Articles of Association	F
8	Copy of recent IGHL Bank statements together with Illovo Group Financial Statements (2009)	G
9	Schedule of Officers and Senior Management	H
10	Project Plan	IJ
11	Front End Packages (Business Plan) for - 40 KLPD ENA Distillery	K
12	Internal Rate of Return (Business Plan)	L

We are seeking investment incentives, through your good offices, to facilitate the viability of the project. In addition to the standard waiver of import duties we seek at least the following:

- A waiver of VAT payable on import. This will act as a cash flow incentive and ultimately is of no cost to Government.
- We are seeking the provision of the minimum five work permits for foreign skilled management to participate in the distillery. As the operations will be managed by Kilombero Sugar Company in terms of a management agreement between the two companies, following Governments inability to participate in the venture, and in order to ensure economies of scale within the two operations, these permits should be in the name of Kilombero Sugar Company Limited.



- Any other incentives that can be availed to us and in this regard we attach a copy of a letter written to the Minister of State (Investments and Empowerment), The Hon Dr Mary Nagu, copied to yourselves, of investments available in surrounding countries.

We trust that you will look upon our application in a favourable light and look forward to hearing from you.

Kind regards



C.M. (Jack) Bennie

Commercial Manager

(022-2133566; 0784-761244; jbennie@simbanet.net)



TANZANIA



Certificate of Incorporation

Section 15

No 85231

I HEREBY CERTIFY THAT

ILLOVO DISTILLERS (TANZANIA) LIMITED

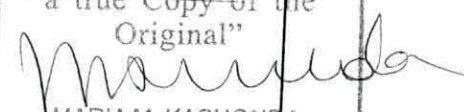
is this day incorporated under the Companies Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam

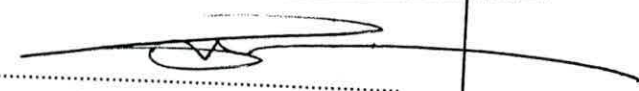
this 18TH day of AUGUST

TWO THOUSAND AND ELEVEN.

"I Certify that this is a true Copy of the Original"



MARIAM M. KASHONDA
 ADVOCATE, NOTARY PUBLIC
 & COMMISSIONER FOR OATHS
 P. O. Box 38591, DAR ES SALAAM



.....
Asst. Registrar of Companies

CTIN.: 1095750

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

ILLOVO DISTILLERS (TANZANIA) LIMITED

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

114-617-180

with effect from 12/Sep/2011



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE



TANZANIA REVENUE AUTHORITY

Certificate of Registration for Value Added Tax (VAT)

(ISSUED UNDER SECTION 20 OF THE VALUE ADDED TAX ACT NO. 24 OF 1997)

**THIS IS TO CERTIFY THAT
ILLOVO DISTILLERS (TANZANIA) LIMITED**

WHOSE TAXPAYER IDENTIFICATION NUMBER (TIN) IS

114-617-180

HAS BEEN REGISTERED FOR VALUE ADDED TAX (VAT)

AND ASSIGNED VAT REGISTRATION NUMBER (VRN)

40-010398-W

**FOR BUSINESS LOCATED AT MSOLWA MILL 540
KIDATU**

WITH EFFECT FROM 01 November 2011

GIVEN UNDER MY HAND

THIS 1st DAY OF November 2011

**P. N. Kassera
COMMISSIONER FOR VAT**



NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

AGREEMENT OF SUB-LEASE

between

KILOMBERO SUGAR COMPANY LIMITED

a limited liability company incorporated under the laws of Tanzania

(registration number 2539)

("Kilombero")

and

ILLOVO DISTILLERS (TANZANIA) LIMITED

a limited liability company incorporated under the laws of Tanzania

(registration number 85231)

("IDTL")

BAA. M/M

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1 INTERPRETATION

- 1.1 The following expressions, unless inconsistent with the context in which they are used, shall bear the meanings assigned to them below, and cognate expressions shall bear corresponding meanings :-
- 1.1.1 "**this agreement**" means this agreement read with the annexures hereto, and any written amendments from time to time;
- 1.1.2 "**applicable laws**" – means all laws, bye-laws, regulations and legislation (including subordinate legislation, all environmental and/or health and safety laws regulations and practices) in force from time to time in Tanzania;
- 1.1.3 "**business day**" – means a calendar day excluding a Saturday, Sunday or public holiday in South Africa or Tanzania;
- 1.1.4 "**Certificate of Occupancy**" – means the Certificate of Occupancy dated 14 October 1990 (title number 37249) issued in favour of Kilombero, in terms of which Kilombero was granted the right of occupancy in and over the Land for a period of 99 years from 1 October 1982;
- 1.1.5 "**CMS**" means the condensed molasses solids produced by IDTL at the Distillery;
- 1.1.6 "**Commencement Date**" – means 1 January 2012, or such other date as may be agreed between the parties in writing;
- 1.1.7 "**Control**" – means the beneficial ownership of the majority in number of the issued equity of any entity (or the whole or majority of the entity's assets), and/or the right or ability to direct or otherwise control the votes attaching to the majority of the entity's issued share capital, and/or the right or ability to appoint or remove directors holding a majority of voting rights at meetings of the board of the entity in question and "controlled" or "under common control" shall have a similar meaning;
- 1.1.8 "**Distillery**" – means the alcohol distillery to be constructed and operated by IDTL on the Leased Property;
- 1.1.9 "**IDTL**" – means ILLOVO DISTILLERS (TANZANIA) LIMITED (registration number 85231), a company incorporated under the laws of Tanzania;
- 1.1.10 "**ISL**" – means Illovo Sugar Limited (registration number 1906/000622/06), a limited liability public company duly registered and incorporated in accordance with the laws of the Republic of South Africa;
- 1.1.11 "**ISL Group**" – means ISL, its holding company, and each other company in which either of them, directly or indirectly, holds the majority of the shares, or otherwise controls from time to time;
- 1.1.12 "**Kilombero**" - means KILOMBERO SUGAR COMPANY LIMITED (registration number 2539), a company incorporated under the Companies Ordinance Cap. 212 of the Laws of Tanzania;
- 1.1.13 "**the Land**" – means the land on which the Leased Property is situate, known as Farm No. 105 situated at Ruembe Kilosa District, in extent 4,576 hectares, as more fully described on the plan attached to the Certificate of Occupancy and on the registered survey plan numbered 23811 referred to therein;

- 1.1.14 **"the Leased Property"** – means those portions of the Land (in extent approximately three comma eight five (3.85) hectares) in the aggregate demarcated on the plan annexed hereto as **Annexure A**, which are leased to IDTL in terms of this agreement and includes all buildings structures and other improvements erected or established thereon from time to time during the term of this lease;
- 1.1.15 **"Loan Agreement"** – means the loan agreement to be executed between the parties in terms of which IDTL will lend to Kilombero an amount sufficient to enable Kilombero to procure the installation of certain plant and equipment at its sugar mill at Ruembe, to enable Kilombero to provide electricity, water and steam to IDTL;
- 1.1.16 **"Permitted Use"** – means the construction and operation of the Distillery and all other uses ancillary thereto;
- 1.1.17 **"Prime Rate"** – means interest, calculated from due date to date of payment, both days inclusive, at an annual rate equal to the publicly quoted prime overdraft lending rate charged by the National Bank of Commerce in Tanzania from time to time on monies lent and advanced on unsecured overdraft;
- 1.1.18 **"Proportionate Share"** – means the ratio which the area of the Leased Property bears to the total bearer of the Land;
- 1.1.19 **"Ruembe Mill"** - means Kilombero's Ruembe sugar mill at Kidatu in Tanzania;
- 1.1.20 **"Signature Date"** – means the date of execution of this agreement by the party signing last in time;
- 1.1.21 **"Tanzania"** – means the United Republic of Tanzania;
- 1.2 Clause headings in this agreement are for convenience only and shall not be taken into account in the interpretation hereof.
- 1.3 Words importing a particular gender shall be deemed to include the other genders, words importing natural persons shall be deemed to include corporate bodies and associations of persons, and words importing the singular shall be deemed to include the plural, and vice versa.
- 1.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the agreement.
- 1.5 When any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day is not a business day in which case the last day shall be the next succeeding business day.
- 1.6 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 1.7 Any reference to any Act is to such Act as at the date of last signature hereof and shall be deemed to include also a reference to any such Act as amended or re-enacted from time to time.
- 1.8 Definitions and expressions defined in this agreement shall bear the same meanings in schedules or annexures to this agreement which do not themselves contain their own definitions.



- 1.9 References to "**including**" and "**in particular**" shall not be construed restrictively but shall mean "including, without limitation to the generality of the foregoing" and "in particular, but without limitation to the generality of the foregoing" respectively;
- 1.10 The terms of this agreement having been negotiated, the *contra proferentem* rule (ie, the rule of construction that in the event of ambiguity an agreement shall be interpreted against the party responsible for the drafting or preparation thereof) shall not be applied in the interpretation of this agreement.
- 1.11 Each of the parties hereto acknowledges that it has been free to secure independent legal and/or other advice as to the nature and effect of all of the provisions of this agreement and that it has either taken such independent legal and/or other advice or dispensed with the necessity of doing so.

2 **BASIS OF AGREEMENT**

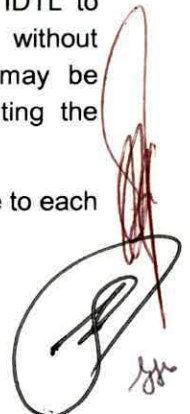
This agreement is entered into on the basis that:-

- 2.1 In terms of the Certificate of Occupancy, Kilombero holds the right of occupancy in and over the Land, on which Kilombero conducts sugar cane farming and milling operations, until 30 September 2081.
- 2.2 IDTL wishes to construct and operate a distillery on the Leased Property, and for such purposes IDTL requires the long term use and occupation rights in respect of the Leased Property.
- 2.3 Kilombero is willing to sublet the Leased Property to IDTL, upon the terms and conditions recorded in this agreement.

3 **CONDITIONS OF AGREEMENT**

- 3.1 If any of the following conditions is not fulfilled within a period of 3 (three) months after the Signature Date (or such later date as the parties may agree in writing prior to or within 30 days after that date), then either party shall be entitled to cancel this agreement upon written notice to the other, and in such event, save for claims for restitution, neither party shall have any claim against the other arising from the execution of this agreement, or the termination thereof:-
- 3.1.1 the Director of Lands and/or appropriate governmental and/or municipal authority in Tanzania:-
- 3.1.1.1 authorises Kilombero to lease the Leased Property to IDTL;
- 3.1.1.2 authorises IDTL to utilise the Leased Property for the Permitted Use;
- 3.1.1.3 to such extent as may be necessary, authorises the establishment and operation of the easements referred to in clause 10;
- 3.1.2 IDTL is granted such permits and/or consents as are required to enable IDTL to construct and operate the Distillery on the Leased Property (including without limitation, such environmental and health consents and/or permits as may be necessary or requisite for the purposes of IDTL establishing and operating the Distillery, and for the discharge and disposal of effluent and other waste);
- 3.1.3 Kilombero and IDTL execute the following agreements upon terms acceptable to each of them:-

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- 3.1.3.1 a Utilities Supply Agreement, in terms of which Kilombero agrees to make electricity, water, fire water and steam available to IDTL;
- 3.1.3.2 a Management, Maintenance and Development Services Agreement, in terms of which Kilombero agrees to provide certain services to IDTL;
- 3.1.3.3 a Molasses and CMS Supply Agreement, in terms of which Kilombero will supply molasses to IDTL, and IDTL will supply CMS and/or liquid fertilizer to Kilombero; and
- 3.1.3.4 the Loan Agreement;
- 3.1.4 ISL and IDTL enter into:-
- 3.1.4.1 an Operational Support Agreement, in terms of which ISL will provide IDTL with certain support services relative to the Distillery operations;
- 3.1.4.2 a Marketing Agency Agreement, in terms of ISL will provide services to IDTL in relation to the marketing and sale of the products manufactured at the Distillery;
- 3.2 Each of the parties undertakes to co-operate with the other in order to procure the fulfilment of the conditions referred to in clause 3.1.

4 LEASE

- 4.1 Kilombero hereby sublets the Leased Property to IDTL, and IDTL hereby agrees to sublet the Leased Property from Kilombero, with effect from the Commencement Date, upon the terms recorded in this agreement.
- 4.2 IDTL acknowledges that it has inspected and is fully acquainted with the locality, extent and condition of the Leased Property.
- 4.3 The portions of Land constituting the Leased Property are leased together as one indivisible unit.

5 DURATION OF AGREEMENT

- 5.1 Subject to clause 3.1, this agreement shall:-
- 5.1.1 commence on the Commencement Date; and
- 5.1.2 continue thereafter until the expiry of the Certificate of Occupancy (ie, until 30 September 2081), unless terminated prior to the expiry of such period in accordance with the terms of this agreement, or renewed in terms of clause 5.2.
- 5.2 If Kilombero's right of occupancy in and over the Land is extended beyond 30 September 2081, then:-
- 5.2.1 Kilombero shall forthwith after the right of occupancy has been extended notify IDTL in writing of the terms and duration of such extension ("**Renewal Period**"); and
- 5.2.2 IDTL shall be entitled to renew this agreement for a period not exceeding the Renewal Period, upon the same terms and conditions as those recorded in this agreement (as it may have been amended from time to time) by delivering written notice of its intention to do so to Kilombero not less than 6 (six) months prior to the expiry of the initial period of the Certificate of Occupancy referred to in clause 5.1.2.
- 5.3 Notwithstanding clause 5.1.2, this agreement shall terminate:-

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[Signature]

- 5.3.1 if IDTL advises Kilombero in writing prior to the commencement of construction, that it has elected not to proceed with the construction of the Distillery; or
- 5.3.2 if the Certificate of Occupancy terminates or is cancelled for any reason prior to its expiry, provided that Kilombero warrants and undertakes to IDTL that it will timeously comply with all its obligations under the Certificate of Occupancy so as to ensure that the Certificate of Occupancy is not terminated by reason of a breach thereof by Kilombero;
- 5.3.3 if Kilombero acquires the Distillery business and assets from IDTL.
- 5.4 Notwithstanding any termination of this agreement:-
- 5.4.1 IDTL shall remain liable to pay to Kilombero all amounts payable in terms of this agreement and/or the agreements referred to in clauses 3.1.3 and 3.1.4 prior to the date of termination; and
- 5.4.2 each party shall remain liable to the other for any damages or compensation payable as a consequence of such termination.

6 RENTAL

- 6.1 The rental payable by IDTL shall be an annual amount equal to the Proportionate Share of the annual rental payable by Kilombero in terms of the Certificate of Occupancy.
- 6.2 The annual rental shall be paid by IDTL to Kilombero in Tanzanian shillings, without set-off, deduction or demand, annually in advance, with effect from the Commencement Date, and thereafter on the first day of July of each year, into a bank account nominated by Kilombero in writing from time to time.

7 TAX AND INTEREST

- 7.1 The rental referred to in clause 6 and all other amounts payable in terms of this agreement are expressed exclusive of value added tax (and any other applicable tax that may be payable thereon), which shall be payable thereon at the prevailing rate prescribed by law from time to time, against presentation of a tax invoice reflecting the amount payable.
- 7.2 All amounts payable in terms of this agreement shall be paid on due date, without deduction or demand and free of any withholding tax or other impost, provided that should either party at any time be compelled by law to withhold or deduct any withholding tax or other impost from any amounts payable, then the amounts payable shall be increased to the extent necessary to ensure that the other party receives a net amount equal to that which would have been paid to it had no such deduction or withholding been made.
- 7.3 If either party fails to pay the other party ("**the aggrieved party**") any amount payable in terms of this agreement on due date, then without prejudice to any other rights which the aggrieved party may have in terms of this agreement or according to law, the aggrieved party shall be liable for interest on the overdue amount, at the Prime Rate, compounded monthly in arrear from due date until the date upon which the relevant amount is received by the aggrieved party as cleared funds available for withdrawal, both dates inclusive.

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8 RATES AND OTHER IMPOSTS

- 8.1 In addition to the rental, IDTL shall pay to Kilombero a Proportionate Share of all or any rates, taxes and all other imposts which may be levied upon and payable by Kilombero at any time in respect of the Land, which amounts shall be paid by IDTL within thirty (30) days after the delivery to IDTL of an invoice advising IDTL of the amount payable.
- 8.2 In addition to the amounts payable in terms of clause 8.1, IDTL shall on or before due date pay directly to any governmental, local or other competent authority, all taxes, levies and other imposts as may be levied upon and payable by IDTL specifically in respect of the Leased Property from time to time, and shall at the request of Kilombero produce proof that such payments have been made.
- 8.3 In addition to the amounts referred to in clauses 8.1 and 8.2, in the event that the rates taxes and other imposts relative to the Land are themselves increased by virtue of the establishment and operation of the Distillery, such increase shall be borne by IDTL.

9 USE AND OCCUPATION OF THE LEASED PROPERTY

- 9.1 Notwithstanding the Commencement Date, IDTL shall be entitled, with effect from the Signature Date, to unrestricted access of the Leased Property for the purposes of procuring the necessary permits, authorities and licenses required for the construction and operation of the Distillery. For such purposes, IDTL is hereby granted unrestricted rights to traverse the Land for the purposes of gaining access to the Leased Property.
- 9.2 IDTL shall use the Leased Property solely for the Permitted Use and for no other purposes without the prior written consent of Kilombero, provided always that Kilombero does not warrant, and this agreement is not entered into on the basis that the Leased Property is or will at any time be fit for the use or uses referred to herein or for any other purpose.
- 9.3 IDTL shall at all times during the currency of this agreement be responsible for obtaining and maintaining the validity of all necessary governmental and other permits and/or licences required in respect of IDTL's business operations on the Leased Property.
- 9.4 Subject to the grant of all necessary authorities, permits and licences, Kilombero grants to IDTL the right, at its own cost, to construct the Distillery on the Leased Property (including storage facilities for the housing of equipment, and such other ancillary facilities and infrastructure as may be required for the establishment and conduct of the Distillery business, roads and dams), and to make any alterations to such buildings and structures as may be necessary from time to time.
- 9.5 Save as provided for in the Utilities Supply Agreement referred to in clause 3.1.3.1, Kilombero shall not be responsible for the supply of any utilities or other services to IDTL.

10 EASEMENTS

- 10.1 Kilombero hereby grants to IDTL the following easements, granting to IDTL:-
- 10.1.1 a general right of way servitude over the existing routes traversing the Land and not exceeding the width thereof, for both vehicular and pedestrian purposes to the nearest public road;
- 10.1.2 a general pipeline servitude for the purpose of transmitting molasses from the Ruembe Mill to the Distillery;

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- 10.1.3 a general pipeline and/or canal servitude for the purpose of transmitting water from the main water canal and/or boreholes on the Land to the Distillery;
- 10.1.4 such servitudes as may be required for the transmission of electricity from the Ruembe Mill and/or the national grid to the Distillery, and for the transmission of steam from the Ruembe Mill to the Distillery.
- 10.2 The locality and route of the easements referred to in clause 10.1 will be as identified and determined by the surveyors to be appointed by IDTL, at IDTL's cost subject always to the prior approval thereof by Kilombero which approval will not be withheld unreasonably.
- 10.3 The easements referred to in clause 10.1 shall endure for the duration of this agreement and any extension thereof.
- 10.4 Save as provided for to the contrary in the Utilities Supply Agreement, Kilombero shall be responsible for carrying out the maintenance of the servitudes at its cost.

11 MAINTENANCE OF THE LEASED PROPERTY

Save as provided for in the Management and Operational Services Agreement, referred to in clause 3.1.3.2, Kilombero shall not be responsible for any maintenance and repairs to the Leased Property, or any of the improvements thereon, and IDTL shall:-

- 11.1 at its expense maintain the whole of the Leased Property and all improvements thereon in good and secure order and condition;
- 11.2 keep the Leased Property neat and tidy and not permit any litter to be strewn on the Leased Property;
- 11.3 upon the termination or expiration of this lease or any renewal hereof (for any cause whatever) re-deliver the Leased Property to Kilombero and until it has complied with this obligation, IDTL shall:-
- 11.3.1 continue to pay to Kilombero an amount equivalent to the rental, and all other amounts payable in terms of this lease until the due fulfilment of its obligations hereunder; and
- 11.3.2 continue duly to fulfil all obligations and undertakings in terms of this agreement that would have been applicable had this lease not expired or been otherwise terminated.

12 OBLIGATIONS OF IDTL

12.1 Alterations and modifications

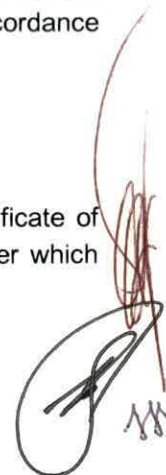
Any alterations, additions or modifications to the Leased Property and/or any of the improvements thereon that are required by any competent authority for the grant or renewal of any authority or permit to IDTL for its occupation of the Leased Property and/or for the conduct of its business thereon, shall be carried out by IDTL at its cost, and in accordance with such authority's requirements.

12.2 Compliance with Laws and Certificate of Occupancy

IDTL shall:-

- 12.2.1 not contravene or permit the contravention of any of the terms of the Certificate of Occupancy or any of the conditions of title permits or other consents under which Kilombero occupies the Leased Property;

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TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC005484

No. 000248

Received from : ILLOVO DISTILLERS TANZANIA LTD

Address P. O. Box Dar Es Salaam

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of : CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: Chq 000179 12/11

Date : 06-Dec-2011

JSimba

Receiving Officer

For Executive Director
Tanzania Investment Centre



ILLOVO DISTILLERS (TANZANIA) LIMITED

P.O. BOX 50
KIDATU, Morogoro
Tel (+255) 23 2626011
Fax (+255) 23 2626188 / 2626084
web: www.illovosugar.com

7 December 2011

TANZANIA INVESTMENT CENTRE
9A & B Shaaban Robert Street
Dar es Salaam

Attention: The Executive Director

Dear Sir

CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF A POTABLE ALCOHOL DISTILLERY PLANT – TIC 09674

With reference to your letter dated 2nd December 2011 wherein you advised us that our application for registration for Investment Incentive Allowances had been approved subject to the provision of a Board Resolution and a Letter of No Objection from the Government (Ministry of Finance), we now have pleasure in enclosing the said two documents. We also enclose a copy of the receipt (000248 d/d 06/12/2011) for the payment of US\$750-00 in respect of the facilitation fee. We would appreciate your processing of the Certificate of Incentives as soon as possible.

We will, in the interim, proceed with the registration of the project with Tanzania Revenue Authority, Customs and Excise Department and with the Immigration Department for the issue of the relevant work permits.



- 12.2.2 not contravene or permit the contravention of any applicable laws which are required to be observed in relation to the Leased Property and/or in relation to IDTL's operations thereon;
- 12.2.3 carry on and conduct its operations on the Leased Property in such a manner as not to constitute or become a nuisance or prejudice to Kilombero or any occupier of any part of the Land, or any adjacent property;
- 12.2.4 not cause, or permit to be caused, on the Leased Property, any excessive noise or odour pollution or other pollution.

12.3 **Refuse, Effluent, Waste and Environmental Obligations**

IDTL shall:-

- 12.3.1 ensure that all refuse, effluent and waste is disposed of in accordance with the applicable laws alternatively, with the reasonable requirements of Kilombero, and shall conform to the requirements of any local authority or other competent authority including Kilombero, in connection with such disposal;
- 12.3.2 promptly upon demand attend to the eradication of any environmental contamination resulting from the construction of the Distillery and/or from IDTL's operations on the Leased Property.

12.4 **Inspection**

IDTL shall permit Kilombero's representatives, to have access to the Leased Property and the improvements thereon at all reasonable times for the purposes of inspecting same.

12.5 **Insurance**

- 12.5.1 Kilombero will procure that the Land is insured through the ISL Group insurance policy and IDTL shall reimburse Kilombero for a Proportionate Share of the premiums which Kilombero is obliged to reimburse to ISL;
- 12.5.2 IDTL shall, at its cost, through the ISL Group insurance policy, keep in force during the currency of this agreement, insurance policies to cover the Leased Property and all improvements thereon, as well as public liability insurance for such amounts as will reasonably provide indemnity in respect of all claims which may foreseeably be made by or against Kilombero arising out of IDTL's use and occupation of the Leased Property, and any dispute between the parties as to the ambit or amount of any such insurance policy to be taken out by the tenant shall be referred to an independent insurance assessor nominated by ISL's insurance brokers. Such insurance assessor shall determine the dispute and his decision in regard thereto (acting as expert and not as arbitrator) shall be final and binding on the parties.

13 **DISCLAIMER OF LIABILITY**

13.1 Kilombero shall not be liable:-

- 13.1.1 for any loss of, or damage to, the Leased Property or any assets upon the Leased Property, howsoever such loss or damage may be caused;
- 13.1.2 to IDTL or any of IDTL's employees, agents, servants, invitees or customers or any other persons, for any injury or loss or damage of any description which IDTL or any such other person aforesaid may suffer or sustain directly or indirectly in or about the

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Leased Property, or arising out of IDTL's occupation of or activities in the Leased Property;

- 13.1.3 for any environmental contamination caused by the construction of the Distillery and/or arising from IDTL's operations on the Leased Property, nor for the cost of removing any such contamination

and IDTL hereby indemnifies Kilombero and its directors and officers against any claims that may be made against it (including all costs and expenses and any penalties or fines incurred or payable by Kilombero or by any director or officer in connection therewith), which IDTL undertakes to pay upon demand, notwithstanding that Kilombero has not yet paid such claim, costs or expenses.

14 INDEMNITY

- 14.1 Subject to clause 14.2, IDTL hereby indemnifies Kilombero against any losses, claims, damages or demands incurred by, suffered by, or made against, Kilombero by any third parties, in respect of any loss, liability, damage, expense, (and shall include claims arising from bodily injury or death, damage to property, any damages, fines, penalties, reasonable attorneys' and consultants' fees, cost of investigation, containment, removal, remediation, monitoring, risk evaluation, clean-up or abatement of pollution or damage and reporting to the relevant authorities and third parties) arising directly or indirectly out of:-

- 14.1.1 the construction, operation, maintenance and repair of the Distillery;
- 14.1.2 any malfunctioning or failure of the Distillery, and any failure on the part of IDTL properly to maintain and repair the Distillery;
- 14.1.3 any non-compliance by IDTL and/or its employees, agents, contractors, sub-contractors and agents with the applicable laws, and any conditions prescribed in the applicable approvals, authorisations, licenses and permits relating to the construction and operation of the Distillery;
- 14.1.4 any obligation, fine and/or penalty imposed in terms of all applicable laws;
- 14.1.5 all costs of and incidental to the eradication and/or cleaning up of any environmental contamination resulting from the construction of the Distillery and/or arising from IDTL's operations on the Leased Property;
- 14.1.6 any negligent and/or wrongful acts or omissions by IDTL and/or its employees, agents, contractors, sub-contractors and agents;
- 14.1.7 any breach of IDTL's obligations and undertakings in terms of this agreement.

- 14.2 The indemnity in clause 14.1 shall not apply in respect of any losses, claims, damages or demands contemplated therein which arise, directly or indirectly, by reason of any breach or non-compliance by Kilombero of its obligations under any other agreement between it and IDTL and/or by reason of any negligent or wrongful act or omission on the part of Kilombero, its employees, agents, contractors and/or sub-contractors.

- 14.3 The provisions of this clause 14 shall survive the termination of this agreement.

15 EXPROPRIATION AND NATIONALISATION

15.1 If the Land or the Leased Property or part thereof is expropriated or compulsorily taken over by any authority, or if Kilombero's operations are nationalised (wholly or partly) and if as a result thereof:-

15.1.1 IDTL will be deprived of the beneficial use of only part of the Leased Property but to any extent which does not prevent IDTL from having beneficial occupation of a major portion thereof, then this agreement shall continue on the same terms and conditions in respect of the remainder of the Leased Property; or

15.1.2 IDTL will be deprived of the beneficial use of the whole or a material part of the Leased Property, then IDTL shall be entitled to cancel this agreement on written notice to Kilombero (without prejudice to its rights in terms of clause 15.2).

15.2 No compensation shall be payable by Kilombero to IDTL as a result of any expropriation, compulsory acquisition, or nationalisation contemplated in clause 15.1, but IDTL shall be entitled to proceed to claim and recover such compensation (if any) as it may be entitled to recover according to law, against the relevant expropriating or nationalising authority.

16 DESTRUCTION OF / DAMAGE TO THE LEASED PROPERTY

16.1 Should the Leased Property be destroyed or damaged to any extent which prevents IDTL from having beneficial occupation of a major portion thereof for a period in excess of three (3) months, or should the Leased Property thereby become substantially untenable, either party shall have the right within 90 (ninety) days of the occurrence of the event causing such destruction or damage, to terminate this agreement, in which event, subject to clause 16.3, neither party shall have any claim against the other by reason of such termination.

16.2 Should the Leased Property be damaged to a lesser extent than that which prevents IDTL from having beneficial occupation of the major portion of the Leased Property:-

16.2.1 this agreement shall not be cancelled;

16.2.2 the rental payable by IDTL shall be reduced pro-rata to the extent to which IDTL is deprived of beneficial occupation of the Leased Property.

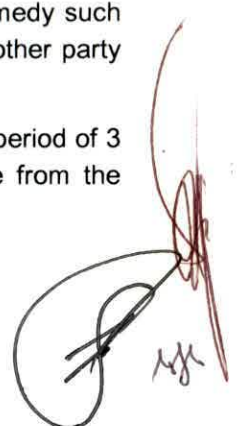
16.3 Nothing contained in this clause 16 shall operate to relieve either party of liability to the other in the event that any destruction or damage contemplated herein arises out of, or is attributable to, any wrongful act or omission, negligence or breach of this lease by a party or any person for whom such party may be responsible in law.

17 DEFAULT

17.1 If either party:-

17.1.1 commits any breach of any of the terms of this agreement and fails to remedy such breach within 10 (ten) days after the delivery of a written notice from the other party calling upon it to remedy such breach; or

17.1.2 commits any breach of this agreement on more than two occasions in any period of 3 (three) consecutive calendar months after having received written notice from the other party to desist therefrom;



17.1.3 consistently breaches this agreement so as to justify the other party holding that the conduct of the defaulting party is inconsistent with its intention or ability to carry out the conditions of this agreement; or

17.1.4 is wound-up (provisionally or finally), or either party initiates or becomes subject to any bankruptcy, business rescue proceedings or other similar procedures,

then without prejudice to its rights in terms of this agreement or according to law, the aggrieved party shall be entitled at its option either to claim specific performance, or to cancel this agreement, in either event without prejudice to its rights to claim damages.

17.2 If Kilombero cancels this lease and IDTL disputes Kilombero's right to cancel and remains in occupation of the Leased Property, IDTL shall, pending settlement of such dispute either by negotiation or litigation, continue to pay an amount equivalent to the rental provided in this lease, and Kilombero shall be entitled to accept and recover such payments and the acceptance thereof shall be without prejudice to and shall not in any way whatsoever affect Kilombero's claim of cancellation then in dispute. Should the dispute be determined in favour of Kilombero, the payments made and received in terms of this clause shall be deemed to be amounts paid by IDTL on account of damages suffered by Kilombero by reason of the cancellation of the lease and/or the unlawful holding over by IDTL.

17.3 If either party is obliged to instruct an attorney arising out of any breach by the other party of any of its obligations hereunder, the party in breach shall be responsible for all legal costs and other costs and charges (including collection charges) so incurred, on the scale as between attorney and own client.

17.4 It is agreed that any breach of any of the agreements referred to in clause 3.1.3 by either party thereto, shall be deemed to be a breach of this agreement, and in such event the provisions of this clause 17 and clause 18 will apply *mutatis mutandis*.

18 CONSEQUENCES OF TERMINATION AND COMPENSATION

18.1 If either party lawfully cancels this agreement, or if this agreement otherwise terminates in accordance with its terms then:-

18.1.1 Kilombero shall be entitled to enter upon and take possession of the Leased Property and all improvements thereon;

18.1.2 save where expressly provided to the contrary in clause 15.2 and elsewhere in this agreement, and save where this agreement is terminated by reason of a breach by IDTL, Kilombero shall pay to IDTL compensation for the infrastructure and improvements erected on the Leased Property in such amount as may be agreed in writing between the parties, or failing such agreement an amount equal to the higher of:-

18.1.2.1 five (5) times the asset value of such infrastructure and improvements, as reflected in IDTL's financial records at the date of termination or expiry of this agreement (as the case may be); and

18.1.2.2 five (5) times the asset value of such infrastructure and improvements, as determined by an independent valuer appointed by agreement between the parties, or failing such agreement, appointed by the auditors of ISL,

and any dispute between the parties in regard to the determination aforesaid asset value, shall be referred to arbitration in accordance with clause 20.

18.2 Any compensation payable by Kilombero shall be set-off against all and any amounts that may be owing to it by IDTL.

19 ASSIGNMENT / CHANGE OF CONTROL

19.1 IDTL shall not without Kilombero's prior written consent:-

19.1.1 grant any rights of use and occupation of, or to part with possession of the Leased Property, or any part thereof; or

19.1.2 cede, assign, alienate or encumber its rights or obligations, or mortgage, pledge or encumber any of its rights under this agreement.

19.2 Save as contemplated in clause 15.1, any change in the Control of IDTL without Kilombero's prior written consent shall constitute a breach of this agreement.

19.3 This agreement shall be binding on all successors-in-title to the rights of occupancy and/or ownership of the Land, whether pursuant to a Certificate of Occupancy, or otherwise.

19.4 Kilombero warrants and undertakes to IDTL that it shall not dispose of, or in any manner alienate, any of its rights under the Certificate of Occupancy, or any other rights which it may have or acquire in respect of the Land to any person, unless such person undertakes in writing to be bound by all the terms and conditions of this agreement and the agreements referred to in clause 3.1.3.

20 DISPUTE RESOLUTION

20.1 Any dispute regarding any amount payable by either party to the other in terms of this agreement shall be referred for determination, at the instance of either party, to an independent practising chartered accountant appointed by agreement between the parties (or failing such agreement by the auditors of ISL), whose decision, acting as expert and not as arbitrator, shall be final and binding on the parties in the absence of patent error. The appointed accountant shall determine which of the parties shall be responsible for the costs or such determination.

20.2 Save as provided in clause 20.1 or elsewhere in this agreement, any dispute between the parties in relation to any matter pertaining to this agreement, including any cancellation thereof, shall be referred to arbitration in terms of the Rules of Arbitration of the International Chamber of Commerce, by a single arbitrator appointed by agreement between the parties to the dispute, or failing such agreement, by an arbitrator appointed in accordance with the said Rules.

20.3 The arbitrator shall be entitled to make a determination as to which party or parties shall bear the costs of the arbitrator and of the proceedings.

20.4 This clause shall be severable from the rest of the agreement and shall remain in effect even if this agreement or any part thereof is terminated for any reason.

20.5 Notwithstanding anything to the contrary contained in this clause, the parties shall not be precluded from approaching any Court of competent jurisdiction for urgent relief in the form of an interdict or otherwise.

20.6 The arbitration proceedings shall be conducted in the city of Johannesburg, South Africa, which shall be the seat of the arbitration. The procedural law applicable to the arbitration proceedings shall be the laws of South Africa.

20.7 The decision of the arbitrator shall be final and binding on the parties (in the absence of patent error), shall be carried into effect, and shall be capable of being made an order of any Court of competent jurisdiction. For all purposes in relation to the arbitration proceedings, each of the parties irrevocably consents and submits to the exclusive jurisdiction of the Courts of the Republic of South Africa.

20.8 The provisions of this clause 20 constitute an irrevocable consent by the parties to any proceedings in terms hereof and no party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions, are severable from the rest of this agreement and shall remain in effect despite the termination of or invalidity for any reason of this agreement.

21 NOTICES

21.1 All notices by one party to the other shall be given in writing by prepaid registered post, telefax or delivered by hand –

21.1.1 to **KILOMBERO** at:-

Physical Address:- Kilombero Sugar Estate, Kidatu, Tanzania
Postal address PO Box 50, Kidatu, Tanzania
Telefax number +255 23 2626188
Attention: The General Manager

21.1.2 to **IDTL** at:-

Physical address: c/o Illovo Sugar Limited
Illovo Sugar Park,
1 Montgomery Drive, Mount Edgecombe
Postal address: PO Box 194, Durban, 4000
Telefax No: +27 31 508 4525
Attention: The Company Secretary

21.2 In the absence of proof to the contrary, any notice sent by one party to the other:-

21.2.1 by registered post, shall be deemed to have been received fourteen (14) days after it is posted to the addressee's nominated postal address;

21.2.2 by hand, shall be deemed to have been received on the date of delivery to the addressee's nominated physical address;

21.2.3 by telefax or email, shall be deemed to have been received on the next business day after it is successfully despatched to the addressee's nominated telefax number.

21.3 The parties shall be entitled to change the addresses referred to hereinabove from time to time provided that any such change shall only become effective upon receipt of notice in writing by the other party of such change.

21.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a party shall constitute adequate notice to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

22 GENERAL PROVISIONS

22.1 The parties undertake at all times to do such things, perform all such actions and take all such steps to procure the doing of all such things, and the taking of all such steps as may be open to them, and necessary for and incidental to the putting into effect and maintenance of the terms, conditions or import of this agreement.

22.2 This agreement together with the agreements referred to in clause 3.1.3 above constitutes the entire contract between the parties hereto regarding the subject matter hereof, and replaces and supersedes all previous communications, negotiations and agreements between them in that regard.

22.3 No variation or, addition to, or consensual termination of this agreement shall be of any force or effect unless it is reduced to writing and signed by the parties hereto or by their duly authorised representatives.

22.4 No extension of time which either party may at any time give to the other in regard to the carrying out by the latter of any of its obligations in terms of this agreement, nor any waiver or relaxation of any of the provisions or terms of this agreement, shall prejudice or be deemed to be a waiver by, nor operate as an estoppel against the first-mentioned party of its rights in terms of this agreement, nor shall it operate so as to preclude such party thereafter from exercising its rights strictly in accordance with this agreement.

22.5 If any of the terms of this agreement is held to be invalid, illegal or unenforceable, whether in whole or in part, such invalidity, illegality or unenforceability shall not prejudice the effectiveness of the remainder of this agreement, and shall be severable therefrom, or the scope of the relevant provision shall be deemed to have been limited to exclude such illegality, or invalidity.

22.6 The termination of this agreement (whether by the effluxion of time or otherwise) shall not affect those provisions of this agreement which expressly provide that they will operate after any such expiration or termination, or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly so provide, nor shall any such termination affect each party's rights to enforce any obligation that arose prior to such termination.

22.7 Each of the signatories to this agreement hereby warrants that he is duly authorised to conclude this agreement by the party on whose behalf he appends his signature hereunder, and that such party is duly authorised to enter into this agreement.

22.8 This agreement shall be governed by and interpreted in accordance with the laws of Tanzania.

22.9 Each party warrants and represents to the other that in the performance of its obligations in terms of this agreement, it will:-

22.9.1 protect its workers' rights, including by ensuring: safe and hygienic working conditions, freedom of association, living wages are paid, working hours are not excessive, no discrimination is practiced, no harsh or inhumane treatment is allowed and no child labour is used;



- 22.9.2 ensure environmental management programmes are in place;
- 22.9.3 not offer, promise, give or receive any improper financial payment and/or other improper advantage to or from any person, customer or supplier; and
- 22.9.4 not make or offer, directly or indirectly, any payment, gift or other advantage to a public official with the intention of influencing them and obtaining or retaining an advantage in the conduct of business.


23 COSTS


IDTL shall pay the costs and disbursements (including stamp duty) payable in respect of:-

- 23.1 the preparation and execution of this agreement;
- 23.2 the registration of this agreement (if required) with the relevant governmental authority; and
- 23.3 the registration of the easements referred to in clause 10.

SIGNED on behalf of KILOMBERO SUGAR COMPANY LIMITED


at _____ on _____ 2011





SIGNED on behalf of the ILLOVO DISTILLERS (TANZANIA) LIMITED

at _____ on _____ 2011





ANNEXURE A

PLAN OF THE LEASED PROPERTY REFERRED TO IN CLAUSE 1.1.14



BA, *[Handwritten signature]*

[Handwritten initials]

[Handwritten signature]

THE COMPANIES ACT
(No. 12 of 2002)

COMPANY LIMITED BY SHARES

Memorandum and Articles

Of

Association

Of

ILLOVO DISTILLERS (TANZANIA) LIMITED

Incorporated this day of, 2011

DRAWN BY:

Law Care Chambers,
Plot no. 495,
Kalenga Street
Upanga (Opp MNH Exit Gate.),
P. O. Box 38591,
Dar es Salaam
Tanzania

**THE COMPANIES ACT
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11/8/81
84651
25978
J. J. J.

THE COMPANIES ACT No. 12 OF 2002

COMPANY LIMITED BY SHARES

Memorandum of Association

Of

ILLOVO DISTILLERS (TANZANIA) LIMITED

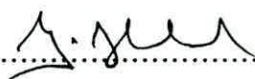


11/8/81
84651
25978
J. J. J.

1. The name of the Company shall be **ILLOVO DISTILLERS (TANZANIA) LIMITED.**
2. The registered office of the Company shall be situated on the mainland part of the United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - 3.1 To carry on the business of manufacturing marketing and selling any product from the residue of sugar production including but not limited to ethanol and potable alcohol, brewing, distilling, project development and management, marketing, business planning, commercial trading, bookkeeping, accounts management, financial reporting, financial advisory, events organizing and management and any similar business associated to any of the aforementioned
 - 3.2 Take on lease or hire or otherwise acquire land, to develop, improve and utilize any land acquired by the company or in which the company is interested and lay out and prepare the same for building purposes, construct, alter, pull down, decorate, maintain, fit up and improve buildings, roads, and conveniences, and to plant, pave, drain, maintain, let on building agreement any such land and advance money to, and enter into contracts and arrangements of all kinds with builders or tenants of and others interested in such land;
 - 3.3 To carry on the business of managing agents, for all kinds of properties, to maintain and to manage houses, housing estates, apartments, hotels, offices, industrial building etc and to act as project managers for investors and/or owners of similar properties and/or developments.
 - 3.4 To search for, crush, win, get, quarry, smelt, calcine, refine, dross, reduce, amalgamate, manipulate and prepare for market ores, metals and mineral substances of all kinds whether by open or underground working and including oil, salt and natural gas, gold, silver, tin, diamonds, mica, gemstones, precious or semi precious, marble and generally to carry on any metallurgical operations which may seem conducive to any of the Company's object.

- 3.5 To carry on the business of general merchants, general land and estate agents, secretaries, insurance agents commission agents and brokers manufactures agents, suppliers agents and brokers, importers, exporters manufactures representatives, appraisers of soft commodities such as commission agents and to sell and deal in immovable and moveable properties of every description.
- 3.6 To act as Managers or Managing Agents or consultants to any person or body of persons or corporation or association or society or authority and for that purpose to act as Managers, Directors, Administrators, Trustees or in any other capacity and to do all things and do all acts deemed useful and necessary in connection with such business.
- 3.7 To enter into any arrangement and contracts with government or authorities (Supreme, municipal, local or otherwise) or any corporation companies or persons, having objects that may seem conducive to the Company's object or any of them and to obtain from any such government authority, corporation company, or persons characters, contracts, decrees rights, privileges and concessions.
- 3.8 To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by issue of debenture stock, certificates or other securities, perpetual or otherwise charge upon all or any other company's rights and property (present and future) including any uncalled capital or without any such security and to purchase, redeem, or pay off any such security or loan.
- 3.9 To amalgamate with or associate or enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture reciprocal concession or otherwise with any person or company carrying on or engage in, or about to carry on or engage in business or transaction capable of being conducted so directly or indirectly to benefit this Company and with any such Company and sell, hold, re-issue with or without guarantee, or otherwise deal with the same.
- 3.10 To sell or dispose of the undertaking and property of the Company or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debenture, or securities of any other Company having objects altogether or in part similar to those of this Company.
- 3.11 To carry on the business of Hotels, Inns, Restaurants, Caterers, Food processing, Food production, Farming and Fishing.
- 3.12 To undertake and execute any contracts for work involving the supply or use of any machinery and to carry out any ancillary or other work comprised in such contracts, carrying passengers and goods in Tanzania.

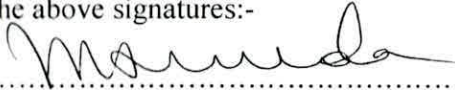
- 3.13 To invest and deal with money of the Company not immediately required upon such securities and in such manner as the Company may from time to time determine.
- 3.14 To remunerate any person or Company for service rendered or to be rendered in placing or assisting to place guaranteeing the placing of the shares in the Company's capital, or any debentures or other securities of the Company or the conduct of its business.
- 3.15 To draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants debentures and other negotiable or transferable instruments.
- 3.16 To pay the expenses of and preliminary and incidental to the promotion establishment and registration of the company or any of other companies promoted, formed, established or registered by the Company and all brokerage, discount and other expenses lawfully payable which may at any time and from time to time be deemed expedient for taking, placing or underwriting all or any of the shares or debenture, or other obligations of the Company so promoted, formed, established or registered by the Company.
- 3.17 To obtain all powers and authorities necessary to carry the above objects or any of them and to generally do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them;
4. The liability of the members is limited.
5. The authorized share capital of the Company at the date of registration of this Memorandum of Association is **Tanzania Shillings Forty Billion (TZS. 40,000,000,000/=)** divided into **Four Million (4,000,000)** shares of **Tanzania Shillings Ten Thousand (TZS. 10,000/=)** each with power for the Company to increase or reduce such capital and to divide the shares in the capital for the time being, whether original or increased, in different classes, and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association registered herewith:

We, the several persons whose names, addresses and description are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company opposite our respective names.

Names, address and description of subscribers	No. of shares taken	Signature(s) & Seal(s) of the Subscribers
<p>ILLOVO GROUP HOLDING LIMITED DTOS LIMITED, 10TH FLOOR, RAFFLES TOWER, 19, CYBERCITY, EBENE, MAURITIUS.</p> <p>GRAHAM JOHN CLARK DIRECTOR</p> <p>DONALD GORDON MACLEOD DIRECTOR</p>	<p>9,999</p>	<div data-bbox="917 405 1476 678" style="border: 1px solid black; padding: 5px;"> <p>Illovo Group Holdings Limited Company No.: 19870/3762 C/O DTOS Limited 10th Floor, Raffles Tower 19 Cyber City EBENE MAURITIUS</p> </div> <p style="text-align: center;"></p> <hr style="border-top: 1px dotted black;"/> <p style="text-align: center;"></p> <hr style="border-top: 1px dotted black;"/>
<p>KAIRN MATHEW BENNIE UNITY 10A, TWIN TOWERS, HILL ROAD OYSTERBAY, P. O. BOX 8008, KINONDONI DISTRICT DAR ES SALAAM TANZANIA</p>	<p>1</p>	<p style="text-align: center;"></p>

DATED at Dar Es Salaam this 2nd day of August, 2011

Witness to the above signatures:-

Signature: 

Address: MARIA M. KASHONDA
ADVOCATE; NOTARY PUBLIC &

Qualification: COMMISSIONER FOR OATHS
P. O. Box 38591, DAR ES SALAAM

5007
11/18/11
84656

THE COMPANIES ACT No. 12 OF 2002

PRIVATE COMPANY LIMITED BY SHARES

Articles of Association

Of

84656
11/18/11
5007

ILLOVO DISTILLERS (TANZANIA) LIMITED

1. The regulations in Part II Table "A" in the First Schedule to the Companies Act, No. 12 of 2002 shall not apply to the Company.
2. In these presents, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column thereof.

WORDS	MEANINGS
"Act"	The Companies Act, No. 12 of 2002, and every other enactment for the time being in force concerning companies and affecting the Company.
"Dividend"	Includes bonus.
"Month"	Calendar month.
"Office"	The Registered Office of the Company.
"Presents"	These Articles of Association, as now framed, or as from time to time altered by Special Resolution.
"Seal"	The Common Seal of the Company.
"Writing"	Unless the contrary intention appears, "writing" shall be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.
"Year"	Calendar year.

The expressions "**Debenture**" and "**Debenture holder**" shall include "**Debenture Stock**" and "**Debenture Stockholder**", and the expression "**Secretary**" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

Words importing the singular number only shall include the plural and the converse shall also apply.

Words importing males shall include females.

1 The Company is a private company and accordingly:-

- (a) the right to transfer shares is restricted in manner hereinafter prescribed.
- (b) the members of the company (exclusive of persons who are in the employment of the Company) is limited to fifty, PROVIDED THAT, where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single member;
- (c) any invitation to the public to subscribe for any shares or debentures of the company is prohibited;
- (d) the Company shall not have power to issue share warrants to bearer.

SHARE CAPITAL

4 The Share Capital of the Company at the date of registration of these Articles is **Tanzania Shillings Forty Billion Only (TZS. 40,000,000,000/=)** divided into **Four Million (4,000,000)** shares of **Tanzania Shillings Ten Thousand (TZS. 10,000/=)** each.

LOANS BY THE COMPANY

5 No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares. The Company shall not, except as authorized by the Act, give any financial assistance for the purpose of or in connection with any purchase of share in the Company.

RIGHTS OF SHARES HOLDERS

- 6 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided by article 7 below-), any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine, and subject to the provisions of the Act the Company may issue Preference Shares which are, or which at the option of the Company are to be, liable to be redeemed.

MODIFICATION OF RIGHTS

- 7 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act, be modified or abrogated, either with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of a Special Resolution passed at a separate General Meeting of such holders (but not otherwise), and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company or to the proceedings thereat, shall *mutatis mutandis*, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-half in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every shares of the class held by them respectively.

SHARES

- 8 Subject to the provisions of Article 38, unissued shares shall be at the disposal of the Directors, and they may allot, grant options over, or otherwise dispose of them to such persons, at such times, and on such terms as they think proper, but so that no shares shall be issued at a discount, except in accordance with the Act.
- 9 In addition to all other powers of paying commissions, the Company (or the Directors on behalf of the Company) may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the Act and the rate of the commission shall not exceed the rate of ten per cent (10%) of the price at which the shares in respect of which the commission is paid are issued or an amount equivalent thereto. The Company (or the Directors on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful.

10 Shares may be held in the Company in trust for beneficial owner.

CERTIFICATES

11 Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more of his shares upon payment of such sum, as the Directors shall from time to time determine. Every certificate shall be issued under the Seal. The certificate shall specify the shares or securities to which it relates and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint holders of any shares (except in the case of executors of trustees of a deceased Member), and, in case of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

12 If a share certificate were worn out, defaced, lost or destroyed, it may be renewed on payment of such fee (if any) and on such terms (if any) as to evidence, indemnity and the payment of out-of-pocket expenses of the Company for investigating evidence, as the Directors think fit.

LIEN

13 The Company shall have a first and paramount lien on every shares for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien and charge on all shares (including fully paid shares) standing registered in the name of each Member (whether solely or jointly with others) for all the debts and liabilities of such Member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such Member, and whether the period for the payment or discharge or the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon but the Directors may at any time declare any share to be exempt wholly or partially from the provisions of this Article.

- 14 The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the shares. For giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 15 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

CALLS ON SHARES

- 16 The Directors may from time to time make calls upon the Members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on their shares, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any shares shall exceed one-fourth of the nominal amount of the share or be payable at less than fourteen days from the last call, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
- 17 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. A call may be made payable by installments.
- 18 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 19 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual

payment at such rate not exceeding Ten per cent (10%) per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

20 Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the shares or by way of premium, shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21 The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the times of payment.

22 The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the moneys so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received the Company may pay interest at such rate as the Member paying such sum and the Directors agree upon.

TRANSFER OF SHARES

23 (a) Subject to the restrictions of these presents, all transfers of shares may be effected by transfer in writing in the usual common form or in any other form in writing under hand approved by the Directors.

(b) The instrument of transfer of a share shall be in writing and shall be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do.

24 The Director may, subject to compliance with the requirements of the Act as to advertisement, suspend the registration of transfers at such time and for such periods as they may from time to time determine, but so that such registration shall not be suspended for more than Thirty days in any year.

25 All instruments of transfer, which shall be registered, shall be retained by the Company but any instrument of transfer, which the Directors may decline to register, shall on demand be returned to the person depositing it with the Company.

