sasol
reaching new frontiers

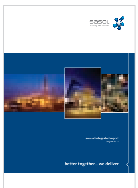


annual financial statements
30 June 2012

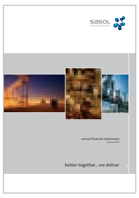
better together... we deliver

How to read our annual financial statements

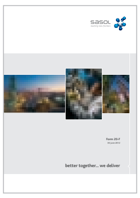
Our annual financial statements provide extensive cross-references to our other reporting publications, shown below:



IR – Our primary annual report to stakeholders. Contains succinct material information and conforms to local and international statutory reporting frameworks.



AFS – A full analysis of the group's financial results, with detailed financial statements, as well as full corporate governance and remuneration reports, prepared in accordance with International Financial Reporting Standards.



20-F – Form 20-F, our annual report issued in accordance with the Securities Exchange Act of 1934, which is filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.

SD – Our annual report covering environmental, social and governance matters. Prepared in accordance with the Global Reporting Initiative (GRI) G3 framework.

Printed copies of this report are available on request. Refer to the contact information on page 272.

Ms Christine Ramon CA(SA), chief financial officer is responsible for this set of financial statements and has supervised the preparation thereof in conjunction with the executive: group finance, Mr Paul Victor CA(SA) and the general manager: group statutory reporting, Ms Samantha Barnfather CA(SA).

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Committed to excellence in all we do, Sasol is an international integrated energy and chemical company that leverages the talent and expertise of our more than 34 000 people working in 38 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of product streams, including liquid fuels, chemicals and electricity.

While continuing to support our home-base of South Africa, Sasol is expanding internationally based on a unique value proposition, which links our diverse businesses into an integrated value chain supported by top-class functions.



performance highlights

how we performed in 2012

We delivered a solid financial performance, showing the resilience of our strategy, and maintained our track record for delivering superior shareholder value.

Operating profit (Rm)

↑ 23% R36 758

Cash generated by operations (Rm)

↑ 24% R47 901

Total dividend paid (Rand)

↑ 35% R17,50

Capital commitments (Rm)

R46 140

Return on invested capital (%)

		2012	2011 Restated
Selected ratios			
Net borrowings to shareholders' equity (gearing)	%	**2,7**	1,4
Return on shareholders' equity	%	**20,3**	19,7
Return on total assets	%	**20,0**	18,7
Operating margin	%	**21,7**	21,0
Finance expense cover	times	**57,3**	34,8
Dividend cover	times	**2,3**	2,5
Net working capital to turnover	%	**14,3**	14,4
Financial targets			
Net borrowings to shareholders' equity	%	**20 – 40**	20 – 40
Return on invested equity	%	**16,8**	16,8
Earnings growth*	%	**10,0**	10,0
Net working capital to turnover	%	**16,0**	16,0
Share statistics			
Total shares in issue	million	**673,2**	671,0
Share price (closing)	Rand	**342,40**	355,98
Market capitalisation – Sasol ordinary shares	Rm	**220 788**	228 749
Market capitalisation – Sasol BEE ordinary shares	Rm	**686**	742
Net asset value per share	Rand	**208,27**	178,89
Total dividend per share	Rand	**17,50**	13,00
Other financial information			
Additions to non-current assets	Rm	**29 160**	20 665
Total debt (including bank overdraft)	Rm	**16 122**	16 167
Capital commitments	Rm	**46 140**	48 321
Effective tax rate	%	**32,6**	31,3
Economic indicators			
Average crude oil price – dated Brent	US$/barrel	**112,42**	96,48
Average rand/US$ exchange rate	1US$ = Rand	**7,78**	7,01
Closing rand/US$ exchange rate	1US$ = Rand	**8,17**	6,77
Employee-related information			
Total number of employees	number	**34 916**	33 708
Employee costs	Rm	**19 921**	18 756
Employee costs to turnover	%	**11,8**	13,2
Share-based payment expenses (including Ixia Coal transaction)	Rm	**691**	2 071

* *US dollar earnings of 10% per annum on a three year moving average basis.*

We paid **R28,2 billion** in direct and indirect taxes to the South African government.

chief financial officer's review

Christine Ramon, *chief financial officer*

better together... means delivering on our financial priorities

Highlights 2012

- Significant improvement in second half production
- Cash fixed costs in line with inflation
- Operating profit up 23% to R36,8 billion
- Headline earnings per share up 25% to R42,28
- Total dividend up 35% to R17,50 per share
- Cash generated by operations up 24% to R47,9 billion

1 Introduction

The past year has seen Sasol deliver solid results, on the back of continued focus on operational efficiencies, cost containment and margin improvement. The year, however, has been challenging, taking into account the volatility of the macroeconomic environment and the operational challenges we have faced. Overall, Sasol is well positioned to deliver on its stakeholder value proposition – being a growing company with a strong pipeline of growth projects, supported by talented, high performing employees around the world, and underpinned by a strong financial position.

This review is intended to provide our stakeholders with further insight into the financial performance and position of the group. Our primary financial focus is on managing our margins, cash, gearing and return on equity, within the context of the environment in which we operate. Stakeholders are advised to read this review in conjunction with the consolidated annual financial statements presented on pages 57 to 271.

