KATOEN SUID-AFRIKA COTTON SOUTH AFRICA

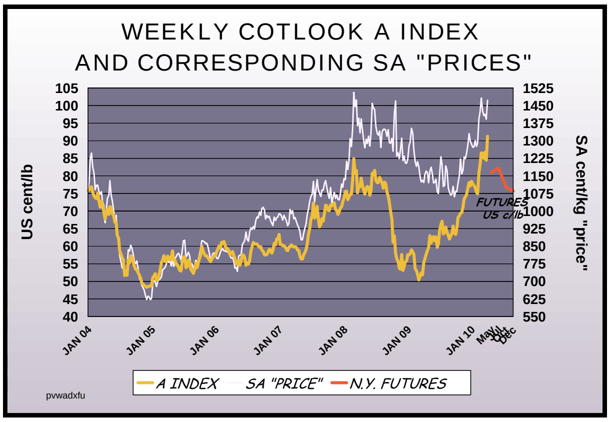
Vereniging ingelyf kragtens Artikel 21 / Association incorporated under Section 21

Date: 8 April 2010 Reference: 9/3/3/1

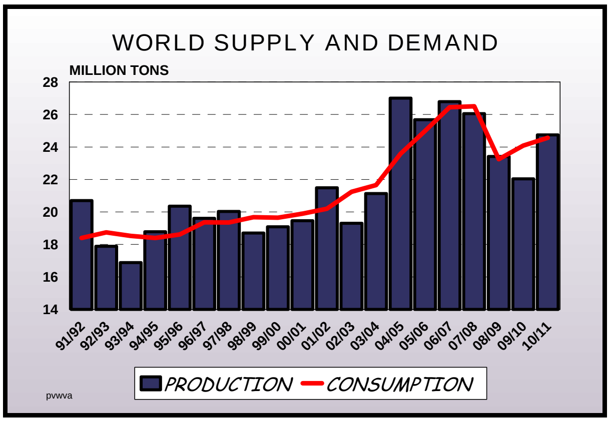
COTTON MARKET REPORT AS AT 7 APRIL 2010

International

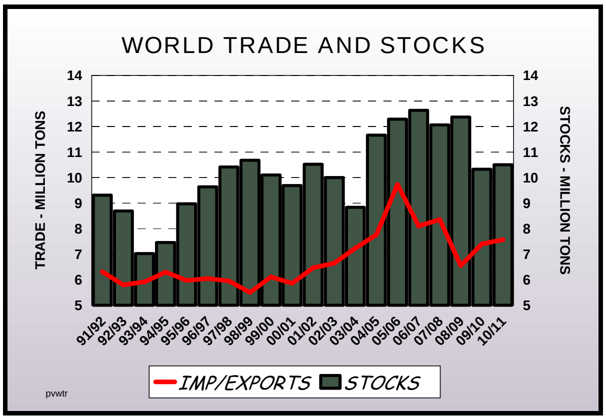
Based on the expected decline in the world stocks-to-use ratio (China excluded) and the Cotlook A index (an indicator of world cotton prices) so far this season, the International Cotton Advisory Committee (ICAC) forecasts an average Cotlook A index of 75 US c/lb for 2009/10, up 23% from the previous season.



The ICAC's Price Model also forecasts a 2010/11 season average Cotlook A index of 82 US c/lb, a 9% increase over the 2009/10 season forecast. The ICAC however believes that the average Cotlook A index for 2010/11 is more likely to range between 70 and 82 US c/lb.



Following three consecutive seasons of production decline and driven by the rise in cotton prices and the loss of competitiveness of major alternative crops, the ICAC expects world cotton production to rebound to 24.7 million tons in 2010/11, up 12% from the current season. The expansion in cotton production will be driven by the USA where cotton production is expected to increase by about 37%. Cotton plantings in China, India and Pakistan are also expected to increase but to a smaller extent. Increased production is also forecasted by the ICAC for many other countries.



Driven by the improvement in global economic growth, but limited by high cotton prices, the ICAC expects world cotton consumption to continue to recover, growing by 2% to 24.6 million tons in 2010/11.

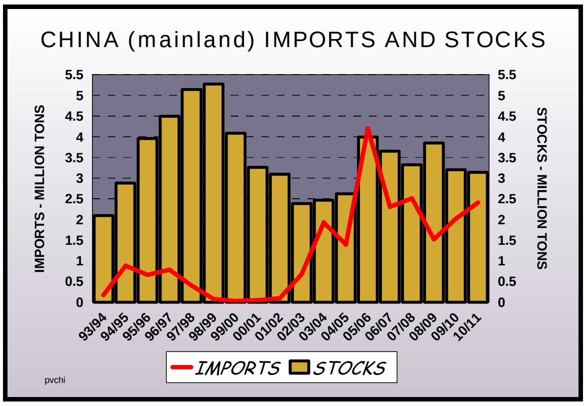
Although world cotton trade is expected to increase only slightly in 2010/11, the ICAC expects Chinese cotton imports to grow by 21% to 2.4 million tons in 2010/11, driven by expanding mill use.

After dropping to the lowest level in 5 years the ICAC expects world cotton ending stocks to increase by 2% at the end of 2010/11.