The Directors may decline to recognize any instrument of transfer unless:-

- (a) Such fee, as the Directors may from time to time require, is paid to the Company in respect thereof; and
- (b) The instrument of transfer is deposited at the Office or such other place as the Director may appoint, accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

TRANSMISSION OF SHARES

- 26 In case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 27 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.
- 28 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
- 29 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a Member until he shall have become a Member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a Member in respect thereof within sixty days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a Member in respect thereof, and may be registered accordingly.

FORFEITURE OF SHARES

30. If a Member fails to pay the whole or any part of any call or installment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses which may have been incurred by the Company by reason of such non-payment.
31. The notice shall name a further day (not being less than seven days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.
32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.
33. When any share has been forfeited in accordance with these presents, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register of Members opposite to the entry of the shares; but no forfeiture shall be in any manner invalidated by any accidental omission or neglect to give such notice or to make such entry as aforesaid.
34. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was, before forfeiture, the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition, the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may if necessary, authorize some person to transfer a forfeited share to any such other person as aforesaid.
35. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of the forfeiture, were payable by him to the Company in respect of the shares, with interest thereon as shall be determined by the Directors from the date of forfeiture until payment, but the Directors may waive payment of such interest either wholly or in part and

the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

36 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, reallocated or disposed of, shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

INCREASE OF CAPITAL

37 The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.

38 The Company may by Ordinary Resolution direct that new shares, or any of them shall be offered in the first instance, either at par or at a premium, to the then Members or to the holders of any class of shares for the time being, in proportion to the number of shares or shares of the class or group held by them respectively, or make any other provisions as to the issue of the new shares.

39 All new shares shall be subject to the provisions of these presents with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise and, unless otherwise provided in accordance with the powers contained in these presents, shall be Ordinary Shares.

ALTERATIONS OF CAPITAL

40 The Company may by Ordinary Resolution:-

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Cancel any shares, which, at the date of the passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
- (c) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless,

to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

And may by Special Resolution:-

- (d) Reduce its capital or any capital redemption reserve fund or any share premium account in any manner authorized by the Act.

- 41. The Company may by Ordinary Resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.

- 42. The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- 43. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- 44. Such of the regulations of the Company as are applicable, to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

GENERAL MEETINGS

- 45. (a) A General Meeting shall be held as the Annual General Meeting once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. The General Meetings referred to in this Article shall be called "Annual General Meetings". All General Meetings other than Annual General Meetings shall be called "Extraordinary Meetings".

(b) Subject to the provisions of the Act, a resolution in writing signed by or on behalf of all the shareholders for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of two or more documents in like form each signed by or on behalf of one or more of the shareholders.

46. The Directors may call an Extraordinary Meeting whenever they think fit and shall, on requisition in accordance with the Act, proceed to convene an Extraordinary Meeting as required by the Act. In the case of Extraordinary General Meeting called in pursuance of a requisition, unless the Directors shall have called such meeting, no business other than that stated in the requisition, as the objects of the meeting shall be transacted.

NOTICE OF GENERAL MEETINGS

47. All meetings of Members shall be called by twenty-one days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day for which it is given, and shall specify the place, the day, and the hour of meeting, and in case of special business, the general nature of such business (and in the case of a meeting convened for passing a Special Resolution, the intention to propose such resolution as a Special Resolution), and shall be given in manner hereinafter mentioned to such persons as are, under the provisions herein contained, entitled to receive notices from the Company. With the consent in writing of all Members entitled to receive notices from the Company, a shorter notice may convene a meeting and in such manner as such Members may think fit.
48. The accidental omission to give notice to, or the non-receipt of notice by, any Member, shall not invalidate the proceedings at any General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

49. All business shall be deemed special that is transacted at an Extraordinary Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of declaring dividends, the reading and consideration of the accounts and balance sheet and the ordinary reports of the Directors and documents required to be annexed to the balance sheet, the election of directors and appointment of Auditors and other officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration to the Directors.
50. Any person entitled to be present and vote at a meeting may submit any resolution or amendment to the meeting, provided that at least five and not more than fourteen clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him, containing the proposed resolution or amendment and stating his intention to submit the same.

51. Upon receipt of any such notice as in the last proceeding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution or amendments will be proposed. Any resolution or amendment of which such notice has not been given shall in the case of a resolution and may in the case of an amendment be ruled out of order, and the ruling of the Chairman shall be conclusive.
52. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business; save as herein otherwise provided two members present in person or by proxy shall be a quorum for all purposes.
53. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum.
54. The Chairman of the Board of Directors if any shall preside as Chairman at every General Meeting of the Company. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some Member present to be Chairman.
55. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
56. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by at least two Members present in person or by proxy and entitled to vote, or by a Member or Members entitled either by reason of their own holding or as representatives or as proxies, to cast one-tenth or more of the votes which could be cast in respect of that resolution if all persons entitled to vote thereon were present at the meeting. Unless a poll is so demanded, a declaration by the Chairman that

a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

57. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless the same be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman of the meeting be of sufficient magnitude to vitiate the resolution.
58. If a poll is dully demanded, it shall be taken at such time and in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may in the event of a poll, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The demand for a poll may with the consent of the Chairman of the meeting be withdrawn.
59. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
60. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately.
61. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

62. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every Member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
63. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
64. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by such Court, and such committee, curator bonis or other person may on a poll vote by proxy, provided that such

evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than three days before the time for holding the meeting.

65. No Member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
66. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
67. Votes may be given either personally or by proxy. On a show of hands a Member (other than a corporation) present only by proxy shall have no vote, but a proxy for corporation may vote on a show of hands. A proxy need not be a Member of the Company.
68. Any corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorize any person to act as its representative at any meeting of the Company or of any class of members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represent as if he had been an individual shareholder, including power, when personally present, to vote on a show of hands.
69. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney so authorized.
70. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office not less than twenty-four hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
71. An instrument of proxy may be in the usual common form or in such other form as the Directors shall prescribe. The proxy shall be deemed to include the right to demand, or join in demanding, a poll, and shall (except and to the extent to which the proxy is specially directed to vote for or against any proposal) include power generally to act at the meeting for the Member giving the proxy. A proxy, whether in the usual or common form or not shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, and need not be witnessed.

72. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity 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 intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

DIRECTORS

73. Unless and until otherwise determined by the Company in a General Meeting the Directors shall not be less than **two** nor more than **five** in number. The first directors of the Company shall be:-
1. **Graham John Clark**
 2. **Donald Harold Carter -Brown**
 3. **Ian George Parrott**
74. The Directors shall be paid out of the funds of the Company by way of remuneration for their services, such sum as the Company in General Meeting may from time to time determine. The Directors shall also be paid all reasonable traveling, hotel and other expenses incurred by them in connection with attending and returning from Board Meetings or otherwise in connection with the business of the Company.
75. Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.
76. The office of a Director shall be vacated in any of the following events, namely:-
- (a) If (not being an Executive Director holding office as such for a fixed term) he resigns his office by writing under his hand left at the Office.
 - (b) If he has a receiving order made against him or compounds with his creditors.
 - (c) If he be found lunatic or of unsound mind.
 - (d) If he be absent from meetings of the Directors for six months without leave and the Directors resolve that, by reason of such absence, his office be vacated.
 - (e) If he be removed from office pursuant to Article 82.

77. A Director may hold any other office or place of profit under the Company (other than the office of Auditor) and may act in a professional capacity for the Company in conjunction with his office of Director, on such terms as to remuneration and otherwise as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relating thereby established, provided that the nature of the interest of the Director in such contract or proposed contract or arrangement be declared at the meeting of the Directors at which the question is first taken into consideration if his interest then exists, or in any other case at the next meeting of the Directors held after he became interested. A Director may vote in respect of any contract or arrangement in which he is interested and be counted in ascertaining whether a quorum is present, provided that he gives notice of the nature of his interest in any such contract or arrangement in the same manner as aforesaid. A general notice given to the Board by a Director to the effect that he is a member of or beneficially interested in a specified firm or company and is to be regarded as interested in any contracts or arrangements which may be made with that firm or company after the date of such notice shall be sufficient declaration of interest under this Article.
78. The Directors shall elect from amongst their own body a Chairperson of the Board of Directors on such terms and for such period (subject always to the provisions of these presents) as they may think fit.
79. Subject to any provisions to the contrary contained in the Act or in these presents, the Directors may entrust to and confer upon the Chairman and upon a Director holding any such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any such powers.
80. The Company in General Meeting may from time to time increase or reduce the number of Directors.
81. The Director shall by a resolution of the Board have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these presents.
82. The shareholders may by an extraordinary resolution remove any Director before the expiration of his period of office, and may appoint another person in his stead.

POWERS OF DIRECTORS

83. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in the General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
84. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or financing, assisting or subsidizing any such subsidiary company or guaranteeing its contracts, obligations or liabilities and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, executive Directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, and any Directors of this Company may retain any remuneration so payable to them.
85. The Directors may from time to time and at any time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.
86. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
87. The Company, or the Directors on behalf of the Company, may cause to be kept in any part of the world in which the Company transacts business, a Branch Register or Registers of Members resident there and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such Register.

BORROWING POWERS

88. The Directors may raise or borrow for the purposes of the Company's business such sum or sums of money as they may in their absolute discretion think fit. The Directors may secure the repayment or raise any such sums as aforesaid by legal or equitable Mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled capital, or by the issue at such price as they may think fit, of debentures and debenture stock either charged upon the whole or any part of the property and the assets (including its uncalled Capital) of the Company or not so charged, or in such other way as the Directors may think expedient.
89. Subject to the provisions of Article 77 of these presents, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any company including but not limited to any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as director or officer of, or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in favor of any resolution appointing it or any of its number, directors or officers of such other company. Furthermore, any Director of the Company may vote in favor of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights in a manner aforesaid.
90. All cheques, promissory notes, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

PROCEEDINGS OF DIRECTORS

91. (a) The Directors may meet together for dispatch of business adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes; the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors.
- (b) Any or all of the Directors or any members of a committee or sub-committee of the Board may participate in a meeting of the Board or that committee or sub-committee by means of a conference telephone, video conferencing or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the

quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting is present.

92. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two.
93. The continuing Directors may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents, the continuing Directors or Director may act for the purpose of filling up vacancies in the Board or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any shareholder may summon a General Meeting of shareholders for the purpose of appointing Directors.
94. The Chairman of the Board shall preside at all meetings of the Members. If at any meeting the Chairman shall be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
95. A resolution in writing, signed by all the Directors for the time being, shall be effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.
96. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretion for the time being exercisable by the Directors.
97. Without prejudice and in addition to the Provisions of Article 83, the Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.
98. The meetings and proceedings of any such committee, consisting of two or more members, shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
99. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

ALTERNATE DIRECTORS

100. Any Director may at any time appoint any person approved by the Board to be an Alternate Director of the Company and may at any time remove any Alternate Director so appointed by him from office. An Alternate Director so appointed shall not be entitled to receive any remuneration from the Company or to appoint an Alternate, but shall otherwise be subject to the provisions of these presents with regard to Directors. An alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer. An Alternate shall ipso facto cease to be an Alternate Director if his appointer ceases for any reason to be a Director. All appointments and removals of Alternate Directors shall be effected by writing under the hand of the Director making or revoking such appointment left at the office.

MINUTES

101. The Directors shall cause proper minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of Directors and committees of Directors and of the attendances thereat, and of the proceedings of all meetings of the Company and all business transacted, resolutions passed and orders made at such meetings, and any such minute of such meetings if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or Directors or committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.

THE SEAL

102. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board and shall be so affixed in the presence of at least one Director and the Secretary or some other person approved by the Board, both of whom shall sign every instrument to which the Seal is so affixed in their presence.

AUTHENTICATION OF DOCUMENTS

103. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts, and where any books, records, documents or accounts are else where than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

DIVIDENDS

104. Subject to any special rights as to dividend attached to any new class of shares in accordance with these presents, the profits of the Company available for dividend and resolved to be distributed in respect of any financial year or other period for which the Company's accounts are made up and submitted to the Company in General Meeting shall be apportioned and paid to the Members according to the amounts paid on the shares held by them respectively during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividends accordingly.
105. No dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.
106. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or debenture stock of the Company, or paid up shares, debentures or debenture stock of any other company, or in any one or more of such ways.
107. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay to the holders of any class of shares interim dividends thereon of such amounts and on such dates as they think fit.
108. No unpaid dividend, bonus or interest shall bear interest as against the Company.
109. The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
110. The payment by the Directors of any unclaimed dividend into an unclaimed dividend account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
111. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

RESERVES

112. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which shall at the discretion of the Directors be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works plant and machinery of the Company or for special

dividends or bonuses or for equalizing dividends or for any other purposes to which the profits of the Company may properly be applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

113. The Directors may establish a reserve to be called the Capital Reserve, which shall not be available for dividend, but which shall be available to meet depreciation or contingencies or for repairing, improving, or maintaining any property of the Company or for such other purposes as the Directors may in their discretion think conducive to the interests of the Company, and the Directors may invest the sums standing to the Capital Reserve in such investments as they think fit, other than shares or stock of the Company, and may from time to time deal with or vary such investments and dispose of all or any part thereof with full power to employ the Capital Reserve in the business of the Company, and that without keeping it separate from the other assets and with power to divide the said Capital Reserve into separate accounts or funds if they think fit.

CAPITALIZATION OF PROFITS AND RESERVES

114. The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalize any undivided profits of the Company not required for paying the fixed dividends or Preference Shares if any (including profits carried and standing to the credit of any reserve or reserves or other special account), and accordingly that the Directors be authorized and directed to appropriate the profits resolved to be capitalized to the Members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalized, and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares, debentures or securities of the Company of a nominal amounts equal to such profits, such shares, debentures or securities to be allotted and distributed credited as fully paid up, to and amongst such Members in the proportion aforesaid, or partly in one way and partly in the other.

ACCOUNTS

115. The Directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.
116. The books of account shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorized by the Directors or by the Company in General Meeting.
117. The Directors shall once at least in every year lay before the Company in General Meeting a profit and loss account and a balance sheet containing a general summary of the capital, the assets, and the liabilities of the Company arranged under suitable heads, both made up to a date not more than six months before the meeting.
118. Every such balance sheet as aforesaid shall be signed on behalf of the Board by two of the Directors, and shall have attached to it a report of the Directors as to the state of the Company's affairs and the amount which they recommend to be paid by way of dividend to the Members, and the amount (if any) which they have carried or propose to carry to the Capital Reserve, Fund, general reserve or reserve account shown specifically on the balance sheet or to be shown specifically on a subsequent balance sheet. The balance sheet shall also have attached or annexed to it, the Auditors' report and such other documents as the Act may require.

AUDIT

119. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office until the next ensuing Annual General Meeting. The Auditor's report shall be read before the Company at the Annual General Meeting and shall be open to inspection by any Member. The Auditors' duties shall be regulated in accordance with the Act.
120. No Director or other officer of the Company or any person who is a partner of or in the employment of an officer of the Company, or any corporation, shall be capable of being appointed Auditor of the Company.

NOTICES

121. Any notice or document may be served by the Company on any Member wherever resident either personally or by fax or telex or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members, provided that if such address is outside Tanzania, such letter shall be sent by air mail. In respect of joint holdings, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members, and notice so given shall be sufficient notice to all the joint holders.
122. Any notice or other document, if sent by telefax or e-mail shall be deemed to have been served as soon as the message has been transmitted, and if served by post, shall be deemed to have been served Ninety-six hours after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.
123. Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

WINDING-UP

124. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

125. Subject to the provisions of the Act every Director, Managing Agent, Auditor, Manager, Secretary or officer or Servant of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.

126. No Directors, Managing Agent, Auditor or other officers of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damages or misfortune whatsoever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

Names, address and description of subscribers	No. of shares taken	Signature(s) & Seal(s) of the Subscribers
<p>ILLOVO GROUP HOLDING LIMITED C/o DTOS LIMITED, 10TH FLOOR, RAFFLES TOWER, 19, CYBERCITY, EBENE, MAURITIUS.</p> <p>GRAHAM JOHN CLARK DIRECTOR</p> <p>DONALD GORDON MACLEOD DIRECTOR</p>	<p>9,999</p>	<div data-bbox="874 904 1433 1173" style="border: 1px solid black; padding: 5px;"> <p>Illovo Group Holdings Limited Company No.: 19870/3762 C/O DTOS Limited 10th Floor, Raffles Tower 19 Cyber City EBENE MAURITIUS</p> </div> <p>..... <i>[Signature]</i></p> <p>..... <i>[Signature]</i></p>
<p>CAIRN MATHEW BENNIE UNITY 10A, TWIN TOWERS, HILL ROAD OYSTERBAY, P. O. BOX 8008, KINONDONI DISTRICT DAR ES SALAAM TANZANIA</p>	<p>1</p>	<p>..... <i>[Signature]</i></p>

DATED at Dar Es Salaam this 2nd day of August, 2011

Witness to the above signatures:-

Signature:.....*[Signature]*.....

Address:.....**MARIA M. KASHONDA**
ADVOCATE, NOTARY PUBLIC &.....
COMMISSIONER FOR OATHS
P. O. Box 38591, DAR ES SALAAM.....

Qualification:.....

STRATEGIC INTENT

To:

▶ be the leading sugar and downstream products operation in Africa, an increasing global player and a world-class organisation.

▶ be the lowest-cost producer in every country in which it operates and among the lowest-cost producers in the world.

▶ optimise the return on every stick of cane by adding value to its core commodity products - fibre, sugar and molasses. It will focus on its core business and develop material niche operations which add value.

▶ be the market leader, meeting and proactively anticipating customer needs.

▶ increase profits in real terms on an ongoing basis and maximise the return on capital employed through cost leadership, the use of innovative technology and the participation of all of its employees.

▶ be a moral performance focused organisation that people are proud to work for, where they are challenged to 'go the extra mile', feel they can make a difference and know that good performance is recognised.

▶ be welcomed in the communities in which it operates because of what it does, how well it does it and be accepted as a progressive company by all communities; aligning strategies to meet changing circumstances in the various countries in which the group operates.

▶ be cognisant of the rural locations of the group's operations and the impact that it has on job creation and poverty alleviation in such areas.

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2009

Annual Report

2009

Features

	Year ended 31 March		% change
	2009	2008	
Results (Rm)			
Revenue	8 601.7	6 794.1	27
Operating profit	1 386.2	1 064.5	30
Net financing costs	183.7	170.4	8
Headline earnings	741.8	599.6	24
Share performance (cents per share)			
Headline earnings	211.6	171.6	23
Dividend (interim - paid; final - declared)	106.0	85.5	24
Year-end market price	2 849	2 964	
Balance sheet and cash flow (Rm)			
Total assets	8 264.4	6 262.8	
Ordinary shareholders' funds	2 773.8	2 373.3	
Net borrowings	2 411.1	1 168.3	
Cash generated from operations	1 569.7	1 101.2	
Financial ratios			
Operating margin (%)	16.1	15.7	
Effective tax rate (%)	19.9	15.7	
Debt : equity ratio	70.0	39.9	
Interest cover (times)	7.5	6.2	
Return on net assets (%)	22.0	24.1	
Net asset value per share (cents)	981.7	837.2	
Dividend cover (times)	2.0	2.0	
Price : headline earnings ratio	13.5	17.3	

Operating profit increased by 30%

Headline earnings per share increased by 23%

Dividend increased by 24%

Strong operational cash generation

Ongoing major capacity expansion / funding arrangements



Group profile

Illovo Sugar is a leading, global, low-cost sugar producer and a significant manufacturer of high-value downstream products. The group is Africa's biggest sugar producer and has extensive agricultural and manufacturing operations in six African countries. Downstream products include furfural (used mainly in lube oil refineries for the purification of oils), furfuryl alcohol (used mainly to produce a resin in the foundry industry as a binder for foundry sands), Agriguard (an agricultural nematicide), diacetyl and 2,3-pentanedione (both used as high-quality natural flavourants), BioMass Sugar (a sugar cane-based fertiliser), ethyl alcohol and lactulose (a natural laxative). Illovo is listed on the JSE Limited. It is a subsidiary of Associated British Foods plc which holds 51% of the issued share capital.

Excellent climatic and soil conditions in the group's countries of operation, accompanied by irrigation from secure water sources, are ideal for the cultivation of high-yielding and excellent quality sugar cane. The group manages agricultural estates in each of the countries in which it operates and in the past season, these estates produced an aggregate of 5.1 million tons of cane. In addition, independent growers supplied an aggregate of 10.3 million tons of cane to Illovo's sugar factories, mainly to those in South Africa. Sugar production in 2008/09 amounted to 1.8 million tons, comprising 920 000 tons produced in South Africa, Malawi 304 000 tons, Zambia 193 000 tons, Swaziland 210 000 tons, Tanzania 118 000 tons and Mozambique 76 000 tons.

The group is a major supplier of sugar to African consumer and industrial markets, particularly in its own countries of operation. In Malawi, Illovo is that country's sole sugar producer and in Zambia, manufactures 87% of all local production. The group's share of industry production in South Africa is 41%, Swaziland 33%, Tanzania 42% and Mozambique 31%. Illovo has significant and increasing access to preferential markets in the European Union (EU)

and the United States of America (US), whilst the operations outside South Africa also have access to the South African Customs Union (SACU) market in terms of the Southern African Development Community (SADC) Sugar Protocol on Trade. Pre-packed and bagged sugar is supplied into other regional markets within Africa. The group, through the South African sugar industry exports sugar into the world free market. Syrup and speciality sugars are produced in South Africa and Zambia mainly for domestic consumption, whilst speciality sugars made in Malawi and Zambia are produced for preferential markets in the EU and in the case of Malawi also in the US.

The majority of downstream products is sold internationally into high-value, niche markets. Furfural and its derivatives are produced at the Sezela mill complex on the south coast of KwaZulu-Natal. High quality ethyl alcohol, from which various grades of alcohol are made, is produced at the Merebank plant in Durban and at the Glendale distillery on the north coast. Lactulose is also manufactured at Merebank.

In recognition of the group's interdependence with the communities in which it operates, Illovo co-ordinates a wide range of social investment-related programmes focusing on basic needs such as the provision of water and sanitation, access to health care, education delivery and involvement in community outreach programmes. Illovo also provides considerable training and other support to local indigenous growers in order to promote sustainable agriculture and economic development activities. Total cane supplies from these growers, including community-based co-operative schemes, amount to 2.3 million tons annually, generating revenue of approximately R675 million. Particular attention is given to preferential procurement with the aim of promoting and supporting the development of small and medium-sized businesses which supply goods and services to both cane growers and neighbouring communities, and to the group.

Group history

1891 Reynolds Brothers Limited is listed as a public company and Charles George Smith appointed as its agent in Durban;

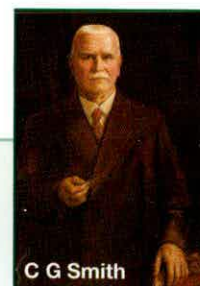
1893 CG Smith, entrepreneur and sugar agent, becomes a shareholder in Reynolds Brothers;

1904 CG Smith and associates buy the Umzimkulu mill and estates;

1915 Reynolds Brothers opens the Sezela mill; and The Natal Cane By-Products Limited (now Illovo Merebank) is listed as a public company;

1952 Reynolds Brothers moves the Esperanza mill to Pongola;

1975 The sugar-related assets of CG Smith & Company, together with the Gledhow Sugar Company, are amalgamated with Reynolds Brothers into a single new entity under the name of CG Smith Sugar Limited;



C G Smith

1977 CG Smith Sugar acquires the Illovo and Noodsberg sugar mills and estates from Tate & Lyle;

1991 The company celebrates its Centenary year;

1992 CG Smith Sugar is listed on The Johannesburg Stock Exchange, and the company acquires the Umfolozi sugar mill;

1994 The company name is changed to Illovo Sugar Limited to identify with the Illovo brand of sugars and syrups;

1995 As a purely South African sugar company with five agricultural estates and seven factories, Illovo cultivates around one million tons of sugar cane and produces an equal amount of sugar. Turnover amounts to R1.6 billion and the share price trades at R6.70 (year-end);

Goals and objectives

PRIMARY OBJECTIVE

- ◇◇ To enhance the wealth of shareholders by optimising the long-term returns and growth of the business.
- ◇◇ To be a world-class organisation and amongst the most efficient and lowest-cost producers in the world.
- ◇◇ To achieve a balanced and integrated economic, social and environmental performance.

GROWTH

- ◇◇ To expand the group's sugar and cane production.
- ◇◇ To consolidate and improve the profitability of downstream products and further develop new applications where appropriate.
- ◇◇ To maximise usage of bagasse and biomass to generate electricity for own operations and to supply power into national grids.
- ◇◇ To seek new opportunities for sugar and downstream products nationally and internationally.

PROFITABILITY

- ◇◇ To achieve a competitive rate of return on shareholders' funds and increase profits on an ongoing basis in real terms.
- ◇◇ To maintain a dividend cover of between two and three times.

ASSET MANAGEMENT

- ◇◇ To manage investments in fixed assets and working capital so as to achieve the most efficient usage of funds employed with the objective of achieving gearing of 40% over the long term and an interest cover of not less than five times.

PRODUCT DEVELOPMENT

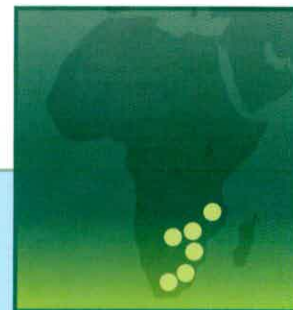
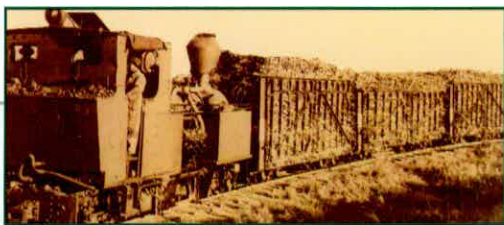
- ◇◇ To be proactive in identifying the needs of our customers.
- ◇◇ To consistently deliver quality products and services to our customers.
- ◇◇ To undertake research and development to improve returns, and develop new products and applications, from its core commodity products using every stick of cane.

HUMAN RESOURCES

- ◇◇ To promote the ongoing development of all our employees in order that they reach their maximum level of competence and participate fully in achieving the group's primary objective.
- ◇◇ To offer equal opportunity to all employees.

CORPORATE GOVERNANCE

- ◇◇ To ensure that the company is managed in an efficient, accountable, responsible and moral manner.
- ◇◇ To be socially responsible, and maintain and develop appropriate ethical, environmental and risk management standards as an integral part of the business.
- ◇◇ To take cognisance of all stakeholders' interests in the group's business.



1996 Illovo acquires a 50% stake in Maragra Acucar SARL in Mozambique;

1997 Illovo acquires Lonrho Sugar Corporation Limited, with sugar assets in Malawi, Swaziland, Mauritius and South Africa;

1998 Illovo acquires a 55% stake in Kilombero Sugar Company in Tanzania;

1999 The company acquires Monitor Sugar Company in the United States;

2001 Illovo sells its Mauritian interests and acquires a controlling interest in Zambia Sugar Plc;

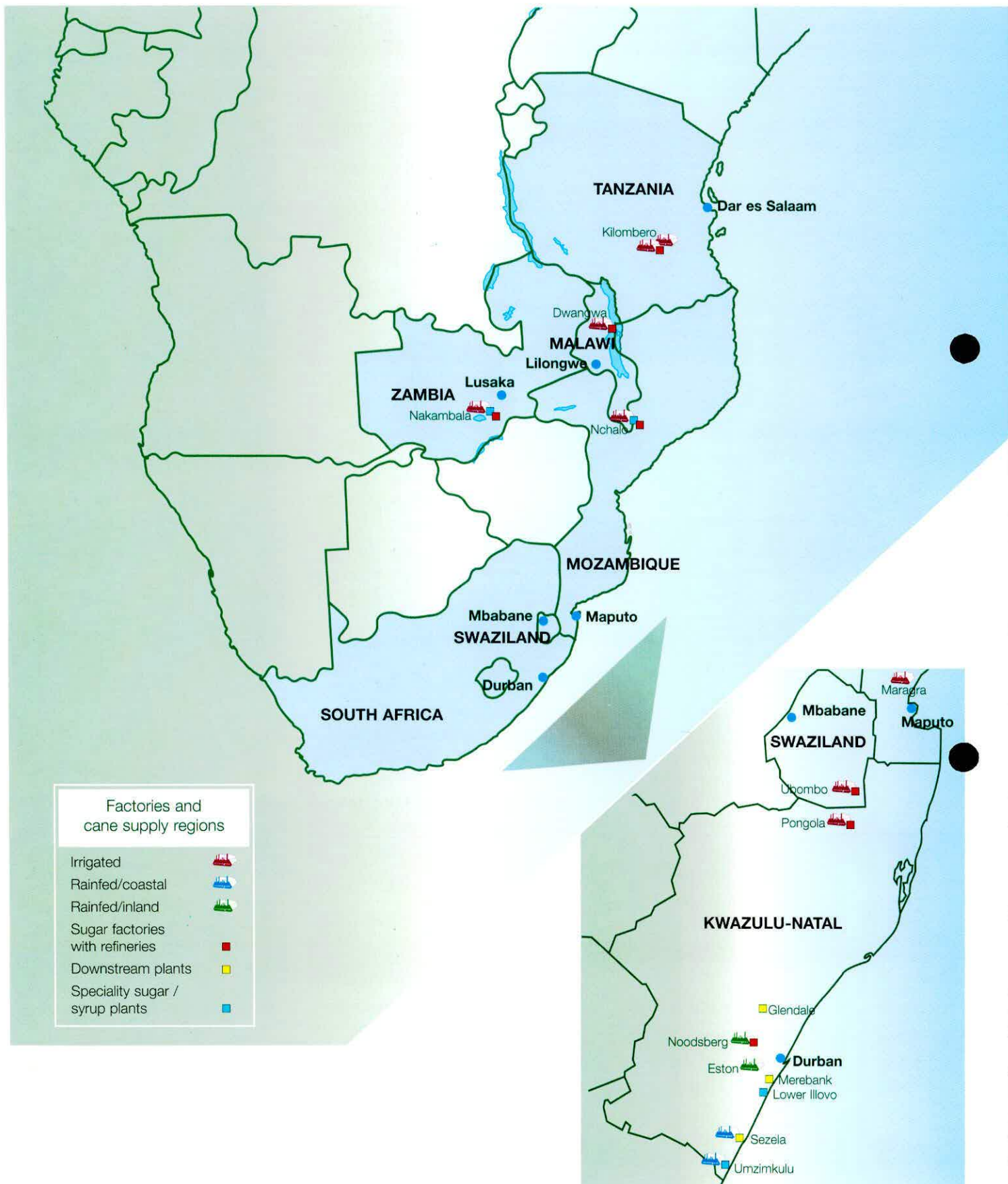
2004 The Gledhow sugar mill and estates are sold to a Black economic empowerment company, and the company sells its interests in Monitor Sugar Company;

2006 Associated British Foods plc, a company listed on the London Stock Exchange, acquires a 51% controlling stake in Illovo;

2007 A major expansion of the Zambia Sugar operation is announced, to increase cane production by 50% and annual sugar production to 450 000 tons of sugar. The expansion project is completed 1 April 2009;

2009 Illovo sells the Umfolozi sugar mill and concludes an agreement to sell the Pongola sugar mill; Today, Illovo has extensive agricultural and manufacturing assets in six Southern African countries, with capacity to produce six million tons of cane and two million tons of sugar per annum. Revenue amounts to R8.6 billion and the share price trades at R28.49 (year-end).

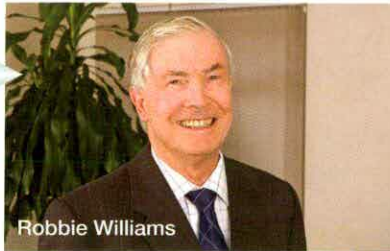
Group locations



Directorate

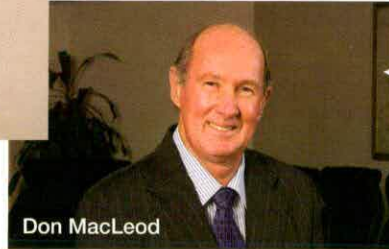
NON-EXECUTIVE INDEPENDENT CHAIRMAN

R A Williams (68) * #
BA, LLB
Chairman of
Nomination Committee
Director of companies
Appointed to the Board 1985



NON-EXECUTIVE DEPUTY CHAIRMAN

D G MacLeod (62) # ^
BCom, AMP
Previous Managing Director
of Illovo Sugar Limited
Joined the sugar industry 1971
Appointed to the Board 1983



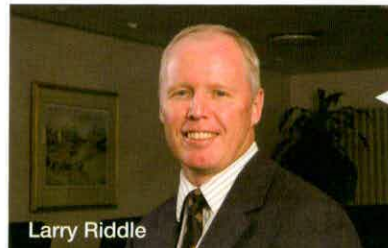
EXECUTIVE DIRECTORS

MANAGING DIRECTOR

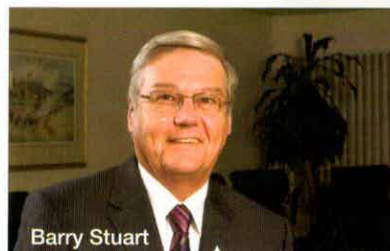


G J Clark (Australian) (53) ^ + ∅
BAcct(Hons), FCA(Aust)
Joined the sugar industry 1980
Appointed to the Board 1997

D L Haworth (60) + ∅
BSc(Hons)
Business Development Director
Joined the sugar industry 1999
Appointed to the Board 2009



L W Riddle (49) + ∅
BCom, CA(SA)
Commercial Director
Joined the sugar industry 1986
Appointed to the Board 2009



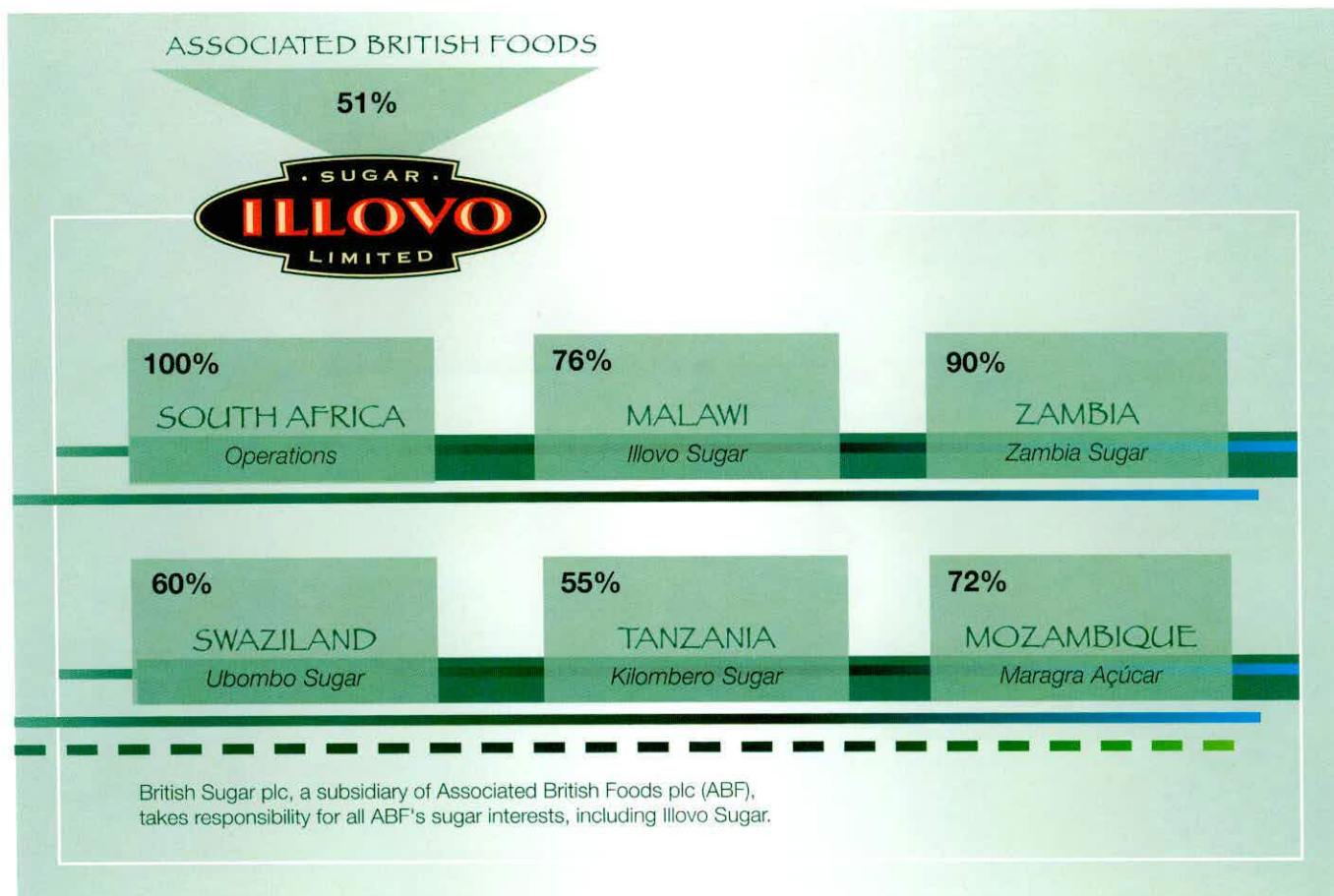
B M Stuart (61) ^ + ∅
BCom, DipSugarTech, SEP
Operations Director
Joined the sugar industry 1968
Appointed to the Board 1994



K Zarnack (36) ^ + ∅
CA(SA)
Financial Director
Joined the sugar industry 2005
Appointed to the Board 2005

- * Member of Audit Committee
- # Member of Remuneration / Nomination Committee
- ^ Member of Risk Management Committee
- + Member of Group Executive Committee
- ∅ Member of Corporate Executive Committee

Group structure



Operations

	Operation	Cane growing	Sugar manufacturing	Sugar refining	Speciality sugar / syrup	Downstream production
SOUTH AFRICA	Pongola		■	■		
	Noodsberg		■	■		
	Eston	■	■		■	
	Sezela	■	■			■
	Umzimkulu	■	■		■	
	Merebank					■
	Glendale					■
MALAWI	Nchalo	■	■	■	■	
	Dwangwa	■	■	■		
ZAMBIA	Nakambala	■	■	■	■	
SWAZILAND	Ubombo	■	■	■		
TANZANIA	Kilombero	■	■	■		
MOZAMBIQUE	Maragra	■	■			

Senior management

Name	Qualifications	Joined the group	Operational responsibility
GROUP			
R Botha (Mrs) (40) ^	CA(SA)	2003	Internal audit
G R Brown (44) o	BScAgric	2008	Procurement
P H Canter (Dr) (62) ^	MBChB, DTM&H	1990	Medical services
D G Coates (58) + o	HNDipMechEng, GCOC	1983	Operations
S J M Collet-Serret (54)	HNDipElecEng	1978	Project management
M S Edwards (57) o	GCOC, ABP	2007	Export sugar marketing
N M Hawley (52) + o	BCom(Hons)	1978	Human resources
W L Jackson (Ms) (35) o	CA(SA)	2005	Corporate finance
G D Knox (60) ^ + o	BCom	1984	Administration
X Magojo (46)	BJourn, MBL	2008	Corporate services
N T Moor (Ms) (37) o	BCompt(Hons), BCom(Hons)	1998	Financial management
N C Morris (48)	BAMaths&CompSc, DipCorpFin	2009	Project evaluation
J M Moulit (60) ^ o	BScEng, NatDipTech	1995	Technical services
D A Schaller (45)	BCom, ACMA	1999	Information technology
G S Trott (41) o	BScAgricEng	2007	Agriculture
G Van Schoor (41)	NDipElec, GCOC	1997	Technical services (Projects)
D W H Cousens (60) +	MScEng, MBL	1988	General manager - Mali
J A Blumberg (49)	BCompt, MBL	1996	Finance - Mali
SOUTH AFRICA OPERATIONS			
D E Howells (45) +	CA(SA)	1995	General manager
H R Hackmann (50)	BCom	2000	Marketing
S Hlela (50)	BA	1995	Human resources
J J R Lyle (34)	CA(SA)	2006	Finance
G F Mann (55)	DipSugarTech	1979	Refined sugar production/Pongola
S Rau (57)	BScAgric	1981	Raw sugar production
L Bachan (55)	BSc, MBL, DipSugarTech	1978	Sezela
B R Cornish (55)	BCom, HNDipMechEng	1983	Merebank/Glendale
J P M de Robillard (63)	DipSugarTech	1974	Gledhow (Managed operation)
B V Holmes (54)	GCOC, MDP	1999	Umzimkulu
E W Lucht (43)	GCOCMechEng, MBA	1985	Noodsberg
V Pillay (54)	BSc, BCom, DipSugarTech	1978	Eston
MALAWI OPERATIONS			
I G Parrott (42) +	BCom, CIA	1997	Managing director
W A Cowden (30)	CA(SA)	2006	Finance
D P R Davies (54)	DipMktMgt(IMM)	2003	Marketing
C H Kyle (59)	BCom, HDPM	1998	Human resources
G M Mkandawire (62)	BScEcon, MComMkt	2003	Commercial
K M J Tembo (46)	DipIndustrialEng	1992	Dwangwa
E I Williams (62)	CertEng, SMSAIEE	1984	Nchalo

NON-EXECUTIVE INDEPENDENT DIRECTORS

M J Hankinson (60) * # ^
BCom, CA(SA)
Director of companies
 Appointed to the Board 2008



Mike Hankinson



Brian Connellan

B P Connellan (68)
CA(SA)
Director of companies
 Appointed to the Board 1993



Phinda Madi

P M Madi (45) #
BProc, EDP
Director of companies
 Appointed to the Board 2002



Len Konar

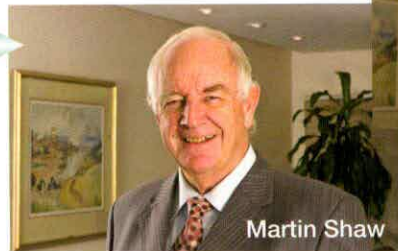
D Konar (Dr) (55) *
CA(SA), MAS, DCom
Chairman of Audit Committee
Director of companies
 Appointed to the Board 1995



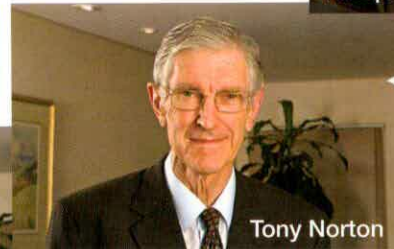
Nosipho Molope

C W N Molope (44) *
BSc, BCompt(Hons), CA(SA)
Director of companies
 Appointed to the Board 2008

M J Shaw (70) * # ^
CA(SA), SEP
Chairman of Risk Management Committee
Director of companies
 Appointed to the Board 2001



Martin Shaw



Tony Norton

R A Norton (70) * #
MA
Chairman of Remuneration Committee
Director of companies
 Appointed to the Board 1997

NON-EXECUTIVE DIRECTORS

M I Carr (Dr) (46) # +
BSc, PhD, MBA, CEng, MIMechE
Chief Executive Officer - British Sugar
 Appointed to the Board 2006



Mark Carr

D R Langlands (43) ^
BScMaths, ACA
Financial Director - British Sugar
 Appointed to the Board 2006



David Langlands

P A Lister (45)
LLB
Director of Legal Services and Company Secretary - Associated British Foods
 Appointed to the Board 2006



Paul Lister

Chairman's statement



Robbie Williams

The group achieved sound results for the year ended 31 March 2009 with headline earnings increasing by 24% to R742 million, whilst headline earnings per share rose by 23% to 211.6 cents. Group operating profit increased by 30% to R1 386 million. The group's profits benefited from a number of factors, most notably, improved domestic market sales, higher world and regional market sugar prices, weaker exchange rates and good results from downstream operations. Lower sugar production in Zambia, Swaziland and Tanzania partly offset these benefits.

Net financing costs of R184 million reflect a small increase compared to the previous year, whilst taxation at R239 million remained relatively low mainly due to the Zambian subsidiary being granted expansion-related tax allowances. The group's effective tax rate was 19.9% (2008: 15.7%).

The contributions to operating profit were sugar production 52%, cane growing 36% and downstream 12%. By country, contributions were South Africa 19%, Malawi 45%, Zambia 12%, Swaziland 9%, Tanzania 9% and Mozambique 6%.

Strong cash operating profit of R1 207 million was achieved. However, group borrowings increased substantially from R1 168 million to R2 411 million as a result of the expansion projects during the year, with the debt : equity ratio rising from 40% to 70%.

The agricultural operations generally performed satisfactorily with cane production in the 2008/09 season amounting to 5.1 million tons. Adverse weather conditions in Swaziland and Tanzania impacted negatively on output in those countries, whilst in Zambia the difficulties experienced during phase 1 of the factory expansion resulted in a significant tonnage of cane being carried over to the next season. Group sugar production of 1.824 million tons was 2% above the previous season despite a 40 000 ton reduction in sugar production compared to the previous year in Zambia following the delayed start to the season and the

disappointing mechanical performance of the plant after phase 1 of the factory expansion. Phase 2 of the project was completed as planned in April 2009. The performance levels of the other factories throughout the group were generally good. The downstream plants have operated well, with output being similar to last year. World prices of furfural and lactulose were strong during the year.

Domestic market sugar sales across the group were encouraging with all operations achieving an improvement in offtake. Marketing initiatives and improved distribution, particularly in the rural areas, together with efforts of the authorities to control illegal imports were the main factors affecting the growth in sales. Exports into premium-priced markets are very important to the group's business and sugar sales into these markets were around 220 000 tons. Demand from the group's regional markets remained at a satisfactory level although slightly less than the prior year.

The world sugar price, although continuing to be very volatile, adjusted upwards during the past year. The improvement in this price also resulted in a firming of sugar revenue realisations in the regional markets supplied by Illovo. The world price rose in the early part of the year as a result of a forecast deficit in production, but then weakened in line with other commodities. However, in recent months the price has increased strongly, driven by a significant production decline in India, the success of the European Union (EU) Sugar Regime reform in reducing output in that region, and capital constraints within the sugar industry in Brazil. These factors have resulted in a material global deficit in production being anticipated, thereby creating a platform for higher sugar prices.

Reform of the EU Sugar Regime has been completed via a process of structural reform which has seen the reduction of EU export subsidies and the lowering of domestic farm support for European beet farmers. Annual domestic sugar production in the EU has reduced by nearly six million tons as a result of these measures which were also accompanied

Name	Qualifications	Joined the group	Operational responsibility
ZAMBIA OPERATIONS			
S D Langton (48) ⁺	PrEng, BScEng	1996	Managing director
D Kabunda (Mrs) (46)	BAPubAdmin, MBA	1986	Human resources
R M L Katowa (Mrs) (48)	BA, MBA, MCIM	1997	Marketing
J M Mukukwa (44)	MScChemEng	1990	Factory
S S Munsamy (54)	BTechMgt, MDP	1982	Operations director
L M Sievu (46)	BAcc, ACMA, ACIS	2004	Corporate affairs
H Veenstra (52)	MAgricMgt	1990	Agriculture
D S Watson (47)	BScElecEng, DipBusMgt	2006	Expansion project
M D Wellington (53)	BAcc, CA(Zim)	2008	Finance
SWAZILAND OPERATIONS			
S J M Cleasby (50) ⁺	BScEng(Chem), MBA	2009	Managing director
C R Crebo (55)	BCom, DipSugarTech	1984	Factory
A H Domleo (49)	BCom	1983	Agriculture
J P Hulley (49)	DipMechEng, MDP	1978	Operations
J Mashwama (46)	MScSoilSc, DipIR	1993	Human resources
G H Williams (41)	CA(SA)	1996	Finance
TANZANIA OPERATIONS			
D H Carter-Brown (59) ⁺	BScAgricEng	1978	Managing director
C M Bennie (59)	CA(SA)	2006	Commercial
L A Elkington (59)	BCompt	1984	Finance
Z E Mshechu (57)	MSc Agric	1998	Agriculture
C J van Den Berg (59)	BA(Law)	1974	Human resources
P J van Greunen (44)	HNDipMechEng, GCOC	1983	Factory
MOZAMBIQUE OPERATIONS			
W M A Buchanan (59) ⁺	BTechMkt, SEP	1981	General manager
M Cotter (53)	RCE, GCOC	1989	Factory
R Giblot-Ducray (53)	CertLabour, CertSugarCaneAgric	2002	Agriculture
P Streng (59)	BA(Law), FIPM	2001	Human resources
M A Walsh (61)	BCom, CA(SA)	1988	Finance

[^] Member of the Risk Management Committee

⁺ Member of Group Executive Committee

^o Member of Corporate Executive Committee

Chairman's statement continued

in South Africa which will result in a more streamlined business. The sale of the Umfolozi sugar mill to a grower consortium was completed on 31 March 2009, with payment received in full. An agreement to sell the Pongola sugar mill to TSB Sugar RSA Limited has been concluded, subject to approval by the Competition Commission. The company has acquired a 30% shareholding in and will provide technical services to a new business entity which has purchased the Gledhow sugar mill which was previously wholly-owned by Ushukela Milling (Pty) Limited (Ushukela). The other shareholders in this new business entity comprise Ushukela, a consortium of supplying cane growers and Sappi Manufacturing (Pty) Limited.

The group continues on its path to become self-sufficient in respect of power requirements for its operations as well as supplying power into the national electricity grids in the various countries in which it operates. Illovo's sugar factories utilise bagasse to generate sufficient power for ongoing factory operations, whilst in most countries, additional power is produced in order to supply energy to the agricultural operations, particularly irrigation. Illovo continues to progress its bio-mass initiative which utilises residue leaves and tops from harvested cane as supplementary fuel for the factory boilers.

The group remains focused on being the leading low cost sugar and downstream products producer in Africa. Benchmarking techniques to measure and implement best practice methods, as well as in house technical expertise, are used to optimise returns on installed capacity. Despite significant increases in input costs, such as fertilizer and steel, the group has continued to ensure that its

factories and field operations are well maintained and that factory offcrop maintenance programmes and field ratoon management and replant programmes are carried out in line with best practice.

Risk management is an integral part of Illovo's business. The safety, security and preservation of our people are essential for the group's sustainable growth. The NOSA Integrated Five Star System covering safety, health and environmental management is implemented at all the cane growing and factory operations. The Disabling Injury Frequency Rate (DIFR) measurement of safety performance is used in all the group's operations, and is included as one of the line-of-sight targets for the performance related bonus scheme. It is pleasing that the DIFR measurements reflect a significant improvement over the past year.

In order to meet the ongoing financial requirements of the group, existing facilities have been renewed. In addition it is intended that a rights issue be undertaken by the company to raise fresh capital to provide for current and longer term growth plans. This initiative has the full backing of the holding company which has indicated a willingness to support a rights offer to shareholders at or around the prevailing share price. Shareholders will be advised further as this matter is progressed.

Outlook

In the current year, own cane and sugar production are anticipated to exceed the levels achieved in the last season, whilst downstream production is expected to be at similar levels to those of last year. World sugar prices are anticipated to remain above last year's average levels but

The performance levels of factories were generally good with group sugar production amounting to 1.824 million tons, 2% above that of last year.



Domestic market sales across the group were encouraging with all operations achieving an improvement in offtake.



Cane production in 2008/09 amounted to 5.1 million tons with the agricultural operations generally performing satisfactorily.

by a restructuring grant to affected EU producers. The price payable to suppliers of sugar into the EU was also reduced as part of the reform.

The net result of the reform will be to move the European sugar market from surplus into deficit. This will enable traditional exporters of sugar to the EU, mainly Least Developed Countries (LDCs) and member states of the African, Caribbean and Pacific (ACP) trade group, to continue to export to the EU on preferential terms such that the EU sugar market maintains equilibrium. Imports into the EU from these traditional suppliers are projected to reach 3.5 to 4.0 million tons by 2015, with new market access arrangements coming into force from 1 October 2009. These arrangements provide duty-free, quota-free access to the EU sugar market for qualifying LDC/ACP suppliers on the basis of unrestricted access for LDCs, with ACP access being limited by a safeguard ceiling of 3.5 million tons. Previous quality restrictions which limited imports to bulk raw sugar for refining will also be relaxed from 1 October 2009, and exporters to the EU will in future be entitled to supply sugar of various qualities as required by different customers. The new EU sugar arrangements have been incorporated into the terms of new Economic Partnership Agreements (EPAs) currently being negotiated between the EU and the supplying regions. These market access changes are positive for the Illovo group, although the lower prices received in these markets have impacted on export revenues. The company has concluded an investment in a United Kingdom-based joint venture with British Sugar which will provide an effective route to the EU market for Illovo's export sugars from 1 October 2009.