2 Key financial risks and uncertainties affecting our performance

During 2011, the world economy appeared to be recovering to some extent. A number of economies seemed well positioned for growth, coming out of the global economic crisis and resultant recession. This boded well for commodity prices, especially the crude oil price. However, during the current financial year this upturn in events faltered somewhat, with the uncertainty and social unrest in North Africa and the Middle East region, the deepening of the European financial crisis, which spread to the larger economies in the euro zone, the effects of the natural disasters affecting, among others, the Asian economies as well as the excessive oil and gas price and commodity volatility.

In order to appreciate the impact of these events on our business, it is important to understand those factors that affect the delivery of our results.

a. Current economic climate and its impact on Sasol

Sasol operates in a number of countries across the globe including Sub-Saharan Africa, Europe, the Asia-Pacific region, North America and the Middle East. As such, developments in the global economy have a significant impact on our business.

In the 2011 calendar year, general global economic conditions remained challenging, with the recovery proceeding at an uneven pace across different regions, punctuated by the natural disasters in Japan, floods in Thailand, turmoil in parts of the Middle East, persistent worries over the European debt crisis, concerns over the possibility of a sharp slowdown in Chinese economic growth and the fiscal wrangling in the United States. The economic performance of emerging markets generally outpaced that of their advanced counterparts, with estimates from the International Monetary Fund (IMF) showing that gross domestic product (GDP) in emerging nations grew at a relatively robust 6,2% in the 2011 calendar year, compared to the slower 1,6% growth recorded in the advanced economies. Still, economic growth in both emerging and advanced economies slowed down in the 2011 calendar year, resulting in an aggregate world gross domestic product (GDP) growth easing to 3,9% (in purchasing power parity terms) from the largely policy induced 5,3% growth recorded in the 2010 calendar year.

In the early part of the 2012 calendar year, there were some encouraging signs of a modest improvement in global prospects, but this was to some extent due to once-off factors. These included a return of some degree of normality in Asia after supply chain disruptions caused by the Thai floods and easing financial pressures following the European Central Bank's longer term refinancing operations. More recent macroeconomic data show signs of a weakening in global economic activity.

Over the next two years, it is expected that the global economic recovery will remain modest, unbalanced and volatile. Emerging markets will, in our view, remain the driving force behind economic growth, with traditional developed markets lagging far behind. The most immediate and persistent risk facing the world economy is delayed or insufficient policy action to prevent further escalation and the spread of the euro zone crisis. While euro zone leaders have taken some steps toward closer integration, a permanent solution to the region's structural problems is yet to be found. Even if a lasting solution were to be found, addressing the structural issues and restoring confidence are likely to take a number of years. Another important risk emanating from the fiscal impasse in the United States (US), where a failure to reach agreement on necessary spending and tax adjustments before the early parts of the 2013 calendar year, could have a severe adverse impact on US growth prospects. Concerns about the extent of the Chinese economic slowdown, and its potential impact on global growth, add yet another element of uncertainty to global economic prospects. Given these global uncertainties, we expect both commodity price and currency volatility to persist for an extended period.

Country specific factors in brief	
South Africa	South Africa's economic recovery remains largely consumer-led, with output levels in the production-related sectors (mining and manufacturing) yet to recover to their pre-crisis highs. Despite the expectation of ongoing domestic monetary and fiscal policy support, the challenging global conditions, a slowdown in household consumption, expenditure growth and sluggish private investment growth are likely to weigh on South Africa's economic prospects for the remainder of the 2012 calendar year. With the recovery expected to proceed at a slower pace into the 2013 calendar year, high levels of unemployment will remain a significant challenge. Consumer inflation declined from 6,3% in January 2012 to 5,5% in June 2012, mainly on the back of easing food and fuel price pressures. While consumer inflation is expected to remain within the South African Reserve Bank's inflation target range of 3 – 6% into the foreseeable future, above-inflation increases in electricity costs and wages remain causes for concern.
United States	US economic growth slowed to 1,8% in the 2011 calendar year from 2,4% in the 2010 calendar year. In the early parts of the 2012 calendar year, there were encouraging signs that the economic upturn was becoming more durable as unemployment levels decreased from 8,5% in December 2011 to 8,1% in April 2012. Since then, however, economic indicators suggest that the US economic recovery is losing momentum and the pace of job creation has slowed. Importantly though, the economy is still creating jobs and there are tentative signs of a stabilisation in the housing market. While we believe that the US economic recovery remains durable, GDP growth is likely to remain below trend as consumer recovery is partly offset by gradual fiscal policy tightening in an effort to bring US debt levels down to more sustainable levels. Critically though, this GDP growth expectation is based on the premise that US lawmakers will reach a compromise on necessary tax and spending adjustments ahead of the 2013 calendar year, the "fiscal cliff" deadline.
Canada	The economy bounced back relatively quickly following the global financial crisis and GDP growth remained resilient in the 2011 calendar year, despite some headwinds from global developments. Consumption and private investment spending growth have been the main drivers of respectable growth. Unemployment has fallen since the financial crisis, with the unemployment rate measuring 7,2% in June 2012, close to its 10 year average and well down from the almost 9,0% in August 2009. Looking ahead, slow growth in the US and generally weak global demand conditions will likely weigh on Canadian exports in the near term. It is expected that the weak external environment will be more than offset by relatively buoyant household and investment spending, underpinning our expectation for relatively positive growth prospects.
Euro zone	The sovereign debt and banking crisis, stringent fiscal austerity measures, high and rising unemployment rates in some countries, and low levels of business and consumer confidence, have all been weighing heavily on the euro zone economy. In the 2011 calendar year, the euro zone grew a mere 1,5% and recent purchasing managers' indices are consistent with an economy that is in recession. We expect a modest improvement in global growth and a weaker euro exchange rate to help lift the euro zone out of recession in the 2013 calendar year, but even so the outlook for the region remains generally poor. Further fiscal consolidation aimed at taking sovereign debt levels down to more long term sustainable levels, banking and household sector deleveraging and efforts to move toward a more integrated euro zone, is likely to be a long drawn out process, which will constrain economic growth rates well beyond the 2013 calendar year. In such an environment, addressing already record-high levels of unemployment and ensuring social stability represent a critical challenge for policymakers.

