

**KILOMBERO SUGAR COMPANY BOOSTS PRODUCTION
AS SECOND FACTORY RESUMES PRODUCTION, KILOSA DC COMMENDS**

29 May 2022: Morogoro — The District Commissioner for Kilosa, Alhaj Hon. Majid Mwanga, witnessed the start of the 2022/23 crushing season at Kilombero Sugar Company's second factory following commencement of new season of one of its factories in mid-May this year. The visit took place on 27th May 2022 at Kilombero Sugar Company's estate in Kidatu - Morogoro region.

Before witnessing the factory season launch, the DC was given a brief presentation on the progress of sugar production in the new season and was taken on a tour of the estate, including the construction site, where work is ongoing for the construction of the new K4 factory.

During the inspection, the DC praised the company on the progress made on the factory expansion project and urged ongoing efforts to increase sugar supply in order to enable the country become self-sufficient in sugar.

"I am impressed with the progress made, on the expansion project. I urge the company to increase its efforts to cover gaps caused by slow progress during the rainy season.", said Hon. Mwanga

Kilombero Sugar Company produces sugar at its two mills located within the estate in Kilombero Valley. K1 is the oldest mill built in the 1960's before the K2 mill came into operation in the 1970's. Together, the two mills produce an average of 126,000 tonnes of sugar per year.

Ephraim Mafuru, the company's Head of Corporate Affairs, stated that despite operating two mills, the company sees the need to enhance sugar production in order to meet Tanzania's increased sugar demand. In response, the company embarked on an expansion project in which a new, state-of-the-art factory dubbed K4 will greatly contribute to maintaining a sufficient supply of locally produced sugar in the country.

"We are very pleased that both our K1 and K2 factories are now operational, as this will boost the country's sugar supply as production gains momentum. Meanwhile, our expansion project is continuing on schedule, and the upcoming K4 factory will take the country one step closer to sugar sufficiency.", said Mafuru.

The K4 factory, whose construction is expected to be completed in July 2024, will double the company's sugar processing capacity by producing an additional 144,000 tonnes of sugar per year. The new factory will also more than double the amount of cane sourced from growers.

"Our goal is to support the government's efforts in ensuring self-sufficiency in sugar through locally produced sugar. Apart from strategies for internal efficiency, we are working with various stakeholders to provide growers with education on best farming practices and other technical and financial support to improve their yield per acre.", said Mafuru.

Mafuru further explained, "We source sugarcane from growers from Kilombero and Kilosa Districts. Our current operations and expansion project will continue to touch the lives of communities, not only in Kilombero, but also in Kilosa and other neighbouring districts."

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Notes to editors:

- The expansion project was approved by the KSCL board in May 2021, and is aligned to the Government's National Development Agenda which calls for sugar self-sufficiency in the country by 2025. In wake of Covid-19 and post-pandemic economic recovery, the project will have a direct impact to the country's economic recovery.
- Kilombero Sugar Company has made significant investments in the business over the past 20 years, totaling more than \$166 million. This has involved various cane and sugar production expansions and the commissioning of a state-of-the-art distillery (K3 mill) currently supplying 12 million kiloLiters of high-quality alcohol to the local beverage industry.
- Illovo Sugar Africa, which itself is wholly-owned by Associated British Foods in the United Kingdom, holds 75% of the issued share capital in the Kilombero Sugar Company, with the balance of shares (25%) held by the Government of the United Republic of Tanzania. Kilombero is situated in the Morogoro region in the centre/south of the country.
- Kilombero Sugar Company comprises of two adjacent agricultural estates and sugar factories, Msolwa and Ruembe, situated on either side of the Great Ruaha River and linked by a low-level bridge. It produces direct consumption brown sugar under the 'Bwana Sukari' brand name, which is marketed and distributed by the company.

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