Illovo has embarked on a major drive to significantly increase its cane and sugar productive capacity. The first step was the Zambian expansion project, with phase 2 of the project being completed as planned on 1 April 2009. The project increases the capacity of the Nakambala sugar mill to 450 000 tons of sugar per annum. The expanded factory is settling down and is operating at design capacity.

The group has, subject to approval by the Zambia Competition Commission and other regulatory authorities, acquired a majority stake in a cane growing company currently producing 325 000 tons of cane per annum with the potential to further increase output. This operation delivers its cane to the Nakambala sugar mill. A rights offer has been announced by Zambia Sugar Plc, the group's Zambian subsidiary, to secure the future financing requirements of the Zambian business.

The Mali project continues to progress, albeit slowly, particularly in respect of the social and environmental impact studies which are required in respect of the concessional funding for the agricultural development. The commercial planting of sugar cane is expected to commence in the first quarter of 2010, with sugar production anticipated to start in December 2011.

The expansion of the group's sugar factory at Maragra in Mozambique, which will result in output from that operation doubling to 150 000 tons of sugar per annum over the next three years, is progressing well with phase 1 completed in April 2009. The group has entered into a joint venture with the local community at Maragra to develop 4 000 hectares of land to cane over the next two years at a site located on the east bank of the Inkomati River approximately 40 kilometres from the mill. The joint venture will produce 400 000 tons of cane per annum and the project is linked to the factory expansion. The company has also acquired an option to purchase a 90% shareholding in the Búzi sugar estate situated near Beira, which provides the opportunity to erect a sugar factory capable of producing 150 000 tons of sugar per annum in the future.

In Malawi the marginal factory expansion and increase in cane land area at Nchalo was successfully completed prior to the commencement of the new sugar season.

Illovo plans to transfer its South African business to a wholly owned subsidiary with effect from 1 April 2010. In addition, it has undertaken a number of disposals and investments

Review of operations



Graham Clark

OVERVIEW

Whilst financial performance was generally good during the past year, production across the group was variable. Record cane and sugar was achieved in Malawi, and sugar output continued to increase in Mozambique. In South Africa, Illovo's share of industry sugar production increased, whilst less sugar was produced in Swaziland, Tanzania and Zambia compared to last year. The downstream operations in South Africa performed very well, including record lactulose production being achieved at Merebank and the Sezela downstream plant operating ahead of expectations. A highlight during the year was the completion of the major capacity expansion in Zambia, as planned, on 1 April 2009.

Domestic sugar markets remain the group's most important outlet and very good volume growth, coupled with well-timed price adjustments, drove domestic market sales performance to new highs. Advantage was taken of the evolving new market access arrangements into the European Union (EU) and export revenue was also boosted by firm regional pricing and world sugar prices which continued on an upward trend. Export demand for the group's downstream products was strong and prices were higher than anticipated throughout the year. Effective cost control remained critical to improving operating margins for the year.

Group cane production was driven by higher yields in Malawi and Zambia, offset by the impact of dry weather conditions which negatively affected crop growth in South Africa, Swaziland, Tanzania and Mozambique. Overall, the agricultural operations performed well, with record cane production achieved at both estates in Malawi, and increased sucrose content recorded in all countries of operation except South Africa. Cane production across the group amounted to 5.1 million tons for the year. During the past season, additional irrigated cane land was developed in Malawi and in Zambia as part of the expansion programme. In Swaziland, a project to convert under-performing areas to

centre-pivot irrigation was commenced as part of a broader initiative to upgrade irrigation systems and increase future cane yields.

Aggregate sugar production, including Umfolozi which has now been sold, amounted to 1.824 million tons for the year, compared to 1.792 million produced last year. Factory performance in Malawi and Mozambique was excellent, with a number of production-related records achieved by these operations, whilst disappointing factory performance in Zambia had a negative impact on overall group sugar production. The raw sugar factories in South Africa also performed well. During the past offcrop period, the Nchalo mill in Malawi was further expanded to accommodate increased cane supply from recently developed cane fields, as was the Maragra mill in Mozambique as the first part of a phased capacity expansion project in advance of projected increased cane availability from a number of new irrigated cane developments. It is pleasing to note that since the commencement of the 2009/10 season, the performance of the newly expanded factory in Zambia has continually improved which augurs well for the coming year.

Domestic sugar sales in Malawi, supported by effective rural distribution and ongoing marketing initiatives, reached a new high during the past year, ending 11% above the previous season. Local market sales in Mozambique continued to grow and increased by 8% compared to last year's record, whilst those in South Africa increased by 6%. Domestic sales of sugar from Swaziland into the South African Customs Union (SACU) region also increased to new levels year-on-year. In Zambia, domestic market sales were constrained by lower production but still recorded growth of 2% to also reach a new high. Local sales in Tanzania were steady throughout the year and stable market conditions assisted sales generally. Local market prices across the group were maintained at levels that effectively countered inflation in each country of operation.

to continue to be volatile. Provided they remain at current levels, it will be favourable for revenues from both world and regional markets. Domestic market offtake is expected to remain positive. The results for the current year will however be affected by the level of the rand compared to other currencies. Financing costs as a result of increased borrowings related to the major expansion projects, are anticipated to increase significantly. The effective tax rate is expected to normalise at around 30%.

Directorate

I would like to congratulate Graham Clark on his appointment as Managing Director with effect from 1 April 2009. Mr Clark has extensive operational, commercial and financial experience in the sugar industry throughout Africa and internationally. He joined the sugar industry in 1980 and the Illovo board in 1997.

My congratulations also go to David Haworth and Larry Riddle who have been appointed as executive directors, both of whom have considerable experience within the group's operations.

I am pleased to welcome Nosipho Molohe as an independent non-executive director. Mrs Molohe has experience in the corporate sector and is a director of other listed companies.

Imogen Mkhize, who has been a non-executive director of the company since November 2005, resigned from the board due to increasing demands on her time and I thank her for her contribution during her tenure on the board.

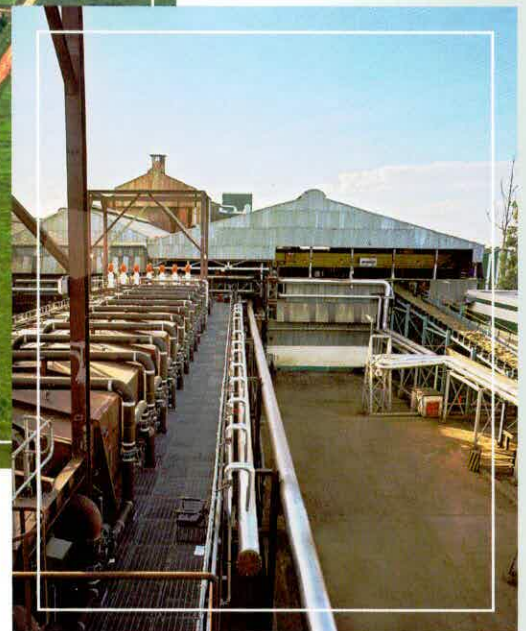
John Russell, who has been an executive director of the company since 1993, and Don MacLeod who was Managing Director from 1992, both retired on 31 March 2009. I would like to thank them both for their meaningful contribution to the company over a long period of time. Mr MacLeod became a non-executive director and Deputy Chairman on 1 April 2009 and the company will continue to benefit from his experience.

Appreciation

On behalf of the Board, I would like to thank all the people of Illovo for their efforts and contributions during the past year. The group has clear strategies for future growth, and the year ahead has many opportunities and challenges for the people of the group.

R A Williams
Chairman

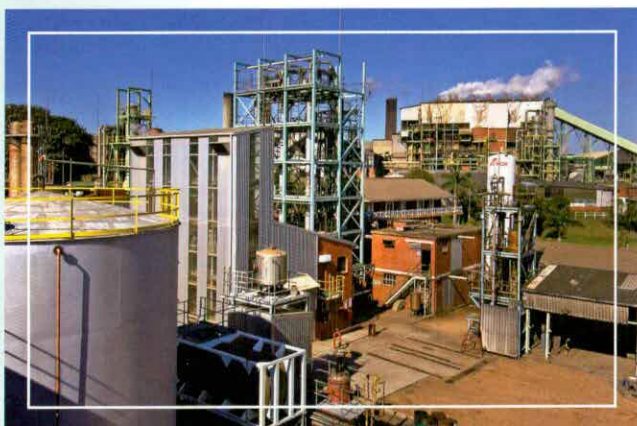
Mount Edgecombe
26 May 2009



The Zambian expansion project, increasing sugar production to 450 000 tons of sugar per annum, was completed as planned on 1 April 2009, marking the first step in Illovo's major drive to significantly increase its cane and sugar productive capacity.

Review of operations continued

of enhancing shareholder wealth, being world-class and an efficient, low cost producer, whilst achieving a balanced and integrated economic, social and environmental performance, have largely been achieved over the past five years. The share price has risen over this period on a compounded basis by some 29% per annum and during the past year, outperformed its peer groupings on the JSE Limited. Production growth has been significant since the group first embarked on its expansion outside South Africa and strong cash flows have been maintained enabling dividends to be paid consistently, twice covered by annual earnings. The development and commercialisation of downstream products remains ongoing and the group's commitment to employee development and equal opportunity is strong. High standards of corporate governance are demanded from all group operations and compliance is regularly reviewed.



All three downstream plants in South Africa operated well and good factory performance was maintained throughout the season.

The major expansion of Zambia Sugar was completed as planned on 1 April 2009. In addition, the group has, subject to approval by the Zambia Competition Commission, acquired a majority stake in Nanga Farms PLC, a cane growing company which currently produces 325 000 tons of cane per annum.



The group strives to achieve and surpass its goals and objectives on an ongoing basis, guided by the principles incorporated within the group strategic intent. All entities within the group are aligned to Illovo's common goals and objectives, and annual strategic plans and budgets are prepared with these aspects in mind. Company culture endeavours to ensure that the expectations of all stakeholder communities are addressed on an ongoing basis.

Growth philosophy

The group continues to consolidate its South African operations, recognising the potential for superior returns elsewhere in Africa. Accordingly, the group seeks to establish a profitable, stand alone South African entity with the capacity to maintain acceptable group returns. Major investment outside South Africa will be undertaken in areas that display positive and stable social, political and economic fundamentals, have adequate water and land resources, favourable climatic and agronomic conditions, strong local sugar markets and good export potential.

Strategic update

In line with the above philosophy, the following initiatives have either been completed or are underway :-

SOUTH AFRICA

- ◇◇ The sale of the Umfolozi sugar mill to a grower consortium has been completed effective 31 March 2009, with payment received in full;
- ◇◇ An agreement to sell the Pongola sugar mill to TSB Sugar RSA Limited has been concluded, subject to approval by the Competition Commission;
- ◇◇ The company has acquired a 30% shareholding in and will provide technical services to a new business



1. *The agricultural operations performed well, with record cane production achieved at both estates in Malawi, and increased sucrose content recorded in all countries of operation except South Africa.*
2. *Domestic market sales improved across the group, most notably in Malawi, Mozambique and South Africa whose local sugar offtake compared to last year increased by 11%, 8% and 6% respectively.*
3. *Factory performance in Malawi and Mozambique was excellent, with a number of production-related records achieved by these operations, whilst the raw sugar factories in South Africa also performed well. Total sugar production amounted to 1.824 million tons.*

Export sales revenue grew by 9% in 2009/10, due to higher average world and regional market prices during the year. The group also benefitted from preferential premiums for tonnages sold into the EU which granted the last tranches of increased quota to Least Developed Countries (LDC's), including Malawi, Mozambique, Tanzania and Zambia, before the advent of unrestricted EU market access in October 2009. Favourable quota re-allocations made available by other quota holders not being in a position to supply to the EU market also improved export sales. Export logistics and volatile freight rates were well managed and good Euro premiums were earned. Regional export demand remained buoyant and pricing reflected tight supply conditions resulting from lower production in Zambia and Zimbabwe, together with firm world market prices. World market exposure in South Africa was generally well-hedged against a rising world market price. Revenue benefits also arose from favourable currency weakness during the year.

Rising costs of production were a challenge during the past year as all operations faced escalating costs in respect of fuels, fertilisers, packaging, steel and other inputs that were affected by the general surge in commodity pricing early in the year. Stringent cost control and timeous pricing as commodity values fell during the latter part of the year enabled operating cost to be well controlled across the group. This, combined with a strong revenue performance,

sustained the group's growth in operating profits and enabled the operating margin to strengthen year-on-year.

All three downstream plants in South Africa operated well and good factory performance was maintained throughout the season. Against the background of a global product shortage in 2008, furfural and furfuryl alcohol prices were driven to new levels, whilst Merebank achieved record lactulose production and export sales. Export alcohol sales also benefited from higher international prices.

Total capital expenditure in 2008/09 amounted to R1 866 million, of which expansion capital for projects aggregated R1 697 million. Ongoing capital expenditure ensures that the group's factories are kept in sound condition, that strategic plant is adequately protected against breakdown, and that product quality meets global standards.

STRATEGIC REVIEW

The group's goals and objectives are detailed on page four of this report. Progress towards achieving these targets is monitored on a regular basis through performance reviews and strategic assessments, which take account of ongoing developments both within and outside of the organisation. Interventions are made through the processes of medium-term strategic planning and annual budgeting for capital and operating expenditure. The group's primary objectives



Karin Zarnack

FINANCIAL REVIEW

Group Performance

Group revenue increased by 27% from R6 794 million to R8 602 million in the current year and operating profit increased by 30% to R1 386 million. This was achieved mainly by the continued growth in domestic market sales, higher world and regional sugar prices and weaker exchange rates. Aggregate operating margins were slightly higher at 16.1% (2008: 15.7%).

Net financing costs of R184 million were slightly higher than last year's R170 million. This increase resulted from the group's continued capital investment in projects at all its operations, together with the increase in the cost of funding. The interest cover has however improved to 7.5 times (2008: 6.2 times).

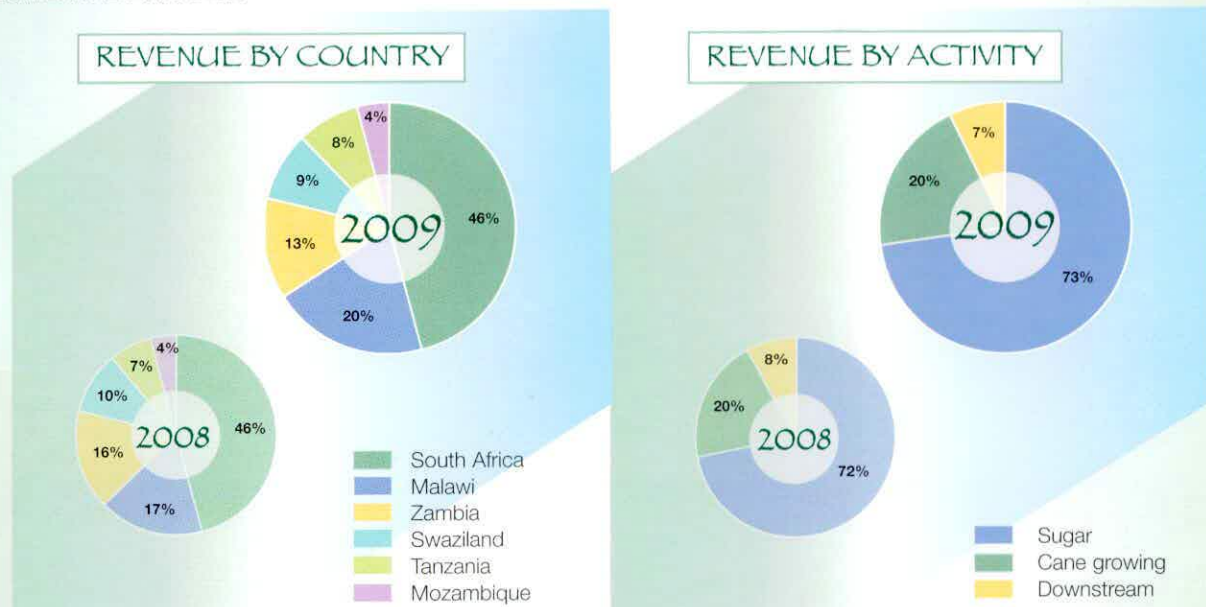
The tax charge of R239 million included current tax of R196 million, deferred tax of R10 million and secondary tax on companies of R33 million, resulting in an effective tax rate of 19.9% for the year. This is still lower than the average statutory tax rate due to expansion-related tax allowances granted to the Zambian operations.

Earnings and dividends

Headline earnings have increased by 24% to R742 million (2008: R600 million) and the weighted average number of shares in issue has increased slightly from 349.4 million to 350.5 million. Headline earnings per share increased by 23% from 171.6 cents to 211.6 cents.

An interim dividend of 41.5 cents was paid and a final dividend of 64.5 cents has been declared which represents an overall increase of 24% for the year. In accordance with

SEGMENTAL ANALYSIS



entity which has purchased the Gledhow sugar mill unencumbered, previously wholly-owned by Ushukela Milling (Pty) Limited (Ushukela). The other shareholders in this new business entity comprise Ushukela, a consortium of supplying cane growers and Sappi Manufacturing (Pty) Limited;

- ◇◇ The company plans to transfer its remaining South African business to a wholly-owned subsidiary with effect from 1 April 2010.

MOZAMBIQUE

- ◇◇ The group has entered into a joint venture with the local community at Maragra to develop 4 000 hectares of land to cane over the next two years at a site located on the east bank of the Inkomati River approximately 40 kilometres from the Maragra sugar mill. The joint venture will produce 400 000 tons of cane per annum and the project is linked to the doubling of the capacity of the Maragra factory, to 150 000 tons of sugar per annum;
- ◇◇ The company has acquired an option to purchase a 90% shareholding in the Búzi sugar estate situated near Beira, which provides the opportunity to erect a sugar factory in this area in the future.

ZAMBIA

- ◇◇ The final phase of the major expansion project, which increases the capacity of the Nakambala sugar mill to 450 000 tons of sugar per annum, was completed as planned on 1 April 2009;
- ◇◇ The group has, subject to approval by the Zambia Competition Commission and other regulatory authorities, acquired a majority stake in Nanga Farms PLC, a cane growing company, located adjacent to the Nakambala estate, and currently producing

325 000 tons of cane per annum. Nanga has the potential to further increase cane production. This operation delivers its cane to the Nakambala sugar mill.

SWAZILAND

- ◇◇ Expansion of the Ubombo factory to increase sugar production to in excess of 300 000 tons per annum is being progressed, linked to the completion in early 2009 of a major new dam and canal system funded by the EU and Swaziland Government, which will facilitate expansion of cane growing in the area. The new area under cane is likely to cover some 5 000 hectares of land in the medium-term, with further potential for development available in the longer-term.
- ◇◇ Associated with the factory expansion, plans are underway to increase power generating capacity at Ubombo utilising biomass, in the form of residue leaves and tops from harvested cane, as supplementary fuel for the factory boilers. This will enable the factory and surrounding estates to be self-sufficient in electricity for 48 weeks of the year and also provide the ability to export power into the national grid.

MALI

- ◇◇ The proposed greenfields project in Mali is progressing in pre-project mode. Necessary financial approvals are expected by November 2009 and thereafter cane development will commence in the first half of 2010. Construction and commissioning of a new factory is anticipated by December 2011.
- ◇◇ The Malian operation will ultimately produce 195 000 tons of sugar and 15 000 kilolitres of ethanol for fuel blending, and generate sufficient electricity for the agricultural and factory operations, with additional capacity to export power into the national grid.



In Swaziland, the completion of the Lubovane Dam under the auspices of the Lower Usuthu Smallholder Irrigation Project will facilitate major expansion of cane growing in the area. As a consequence, the expansion of Ubombo's productive capacity to in excess of 300 000 tons of sugar per annum is being progressed.



Cane production in South Africa in 2008/09 amounted to 464 000 tons.

OPERATIONS

SOUTH AFRICA

Illovo is South Africa's largest sugar producer, with its operations strategically located across the eastern section of KwaZulu-Natal. The operations presently consist of three agricultural estates, five sugar factories, two of which incorporate refineries and three downstream plants all of which are wholly owned by Illovo. Currently, annual cane production by Illovo amounts to approximately 450 000 tons and together with cane supplied by private growers, approximately 900 000 tons of sugar are produced annually. Furfural, furfuryl alcohol, Agriguard products, diacetyl, 2,3-pentanedione, ethyl alcohol and lactulose are produced at the various downstream plants.

Agriculture

Cane production in 2008/09 amounted to 464 000 tons. Cane yields at Sezela and Umzimkulu were impacted negatively by below average rainfall for most of the season, whilst those at Eston showed a slight increase over the previous season. There was a reduction in sucrose content across all three areas.

Cane supplied by medium-scale Black cane growers increased in 2008/09 by 11% to 425 000 tons. Deliveries from small-scale growers amounted to 438 000 tons, including cane deliveries by small-scale growers at Umfolozi. The company provides ongoing support to the small-scale grower sector, and cane re-development initiatives continued at Sezela and Umzimkulu, co-ordinated by Illovo and local cane growing associations. At Umzimkulu, 340 hectares of land has been developed with forecast deliveries by

small-scale growers of 17 000 tons of cane in 2009/10, increasing by a further 3 000 tons in the following season. At Sezela, 460 hectares of land was planted to cane with approximately 14 000 tons of cane to be delivered in 2009/10.

To date, of the total land area supplying cane to Illovo mills, 55% has been the subject of land claims in terms of the Restitution of Land Rights Act. Thus far, of the areas claimed, only 9% has been transferred to claimants. The company is working with the affected growers, the claimants and the relevant Government authorities to ensure that farms transferred in terms of the restitution process continue to be cultivated productively.

Sugar production

The raw sugar mills experienced successful seasons with good overall recoveries of sugar from cane and high levels of factory efficiency achieved at Sezela, Umzimkulu, and at Eston, which also recorded improved cane throughput levels. However, factory and refinery performance at Pongola and Noodsberg was disappointing, with operating difficulties affecting production at both factories during the season. Remedial action to address these performance issues was undertaken during the offcrop period. Including Umfolozi, total sugar production amounted to 922 000 tons. Illovo's share of industry production increased from 38% to 41% in 2008/09.

International Financial Reporting Standards, no liability has been raised for the final dividend, however the cost of the proposed dividend of R226 million has been transferred from retained surplus to a separate dividend reserve. The strength of the balance sheet and results achieved have made it possible to maintain the dividend at twice covered by earnings.

Balance sheet

Shareholders' equity increased from R2 373 million to R2 774 million. Return on average shareholders' equity was 29% (2008: 30%). This slight decline is largely as a consequence of the level of investment made this year in capital projects which have yet to yield a return, as well as the lower profitability of the Zambian operations.

Non-current assets increased by 37% to R5 370 million which included property, plant and equipment of R4 088 million and cane roots of R1 132 million. This increase is mainly due to the completion of the factory and agriculture expansion in Zambia.

Net borrowings at year-end were R1 243 million higher than last year at R2 411 million reflecting expansion projects invested in during the year. Debt : equity increased from 40% to 70% in the current year.

Cash flow

The group continued to achieve strong cash operating profit of R1 207 million, compared to R1 055 million last year. Better working capital management resulted in a cash inflow of R363 million for the year. Major investment in the group's expansion projects resulted in cash outflows of R1 697 million with R170 million spent on replacing existing property, plant and equipment. Other cash outflows included taxation of R230 million, dividends of R449 million and finance costs of R184 million. This resulted in cash outflow before financing activities of R1 127 million.

Financing

At year-end, the group had total committed bank facilities amounting to R2 699 million of which R2 364 million was drawn-down. R1 386 million of these facilities expire within the next year with the remainder maturing between 2011 and 2015. The group also had access at year-end to uncommitted facilities of R2 580 million of which R47 million was drawn-down.

A treasury risk management committee, consisting of senior executives in the group, meets regularly to analyse currency and interest rate exposure and formulates treasury management strategies in the light of prevailing market conditions and current economic forecasts. This committee operates within group policies approved by the board. Forecasts have been prepared which take into account the group's capital commitments, available facilities and cash resources, and this still indicates a strong liquidity position over the medium-term.

Foreign currency exposure

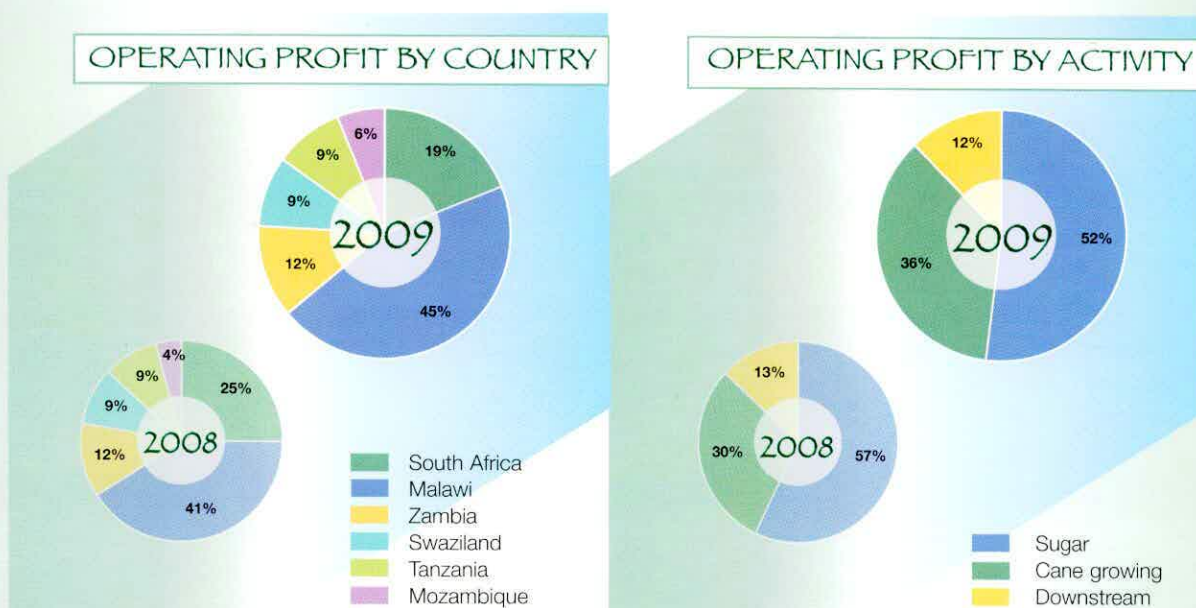
In the normal course of business, the group enters into transactions denominated in foreign currencies and hence is exposed to fluctuating exchange rates. Exchange rates exposures are managed within approved policy parameters utilising forward exchange rates.

At year-end, the company had a US\$120 million loan from its holding company. In order to minimise the interest rate and exchange rate risk on this loan, the company entered into a three-year cross-currency interest rate swap which fixes the exchange rate on the capital and swaps out the LIBOR interest rate to a Rand-based JIBAR interest rate.

Accounting policies

The annual financial statements comply with International Financial Reporting Standards, Schedule 4 of the Companies Act, 1973 and the disclosure requirements of the JSE Limited's Listings Requirements.

The accounting policies are consistent with those applied in the prior year.





The downstream plants performed well throughout the year, with record production being achieved at the newly expanded lactulose plant at Merebank.

increased export volumes at a time of very strong demand, thereby benefiting from higher international prices.

The Agriguard business continued to expand gradually as further regulatory access was gained during the season and sales into new markets and for new crops commenced. In South Africa, Crop Guard achieved registration for use on tobacco crops, whilst registrations for its use on grapes and deciduous fruit are presently being reviewed by the Department of Agriculture. MultiGuard Protect remained under review at the USA Environmental Protection Agency in respect of its use on terrestrial non-food applications. A similar application has been submitted to the United Kingdom Pesticide Safety Division for MultiGuard Protect's access to the UK and European Markets. BioMass Sugar, a liquid organic fertiliser derived from sugar cane, showed good initial international growth during 2008/09, and expansion and sales into new geographic locations is expected to continue during the 2009/10 year.



A combination of ideal weather conditions, increased cane yields and higher sucrose content in cane contributed to excellent agricultural performances at both Nchalo and Dwangwa. Combined cane production amounted to 2.1 million tons.

MALAWI

Illovo Sugar (Malawi) Limited is Malawi's sole sugar producer with two operating locations, Dwangwa situated in the centre of the country and Nchalo in the south. On average, the two estates together produce more than two million tons of cane from fully irrigated fields and around 300 000 tons of sugar. Both mills have refineries, and speciality sugars are produced at Nchalo. Illovo Sugar (Malawi) is listed on the Malawi Stock Exchange. The Illovo group has a 76% shareholding, with the balance of shares held by institutional and private investors.

Both Nchalo and Dwangwa have been the focus of various agricultural and milling capacity expansion projects. At Dwangwa, factory capacity was increased by 15% and new areas of company and outgrower land continued to be developed to cane, through which cane supplies to the Dwangwa mill will increase by about 110 000 tons per annum. At Nchalo, 720 hectares of new land were developed to cane in the past year and a further 480 hectares will be developed in the coming year. Factory capacity at Nchalo was increased during the past offcrop period by 10% in order to accommodate the increase in future cane supply. The production of cane by Malawian local indigenous farmers continues to gain momentum and areas being farmed by outgrowers at both Nchalo and Dwangwa are expanding. The Kasinthula small-grower scheme, which currently supplies cane to the Nchalo mill, became the beneficiary of a wide-ranging support package from the EU, including the provision of management services

The raw sugar mills experienced successful seasons with good recoveries of sugar from cane. High levels of factory efficiency were achieved at Sezela, Umzimkulu and Eston, which also recorded improved cane throughput levels. Total production amounted to 922 000 tons.



The company provides ongoing support to the small-scale grower sector, and cane re-development initiatives continued at Sezela and Umzimkulu during the year, resulting in increased cane supplies from these growers.

Widespread rains were received at the beginning of 2009, providing good conditions for cane growth. However, generally drier conditions in March and April have impacted upon the cane crop and therefore sugar production is expected to be only slightly higher than last year, excluding Umfolozi.

Downstream

The furfural plant operated well throughout the season with a marginal increase in production compared to last year. Improved furfural yields largely offset the negative impact of reduced cane supplies to the Sezela factory. Both alcohol distilleries at Merebank and Glendale continued to perform well, and maintained consistent quality and good throughput levels throughout the year. Record lactulose production was achieved at Merebank with the plant having benefited from the expansion of its operations during the season.

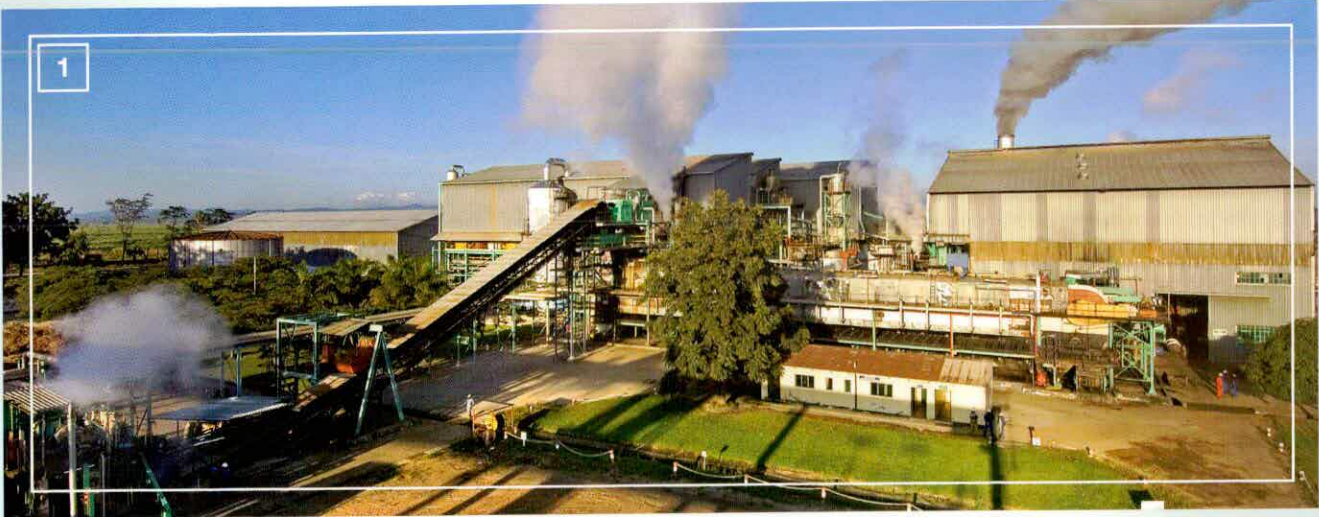
Marketing

Illovo sells raw, brown and refined sugar, speciality sugars, syrup, furfural and its derivatives, potable and denatured alcohols, and lactulose into local and international markets. In 2008/09, Illovo's overall domestic market sales of sugar increased by 6%. The group remains the major supplier of sugar to the South African industrial market and increased sales to this sector were achieved during the year under review, particularly to soft drink manufacturers. Retail market sales were strategically reduced due to the presence of

significant quantities of duty-paid imports in this sector of the domestic market. Regional market sales into SACU, which were traditionally supplied by Zimbabwe, increased during the year due to that country's current sugar production difficulties.

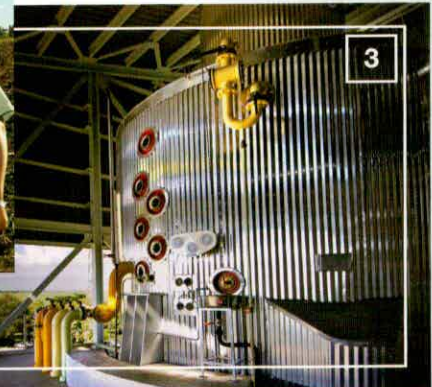
Illovo's share of raw sugar exports to the world market, undertaken by SASA, amounted to 335 000 tons for the year. The average price realised by the industry, including hedging activities undertaken by SASA, was US12.77 cents/lb, representing an increase in price compared to the previous year's lower level, due to the higher average world market price experienced during 2008/09. In respect of the 2009/10 season, around 350 000 tons of world market sugar have been priced to date on behalf of the industry by SASA, at an increased average price of US14.69 cents/lb.

The downstream operations enjoyed a very successful performance in 2008/09. Strong global demand for furfural and furfuryl alcohol, combined with China's restricted production as the result of increased manufacturing costs in the first half of the year, drove international furfural prices to record highs. Whilst prices in the first quarter of 2009 have since fallen, the impact on Illovo in the year under review was marginal, with the majority of the company's production already having been committed and sold by this time. In addition, export alcohol prices were good, whilst the lactulose business capitalised on record production to supply



1. Both Nchalo and Dwangwa have been the focus of various agricultural and milling capacity expansion projects with the factories having recently been expanded by 10% and 15% respectively.

2. The production of cane by Malawian local indigenous farmers at both estates continues to gain momentum and during the year the Kasinthula small-grower scheme, which currently supplies cane to the Nchalo mill, became the beneficiary of a wide-ranging support package from the EU.



3. Record production of sugar was achieved at both the Nchalo and Dwangwa factories, resulting in a production record of 304 000 tons for Malawi.

and financial backing for an expansion of this scheme by a further 500 hectares. The African Development Bank remains a major concessional funder and supporter of outgrower initiatives at Dwangwa.

Agriculture

A combination of ideal weather conditions, increased cane yields and higher sucrose content contributed to excellent agricultural performances at both Nchalo and Dwangwa. Combined production of cane from the two estates amounted to 2.1 million tons. Harvesting and haulage operations ran smoothly throughout the season and were completed ahead of the onset of summer rains. Post-harvest activity and general crop husbandry has been of a high standard and another very good cane crop is expected in the coming season. Combined outgrower production in 2008/09 increased slightly to 209 000 tons.

Sugar production

Record production of sugar was achieved at both the Nchalo and Dwangwa factories, resulting in a production record of 304 000 tons for Malawi. The factories performed well throughout the season, and in addition to good recoveries of sugar from cane, a new annual cane throughput record was set at Dwangwa. Nchalo completed a very successful year, with record recoveries of sugar from cane, good throughput and very good operating efficiencies.

Both estates received abundant rainfall during the first quarter of 2009. This rainfall, interspersed with hot sunny periods provided excellent growing conditions which, combined with increased cane deliveries from recently completed estate and outgrower developments, will increase cane production in the coming year. Sugar production is therefore expected to increase further in 2009/10.

Marketing

The Malawian economy enjoyed another year of strong growth, increased domestic demand and improved purchasing power, stimulated by good agricultural production throughout the country. Against this background, record domestic sales volumes were sustained throughout the year. Compared to last year, overall domestic market sales increased by 11%, supported by effective rural distribution and ongoing company marketing initiatives. Continuation of an incentive programme amongst sugar agents and distributors proved highly successful, evidenced by good sales through to the end of the season. Preferential exports to the EU and USA continued to benefit from improved transport logistics to the ports of Beira and Nacala in Mozambique, and efficient handling at both ports enabled record volumes to be shipped. There was strong demand for sugar throughout the region as a result of general market shortages and prices were higher than last year.

Review of operations continued

ZAMBIA

Zambia Sugar Plc, which is listed on the Lusaka Stock Exchange, is the country's leading sugar producer, with an 87% share of industry production. The Illovo group owns 90% of the issued share capital, with the remaining shares held by private and institutional investors. Zambia Sugar has announced a rights offer, to secure the future funding of business. The operation is based at Nakambala, adjacent to Mazabuka in the south of the country. Zambia Sugar syrup and speciality sugars are also produced.

The major phased expansion at Zambia Sugar, involving the development of an additional 10 500 hectares of irrigated cane fields by the company and its supplying growers, and the expansion of the factory's milling capacity to increase annual sugar production to around 450 000 tons, was successfully completed, as planned, on 1 April 2009. Given normal operating conditions, it is forecast that in the coming year, combined cane production by the company and the growers will increase to 3.3 million tons, whilst sugar production will more than double from the current base.

The past year has been a difficult one with poor factory performance and an exceptionally wet end to the season negatively affecting operations. The result was a decline in sugar production of around 40 000 tons. A significant area of cane could not be harvested before the early onset of the summer rains and the factory was re-started in March 2009 to process some of this cane ahead of the new season. The newly expanded factory is settling down well and a much better year is anticipated.

Agriculture

Good agricultural conditions were experienced for most of the growing season, and average cane yields increased by 14%. However, the early onset of heavy summer rains in mid-November disrupted harvesting and haulage activities to such an extent that the season was ended earlier than anticipated. Total cane deliveries from the Nakambala estate amounted to just over 722 000 tons, whilst outgrowers delivered a further 903 000 tons in what was best described as a disrupted season.



In Zambia, good agricultural conditions were experienced for most of the growing season, and average cane yields increased by 14%. However, cane deliveries of 722 000 tons were constrained by the early onset of heavy rains.

Sugar production for the year amounted to 194 000 tons, with factory operations impacted negatively by heavy rains, and operational and mechanical problems during the season. However, since the commencement of the 2009/10 milling season, the newly expanded factory is settling down well and a much better year is anticipated.



Sugar production

The late commissioning of the first phase of the expansion project in May 2008, following unusually heavy rainfall at the peak of construction in January and February 2008 delayed the start of the 2008/09 season. Sugar production for the year amounted to 194 000 tons, with factory operations impacted negatively by operational and mechanical problems during the season. This was compounded by late commissioning of new equipment and protracted electricity interruptions from the national grid, and also by wet weather at the end of the year which brought factory operations to a premature close. Factory operations re-commenced for a short milling period in March 2009.

In the forthcoming season, a very large cane crop is expected as a result of the expansion and the carry-over of cane which could not be harvested last season.

Marketing

Domestic market sales, supported by better distribution and promotions, continued to show growth with a 2% increase in sales volumes compared to last year. Ongoing support from the Government to curtail the illegal entry of imported sugar into Zambia also supported domestic volumes. Preferential exports to the EU were constrained by lower production, although all EU quota entitlements were retained for the year. Zambia has received additional EU quota for the coming year, following the re-allocation of quota that could not be supplied by other country-suppliers, together with additional quota awarded to Zambia following its accession to the new Economic Partnership Agreement with the EU. This will provide the opportunity to accelerate EU exports at the commencement of the 2009/10 season, ahead of the final price cut in the EU on 30 September 2009. Duty-free and quota-free market access from 1 October 2009 will provide a secure destination for all available sugar thereafter. Regional export volumes were affected by reduced production. Sugar availability in the region was also affected by lower production in Zimbabwe and prices have remained firm, providing good prospects for the coming season.



In line with the group's objective to become self-sufficient in power requirements, the electricity generating capacity of the Nakambala factory has been increased to the extent that it is now capable of producing enough electricity for all of its agricultural and factory activities.

Review of operations continued

SWAZILAND

The group has a 60% share in Ubombo Sugar Limited, with the balance of shares held on behalf of the Swazi nation by Tibiyo Taka Ngwane (Tibiyo). The operation is situated at Big Bend, in the south-east of the country and annually produces about 775 000 tons of cane and 220 000 tons of sugar.

Completion of the Lubovane Dam, which is now filling and currently at 75% of its water-holding capacity, and the scheduled planting from September 2009 of the first area of new small-holder land to irrigated cane, are major steps forward in the future expansion of the Ubombo factory, underpinned by the independent Lower Usuthu Smallholder Irrigation Project (LUSIP). The LUSIP project involves the establishment of up to 12 000 hectares of irrigated agricultural land over a period of six to seven years, a large proportion of which will be developed to cane and delivered to the Ubombo factory where milling capacity is to be increased to match future cane development. Under the current development plans, it is envisaged that an additional 1 900 hectares of cane will be available for milling at Ubombo by the 2011/12 season, growing to 5 000 hectares thereafter and ultimately up to 9 000 hectares of cane in the longer-term. Proposals to increase the Ubombo factory capacity by over 20% to accommodate the increased cane supply are being undertaken.

Agriculture

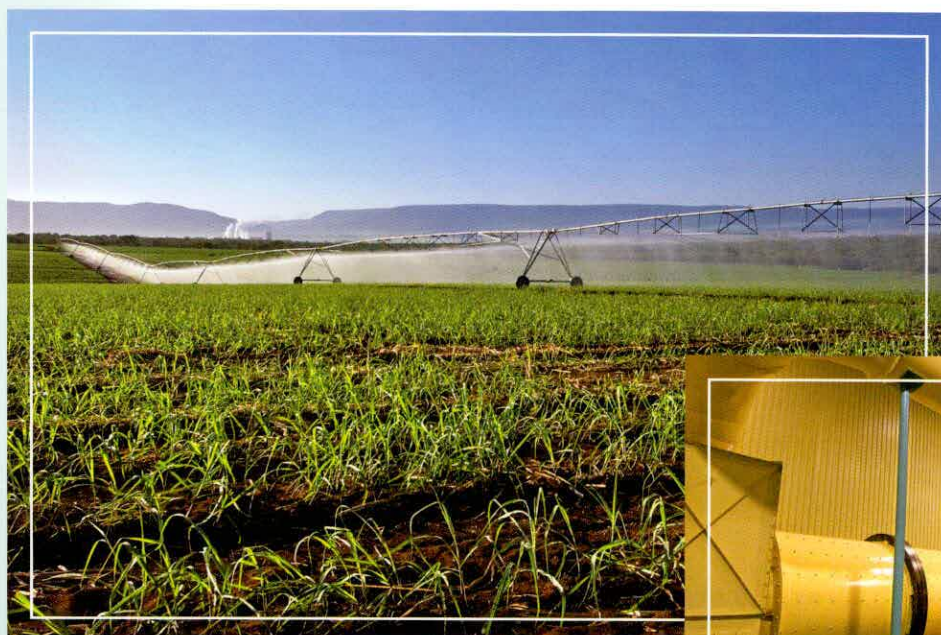
Estate cane production at Ubombo in 2008/09 amounted to 740 000 tons. A further one million tons of cane was produced by outgrowers, including nearly 230 000 tons from an area owned by Tibiyo but managed by Ubombo. Aside from early rains at the commencement of the season, the agricultural operations were characterised by exceedingly dry weather which impacted negatively on cane yields.

This was offset slightly by increased sucrose content. A project to convert a portion of Ubombo's irrigation to centre pivot has made good progress with approximately 680 hectares of cane land converted to centre-pivot irrigation during the season. A total of 2 740 hectares of land will be converted under this project, with the primary aim being to improve water usage at Ubombo and to increase cane yields. Results from the first phase were most encouraging.

Sugar production

A reduced cane crop from Ubombo's own estates and the supplying growers resulted in sugar production for the year of nearly 210 000 tons, compared to 222 000 tons produced in the previous season. Sugar recoveries were similar to last year, but production was impacted negatively by outgrower cane supply delays and industrial action which affected a large independent cane haulier towards the end of the season. The factory also encountered several other operating difficulties during the season which have been addressed in the offcrop maintenance period. Ubombo continued to pioneer use of biomass - residue cane tops and leaves, combined with bagasse which is used by the factory to generate electricity. The initiative impacted positively on coal usage and costs, and will be further expanded in order to potentially make Ubombo self-sufficient in terms of power requirements, and also enable the export of electricity to the national grid.

Above average rains received in the first quarter of 2009 have replenished soil moisture profiles in Swaziland and lifted significantly the levels of Ubombo's two major irrigation storage dams. Conditions for cane growth have generally been good and a bigger cane crop is anticipated in the coming year. A slight increase in sugar production in 2009/10 is therefore expected.



In Swaziland, additional agricultural activities during the year included the establishment of seed cane plots to facilitate the small-scale grower cane development objectives of LUSIP, together with the conversion of a portion of Ubombo's existing cane land to centre-pivot irrigation to improve cane yields.



Sugar production in 2008/09 amounted to 210 000 tons. A new sugar drier was installed at Ubombo during the year.

Review of operations continued



In Mozambique, the Maragra agricultural operations performed well during the year with increased sucrose content achieved.

Consistent operations combined with efficient factory performance resulted in a second year of record sugar production totalling 76 446 tons.



MOZAMBIQUE

The Illovo group owns 72% of the equity in Maragra Açúcar Sarl, with the balance held by a private investor. The operation is situated on the eastern coast-line of Mozambique, some 70 kilometres to the north of Maputo. Maragra currently produces around 450 000 tons of cane and just over 76 000 tons of sugar per annum. Outgrowers supply approximately 250 000 tons of cane at present. A phased expansion of factory capacity has commenced which is designed to increase factory throughput by 40% over two years. Cane supply will increase pursuant to a joint venture between Illovo and the local community to develop 4 000 hectares of new cane land. In addition, local independent growers are planting a further 1 100 hectares adjacent to Maragra. Overall these developments provide the potential to double sugar production at Maragra over the next three years.

Agriculture

The Maragra agricultural operations performed well during the year with increased sucrose content achieved. Efficient cane harvesting and haulage operations continued throughout the crushing season. Drier conditions compared to the previous year impacted marginally upon cane yields, resulting in a slight reduction in cane production to 450 000 tons.

Sugar production

The factory operated consistently throughout the year. Excellent cane quality combined with efficient factory performance, including improved sugar recoveries and an

increase in overall cane throughput, resulted in a second year of record sugar production at Maragra, totalling 76 446 tons. The Maragra expansion project is progressing well and the completion of phase one of the factory capacity expansion has been completed.

Marketing

The domestic market in Mozambique continues to grow and industry sales volumes ended more than 8% above the previous season. Whilst there has been steady growth in the southern region around Maputo, consumer demand surged in the central and northern regions of Mozambique due largely to the absence of illegal sugar imports from Zimbabwe. Cash was also more readily available in these areas following two seasons of good crop production. There was also an increase in demand from the industrial sector which continued to grow due to expansion of the brewing, soft drink and food processing sectors. A successful performance from the industry logistics operation resulted in Mozambique being able to take advantage of EU sugar export opportunities as they arose. The country benefited from EU quota re-allocations, from countries unable to supply and also from an increased LDC quota ahead of duty-free, quota-free access to the EU market from 1 October 2009. The EU market is targeted to receive the major portion of future expanded sugar production in Mozambique. The ports of Nacala, Beira and Maputo are all operating well and are well positioned to handle increased export volumes to the EU.

Marketing

All sugar produced in Swaziland is marketed by the Swaziland Sugar Association, with sales to the domestic SACU market, preferential markets in the EU and USA, as well as regional markets. Demand for Swazi sugar in the SACU market remained strong and sales ended the season above the levels achieved in 2008/09. Bulk shipments to the EU via Maputo went very smoothly and Swaziland has positioned itself well to take advantage of additional quota opportunities in the EU, prior to 1 October 2009. In addition, regional shortages of sugar resulted in increased sales to these markets at higher returns due to improved world sugar prices.

TANZANIA

Illovo's shareholding in Kilombero Sugar Company Limited represents 55% of the issued share capital, with 20% held by ED&F Man, the London-based commodities group, and 25% by the Government of Tanzania. Kilombero is situated in the Morogoro region in the centre / south of the country and comprises two adjacent agricultural estates and sugar factories - Msolwa and Ruembe - on either side of the Great Ruaha River, strategically linked by a low-level bridge. The estate produces annually around 600 000 tons of sugar cane with outgrowers supplying the balance to support annual production of around 135 000 tons of sugar.

Agriculture

Rainfall at Kilombero measured less than 50% of the long-term average for the past season. As a result, cane production at Kilombero amounted to 555 000 tons for the year which, due to these very dry conditions throughout the season, was around 10% below that produced in the previous season. An increase in sucrose content helped offset these lower cane yields. There was a similar decrease in cane produced by Kilombero's outgrowers who delivered

a further 526 000 tons of cane for the year. A project to upgrade Kilombero's irrigation and drainage systems is due to commence in 2009/10, designed to improve irrigation and drainage efficiency and cane yields thereafter.

Sugar production

Sugar production in 2008/09 totalled 118 000 tons, compared to 127 000 tons produced in the previous year. The Msolwa mill operated satisfactorily with marginal improvements in sugar recoveries and operating efficiency, however, reduced cane supplies and a generally disappointing milling performance at the Ruembe mill, impacted negatively upon final sugar production for the season.

Good rains, which have been well distributed across all growing areas, have fallen since the end of January 2009 and weather conditions, including temperatures and sunshine hours, have been conducive to improved growth of the crop. A better cane crop is thus expected in 2009/10 and sugar production is forecast to increase by at least 10%.

Marketing

There are three sugar producers in Tanzania, with production in 2008/09 amounting to approximately 282 000 tons. This is less than current domestic requirements of around 320 000 tons, with the shortfall provided by duty-paid imports from the world market. Kilombero's share of total industry production was 42% for the past year, all of which was sold domestically. No exports to preferential markets in Europe were made because of higher local prices and good levels of demand. Market conditions during the season were more settled compared to last year due largely to the Government's improved management of controlled imports also impacting positively on illegal smuggling activities. Market prices were also strong.

Sugar production in 2008/09 totalled 118 000 tons.

Cane production of 555 000 tons at Kilombero was negatively impacted by dry weather, with rainfall for the year measuring less than 50% of the long-term average.



Review of operations continued

Export markets

Sugar

Preferential markets

The group has significant access to high-priced preferential markets in the EU and the USA which are supplied by producers with export entitlements to those destinations. During the year, the group's preferential exports from Malawi, Swaziland, Mozambique and Zambia amounted to approximately 211 000 tons. Malawi and Zambia together supplied around 6 000 tons of sugar into the SACU market in terms of the SADC Sugar Protocol. In Malawi, speciality sugars are produced for markets in the EU and the USA, whilst Zambia also currently produces speciality sugars for the EU market.

World markets

More than 100 countries produce sugar, 80% of which is made from sugar cane grown primarily in the tropical and sub-tropical zones of the southern hemisphere, and the balance from sugar beet which is grown mainly in the temperate zones of the northern hemisphere. Generally, the costs of producing sugar from sugar cane are lower than those in respect of processing sugar beets. Currently, 70% of the world's sugar is consumed in the countries of origin, whilst the balance is traded on world markets. Because of the residual nature of the world market, the free market price has historically been one of the most volatile of all commodity prices.

The five largest exporters in 2008/09, Brazil, Thailand, Australia, SADC and Guatemala, are expected to supply approximately 85% of all world free market exports. South Africa is currently ranked as the 8th largest exporter to the world market. None of the other countries in which Illovo operates export sugar to the world market.