Country specific factors in brief

China	Chinese economic growth slowed to 9,2% in the 2011 calendar year from around 10% in the 2010 calendar year, mainly as a result of monetary and fiscal policy tightening to cool an overheated economy where inflation was problematic. With inflationary pressures abating, GDP growth moderating and concerns over the impact of the euro zone crisis on the Chinese economy, authorities have already reversed some of their earlier policy decisions. In our view, these actions will support and lift the growth performance of the Chinese economy during the second half of the 2012 calendar year. However, a return to the high growth rates witnessed in the 2010 calendar year is unlikely. In fact, the Chinese five year economic plan calls for average growth rates of about 7,5% per year and authorities are also attempting to rebalance the economy towards a more consumption-led growth. Despite the expectation for slower growth in coming years, it is believed that Chinese commodity demand will continue to provide support to global commodity price levels.
India	Economic growth in India has been slowing mainly as a result of rising interest rates, weaker external demand conditions, policy uncertainty and supply bottlenecks such as electricity shortages. Inflation remains uncomfortably high and relatively large fiscal and current account deficits pose a risk to overall macroeconomic stability.
Middle East	Parts of the Middle East region have been through a period of extraordinary changes – political transition and social unrest have created uncertainties, generally weighing on investment, tourism and capital flows. Unemployment has risen, growth has slowed down (and in some countries GDP actually contracted) and there have been persistent internal and external pressures on some of the economies in the region. Although the anticipated tepid global economic recovery over the next two years should also benefit the region, a resolution to the political and social upheavals remains critical for the Middle East's growth prospects. The protracted continuation of the issues in this region will result in a slow economic recovery.
Sub-Saharan Africa	Most countries in the region delivered solid economic growth in the 2011 calendar year, despite the turmoil in the global economy and the effects of drought in some of the countries. The relatively good growth performance was supported by strong commodity prices in the first half of last year, new resource development, generally resilient domestic demand conditions and the diversification of exports in recent years toward the faster-growing emerging market economies. Since Sub-Saharan Africa is generally not strongly integrated into global financial markets, it has to a large degree been shielded from global financial market volatility. That said, the expected slowdown in global growth in the 2012 calendar year may translate into weaker export demand which, together with weaker tourism receipts and a slowdown in capital inflows, will likely have a modest negative impact on the region's overall economic performance. Nevertheless, we expect Sub-Saharan Africa's economic performance to remain relatively robust in both the 2012 and 2013 calendar years.

In addition to the general macroeconomic environment, Sasol is also affected by the crude oil and natural gas prices, the exchange rate and chemical prices. These are discussed separately on pages 8 to 10.

In order to address the challenges that the global economic climate is presenting, we will continue to focus on those factors that remain within our control. This will ensure that we are best positioned to deliver shareholder value.

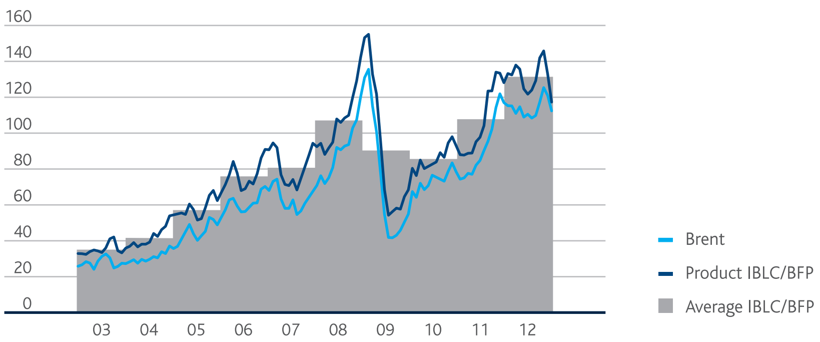
b. Volatile crude oil prices

We are exposed to the volatility associated with the selling price of fuel marketed by Sasol Oil. This selling price is governed by the basic fuel price (BFP), as regulated by the South African government. The key factors influencing the BFP include the crude oil price, rand/US dollar exchange rate and the refining margin typically earned by coastal refineries.

Due to the integrated nature of our operations, Sasol Synfuels uses a pricing mechanism, for raw materials supplied to the South African chemical business, which matches the BFP. The price charged is the value that Sasol Synfuels could earn by converting these products to fuel and selling it at the BFP.