Estimated world supply and demand for cotton for the 2008/09 season and projections for 2009/10 and 2010/11 (seasons beginning 1 August):

(million metric tons)	**2008/09**	**2009/10**	**2010/11**
Beginning stocks	12.1	12.4	10.3
Production	23.4	22.0	24.7
Consumption	23.3	24.1	24.6
Exports	6.5	7.4	7.6
Imports	6.6	7.4	7.6
Ending stocks	12.4	10.3	10.5
Ending stocks/use (China excluded)	60%	49%	49%
A Index (US c/lb)	***61***	***75***	***82***

Cotton imports and stocks situation for China (mainland):



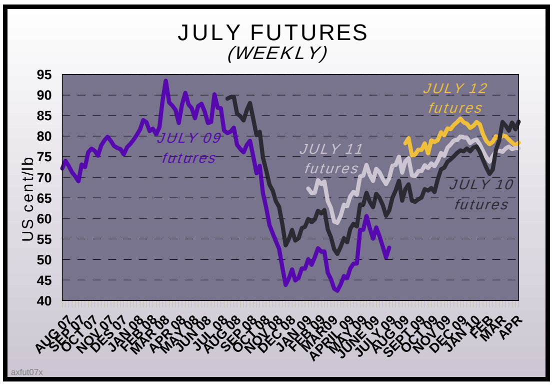
Average Cotlook A index prices (an indicator of world cotton lint prices) and corresponding South African "prices":

	A INDEX	**RSA "PRICE"**
	Avg: US c/lb	Avg: SA c/kg
Last week (29/03 - 02/04/10)	87.32	1424.84
March 2010	85.80	1420.35
Today (07/04/10)	**87.00**	**1402.67**
February 2010	80.25	1373.22
A year ago	*55.30*	*1134.46*
Two years ago	*76.95*	*1333.56*

New York cotton futures as at 7 April 2010 (settlement prices):

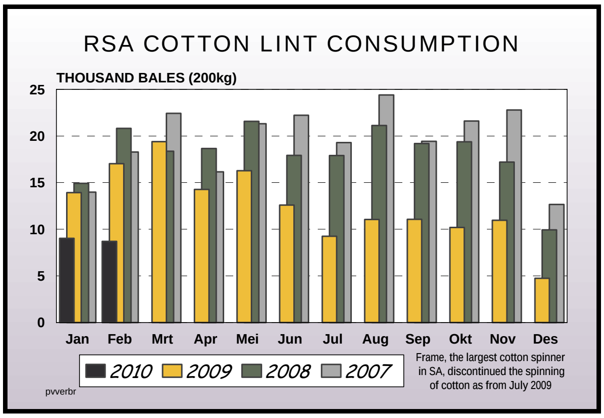
	NY FUTURES
	US c/lb
May 2010	80.98
July	82.19
October	76.81
December	75.69
March 2011	76.64
May	76.98
July	76.90

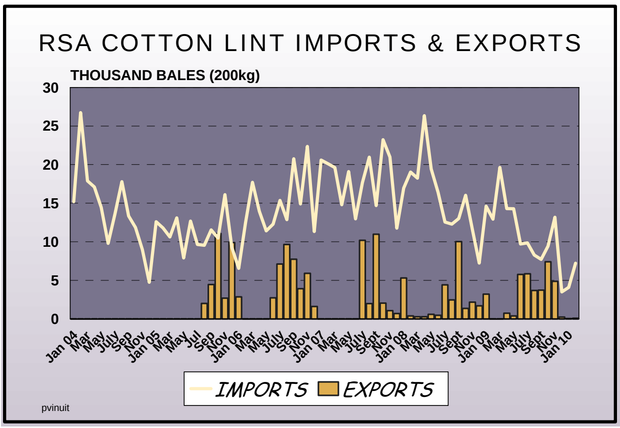
New York JULY cotton futures as at the beginning of each week:



Local outlook

As far as the local outlook is concerned, the 3rd estimate for the 2009/10 production year indicates a total crop of 39 716 lint bales, 12% down from the previous season and the smallest crop since the early sixties. About 36 206 lint bales are estimated to be produced from RSA produced seed cotton, 14% down from the previous season. The balance of 3 510 lint bales relates to Swaziland produced cotton to be ginned by the Swaziland gin.





COTTON CROP REPORT - 3rd ESTIMATE 2009/10 PRODUCTION YEAR *01/04/10*

PRODUCTION REGION	HECTARES IRRIGATION	HECTARES DRYLAND	YIELD IRRIGATION kg seed cotton/ha	YIELD DRYLAND kg seed cotton/ha	PRODUCTION 200 kg bales cotton lint	*CROP % HAND PICKED*	*% OF CROP GINNED SO FAR*
LIMPOPO PROV.							
Loskop	1015	0	3700	0	**6572**	10%	0%
North & South Flats	24	160	3000	800	**350**	10%	0%
Dwaalboom/Thabazimbi	50	0	3500	0	**306**	10%	0%
Weipe	740	0	4200	0	**5400**	0%	0%
NORTHERN CAPE							
Vaalharts	1020	0	5000	0	**9180**	0%	0%
Lower Orange River	150	0	5000	0	**1388**	100%	0%
Rest of Northern Cape	630	0	6047	0	**7033**	0%	0%
NORTH WEST							
Stella/Setlagoli	0	0	0	0	**0**	0%	0%
Taung	490	0	4800	0	**4194**	0%	0%
KWAZULU-NATAL	0	600	0	600	**648**	100%	0%
MPUMALANGA	0	1022	0	620	**1135**	100%	0%
EASTERN CAPE	0	0	0	0	**0**	0%	0%
RSA TOTAL	**4119**	**1782**	**4642**	**629**	**36206**	11%	0%
Swaziland*	0	3900	0	500	**3510**	100%	0%
Botswana*	0	0	0	0	**0**		
Namibia*	0	0	0	0	**0**		
Zimbabwe*	0	0	0	0	**0**		
Mozambique*	0	0	0	0	**0**		
GRAND TOTAL	**4119**	**5682**	**4642**	**541**	**39716**	19%	0%

** Particulars relate to expected purchases of seed cotton by RSA & Swaziland ginners from these countries.*

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