The world sugar price, although continuing to be very volatile, adjusted upwards during the past year, from an average of US11.84 cents/lb in April 2008 to above US13.00 cents/lb in March 2009. The improvement in this price also resulted in a firming of sugar revenue realisations

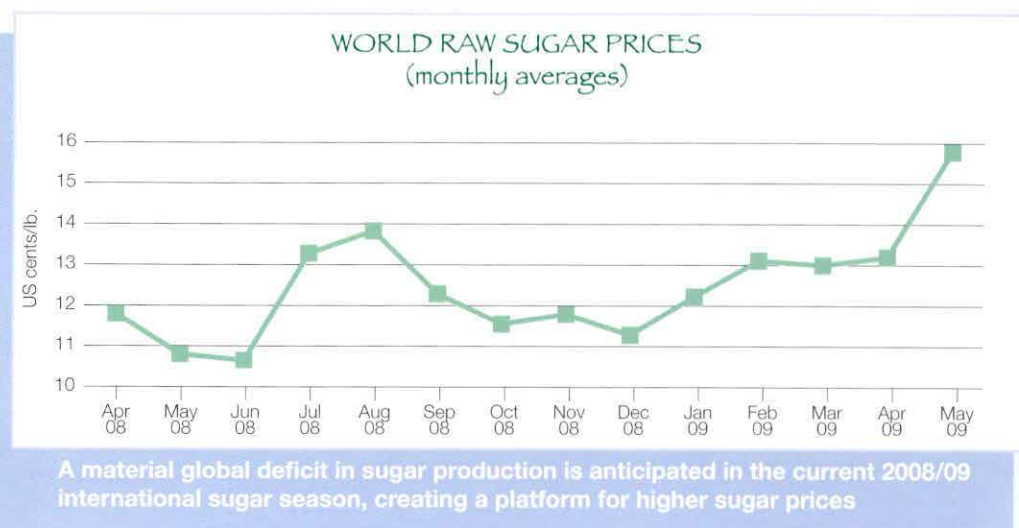
in the regional markets supplied by Illovo. The world price rose in the early part of the year as a result of a forecast deficit in production, but then weakened in line with other commodities. However, in recent months the price has increased strongly, driven by a significant production decline in India, the success of the EU sugar regime reform in reducing output in that region, and capital constraints within the sugar industry in Brazil. These factors have resulted in a material global deficit in production being anticipated, thereby creating a platform for higher sugar prices.

As a major exporter to the world market in 2008/09, the South African Sugar Association (SASA) exported 822 000 tons of raw sugar on behalf of the producers. Exports achieved an average price of US12.77 cents/lb, compared to US10.48 cents/lb in 2007/08, and realised around R2 billion in export proceeds.

Bulk sugar exports to the world market from Illovo's South African operations were above those of last year, representing 44% of production. South Africa, Malawi, Zambia and Swaziland exported sugar during the year to a number of regional markets in Africa, where selling prices are related to the world market price. In all instances, premiums above the world price were achieved as a result of various competitive advantages. Demand was strong and prices benefited from higher average world market prices in 2008/09.

Downstream

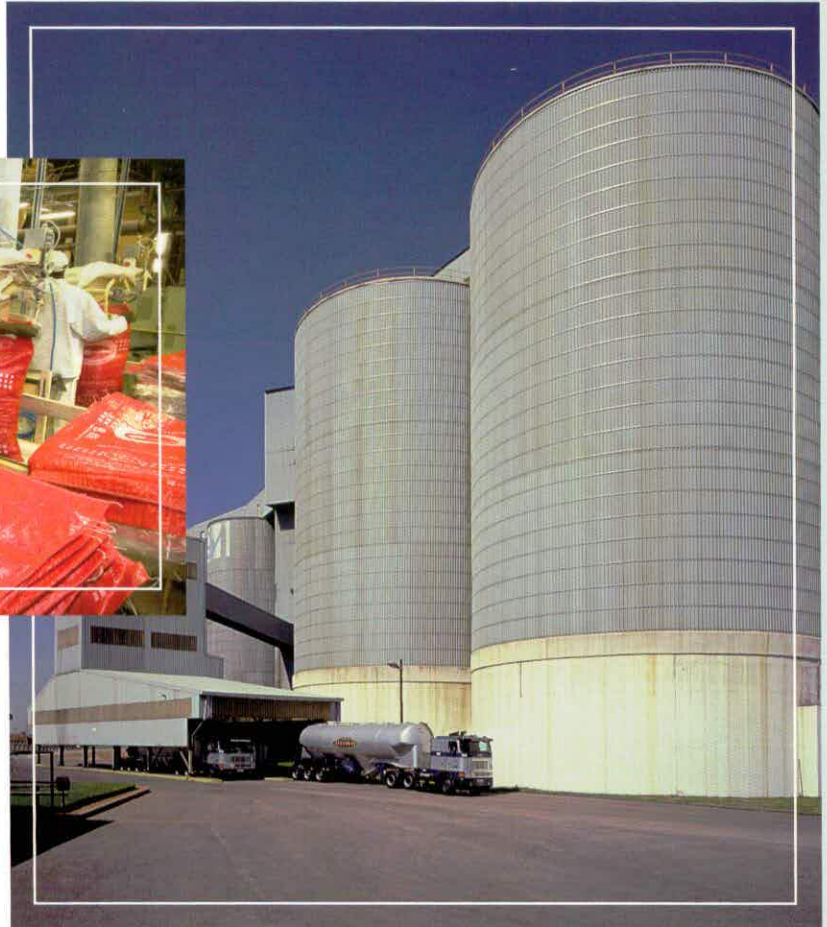
The group is a material player in most of the world markets in which it participates, and exports furfural, furfuryl alcohol, diacetyl, 2,3-pentanedione, ethyl alcohol and lactulose to 81 countries. In addition, BioMass Sugar, a liquid organic fertiliser derived from sugar cane is being sold to a growing number of international markets. During the year under review, downstream product sales contributed R638.6 million to group revenue.





During the year, the group's preferential exports from Malawi, Swaziland, Mozambique and Zambia amounted to approximately 211 000 tons.

Through dedicated storage and delivery facilities, the group remains the major supplier of sugar to the South African industrial market and increased sales to this sector were achieved during the year under review, particularly to soft drink manufacturers.



MARKETS

The group supplies sugar and downstream products to domestic, regional and world markets. Sales to the domestic markets in the countries in which the group operates contributed 69% to total revenue, whilst exports to 88 countries contributed the balance. A significant strength of the group was that 76% of sugar production by volume and 91% by value was sold into domestic or premium-priced export markets.

Domestic markets

Sugar

The SACU market is of major significance for both the South African and Swaziland sugar industries. During the season, total sales into SACU amounted to 1.926 million tons, about 80% being refined sugar and the balance brown sugar. The South African sugar industry supplied 1.427 million tons, Swaziland 320 000 tons and Zimbabwe and other Southern African Development Community (SADC) sugar producing countries 51 000 tons. Duty-paid imports amounted to 132 000 tons of sugar.

In South Africa, approximately 56% of Ilovo's total production was sold into the domestic SACU market. Ilovo Sugar is Malawi's sole sugar producer and in the 2008/09 season, domestic sales comprised approximately 67% of total sales. About 87% of Zambia's sugar output is produced by Zambia Sugar with domestic sales comprising 61% of total sales. In Swaziland, Ubombo is one of three producers and its production constitutes about 33% of

the country's total output. Swaziland's domestic sales in 2008/09, undertaken by the Swaziland Sugar Association into the SACU market, represented 51% of total sales. Tanzania has three sugar producers but is a net importer of sugar, with annual domestic demand being about 320 000 tons. During 2008/09, all sugar sales in Tanzania were to the domestic market where net returns were higher than those that could have been achieved from the export market. Sugar production in Mozambique, which has four sugar producers, currently amounts to about 250 000 tons, with Maragra's share of industry production being 31%. Around 67% of Maragra's total sugar sales in 2008/09 were sold domestically.

Syrup and speciality sugars are produced in South Africa and Zambia for domestic consumption, whilst speciality sugars made in Malawi and Zambia are produced for preferential markets in the EU and in the case of Malawi also in the US.

Downstream

Whilst the group's range of downstream products is primarily aimed at export markets, the Merebank and Glendale distilleries remain important suppliers of ethyl alcohol to the South African liquor, pharmaceutical and industrial chemical industries. Relatively small volumes of furfural and its derivatives, including Agriguard, a furfural-based agricultural nematicide, as well as lactulose, are traditionally sold in the local South African market.

Corporate governance continued

Committee are indicated on pages 6, 7 and 8 of this report. The Committee is chaired by Mr M J Shaw.

The Committee has formal terms of reference approved by the board. The Committee is responsible for reviewing the Company's risk philosophy, strategy and policies, and ensuring compliance with such policies; reviewing the adequacy and overall effectiveness of the Company's risk management function; ensuring the implementation of an ongoing process for risk identification, mitigation and management; ensuring the establishment of a comprehensive system of controls; pursuing measures

for increasing risk awareness throughout the company; reviewing any significant legal matters; and reviewing the adequacy of insurance coverage. The Committee gives particular focus to operational risks, including health and safety.

The Committee meets at least twice a year. In respect of the past year, two meetings were held, attendance at which by the director members is reflected below. For the period under review, the Committee satisfied its responsibilities in compliance with its terms of reference.

Attendance at board and committee meetings during the year ended 31 March 2009

	Board		Audit Committee		Remuneration/ Nomination Committee		Risk Management Committee		Annual General Meeting	
	A	B	A	B	A	B	A	B	A	B
Carr M I	6	4			5	3			1	0
Clark G J	6	6					2	2	1	1
Connellan B P	6	6							1	1
Hankinson M J	6	4	1	1			2	1	1	1
# Haworth D L	0	0							0	0
Konar D	6	5	3	3					1	1
Langlands D R	6	4					2	1	1	1
Lister P A	6	3							1	0
MacLeod D G	6	6					2	2	1	1
Madi P M	6	6			5	5			1	1
^ Mkhize I N	6	5					2	1	1	0
o Molohe C W N	3	3							0	0
Norton R A	6	6	3	3	5	5			1	1
# Riddle L W	0	0							0	0
• Russell J T	6	6							1	1
Shaw M J	6	6	3	3	5	5	2	2	1	1
Stuart B M	6	5					2	1	1	1
Williams R A	6	6	3	3	5	5	2	2 ⁺	1	1
Zarnack K	6	6					2	2	1	1

Column A indicates the number of meetings held during the period the director was a member of the board / committee
Column B indicates the number of meetings attended during the period the director was a member of the board / committee

- # Appointed with effect from 1 April 2009
- ^ Resigned with effect from 31 March 2009
- o Appointed on 16 September 2008
- Retired with effect from 31 March 2009
- + Participation in his capacity as chairman of the board as an attendee

Executive Committees

The executive directors along with the human resources executive and the company secretary meet on a weekly basis to review operational performance, capital programmes and other relevant issues. In addition, consideration is given to major investment and capital expenditure proposals as well as issues of strategic importance to the group, for recommendation to the board. Furthermore, the daily

involvement of the executive directors with operational and functional executives ensures the interactive nature of the overall management reporting structure.

A Group Executive Committee, comprising the executive directors, one non-executive director, and certain senior members of management, meets on a regular basis,

Corporate governance

The directors and employees of Illovo Sugar strive to ensure that the company is managed in an efficient, accountable, responsible and moral manner. The board of directors (the board) endorses the Code of Corporate Practices and Conduct contained in the King Report on Corporate Governance for South Africa 2002 (the King II Report), and believes that in all material respects the group complied with the principles contained in such Code throughout the year under review. The company complies with all the requirements concerning corporate governance contained in the Listings Requirements of the JSE Limited.

THE BOARD AND BOARD COMMITTEES

The company has a unitary board of directors which comprises a majority of non-executive directors (presently eight non executive independent directors, four non-executive directors, three of whom are nominated by the holding company, and five executive directors). Non-executive directors are chosen for their business acumen and skills pertinent to the business of the group and meet the criteria of the King II Report. The board is ultimately responsible for ensuring that the business is a going concern, and to this end effectively controls the group and its management and is involved in all decisions that are material for this purpose. The board functions in terms of a formal Board Charter which requires that there is an appropriate balance of power and authority on the board. The board has defined and monitors levels of materiality and has formally documented matters which it has delegated to the board committees and management.

The roles of the chairman and the chief executive are separated and the chairman is a non executive independent director.

New appointments to the board are subject to the recommendation of the Remuneration / Nomination Committee and formal approval by the board. At each annual general meeting of shareholders, not less than one-third of the directors must retire, being those directors longest in office since their appointment or last re-election, and may, if available, be proposed for re-election. The appointments of new directors are subject to confirmation by shareholders at the next annual general meeting following their appointment.

Members of the board have access to the advice of the company secretary, and may, in appropriate circumstances, take independent professional advice at the company's expense.

The board previously had five, but in future will have six, regular meetings a year. In addition, there is provision in the company's Articles of Association for decisions taken between meetings to be confirmed by way of directors' resolutions.

In the past year, six meetings were held, attendance at which is reflected in a table on page 32 of this report.

Audit Committee

For the year under review, the group Audit Committee comprised four non-executive independent directors, one of whom is the chairman of the Committee. The members of the Committee, appointed by the board for the year ending 31 March 2010, are indicated on pages 6 and 7 of this report. In addition, Messrs D R Langlands and D G MacLeod, being precluded from membership in terms of the Corporate Laws Amendment Act, 2006, attend the meetings of the Committee on a regular basis. The Committee is chaired by Dr D Konar.

The Committee has formal terms of reference approved by the board. Its main task is to ensure the maintenance of and, where necessary, the review of the effectiveness of internal financial controls in the group, along with the maintenance of adequate accounting records. It oversees the financial reporting process and is also concerned with the review of important accounting issues, pending litigation, specific disclosures in the financial statements and a review of the major audit recommendations.

For the year under review, the Committee confirmed the appointment of both Deloitte & Touche as the independent auditors and Mr C A Sagar as the registered auditor responsible for the audit, and further satisfied itself that the independent auditors were independent of the company. The Committee approves any non-audit services undertaken by the independent auditors in terms of a formal policy which has been adopted in this regard.

The independent and internal auditors have unrestricted access to the Committee and its chairman. The Committee chairman is available at the annual general meeting.

The Committee has satisfied itself of the appropriateness of the expertise and experience of the Financial Director, Ms K Zarnack.

The Committee has three regular meetings a year which are also attended by the independent and internal auditors, two non-executive directors, one of whom is nominated by the holding company, and appropriate members of executive and senior management. In the past year, three meetings were held, attendance at which is reflected in a table on page 32 of this report. For the year under review, the Committee satisfied its responsibilities in compliance with its terms of reference.

Audit committees are also established and operational at each of the operating subsidiaries.

Remuneration / Nomination Committee

The responsibilities and activities of the Remuneration / Nomination Committee are covered in the Remuneration Report on page 34 of this report.

Risk Management Committee

The company's Risk Management Committee presently comprises four non-executive directors, two of whom are independent and one of whom is the chairman of the Committee, three of the executive directors and five members of senior management. Members of the

Remuneration report

The remuneration philosophy of the group is to ensure that employees are rewarded for their contribution to the group's operating and financial performance at levels which take account of industry, market and country benchmarks.

Apart from fixed remuneration, and in line with the company's remuneration philosophy, both short and longer-term incentive schemes are used to reward employees for the achievement and out performance of specified targets and objectives, as well as being a means to attract and retain key personnel. A performance related bonus scheme is extended to all employees at every level across the group, and is designed and implemented on a financial year basis. The targets set are both of a financial and 'line-of-sight' operational nature, directly relevant to the performance expectations for each operation in the ensuing year. In respect of the latter, the targets are readily measured and progress towards achievement thereof is communicated on an ongoing basis.

Longer-term schemes include share purchase schemes and a performance-related phantom share scheme, the latter being extended to key senior staff members, which are aligned to the company's share performance. These schemes are more fully described under Statutory Information on pages 63 and 64 of this report.

REMUNERATION / NOMINATION COMMITTEE

For the year under review, the company's Remuneration/ Nomination Committee comprised five non-executive directors, four of whom are independent. Two additional non-executive directors, one of whom is independent, have recently been appointed as members of the Committee.

COMPENSATION OF DIRECTORS

The remuneration of executive directors for the year ended 31 March 2009 was as follows -

Name	Salary	Bonus	Retirement and medical contributions	Other benefits	Option gains	Total
	R000	R000	R000	R000	R000	R000
G J Clark	2 177	2 368	268	123	1 078	6 014
D G MacLeod	3 890	4 259	441	183	1 747	10 520
J T Russell	1 818	1 973	222	195	-	4 208
B M Stuart	1 930	2 126	234	196	-	4 486
K Zarnack	1 603	1 740	189	176	-	3 708
Total	11 418	12 466	1 354	873	2 825	28 936

The remuneration of executive directors for the year ended 31 March 2008 was as follows -

Name	Salary	Bonus	Retirement and medical contributions	Other benefits	Option gains	Total
	R000	R000	R000	R000	R000	R000
G J Clark	1 887	1 764	232	123	-	4 006
D G MacLeod	3 383	3 214	390	183	-	7 170
J T Russell	1 687	1 518	205	156	-	3 566
B M Stuart	1 716	1 531	208	179	-	3 634
K Zarnack	1 460	1 307	172	176	-	3 115
Total	10 133	9 334	1 207	817	-	21 491

The members of the Committee are indicated on pages 6 and 7 of this report. The Committee is chaired by Mr R A Norton, except when it meets to consider nomination matters it is chaired by Mr R A Williams as chairman of the board.

The Committee has formal terms of reference approved by the board. It is responsible for the assessment and approval of a broad remuneration strategy for the group, and is also responsible for the development and determination of the company's general policy on executive and senior management remuneration; the positioning of senior executive pay levels relative to local and international industry benchmarks; the determination of the remuneration packages of the company's executive directors; and making recommendations to the board on the fees and remuneration payable to the company's non-executive directors.

The Committee plays an integral part in succession planning relative to senior executives. It is apprised of any movements in the beneficial shareholdings of all directors of the company.

The Committee also gives consideration to the composition of the board and makes appropriate recommendations in this regard to the board.

The Committee meets at least three times a year at which meetings appropriate members of executive management are in attendance. In the past year, five meetings were held, attendance at which is reflected in table on page 32 of this report. For the period under review, the Committee satisfied its responsibilities in compliance with its terms of reference.

particularly to share and discuss the group's key strategies and issues. The members of this Committee are indicated on pages 6 to 9 of this report. The Committee presently meets at least five times a year.

A Corporate Executive Committee, comprising the executive directors and certain senior members of corporate management meets monthly to discuss and agree implementation processes in respect of corporate strategies and policies. The members of this Committee are indicated on pages 6 to 8 of this report.

MANAGEMENT REPORTING

The group has established comprehensive management reporting disciplines which include the preparation of annual strategic plans and budgets by all operating entities. Results and the financial status of operating entities are reported monthly against approved budgets and compared to the prior year. Profit and cash flow projections are reviewed regularly, whilst working capital and borrowing levels are monitored on an on-going basis.

FINANCIAL STATEMENTS

The company's directors are responsible for overseeing the preparation of the financial statements and other information presented in reports to shareholders in a manner that fairly presents the state of affairs and results of the group's business operations. The independent auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They are based on appropriate accounting policies which have been consistently applied, except when otherwise stated, in which case full disclosure is made.

The directors believe that the business will be a going concern in the year ahead. The auditors concur with the opinion of the directors.

INTERNAL CONTROL

The group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets. Such controls and systems are based on established policies and procedures and are implemented by trained personnel with an appropriate segregation of duties. The effectiveness of these internal controls and systems is monitored in a number of ways, as set out below, dependent upon the particular circumstances –

- ◇◇ the aid of internal control checklists;
- ◇◇ the establishment of defalcation reporting procedures;
- ◇◇ the functions of the internal audit department; and
- ◇◇ adherence to performance standards.

The purpose, authority and responsibility of the internal audit department are defined in a formal Charter approved by the Audit Committee and the board. The department functions as an independent appraisal activity established to conduct reviews of operations and procedures, and to report findings and recommendations to company management, the Audit Committee or the board as may be appropriate. The head of the department reports administratively to the financial director, but has unrestricted access to the chief executive, the Audit Committee and the chairman of the board.

The independent auditors, through the audit work they perform, confirm that the abovementioned monitoring procedures have been implemented.

Nothing has come to the attention of the directors or the independent auditors to indicate that any material breakdown in the functioning of the abovementioned internal controls and systems has occurred during the year under review.

ETHICS

It is a fundamental policy of the company, embracing all group operations, to conduct its business with honesty and integrity and in accordance with the highest legal and ethical standards. The company has established a Code of Conduct and Business Practices, determining the minimum standards required of all staff, which is disseminated throughout the group and reviewed annually by the executive directors. The Code prescribes, inter alia, that the company shall not make political contributions. All managers are required to give written agreement to this Code. In any instance where ethical standards are called into question, the circumstances are investigated and resolved by the appropriate executive. "Crimeline" facilities, inviting people from within and outside the company to anonymously report any wrongdoings are operated by independent forensic accountants, and all matters arising are then appropriately investigated and reported upon.

INSIDER TRADING

The company has a code of conduct for dealing in securities issued by any of the group's listed companies. Directors and officers of the group who have access to unpublished, price-sensitive information in respect of any of these companies are prohibited from dealing in the shares of such companies during defined restricted periods, including those periods immediately prior to the announcement of interim and final financial results and periods during which cautionary announcements are operative. Directors and the company secretaries of both Ilovo Sugar Limited and its major subsidiaries are required to obtain clearance from either the chairman or the chief executive before dealing in company shares.

Remuneration report continued

SHARE OPTIONS

Illovo Sugar 1992 Share Option Scheme

This option scheme is covered under Statutory Information on page 63 of this report.

The table below reflects options previously granted to directors, any options exercised during the year under review, and options unexpired and unexercised as at 31 March 2009.

	Options as at 31 March 2008	Option price (cents)	Options exercised during the year	Exercise price (cents)	Options as at 31 March 2009	Expiry date
Clark G J	13 100	443	13 100	2 400	–	
	44 100	650	44 100	2 400	–	
	53 800	805	3 102	2 400	50 698	20.05.2012
	68 500	680	–	–	68 500	20.05.2013
	46 000	770	–	–	46 000	01.06.2014
					165 198	
MacLeod D G *	40 800	805	40 800	2 515	–	
	114 300	680	57 200	2 515	57 100	20.05.2013
	105 300	770	–	–	105 300	01.06.2014
					162 400	
Riddle L W	5 700	680	5 700 #	3 120	–	
	10 700	770	7 100 #	3 010	3 600	01.06.2014
					3 600	
Stuart B M	17 900	805	–	–	17 900	20.05.2012
	45 700	680	–	–	45 700	20.05.2013
	46 000	770	–	–	46 000	01.06.2014
					109 600	
	611 900		171 102		440 798	

* Options granted to Mr MacLeod whilst an executive director.

Options exercised prior to Mr Riddle's appointment as a director.

The fees paid to non-executive directors were as follows -

	2009	2008
	Fees	Fees
	R'000	R'000
B P Connellan	150	135
M J Hankinson #	229	-
D Konar	268	242
P M Madi	220	199
I N Mkhize	210	189
C W N Molope *	84	-
R A Norton	314	286
M J Shaw	367	334
R A Williams	1 640	1 505
M I Carr +	-	-
D R Langlands +	-	-
P A Lister +	-	-
Total	3 482	2 890

Appointed 20 May 2008

* Appointed 16 September 2008. Fees due to 31 December 2008, amounting to R43 614, were paid to the Financial Services Board

+ These directors, nominated by the holding company, have each elected not to receive the payment of the fees due to them as non-executive members of the board and the board committees upon which they serve

Benefits paid to past directors amounted to R40 794 for the year (2008: R36 133).

Sustainability report

Illovo Sugar subscribes to the principles of sustainable development as incorporated in the King II Report, and the process for reporting on non-financial matters within the group is the subject of ongoing development. The focus is on the care and development of both employees and the communities in the areas in which the group's operations are based.

Illovo qualified for inclusion in the JSE's 2008 Socially Responsible Investment (SRI) Index, and was rated as one of the 21 best performers amongst the qualifying companies.

ECONOMIC IMPACT

Value added statement

Rm	March 2009	March 2008
Wealth created		
Revenue	8 602	6 794
Dividend income	2	1
Paid to growers for cane purchases	(2 735)	(2 394)
Manufacturing costs	(2 737)	(2 029)
	3 132	2 372
Wealth distributed		
To employees as salaries, wages and other benefits	1 481	1 111
To lenders of capital as interest	185	172
To shareholders as dividends	449	387
To governments as taxation	277	168
	2 392	1 838
Wealth reinvested		
Retained profits in holding and subsidiary companies	515	367
Depreciation	215	152
Deferred taxation	10	15
	3 132	2 372

Analysis of taxes paid to and collected on behalf of government

Central and local governments

Current taxation (including secondary tax on companies)	229	126
Rates and taxes paid to local authorities	6	4
Customs duties, import surcharges and excise taxes	42	38
Net contribution to central and local governments	277	168

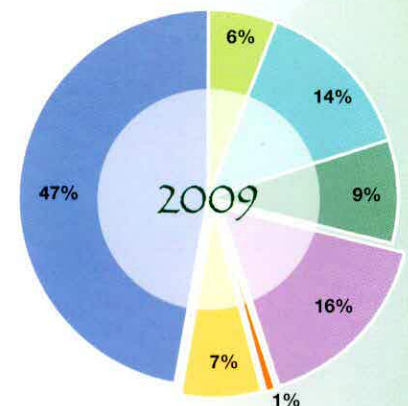
The above amount contributed excludes the following -

- Employees' taxation deducted from remuneration paid	215	177
- Net Vat amount collected on behalf of government	126	90
- Non-residents' shareholders' tax	23	17
	364	284

The value added statement shows the wealth the company has been able to create through manufacturing, trading and investment and its subsequent distribution and reinvestment in the business.

During the current financial period, R3 132 million was created, which is 32% more than in 2008. Of this amount, R2 392 million was distributed to employees, providers of capital and to the government. Of the wealth created, 47% was paid to employees.

The balance of the wealth created was retained and reinvested in the company for the replacement of assets and the development of operations.



WEALTH DISTRIBUTED

Employee costs	47%
Finance costs	6%
Dividends	14%
Government	9%

WEALTH REINVESTED

Retained profits	16%
Deferred taxation	1%
Depreciation	7%

Illovo Sugar Phantom Share Scheme

This share scheme is covered under Statutory Information on pages 63 and 64 of this report.

The table below reflects options previously granted to directors, options granted during the year under review, any options exercised during the year under review, and options unexpired and unexercised as at 31 March 2009.

	Options as at 31 March 2008	Option price (cents)	Options granted during the year	Options exercised during the year	Exercise price (cents)	Options as at 31 March 2009	Expiry date
Clark G J	92 500	829	-	-		92 500	12.07.2015
	50 000	1 634	-	-		50 000	29.10.2016
	90 000	2 364	-	-		90 000	23.07.2017
		2 867	70 000	-		70 000	09.07.2018
						302 500	
Haworth D L	45 000	829	-	-		45 000	12.07.2015
	26 000	1 634	-	-		26 000	29.10.2016
	12 000	2 364	-	-		12 000	23.07.2017
		2 867	30 000	-		30 000	09.07.2018
						113 000	
MacLeod D G *	225 000	829	-	-		225 000	12.07.2015
	115 000	1 634	-	-		115 000	29.10.2016
	100 000	2 364	-	-		100 000	23.07.2017
		2 867	140 000	-		140 000	09.07.2018
						580 000	
Riddle L W	80 000	829	-	22 000 #	2 595	58 000	12.07.2015
	20 000	1 634	-	-		20 000	29.10.2016
	33 500	2 364	-	-		33 500	23.07.2017
		2 867	25 000	-		25 000	09.07.2018
						136 500	
Stuart B M	92 500	829	-	-		92 500	12.07.2015
	45 000	1 634	-	-		45 000	29.10.2016
	42 500	2 364	-	-		42 500	23.07.2017
		2 867	51 500	-		51 500	09.07.2018
						231 500	
Zarnack K	125 000	829	-	-		125 000	12.07.2015
	70 000	1 634	-	-		70 000	29.10.2016
	80 000	2 364	-	-		80 000	23.07.2017
		2 867	34 500	-		34 500	09.07.2018
						309 500	
	1 344 000		351 000	22 000		1 673 000	

* Options granted to Mr MacLeod whilst an executive director.

Options exercised prior to Mr Riddle's appointment as a director.

Sustainability report continued

- ◇◇◇ the continued development, refinement and implementation of performance management systems, along with ongoing technical competency training, which are linked to ISO standards, along with individual career-pathing and operational excellence;
- ◇◇◇ the delivery of group-based management development programmes, aimed at both first-line and upper management. Some 350 managers completed these programmes during the reporting period;
- ◇◇◇ group co-ordinated engineer-in-training and management trainee programmes, presently involving some 70 graduates. The large majority of these employees are graduate engineers who provide a pool of critical skills;
- ◇◇◇ 18 students, mainly from the engineering discipline, furthering their tertiary education supported by Illovo bursaries following which they will be bridged into the Management Trainee Programme upon successful completion of their studies;
- ◇◇◇ structured formal technical apprenticeships, with 71 employees presently enrolled across the group;
- ◇◇◇ in South Africa, the Training Outside Public Practice programme, allowing graduate accountants to continue their studies towards qualifying as Chartered Accountants, whilst in full-time employment by the company;
- ◇◇◇ the leveraging of operational best practice across the group.

Employment equity

The company promotes equal opportunity and fair treatment in employment through the elimination of unfair discrimination. It encourages inclusiveness with regard to human resource practices, irrespective of race, gender, nationality and religious affiliation.

In South Africa, the annual Employment Equity and Income Differential reports, covering progress made with the company's Employment Equity Plan, a key pillar of its Black economic empowerment programme, have been submitted to the Department of Labour and the Employment Equity Commissioner respectively. Progress continues to be monitored through a group Central Co-ordinating Forum which includes representation from local consultative forums which are in place at the various operations.

Relevant statistics in respect of designated employees, as defined in legislation, are shown in the table below. They generally reflect a good performance.

Representative areas	% designated	
	2009	2008
Management level	59	58
Skilled level	97	87
Promotions (management/skilled)	80	91
External recruitments (management/skilled)	78	80
Promotions (all levels)	92	97
External recruitments (all levels)	92	91
Combined recruitments & promotions (all levels)	92	93
Combined recruitments & promotions (management/skilled)	79	84
Skills development initiatives (permanent employees)	89	90
Management trainees	95	91

Overall focus continues to be given to designated appointments in the more senior levels of management.



During the year, a cross-section of senior managers from throughout the group, attended the company's university-accredited Group Leadership Development Programme.

The group invested approximately R32 million in training and employee development in 2008/09.



SOCIAL IMPACT

Human Resources

Human resource management and operational strategies are determined by the business needs of the group's operating entities with direction from the corporate office. These strategies appropriately embrace the macro-environment prevailing in each country of operation, and alignment is achieved through the group's strategic intent. Underpinning this, and to ensure that the operational strategies are met, is a work ethic of continuous improvement which encourages focused, skilled employees to realise their full potential and to 'make a difference' in their areas of operation.

As a multi-national company with diverse and widespread senior management teams in several operating countries, regular communication forums and executive-led site visits are undertaken. This is reinforced through the group's Business Understanding Programme which all employees attend on an annual basis, promoting an understanding of the prevailing business climate at both operational and group levels.

Key areas of human resource focus include best practice benchmarking; targeted manpower succession planning; talent and performance management; the maintenance of collaborative industrial relations; human resource development and business understanding; BEE-linked employment equity and localisation programmes; and the health and welfare of employees and their dependants.

To this end specific attention is given to –

- ◇◇ the staffing of all operations within effective organisational structures, with competent personnel both from an operational and managerial perspective, in order to ensure that goals and objectives are achieved. Manpower benchmarking exercises are undertaken to ensure that structures are efficient;
- ◇◇ continuing to place high focus on talent management and manpower succession planning, to both develop and retain managerial and technical skills, especially within the group's identified key disciplines and positions;

- ◇◇ being the employer of choice. To this end, remuneration packages which are merit-based and market-competitive in all countries of operation are constantly reviewed. Similarly, incentives such as performance-related bonuses, share purchase and phantom share schemes are utilised and are continually up-dated to cater for specifically targeted outcomes;
- ◇◇ complying with internationally recognised labour practices as legislated in the various countries of operation and ensuring that sound employee relations prevail. Trade union involvement is a normal part of this process and some 80% of permanent employees are unionised. Collective bargaining forums, which determine the levels of wage rates and other substantive employment conditions via negotiated collective agreements, are established and supported by existing legislation in all countries of operation;
- ◇◇ training and employee development, which remains an important pillar for harnessing the group's human resource talent and potential. Activities are aimed at satisfying both the current and future business needs in terms of skills supply, whilst also supporting employment equity and localisation initiatives. The group invested approximately R32 million in this area over the period under review, representing 2.8% of payroll, of which some 12% was used for business alignment workshops, 40% for technical-type training, 32% for management, supervisory and leadership development, 10% for safety and health awareness and training, and the balance on education issues, including adult basic education type programmes. Employee development initiatives include –
 - ◇◇◇ the implementation of internationally accepted safe working practices and health care programmes;
 - ◇◇◇ the building of employees' understanding of the prevailing business context within Illovo. Approximately 19 000 employees attended the group-facilitated Business Understanding Programme;

Sustainability report continued

Determining the impact of any HIV/AIDS intervention is difficult, largely due to the confidentiality restrictions with respect to the testing and recording of the disease. However, the group recognises the importance of VCT as it enables individuals to become aware of their HIV status, empowering people to act safely and responsibly, and is therefore key to controlling the spread of the disease. To this end, the group continues to campaign for employees and their dependants to 'get to know their status' and in this regard, has set a target to test 50% of all employees annually. A further target has been set to ensure that at least 50% of HIV positive employees join the Wellness Programme. During the year 5 175 employees, representing 58% of the permanent complement, excluding those employees who have previously been identified as HIV positive, underwent VCT, whilst 60% of those who tested HIV positive joined the group's Wellness Programme.

Government interventions relative to the provision of anti-retroviral treatment (ART) are being closely monitored in all countries of operation. Where the group is being asked to assist in the process, it is particularly important to ascertain the long-term sustainability of intended programmes and the role that the government medical facilities are expected to play –

- ◇◇ in South Africa, formal facilitation partnerships have been developed with those local government hospitals designated as HIV-ART centres, to allow employees and dependants on the Wellness Programme to be bridged into the government ART programme as and when their status for this treatment is medically necessitated;
- ◇◇ in Malawi, Zambia and Swaziland, the group assists in implementing the government-funded ART programmes at its mill-based medical facilities. Affected employees and dependants in Tanzania and Mozambique are presently being referred to government facilities.

In respect of malaria, the group subscribes to the African continent's recognised 'Roll Back' malaria programme, with mosquito control spray programmes and the distribution of insecticide treated bed nets, being undertaken in the areas most affected. This, together with established laboratory testing facilities, enables early detection and prompt commencement of effective treatment. Close liaison is maintained with national malaria control units and in some cases the group's health centres are recognised sentinel sites for the collation of malaria statistics and research.

In the case of tuberculosis (TB), the group works closely with national programmes in this regard, and assists with the diagnosis, treatment and follow-up of TB cases where appropriate.

Employee benefits and welfare

The group offers a diverse range of benefits to its employees, including –

- ◇◇ employee share purchase schemes in countries where the operating company is listed, enabling employees to acquire a stake in the business;
- ◇◇ retirement funding schemes, where elected employee trustees representing the interests of members assist with the prudent management of various funds;
- ◇◇ educational assistance which is extended to the children of employees in various forms, ranging from the provision of schools to the allocation of bursaries, grants and loan funding;
- ◇◇ upliftment of life skills of employees through the provision of Adult Basic Education and Training (ABET), retirement planning, HIV/AIDS education and counselling.

In respect of malaria, the group undertakes mosquito control spray programmes and the distribution of insecticide treated bed nets, in the areas most affected.



Complement

The group's overall permanent manpower complement as at 31 March 2009 stood at 12 457. The focus remains one of right-sizing operations to ensure that the correct organisational structures are in place, staffed by competent people with appropriate skills to meet the group's operational objectives. Employment was in the following categories –

◇◇ Sugar manufacture	6 657
◇◇ Agriculture	5 454
◇◇ Downstream	346

In addition to the permanent complement, approximately 29 000 seasonal employees were engaged in agricultural operations at the peak periods during the year.

Managed health care

Access to health care is provided to all employees and their dependants, either through the network of group-run primary health care clinics and hospitals or through the provision of medical insurance schemes. Where no other public medical facilities exist, these services are extended to members of surrounding countries. The group operates 28 primary health care clinics and four hospitals. These facilities are staffed by 18 doctors, 150 nurses and other qualified medical staff, and 135 auxiliary personnel, and provide a service to approximately 39 000 employees and 70 000 dependants. In South Africa, the health facilities are clinic-based, and focus on occupational health, primary health care and HIV/AIDS, whilst in the operations in the rest of Africa, the facilities are hospital-based, and focus on primary and secondary health care, occupational health, HIV/AIDS and malaria and other tropical diseases. During the past year, there were

approximately 575 000 patient visits to the group's healthcare facilities.

In support of the overall medical activities, the group attempts to ensure the health of employees and their dependants by addressing public health services not provided by governments, such as the provision of potable water, sanitation and refuse removal, where deficient.

Occupational health is an important facet of the medical services delivered at every site. Qualified nursing practitioners perform duties that include regular job-related medical examinations, along with medical surveillance, such as hearing and lung-function testing and biological monitoring of employees, in line with the health and safety regulations of the respective countries of operation.

The group continues to take a pro-active stance against life-threatening epidemics such as HIV/AIDS, malaria and tuberculosis. These diseases are being managed, largely on a preventative basis, to negate their impact on the business and the employees themselves.

Strategies towards controlling the spread of HIV/AIDS include preventative awareness programmes along with an established in-house Wellness Programme for those afflicted. These programmes continue to be developed in accordance with appropriate 'best practice' aligned to international standards. They involve ongoing high-profile education and awareness campaigns, effective treatment and prevention of sexually transmitted infections, use of peer counsellors in the process of preventative activities and education, voluntary counselling and testing (VCT), use of prophylactic antibiotics, effective screening for tuberculosis, and the promotion of a healthy lifestyle.



Occupational health is an important facet of the medical services delivered at every site. In addition to providing health care to employees and their dependants, the group also provides these services to surrounding communities where no such facilities exist.



The group continues to actively promote the development and support of small and medium-scale growers, with dedicated offices established across all six countries of operation.

Stakeholder engagement

Illovo is cognisant that its long term sustainability rests in engaging its stakeholders to address matters of mutual interest. The nature of the interaction and the type of stakeholders which the company interacts with are effected by the operating environment and consequently vary from country-to-country, but typically the company interacts with government departments, communities, traditional and civic leaders, civil society organisations, customers, public and institutional shareholders, financial analysts and providers of capital, sugar industry representative structures, suppliers, service providers and employees, and trade unions, amongst many others.

The forms of interaction are diverse, but specific to each stakeholder. For example, the group's annual investor relations programme incorporates -

- ◇◇ Annual results presentations to the investment community;
- ◇◇ Market and media dissemination of results, trading updates and other announcements, over and above that which is required by the Listings Requirements of the JSE Limited;
- ◇◇ Placement of investor information on the company's website, including results presentations and other pertinent financial and operational information;
- ◇◇ Ongoing contact with major investors, institutions and analysts, including one-on-one meetings with the company's managing and financial directors;
- ◇◇ Ongoing site visits to the group's various countries of operation, for example, to Zambia Sugar where the operation has recently been the subject of a major

expansion programme to increase its cane and sugar productive capacity.

Other forms of interaction include focus groups, labour bargaining forums, visiting or hosting government representatives and issue specific structures such as land reform forums in South Africa.

As an example, in South Africa, in addition to the land redistribution programmes which the company initiated in the mid-1990s, a high proportion of the land, including the company's own land, from which the company receives the cane supplies for its mills, is subject to land claim. To ensure the sustainability of cane supply from land that faces being transferred to historically disadvantaged first-generation sugar cane growers, the company participates in multiple stakeholder land reform forums. These forums are made up of representatives from the relevant government departments and agencies (i.e. the Commission on Restitution of Land Rights, Department of Land Affairs, Department of Agriculture and Environmental Affairs and local governments associated with the various mill cane supply areas) as well as industry stakeholder organisations, such as the South African Cane Growers' Association and the Inkezo Land Company.

In Swaziland, in the case of the Lower Usuthu Smallholder Irrigation Scheme, which will supply additional cane supplies to the Ubombo sugar mill, the relevant agricultural development necessitated the relocation of some communities. However, before this was done, extensive consultation through the government was undertaken with local community members. This ensured that the relocation was carried out with due sensitivity to the communities' material, social and cultural considerations and with the

Black Economic Empowerment

The group is conscious of its responsibility to progress Black Economic Empowerment (BEE) in South Africa and local economic empowerment in the host countries of Illovo's sugar operations outside South Africa. In this regard, the group has adopted an integrated approach which encompasses meaningful and sustainable participation of Black people at all operations of the company and promotes participation of communities in the value chain of the sugar industry.

In South Africa, relative to the Codes of Good Practice on Black Economic Empowerment (the Codes), which were issued in February 2007 in terms of the Broad-Based Black Economic Empowerment (BBBEE) Act, 2003, for the year ended 31 March 2008, the company was audited by an external verification agency and was rated as a Level 5 Contributor, having attained an aggregate score of 59.20%; comprising the component scores as reflected in the table below -

Element	Score (%)
Ownership Equity	6.88
Management Control	2.54
Employment Equity	5.12
Skills Development	8.63
Preferential Procurement	16.03
Enterprise Development	15.00
Socio-Economic Development	5.00

In the 2009 Financial Mail / Empowerdex Top Empowerment Companies report, the company was ranked 47th overall and 3rd in the food and beverages sector. In terms of the various BBBEE elements, Illovo was ranked 1st on enterprise development. Against the background that rural development constitutes one of the major national priorities and given that the bulk of the company's enterprise development initiatives were geared towards support for emergent Black growers, this is a significant achievement.

Particular attention is given to preferential procurement from and outsourcing to Black enterprises and service providers, including the development and support of outgrower schemes. During the 2008/09 season, revenue paid to small, medium and large-scale Black farmers for their cane supplies in South Africa amounted to R194 million.

Since the initiation of the programme for the sale of the company's farms to Black people in 1996/97, Illovo has sold 58% of its cane lands to BEE companies and commercial farmers. Another farm sale is expected to take place in the current year.

To-date, in terms of the Restitution of Land Rights Act, 1994, land claims covering approximately 55% of the total areas under cane which supply cane to the company's mills in South Africa, have been gazetted. Most of these claims have

been made on behalf of local communities which reside in the relevant areas. The process has been particularly protracted and many of the affected growers remain uncertain of their futures. Many of the claims are being contested by the growers. However, where such claims are successful or where growers willingly agree with the Department of Land Affairs and / or the Commission on Restitution of Land Rights to make their farms available to the local communities, the company is actively involved in seeking to ensure that the properties concerned can continue to be farmed on a long-term sustainable basis.

Society

The group operates in diverse environments many of which are predominantly rural, with limited infrastructure and significant development needs. These challenges are most evident in the countries of operation outside South Africa, four of which are classified by the United Nations as Least Developed Countries.

In line with the group's strategic intent as a long-term investor and a major player in these communities, an active social investment programme is in place at each of the operations and is structured to address the specific needs of the respective communities. During the year under review, the group contributed over R134 million towards the provision of housing, including water, electricity, road maintenance and sanitation; hospitals and clinics; and education and community outreach programmes, for the benefit of both employees and local communities.

This amount was directed as follows -

	Rm
Housing and related infrastructure	62
Hospitals and clinics	38
Education	16
Community programmes	13
Environmental initiatives	5
	<u>134</u>

Community projects are considered on the basis that they are motivated by members of the local communities and designated company representatives. To gain company support, projects must be shown to be meaningful and sustainable, with significant community reach and participation. Given the immense challenges faced by communities in the areas of health care, education, access to clean water and meaningful development, the majority of the projects undertaken are focused on addressing these needs.



The group annually undertakes a wide-range of community-based projects including for example, its involvement in national feeding schemes in Malawi.

services and other requirements which can be procured from local entrepreneurs.

The group continues to actively promote the development and support of growers, mainly first-generation Black growers. Dedicated offices have been established across all six countries of operation to provide agronomic expertise and advice on optimal ratoon management practice, together with ongoing training to build technical, financial and administrative competence in order that these growers are able to take charge of their own agricultural businesses. Illovo also assists in facilitating access to grant and other types of funding for both new and existing cane agriculture developments.

The Kaleya Smallholders Company (KASCOL) in Zambia is a good example. Fundamental to a long-standing partnership between local cane growers represented by the Mazabuka Sugar Cane Growers Trust (MSCGT) and Zambia Sugar, is the development of indigenous cane growers in Zambia. Following Illovo's donation of its shareholding in KASCOL to the MSCGT in 2005, and pursuant to the recent major expansion of Zambia Sugar's productive capacity, KASCOL, through the MSCGT, stands to bring material benefits to its members in general, but particularly the nearby Magobbo community.

As a significant community project, around 400 hectares of land is being developed to irrigated cane which will provide annual production of about 50 000 tons of cane by this community, thereby bringing about permanent employment and a sustainable income for approximately 80 households. The MSCGT has played a major role by financing various start-up costs of the project, by assisting in its management and implementation, and using its offices to secure €3 million in funding from the EU under the EU

Accompanying Measures scheme. Central to the development, was Zambia Sugar's extension of the existing canal system, bringing water from the Kafue River about 30 kilometres away, to irrigate the new development. The Magobbo growers have subsequently formed their own trust and stand ready to become a viable entity in the local sugar industry.

General staff support and development

In addition to the community and enterprise development initiatives, and to the employee development activities covered elsewhere in this report, there is a range of other types of support that the group makes available to its staff.

Illovo provides assistance to employees who wish to further their studies, where such further study is beneficial to both the employee and the group. The group also assists employees to undertake studies which might enable them to establish outsourced small and medium-sized enterprises. Permanent employees of the group are assisted with the costs associated with secondary and tertiary education for their dependants.

On the basis of academic ability and suitability as future employees, children of employees may also benefit from bursary schemes which the group offers to enable students to study at universities or equivalent institutions.

Enhancement of the employees' life skills is carried out through the provision of adult basic education and training, retirement planning, and HIV/AIDS education and counselling and wellness programmes.

In South Africa and Swaziland, the facilitation of employee home ownership is on-going, thereby allowing employees to have a stake in the community in which they live and work.

communities' approval. This is in line with the company's commitment to ensuring that its operations are considered to have a positive impact by the affected communities.

The company participates in public policy development through sugar industry structures, tripartite business, labour and government public policy development structures and other business associations. Its involvement in the facilitation of broader national strategic objectives continues through participation in organisations such as the National Business Initiative and the Business Trust (in South Africa).

In its employment practices, the company remains committed to human rights and fair treatment of its employees in line with International Labour Organisation Conventions on employment, which in some countries of operation are also enshrined in the employment-related legislation. The company's employment policies are explicit in their commitment to equity and the practices ensure that forced and child labour do not take place in any of its operations. Where there could have been a threat that these might be undermined by some of its partner enterprises in the value chain, the enterprises concerned have been formally sensitised to the fact that the relationship with them is contingent on them complying with these standards and norms.

As a consequence of this commitment to human rights and fair employment practices, the group has not had to pay any fines for not complying with legislation in any of the countries in which it operates.

Community and enterprise development

In Malawi, Zambia, Swaziland, Tanzania and Mozambique, the group participates in the upgrading of schools and assists in their administration and management in an effort to improve education delivery. There are 27 schools in five countries currently benefiting from this type of support. In South Africa, the company undertakes local community projects to improve facilities at schools in the communities in which Illovo has agricultural and manufacturing operations. It also supports education-related initiatives, such as Rally to Read, a literacy-based development programme co-ordinated by the National READ Educational Trust. Through the South African sugar industry, the company supports the Sugar Industry Trust Fund for Education which sponsors education projects across both the KwaZulu-Natal and Mpumalanga provinces, and also provides ongoing financial support for tertiary educational institutions.

In addition to providing financial and other support for community-based welfare and fund-raising organisations, Illovo also contributes to the South African sugar industry's community development programme which operates in the northern region of the Eastern Cape, KwaZulu-Natal and Mpumalanga, and continues to contribute to the Business Trust and the National Business Initiative (NBI).

The group annually undertakes a wide-range of community-based projects. For example; in national feeding schemes in Malawi, and the construction at Big Bend in Swaziland of new police offices which were handed over to the Swaziland police services during the past year.

Job creation and poverty alleviation initiatives in the communities in which the group operates are actively pursued. This is achieved through the outsourcing of support



During the year, R16 million was spent on education-related activities across the group.

in South Africa, Malawi, Zambia and Tanzania are making progress towards this accreditation.

During the year under review, there were no health and safety, or environmental penalties imposed on any of the group's operations, other than one minor environmental penalty incurred in Zambia.

Insurance cover on assets is based upon current replacement values. Consistent with the high standard of risk management, a substantial portion of risk is self-insured, at costs well below market premiums. All risks are adequately covered, except where the premium cost is excessive in relation to the probability and extent of loss.

ENVIRONMENT

The underlying philosophy of the group's environmental policy is the adoption of protective strategies to manage and control the impact of Illovo's agricultural and manufacturing operations upon the environment, at the same time as safeguarding its extensive assets and human resources.

Agriculture

In respect of its agricultural operations, the group has adopted farming practices based on field conservation guidelines as advocated by the South African Sugarcane Research Institute, so as to ensure agricultural production on a sustainable basis with minimum impact on the environment. This includes the implementation of land use plans when developing new and re-establishing existing cane fields; the optimal placement of fields and access roads; the most suitable method of field establishment so as to conserve soil and water; the protection of existing environmental features such as rivers, wetlands, catchment areas and indigenous forests; and the removal of alien vegetation.

In addition, sugar cane, upon harvesting, immediately recommences another growing cycle from its existing roots. This process is called ratooning, and recurs until the sucrose content of the cane plant reduces below a predetermined level, whereafter replanting is undertaken. This generally takes place every eight to twelve years. The environmental benefit of this ratooning and replanting process is the significant reduction in the frequency of soil disturbance and the exposure to soil erosion.

Agricultural operations in South Africa are mostly rain-fed, thereby minimising the impact on subterranean water supplies, whilst in the group's other countries of operation, water for irrigation is supplied from secure water resources such as major rivers, lakes and dams.

The conventional practice of cane burning immediately prior to harvesting is conducted strictly in terms of industry guidelines. The adoption of "green cane harvesting" practices, without burning, takes place where feasible. This has the benefit of the leaves and the tops of the cane plant being left behind in the harvesting process, providing for moisture retention and nutrients for the soil, and offering potential as a renewable energy source as a feedstock for the sugar factory boilers. The use of the cane leaves and tops as biomass feedstock for the boilers, as a supplement for bagasse, has been successfully integrated into the sugar factory operations in Swaziland and Malawi.

Sugar manufacture

The process used for manufacturing sugar from sugar cane provides a unique sustainable advantage with minimal environmental impact. The fibrous residue remaining after the extraction of sucrose from sugar cane, called bagasse, may be used as a bio-renewable energy source in sugar factory boilers to generate electricity. This electricity is capable of not only meeting the power requirements of the sugar factory, but may also be used for operating the irrigation systems used for cane growing, and for supplying administrative and domestic users and national grids.

Bagasse is used as a boiler fuel at all Illovo's sugar factories, and under normal operating conditions, the factories are self-sufficient in terms of electrical requirements, save that the downstream plant at Sezela relies on power from the national grid. Whilst the factories outside South Africa also supply power for cane irrigation, supplementary electricity supplies are required from external sources, particularly during the factory offcrop maintenance periods. Fortunately, these periods coincide with the rainy seasons, when there is a limited need for irrigation.

The unique process of utilising bagasse and biomass as an energy source also results in the group having minimal reliance on fossil fuels, such as coal, for its energy requirements. Coal usage within the Illovo group comprises approximately 8% of total energy usage.

Emissions from all Illovo's sugar factories are monitored to ensure compliance with the prevailing legal limits in each country of operation.

Water comprises approximately 70% of the content of sugar cane. This water is released in the extraction process and recycled for use within the factory operations, thereby minimising the dependence of the factories on external water resources.

This involves the sale of company-owned houses as well as other initiatives to assist home ownership, including the provision of home loan subsidies.