Over the past three years, the crude oil price has been extremely volatile and we have seen substantial increases compared to prior years. Although the overall increase was attributable to the uncertainties surrounding supply, the increases have been partially offset by the unfavourable economic conditions and lower growth rates seen in Europe and China, respectively. The stability returning to the markets following the global economic crisis in the 2010 financial year was short lived. The deepening economic crisis in the euro zone saw the return of volatility in financial markets. This resulted in the crude oil price averaging around US$112,42/barrel (b) for the 2012 financial year, reaching a high of US$128,14/b and a low of US$88,69/b and closed at US$94,17/b at 30 June 2012.

Crude oil price (US$/b)



In Bond Landed Cost (IBLC) represented the refinery gate price of fuel in South Africa and was replaced in April 2003 with the Basic Fuel Price.

In order to protect the group against the adverse effects of short-term oil price volatility and rand/US dollar exchange rate fluctuations on the purchase cost of crude oil (approximately 60 000 barrels/day) used in our Natref refinery, a combination of forward exchange contracts and crude oil futures is used. However, this hedging mechanism does not protect the group against longer-term trends in crude oil prices.

Should attractive hedges be available in the market, we hedge against the downside risk in the crude oil price to increase the stability and predictability of our cash flows, considering the group's substantial planned capital investment programme and our sensitivity to oil price volatility and currency fluctuations. Previously, we managed this risk by entering into a zero cost collar in respect of our oil production at certain of our businesses.

While we believe that this hedging strategy has been appropriate in the past, there are other risk mitigation measures, such as cost containment, operations excellence, cash conservation and capital prioritisation to consider in conjunction with this strategy and which have already resulted in the strengthening of our balance sheet. For the 2012 financial year, we did not hedge as in the past as we did not consider there to have been value in the zero cost collars available in the market at this time. The situation is monitored regularly to assess when a suitable time might be to enter into an appropriate hedge again in the future.

In determining the crude oil price for budgeting purposes we review global growth trends in the demand and consumption for oil, global production and supply as well as the marginal cost of production. Global oil markets were affected by oil production exceeding oil consumption during the latter part of the financial year. This was coupled with a decline in oil prices, which can be attributed to the poor economic indicators for Europe, China and the US, in addition to the reduced risk associated with the current and potential threat of supply disruptions. Prices continue to remain volatile. Among the reasons for this, is the fact that a number of non-Organisation of the Petroleum Exporting Countries (OPEC) members are experiencing large and persistent supply disruptions, including Sudan, Yemen, Syria and the North Sea. In addition, supplies are being impacted by the imminent European Union embargo and other global sanction legislation, which is targeting exports of Iranian crude. On the demand side, the European crisis as well as the slow down in growth, especially in China, is curbing demand and driving lower prices. OPEC members are expected to continue to produce more than 30 million barrels per day over the next two years, in order to counter balance the supply disruptions and meet the projected increase in oil demand. Iranian crude production has also begun to decline, reflecting the lack of investment in upstream activities resulting from sanction legislation. The growth in the global economy is forecast to be around 3,2% in the 2013 calendar year, but given the fragile state of the global economic recovery, as well as the euro zone crisis, uncertainties persist. In line with the growth estimate, oil demand is also forecast to grow, with industrial and petrochemical consumption being the main drivers. In terms of products, it is expected that diesel and naphtha will drive the growth. Geopolitical concerns and security challenges remain risk factors for certain of the non-OPEC oil producing countries.

In view of recent developments regarding trade restrictions and possible oil sanctions against Iran, Sasol Oil has diversified its crude oil sourcing, to mitigate risks associated with oil supply disruptions from the Middle East.

We continue to remain more cautious on the short-term outlook and believe that we could see prices stabilising in the medium term. Our view is that in the next five years, crude oil prices will settle below US$110/b, however, in the longer term, we expect the crude oil price to increase. For forecasting purposes, we estimate that for every US$1/b increase in the annual average crude oil price, group operating profit for the year will increase by approximately US$72 million (R580 million) during 2013. This estimate is off a base of US$100/b crude oil price and a rand/US dollar exchange rate of R8,01. It should be noted that in the volatile environment that we are currently experiencing, these sensitivities could be materially different depending on the crude oil price, exchange rates, product prices and volumes.

c. Expansion of natural gas offering

Natural gas is one of the fastest growing fossil fuels, with consumption forecast to increase. Through our 2011 investment in the Canadian shale gas assets, situated in the Montney Basin, we have expanded our natural gas offering as part of our investment proposition. Natural gas is an attractive fuel alternative in the industrial and electricity industries, because of its lower carbon intensity compared to coal and oil. This investment supports our strategy to deliver fuel alternatives in support of lowering our CO_2 emissions. There is a strong growth outlook for natural gas as reserves are proved up and supply increases, especially in the US, Canada and China, coupled with developments in technology, making shale gas economical worldwide. New gas ventures involve risks – globally the development of unconventional gas supplies is causing project delays, as well as write downs in some instances. While our Canadian shale gas assets are not producing as planned, we do foresee that production will improve in the near future once gas prices trigger further economic development. Current gas prices in North America are depressed. The spot natural gas price for the US benchmark (Henry Hub) has declined to US$2,74/million metric British thermal units (mmbtu) at 30 June 2012, compared to US$4,28/mmbtu at 30 June 2011.

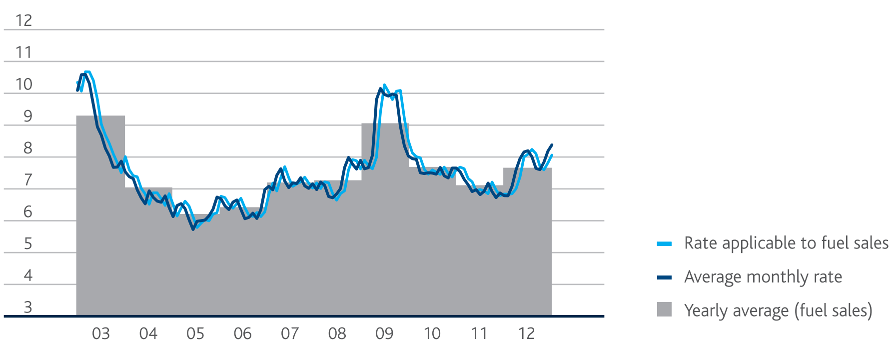
d. Exchange rates

The rand/US dollar exchange rate significantly impacts a large proportion of our turnover and capital investments. Some of our fuel products are governed by the BFP of which a significant variable is the rand/US dollar exchange rate. The BFP is revised at the beginning of each month based on the average exchange rate ruling for the preceding month. Our chemical products are commodity products whose prices are based largely on global commodity and benchmark prices quoted in US dollars.

As a result, the average exchange rate for the year has a significant impact on our turnover and operating profit. In order to protect our South African operations from the effects of exchange rate volatility, taking into account the weakening rand over the long-term, we hedge both our capital investments and foreign currency denominated imports in excess of US$50 000 per transaction by means of forward exchange contracts. Our group executive committee (GEC) sets intervention levels specifically to assess large forward cover amounts for long periods into the future, which have the potential to materially affect our financial position. These limits and our hedging policy are reviewed from time to time. This hedging strategy enables us to better predict cash flows and thus manage our working capital and debt more effectively. It is noted that we do not hedge foreign currency receipts.

During the financial year, the average rand/US dollar exchange rate weakened by 11% in comparison to the 11% strengthening of the exchange rate seen in the prior financial year. The currency continued to remain volatile during the current financial year. The closing rand/US dollar exchange rate weakened significantly compared to the levels as seen at the close of both the 2011 and previous financial years.

Rand/US dollar exchange rate (US$1 = R)



For budgeting and forecasting purposes, we estimate that a 10c change in the annual average rand/US dollar exchange rate will impact our operating profit by approximately R801 million in 2013. This estimate is off a base of US$100/b crude oil price and a rand/US dollar exchange rate of R8,01. It should be noted that in the volatile environment that we are currently experiencing, these sensitivities could be materially different depending on the crude oil price, exchange rates, product prices and volumes.

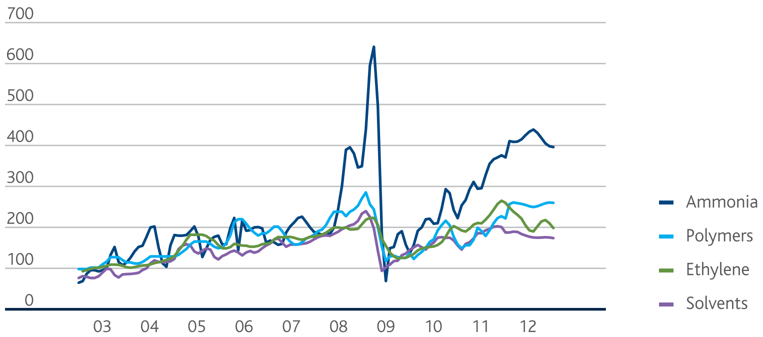
e. The effect of chemical prices

Our chemical products follow a typical demand cycle. Higher demand results in higher prices, until new production capacity is introduced, at which point prices decrease. Over the longer term most commodity chemical prices tend to track crude oil based feedstock prices. At times of high prices for crude oil and intermediate products, profit margins benefit the feedstock producer. In times of high chemical prices and lower feedstock prices, profit margins shift to downstream activities. The strategy for our commodity chemicals businesses therefore is, wherever possible, to be invested in the value chain from raw materials to final products. The group has elected not to hedge its exposure to commodity chemical prices as this may partly negate the benefits of such integration into our primary feedstock streams.

However, this integration is not usual in our European and US operations and as a result these businesses are exposed to changes in underlying feedstock prices. Increases in feedstock costs are reflected in our selling prices to the extent that we are able to pass these costs on. Increased competition from alternative feedstocks may also impact the margins earned for these businesses.