TECHNOLOGY, RESEARCH AND DEVELOPMENT

The group continues to benefit from well-established in-house resources which provide technical expertise in both agricultural production and sugar and downstream product manufacture to all operations, in order to optimise the return from existing installed capacity. A centralised core of expertise exists to ensure technical standards are maintained for both existing equipment and new agricultural and factory installations, and to keep abreast with technical innovations. This in-house function is also involved in investigating opportunities to expand the group's operations, and in the planning and implementation of approved projects. In addition, collaboration between the group's technical team and British Sugar plc, the subsidiary of Associated British Foods plc with responsibility for Illovo, is now an ongoing function, with research and development projects expected to benefit the group in the longer-term.

The group benefits on an ongoing basis from research and development undertaken by the South African Sugar Milling Research Institute and the South African Sugarcane Research Institute. These organisations are funded by the member sugar industries which are represented on the respective boards of the institutes.

Illovo also has a dedicated team which pursues opportunities for the development and commercialisation of downstream products and new applications. In addition to its own resources, there is ongoing collaboration with both local and international research organisations, and contract work is outsourced when appropriate.

RISK MANAGEMENT

Risk management is an integral part of Illovo's business. The safety, security and preservation of our people and property are essential for the group's sustainable growth.

The focus of risk management in Illovo is on identifying, assessing, mitigating, managing and monitoring all known forms of risk across the group. Management is involved in a continuous process of developing and enhancing its comprehensive systems for risk identification and management. The risks to the business encompass such areas as the weather, world product/ prices, exchange rates, political and economic factors, legislation and national regulations, interest rates, people skills, and general operational and financial risks.

The major risks and their relevant mitigating and management strategies are the subject of the ongoing attention of the board and are given particular consideration in the annual strategic plan which is approved by the board.

Business continuity plans for all sites have been developed through a procedure of considering and assessing all possible major risks which may impact the business.

The management of financial risk is covered under note 40 to the financial statements on pages 99 to 102.

The management of operational risk is a line function, conducted in compliance with a comprehensive set of group policies and standards to cover all aspects of operational risk control. Performance is measured on a regular basis by means of both self assessments and audits by independent consultants. In addition, the group promotes on-going commitment to risk management and control by participating in externally organised risk management and safety systems.

The NOSA Integrated Five Star System covering safety, health and environmental management is implemented at all the cane growing and factory operations. During the year under review, the cane growing and sugar factory operations in South Africa (excluding Umfolozi), Zambia and Swaziland were graded on the NOSA platinum star system, whilst the operations in Malawi, Tanzania and the sugar factory in Mozambique were graded on the NOSA green star system. Those operations on the NOSA green star system are in the process of migrating to the NOSA platinum system.

The Disabling Injury Frequency Rate (DIFR) measurement of safety performance is used at all the group's operations, and is included as one of the 'line-of-sight' targets for the performance related bonus scheme. The target for the year under review was a DIFR of 1.5; equivalent to a NOSA 4-star grading. This was achieved by all operations.

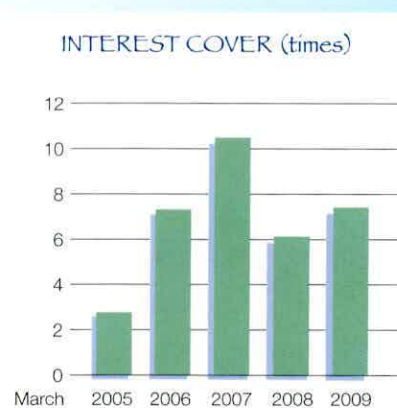
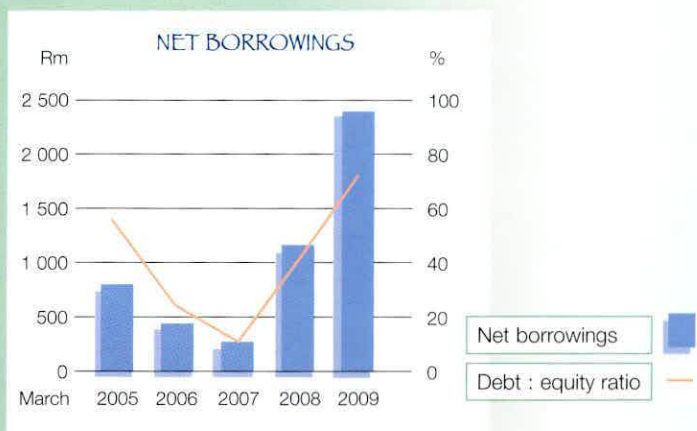
Regretably, two employees were fatally injured in work-related incidents during the past year. Both unfortunate incidents were the subject of thorough investigation and appropriate remedial action was taken so as to prevent a recurrence. In addition, a security guard was murdered on the estate in Mozambique whilst on duty.

All of the South African factory operations have been certificated under the ISO 9001:2000 quality management system. The cane growing and factory operations in Malawi, Zambia, Swaziland and Tanzania, and the factory operation in Mozambique are also ISO 9001:2000 certificated. Implementation at the cane growing operation in Mozambique is due to be completed during 2009. In addition, the Swaziland factory operation as well as the Merebank distillery have attained the environmental management ISO 14001:1996 accreditation, whilst Merebank and the Glendale distillery have achieved OHSAS 18001 certification for health and safety.

In South Africa, the factories at Pongola and Umzimkulu and the syrup plant at Lower Illovo have been certified under the Hazard Analysis and Critical Control Point (HACCP) food safety system. Certain of the other factory operations

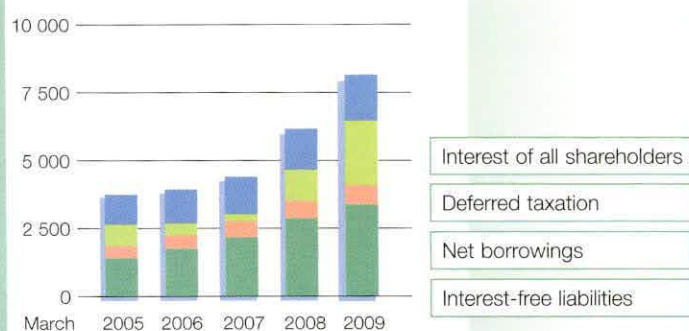
Five year review continued

	Notes	2009	2008	2007	2006	2005
Profitability and asset management						
Operating margin	%	16.1	15.7	16.5	13.7	8.3
Return on average shareholders' equity	4 %	28.6	29.9	32.0	27.2	3.3
Return on net assets	5 %	22.0	24.1	28.5	25.2	11.1
Return on total assets	6 %	17.1	18.6	21.3	17.1	8.3
Working capital per rand of revenue	7 cents	11.7	11.8	9.4	8.5	9.8
Liquidity and borrowings						
Debt : equity ratio	8	70.0	39.9	12.2	24.3	54.7
Total liabilities to total equity	9 %	160.5	154.2	144.6	155.6	185.8
Current ratio	10 times	1.0	1.3	1.2	1.0	0.9
Interest cover	11 times	7.5	6.2	10.7	7.4	2.8
Employee statistics						
Total number of employees at year-end	12	12 457	12 266	12 617	12 886	14 598
Average number of employees		12 362	12 441	12 752	13 742	15 588
Revenue per average number of industrial employees	R000	1 249.6	991.9	894.9	756.4	634.4
Net assets per average number of employees	R000	278.7	235.4	174.7	132.0	94.0
Headline earnings per average number of employees	R000	60.0	48.2	40.4	25.6	9.9
Note: Agricultural employees are excluded from the calculation of revenue per average number of employees						
JSE Limited statistics						
Ordinary shares in issue	000	350 924	349 859	348 868	340 128	337 195
Weighted average number of shares	000	350 514	349 424	345 545	338 220	335 019
Net asset value per share	13 cents	981.7	837.2	638.7	533.2	434.7
Total volume of shares traded	000	79 492	80 160	379 040	190 879	165 848
Total value of shares traded	Rm	2 126.9	1 970.2	7 503.5	2 170.2	1 302.1
Ratio of shares traded to issued shares	times	22.7	22.9	108.6	56.1	49.2
Headline earnings yield at year-end	14 %	7.4	5.8	7.9	6.3	5.7
Dividend yield at year-end	15 %	3.7	2.9	4.0	3.8	3.1
Price : headline earnings ratio at year-end	16 times	13.5	17.3	12.7	15.9	17.6
Market price per share						
- year-end	cents	2 849	2 964	1 900	1 660	810
- highest	cents	3 500	3 115	2 100	1 700	930
- lowest	cents	1 710	1 850	1 531	725	650

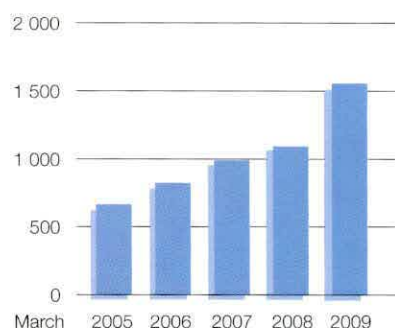


Rm	Notes	2009	2008	2007	2006	2005
Consolidated cash flow						
Operating profit before working capital movements		1 206.9	1 055.0	1 058.7	710.5	533.0
Working capital movements		362.8	46.2	(61.0)	117.2	134.7
Cash generated from operations		1 569.7	1 101.2	997.7	827.7	667.7
Net financing costs		(185.4)	(171.7)	(85.2)	(101.9)	(156.5)
Taxation paid		(230.3)	(151.6)	(190.4)	(89.5)	(60.1)
Dividend income		1.7	1.3	1.4	1.0	2.6
Dividends paid		(449.2)	(386.9)	(334.2)	(150.9)	(174.3)
Net cash inflow from operating activities		706.5	392.3	389.3	486.4	279.4
Investment in future operations		(1 745.8)	(869.5)	(113.2)	(98.7)	(43.2)
Replacement of property, plant and equipment		(169.5)	(154.9)	(124.7)	(120.8)	(306.3)
Proceeds on disposal of businesses		120.0	–	–	–	429.9
Other movements		(38.4)	(13.1)	30.4	43.9	26.6
Net cash (outflow)/inflow from investing activities		(1 833.7)	(1 037.5)	(207.5)	(175.6)	107.0
Net cash (outflow)/inflow before financing activities		(1 127.2)	(645.2)	181.8	310.8	386.4
Long term borrowings raised/(repaid)		170.6	796.4	(16.4)	(15.2)	(133.1)
Short term borrowings raised/(repaid)		482.0	(64.5)	130.2	(42.9)	(169.1)
Capitalised finance leases repaid		–	(0.6)	(0.8)	(0.2)	(0.5)
Proceeds from issue of share capital		6.5	6.5	56.1	15.9	18.2
Net cash inflow/(outflow) from financing activities		659.1	737.8	169.1	(42.4)	(284.5)
Net (decrease)/increase in cash and cash equivalents		(468.1)	92.6	350.9	268.4	101.9
Earnings and dividends per share						
Earnings	1 cents	210.9	171.7	149.5	105.8	15.4
Headline earnings	2 cents	211.6	171.6	149.1	104.2	45.9
Dividends (interim - paid; final - declared)	cents	106.0	85.5	75.0	62.5	25.5
Dividend cover on headline earnings	3 times	2.0	2.0	2.0	1.7	1.8

FUNDING OF TOTAL ASSETS (Rm)



CASH GENERATION (Rm)

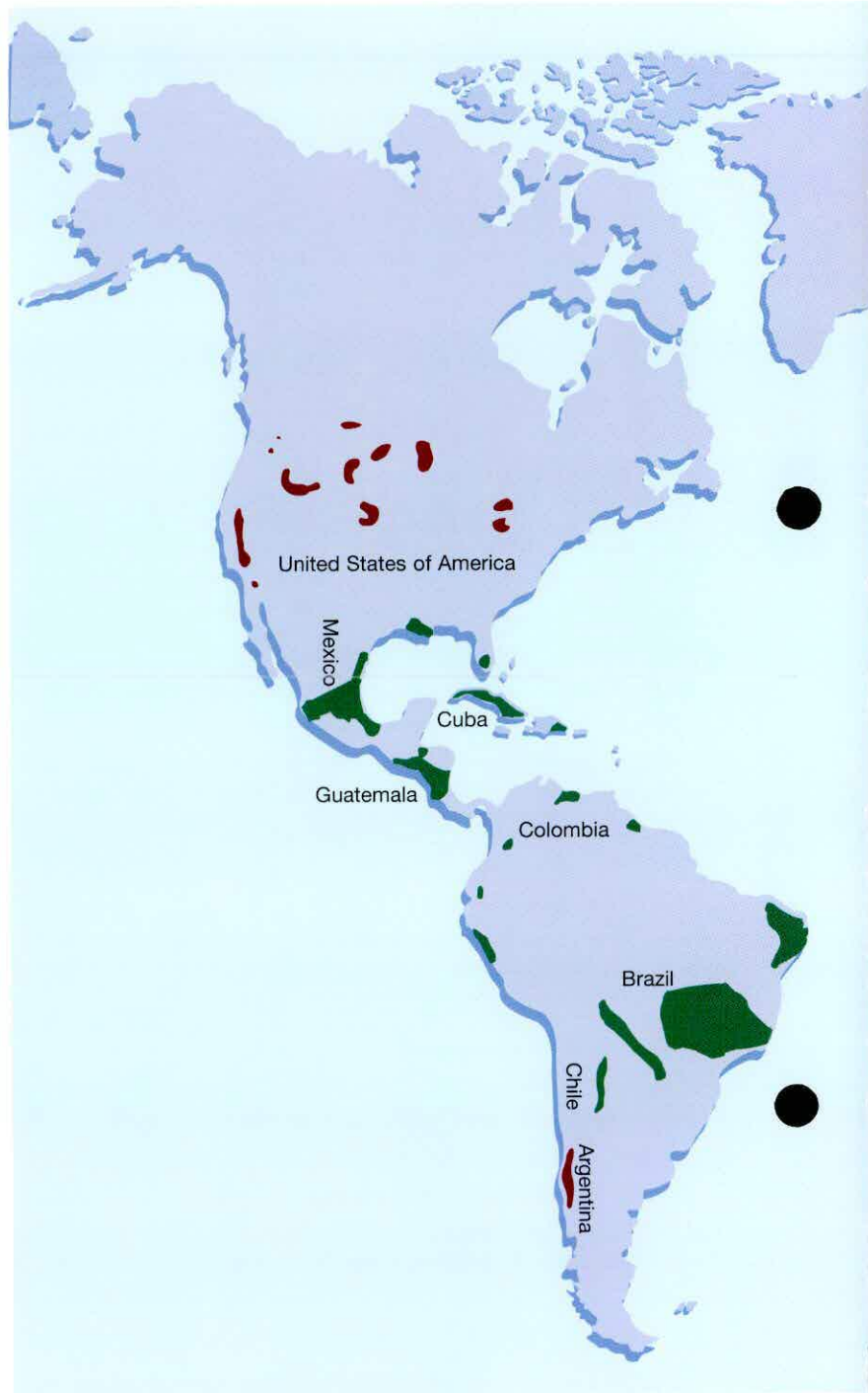


World of sugar

More than 100 countries produce sugar, about 80% of which is made from sugar cane grown primarily in the tropical and sub-tropical zones of the southern hemisphere, and the balance from sugar beet which is grown mainly in the temperate zones of the northern hemisphere. Generally, the costs of producing sugar from sugar cane are lower than those in respect of processing sugar beets. Currently, 70% of the world's sugar is consumed in the countries of origin, whilst the balance is traded on world markets.

(Source: ED&F Man - 2008/09, Oct/Sep basis.)

Cane
 Beet



In the accompanying tables, production and exports are measured in millions of tons (raw value), population in millions and per capita consumption in kilograms. (#) denotes that country's ranking in terms of world exports.

	Production	Exports	Population	Per capita consumption
BRAZIL	38.633	23.685 (1)	198	58
INDIA	16.304	0.237 (15)	1 166	19
EU	14.865	0.707 (9)	500	34
CHINA	13.587	-	1 338	10
THAILAND	7.717	5.004 (2)	66	36

Notes –

1. Earnings per share

Net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

2. Headline earnings per share

Headline earnings divided by the weighted average number of ordinary shares in issue.

3. Dividend cover on headline earnings

Headline earnings per share divided by dividends per share (interim - paid; final - declared).

4. Return on average shareholders' equity

Net profit attributable to ordinary shareholders expressed as a percentage of average shareholders' equity.

5. Return on net assets

Profit before net financing costs and taxation expressed as a percentage of average net operating assets.

6. Return on total assets

Operating profit including income from investments, expressed as a percentage of total average assets.

7. Working capital per rand of revenue

Average of inventories and accounts receivable less accounts payable, divided by revenue.

8. Debt : equity ratio

Interest-bearing liabilities including preference shares (net of cash) divided by total equity.

9. Total liabilities to total equity

Interest-bearing liabilities and other liabilities expressed as a percentage of total equity.

10. Current ratio

Current assets divided by current liabilities.

11. Interest cover

Operating profit divided by net financing costs.

12. Total number of employees at year-end

The number of employees excludes those employed by associate companies.

13. Net asset value per share

Total assets less total liabilities divided by the number of shares in issue.

14. Headline earnings yield at year-end

Headline earnings per share as a percentage of year-end market price.

15. Dividend yield at year-end

Dividend per share (interim - paid, final - declared) as a percentage of year-end market price.

16. Price : headline earnings ratio at year-end

Year-end market price divided by headline earnings per share.

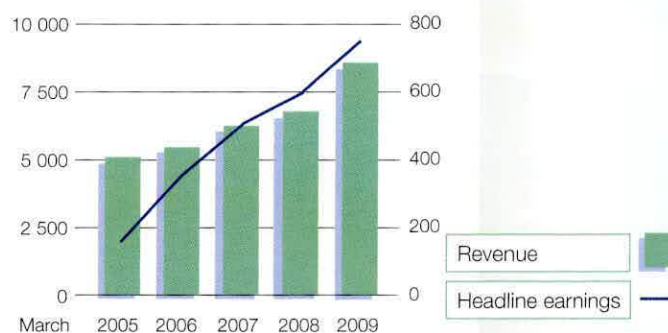
17. Change in accounting policy

Where a change of accounting policy is implemented with retrospective application, the previous year is restated but all other years are not restated in the five year review.

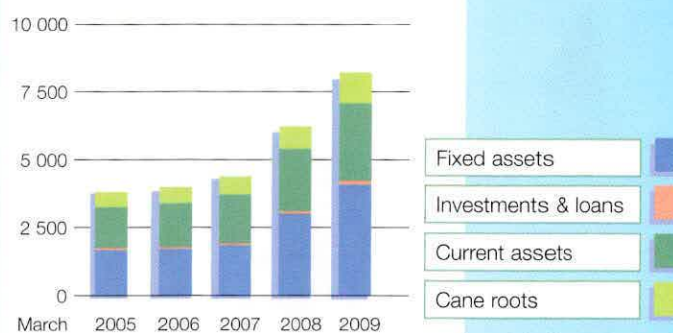
Five year review

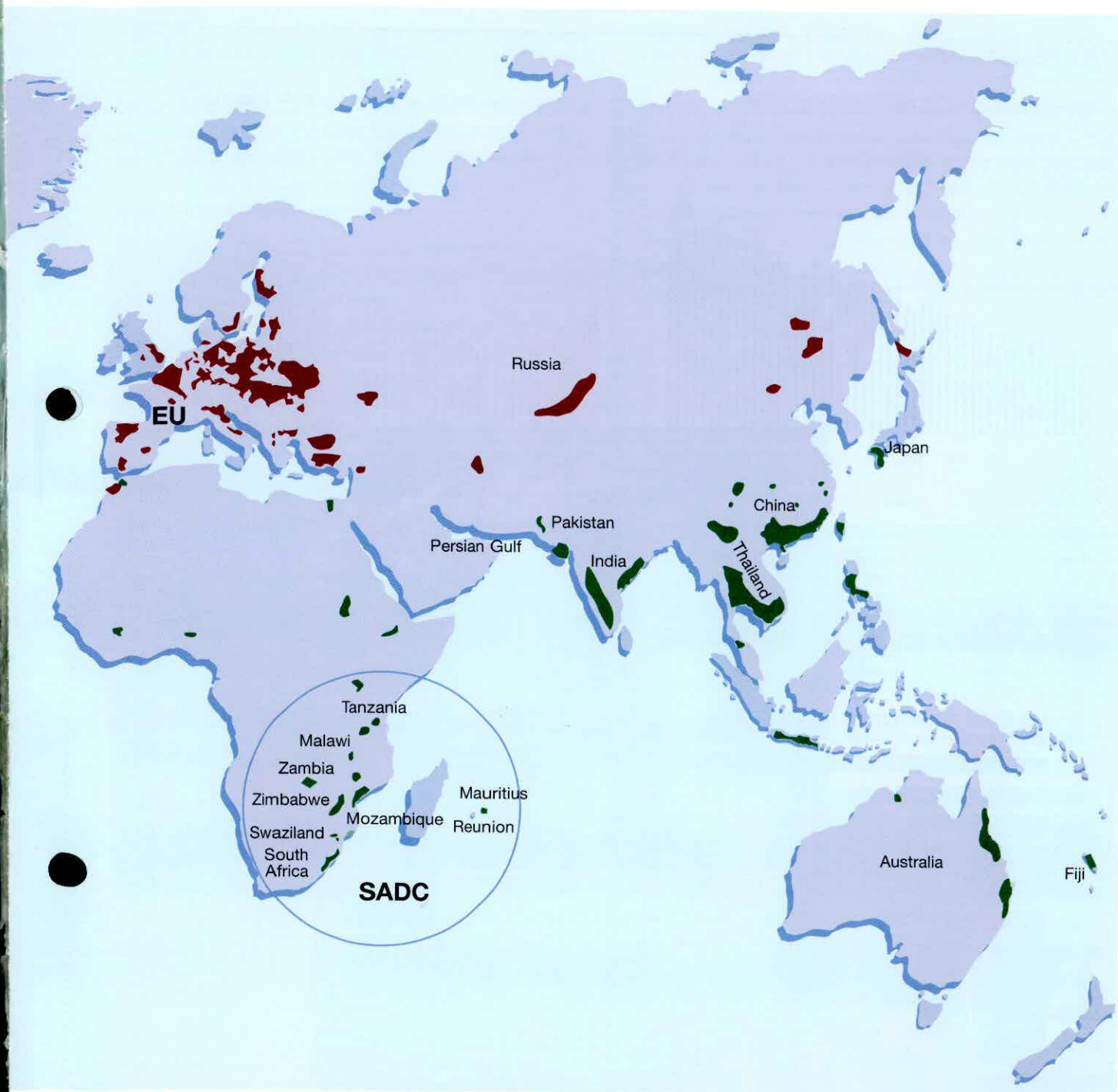
Rm	2009	2008	2007	2006	2005
Consolidated income statement					
Revenue	8 601.7	6 794.1	6 263.6	5 468.8	5 102.7
Operating profit	1 386.2	1 064.5	1 034.3	751.5	423.7
Net financing costs	185.4	171.7	97.8	101.9	156.5
Profit before taxation and material items	1 202.5	894.1	937.9	650.6	269.8
Net profit attributable to ordinary shareholders	739.1	599.8	516.5	357.7	51.7
Headline earnings	741.8	599.6	515.3	352.4	153.8
Reconciliation of headline earnings					
Net profit attributable to ordinary shareholders	739.1	599.8	516.5	357.7	51.7
Adjusted for:					
Loss/(profit) on disposal of property, plant and equipment	2.7	(0.2)	(1.2)	(5.3)	5.1
Loss on disposal of business	-	-	-	-	97.0
Headline earnings	741.8	599.6	515.3	352.4	153.8
Consolidated balance sheet					
Property, plant and equipment	4 087.7	3 014.5	1 841.0	1 704.9	1 661.6
Cane roots	1 132.3	821.7	661.6	589.1	543.7
Investments and loans	150.2	90.3	74.2	68.6	86.9
Current assets	2 894.2	2 336.3	1 891.4	1 633.5	1 519.7
Total assets	8 264.4	6 262.8	4 468.2	3 996.1	3 811.9
Equity attributable to shareholders of Illovo Sugar	2 773.8	2 373.3	1 771.7	1 425.5	1 135.0
Minority interest	671.2	555.6	456.6	388.0	330.9
Total equity	3 445.0	2 928.9	2 228.3	1 813.5	1 465.9
Deferred taxation	701.1	639.0	574.3	481.5	430.5
Net borrowings	2 411.1	1 168.3	271.7	441.0	801.6
Interest-free liabilities	1 707.2	1 526.6	1 393.9	1 260.1	1 113.9
Total equity and liabilities	8 264.4	6 262.8	4 468.2	3 996.1	3 811.9

REVENUE AND HEADLINE EARNINGS (Rm)



ASSETS EMPLOYED (Rm)





	Production	Exports	Population	Per capita consumption
UNITED STATES	6.924	-	307	29
MEXICO	5.761	0.707 (9)	111	49
SADC	5.309	1.793 (4)	139	19
AUSTRALIA	4.810	4.225 (3)	21	45
PAKISTAN	4.239	-	176	23

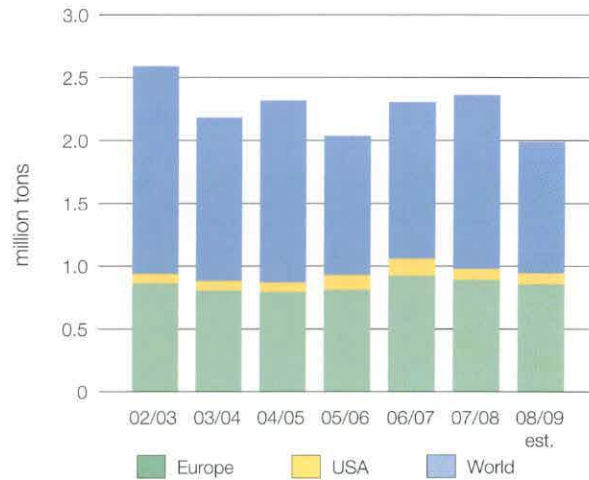
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY STATISTICS

The SADC sugar season runs from April to March

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

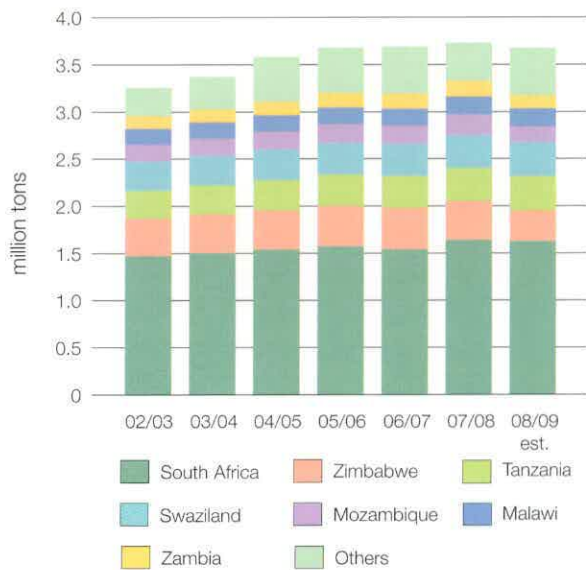
SADC countries	Sugar producers
Angola	
Botswana	
D R Congo	
Lesotho	
Madagascar	
Malawi	
Mauritius	
Mozambique	
Namibia	
Seychelles	
South Africa	
Swaziland	
Tanzania	
Zambia	
Zimbabwe	

EXPORT MARKETS



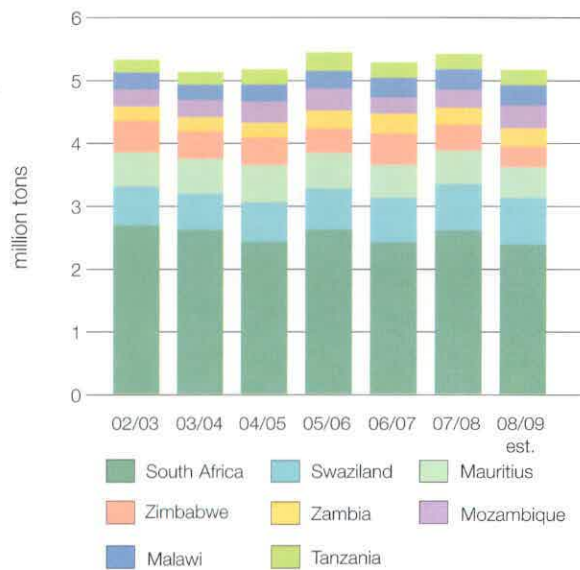
Exports to premium-priced markets in the EU and USA are very important to SADC sugar producing countries.

LOCAL CONSUMPTION



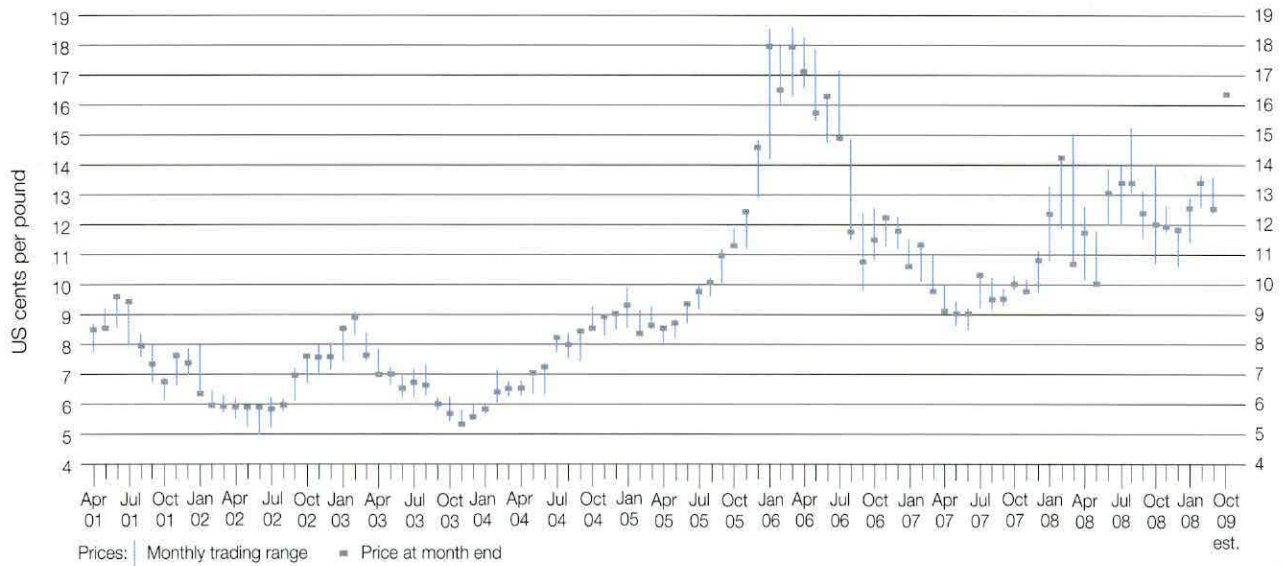
Annual sugar consumption across the SADC region was forecast to remain above 3.5 million tons.

SUGAR PRODUCTION BY COUNTRY



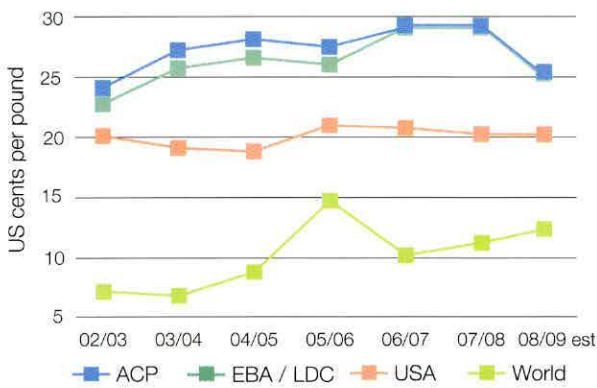
Approximately 5.2 million tons of sugar was estimated to be produced by SADC countries in 2008/09.

WORLD RAW SUGAR PRICE



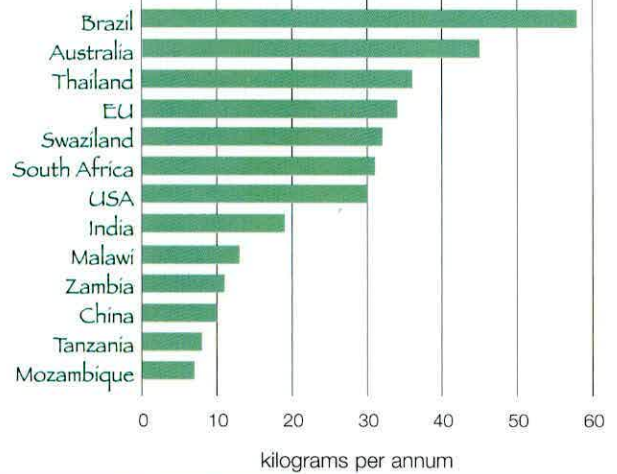
The world sugar price rose in June 2008 as a result of a forecast deficit in global production, but then weakened in line with other commodities. However, in recent months the price increased strongly, driven by significant production declines in major sugar producing countries, most notably India. This has resulted in a material global deficit in production being anticipated, thereby creating a platform for higher sugar prices.

PREFERENTIAL PRICES (FREE ON BOARD)



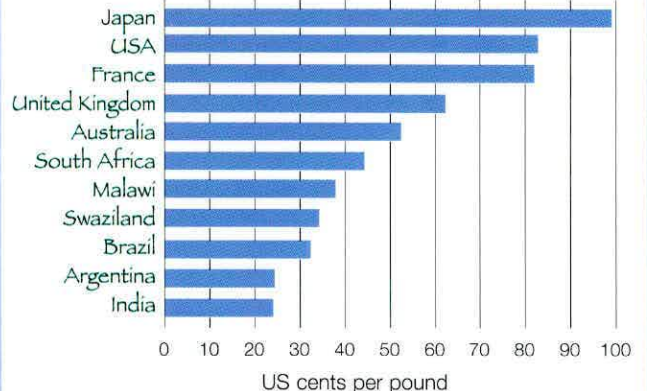
Whilst EU prices have decreased as a result of the recent sugar regime reform in that region, they still remain at a significant premium to the world sugar price. A uniform price is paid for both ACP (African, Caribbean and Pacific) and EBA / LDC (Everything But Arms / Least Developed Country) sugar protocol exports.

PER CAPITA CONSUMPTION 2008/09 est.



Prospects for long-term consumption growth in Southern African countries remain good.

DOMESTIC RETAIL SUGAR PRICES 2008/09 est.

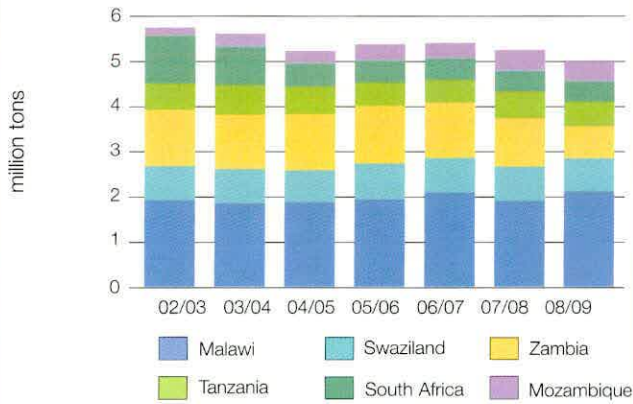


Sugar prices in the South African Customs Union remain substantially below those of some developed nations.

ILLOVO GROUP STATISTICS

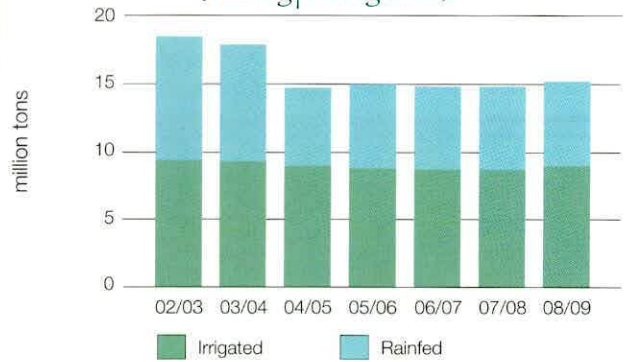
The group sold its operation in the USA in 2004.

CANE PRODUCTION



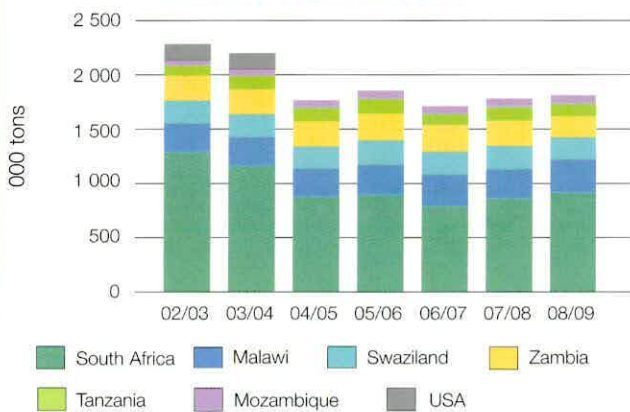
Overall, the agricultural operations performed well, with record cane production achieved at both estates in Malawi, and increased sucrose content recorded in all countries of operation except South Africa. Cane deliveries in Zambia were negatively impacted by factory operating difficulties and an exceptionally wet end to the season.

RAW MATERIAL THROUGHPUT (including private growers)



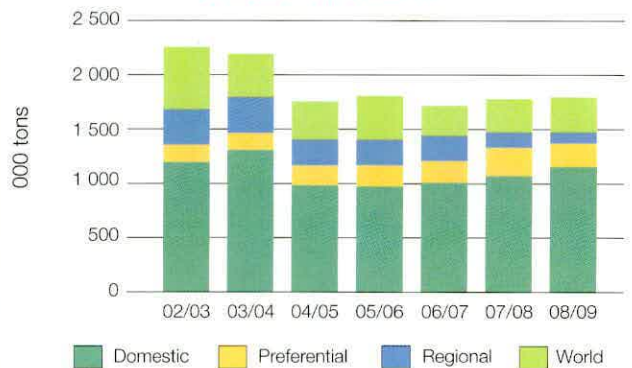
Approximately 55% of cane throughput supplied by the group's own agricultural operations and by private growers is cultivated under irrigation. Excluding South Africa, this percentage increases to 91%.

SUGAR PRODUCTION



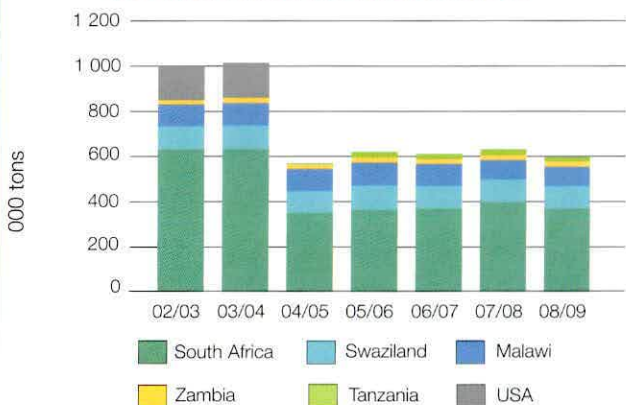
Record sugar production was achieved in Malawi and Mozambique. Unfortunately, disappointing factory performance and very wet weather at the end of the season in Zambia, impacted on overall sugar production of 1.824 million tons.

GROUP MARKETS



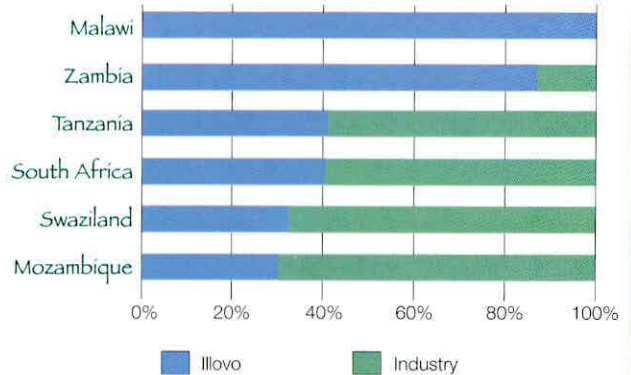
The group supplies sugar products to domestic, preferential, regional and world markets. A significant strength of the group was that 76% of sugar production by volume and 91% by value was sold into the domestic or premium-priced export markets.

REFINED SUGAR PRODUCTION



Group refined sugar production in 2008/09 amounted around 600 million tons, slightly below that of the previous season due to reduced output in South Africa and Tanzania.

ILLOVO SHARE OF INDUSTRY PRODUCTION

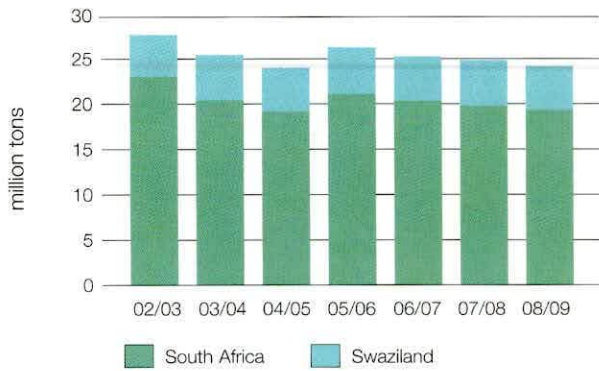


Consistent with its Strategic Intent, Illovo commands a significant share of production in each of the countries in which it operates.

SOUTH AFRICAN CUSTOMS UNION STATISTICS

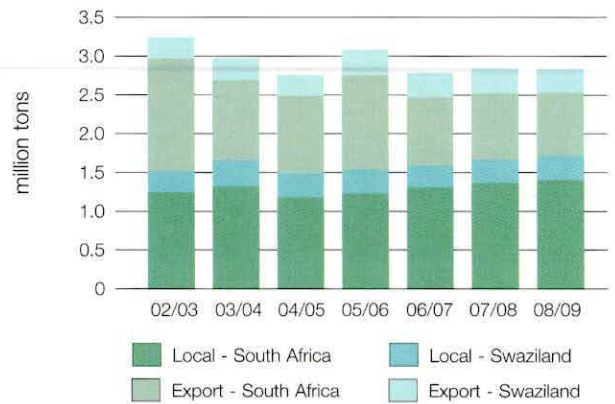
The Southern African sugar season runs from April to March

CANE PRODUCTION



Total cane production in the SACU region amounted to 24.2 million tons, slightly lower than that of the previous season due primarily to weather related factors.

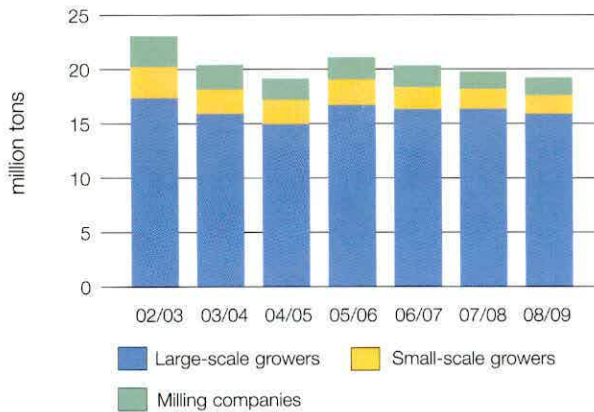
SUGAR PRODUCTION AND MARKETS



The export availability of both Swaziland and South Africa was again marginally reduced due to increased domestic sales.

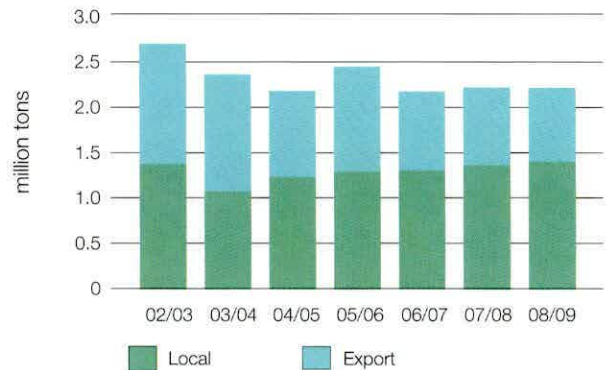
SOUTH AFRICAN STATISTICS

CANE PRODUCTION



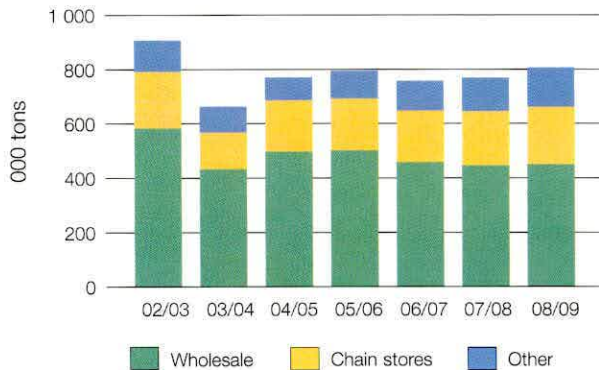
Cane production in 2008/09 amounted to 19.2 million tons, representing a marginal reduction compared to the previous season due to drier growing conditions. However, over the longer term, annual production is also being affected by the employment of traditional cane growing regions for other uses and by the uncertainty created by unsettled land claims.

SUGAR PRODUCTION AND MARKETS



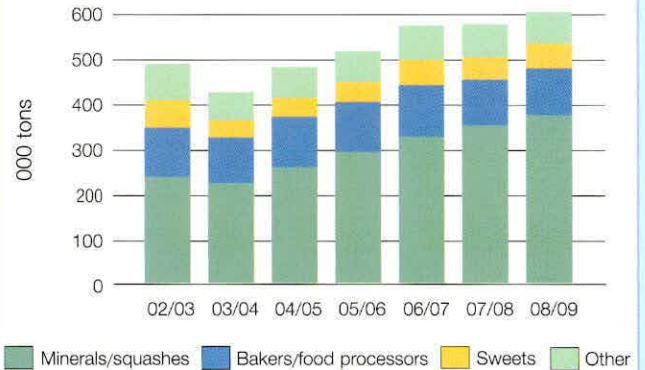
Sugar production of 2.3 million tons in South Africa was similar to last year, benefiting from conducive conditions during the crushing season.

CONSUMER MARKET SALES



Domestic sales growth continued in 2008/09, despite the increased presence of duty-paid imports in this sector of the market.

INDUSTRIAL MARKET SALES



Good demand from manufacturers of sugar-containing products during 2008/09 resulted in increased industrial sales.

Auditor's report

Independent auditor's report to the members of Illovo Sugar Limited

Report on the financial statements

We have audited the annual financial statements and the group annual financial statements of Illovo Sugar Limited, which comprise the statutory information, the balance sheet and the consolidated balance sheet at 31 March 2009, the income statement and the consolidated income statement, the cash flow statement and the consolidated cash flow statement, the statement of changes in equity and the consolidated statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 63 to 103.

Directors' responsibility for the financial statements

The company's directors are responsible for overseeing the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1973. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group at 31 March 2009 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1973.

Deloitte & Touche

Registered Auditors

Per C A Sagar Durban 2 Pencarrow Crescent
Partner 26 May 2009 La Lucia Ridge Office Estate, Durban

National Executive: G G Gelink (Chief Executive), A E Swiegers (Chief Operating Officer), G M Pinnock (Audit),
D L Kennedy (Tax & Legal and Financial Advisory), L Geeringh (Consulting), L Bam (Corporate Finance), C R Beukman (Finance),
T J Brown (Clients & Markets), N T Mtoba (Chairman of the Board).

Regional Leader: G C Brazier

Lodgement of returns with the Registrar of Companies

I hereby certify that for the year ended 31 March 2009, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973, and that all such returns are true, correct and up to date.

G D Knox Mount Edgecombe
Company Secretary 26 May 2009

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Approval of annual financial statements for the year ended 31 March 2009

The directors of Illovo Sugar Limited are responsible for overseeing the preparation and the integrity of the annual financial statements of the group and the company and the objectivity of other information presented in this report.

In order to fulfil this responsibility, the group maintains internal accounting and administrative control systems designed to provide assurance that assets are safeguarded and that transactions are executed and recorded in accordance with the group's policies and procedures.

The annual financial statements, prepared in terms of International Financial Reporting Standards and the Companies Act, 1973, are examined by independent auditors in conformity with International Standards on Auditing.

An audit committee of the board of directors, chaired by a non-executive independent director, meets periodically with the auditors and management to discuss internal accounting controls and auditing and financial reporting matters. The auditors have unrestricted access to the audit committee.

The annual financial statements of the group and the company which were prepared on the going concern basis and which appear on pages 63 to 103, were approved by the board of directors on 26 May 2009 and are signed on its behalf by -

R A Williams
Chairman

G J Clark
Managing Director

Statutory information continued

the closing market prices of Illovo shares on the JSE Limited for the 30 trading days immediately preceding the grant date of the relevant option. The cash settlement amount of an option is equal to the difference between the closing market price of Illovo shares on the date upon which an option is exercised and the grant price. The participants will receive the equivalent net proceeds as under the option scheme, but without incurring broking fees which are payable under the option scheme upon the disposal of shares.

The advantages to the company in adopting the phantom scheme include –

- ◇◇ no necessity to issue new shares when options are exercised, i.e. no share dilution;
- ◇◇ ease of administration; and
- ◇◇ tax effectiveness of expense in the hands of the company (expensing of conventional options not being tax deductible).

The Remuneration / Nomination Committee approves the granting of all share options in terms of the phantom scheme.

Options granted to executive directors and senior managers as at 31 March 2009 comprise –

	No. of shares
Options granted and unexpired as at 1 April 2008	4 187 250
New options granted during the year under review	1 431 250
Less : Options forfeited during the year under review	(229 500)
Options granted and unexpired as at 31 March 2009	5 389 000

During the year under review, 198 600 options were exercised.

The options granted, and unexpired and unexercised as at 31 March 2009 are categorised as –

No. of shares	Expiry date	Option price (cents)
1 773 650	12 July 2015	829
945 500	29 October 2016	1 634
1 081 500	23 July 2017	2 364
1 389 750	9 July 2018	2 867
5 190 400		

Details of options granted to executive directors, any options exercised during the year, and options unexpired and unexercised as at 31 March 2009 are provided in the Remuneration Report on page 37.

Illovo Sugar Employees' Share Purchase Scheme

The Illovo Sugar Employees' Share Purchase Scheme (the purchase scheme) was established in 1996 to give employees the opportunity of sharing directly in the profitability and growth of the company by assisting them to acquire shares in the company. Subject to exchange

control regulations, the purchase scheme is available to all permanent employees, except directors and those employees who are participants in the option scheme or the phantom scheme.

Any contribution made by an employee for the purchase of shares is enhanced by a 10% company contribution, and the company pays for any trading costs. Either by means of regular salary deductions or once-off payments, employees may acquire up to 5 000 shares in the aggregate and 1 000 shares in a continuous 12 month period.

The purchase scheme is administered by a trust, the trustees of which are appointed by the board.

During the year under review, the trustees of the purchase scheme undertook net purchases of 12 842 shares in the company thereby increasing the total number of shares held to 113 983. Of these shares, which are all registered in the name of the trustees, 113 981 are held on behalf of 384 participants. All such shares have been fully paid for by the participants.

A similar purchase scheme is operated in Malawi in respect of shares in Illovo Sugar (Malawi) Limited.

Dividends

An interim ordinary dividend (No. 34) of 41.5 cents per share was declared on 12 November 2008, and a final ordinary dividend (No. 35) of 64.5 cents per share was declared on 26 May 2009, making the total distribution for the year 106.0 cents per share.

The interim dividend was paid on 12 January 2009 and the final dividend will be paid on 13 July 2009.

Subsidiary companies

The names and financial information concerning the subsidiaries of the company are set out in note 14 to the financial statements on page 86.

Directorate and secretary

The names of the directors in office at the date of this report are set out on page 6 and 7 of this report, whilst the name of the secretary along with the company's business and postal addresses are set out on inside the back cover.

Mrs C W N Molohe was appointed as a non-executive independent director on 16 September 2008, whilst Mrs I N Mkhize resigned and Mr J T Russell retired as directors on 31 March 2009. Mr D G MacLeod retired as Managing Director on 31 March 2009 and became a non-executive director and Deputy Chairman on 1 April 2009. Mr G J Clark was appointed as Managing Director with effect from 1 April 2009. Messrs D L Haworth and L W Riddle were appointed as executive directors with effect from 1 April 2009.