The following graph illustrates the changes in chemical prices off a 1997 base:

Chemical prices (expressed as a percentage of July 1997)



Over the past number of years, we have seen significant increases in the crude oil price, which has impacted the cost of our raw materials. We have been unable to pass all these increased costs on to our customers. In 2011 and 2010, we saw an increase in demand, signalled by the recovery in the global economy. However, the recovery appears to have slowed down on the back of the poor performance of the European economy. During 2012, we have witnessed a decline in chemical prices and consequently, margins have been squeezed in the chemical sector. This primarily results from low market demand due to the slowing down in global growth rates, especially in emerging markets, the deepening euro zone financial crisis and increased competition in this sector, coupled with the higher feedstock prices. Our South African-based polymers business, as well as our solvents business, experienced the brunt of this downturn. We remain cautious in light of the slower recovery of the economies of Europe and the US and the impact of the sovereign debt crisis in Europe and the concerns surrounding the US economy.

f. Delivering on capital projects

Our industry is a long-term business in which most of our operations, including the gasification of coal and the manufacture of synfuels and petrochemical products, are highly dependent upon the development and use of advanced technologies. Sasol has been embarking on accelerating its sustainable growth strategy. The decisions affecting our business are made with a time horizon that is measured with a long-term view and span multiple and diverse business cycles. To ensure that we capitalise on the right opportunities, it is an imperative that we focus on those opportunities in the right geographic regions and deliver on those projects within planned timelines. A number of our expansion projects are integrated across a number of our businesses, such as the development of our North American operations, span a number of our chemical and international energy businesses. Understanding these opportunities provides clarity and is critical in allowing us to deliver on a vital portion of our growth aspirations.

We also need to ensure the stability and reliability of our foundation businesses and that we maintain our operations throughout the world. This requires capital investments to sustain our operations. We monitor our capital investment programme on a continuous basis to ensure that capital is employed effectively from the translation of our strategy into portfolios of delivered projects, which are beneficial to the long-term growth of the group.

Our technologies are tested through a range of economic scenarios to ensure that risks are appropriately identified, evaluated and managed. This approach ensures that our technologies are developed, commercialised and integrated so that the competitiveness of our products, the continuity of our operations, our feedstock requirements, capacity and efficiency of our production is assured. Emphasis is placed on the selection of effective projects, whose execution will deliver maximum return and asset value for our stakeholders. Refer to section 10 of this report for details on our capital allocation.

g. Delivering sustainable results

Managing the social, economic and environmental impacts of our business is essential to delivering success. It is essential that we work on strengthening our relationships with our key stakeholders. Relationships are key to delivering on our future aspirations – we need to be attuned to our customers, our business partners and the governments of the countries in which we operate. We also need to ensure that the way in which we carry out sustainable business is entrenched in our daily activities. In addition to our focus on 'zero harm' as far as safety is concerned, there are challenges around climate change and other environmental aspects, including water usage. For further details of these challenges, refer to our Sustainable Development Report.

The South African government approved a new National Climate Change Response Policy in October 2011, which seeks to balance the objectives of job creation, economic growth, environmental sustainability and reducing greenhouse gas emissions. The policy envisages cutting CO_2 emissions by 34% over the next decade by introducing emission caps among the major polluters. We are continuing to seek solutions to the challenges facing greenhouse gas (GHG) emission intensive industries, like ourselves, and how these emissions can be reduced over time, including possible technological and other advances such as using lower-carbon and investment to produce renewable forms of energy and carbon capture and storage. We understand the scale of our economic, energy and environmental challenges and that this is growing with the projects that we undertake. In seeking solutions, which make sense to both our investors and other stakeholders, we, at the same time need to address other challenges such as energy security, and our contribution to the economic development of countries in which we operate. This has presented us with unique technological investment opportunities. During 2011, we took up a 2,44% share in the Norwegian-based CO_2 Technology Centre Mongstad DA project, which is a collaboration of energy industry players and the Norwegian State, aimed at developing a solution for large scale carbon emissions. This project is developing according to plan.

In addition, through Sasol New Energy, we have initiated a focused and co-ordinated approach to these issues and are investigating alternative energy solutions. Our board approved an investment of R1,9 billion to produce 140 megawatts of power from gas in Sasolburg, which will enable the group to improve its GHG intensity and reduce its dependency on the grid electricity. We continue to further our understanding and investigating solutions to reduce GHG emissions from our operations, including monitoring policy developments aimed at pricing GHG emissions, and understanding the impact that such policies may have on our existing and future operations.

h. The effects of credit market risk

Notwithstanding the sovereign debt crisis in Europe, international debt capital markets have remained favourable over the past year, particularly for corporates with strong balance sheets like Sasol. Declining sovereign bond yields in the US has meant that the all-in borrowing rates available to investment grade corporates has declined further from already low levels in the prior year. As the implementation of the Basel 3 regulations approach, there is increasing concern regarding the availability and cost of certain types of bank lending.

Sasol's strong balance sheet and free cash flow during this year meant that we have not been reliant on external funding. However, our significant planned capital investments and full project pipeline could alter this. Our funding requirements are monitored on a continuous basis as part of our enterprise risk management activities and we will respond to ensure appropriate liquidity is maintained. To this end, Sasol's commercial paper programme was updated and increased to R8 billion over the past year. Appropriate liquidity and committed funding facilities are also an essential part of retaining Sasol's investment grade rating with the ratings agencies.

i. Impacts on our cost base

Our sustainability and competitiveness depend on our ability to optimise our operating cost base. As we are unable to control the market price at which the products we produce are sold, it is possible that if inflation in countries in which we operate should begin to increase, it may result in significantly higher future operational costs. Generally, we have seen that the rate of inflation in most major countries in which we operate has been relatively low in recent years. In South Africa, inflation has declined from its highs of 13,8% in August 2008 to lows of 3,2% in September 2010. However, inflation has again begun to increase in recent months due to supply-side pressures, predominantly from the food and oil sectors. The South African Reserve Bank (SARB) target range for inflation of 3% to 6% since 2009 has remained unchanged and we anticipate that consumer price index (CPI) inflation in South Africa will remain within this range, with the 2012 average CPI inflation rate just within this range at 5,9%. The higher oil prices experienced over the past few years and its knock-on effect on energy costs, could have a similar impact on inflation within other global economies. In addition, steep increases in electricity tariffs which are expected in South Africa over the next few years as well as increased labour costs, will place further upward pressures on our operating costs (refer to point 6c for additional information).