The proposal to confirm the appointments of Mrs Molohe and Messrs Haworth and Riddle is to be considered at the forthcoming annual general meeting.

Mr R A Norton will retire at the forthcoming annual general meeting, from which date Mr M J Shaw will succeed Mr Norton as Chairman of the Remuneration Committee.

Statutory information

Nature of business

The nature of business of the company and its subsidiaries is fully described under the Group profile appearing on page 2.

Review of operations

Detailed commentary is given on pages 14 to 30.

Acquisitions and disposals

During the year under review, the company sold the Umfolozi sugar mill on the north coast of KwaZulu-Natal to a grower consortium, effective 31 March 2009.

Share capital

Full details of the current authorised and issued share capital are set out in note 24 to the financial statements on page 90.

During the year under review, the issued ordinary share capital of the company increased by 1 065 102 shares to 350 923 902 shares as a result of options being exercised in terms of the Illovo Sugar 1992 Share Option Scheme.

It is intended that a rights issue be undertaken by the company to raise fresh capital to provide for current and longer term growth plans. Shareholders will be advised further as this matter is progressed, and an enabling resolution in this regard is to be considered at the forthcoming annual general meeting.

Shareholders

An analysis of shareholders and their shareholdings is given on page 104.

Pursuant to the provisions of Section 140A of the Companies Act, 1973, an analysis of the relevant disclosures by nominee shareholders as at 31 March 2009 revealed three beneficial shareholdings equal to or exceeding 5% of the issued ordinary share capital. Details are given on page 104.

Illovo Sugar 1992 Share Option Scheme

During the financial year ended 31 March 2006, the introduction of the Illovo Sugar Phantom Share Scheme, which is more fully explained on pages 63 and 64, replaced the further granting of share options in terms of the Illovo Sugar 1992 Share Option Scheme (the option scheme). The option scheme, however, continues to operate relative to share options previously granted.

The Remuneration / Nomination Committee previously approved the granting of all share options in terms of the option scheme. Vesting periods for the share options are one-third after three years, two-thirds after four years, and the full allocation after five years, with the maximum period for the exercising of options being ten years. In terms of the rules of the option scheme, all share options were granted at the closing market price of the shares on the JSE Limited on the trading day immediately preceding the day on which the relevant options were granted.

As approved at the annual general meeting of members held on 17 July 2002, a total of 33 000 000 ordinary shares were reserved and placed under the control of the

directors for the purpose of the option scheme.

Options granted to executive directors and senior managers as at 31 March 2009 comprise –

	No. of shares
Options granted and unexpired as at 1 April 2008	27 866 400
Less : Options forfeited during the year under review	(41 300)
Options granted and unexpired as at 31 March 2009	27 825 100

The option scheme, other than the future exercising of existing unexpired options, has been closed.

During the year under review, options were exercised in respect of 1 065 102 shares which were allotted and issued by the directors, bringing the aggregate number of shares allotted and issued since the inception of the option scheme to 25 281 002.

The options granted, and unexpired and unexercised as at 31 March 2009 are categorised as –

No. of shares	Expiry date	Option price (cents)
176 600	29 August 2009	562
61 200	11 July 2010	443
88 800	12 September 2010	520
251 200	6 June 2011	650
363 898	20 May 2012	805
841 700	20 May 2013	680
760 700	1 June 2014	770
2 544 098		

Details of options previously granted to executive directors, any options exercised during the year, and options unexpired and unexercised as at 31 March 2009, are provided in the Remuneration Report on page 36.

Illovo Sugar Phantom Share Scheme

The board approved the adoption of the Illovo Sugar Phantom Share Scheme (the phantom scheme) in 2005, and in 2007 introduced certain performance hurdles related to the future earnings of the company.

Whilst the rules of the phantom scheme are modelled on those of the option scheme, the important difference is that options under the phantom scheme are "cash settled" rather than "equity settled". The vesting periods remain unchanged; one-third becoming vested on each of the third, fourth and fifth anniversaries of the relevant grant date, with the maximum period for the exercising of options being ten years.

In terms of the rules of the phantom scheme, the grant price of an option is determined as being equal to the average of

Income statements for the year ended 31 March 2009

	Notes	Group		Company	
		March 2009 Rm	March 2008 Rm	March 2009 Rm	March 2008 Rm
Revenue	4	8 601.7	6 794.1	3 762.0	3 033.9
Cost of sales		5 500.7	4 401.9	3 087.4	2 435.2
Gross profit		3 101.0	2 392.2	674.6	598.7
Distribution expenses		540.6	434.6	197.7	184.4
Administrative expenses		926.7	694.7	320.6	208.8
Other operating expenses/(income)		247.5	198.4	(13.4)	(0.1)
Operating profit	5	1 386.2	1 064.5	169.7	205.6
Dividend income		1.7	1.3	15.3	563.5
Net financing costs	6	185.4	171.7	181.6	149.4
Interest paid		230.6	208.5	203.8	155.0
Interest received		(44.5)	(37.9)	(22.2)	(5.6)
Foreign exchange (gains)/losses		(0.7)	1.1	-	-
Profit before taxation and material items		1 202.5	894.1	3.4	619.7
Material items	7	0.3	(0.1)	-	54.3
Profit before taxation		1 202.8	894.0	3.4	674.0
Taxation	8	238.9	140.7	32.5	38.4
Profit/(loss) for the year		963.9	753.3	(29.1)	635.6
Attributable to:					
Shareholders of Illovo Sugar Limited		739.1	599.8	(29.1)	635.6
Minority interest		224.8	153.5		
		963.9	753.3	(29.1)	635.6
Earnings per share (cents)*					
Basic		210.9	171.7		
Diluted		209.8	170.5		

* See note 10 for headline earnings per share.

In terms of the company's articles of association, Messrs G J Clark, D R Langlands, P A Lister, B M Stuart, R A Williams and Dr M I Carr retire by rotation at the forthcoming annual general meeting. All these directors are eligible and offer themselves for re-election. The executive directors, including those proposed for re-election, are employed in terms of indefinite period service contracts, with notice periods of less than one year.

The beneficial interests of the directors holding office at the end of the year under review in the issued ordinary share capital of the company as at 31 March 2009 were as follows –

	2009		2008	
	Direct	Indirect	Direct	Indirect
Clark G J	75 000		14 698	
Connellan B P	12 358	1 588	12 358	1 588
Hankinson M J	3 000		n/a	
MacLeod D G	300 000		300 000	
Stuart B M	62 908		62 908	
Williams R A	18 223	3 479	18 223	3 479
	471 489	5 067	408 187	5 067
Total	476 556		413 254	

No non-beneficial interests were held by any of the directors.

There have been no changes in the above interests since the end of the year under review.

The register of interests of directors and others in the shares of the company is available for inspection at the registered office.

Directors' fees

At the forthcoming annual general meeting, members will be requested to approve increases in the fees payable to non-executive directors with effect from 1 April 2009 as follows –

	Rands per annum	
	Current	Proposed
Board :		
Chairman *	1 640 000	1 820 000
Deputy Chairman *	–	1 200 000
Other members	150 000	180 000
Audit Committee :		
Chairman	118 000	135 000
Other members	70 000	78 000
Remuneration / Nomination Committee :		
Chairman	94 000	105 000
Other members	70 000	78 000
Risk Management Committee :		
Chairman	77 000	86 000
Other members	60 000	67 000

* Fees inclusive of committee membership fees and payable monthly in arrears. All other fees are paid quarterly in arrears.

Holding company

ABF Overseas Limited is the holding company of Illovo Sugar Limited with a 51% interest in its issued share capital.

ABF Overseas Limited is a wholly-owned subsidiary of Associated British Foods plc which is therefore the ultimate holding company of Illovo Sugar Limited. Associated British Foods plc is listed on the London Stock Exchange.

Auditors

Deloitte & Touche will continue in office in accordance with the provisions of Section 270(2) of the Companies Act, 1973.

Special resolutions passed by subsidiary companies

A number of special resolutions were passed by certain subsidiary companies during the year under review, but are not considered to deal with material matters which would affect the understanding of the group.

Post balance sheet events

On 9 April 2009, it was announced that –

- ◇◇ an agreement to sell the Pongola sugar mill to TSB Sugar RSA Limited had been concluded, subject to approval by the Competition Commission;
- ◇◇ the company had acquired a 30% shareholding in and would provide technical services to a new business entity which had purchased the Gledhow sugar mill unencumbered, previously wholly-owned by Ushukela Milling (Proprietary) Limited (Ushukela). The other shareholders in this new business entity comprise Ushukela, a consortium of supplying cane growers and Sappi Manufacturing (Proprietary) Limited;
- ◇◇ the group had, subject to approval by the Zambia Competition Commission and other regulatory authorities, acquired a majority stake in a cane growing company currently producing 325 000 tons of cane per annum with the potential to further increase output. This operation delivers its cane to the Nakambala sugar mill of Zambia Sugar Plc.

Statement of changes in equity

	Share capital and premium Rm	Share based payment reserve Rm	Translation reserve Rm	Other non-distributable reserves Rm
Group				
Balance at 31 March 2007	354.5	10.9	39.8	106.5
Net gains and losses not recognised in the income statement:-	-	1.7	269.5	(3.4)
Change in shareholding				(3.4)
Adjustments for cash flow hedges				
Currency translation differences			269.5	
Recognition of share-based payments		1.7		
Transfer to dividend reserve				
Profit for the year				
Dividends paid				
Issue of share capital	6.5			
Balance at 31 March 2008	361.0	12.6	309.3	103.1
Net gains and losses not recognised in the income statement:-	-	0.5	(33.0)	17.1
Realised surplus - disposal of land				0.3
Change in shareholding				
Adjustments for cash flow hedges				16.8
Currency translation differences			(33.0)	
Recognition of share-based payments		0.5		
Transfer to dividend reserve				
Profit for the year				
Dividends paid				
Issue of share capital	6.5			
Balance at 31 March 2009	367.5	13.1	276.3	120.2
Company				
Balance at 31 March 2007	354.5	10.9	-	320.1
Net gains and losses not recognised in the income statement:-	-	1.7	-	(3.8)
Recognition of share-based payments		1.7		
Transfer to dividend reserve				
Adjustments for cash flow hedges				(3.8)
Profit for the year				
Dividends paid				
Issue of share capital	6.5			
Balance at 31 March 2008	361.0	12.6	-	316.3
Net gains and losses not recognised in the income statement:-	-	0.5	-	11.8
Recognition of share-based payments		0.5		
Transfer to dividend reserve				
Adjustments for cash flow hedges				11.8
Profit for the year				
Dividends paid				
Issue of share capital	6.5			
Balance at 31 March 2009	367.5	13.1	-	328.1

Balance sheets at 31 March 2009

	Notes	Group		Company	
		March 2009 Rm	March 2008 Rm	March 2009 Rm	March 2008 Rm
ASSETS					
Non-current assets					
		5 424.2	3 931.9	2 026.0	1 960.4
Property, plant and equipment	11	4 025.9	2 968.1	673.6	656.6
Cane roots	12	1 132.3	821.7	96.6	84.9
Product registrations	13	61.8	46.4	61.8	46.4
Investment in subsidiaries	14			1 165.1	1 165.1
Investment in associates	15			-	-
Investment in joint ventures	16			0.6	1.1
Investments	17	14.8	10.1	1.6	1.2
Loans	18	135.4	80.2	26.7	5.1
Deferred taxation asset	31	54.0	5.4	-	-
Current assets					
		3 549.8	3 512.4	1 318.1	1 290.4
Inventories	19	513.8	407.2	137.2	119.6
Growing cane	20	1 222.9	948.5	90.2	75.5
Trade and other receivables	21	756.3	782.7	447.0	454.4
Factory overhaul costs	22	212.0	197.9	94.8	80.3
Derivative financial instruments	23	189.2	18.2	184.2	18.2
Amounts due by subsidiaries	14			213.8	66.0
Cash and cash equivalents		655.6	1 157.9	150.9	476.4
Total assets					
		8 974.0	7 444.3	3 344.1	3 250.8
EQUITY AND LIABILITIES					
Equity attributable to shareholders of Illovo Sugar Limited					
		2 773.8	2 373.3	1 088.4	1 428.1
Share capital and premium	24	367.5	361.0	367.5	361.0
Share-based payment reserve	25	13.1	12.6	13.1	12.6
Non-distributable reserves	26	396.5	412.4	328.1	316.3
Dividend reserve	27	226.3	183.7	226.3	183.7
Retained earnings	28	1 770.4	1 403.6	153.4	554.5
Minority interest		671.2	555.6		
Total equity					
		3 445.0	2 928.9	1 088.4	1 428.1
Non-current liabilities					
		1 885.6	1 835.9	130.5	129.1
Long term borrowings	29	1 130.5	1 191.5	-	-
Deferred taxation liability	31	755.1	644.4	130.5	129.1
Current liabilities					
		3 643.4	2 679.5	2 125.2	1 693.6
Short term borrowings	30	1 803.4	1 052.0	1 138.8	977.3
Trade and other payables	32	1 310.9	1 194.1	615.5	461.7
Bank overdraft		132.8	82.7	0.5	-
Taxation		114.5	102.3	-	-
Provisions	33	276.6	239.8	172.8	148.2
Amounts due to subsidiaries	14			192.4	97.8
Derivative financial instruments	23	5.2	8.6	5.2	8.6
Total liabilities					
		5 529.0	4 515.4	2 255.7	1 822.7
Total equity and liabilities					
		8 974.0	7 444.3	3 344.1	3 250.8

Cash flow statements for the year ended 31 March 2009

	Notes	Group		Company	
		March 2009 Rm	March 2008 Rm	March 2009 Rm	March 2008 Rm
Cash flows from operating activities					
Operating profit before working capital movements	a	1 206.9	1 055.0	237.3	307.5
Working capital movements	b	362.8	46.2	(24.3)	(101.7)
Cash generated from operations		1 569.7	1 101.2	213.0	205.8
Net financing costs		(185.4)	(171.7)	(181.6)	(149.4)
Taxation paid	c	(230.3)	(151.6)	(40.2)	(37.7)
Dividends income		1.7	1.3	15.3	563.5
Dividends paid	d	(449.2)	(386.9)	(329.4)	(272.5)
Net cash inflow/(outflow) from operating activities		706.5	392.3	(322.9)	309.7
Cash flows from investing activities					
Replacement of property, plant and equipment		(169.5)	(154.9)	(74.1)	(41.7)
Expansion capital expenditure		(1 496.2)	(837.0)	(1.9)	(3.6)
Expansion of area under cane		(200.3)	-	-	-
Capitalisation of product registrations		(15.4)	(11.7)	(15.4)	(11.7)
Proceeds on disposal of plant and equipment		4.0	2.3	0.7	1.5
Proceeds on disposal of properties		0.6	-	0.1	-
Research expenditure		(33.9)	(20.8)	(30.8)	(20.8)
Acquisition of investments		-	-	-	(309.7)
Acquisition of businesses	e	-	-	-	-
Proceeds on disposal of business	f	120.0	-	120.0	-
Other movements		-	(2.8)	-	-
Net movement on investments and loans		(43.0)	(12.6)	(16.6)	41.7
Net cash outflow from investing activities		(1 833.7)	(1 037.5)	(18.0)	(344.3)
Net cash outflow before financing activities		(1 127.2)	(645.2)	(340.9)	(34.6)
Cash flows from financing activities					
Long term borrowings raised		170.6	796.4	-	-
Short term borrowings raised/(repaid)		482.0	(64.5)	8.9	2.3
Capitalised finance leases repaid		-	(0.6)	-	-
Proceeds from issue of share capital	g	6.5	6.5	6.5	6.5
Net cash inflow from financing activities		659.1	737.8	15.4	8.8
Net (decrease)/increase in cash and cash equivalents		(468.1)	92.6	(325.5)	(25.8)
Cash and cash equivalents					
at beginning of the year	h	1 123.7	1 065.3	476.4	502.2
at end of the year		655.6	1 157.9	150.9	476.4

Dividend reserve Rm	Retained surplus Rm	Attributable to the shareholders of Illovo Sugar Limited Rm	Minority interest Rm	Total Rm
157.0	1 103.0	1 771.7	456.6	2 228.3
299.2	(299.2)	267.8	59.9	327.7
		–	3.1	3.1
		(3.4)		(3.4)
		269.5	56.8	326.3
		1.7		1.7
299.2	(299.2)	–		–
	599.8	599.8	153.5	753.3
(272.5)		(272.5)	(114.4)	(386.9)
		6.5		6.5
183.7	1 403.6	2 373.3	555.6	2 928.9
372.0	(372.3)	(15.7)	10.6	(5.1)
	(0.3)	–		–
		–	3.9	3.9
		16.8		16.8
		(33.0)	6.7	(26.3)
372.0	(372.0)	0.5		0.5
		–		–
	739.1	739.1	224.8	963.9
(329.4)		(329.4)	(119.8)	(449.2)
		6.5		6.5
226.3	1 770.4	2 773.8	671.2	3 445.0
157.0	218.1	1 060.6		
299.2	(299.2)	(2.1)		
		1.7		
299.2	(299.2)	–		
		(3.8)		
	635.6	635.6		
(272.5)		(272.5)		
		6.5		
183.7	554.5	1 428.1		
372.0	(372.0)	12.3		
		0.5		
372.0	(372.0)	–		
		11.8		
	(29.1)	(29.1)		
(329.4)		(329.4)		
		6.5		
226.3	153.4	1 088.4		

Notes to the cash flow statements continued

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
f Proceeds on disposal of business				
The fair value of the assets and liabilities of the business disposed of were as follows:				
Property, plant and equipment	105.6	–	105.6	–
Inventories	6.6	–	6.6	–
Factory overhaul costs	10.0	–	10.0	–
Trade and other payables	(2.2)	–	(2.2)	–
Net asset value disposed of	120.0	–	120.0	–
Profit on disposal of business	–	–	–	–
Net proceeds on disposal of business	120.0	–	120.0	–
g Proceeds from issue of share capital				
During the year the company issued 1 065 102 (2008: 991 000) new shares.	6.5	6.5	6.5	6.5
h Cash and cash equivalents at beginning of year				
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments.				
Cash and cash equivalents at the beginning of the year				
Per the balance sheet	1 157.9	973.7	476.4	502.2
Translation adjustment on opening balance of cash and cash equivalents	(34.2)	91.6		
Per the cash flow statement	1 123.7	1 065.3	476.4	502.2

Notes to the cash flow statements

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
a Operating profit movements is calculated as follows:				
Operating profit	1 386.2	1 064.5	169.7	205.6
Material items	0.3	(0.1)	-	54.3
Total income	1 386.5	1 064.4	169.7	259.9
Add back: Depreciation	215.2	151.7	63.2	56.1
Change in fair value of cane roots	(134.3)	(80.1)	(11.7)	(7.1)
Change in fair value of growing cane	(297.2)	(101.4)	(14.7)	(24.0)
(Profit)/loss on disposal of properties	(0.3)	0.1	-	-
Loss/(profit) on disposal of plant and equipment	2.6	(2.2)	(0.5)	0.1
Research expenditure	33.9	20.8	30.8	20.8
Share-based payments expense	0.5	1.7	0.5	1.7
Operating profit before working capital movements	1 206.9	1 055.0	237.3	307.5
b Working capital movements comprise the following:				
Inventories	(122.8)	(29.8)	(17.5)	(6.6)
Trade and other receivables	(113.7)	(99.8)	(219.7)	(26.6)
Factory overhaul costs	(21.3)	(15.7)	(15.6)	(7.6)
Trade and other payables	620.6	191.5	228.5	(60.9)
Working capital movements	362.8	46.2	(24.3)	(101.7)
c Taxation paid is reconciled to the amounts disclosed in the income statements as follows:				
Amounts (unpaid)/overpaid at beginning of year	(77.7)	(96.0)	12.4	9.5
Translation rate adjustment	(8.7)	(7.5)	-	-
Per income statements (excluding deferred taxation)	(229.2)	(125.8)	(35.6)	(34.8)
Amounts unpaid/(overpaid) at end of year, net of overpayments	85.3	77.7	(17.0)	(12.4)
Total taxation paid	(230.3)	(151.6)	(40.2)	(37.7)
d Dividends paid are reconciled as follows:				
Dividend paid to shareholders of Illovo Sugar Limited (per note 9 to the financial statements)	(329.4)	(272.5)	(329.4)	(272.5)
Dividends paid to outside shareholders of subsidiary companies	(119.8)	(114.4)	-	-
Total dividends paid	(449.2)	(386.9)	(329.4)	(272.5)
e Acquisition of businesses				
The fair value of the assets acquired and liabilities assumed of businesses acquired were as follows:				
Property, plant and equipment	110.1	-	110.1	-
Inventories	6.7	-	6.7	-
Trade and other receivables	2.6	-	116.8	-
Factory overhaul costs	8.9	-	8.9	-
Trade and other payables	(3.2)	-	(46.7)	-
Net asset value acquired	125.1	-	195.8	-
Portion of purchase price paid by releasing the seller's obligation	(125.1)	-	(125.1)	-
Portion of purchase price settled through inter-company	-	-	(70.7)	-
Cash cost of acquisition	-	-	-	-

Notes to the financial statements continued

1.4 Interests in joint ventures

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control: that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly-controlled entities. The group reports its interests in jointly-controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Where the group transacts with its jointly-controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

1.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the term of the relevant lease.

1.7 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in Currency Units using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Notes to the financial statements

1 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards. This is consistent with the prior year.

The principal accounting policies adopted are set out below.

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group, except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

1.2 Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Goodwill is not amortised but is tested for impairment at each balance sheet date and impairments are written off in the income statement. Goodwill impairments are not reversed.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

1.3 Investments in associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate are not recognised unless there is a commitment or guarantee that requires further funding.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate.

1.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy.

Depreciation is charged so as to write off the cost of assets to their residual value over their estimated useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use and is calculated at rates appropriate in terms of management's current assessment of useful lives and residual values. Land is not depreciated.

Management reviews the residual values annually, considering market conditions and projected disposal values. In the annual assessment of useful lives, maintenance programmes and technological innovations are considered.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.12 Cane roots and growing cane

Cane roots and growing cane are valued at fair value determined on the following bases:

Cane roots - the escalated average cost, using appropriate inflation related indices, of each year of planting adjusted for the remaining expected life.

Growing cane - the estimated sucrose content at 31 March valued at the estimated sucrose price for the following season, less the estimated costs of harvesting and transport.

1.13 Factory overhaul costs

Factory overhaul costs represent expenditure actually incurred on plant and equipment for the overhaul of the factory in preparation for the new sugar season commencing after the year end. This expenditure is written off in full over its expected useful life being the duration of one sugar season.

1.14 Research and development expenditure

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the group has sufficient resources to complete development. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment charges.

1.15 Product registrations

Expenditure incurred in obtaining the registration of a product to enable sales to be made in specific markets, is capitalised and amortised over the expected useful life of the registration on the straight-line basis.

Subsequent expenditure, which increases the life of the registration or increases future economic benefits, is capitalised in the year in which it is incurred. Expenditure to maintain the registration is expensed in the year in which it is incurred.

1.16 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.9 Retirement benefit costs

The group provides retirement benefits for its employees through a number of defined contribution and defined benefit plans.

Contributions to defined contribution retirement benefit plans are expensed as they fall due. Contributions made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out every three years. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the group's defined benefit obligation and the fair value of plan assets, are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on the straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

All plans are funded. Funding shortfalls arising in defined benefit plans are met by group companies through lump sum payments or increased future contributions.

Additional severance liabilities in terms of legislative regulations are assessed annually and provided against.

Historically, qualifying employees have been granted certain post-retirement medical benefits. Although the post-retirement medical benefit option is now closed, a liability still exists in respect of current and retired employees to whom the benefit was granted. These costs are provided on the accrual basis, determined actuarially.

1.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the value of the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates.

The group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecast transactions. The significant interest rate risk arises from bank loans. When appropriate the group converts a proportion of its floating rate debt to fixed rates. The group designates these as cash flow hedges of interest rate risk.

The use of financial derivatives is governed by the group's policies, which provide written principles on the use of financial derivatives consistent with the group's risk management strategy. The group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. The group's policy with regard to hedging the foreign currency risk of a firm commitment is to designate it as a cash flow hedge. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in profit or loss in the same period in which the hedged item affects profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts are accounted for as insurance contracts and consequently are measured initially at cost and thereafter in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

1.19 Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method, except in the case of downstream products where the first in first out basis is used. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Redundant and slow moving inventories are identified and written down to their net realisable values.

1.18 Financial instruments

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

At subsequent reporting dates, debt securities that the group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Investments other than held-to-maturity debt securities are classified as either investments held for trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Notes to the financial statements continued

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Critical accounting judgements made by management

In the process of applying the group's accounting policies, management has made the following judgement, apart from those involving estimations, that affect the amounts recognised in the financial statements and related disclosure:

- **Impairment of assets**

In making its judgement, management has assessed at each balance sheet date whether there is an indication that items of property, plant and equipment and other assets may be impaired. If any such indication exists, the recoverable amount of the asset is assessed in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

3.2 Key sources of estimation uncertainty

In the process of applying the group's accounting policies, management has made the following key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date:

- **Property, plant and equipment residual values and useful lives**

These assets are written down to their estimated residual values over their anticipated useful lives using the straight-line basis. Management reviews the residual values annually considering market conditions and projected disposal values. In assessing useful lives, maintenance programmes and technological innovations are considered. The carrying value of property, plant and equipment is disclosed in note 11 to the financial statements.

- **Cane roots valuation**

The escalated average cost of planting cane roots are adjusted for the remaining expected life. This requires an estimation by management of the average number of ratoons expected from the crop. The key assumptions and carrying value of cane roots are disclosed in note 12 to the financial statements.

- **Growing cane valuation**

Growing cane is valued at the estimated sucrose content valued at the estimated sucrose price for the following season, less the estimated costs for harvesting and transport. The estimated sucrose content requires management to assess the expected cane and sucrose yields for the following season considering weather conditions and harvesting programs. In assessing the estimated sucrose price, management is required to assess into which markets the forthcoming crop will be sold and assess domestic and export prices as well as the related foreign currency exchange rates. The key assumptions and carrying value of growing cane are disclosed in note 20 to the financial statements.

There are no other key assumptions concerning the future, or key sources of estimation uncertainty at the balance sheet date, that management have assessed as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 REVENUE

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Revenue represents the proceeds from:				
- Sugar production	6 250.7	4 859.9	3 040.1	2 406.4
- Cane growing	1 712.4	1 358.2	111.7	97.4
- Downstream	638.6	576.0	610.2	530.1
	8 601.7	6 794.1	3 762.0	3 033.9
Includes revenue from exports outside country of origin of:	2 535.1	2 323.6	1 153.9	866.7

Interest income is disclosed in note 6 and dividend income is disclosed on the face of the income statement.

1.20 Share-based payments

The group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on the straight-line basis over the vesting period, based on the group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferrability, exercise restrictions and behavioural considerations. For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date.

1.21 Segmental analysis

Segment reporting is presented in respect of the group's business and geographic segments. The primary format, business segments, is based on the group's management and internal reporting structure and combines businesses with common characteristics. Inter-segment pricing is determined on an arm's length basis.

Segments results; assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segmental capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

The group is comprised of the following business segments:

Cane growing - the processing of sugar cane for use in the sugar production process,

Sugar production - the manufacture of sugar from cane, and

Downstream operations - the manufacture and sale of downstream products including syrup, furfural and alcohol.

The secondary format presents the revenues, profits and assets for the countries in which the group operates.

2 INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE, BUT NOT YET EFFECTIVE

At the date of approval of these financial statements, the following relevant Standards and Interpretations were in issue, but not yet effective:

- ◇◇ IFRS 2 Share-based payment - Amendment relating to vesting conditions and cancellations.
- ◇◇ IFRS 3 Business combinations - Consequential amendments arising from amendments to IAS 27, IAS 28 and IAS 31.
- ◇◇ IFRS 8 - Operating segments
- ◇◇ IAS 1 - Presentation of financial statements
- ◇◇ IAS 23 - Borrowing costs
- ◇◇ IAS 32 - Financial instruments: presentation
- ◇◇ IAS 39 - Financial instruments: recognition and measurement
- ◇◇ IFRIC 16 - Hedges of a net investment in foreign operation
- ◇◇ IFRIC 17 - Distribution of non-cash assets to owners

The group is in the process of evaluating the effects of these new standards and, whilst they are not expected to have a significant impact on the group's results, additional disclosures may be required.

Notes to the financial statements continued

7 MATERIAL ITEMS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Profit/(loss) arising on disposal of properties	0.3	(0.1)	-	-
Profit on disposal on investment in subsidiary			-	54.3
Per income statement	0.3	(0.1)	-	54.3
Taxation	-	-	-	-
	0.3	(0.1)	-	54.3

8 TAXATION

South African normal taxation					
Current tax	- current year	10.9	10.4	2.8	3.9
	- prior year	(0.1)	(0.4)	(0.1)	(0.4)
Deferred tax	- current year	0.4	14.4	(2.5)	16.4
	- prior year	(0.6)	(8.7)	(0.6)	(8.7)
	- rate change	-	(4.0)	-	(4.0)
Secondary tax on companies	- current year	32.9	31.2	32.9	31.2
Foreign taxation					
Current tax	- current year	185.7	85.8		
	- prior year	(0.2)	(1.2)		
Deferred tax	- current year	95.4	31.1		
	- prior year	23.6	(4.8)		
	- rate change	(109.1)	(13.1)		
		238.9	140.7	32.5	38.4

Reconciliation of rate of taxation

	%	%	%	%
South African normal rate of taxation	28.0	29.0	28.0	29.0
Less (decrease)/increase in charge for year due to:	(8.1)	(13.3)	927.9	(22.8)
Adjustment from prior years	1.9	(1.8)	(20.6)	(1.5)
Adjustment in respect of material items	-	-	-	-
Exempt income	(1.5)	(1.4)	(151.1)	(26.8)
Disallowable expenditure	2.8	1.9	207.1	1.0
Secondary tax on companies	2.7	3.5	967.6	5.0
Timing differences not provided for	-	0.1	-	-
Taxation rate differentials - foreign subsidiaries	(1.3)	(11.7)	-	-
Capital allowances	(5.3)	(5.0)	-	-
Other	(7.4)	1.1	(75.1)	(0.5)
Effective rate of taxation	19.9	15.7	955.9	6.2
	Rm	Rm	Rm	Rm
The estimated tax losses at the end of the year aggregate:	275.3	111.5	-	-

Notes to the financial statements continued

7 MATERIAL ITEMS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Profit/(loss) arising on disposal of properties	0.3	(0.1)	-	-
Profit on disposal on investment in subsidiary			-	54.3
Per income statement	0.3	(0.1)	-	54.3
Taxation	-	-	-	-
	0.3	(0.1)	-	54.3

8 TAXATION

South African normal taxation				
Current tax				
- current year	10.9	10.4	2.8	3.9
- prior year	(0.1)	(0.4)	(0.1)	(0.4)
Deferred tax				
- current year	0.4	14.4	(2.5)	16.4
- prior year	(0.6)	(8.7)	(0.6)	(8.7)
- rate change	-	(4.0)	-	(4.0)
Secondary tax on companies	32.9	31.2	32.9	31.2
Foreign taxation				
Current tax				
- current year	185.7	85.8		
- prior year	(0.2)	(1.2)		
Deferred tax				
- current year	95.4	31.1		
- prior year	23.6	(4.8)		
- rate change	(109.1)	(13.1)		
	238.9	140.7	32.5	38.4

Reconciliation of rate of taxation

	%	%	%	%
South African normal rate of taxation	28.0	29.0	28.0	29.0
Less (decrease)/increase in charge for year due to:	(8.1)	(13.3)	927.9	(22.8)
Adjustment from prior years	1.9	(1.8)	(20.6)	(1.5)
Adjustment in respect of material items	-	-	-	-
Exempt income	(1.5)	(1.4)	(151.1)	(26.8)
Disallowable expenditure	2.8	1.9	207.1	1.0
Secondary tax on companies	2.7	3.5	967.6	5.0
Timing differences not provided for	-	0.1	-	-
Taxation rate differentials - foreign subsidiaries	(1.3)	(11.7)	-	-
Capital allowances	(5.3)	(5.0)	-	-
Other	(7.4)	1.1	(75.1)	(0.5)
Effective rate of taxation	19.9	15.7	955.9	6.2
	Rm	Rm	Rm	Rm
The estimated tax losses at the end of the year aggregate:	275.3	111.5	-	-

OPERATING PROFIT

Operating profit has been determined after taking into account the following items:

Depreciation	
buildings	
leasehold properties	
plant, machinery and other	
Loss/(profit) on disposal of plant and equipment	
Amortisation of factory overhaul costs	
Fair value adjustments	
cane roots	
growing cane	
Operating lease charges	
property	
plant and equipment	
Directors' remuneration	
audit fees	
fees for other services	
expenses	
Search costs	
Share-based payment costs	
Pension benefit costs	
Staff costs	

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
	215.2	151.7	63.2	56.1
	10.1	6.4	5.4	4.6
	15.8	8.4	-	-
	189.3	136.9	57.8	51.5
	2.6	(2.2)	(0.5)	0.1
	206.8	168.3	89.2	72.7
	134.3	72.6	11.7	7.1
	297.2	91.2	14.7	24.0
	55.5	47.2	50.4	45.3
	37.1	33.7	8.9	9.7
	13.0	16.0	5.7	4.7
	8.2	6.8	3.5	3.0
	4.0	8.8	2.0	1.6
	0.8	0.4	0.2	0.1
	33.9	20.8	30.8	20.8
	0.5	1.7	0.5	1.7
	73.1	55.5	29.1	26.2
	1 481.3	1 111.0	644.0	455.0

NET FINANCING COSTS

Interest paid on -	
long term borrowings	
Bank and short term borrowings	
Other	
Financial interest paid	
Assets capitalised	
Interest received on loans and deposits	
Foreign exchange (gains)/losses	

	155.7	57.6	-	-
	318.4	180.7	180.6	139.0
	14.9	12.1	23.2	16.0
	489.0	250.4	203.8	155.0
	(258.4)	(41.9)	-	-
	230.6	208.5	203.8	155.0
	(44.5)	(37.9)	(22.2)	(5.6)
	(0.7)	1.1	-	-
	185.4	171.7	181.6	149.4

Notes to the financial statements continued

7 MATERIAL ITEMS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Profit/(loss) arising on disposal of properties	0.3	(0.1)	-	-
Profit on disposal on investment in subsidiary			-	54.3
Per income statement	0.3	(0.1)	-	54.3
Taxation	-	-	-	-
	0.3	(0.1)	-	54.3

8 TAXATION

South African normal taxation				
Current tax				
- current year	10.9	10.4	2.8	3.9
- prior year	(0.1)	(0.4)	(0.1)	(0.4)
Deferred tax				
- current year	0.4	14.4	(2.5)	16.4
- prior year	(0.6)	(8.7)	(0.6)	(8.7)
- rate change	-	(4.0)	-	(4.0)
Secondary tax on companies	32.9	31.2	32.9	31.2
Foreign taxation				
Current tax				
- current year	185.7	85.8		
- prior year	(0.2)	(1.2)		
Deferred tax				
- current year	95.4	31.1		
- prior year	23.6	(4.8)		
- rate change	(109.1)	(13.1)		
	238.9	140.7	32.5	38.4

Reconciliation of rate of taxation

	%	%	%	%
South African normal rate of taxation	28.0	29.0	28.0	29.0
Less (decrease)/increase in charge for year due to:	(8.1)	(13.3)	927.9	(22.8)
Adjustment from prior years	1.9	(1.8)	(20.6)	(1.5)
Adjustment in respect of material items	-	-	-	-
Exempt income	(1.5)	(1.4)	(151.1)	(26.8)
Disallowable expenditure	2.8	1.9	207.1	1.0
Secondary tax on companies	2.7	3.5	967.6	5.0
Timing differences not provided for	-	0.1	-	-
Taxation rate differentials - foreign subsidiaries	(1.3)	(11.7)	-	-
Capital allowances	(5.3)	(5.0)	-	-
Other	(7.4)	1.1	(75.1)	(0.5)
Effective rate of taxation	19.9	15.7	955.9	6.2
	Rm	Rm	Rm	Rm
The estimated tax losses at the end of the year aggregate:	275.3	111.5	-	-

5 OPERATING PROFIT

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Operating profit has been determined after taking into account the following items:				
Depreciation	215.2	151.7	63.2	56.1
– buildings	10.1	6.4	5.4	4.6
– leasehold properties	15.8	8.4	–	–
– plant, machinery and other	189.3	136.9	57.8	51.5
Loss/(profit) on disposal of plant and equipment	2.6	(2.2)	(0.5)	0.1
Amortisation of factory overhaul costs	206.8	168.3	89.2	72.7
Fair value adjustments				
– cane roots	134.3	72.6	11.7	7.1
– growing cane	297.2	91.2	14.7	24.0
Operating lease charges				
– property	55.5	47.2	50.4	45.3
– plant and equipment	37.1	33.7	8.9	9.7
Auditors' remuneration	13.0	16.0	5.7	4.7
– audit fees	8.2	6.8	3.5	3.0
– fees for other services	4.0	8.8	2.0	1.6
– expenses	0.8	0.4	0.2	0.1
Research costs	33.9	20.8	30.8	20.8
Share-based payment costs	0.5	1.7	0.5	1.7
Retirement benefit costs	73.1	55.5	29.1	26.2
Staff costs	1 481.3	1 111.0	644.0	455.0

6 NET FINANCING COSTS

Interest paid on –				
Long term borrowings	155.7	57.6	–	–
Bank and short term borrowings	318.4	180.7	180.6	139.0
Other	14.9	12.1	23.2	16.0
Total interest paid	489.0	250.4	203.8	155.0
Less capitalised	(258.4)	(41.9)	–	–
	230.6	208.5	203.8	155.0
Interest received on loans and deposits	(44.5)	(37.9)	(22.2)	(5.6)
Foreign exchange (gains)/losses	(0.7)	1.1	–	–
	185.4	171.7	181.6	149.4

Notes to the financial statements continued

II PROPERTY, PLANT AND EQUIPMENT

	2009		2008	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
	Rm	Rm	Rm	Rm
Group				
Freehold land and buildings	418.2	86.5	410.9	76.4
Leasehold properties	931.3	93.9	421.8	81.1
Plant, machinery and other	4 532.6	1 676.5	3 797.4	1 505.3
Capitalised leased plant (refer note 29)	1.5	0.8	1.4	0.6
	5 883.6	1 857.7	4 631.5	1 663.4
Net book value	4 025.9		2 968.1	
Company				
Freehold land and buildings	261.8	55.8	261.9	51.4
Plant, machinery and other	1 152.7	685.1	1 081.4	635.3
	1 414.5	740.9	1 343.3	686.7
Net book value	673.6		656.6	

With the exception of land and motor vehicles, the group's property, plant and equipment are insured at cost of replacement amounting to R17 713 million (2008: R16 698 million). Motor vehicles are insured at market value.

Property, plant and equipment of Zambia Sugar Plc with a book value of R1 883 million (2008: R1 144 million) has been pledged by way of mortgage debenture as security for the long term borrowings referred to in note 29.

The group's properties are wide-ranging, amounting to approximately 106 685 hectares (2008: 106 683) in extent comprising largely the land on which the group's sugar milling and cane growing activities are situated. As the number of individual properties is extensive, a list is not published with these statements, but registers of land and buildings are available for inspection at the relevant registered offices of the group by members of the company or their representatives.

Group

The movement of the group's property, plant and equipment comprises:

	Freehold land and buildings	Leasehold properties	Plant machinery and other	2009 Total	2008 Total
	Rm	Rm	Rm	Rm	Rm
Net book value at beginning of year	334.5	340.7	2 292.9	2 968.1	1 806.3
Acquisition of business	49.7	-	60.4	110.1	-
Additions	5.4	612.5	1 047.8	1 665.7	991.9
Disposal of business	(49.4)	-	(56.2)	(105.6)	-
Disposals	(0.3)	-	(6.6)	(6.9)	(1.5)
Exchange differences	1.9	(100.0)	(292.2)	(390.3)	323.1
	341.8	853.2	3 046.1	4 241.1	3 119.8
Depreciation	(10.1)	(15.8)	(189.3)	(215.2)	(151.7)
Net book value at end of year	331.7	837.4	2 856.8	4 025.9	2 968.1

9 DIVIDENDS PAID

		Group and Company	
		2009 Rm	2008 Rm
Dividend no. 31 of 45.0 cents per share (final 2007)	- paid 9 July 2007		157.0
Dividend no. 32 of 33.0 cents per share (interim 2008)	- paid 7 January 2008		115.5
Dividend no. 33 of 52.5 cents per share (final 2008)	- paid 14 July 2008	183.9	
Dividend no. 34 of 41.5 cents per share (interim 2009)	- paid 12 January 2009	145.5	
		329.4	272.5

In respect of the current year, the directors declared a final dividend of 64.5 cents per share on 26 May 2009 which will be paid to shareholders on 13 July 2009. No liability has been raised for this dividend nor the related secondary tax on companies charge, in these financial statements.

The total estimated dividend to be paid of R226.3 million has been transferred out of retained earnings to a separate dividend reserve (refer note 27).

10 EARNINGS AND HEADLINE EARNINGS PER SHARE

		Group	
Earnings			
Earnings for the purposes of basic earnings per share		739.1	599.8
Dilutive effect of potential ordinary shares			
- Share options		1.6	2.2
Earnings for the purposes of diluted earnings per share		740.7	602.0
Number of shares		Shares	Shares
Weighted average number of ordinary shares for the purposes of basic earnings per share		350 514 219	349 424 128
Dilutive effect of potential ordinary shares			
- Share options		2 544 098	3 650 500
Weighted average number of ordinary shares for the purposes of diluted earnings per share		353 058 317	353 074 628
Reconciliation of headline earnings:-		Rm	Rm
Net profit attributable to shareholders of Illovo Sugar Limited		739.1	599.8
Adjusted for -			
(Profit)/loss arising on disposal of properties		(0.3)	0.1
Loss/(profit) on disposal of plant and equipment		3.0	(0.3)
Headline earnings		741.8	599.6
Headline earnings per share		Cents	Cents
Basic (cents)		211.6	171.6
Diluted (cents)		210.6	170.5

Notes to the financial statements continued

14 INVESTMENT IN SUBSIDIARIES

The principal subsidiaries of Illovo Sugar Limited are as follows –

2009

	Issued capital Rm	Effective percentage holding %	Shares at cost Rm	Amounts due by subsidiaries Rm	Amounts due to subsidiaries Rm
Illovo Distributors (Pty) Limited	–	100	0.4	–	(17.4)
Illprop (Pty) Limited	1.3	100	0.2	–	–
Reynolds Brothers Limited	–	100	–	3.4	–
Illovo Project Services Limited	–	100	–	7.7	–
CGS Investments (Pty) Limited	–	100	0.9	–	(1.5)
Glendale Sugar Limited	5.6	100	20.9	–	(20.0)
East African Supply (Pty) Limited	–	100	–	–	(25.8)
Ubombo Sugar Limited	49.5	60	–	4.3	(127.1)
Illovo Sugar (Malawi) Limited	53.1	76	–	52.8	(0.6)
Zambia Sugar Plc	4.7	90	–	66.2	–
Maragra Açúcar SARL	350.9	72	–	18.8	–
Kilombero Sugar Company Limited	1.8	55	–	10.5	–
Illovo Group Holdings Limited - ordinary	–	100	–	30.0	–
Illovo Group Holdings Limited - preference	1 589.6	100	1 125.2	–	–
Palaa Consultores Marketing E Servicos Lda	–	100	–	0.2	–
Monitor Holdings Limited	250.0	100	17.5	1.6	–
Sucoma Holdings Limited	597.7	100	–	–	–
Illovo Tanzania Limited	–	100	–	–	–
Illovo Sugar Ireland	–	100	–	16.7	–
Illovo Sugar España, S.L.	–	100	–	1.6	–
Illovo Sugar Coöperatief U.A.	–	100	–	–	–
			1 165.1	213.8	(192.4)

2008

Illovo Distributors (Pty) Limited	–	100	0.4	–	(14.8)
Illprop (Pty) Limited	1.3	100	0.2	–	–
Reynolds Brothers Limited	–	100	–	3.9	–
Eureka Trading Limited	–	100	–	–	(0.6)
Illovo Project Services Limited	–	100	–	6.9	–
CGS Investments (Pty) Limited	–	100	0.9	–	(1.5)
Glendale Sugar Limited	5.6	100	20.9	–	(19.7)
East African Supply (Pty) Limited	–	100	–	28.4	–
Ubombo Sugar Limited	49.5	60	–	2.6	(59.9)
Illovo Sugar (Malawi) Limited	48.8	76	–	2.8	–
Zambia Sugar Plc	6.0	90	–	2.5	–
Maragra Açúcar SARL	300.4	73	–	2.0	–
Kilombero Sugar Company Limited	0.1	55	–	1.9	–
Illovo Group Holdings Limited - ordinary	–	100	–	13.3	–
Illovo Group Holdings Limited - preference	1 361.1	100	1 125.2	–	–
Palaa Consultores Marketing E Servicos Lda	–	100	–	0.1	–
Monitor Holdings Limited	250.0	100	17.5	–	(0.5)
Sucoma Holdings Limited	511.8	100	–	–	(0.8)
Illovo Tanzania Limited	–	100	–	–	–
Illovo Sugar Ireland	–	100	–	–	–
Illovo Sugar España, S.L.	–	100	–	1.6	–
Illovo Sugar Coöperatief U.A.	–	100	–	–	–
			1 165.1	66.0	(97.8)

A full list of subsidiaries is available on request from the Company Secretary.

11 PROPERTY, PLANT AND EQUIPMENT *continued*

Company

The carrying amount of the company's property, plant and equipment comprises:

	Freehold land and buildings Rm	Plant machinery and other Rm	2009 Total Rm	2008 Total Rm
Net book value at beginning of year	210.5	446.1	656.6	668.7
Acquisition of business	49.7	60.4	110.1	-
Additions	0.7	75.3	76.0	45.2
Disposal of business	(49.4)	(56.2)	(105.6)	-
Disposals	(0.1)	(0.2)	(0.3)	(1.2)
	211.4	525.4	736.8	712.7
Depreciation	(5.4)	(57.8)	(63.2)	(56.1)
Net book value at end of year	206.0	467.6	673.6	656.6

12 CANE ROOTS

The carrying value of cane roots comprises:

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Carrying value at beginning of year	821.7	661.6	84.9	77.8
Change in fair value	134.3	72.6	11.7	7.1
Expansion of area under cane	200.3	-	-	-
Acquisition of farms	-	7.5	-	-
Exchange rate translation	(24.0)	80.0	-	-
Carrying value at end of year	1 132.3	821.7	96.6	84.9
Area under cane at 31 March (hectares) -				
South Africa	9 665	9 615	9 665	9 615
Malawi	19 934	19 139		
Zambia	14 334	11 053		
Swaziland	8 171	7 950		
Tanzania	8 515	8 415		
Mozambique	5 263	5 260		
	65 882	61 432		

The average remaining expected lives of cane roots, for both the current and the previous years, are: 10 years in South Africa; 7 years in Zambia; and 8 years in each of the other countries of operation.

13 PRODUCT REGISTRATIONS

Intangible assets comprise product registrations which represent registered rights to exclusively sell licensed products in specific countries.

Balance at the beginning of the year	46.4	34.7	46.4	34.7
Current year movements - expenditure	15.4	11.7	15.4	11.7
Balance at the end of the year	61.8	46.4	61.8	46.4

No amortisation was provided for in the current year as the balance of product registrations have yet to be brought into use.

Notes to the financial statements continued

18 LOANS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Long term promissory note receivable	20.9	20.5	-	-
Other loans	114.5	59.7	26.7	5.1
	135.4	80.2	26.7	5.1

The long term promissory note receivable is unsecured and is denominated in US Dollars with the interest calculated at 6% per annum, payable monthly in arrears. The principal is payable in equal monthly instalments with the final payment due on 1 October 2014.

The other loans bear interest at varying rates and have varying terms of repayment.

19 INVENTORIES

Finished goods	140.6	102.2	46.0	34.8
Consumables and components	373.2	305.0	91.2	84.8
	513.8	407.2	137.2	119.6

20 GROWING CANE

The carrying value of growing cane comprises:

Carrying value at the beginning of the year	948.5	743.1	75.5	51.5
Change in fair value	297.2	91.2	14.7	24.0
Acquisition of farms	-	10.2	-	-
Exchange rate translation	(22.8)	104.0		
Carrying value at the end of the year	1 222.9	948.5	90.2	75.5

The following assumptions have been used in the determination of the estimated sucrose tonnage at 31 March 2009:

	South Africa	Malawi	Zambia	Swaziland	Tanzania	Mozambique
2009						
Expected area to harvest (hectares)	5 588.0	19 499.0	14 044.0	7 703.0	8 515.0	5 175.0
Estimated yield (tons cane/hectare)	74.0	111.2	135.4	102.6	74.1	93.0
Average maturity of cane at 31 March	62.00%	66.67%	66.67%	66.67%	50.00%	66.67%
2008						
Expected area to harvest (hectares)	5 491.0	18 704.0	10 659.0	7 582.0	8 427.0	5 147.0
Estimated yield (tons cane/hectare)	76.0	109.7	120.8	104.9	83.6	91.0
Average maturity of cane at 31 March	63.00%	66.67%	66.67%	66.67%	50.00%	66.67%

15 INVESTMENT IN ASSOCIATES

Principal associates of the group	Year end	Nature of business	Group	
			2009 % holding	2008 % holding
Southern Cross Sugar Exports (Pty) Limited	31 March	Sugar export agents	-	33.3%
Kilombero Sugar Distributors Limited	31 October	Distribution agents	20.0%	20.0%
Investment in associate companies			Rm	Rm
Cost of investment in associate			-	-
Share of post acquisition profit net of dividend received			-	-
Directors' valuation of -				
Shares and loans in unlisted associate companies			-	-

16 INVESTMENT IN JOINT VENTURES

Principal joint ventures of the group	Year end	Nature of business	Group	
			2009 % holding	2008 % holding
Glendale Distilling Company	31 March	Alcohol distillers	50.0%	50.0%
Lacsa (Pty) Limited	31 March	Lactulose producer	50.0%	50.0%
Relax Limited	31 March	Lactulose agents	50.0%	50.0%

The income statements and balance sheets of the above joint ventures are proportionately consolidated into the group's financial statements.

Glendale Distilling Company had the following capital commitments which have been included in note 36:

- contracted
- approved but not contracted

	Rm	Rm
- contracted	-	-
- approved but not contracted	-	2.0
	-	2.0

17 INVESTMENTS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Investments	14.8	10.1	1.6	1.2
	14.8	10.1	1.6	1.2

Notes to the financial statements continued

24 SHARE CAPITAL AND PREMIUM

	Group and Company	
	2009 Rm	2008 Rm
Authorised: 900 000 000 (2008: 900 000 000) ordinary shares of 4 cents each	36.0	36.0
Issued and fully paid: 350 923 902 (2008: 349 858 800) ordinary shares of 4 cents each	14.0	14.0
Share premium account	353.5	347.0
	367.5	361.0
The movement on the share capital and share premium accounts for the year was as follows:		
- Balance at beginning of year	361.0	354.5
- Share options exercised	6.5	6.5
- Balance at end of year	367.5	361.0

25 SHARE-BASED PAYMENTS RESERVE

Balance at beginning of year	12.6	10.9
Share-based payments expense	0.5	1.7
Balance at end of year	13.1	12.6

21 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Trade debtors	430.5	422.5	287.6	244.9
Prepayments	55.9	35.7	37.4	19.3
Taxation	29.2	24.6	17.0	12.4
Other accounts receivable	240.7	299.9	105.0	177.8
	756.3	782.7	447.0	454.4

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

An allowance has been made for impairment of receivables amounting to R21.0 million (2008: R8.4 million).

22 FACTORY OVERHAUL COSTS

Balance at the beginning of year	197.9	168.3	80.3	72.7
Capitalised during the year	228.1	184.0	104.8	80.3
Acquisition of business	8.9	-	8.9	-
Amortised during the year	(206.8)	(168.3)	(89.2)	(72.7)
Disposal of business	(10.0)	-	(10.0)	-
Exchange rate translation	(6.1)	13.9		
Balance at the end of year	212.0	197.9	94.8	80.3

23 DERIVATIVE FINANCIAL INSTRUMENTS

Forward exchange contracts - imports (refer note 40)	0.6	2.6	(0.4)	2.6
Forward exchange contracts - exports (refer note 40)	24.4	(11.0)	20.4	(11.0)
Sugar commodities futures contracts	-	(0.2)	-	(0.2)
Cross currency interest rate swap (refer note 40)	159.0	18.2	159.0	18.2
	184.0	9.6	179.0	9.6
Comprising:				
Assets	189.2	18.2	184.2	18.2
Liabilities	(5.2)	(8.6)	(5.2)	(8.6)
	184.0	9.6	179.0	9.6

Notes to the financial statements continued

29 LONG TERM BORROWINGS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
South African borrowings	-	-	-	-
Foreign currency borrowings	1 348.2	1 266.2	-	-
Total borrowings	1 348.2	1 266.2	-	-
Less: Current portion redeemable and repayable within one year (refer note 30)	217.7	74.7	-	-
	1 130.5	1 191.5	-	-
The above borrowings are due for repayment in the following years ending 31 March				
2009		74.7	-	-
2010	217.7	273.4	-	-
2011	641.6	599.8	-	-
2012	360.2	306.6	-	-
2013 and thereafter	128.7	11.7	-	-
	1 348.2	1 266.2	-	-

	Foreign currency millions	Years of redemption/ payment	Interest rate %	Group	
				2009 Rm	2008 Rm
South African borrowings					
Liabilities under capitalised finance leases (refer note 11)				-	-
Total South African borrowings				-	-
Foreign borrowings					
Unsecured loans					
- Euro	8.2	2009 - 2015	3.0 - 7.1	58.7	73.6
Secured loans					
- US Dollar *	21.3	2009 - 2012	6.6 - 7.8	202.1	183.2
- Zambian Kwacha**	604 800.0	2009 - 2013	13.4 - 17.4	1 087.4	1 009.4
Total foreign borrowings				1 348.2	1 266.2
Total borrowings				1 348.2	1 266.2

* These loans are secured by guarantee from Illovo Sugar Limited

** These loans are secured by property, plant and equipment of Zambia Sugar Plc.

26 NON-DISTRIBUTABLE RESERVES

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Comprises:				
Realised surpluses on sales of land and investments	68.0	67.7	282.4	282.4
Capital redemption reserve fund	37.1	37.1	35.6	35.6
Hedging reserve	15.1	(1.7)	10.1	(1.7)
Foreign currency translation reserve	276.3	309.3		
Total non-distributable reserves	396.5	412.4	328.1	316.3
Movement for the year:				
Balance at beginning of year	412.4	146.3	316.3	320.1
Transfer to retained earnings - realised surpluses on sale of land (note 28)	0.3	-	-	-
Adjustments for cash flow hedges	16.8	(3.4)	11.8	(3.8)
Currency translation differences	(33.0)	269.5		
Balance at end of year	396.5	412.4	328.1	316.3

27 DIVIDEND RESERVE

Balance at beginning of year	183.7	157.0	183.7	157.0
Transfer from retained earnings (note 28)	372.0	299.2	372.0	299.2
Less dividends paid	(329.4)	(272.5)	(329.4)	(272.5)
Balance at end of year	226.3	183.7	226.3	183.7

28 RETAINED EARNINGS

Balance at beginning of year	1 403.6	1 103.0	554.5	218.1
Profit/(loss) for the year attributable to shareholders of Illovo Sugar Limited	739.1	599.8	(29.1)	635.6
Transfer to non-distributable reserves - realised surpluses on sale of land (note 26)	(0.3)	-	-	-
Transfer to dividend reserve (note 27)	(372.0)	(299.2)	(372.0)	(299.2)
Balance at end of year	1 770.4	1 403.6	153.4	554.5

Notes to the financial statements continued

33 PROVISIONS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Leave pay				
Balance at beginning of year	47.9	43.4	26.3	24.0
Raised during the year	5.4	2.5	4.0	2.3
Foreign currency translation movement	(0.2)	2.0		
Balance at end of year	53.1	47.9	30.3	26.3
Post retirement benefits				
Balance at beginning of year	136.3	138.3	98.3	94.6
Utilised during the year	(10.9)	(5.0)	(10.1)	–
Raised during the year	18.7	0.3	9.1	3.7
Foreign currency translation movement	3.6	2.7		
Balance at end of year	147.7	136.3	97.3	98.3
Other				
Balance at beginning of year	55.6	35.0	23.6	9.5
Raised during the year	20.2	20.6	21.6	14.1
Balance at end of year	75.8	55.6	45.2	23.6
Total provisions				
Balance at beginning of year	239.8	216.7	148.2	128.1
Utilised during the year	(10.9)	(5.0)	(10.1)	–
Raised during the year	44.3	23.4	34.7	20.1
Foreign currency translation movement	3.4	4.7		
Balance at end of year	276.6	239.8	172.8	148.2

34 RETIREMENT BENEFITS

A total of three defined benefit pension funds and eleven defined contribution funds cover the large majority of employees, other than those covered by membership of various service-based retirement arrangements.

During the year, an amount of R67.4 million (2008: R51.8 million) was expensed in respect of defined contribution plans and R5.7 million (2008: R3.7 million) in respect of defined benefit plans.

South Africa

All South African plans are funded, with their assets held in administered trust funds which are governed by the Pensions Fund Act, 1956. Plan assets primarily consist of listed shares, fixed income securities and investments in the money market.

Following the conversion in 1998, on a voluntary basis, of a large number of members from defined benefit plans to defined contribution plans, the remaining defined benefit plans operate as closed funds and cover 141 employees (2008: 154).

The defined benefit plans are actuarially valued at intervals of not more than three years. Any deficits that are identified, are funded by the companies concerned by way of increased future contributions or by the payment of an actuarially determined lump sum.

In terms of the requirements of IAS 19, a valuation using the projected unit credit method was last performed on the two defined benefit plans at 31 March 2009. These were found to be in a sound financial condition by an independent consulting actuary. In arriving at his finding, the actuary took into account a discount rate and expected rate of return on the assets of 9.00% (2008: 9.75%), an expected rate of salary increase of 6.75% (2008: 7.25%), an expected rate of pension increase of 4.01% (2008: 4.25%) and an expected rate of inflation of 5.75% (2008: 6.25%). The assumptions and methods used are consistent with the requirements of the revised statement IAS 19, and not necessarily consistent with the assumptions and

30 SHORT TERM BORROWINGS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Amounts due to bankers	446.9	-	-	-
Loan from holding company	1 138.8	977.3	1 138.8	977.3
Current portion of long term borrowings (refer note 29)	217.7	74.7	-	-
	1 803.4	1 052.0	1 138.8	977.3

The amounts due to bankers have no fixed terms of repayment and bear interest at variable market related interest rates.

The US\$120 million loan from the holding company is unsecured, bears interest at a variable rate of LIBOR plus 45 basis points and is repayable on 6 October 2009. The company has entered into cross currency interest rate swaps to minimise the interest rate and foreign currency risk associated with the loan (refer note 40).

31 DEFERRED TAXATION

Balance at beginning of year	639.0	574.3	129.1	126.9
Provision on financial instrument taken to equity	4.5	(1.4)	4.5	(1.4)
Changes during the year:				
– Exchange rate translation difference	47.9	51.2	-	-
– Rate change	(109.1)	(17.2)	-	(4.0)
Charged to income:				
– Temporary differences	118.8	32.1	(3.1)	7.6
Balance at end of year	701.1	639.0	130.5	129.1
Analysis of provision				
– Property, plant and equipment	392.3	301.8	77.8	89.4
– Growing cane and cane roots	582.7	439.6	52.3	44.9
– Tax losses	(275.3)	(111.5)	-	-
– Other	1.4	9.1	0.4	(5.2)
Balance at end of year	701.1	639.0	130.5	129.1
– Asset	(54.0)	(5.4)	-	-
– Liability	755.1	644.4	130.5	129.1

32 TRADE AND OTHER PAYABLES

Trade creditors	527.8	476.7	276.7	206.4
Accruals and other payables	783.1	717.4	338.8	255.3
	1 310.9	1 194.1	615.5	461.7

Trade creditors and accruals principally comprise amounts outstanding for trade purchase and ongoing costs. The directors consider that the carrying amount of trade payables approximate their fair value.

Notes to the financial statements continued

35 SHARE-BASED PAYMENTS

Equity-settled share option scheme

The company has a share option scheme for certain employees of the group. Options are exercisable at a price equal to the closing price of the company's shares on the JSE Limited on the day preceding the date of grant. Vesting periods for the share options are one-third after three years, two-thirds after four years, and the full allocation after five years.

Details of the share options movements during the year are as follows:

	2009		2008	
	Number of share options	Weighted average option price Rand	Number of share options	Weighted average option price Rand
Outstanding at beginning of year	3 650 500		4 649 600	
Forfeited	(41 300)	7.40	(8 100)	6.80
Exercised	(1 065 102)	6.15	(991 000)	6.57
Outstanding at end of year	2 544 098		3 650 500	
Exercisable at end of year	2 290 531		2 433 900	

In accordance with the transitional provisions of IFRS 2, the standard has been applied to all option grants issued after 7 November 2002 that were unvested as at 1 January 2005.

During the year, the group recognised total expenses of R0.5 million (2008: R1.7 million) related to equity-settled share-based payment transactions.

The actuaries made use of the following assumptions in arriving at their valuation:

Grant date	Vesting date	Expected option lifetime	Rolling volatility	Dividend yield	Risk-free rate
21/05/2003	20/05/2006	4	33.91	5.7	9.42
21/05/2003	21/05/2007	5	33.14	5.7	9.42
21/05/2003	20/05/2008	6	33.14	5.7	9.44
02/06/2004	02/06/2007	4	33.91	5.94	9.88
02/06/2004	02/06/2008	5	33.14	5.94	9.88
02/06/2004	02/06/2009	6	33.14	5.94	9.91

Cash-settled equity instrument scheme

During the year, the group issued cash-settled equity instruments to certain employees that require the group to pay the intrinsic value of the cash-settled equity instrument at the date of exercise. At 31 March 2009, the group has recorded liabilities of R45.2 million (2008: R23.7 million) and has expensed an amount of R21.5 million (2008: R14.2 million) during the year.

The fair value of the cash-settled equity instruments has been determined actuarially.

The actuaries made use of the following assumptions in arriving at their valuation:

Grant date	Vesting date	Expected option lifetime	Rolling volatility	Dividend yield	Risk-free rate
13/07/2005	13/07/2008	1	38.65	3.36	6.41
13/07/2005	13/07/2009	1	38.65	3.36	6.41
13/07/2005	13/07/2010	2	34.73	3.36	6.51
30/10/2006	30/10/2009	2	34.73	3.36	6.51
30/10/2006	30/10/2010	3	31.67	3.36	7.06
30/10/2006	30/10/2011	4	29.84	3.36	7.79
24/07/2007	24/07/2010	2	34.73	3.36	6.51
24/07/2007	24/07/2011	3	31.67	3.36	7.06
24/07/2007	24/07/2012	4	29.84	3.36	7.79
10/07/2008	10/07/2011	3	31.67	3.36	7.06
10/07/2008	10/07/2012	4	29.84	3.36	7.79
10/07/2008	10/07/2013	5	29.21	3.36	8.18

methods used in the statutory actuarial valuation used for assessing funding requirements. At the latest valuation date, the combined fair value of the benefit plan assets amounted to R854.9 million (2008: R907.4 million), whilst the actuarial present value of promised retirement benefits totalled R587.1 million (2008: R511.2 million).

The Financial Services Board (FSB) approved the surplus apportionment scheme (the scheme) as at 31 December 2002, submitted by the Illovo Sugar Pension Fund in terms of the Pension Funds Second Amendment Act, 2001 (the Act). No amount of the surplus arising from the scheme was allocated to the company as the employer. As the rules of the Fund have not been changed to specify the future allocation of surplus, the actuarial surplus per the statutory valuation as at 31 December 2005 amounting to R124.7 million has not been recognised as an asset in the financial statements. This is in accordance with the limitations on pension fund assets imposed by the accounting standards.

The FSB has approved the surplus apportionment scheme (the scheme) as at 31 December 2002, submitted by the Illovo Sugar Retirement Benefit Fund. An amount of R5.3 million of the surplus arising from the scheme was allocated to the company as the employer. Following the apportionment of the surplus, the results of the statutory valuation as at 31 December 2005 indicate that the value of the Fund's assets equalled the value of the Fund's liabilities.

A total of R2.1 million (2008: R3.7 million) has been recognised as an expense in the financial period in respect of the two defined benefit plans. The current year company contribution to the three defined contribution plans totalled R27.0 million (2008: R22.5 million).

The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for employees engaged after 1 December 1995. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period.

Malawi

Pensions are provided for all senior employees through the Sucoma Group Defined Contribution Fund and the Sucoma Non-contributory Defined Contribution Fund. The assets are held in independently administered funds. The pension cost charge is recognised in the year in which it is incurred.

Retirement benefits for other staff are provided for by the Employment Act regulations.

Zambia

Zambia Sugar provides retirement benefits for its employees through a defined contribution pension scheme and statutory severance pay schemes. Contributions to the defined contribution pension scheme are recognised in the year in which the related services are rendered by the employees. An amount of R13.4 million (2008: R8.3 million) was expensed during the year in respect of the defined contribution pension scheme.

Membership of the National Pension Authority is compulsory for all employees with the exception of expatriate employees. Monthly contributions are made by both the employer and the employee, and in the current year the employer's contribution totalled R11.4 million (2008: R8.7 million).

Swaziland

The group provides retirement benefits for all its permanent employees through a defined contribution fund and a provident fund. The company contributions to these funds are treated as an expense in the financial period.

A defined benefit fund exists consisting of employees who retired prior to October 2004. The fund was actuarially valued as at 31 January 2009. The fair value of the benefit plan assets amounted to R8.4 million (2008: R7.8 million) whilst the actuarial present value of promised retirement benefits totalled R12.0 million (2008: R11.0 million) resulting in a deficit of R3.6 million (2008: R3.2 million). In arriving at the valuation, the actuary took into account a discount rate and expected rate of 8.00% (2008: 8.00%) and an expected rate of pension increase of 6.00% (2008: nil). The actuarial deficit has been recognised as an expense in full in the financial period.

Arrangements exist in respect of employees not entitled to pension benefits by which retirement gratuities are granted to eligible employees based on length of permanent employment service. An actuarial valuation carried out by independent consulting actuaries as at 31 March 2009 indicated that the provision in respect of these benefits and the statutory benefits was fairly stated at R30.6 million (2008: R26.9 million). In arriving at the valuation, the actuary took into account a discount rate and expected rate of return of 9.00% (2008: 8.75%), and expected rate of salary increase of 5.50% (2008: 5.75%) and an expected rate of inflation of 5.25% (2008: 5.50%).

Tanzania and Mozambique

There are no group retirement plans in Tanzania and Mozambique, however, employees are covered for retirement purposes by statutory social security arrangements established by the respective governments. The group contributes a percentage of the payroll in terms of the statutory requirements, and in the current year R8.6 million (2008: R6.0 million) was expensed in respect of these arrangements.

Post-retirement medical benefits

The group provides for post-retirement medical benefits on the accrual basis, determined actuarially. At 31 March 2009, the total provision amounted to R97.3 million (2008: R98.2 million). During the current year, R0.9 million was released (2008: R3.7 million expensed) to the income statement whilst there were no foreign currency translations in the current year to reduce the provision.

A valuation of this provision was performed as at 31 March 2009. In arriving at his finding, the actuary took into account a discount rate of 9.00% (2008: 7.75%), an expected rate of health care inflation of 8.25% (2008: 7.75%) and an expected retirement age of 58 (2008: 58).

Notes to the financial statements continued

37 CONTINGENT LIABILITIES

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Guarantees in respect of liabilities of third parties and claims against the group	13.5	5.0	-	-
Guarantees in respect of liabilities of subsidiary companies			546.7	305.3
	13.5	5.0	546.7	305.3

38 OPERATING LEASE COMMITMENTS

The group's commitments in respect of operating leases are as follows:

	2010	2011	2012	2013	2014	2009 Rm	2008 Rm
	Rm	Rm	Rm	Rm	onwards Rm		
Property	33.8	7.3	7.4	8.1	12.4	69.0	100.8
Plant and equipment	16.8	15.0	7.8	7.9	7.6	55.1	95.9
Total lease commitments	50.6	22.3	15.2	16.0	20.0	124.1	196.7

39 RELATED PARTY TRANSACTIONS

39.1 Compensation of key management personnel

The remuneration of key management personnel for the year ended 31 March 2009 has been disclosed in the remuneration report on pages 34 to 35.

39.2 Subsidiaries, associates and joint ventures

Details of investments in principal subsidiaries, associates and joint ventures are disclosed in notes 14, 15 and 16 respectively.

39.3 Shareholders

Details of the major shareholders of the company and a summary of the categories of shareholders are disclosed on page 104.

39.4 Interests of directors in contracts

All directors of the company have confirmed that they were not materially interested in any contract of significance with the company or any of its subsidiary companies which could have resulted in a conflict of interest during the year.

39.5 Shareholders and related interests of directors and officers in share capital

Details have been included in the statutory information on page 65.

39.6 Recovery of management services

Management fees are charged to all operating subsidiaries in order to recover the company's management time and effort.

35 SHARE-BASED PAYMENTS *continued*
Illovo Sugar Employees Share Purchase Scheme

Under the Illovo Sugar Employees Share Purchase Scheme, all employees, except directors and employees who are participants in the option scheme or the phantom scheme, may purchase the company's shares. Contributions made by employees are enhanced by a 10% contribution from the company, and the company pays for the trading costs. Employees may acquire up to 5 000 shares in the aggregate and 1 000 shares in a continuous 12 month period.

36 CAPITAL EXPENDITURE COMMITMENTS

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
South Africa				
- contracted	15.1	11.4	15.1	11.4
- approved but not contracted	112.9	103.4	112.9	103.4
Malawi				
- contracted	18.1	20.5		
- approved but not contracted	86.8	150.5		
Zambia				
- contracted	197.3	728.9		
- approved but not contracted	36.2	218.4		
Swaziland				
- contracted	3.4	15.6		
- approved but not contracted	63.2	56.5		
Tanzania				
- contracted	6.2	16.6		
- approved but not contracted	38.1	29.8		
Mozambique				
- contracted	31.9	0.8		
- approved but not contracted	214.8	268.5		
Mali				
- contracted	4.2	4.4		
- approved but not contracted	1 460.4	1 484.4		
Corporate				
- contracted	-	-	-	-
- approved but not contracted	41.9	30.7	41.9	30.7
Contracted	276.2	798.2	15.1	11.4
Approved but not contracted	2 054.3	2 342.2	154.8	134.1
	2 330.5	3 140.4	169.9	145.5

With the exception of Mali, the capital expenditure will be financed from cash resources and facilities negotiated and not yet utilised. In respect of Mali, negotiations for financing facilities are at an advanced stage.

Notes to the financial statements continued

40 FINANCIAL RISK MANAGEMENT continued

40.2 Interest rate risk management (continued)

In order to minimise the risk on a US\$120 million loan from the holding company, the company has entered into a three-year cross currency interest rate swap which fixes the exchange rate on the capital and swaps out the floating US Dollar interest rate for a floating Rand rate and a fixed Rand interest rate (refer note 23).

The interest rate swap contract which exchanges floating rate interest amounts for fixed interest amounts is designated as a cash flow hedge in order to reduce the group's cash flow exposure resulting from the variable interest rate borrowings. The interest rate swaps and the interest rate payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit and loss over the period that the floating rate interest payments on debt impact profit or loss.

Interest rate sensitivity

The group is exposed to interest rate cash flow risk in respect of its variable rate loans and short term cash investments, which can impact on the cash flows of these instruments. The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date and the stipulated change taking place at the beginning of the financial year.

	2009 Rm	2008 Rm
If interest rates had been 50 basis points higher/lower and all other variables held constant, the group's profit before tax for the year would increase/decrease by:	14.1	6.7

40.3 Commodity price risk management

Commodity price risk arises from fluctuations in the world sugar price and the impact this may have on current or future earnings. In order to minimise this risk, management attempt to maximise the sale of sugar into each operating country's domestic market as well as the regional, European and American markets which ensures a premium to the world sugar price. The South African operation however does not have access to the preferential European markets and its excess sugar is sold on the world market. The sale of sugar on the world market, as well as the related hedging activities, is undertaken by the South African Sugar Association (SASA). The company partakes in all decisions made by SASA relative to its pricing and hedging activities.

Management regularly monitors the volumes of sugar sold into the various markets to ensure that the group realises the best possible price.

40.4 Currency risk management

In the normal course of business, the group enters into transaction denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts in respect of receivables and liabilities.

The carrying amount of the group's unhedged and uncovered foreign currency denominated monetary liabilities at the reporting date is as follows:

	Assets		Liabilities	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
US Dollars	255.9	174.4	239.6	354.0
Euros	18.9	86.4	34.9	47.1
Other	0.2	0.7	3.4	36.0

40 FINANCIAL RISK MANAGEMENT

Financial instruments consist primarily of cash deposits with banks, accounts receivable and payable, derivatives, and loans to and from associates and others. Financial instruments, are carried at fair value or amounts that approximate fair value.

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Categories of financial instruments				
Financial assets				
Loans and receivables	1 547.3	2 020.8	624.6	935.9
Investments	14.8	10.1	1.6	1.2
Derivative financial instruments recognised in profit and loss	160.6	7.4	160.6	7.4
Derivative financial instruments designated as cash flow hedges	28.6	10.8	23.6	10.8
Financial liabilities				
Derivative financial instruments designated as cash flow hedges	5.2	8.6	5.2	8.6
Financial liabilities measured at amortised cost	4 718.4	3 806.3	1 981.1	1 622.7
Reconciliation to balance sheet				
Loans	135.4	80.2	26.7	5.1
Trade and other receivables	756.3	782.7	447.0	454.4
Cash and cash equivalents	655.6	1 157.9	150.9	476.4
Loans and receivables	1 547.3	2 020.8	624.6	935.9
Trade and other payables	1 310.9	1 194.1	615.5	461.7
Taxation payable	114.5	102.3	-	-
Long term borrowings	1 130.5	1 191.5	-	-
Short term borrowings	1 936.2	1 134.7	1 139.3	977.3
Shareholders for dividends	226.3	183.7	226.3	183.7
Financial liabilities measured at amortised cost	4 718.4	3 806.3	1 981.1	1 622.7

40.1 Treasury risk management

A treasury risk management committee, consisting of senior executives in the group, meets periodically to analyse currency and interest rate exposures and formulates treasury management strategies in light of prevailing market conditions and current economic forecasts. This committee operates within group policies approved by the board.

The derivative instruments used by the group, which are used solely for hedging purposes (i.e. to offset foreign exchange, price and interest rate risks), comprise interest rate swaps, forward rate agreements, cross currency interest rate swaps, forward exchange contracts and sugar commodity futures. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the group, and forecast future transactions in line with the group's risk management policies.

It is the policy of the group not to trade in derivative financial instruments for speculative purposes.

40.2 Interest rate risk management

Taking cognisance of the seasonality of the group's cash flow and long term interest rate forecasts, the risk management committee positions the group's interest rate exposures according to expected movements in interest rates internationally as well as in the countries in which the group operates.

The interest rate profile at 31 March 2009 is as follows:

	Floating rate	1-6 months	Greater than 6 months	Long term borrowings	Current portion long term borrowings	Total borrowings
Borrowings (Rm)	132.8	446.9	1 138.8	1 130.5	217.7	3 066.7
% total borrowings	4%	15%	37%	37%	7%	100%

Notes to the financial statements continued

40 FINANCIAL RISK MANAGEMENT continued

40.5 Credit risk management

Credit risk consists mainly of short term cash deposits and cash equivalent investments, trade debtors and loans. The group only deposits short term cash with major banks of high quality credit standing and limits the amount of credit exposure to any one counter-party. Trade debtors and loans comprise a widespread base, and group companies undertake ongoing credit evaluations of the financial condition of the other parties. Where appropriate, credit guarantee insurance cover is purchased. At 31 March 2009, the group does not consider there to be any material credit risk that has not been insured or adequately provided against.

The group grants various credit terms to its customers. The analysis of trade receivables which are past due at reporting date is as follows:

	Group		Company	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
Not past due	401.4	379.9	261.7	237.5
Past due by 30 days	33.4	28.8	31.0	11.0
Past due by 60 days	13.6	7.8	11.6	1.6
Past due by 90 days	1.6	1.6	0.6	0.5
Past due by 120 days and over	1.5	12.8	1.5	-
	451.5	430.9	306.4	250.6
Less: allowance for doubtful debts	(21.0)	(8.4)	(18.8)	(5.7)
Total trade receivables	430.5	422.5	287.6	244.9

No specific trade receivables have been placed under liquidation in either the current or the prior years.

Provision for doubtful debts

Set out below is a summary of the movement in the provision for doubtful debts for the year:

Balance at beginning of the year	8.4	7.9	5.7	5.3
Amounts written off during the year	(0.1)	(0.7)	-	-
Amounts recovered during the year	(0.4)	-	(0.4)	-
Increase in allowance	13.7	0.6	13.5	0.4
Exchange rate translation difference	(0.6)	0.6		
Balance at end of the year	21.0	8.4	18.8	5.7

40.6 Liquidity risk management

In terms of the company's Articles of Association, the directors may from time to time, at their discretion, raise or borrow for the purpose of the company as they think fit.

The group treasury has access to the following local and foreign banking facilities at 31 March 2009:

	Rm
Local, fixed and flexible term, general banking facilities	3 729.0
Foreign, fixed and flexible term, general banking facilities	1 550.0
	5 279.0

40.7 Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consists of debt, which includes the borrowings, cash and cash equivalents and equity.

40.4 Currency risk management (continued)

Unhedged and uncovered foreign currency monetary items which are repayable within twelve months comprise:

	Group 2009		Group 2008	
	Foreign currency million	Amount in Rm	Foreign currency million	Amount in Rm
Assets				
US Dollars	26.2	249.1	11.9	97.3
Euros	1.5	18.9	6.7	86.4
Other		0.2		0.7
		268.2		184.4
Liabilities				
US Dollars	10.3	98.0	0.7	5.4
Euros	0.9	11.5	3.6	47.1
Other		3.4		36.0
		112.9		88.5

Foreign currency sensitivity

The group's exchange rate exposure relates mainly to the US Dollar and the Euro. The following table details the group's sensitivity to a 10% increase and decrease in the Rand against the Dollar and Euro for the net foreign assets and liabilities of the group. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit before tax and other equity where the Rand strengthens by 10% against the relevant currency. For a 10% weakening of the Rand against the relevant currency, there would be an equal and opposite impact on profit before tax and other equity, and the balances below would be negative.

	US Dollar		Euro	
	2009 Rm	2008 Rm	2009 Rm	2008 Rm
10% foreign currency sensitivity	1.6	4.4	(1.6)	3.9

In order to minimise risk on the US\$120 million loan from the holding company, the company has entered into a three-year cross currency interest rate swap which fixes the exchange rate on the capital and swaps out the floating US Dollar interest rate for a floating Rand rate and a fixed Rand interest rate (refer note 23).

The group has entered into certain forward exchange contracts which relate to specific items appearing on the balance sheet or were entered into to cover forecast foreign currency proceeds not yet receivable. The contracts will be utilised for purposes of trade during the 2009 financial year.

	Group			Group		
	Foreign currency million	2009 Average rate	Amount in Rm	Foreign currency million	2008 Average rate	Amount in Rm
Foreign currency sold						
US Dollars	15.5	11.02	170.9	8.2	7.77	64.0
Euros	18.2	12.84	233.7	2.8	12.90	36.1
Foreign currency purchased						
US Dollars	0.5	10.63	5.7	–	–	–
Euros	3.4	12.47	42.4	–	–	–
Mauritian Rupee	7.1	3.52	25.0	–	–	–

Analysis of shareholders

An analysis of the register of members as at 31 March 2009 revealed the following categories of membership -

	Number of ordinary shares held	% of shares issued	Number of shareholders
1 - 1 000	923 177	0.3	2 954
1 001 - 10 000	4 120 092	1.2	1 204
10 001 - 100 000	10 479 630	3.0	296
100 001 - 1 000 000	54 589 298	15.5	172
Over 1 000 000	280 811 705	80.0	33
	350 923 902	100.0	4 659

Of the total number of shareholders, 3 692 hold their shares in dematerialised form whilst 967 remain as certificated holders. Of the total number of shares in issue, 48.5% have been dematerialised. The holding company has elected to hold its shares in certificated form.

A further analysis of the register reveals the following categories of members -

◇◇ Pension funds	63 826 133	18.2	142
◇◇ Unit trusts	59 473 096	16.9	73
◇◇ Banks	19 762 157	5.6	54
◇◇ Individuals	6 744 974	1.9	4 223
◇◇ Insurance companies	6 144 590	1.8	26
◇◇ Other corporate bodies	194 972 952	55.6	141
	350 923 902	100.0	4 659

Disclosures by nominee shareholders

Pursuant to the provisions of Section 140A of the Companies Act, 1973, the following beneficial shareholdings equal to or exceeding 5% of the total issued shares in the company have been determined from an analysis of the statutory disclosures submitted by nominee companies -

◇◇ ABF Overseas Limited	180 298 980	51.4
◇◇ Allan Gray Limited	80 066 987	22.8
◇◇ Public Investment Commissioner	19 900 970	5.7

It should be noted that beneficial shareholders which are investment managers, will hold shares on behalf of clients, and may or may not hold the relevant voting rights.

Shareholder spread

Non-public shareholders -

◇◇ Holding company	180 298 980	1
◇◇ Directors	476 556	6
◇◇ Employees and former employees holding shares in terms of the Illovo Sugar 1992 Share Option Scheme	1 041 270	43
◇◇ Trustees of the Illovo Sugar Employees' Share Purchase Trust	113 983	1
	181 930 789	51.8
Public shareholders	168 993 113	48.2
	350 923 902	100.0

	Revenue Rm	Operating profit Rm	Total assets Rm	Capital expenditure Rm	Depreciation Rm
Business segments					
Year to 31 March 2009					
Sugar production	6 250.7	716.1	4 250.3	1 373.4	150.7
Cane growing	1 712.4	503.5	3 476.6	476.3	54.1
Downstream	638.6	166.6	348.3	16.3	10.4
	8 601.7	1 386.2	8 075.2	1 866.0	215.2
Year to 31 March 2008					
Sugar production	4 859.9	602.4	3 301.1	687.9	109.0
Cane growing	1 358.2	317.0	2 669.8	300.5	32.3
Downstream	576.0	145.1	291.9	3.5	10.4
	6 794.1	1 064.5	6 262.8	991.9	151.7
Geographical segments					
Year to 31 March 2009					
South Africa	3 868.8	256.6	1 769.8	76.9	
Malawi	1 739.6	634.0	1 697.4	138.4	
Zambia	1 150.0	168.3	2 808.7	1 517.3	
Swaziland	790.1	127.7	550.2	63.3	
Tanzania	666.3	118.6	630.7	31.3	
Mozambique	386.9	81.0	618.4	38.8	
	8 601.7	1 386.2	8 075.2	1 866.0	
Year to 31 March 2008					
South Africa	3 104.1	263.4	1 643.2	47.6	
Malawi	1 162.7	434.0	1 298.3	84.0	
Zambia	1 076.1	125.1	1 815.7	781.6	
Swaziland	693.0	98.2	462.0	24.5	
Tanzania	482.8	94.2	530.3	32.9	
Mozambique	275.4	49.6	513.3	21.3	
	6 794.1	1 064.5	6 262.8	991.9	

Note: Total assets excludes financial instruments

Appendix to notice of meeting

ELECTION OF DIRECTORS

Curricula vitae

- 1. C W N (Nosipho) Molohe** (44),
BSc(Medical Sciences), BCompt(Hons), CA(SA)

Mrs Molohe, who was previously the Chief Financial Officer of the Financial Services Board, has considerable financial and business experience. After qualifying as a chartered accountant in 1999, Mrs Molohe was appointed Finance Executive of Akulalwa Corporate Advisors. In 2001, she joined Wipcapital as Manager : Specialised Funds Management, and later that year was appointed Group Financial Executive of Vimax, a subsidiary of Transnet. In 2004, she joined Zungu Investments Company as Financial Director, and in 2005 was appointed as Chief Financial Officer of the Financial Services Board. Mrs Molohe is also a director of Hudaco Industries Limited, Nampak Limited, The Petroleum Oil and Gas Corporation of SA (Proprietary) Limited, MTN South Africa (Proprietary) Limited and four other MTN subsidiaries in West Africa.
- 2. D L (David) Haworth** (60),
BSc(Hons)

Appointed to the board on 1 April 2009 as Business Development Director. Having previously held a number of senior positions in several companies operating in East and Southern Africa, he first joined Illovo in 1999, as Managing Director of Kilombero Sugar Company Limited. Prior to his appointment as a director, he was Managing Director of Illovo Sugar (Malawi) Limited, having been appointed to that position in March 2006. He gained his honours degree, majoring in geology from the University of Edinburgh.
- 3. L W (Larry) Riddle** (49),
BCom, CA(SA)

Appointed to the board on 1 April 2009 as Commercial Director. After qualifying as a chartered accountant, he joined Illovo Sugar in 1986. He has held a number of senior management positions within the company, most recently being general manager with overall responsibility for the South African operations. He was appointed as a member of the Group Executive Committee in March 2005. He is Chairman of the South African Sugar Millers' Association and was previously Chairman of the Ethanol Producers' Association of South Africa.
- 4. M I (Mark) Carr (Dr)** (46),
BSc, PhD, MBA, CertEng, MIMechE

Appointed to the board in 2006, as a nominee of the holding company. Appointed Chief Executive of British Sugar in April 2004. He was previously Managing Director of Corus Strip Products U.K., part of Corus Group plc. Dr Carr held a variety of senior positions within Corus, formerly British Steel plc, including assignments in the U.S.A. with CSX Manufacturing Inc. and Avesta Sheffield Inc. He gained a doctorate in mechanical engineering at Swansea University and an MBA from Warwick University.
- 5. G J (Graham) Clark** (53),
BACct(Hons), FCA(Australia)

Appointed to the board in 1997 and as Managing Director on 1 April 2009. Qualified with an honours degree in accounting and is a fellow of the Institute of Chartered Accountants in Australia. He joined the sugar industry in Malawi in 1980 and occupied several financial and management positions, as part of which he obtained extensive sugar industry experience throughout Africa and internationally. Participation in the 2005/06 reform of the EU sugar regime resulted in him occupying a leadership role representing the interests of sugar producers in Least Developed Countries.
- 6. D R (David) Langlands** (43),
BScMaths, ACA

Appointed to the board in 2006, as a nominee of the holding company. He joined the Associated British Foods group in 1994, during which time he held various senior positions. Prior to his appointment as Finance Director of British Sugar in June 2003, Mr Langlands was Finance and Information Technology Director at ABNA, the agricultural division of Associated British Foods plc. He also worked at KPMG for six years. He is a chartered accountant and has a mathematics degree which he gained at the University of Manchester.
- 7. P A (Paul) Lister** (45),
LLB

Appointed to the board in 2006, as a nominee of the holding company. He is currently Director of Legal Services and Company Secretary of Associated British Foods plc, having joined the ABF group in that role in January 2001. Mr Lister was formerly Associate General Counsel of Diageo plc. He holds a law degree from University College London and is a qualified solicitor in England and Wales.
- 8. B M (Barry) Stuart** (61),
BCom, DipSugarTech, SEP(Stanford)

Joined the Illovo group in 1973 and spent 13 years in various production management positions before being appointed as General Manager of the Umzimkulu mill and later General Manager of the Sezela mill. He was appointed to the board as Cane Procurement Director in 1994, became Operations Director responsible for operations in South Africa in 1995, was appointed Technical Director in 2006 and Operations Director in 2008. He is a past chairman of the South African Sugar Millers' Association.
- 9. R A (Robbie) Williams** (68),
BA, LLB

Appointed to the board in 1985 and as chairman in 1997. Qualified at the University of Cape Town and joined Barlows Manufacturing Company where he became the managing director in 1979. He is a past chairman of C G Smith Foods Limited and Tiger Brands Limited. He is also a non-executive director of Oceana Group Limited and Pescanova SA in Spain.

Notice of meeting

Notice is hereby given that the 94th annual general meeting of the members of the company will be held at the registered office of the company, Illovo Sugar Park, 1 Montgomery Drive, Mount Edgecombe, KwaZulu-Natal on Tuesday, 14 July 2009 at 12:00 to transact the following business -

1. FINANCIAL STATEMENTS

To receive and adopt the annual financial statements for the year ended 31 March 2009.

2. ELECTION OF DIRECTORS

2.1 To confirm the appointments of Mrs C W N Molope, and Messrs D L Haworth and L W Riddle who were appointed as directors since the previous annual general meeting.

2.2 To re-elect each of Dr M I Carr and Messrs G J Clark, D R Langlands, P A Lister, B M Stuart and R A Williams who retire by rotation, in terms of the articles of association, and who, being eligible, offer themselves for re-election.

The curricula vitae of these directors are provided in the appendix to this notice; pages 106 of the Annual Report.

3. SPECIAL BUSINESS

3.1 Ordinary resolutions

To consider and, if deemed fit, to pass with or without modification the following ordinary resolutions -

1. Determination of directors' fees

That unless otherwise determined by the company in general meeting, the revised annual fees payable by the company to non-executive directors be approved with effect from 1 April 2009, as follows -

	Rands per annum	
	Current	Proposed
Board :		
Chairman *	1 640 000	1 820 000
Deputy Chairman *	-	1 200 000
Other members	150 000	180 000
Audit Committee:		
Chairman	118 000	135 000
Other members	70 000	78 000
Remuneration / Nomination Committee:		
Chairman	94 000	105 000
Other members	70 000	78 000
Risk Management Committee:		
Chairman	77 000	86 000
Other members	60 000	67 000

* Fee inclusive of committee membership fees and payable monthly in arrears. All other fees are paid quarterly in arrears.

2. Authority to issue shares for a rights offer

That, for the purposes of a rights offer and to the extent required thereto, the unissued ordinary shares in the capital of the company be placed under control of the directors, who are hereby authorised, subject to the requirements of the Companies Act, 1973, and the Listings Requirements of the JSE Limited, to allot and issue these shares at such times and at such prices as they may determine, at their discretion, provided that such general authority shall be valid only until the next annual general meeting of the company or fifteen months from the date of the passing of this resolution, whichever is the earlier.

4. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting of members.

Members holding certificated shares and members that have dematerialised their shares and have elected own name registration in the sub-register maintained by a Central Securities Depository Participant (CSDP), may attend, speak and vote at the annual general meeting or may appoint one or more proxies (who need not be members of the company) to attend, speak and vote at the annual general meeting on behalf of such member. A proxy form is included as page 107 of the Annual Report. Duly completed proxy forms must be returned to the transfer secretaries, Link Market Services South Africa (Proprietary) Limited (P O Box 4844, Johannesburg, 2000 or 5th Floor, 11 Diagonal Street, Johannesburg, 2001) by no later than 12:00 on Friday, 10 July 2009.

Shareowners who have dematerialised their shares through a CSDP or a broker and who have not elected own name registration in the sub-register maintained by the CSDP and who wish to attend the annual general meeting, should instruct their CSDP/broker to issue them with the necessary authority to attend. Shareowners who are unable or do not intend to attend the meeting, but wish to be represented at the meeting, may provide their CSDP/broker with their voting instructions in terms of the custody agreement entered into between such shareowners and their CSDP/broker.

By order of the board.

G D Knox
Company Secretary

Mount Edgecombe
17 June 2009

Notes to the form of proxy

- 1 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company.
- 2 This proxy form is not for completion by those shareowners who have dematerialised their shares (other than those whose shareholding is recorded in their own name in the sub-register maintained by their Central Securities Depository Participant [CSDP]). Such shareowners should provide their CSDP/ broker with their voting instructions.
- 3 If this proxy form is returned without any indication as to how the proxy should vote, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.
- 4 A minor must be assisted by his/her guardian.
- 5 The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by the company.
- 6 In order to be effective, proxy forms must reach the transfer secretaries, Link Market Services South Africa (Proprietary) Limited (P O Box 4844, Johannesburg, 2000 or 5th Floor, 11 Diagonal Street, Johannesburg, 2001) no later than 12:00 on Friday, 10 July 2009.
- 7 The delivery of the duly completed proxy form shall not preclude any member or his/her duly authorised representative from attending the meeting, speaking and voting instead of such duly appointed proxy.
- 8 If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form, and whose name is not deleted, shall be regarded as the validly appointed proxy.

Form of proxy

for the 94th annual general meeting



For completion only by members holding certificated shares, and members that have dematerialised their shares and have elected "own name" registration.

Company Registration No. 1906/000622/06
Share code ILV ISIN ZAE000083846

I/We _____
(Name/s in block letters)

of _____
(address)

being the shareholder/member of the abovenamed company and entitled to

Number of votes

(1 share = 1 vote)

do hereby appoint

1 _____ of _____ or failing him/her

2 _____ of _____ or failing him/her

3 the chairman of the meeting

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the annual general meeting of the company to be held at the registered office of the company, Illovo Sugar Park, 1 Montgomery Drive, Mount Edgecombe, KwaZulu-Natal on Tuesday, 14 July 2009 at 12:00 and at any adjournment thereof as follows -

Resolution No.	Agenda Item	Mark with X where applicable		
		For	Against	Abstain
1	Adoption of 2009 annual financial statements			
2	Election of directors			
2.1	Confirmation of appointment of directors			
2.1.1	D L Haworth			
2.1.2	C W N Molohe			
2.1.3	L W Riddle			
2.2	Re-election of directors			
2.2.1	M I Carr			
2.2.2	G J Clark			
2.2.3	D R Langlands			
2.2.4	P A Lister			
2.2.5	B M Stuart			
2.2.6	R A Williams			
3.1	Ordinary resolution			
1	Determination of directors' fees			
2	Authority to issue shares for a rights offer			

Signed at _____ on this _____ day of _____ 2009

Signature _____

Assisted by me (where applicable) (see note 4) _____

Full name/s of signatory/ies if signing in a representative capacity (see note 5)

NB Please refer to the notes on the reverse of this Form of Proxy





2009

Corporate information

Company Secretary:

Business address
and registered office:

G D Knox

Illovo Sugar Park,
1 Montgomery Drive,
Mount Edgecombe, KwaZulu-Natal
P O Box 194,
Durban, 4000

Postal address:

Telephone: +27 31 508-4300
Telefax: +27 31 508-4525
E-mail: gdknox@illovo.co.za
Website: www.illovosugar.com

Group Public Affairs Manager:

Telephone:
Telefax:
E-mail

C Fitz-Gerald
+27 31 508-4300
+27 31 508-4525
cfitzgerald@illovo.co.za

Transfer Secretaries:

Business address:

Postal address:

Telephone:
Telefax:
E-mail:

Link Market Services South Africa
(Proprietary) Limited
5th Floor, 11 Diagonal Street,
Johannesburg, 2001
P O Box 4844,
Johannesburg, 2000
+27 11 834-2266
+27 11 834-4398
info@linkmarketservices.co.za

Auditors:

Deloitte & Touche

Attorneys:

Garlicke & Bousfield Incorporated

Principal Banker:

The Standard Bank Group Limited

Sponsor:

J P Morgan Equities Limited

Financial adviser:

The Standard Bank Group Limited

Company Registration No:

1906/000622/06

Share Code:

ILV

International Security Identification No:

ZAE000083846

Shareholders' diary

Financial year end		March
Annual general meeting		July
Reports and profit statements		
Interim report		November
Profit statement for the year		May
Annual report and financial statements		June
Dividends		
Interim	Declaration	November
	Payment	January
Final	Declaration	May
	Payment	July

Designed and produced by Anne Parker Corporate Design cc.

Principal photographer: Russell Cleaver. Printed by Ultra Litho

Shareholders are reminded to notify the transfer secretaries of any change in address.



ILLOVO DISTILLERS (TANZANIA) LIMITED

LIST OF COMPANY OFFICIALS AND SENIOR MANAGEMENT

DIRECTORATE

CLARK	GJ
PARROTT	IG
CARTER-BROWN	DH

COMPANY SECRETARY

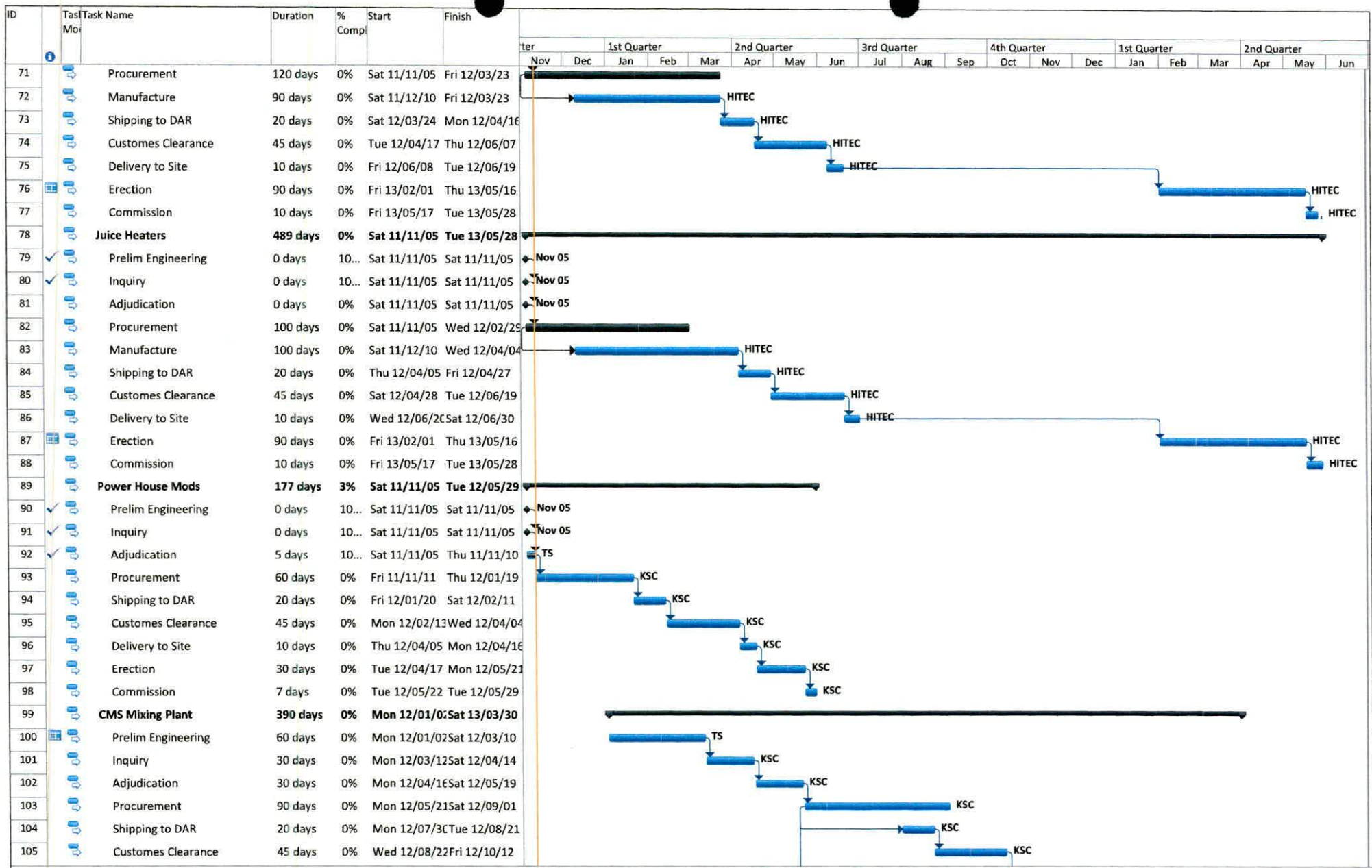
BENNIE	CM
--------	----

SENIOR MANAGEMENT

VAN GREUNEN	PJ	(Factory Manager)
ROWNEY	K	(Project Finance Manager)
KEATES	P	(Project Manager)
TANDIKA	T	(Distillery Manager)

ID	Task Name	Duration	% Comp	Start	Finish	Gantt Chart																							
						1st Quarter		2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter									
						Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun				
1	KILOMBERO KB1007	586 days	3%	Mon 11/08/01	Fri 13/06/28	[Gantt Bar]																							
2	✓ KSC Site Preparation	0 days	100%	Fri 11/10/21	Fri 11/10/21	[Gantt Bar]																							
3	✓ Distillery Site	0 days	100%	Fri 11/10/21	Fri 11/10/21	[Gantt Bar]																							
4	✓ Labour Village	0 days	100%	Fri 11/10/21	Fri 11/10/21	[Gantt Bar]																							
5	✓ Laydown Area	0 days	100%	Fri 11/10/21	Fri 11/10/21	[Gantt Bar]																							
6	✓ CMS Lagoon Area	0 days	100%	Fri 11/10/21	Fri 11/10/21	[Gantt Bar]																							
7	DISTILLERY	586 days	3%	Mon 11/08/01	Fri 13/06/28	[Gantt Bar]																							
8	Praj Supply Contr	465 days	6%	Mon 11/08/01	Thu 13/02/07	[Gantt Bar]																							
9	✓ Sign Contract	0 days	100%	Tue 11/09/06	Tue 11/09/06	[Gantt Bar]																							
10	Basic Engineering	143 days	46%	Mon 11/08/01	Tue 12/02/14	[Gantt Bar]																							
11	Detail Engineering	286 days	10%	Mon 11/08/01	Fri 12/08/31	[Gantt Bar]																							
12	Procurement	255 days	0%	Wed 11/12/07	Fri 12/09/28	[Gantt Bar]																							
13	Manufacture	205 days	0%	Fri 12/03/30	Fri 12/11/23	[Gantt Bar] PRAJ																							
14	Shipping to DAR	202 days	0%	Fri 12/03/23	Tue 12/11/13	[Gantt Bar] PRAJ																							
15	Customs Clearing	238 days	0%	Mon 12/04/30	Thu 13/01/31	[Gantt Bar] PRAJ																							
16	Delivery to Site	217 days	0%	Thu 12/05/31	Thu 13/02/07	[Gantt Bar] PRAJ																							
17	Praj Erect Contr	532 days	0%	Fri 11/10/14	Fri 13/06/28	[Gantt Bar]																							
18	✓ Sign Contract	0 days	100%	Wed 11/11/09	Wed 11/11/09	[Gantt Bar] Nov 09																							
19	Site Establishment	35 days	0%	Mon 11/11/21	Fri 11/12/30	[Gantt Bar] PRAJ																							
20	Civil Works	277 days	0%	Fri 11/12/30	Fri 12/11/16	[Gantt Bar] PRAJ																							
21	Tank Fab, Erect, Test	178 days	0%	Thu 12/06/07	Mon 12/12/31	[Gantt Bar] PRAJ																							
22	Erect Prefabed Structures	133 days	0%	Fri 12/10/05	Fri 13/03/08	[Gantt Bar] PRAJ																							
23	Erect Shop Fab Equip	88 days	0%	Fri 12/12/07	Tue 13/03/19	[Gantt Bar] PRAJ																							
24	Erect Bought-Out Equip	220 days	0%	Fri 12/07/06	Tue 13/03/19	[Gantt Bar] PRAJ																							
25	Piping Erection	141 days	0%	Wed 12/11/07	Fri 13/04/19	[Gantt Bar] PRAJ																							
26	Electrical Works	236 days	0%	Tue 12/08/07	Wed 13/05/08	[Gantt Bar] PRAJ																							
27	Instrument Works	240 days	0%	Tue 12/08/07	Mon 13/05/13	[Gantt Bar] PRAJ																							
28	Painting	131 days	0%	Mon 12/12/31	Fri 13/05/31	[Gantt Bar] PRAJ																							
29	Insulation	89 days	0%	Mon 13/02/18	Fri 13/05/31	[Gantt Bar] PRAJ																							
30	Train, Trials & Commission	59 days	0%	Mon 13/03/25	Fri 13/05/31	[Gantt Bar] PRAJ																							
31	Demobilisation	19 days	0%	Fri 13/05/31	Fri 13/06/21	[Gantt Bar] PRAJ																							
32	Progress Payments	495 days	0%	Wed 11/11/30	Fri 13/06/28	[Gantt Bar]																							
33	WT Reject/Sludge/Conden	490 days	0%	Fri 11/11/04	Tue 13/05/28	[Gantt Bar]																							
34	Prelim Engineering	30 days	0%	Fri 11/11/04	Thu 11/12/08	[Gantt Bar]																							
35	Inquiry	36 days	0%	Fri 11/12/09	Thu 12/01/19	[Gantt Bar] TS																							

Project: KILOMBERO KB1007 DIST Date: Fri 11/11/11	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
	Split		External Tasks		Inactive Summary		Manual Summary		Late	
	Milestone		External Milestone		Manual Task		Start-only		Progress	
	Summary		Inactive Task		Duration-only		Finish-only			



Project: KILOMBERO KB1007 DIST Date: Fri 11/11/11	Task		Project Summary		Inactive Milestone		Manual Summary Rollup		Deadline	
	Split		External Tasks		Inactive Summary		Manual Summary		Late	
	Milestone		External Milestone		Manual Task		Start-only		Progress	
	Summary		Inactive Task		Duration-only		Finish-only			



TECHNICAL SERVICES
FRONT END PACKAGE
40 KLPD ENA DISTILLERY AT KILOMBERO
RUEMBE SUGAR MILL
PROJECT KB 1007



PROJECT REF NO.: KB 1007
PREPARED BY: TECHNICAL SERVICES

APRIL 2011

To: Mr. B Stuart – Operations Director – Illovo Sugar Ltd.
From: Mr. D Carter-Brown – Managing Director - Kilombero Sugar Company.
Date: 20 April 2011
Project No: KB 1007
Subject: RUEMBE MILL 40 KLPD ENA DISTILLERY
Centre: KILOMBERO SUGAR COMPANY - RUEMBE MILL

The attached engineering package for the above capital project has been completed and is submitted for approval. It is estimated that R309 418 176 (excl. VAT) will be required to clear the expenditure that will be incurred on this project, allowance for which was included in the recent Board allocations.