We continued to maintain strict cost discipline across the group in 2012. We have made further progress on our initiatives, that were implemented in previous years. These initiatives included our shared services structures, asset optimisation and a continued focus on our supply chain process seeking economies of scale in procurement. In addition to the commissioning of the gas turbines in July 2010, we have begun the construction of a 140 megawatt electricity generation plant in Sasolburg, South Africa. This plant will further assist with the reduction of our energy costs. We continue to leverage off efficiency and productivity improvements to counter the effects of increased cost trends. Our cost containment initiatives delivered sustainable benefits in the region of R1,2 billion since 2010.

j. WACC rate

Sasol's weighted average cost of capital (WACC) methodology is consistent with global best practice and includes adjustments to take into account country specific risk. Industry differentiation has not been implemented in our WACC methodology due to the integrated nature of the Sasol group. The bond rates and country risk premiums were reviewed and due to the current global market volatility, there is uncertainty that these rates will be sustainable in the long term, therefore the WACC rates for the current year have remained unchanged (refer to point 9.c for additional information).

k. Impairments and reversals of impairments

The favourable signs of global economic recovery seen last year appear to have been somewhat short-lived on the back of the euro zone crisis. As a result, this has given cause for us to reassess the impairment reviews conducted previously on our cash generating units. Based on these assessments, for the year under review, we have determined whether the carrying value of our assets is recoverable. In assessing these economic valuations, current market conditions, our latest budgets and the life cycle of the various products are taken into consideration. While the actual outcomes may differ significantly from our forecasts, thus affecting our assessment of future cash flows, management has applied their judgement in making these assessments based on the best information available at the time. In addition, the outcomes have been tested against a range of economic scenarios particular to the circumstances of the business concerned. Further, where these outcomes have indicated that the previously recognised impairments should be reversed due to the economic recovery, management has tested these reversals to ensure that the circumstances indicated, are sustainable based on the current information available. As a result, net impairments of R1 630 million have been recognised for the year ended 30 June 2012, primarily related to the partial impairment of R964 million related to our Canadian shale gas assets, resulting from depressed gas prices, ahead of a GTL investment decision. With regards to the impairment recognised in respect of these assets, the value in use is particularly sensitive to changes in the gas price, estimated ultimate recovery factor as well as changes in drilling and completion costs. A change, relative to the individual aforementioned factors, would significantly affect the calculated value in use. We will continuously review the value of the shale gas assets, taking into account the development of the natural gas price and the development of the gas field. In addition, we have impaired Block 16/19 offshore Mozambique amounting to R434 million, due to the current economic factors that do not support the development of this field.

We have, however, had to reassess certain factors impacting on our participation in the Escravos gas-to-liquids (EGTL) project in Nigeria. In 2011, we recognised a partial impairment of our investment in EGTL of R123 million. Based on continuing uncertainties in the Nigerian environment as well as various project risks, the partial impairment has not been reversed in 2012.

l. Continued focus on credit management

Although economies are showing signs of recovery, the effects of the global economic crisis are lingering, especially in Europe which is faced with a deepening financial crisis. Uncertain economic times continue to place a significant burden on our customers. Management can therefore not ignore the risk that this continues to present to the group. We continue to focus on our credit management process to ensure that our exposure to those customers faced with the negative impacts of declining economies remains within acceptable limits. The exposure of our receivables is reviewed across the group, through a centrally co-ordinated credit committee, which undertakes an oversight role to ensure that our group-wide exposure is limited in these continuing uncertain times. Credit management of the receivables remains the responsibility of the individual business units. This focused risk approach continues to stand us in good stead, resulting in insignificant bad debt write offs in the current economic climate.

m. Net realisable value write downs in inventory

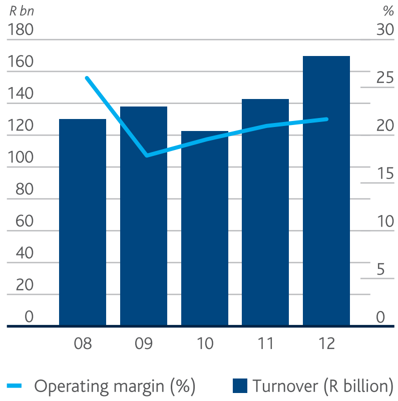
Despite the improvements in the global economy seen in the previous year, the ongoing financial crisis in the euro zone as well as lower than expected global economic growth, we have seen a decrease in demand in certain markets and in certain economies. We have tried to eliminate some of this volatility through decreasing production at certain of our plants, especially in Europe, however, our inventory holding is at higher levels than those of the previous year. The weaker demand for product has, however, been coupled with improved prices during the year. Taking into account the higher average crude oil effects, the stronger rand/US dollar exchange rate and the higher inventory levels, this has resulted in net realisable value write downs of R331 million during the financial year compared to R112 million in the previous financial year.