The project will be managed and controlled by Kilombero Sugar Company who will appoint a site based dedicated project management team assisted by an Illovo Sugar Ltd. Technical Services representative.

MANAGING DIRECTOR
KILOMBERO SUGAR COMPANY
Date:

GROUP EXECUTIVE- TECHNICAL SERVICES
ILLOVO SUGAR LTD.
Date:

GROUP EXECUTIVE- DOWNSTREAM
ILLOVO SUGAR LTD.
Date:

G M – OPERATIONS
ILLOVO SUGAR LTD.
Date:

OPERATIONS DIRECTOR
ILLOVO SUGAR LTD
Date:

This FEP was developed with the input from the following people:

Marketing Information:	Burger Pretorius
IRR Model:	Grant Mapham
Tax Advice:	Julie Farrington
Process & Energy Advice:	Keith Taylor & Matthew Jolly
Factory & Operational Advice:	Peter van Greunen

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- A EPC OFFER FOR 40 KLPD DISTILLERY
- B JOHN THOMPSON BOILER MODIFICATIONS
- C ENERGY MASS BALANCE FOR RUEMBE ENERGY EFFICIENCY
- D JUICE HEATERS
- E COMPLETE PROJECT DETAILED CAPITAL ESTIMATE
- F RUEMBE ENERGY EFFICIENCY DETAILED CAPITAL ESTIMATE
- G PROJECT IRR CALCULATION

EXECUTIVE SUMMARY

CENTRE: RUEMBE SUGAR MILL
PROJECT No: KB 1007
SUBJECT: 40 KLPD ENA DISTILLERY

No large-scale potable alcohol distillery currently exists in Tanzania. Value can be added to the molasses produced at Kilombero's two sugar mills by installing a potable alcohol plant at Kilombero which would sell alcohol into both the local and regional markets. These markets are already well established and are currently largely supplied by imported potable alcohol from Illovo Merebank. A second strategic justification is that Kilombero molasses does not meet the newly introduced nitrate specification for export to the European Union from the 1st of November 2012, and the declining reliability of the railway and port facilities in Tanzania also puts the molasses export program at risk. The local molasses market is completely over-supplied and any failure of the export infrastructure could result in molasses disposal becoming a significant expense and environmental risk.

It is proposed to construct an 11 500 kL/annum (40 kL/day) distillery adjacent to Kilombero Sugar's, Ruembe Mill. The distillery will run for 45 weeks per annum, will operate at an Overall Time Efficiency of 95%, and will process all of the molasses manufactured by the Msolwa and Ruembe Mills, and could possibly process imported molasses from other Tanzanian mills.

The plant would also be capable of producing Concentrated Molasses Solids (CMS) suitable for application as fertiliser on Miller Cum Planter (MCP) land, thus reducing MCP fertiliser costs. The plant will be configured to operate on a stand-alone basis during and out of the sugar crushing season, but with steam and electricity being supplied by the Ruembe factory's boilers and power station.

In order to produce sufficient excess bagasse so that it is possible to utilise as fuel in Ruembe's Boilers to provide the Distillery process steam and additional steam to the Turbo-Alternator (T/A) sets to generate power, energy efficiency modifications will be undertaken in the sugar mill. Modifications to the factory vapour systems, by adding two additional juice heaters and an additional 4th effect evaporator, will reduce the HP steam demand in the factory, and modifications to the boiler's fuel efficiencies will be achieved by the installation of economisers on each boiler and increasing the Boilers' Maximum Continuous Rating (MCR) output of steam to 50 t/hr.

The Distillery scope of work will be awarded to Praj Industries in India as a Turnkey/EPC contract, and the boiler and steam line modifications to Actom John Thompson. The additional work will be broken down into a further three contracts, one for the factory modifications, one for the bagasse storage area, and one for the CMS plant. This project structure will enable the small mill Owner's Team to manage the project, with the aid of Technical Services.

The project will commence in August 2011 following the July 2011 Illovo Board approval and will be commissioned after the start of the 2013 Kilombero crushing season in June 2013.

The internal Rate of Return for the project is calculated as ******* %

(See Appendix G)

Estimated Capital Cost R 309 418 176

PART ONE

1.0 SECTION 1 - PROJECT DESCRIPTION AND CONTENT

An ideal opportunity has presented itself to erect a 40 000 litre/day (40 KLPD) potable alcohol distillery at Illovo Sugar – Kilombero, adjacent to the K2-Ruembe factory. This distillery will be supplied with steam from the Ruembe Mill and produce Extra Neutral Alcohol (ENA) over a 45 week period from molasses supplied by both Msolwa and Ruembe Kilombero Sugar mills, as well as Concentrated Molasses Solids (CMS), which will be used as a potassium rich liquid fertiliser.

The distillery installation portion of the project will be carried out on an EPC/Turnkey basis. In conjunction with the distillery project, energy efficiency improvements and other modifications will be carried out at the Ruembe factory in order to free up bagasse stocks and upgrade the boilers to efficiently generate sufficient steam and electricity to supply to the distillery for its entire 45 week operating season.

1.1 JUSTIFICATION

The European Union (EU) has, effective from the 1st November 2010, introduced a maximum specification of 15ppm for nitrates in molasses for any molasses imported into the EU. Kilombero is unable to comply with this specification and will thus lose the EU market for molasses exports. Due to the late notice given by the EU of this specification, a two year extension has been granted so the effective date for compliance of the nitrate specification is 1st November 2012.

Furthermore, due to few shipping lines currently being unwilling to travel the short route to Europe (via Suez Canal) due to piracy, it has become expensive to ship molasses using the longer route (around the Cape Point). Added to this is the declining reliability of the local railway system which is currently used to transport the molasses to the Dar es Salaam port for export.

The consequences of all these factors are that Kilombero will find it increasingly difficult to dispose of molasses profitably. Future disposal of molasses at a cost and/or the negative environmental consequences could result in the operational future of both Kilombero mills being in jeopardy.

However, with the increasing demand for potable ethanol in East Africa, Illovo Sugar Limited – Kilombero presently has an opportunity to utilise this molasses for potable ethanol manufacture and thus negate the aforementioned issues while adding an additional profitable revenue stream to its business. A fast growing (20% year on year since 2008 and continued growth at 9% projected forward to 2015) local ENA customer Tanzania Distilleries Limited (TDL) is currently supplied by Illovo Sugar – Merebank. TDL are part of the SABMiller Group. TDL have previously approached Illovo to consider local manufacture of ENA to support their regional market growth aspirations. Notwithstanding their preference for an Illovo investment in Tanzania, TDL have indicated that they will seek alternate distillery investments as part of the broader SABMiller focus on deepening local supply chains.

1.2 OVERVIEW OF CAPITAL WORKS

1.2.1 Overview of Scope of Supply

This project has three main components, the new Distillery, the energy efficiency and bagasse storage modifications to the Ruembe sugar factory, and the Concentrated Molasses Solids blending plant to enable the disposal of the residual molasses on the sugar cane fields as an environmentally friendly fertiliser. The sugar mill energy efficiency component is vital as it is not economically feasible for the distillery to have its own stand alone boiler, due to the high cost of supplemental fuels such as Heavy Furnace Oil (HFO) and coal.

1.2.2 Distillery

The distillery has been sized based on the maximum available molasses figure of

46 520 tons/annum indicated in the Kilombero Sugar strategic plan. Based on a Distillery OTE of 95%, and at accepted yields, this should produce 11 500 kL/annum of ENA in a 45 week season.

It must be noted that in order to ensure the financial feasibility of the project, significant cost savings were achieved by sourcing the distillery equipment from India, and the design standards used were typical Indian Standards (in this case typical Praj Industries Standards) and not the more conservative Western Standards which are the norm for Illovo. These Praj Design Standards have been confirmed to follow accepted Western Design Standards and although aspects of the final finish might not be recognisable as Illovo's standards, they are acceptable and fit for purpose.

Provision has been made for an additional month's storage ($\pm 3500\text{m}^3$) of molasses as the existing storage at K1 of 3996m^3 and 1615m^3 at K2 is insufficient to meet the nine week off-crop distillery production requirement (i.e. mill operates for 36 weeks whereas the distillery will operate for 45 weeks). Molasses from K1 will be transported by road tanker to the distillery, while molasses from K2 will be pumped to the distillery.

A fed batch fermentation scheme has been selected as this is the best compromise between the standard batch and continuous processes. This process results in highest alcohol yields and the lowest bacterial contamination risk, which will make it ideal for remote African conditions where little technical support is available should processing problems arise.

A multi-pressure distillation scheme has been selected as this minimises cleaning downtime and maximises energy efficiency. The cleaning downtime is reduced due to operating at vacuum in the Stripper/Mash Column which results in lower temperatures and hence less fouling, whilst the energy efficiency is

achieved by running successive distillation columns at different pressures thus enabling energy to be cascaded from one column to another. Sufficient final product ENA storage has been provided for 60 days worth of production.

The bulk of the liquid effluent produced, termed vinasse or dunder, is high in potassium and has value as a fertiliser. The vinasse will be concentrated to approximately 50° Brix in a multiple effect evaporator to produce CMS and then blended with additional nutrients in the CMS Blending Plant, before being applied by tractor pulled tankers as a fertiliser to the sugar cane fields. CMS will be stored in a lined and covered reservoir with sufficient capacity for 15 weeks production.

All effluent generated (the bulk being the process condensate from the multiple effect evaporator) will be treated in an effluent treatment plant to acceptable Tanzanian Standards for Discharge into a Natural Water Course before being discharged as irrigation water via the existing irrigation water system.

Steam will be supplied from the Sugar Factory's boilers at 21 bar (g) to the distillery boundary and then let down and de-superheated to the necessary pressure and temperature within the distillery boundaries. Steam condensate will be returned to the Boiler feed water system.

Water for all the distillery plant requirements will be pumped from the fresh water canal and treated to the necessary standard, either for process or potable requirements.

1.2.3 Ruembe Factory Energy Efficiency

1.2.3.1 Juice Heaters, Evaporator and Condensate System

Following the planned Ruembe factory expansion to 145TCH in 2011/12, two new juice heaters and a new Roberts-type 4th effect evaporator have been included in the following 2012/13 off crop, prior to the distillery

coming on line, in order to improve the steam economy of the factory. These vessels in conjunction with the modifications to the vapour system bleeds and condensate handling system will reduce the steam % cane demand, thus enabling the excess steam generated from the available bagasse to be utilised as process steam in the distillery.

1.2.3.2 Boilers

Equipment required for this distillery energy project includes an efficiency upgrade of the two existing boilers from 63% to 68% by installing economisers. The ID and FD fans will be up rated to handle the increased volumetric flow rates and the additional pressure drop across the economisers. The combined Maximum Continuous Rating (MCR) for the two boilers will increase to 100 t/hr (50 t/hr each).

In combination with the above, the supply and installation of rotary burners to fire one of the Boilers on diesel and/or technical alcohol in an emergency situation when bagasse is not available, has been included in the scope of works. Technical alcohol is a by-product from the distillation process, and has a low market value. This was deemed the better option compared to either refurbishing or replacing the existing Heavy Fuel Oil (HFO) burners which haven't been used for a number of years and are also not safe to operate as they do not have a proper management system which ensures safe operation in conditions such as "flame-out". The operation of these burners will be restricted to when there is a breakdown on the bagasse handling system which feeds fuel to the Boilers.

Replacement Oxygen sensors on both Boilers will be supplied so that it will be possible to fully automate the combustion process thus ensuring the most efficient operation of the Boilers whilst being fired on bagasse.

1.2.3.3 Steam Supply

Included in the boiler up rating scope is the supply and installation of the steam line to supply 21 bar (g) steam to the Distillery boundary as well as the condensate return line from the Distillery boundary to the Factory's condensate storage tanks. This returning condensate will be measured for contamination prior to entering the condensate storage tanks. Also allowed for is increasing the HP steam line diameter to the T/A's from the current 200mm diameter to 250mm diameter to cater for the increased steam capacity.

1.2.3.4 Electrical Power Supply

During crushing the T/A's will supply the Distillery with electrical power and the associated exhaust steam will be utilised in the Ruembe factory. During the 9 weeks when the factory will not be crushing, the exhaust steam from the TA Set will be condensed by boiling water in the first two effects of the factory's Evaporator station. Double block and bleed valves will be installed downstream of the 2nd Effect and a nozzle will be supplied to blow off the vapour exiting this vessel to atmosphere. The condensate processed in these evaporators will be returned to the Boiler feed water system.

Two Diesel Generators will be supplied as part of the Distillery scope and will be used as an emergency power supply should the factory or Tanesco power supply be interrupted.

1.2.3.5 The Bagasse Storage Area

In order to supply the distillery with steam and power during the 9 week off season operation, additional bagasse storage area and equipment to store and reclaim 20,000 tons of bagasse has been allowed for.

1.2.4 Concentrated Molasses Solids (CMS)

To dispose of the liquid effluent (vinasse or dunder) produced from the distillery, the vinasse will be concentrated to approximately 50° Brix in a multiple effect evaporator to produce CMS. The CMS will initially be stored in a large rubber bladder with a 15 week capacity. The CMS which is high in Potassium will then be blended with the correct ratios of additional nutrients (Dry Urea containing the required Nitrogen and Phosphoric Acid for the Phosphorus requirement) in the CMS Blending Plant, before being dispensed into tractor driven tankers which will apply the blended CMS as a fertiliser on the sugar cane fields.

1.2.5 Owner's Team Scope

1.2.5.1 CMS Blending Plant

The CMS Plant will comprise of a steel structure clad building, approximately 12m x 7.5m x 4.5m high. A 90m² warehouse will also be built to provide a storage area for the chemicals which will be utilised in the blending process.

New CMS transfer pumps will pump the CMS from the lined and covered reservoir to two 34m³ (3.3m Diameter x 4.2m high) 304 stainless steel conical bottom blending tanks supported on load cells and fitted with stirrers situated in the CMS Blending Plant. The load cells will be positioned on support structure which is just higher than the bund wall height, and will ensure that the correct quantity of CMS is blended with the other necessary nutrients/chemicals.

A 200mm diameter 10m long 3Cr12 dosing screw conveyor with loading hopper, also supported on load cells, and with a trouser leg outlet chute with a controllable flap, will rateably feed the nutrients/chemicals into either blending tank.

A third 10m³ (2.5m Diameter x 2.5m high) 304 stainless steel tank, to facilitate the mixing of Phosphoric acid, will be able to dose either blending tank.

All pipes and valves will be 304 Stainless Steel and all the tanks will have operational platforms surrounding the tank at top tank level, with rectagrid flooring complete with kick plates.

Once mixed, all the blended CMS will be pumped into tractor driven tankers which will then distribute the blended CMS onto the cane fields. Provision will be made for a loading bay to load the CMS tankers under cover.

Civils and structural steel as well as the tanks and screw will be manufactured locally in Tanzania while the stirrers, pumps, conveyor drive, valves, electrics and instrumentation will be bought out items.

1.2.5.2 Molasses Supply

New adequately sized molasses transfer pumps will be supplied and installed close to the existing Molasses storage tank at K2. The delivery line from these pumps will be run on the same pipe rack as the current molasses feed from the factory and then run on the outside of the building with cantilever supports every 6 metres finally joining the same pipe rack as the steam and condensate pipes going to and from the Distillery. The

molasses from K2 will be fed to the molasses batch weigher situated within the distillery.

Road tankers will be provided to transport the molasses from K1 to the distillery molasses unloading pit and will be massed over the distillery road weighbridge to record stock levels.

1.2.5.3 Fire Water System

An additional tank (old HFO Storage tank) which is situated adjacent to the existing two fire tanks, but currently not being utilised, will be coupled to the current fire protection system. An adequately sized fire water line will be constructed to tie up to the distillery fire ring main at the distillery boundary. This fire water supply line to the Distillery will be run next to the Molasses supply pipe on the same pipe bridge as the steam and condensate return lines. The existing fire pumps will be replaced with larger capacity fire pumps (one electrically driven and one diesel driven) in order to accommodate the increased capacity and higher pressure drop introduced into the system when supplying the distillery fire protection requirements.

1.2.5.4 Relocate Road

As the proposed site for the distillery includes a section of roadway in front of the Ruembe factory entrance, the roadway will be re-routed to around the perimeter of the proposed distillery site. This will include the construction of a suitable load bearing bridge over the existing canal. Locally based contractors will be used to carry out the roadway and bridge construction.

1.2.5.5 Relocate Tanesco Power Line

The existing power line runs through the proposed distillery site and will be relocated to the boundaries of the site. A suitable position for the

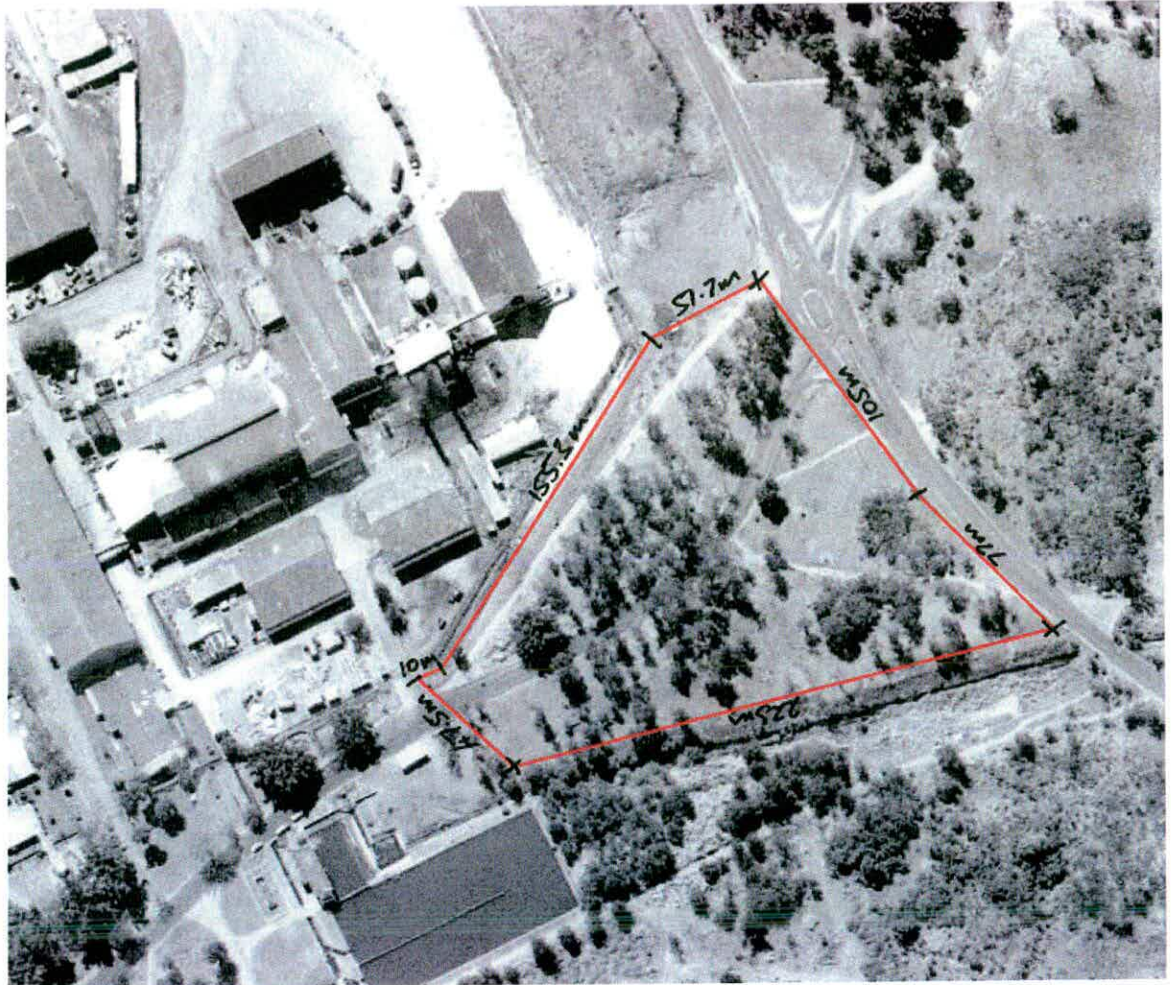
relocation of the existing power line has been discussed with Tanesco and a quote obtained from a local approved contractor.

1.3 MECHANICAL WORK

1.3.1 Mechanical Scope of Works

1.3.1.1 Distillery

As this will be carried out as an EPC/Turnkey contract with Praj Industries in India, full details of the scope of supply are included in Praj's offer (Revision 5) in Appendix A.



Aerial Photograph showing Area Identified for new Distillery site

1.3.1.2 Energy Efficiency

1.3.1.2.1 Up rating both Boilers Efficiencies and Capacity

As this is an EPC/Turnkey contract with Actom John Thompson Boilers in South Africa, full details of the scope of supply are included in Appendix B.

1.3.1.2.2 Installing Diesel / Technical Alcohol Burners on 1 Boiler

A budget quote has been included in this Project's budget to supply new HFO Steam Atomising Burners on one of the boilers; this will enable this boiler to produce 20 t/hr of 21 bar (g) steam. As stated previously, the cost of the HFO to fire these burners is high; it is a feasible solution to consider the utilisation of technical alcohol to fire these burners. There is an approximate saving of R500K on a liquid fuel system as the heaters in the reticulation system are not a requirement. Another added benefit of Liquid Fuel burners is that they are continuously available whereas on HFO Burners the HFO has to be continuously heated and circulated so that it is readily available.

1.3.1.3 Mixed Juice Heaters

To reduce the steam % cane, two additional secondary 320m² Mixed Juice Heaters will be installed, one on V3 and the other on V2. These two heaters will be installed on stand-alone support structure which will be supplied and installed in a position adjacent to the existing clarifier near the existing juice heater station.

1.3.1.4 Evaporators

Additional heating surface will be added to the current 3rd effect. This will be achieved by moving the current 4th effect vessel as an additional 3rd effect and installing a new 1000m² 4th effect Roberts-type vessel. This will improve the V3 pressure enabling V3 vapour bleeding to be introduced to

heat the mixed juice. The vapour bleeding will be re-arranged to optimize the use of steam and reduce the steam demand.

The evaporators will be arranged as follows:

Position	Unit	Type	Heating Surface
1 st Effect	1	Kestner	2000 m ²
2 nd Effect	2A & 2B	Roberts	350m ² + 850m ² = 1200m ²
3 rd Effect	3 + Existing 4 th	Roberts	800m ² + 575 m ² = 1375m ²
4 th Effect	New 4 th	Roberts	1000 m ²
5 th Effect	5A & 5B	Roberts	575 m ² + 575 m ² = 1150 m ²

The new 4th effect evaporator will be a self-supporting unit with integral vapour space and chevron type entrainment separator. The new vessel will be installed next to the existing 5A and 5B vessels between the evaporator and centrifugal floors.

1.3.1.5 Juice and Vapour Piping

Vapour piping between the evaporator vessels will have to be modified to change the configuration as will vapour bleeding for juice heating and pan boiling.

Juice piping between the existing vessels is mostly correct. However, there is a concern about the size of line for the juice connection between vessels that are twinned as the small juice lines increase the pressure drop and inhibit juice flow. Bigger juice lines will therefore be installed between vessels with juice in series.

1.3.1.6 Condensate System

The existing condensate removal system involves many pumps and does not take advantage of flash, which is not energy efficient.

With the installation of the new 4th effect vessel and the reshuffling of the other evaporator vessels, it is proposed to re-organise the condensate system so that the condensate is cascaded towards the last effect and given the opportunity to flash.

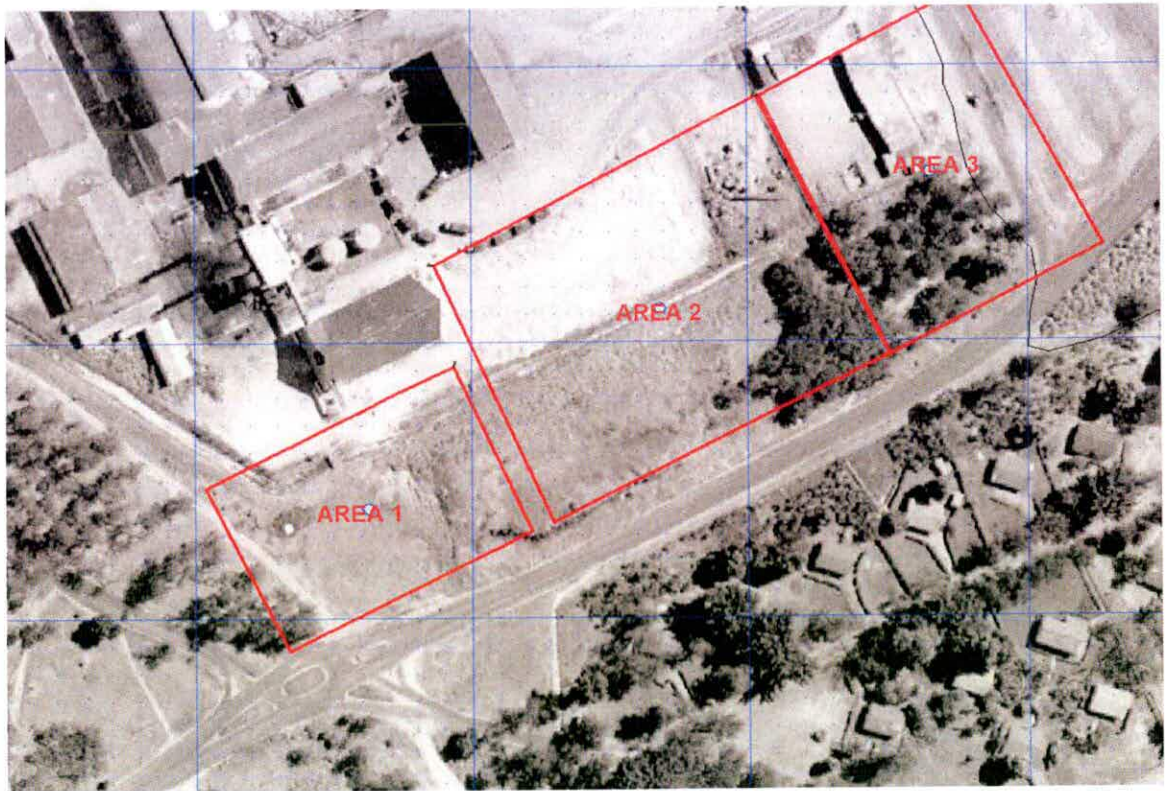
The system is organised as follows:

Evaporator	Description
1 st Effect Vessel	Condensate will be collected in a new receiver balanced to the calandria of the first effect vessel. The vessel will be linked to a flash pot connected to the V2 Vapour line. The level of condensate in the condensate receiver will be controlled and condensate from the flash pot will be pumped via the accept/reject system to the hot well tank
2 nd Effect Vessels	Condensate will be collected in a condensate receiver which will be balanced to V1. Condensate will be discharged to an existing flash pot connected to V2 vapour via a level control valve to maintain a seal in the condensate receiver. Condensate from the flash pot will be pumped via the accept reject system to the hot well tank.
3 rd Effect Vessels	Condensate from 3 rd effect vessels will connect to one compartment of the new cigar type condensate receiver. This compartment will be balanced to the V2 vapour line. A level will be maintained in this section of the vessel by automatically discharging condensate into the next compartment of the receiver.

4 th Effect Vessel	Condensate from the 4 th effect vessel will collect in the second compartment of this new cigar type condensate receiver. This compartment will be balanced to the V3 vapour line. A level will be maintained in this section of the vessel by automatically discharging condensate into the next compartment of the receiver.
5 th Effect Vessels	Condensate from the 5 th effect vessels will collect in the third compartment of this new cigar type condensate receiver. This compartment will be balanced to the V4 vapour line. The outlet of this compartment will be pumped to the hot water tank. A control valve will be installed at the pump outlet to control the level in the condensate receiver.

1.3.1.7 *Bagasse Storage Area*

Currently excess bagasse is stored adjacent to the bagasse store and outside the factory fence, however the area dedicated for this purpose will need to be expanded to allow for the peak storage requirement of approximately 20,000 tons of bagasse to allow for distillery operation for 9 weeks without the mill crushing and mill bagasse storage for start-ups and running without crushing. The area identified is shown in the photograph below and divided into Areas 1-3.



Aerial Photograph Showing Identified Bagasse Storage Areas

- Area 1 is 100m x 65m which with bagasse piled 10 meters high with a repose angle of 50° and a bagasse average density of 180kg/m³, would allow 9461 tons of bagasse storage.
- Area 2 is 130m x 100m assuming that the drain in this area is filled giving access to the full area, and using the same parameters as above, would allow for 20,179 tons of bagasse storage.
- Area 3, should this need to be utilised, would require the Trentyre buildings to be demolished and rebuilt elsewhere. This is not ideal, but indications are that this area should not be required. If required, this area could provide additional storage for about 15,000 tons of bagasse.

2.0 SECTION 2 – PROJECT MANAGEMENT & CAPITAL CONTROL

2.1 PROJECT IMPLEMENTATION

2.1.1 Project Management / Employers Representative

The project will be managed and controlled by Kilombero Sugar Company who will appoint a site based dedicated project management team assisted by an Illovo Sugar Ltd. Technical Services representative.

The site based project team will be responsible for coordinating all the draughting, engineering design, procurement and project management activities.

2.1.2 Contract Basis

Contracts will be based on the EPC/Turnkey Projects Agreement (First Edition 1999), published by the Federation Internationale des Ingénieurs-Conseils ("FIDIC) (ISBN 2-88432-021-0) with proposed amendments together with Illovo Sugar's Particular Conditions of Contract. Potential suppliers of long lead, high cost equipment have had sight of the proposed contracts during the enquiry process and tenders have been received based on this contract approach.

2.1.3 Project Engineering Support

2.1.3.1 Draughting Services

Electrical and Instrumentation loop and hook-up drawings will be compiled by Illovo Technical Services.

Implementation will take place during the 2011/2012 off season to cater for the May 2013 distillery commissioning.

2.1.4 Key Event Activities

Factory modifications will take place during the mid-January to mid-April 2013 off crop period to cater for May 2013 distillery commissioning.

2.1.4.1 Preliminary Key Project Mile Stones

The following table summarises the key milestones that provide the project planning framework.

Ref.	Activity	Commencement Date
1	Illovo Board Approval - FEP	19 th July 2011
2	40 kL ENA Distillery - EPC Contract Award	1 st August 2011
3	40 kL ENA Distillery - Commissioning	20 th May 2013
4	40 kL ENA Distillery - Production	31 st May 2013
5	Factory Energy Efficiency Improvements – Contract Award Boilers	1 st April 2012
6	Factory Energy Efficiency Improvements – Contract Award Juice Heaters and Evaporator	1 st April 2012
7	Factory Energy Efficiency Improvements – Contract Award Bagasse Storage	1 st April 2012
8	Factory Energy Efficiency Improvements – Commissioning Boilers	20 th May 2013
9	Factory Energy Efficiency Improvements – Commissioning Juice Heaters and Evaporator	20 th May 2013
10	Factory Energy Efficiency Improvements – Commissioning Bagasse Storage	20 th May 2013
11	Start Off crop at Ruembe	1 st March 2013
10	Steam Trials	20 th May 2013
11	Start Crushing	31 st May 2013

2.1.4.2 Preliminary Project Bar Graph

A preliminary Project Plan for the Distillery has been attached in the EPC Offer in Appendix A. The Distillery construction forms the critical path in terms of the project plan.

2.2 CAPITAL ESTIMATE – BASIS

The Capital Estimate is based on a combination of firm prices received from tenders for major distillery boiler and process equipment, and estimated costs provided by Technical Services and Kilombero Mill.

2.2.1 Firm Price Bases

2.2.1.1 Enquiries Issued for Tender

Enquiries have been issued and Tenders received for the following major equipment:

40 KLPD ENA Distillery	-	Praj Industries (India)
Modifications to Boiler Plant	-	Actom John Thompson Boilers
Juice Heaters	-	Hi-Tech Pressure Engineering

(See Appendices)

2.2.1.2 Tender Price Exclusions

- Prices exclude any performance bonds
- Prices exclude all Import Duties
- Prices exclude VAT

2.2.2 Estimated Prices

Smaller local content component prices have been based on quotations received from local suppliers. Contingencies have been added to suit the predicted price and scope of work risk factors.

2.2.3 Allowances

2.2.3.1 Surcharges

No surcharge allowances have been allocated to the capital funding.

2.2.3.2 Escalation

Escalation has been based on the equipment order date within the project plan. Escalation ranging from 6% to 9% has been allocated for goods ordered during the early and late stages of the project implementation plan respectively. No escalation has been included for in the EPC Distillery Contract cost.

2.2.3.3 Exchange Rate

The exchange rates used in this FEP are as follows:

Rand / US Dollar = R7.00 / US\$1.00

Tanzanian Shilling / Rand = TZS236 / R1.00

2.2.3.4 Forward Cover

No forward cover has been allowed for in the price schedule. The forward cover risk mitigation will be implemented during contract finalisation and order placing if deemed necessary.

2.2.4 Financial Arrangements for Foreign Purchases

Most foreign purchases will be directly implemented via the turnkey contractors who have been tasked with the design, selection, procurement, manufacture, installation and commissioning of the various components

2.2.5 Financial Arrangements for Long Lead Items

Long lead components will be received within the project plan and should be ordered as soon as the funds are available in August 2011 to ensure imported goods are available when required.

2.3 CAPITAL ESTIMATE – SUMMARY

Description	Base + Escalation
Distillery (excluding escalation)	R 182,000,000
Energy Efficiency Upgrade	R 71,875,946
Owner's Team Projects	R 8,338,846
Owner's Costs : Capital Construction	R 15,068,642
Owner's Costs : Operational Readiness	R 5,673,578
Sub-total (excluding Withholding Tax)	R 282,957,012
Withholding Tax : Distillery	R 4,585,000
Withholding Tax : Energy Efficiency + Factory Mods	R 1,633,854
Sub-total (including Withholding Tax)	R 289,175,866
Contingency @ 7%	R 20,242,311
Total Project Cost	R 309,418,176

CAPITAL ESTIMATE APPROVED:

**PROJECT MANAGEMENT CONSULTANT
ILOVO SUGAR LIMITED**

3.0 INDEX to APPENDICES

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APPENDIX: E – COMPLETE PROJECT DETAILED CAPITAL ESTIMATE

ITEM		Description	Forex	Revised Submission		Comments
				R 7.00	US\$	
				Rands	US\$	
1.00	Distillery Plant (Prq) Contract Amounts					
1.1		Preliminary & General costs		R 29 960 000	\$4 280 000	
1.2		New Boiler and Feedwater Station		N/A	N/A	Will supply steam
1.3		New Steam Range		incl. in 1.5	incl. in 1.5	
1.4		Effluent Treatment		R 11 900 000	\$1 700 000	
1.5		Distillery Plant		R 52 500 000	\$7 500 000	Built to Prq Standards not typical Western/Ilovo Standards
1.6		CMS Evaporator		incl. in 1.5	incl. in 1.5	
1.7		Water Treatment Plant and Retention		R 840 000	\$120 000	
1.8		Storage Tanks (All Products)		R 3 710 000	\$530 000	
1.9		Electrical Installation		R 6 860 000	\$980 000	Installation by local Tanzanian contractor - DB Shapriya
1.10		Control and Instrumentation		R 6 230 000	\$890 000	
1.11		Office Block		incl. in 1.12	incl. in 1.12	
1.12		Civils		R 25 340 000	\$3 620 000	Local Tanzanian contractor - DB Shapriya
1.13		Transport to Site		R 10 010 000	\$1 430 000	Local containers back-shipped with sugar
1.14		Erection & Installation for items 1.1 - 1.12		R 33 320 000	\$4 760 000	Local Tanzanian contractor - DB Shapriya
1.15		Diesel Generator reinstated in scope		R 1 330 000	\$190 000	
Net tender price				R 192 000 000	\$26 000 000	
2.00	Energy Efficiency Upgrades to K2 Factory					
2.1		Modifications to K2 to free up steam for Distillery (including steam/condensate line to distillery boundary and HFO Burners in each boiler) - Boiler Modifications, Evaporator Heaters, Condensate Cooling, Refurbishment & Reboiler, Steam-Atmos		R 71 875 946		Boiler modifications by Alston John Thompson Factory vessels and modifications by Hi-Tech Pressure Engineering
Crude Energy Efficiency Cost				R 71 875 946	\$10 267 992	
3.00	New Assets (Distillery Site)					
3.1		CMS Blending plant		R 4 345 982		TS Budget (Mill & Bischoff Ramohoff)
3.2		Group standard access control turnstiles and cabling		R 217 000		Infoware supply + KSC installation costs
3.3		Re-locate Tanesco Power line		R 295 090		Quote from Tanesco
3.4		Re-route existing road to perimeter of site		R 1 282 928		Quote from Kilombero
3.5		Refurbishment of existing houses for complete staff complement		R 1 442 492		TS estimate
3.6		Wastages transfer line and fire ring main from K2 to Distillery		R 214 000		Est. including office furniture
3.7		Office Furniture & Airconditioners (also used during project)		R 107 500		Est. via Webank
3.8		Instrument workshop equipment		R 200 000		Estimate
3.9		General tools		R 97 826		Quote from Kilombero
3.10		Fire extinguishers				
Net New Assets Cost				R 8 338 846	\$1 191 264	
4.00	Owners Costs - Capital Construction		Qty	Unit Rate	Rands	
4.1		Security guards for distillery site	80	R 7 140	R 571 200	KK Security rates based quote
4.2		Contractor camp establishment	1	R 204 348	R 204 348	Kilombero estimate
4.3		Sewage System	1	R 33 760	R 33 760	Kilombero estimate
4.4		Contractor's Power Costs	1	R 1 071 216	R 1 071 216	Based on Jan '11 rates
4.5		Waste Removal	1	R 150 000	R 150 000	Estimate
4.6		Project Personnel			R 4 324 000	Kilombero estimate
4.7		Printing and stationery	1	R 23 750	R 23 750	Pro Rata UB rate
4.8		Project Consumables	1	R 11 875	R 11 875	Pro Rata UB rate
4.9		Work Permits	48	R 4 940	R 238 320	Kilombero estimate
4.10		Visas	1	R 195 500	R 195 500	Kilombero estimate
4.11		Travel	40	R 1 050	R 42 000	Kilombero estimate
4.12		ISL Exec. Travel	3	R 90 000	R 270 000	TS Estimate
4.13		Phones and Fax Allocations	1	R 105 593	R 105 593	Pro Rata UB rate
4.14		Commissioning Costs	1	R 237 785	R 237 785	Pro Rata UB rate
4.15		Accommodation and meals for non-ERC expatriates	1	R 418 237	R 418 237	Kilombero estimate
4.16		Project Vehicles	3	R 308 000	R 308 000	Kilombero estimate
4.17		Third Party Inspection	1	R 350 000	R 350 000	Estimate
4.18		TS FEP Costs and legal fees for contract documentation	1	R 557 508	R 557 508	Estimate
4.19		Project Insurance	1.80%		R 4 719 866	1.8% based on advice from Johann vR
4.20		LC Establishment			R 500 000	RC Sum based on quote from Head Office.
4.21		Supervise Construction at Prq Workshops	8	R 44 000	R 352 000	8 visits for 10 days at a time over 6 months
4.22		Refurbish existing artison accommodation for SA contractor's tents			R 415 694	Civils + furnishing
4.23		Withholding Tax @ 20% for Prq Services & Imported labour	20%	Grossed up	R 4 595 000	Based on Prq local invoiced portion only.
4.24		Withholding Tax @ 15% for Services - Boiler & Factory Modifications	15%	Grossed up	R 1 693 854	Tanzanian portion of Factory Mod. Invoices
Net Capital Construction Owners Costs				R 21 287 496	\$3 046 072	
5.00	Owners Costs - Operational Readiness		Qty	Unit Rate	Rands	
5.1		Operational Personnel			R 1 943 000	Kilombero estimate
5.2		Printing and stationery	1	R 23 750	R 23 750	Pro Rata UB rate
5.3		Project Consumables	1	R 11 875	R 11 875	Pro Rata UB rate
5.4		Training Costs	1	R 508 000	R 508 000	Kilombero estimate
5.5		PPE	44	R 955	R 42 211	Kilombero estimate
5.6		Work Permits	3	R 4 940	R 13 020	Kilombero estimate
5.7		Visas	14	R 1 050	R 14 700	Kilombero estimate
5.8		Travel	1	R 195 500	R 195 500	Kilombero estimate
5.9		IT	1	R 298 440	R 298 440	Bytes quote
5.10		Phones and Fax Allocations	1	R 105 593	R 105 593	Pro Rata UB rate
5.11		Roads	14	R 3 950	R 55 300	Kilombero estimate
5.12		Local Staff Wages - FLAM	56	R 6 157	R 629 796	Kilombero estimate
5.13		Local Staff Wages - FLAM	108	R 3 006	R 609 603	Kilombero estimate
5.14		Project Vehicles	3	R 220 000	R 660 000	Kilombero estimate
5.15		HAZOP Study	1	R 200 000	R 200 000	Estimate + Prq Quote
5.16		Company reactivation costs	1	R 12 790	R 12 790	Quote
Net Operational Readiness Owners Costs				R 5 673 578	\$818 311	
Total for entire project				R 289 175 846	\$41 318 838	
Contingency (7%)				R 20 242 311	\$2 891 759	
Grand Total for entire project				R 309 418 157	\$44 210 597	

APPENDIX: F – RUEMBE ENERGY EFFICIENCY DETAILED CAPITAL ESTIMATE

Africa Operation - Capacity & Expansion Opportunities				
MILL: RUEMBE - K2		Technical Services		
FEP Budget Estimate				
Ref No. KB 1007				
Project Description: 135 - 155 tch/Energy Efficiency Factory Expansion Phase 2 - Upgrading Boilers, Bagasse Handling, Evaporators and MJ Heaters				
Description		Jan 07	1.08	June 10
		Base Estimate	Escalation	Total Budget
CIVIL/STRUCTURAL				
Included in the Mechanical Section				
Structural Sub Total (A) ZAR	0.0%	0	0	0
MECHANICAL				
PROCESS				
FINAL MIXED JUICE HEATING - Sub Total		2 505 684	210 199	2 715 883
Supply & Install 2 x 275m² Mixed Juice Heaters		2 505 684	210 199	2 715 883
Supply & Install MJ Heaters		2 167 623	181 840	2 349 463
Expand Tubes MJ Heaters		166 365	13 956	180 321
Support Steelwork MJ Heaters		123 891	10 393	134 284
Civils		36 604	3 071	39 675
Make Good		11 200	940	12 140
EVAPORATOR STATION - Sub Total		6 646 196	557 542	7 203 738
Supply & Install 1 x New 1000m² 4th Effect Evaporator		4 156 175	348 657	4 504 831
Make Good the area		33 600	2 819	36 419
Remove Piping		56 000	4 698	60 698
Modify existing Steelwork		50 400	4 228	54 628
Civils		269 845	22 637	292 482
Platforms, Stairways etc.		235 731	19 775	255 506
Design, Supply & Install 1 x 3000m ² 1st Effect Evaporator Vessel		2 139 609	179 489	2 319 098
Structural Steelwork for Evaporator support		192 565	16 154	208 719
Supply condensate system for Evaporator		100 150	8 401	108 551
Mechanical works Evaporator		409 857	34 382	444 239
Piping Mads for Evaporator (17% of Cost)		668 418	56 073	724 491
Supply & Install 1 x New 6 compartmented Horizontal Flash Vessels for Evaporators		2 490 021	208 885	2 698 906
Make Good the area		33 600	2 819	36 419
Remove Piping		56 000	4 698	60 698
Modify existing Steelwork		50 400	4 228	54 628
Platforms, Stairways etc.		457 012	38 338	495 350
Design, Supply & Install 1 Condensate Vessel for Evaporator Vessels		1 294 130	108 563	1 402 693
Piping Mads for Condensate Vessel		348 000	29 193	377 193
Supply and Install 4 new Condensate Pumps		206 080	17 268	223 348
Civils		44 800	3 758	48 558
STEAM GENERATION				
UPGRADE EXISTING 2 x BABCOCK BOILERS TO 50TS/HR		27 179 000	2 280 016	29 459 016
Upgrade Boilers to 50TS/HR		27 179 000	2 280 016	29 459 016
New FD Fans c/w Motors, New ID Fans, existing motors and install new Economisers (Alstom John Thompson Quote)		24 500 000	2 055 278	26 555 278
Total replacement of the HFO Burner on one Boiler		2 500 000	209 722	2 709 722
Supply and install new O ₂ Analysers for efficient Boiler Operation		110 000	9 228	119 228
Biomass Shredder - Marbark, Steel Surcharge, Commissioning, startup & training / Boiler		0	0	0
Civils Boiler Ancillaries Foundations / Boiler		69 000	5 788	74 788
BAGASSE STORAGE				
BAGASSE STORAGE AREA - MECHANICALS		4 517 192	1 385 716	5 902 908
Bagasse Storage Area		4 517 192	1 385 716	5 902 908
In feed bagasse slot carrier (slatted) 1000mm x 12mt lg c/w truck dish bin		728 771	223 561	952 333
1 x Dozer D4		1 340 291	411 154	1 751 445
1 x Pay loader Bell 1706 E		1 500 000	460 147	1 960 147
1 x Bagasse pile scraper bar to suit Pay loader		50 000	15 338	65 338
1 x Walking Floor 107m ² Tridem Axle Cargo Floor Semi Trailers, - to operate with a suitable 6 x 4 Truck Tractor		705 130	216 309	921 439
Tarpaulins allow for 14 000m ²		168 000	51 537	219 537
Tarpaulin sewing machine (132x6)		25 000	7 669	32 669
BAGASSE STORAGE AREA - CIVILS		869 727	106 447	976 174
Bagasse Storage Area		869 727	106 447	976 174
Clear Area and trim area to correct gradients (shaping to allow for storm water drainage), apply compacted murrum		522 727	0	522 727
Fence off the entire storage area		275 000	84 360	359 360
Conveyor Foundations etc.		72 000	22 087	94 087
P&G (On Labour portion %)		20.00%	3 337 424	1 023 805
Mechanical Sub Total (B) ZAR		70.4%	45 055 223	5 563 725

Africa Operation - Capacity & Expansion Opportunities				
MILL: RUEMBE - K2		Technical Services		
FEP Budget Estimate				
Ref No. KB 1007				
Project Description: 135 - 155 tch/Energy Efficiency Factory Expansion Phase 2 - Uprating Boilers, Bagasse Handling, Evaporators and MJ Heaters				
		Jan 07	1.08	June 10
PIPING				
Piping Allowance % of Mechanical Works	15.00%	2 226 445	186 774	2 413 219
P&G (On Labour portion %)	20.00%	1 78 114	54 640	232 755
Piping Sub Total (C) ZAR	3.7%	2 404 560	241 414	2 645 974
ELECTRICAL - Supplied by D Paul				
ELECTRICAL - SUPPLY & INSTALLATION		1 914 984	160 646	2 075 630
Electrical Supply & Installation Summary		1 914 984	160 646	2 075 630
Installation Work - % of Mechanical Works	8.00%	1 831 089	153 608	1 984 697
Contract Labour D 0 etc - % of Electrical Installation	5.00%	83 895	7 038	90 932
P&G (On Labour portion %)	20.00%	153 199	46 996	200 195
Electrical Sub Total (D) ZAR	3.2%	2 068 183	207 642	2 275 824
CONTROL & INSTRUMENTATION + SYSTEM ENGINEERING				
INSTRUMENTATION AND INSTALLATION		1 877 455	157 498	2 034 953
Instrumentation Supply & Installation Summary		1 877 455	157 498	2 034 953
Installation Work - % of Mechanical Works	3.00%	362 072	30 374	392 445
Control & Field Equipment - % of Mechanical Works	3.00%	1 177 442	98 774	1 276 216
General Auxiliaries - % of Instrument Works	14.00%	262 844	22 050	284 893
Contract Labour D 0 etc - % of Instrument Works	4.00%	75 098	6 300	81 398
P&G (On Labour portion %)	20.00%	150 196	46 075	196 271
Instrumentation & Control Sub Total (E) ZAR	3.1%	2 027 652	203 573	2 231 224
GENERAL				
PROJECT MANAGEMENT FEES - (Mech/Piping/Civil/Struct/Elect/Instr/Process, for EPCM & Engineering)		12.00%	4 885 853	409 869
Project Management Fees - Breakdown (EPCM & Engineering)		12.00%	4 885 853	409 869
Mechanical Engineering	3.10%	637 288	53 461	690 750
Electrical Engineering	0.60%	286 420	24 027	310 446
Instrument Engineering	0.60%	286 420	24 027	310 446
Civil/Structural Engineering	0.60%	286 420	24 027	310 446
Process Engineering	0.60%	286 420	24 027	310 446
Project Management	2.50%	1 193 417	100 114	1 293 532
Construction Management	2.50%	1 193 417	100 114	1 293 532
Disbursements	1.50%	716 050	60 069	776 119
FRONT END PACKAGE - (Estimate Cost of 95% Accuracy - Mech/Piping/Struct/Civil/Elect/Instr PM Costs)	2.00%	954 734	80 092	1 034 825
General Sub Total (F) ZAR	8.8%	5 840 587	489 960	6 330 547
CONSULTING FEES				
Civil & Structural - Design, Engineering & Site Inspection - Incl in Project Management Fees	13.50%	0	0	0
Electrical - Design, Engineering & Site Inspection - Incl in Project Management Fees	13.50%	0	0	0
Consulting Fees Sub Total (G) ZAR	0.0%	0	0	0
TECHNICAL SERVICES FEES				
Control & Instrumentation + System Engineering - Incl in Instrumentation Budget	0.00%	0	0	0
Electrical Engineering - 12% of electrical equip/install - Incl in Project Management Fees	12.00%	0	0	0
Commissioning Engineers, 3rd Party Inspections - 1.0% Mech equip and Piping	1.00%	0	0	0
Technical Services Fees Sub Total (H) ZAR	0.0%	0	0	0
DISBURSEMENTS				
Travelling Expenses - Air Tickets & Visas (12 Months)		993 600	83 352	1 076 952
Crane Hire (Allowance)		1 500 000	125 833	1 625 833
Disbursements Sub Total (I) ZAR	3.8%	2 493 600	209 185	2 702 785
ILOVO JHB FEES				
Cleaning Charges	7.00%	2 339 097	196 224	2 535 322
Transport	7.00%	2 339 097	196 224	2 535 322
EAS Fees Sub Total (J) ZAR	7.1%	4 678 195	392 449	5 070 643
Base Total Estimate Rands (ZAR)	(A) to (J) 100.0%	64 567 999	7 307 947	71 875 946

Note - Contingencies and Insurance's have been removed from this budget 08/04/2011 and are included in the overall project budget.

APPENDIX: G – PROJECT IRR CALCULATION