3

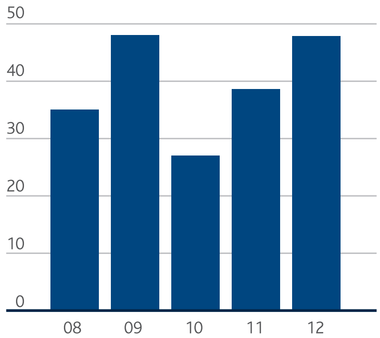
Financial performance

We measure our financial performance in terms of various financial ratios. These ratios relate to a number of performance areas, including managing our margins, cash, gearing and return on equity and are provided below for the year under review:

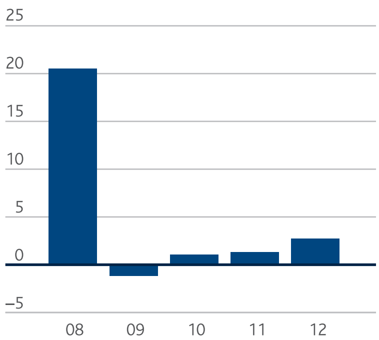
Turnover and operating margin



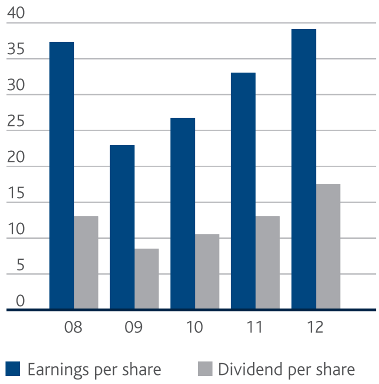
Cash generated by operating activities (R billion)



Gearing (%)



Earnings per share and dividend per share (Rand)



Earnings attributable to shareholders for the year ended 30 June 2012 increased by 19% to R23,6 billion from R19,8 billion in the prior year, while headline earnings per share and earnings per share increased by 25% to R42,28 and by 19% to R39,10, respectively, over the same period.

Operating profit of R36,8 billion increased by 23% compared to the prior year on the back of a solid operational performance in our businesses. Operating profit was boosted by a 17% improvement in the average crude oil (average dated Brent was US$112,42/barrel at 30 June 2012 compared with US$96,48/barrel at 30 June 2011) and product prices as well as an 11% weaker average rand/US dollar exchange rate (R7,78/US$ at 30 June 2012 compared with R7,01/US$ at 30 June 2011).

Operating profit for the second half of the year, compared with the first half of the financial year, was R4 billion lower mainly as a result of the partial impairment and the higher depreciation charge relating to our Canadian shale gas assets, year-end closing exchange rate adjustments, with specific reference to the valuation of our open Canadian foreign exchange contracts, the impact of the year-end stock movements, as well as an increase in our provisions for rehabilitation and other remeasurement items.

Overall, group production volumes are in line with the prior year – the second half's production performance improved significantly. Sasol Synfuels, delivered production for the year of 7,2 million tons (mt), despite the negative effect of industrial action and plant instabilities in the first half of the year. Sasol Synfuels saw a significant improvement in the overall production run-rate of the facility during the second half of the year, being the best performance in the last five years. In our European chemical businesses, production was optimised to match lower demand and optimise margins in light of the weakening European market conditions. Production performance at our Arya Sasol Polymer Company (ASPC) and ORYX gas-to-liquids (GTL) operations was strong and in line with our expectations.

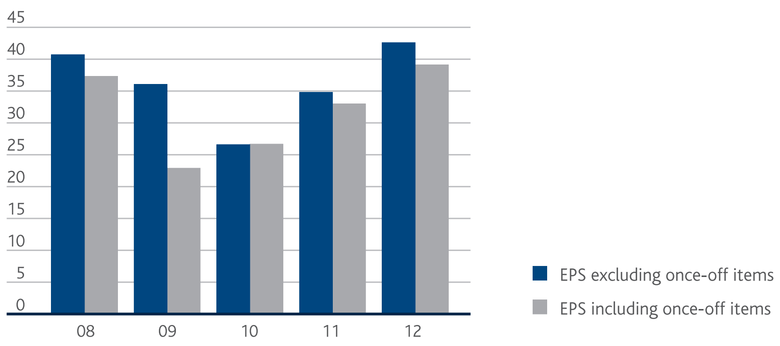
Cash fixed costs, excluding once-off and growth costs and the impact of exchange rates, was in line with inflation of 8,6% (South African producers price index (PPI)), despite a challenging South African cost environment, in respect of labour and electricity costs.

The operating profit in the current year was negatively impacted by once-off charges totalling R2 121 million (2011 – R1 103 million). These items relate primarily to the partial impairment of our Canadian shale gas assets of R964 million and impairment of Block 16/19 in Mozambique amounting to R434 million, as well as the write off of an unsuccessful exploration well in Australia amounting to R274 million. This was partly offset by the profit of R124 million on the sale of our Sasol Nitro Phalaborwa operations as well as certain downstream fertiliser businesses and the profit realised on the disposal of the Witten plant in Germany of R285 million. The overall share-based payment expense of R691 million decreased from R2 071 million in the prior year, as a result of a decrease of R360 million Sasol Inzalo BEE share-based payment expense and the once-off Ixia Coal BEE transaction expense of R565 million in 2011. In addition, there was a general decrease in the Sasol share incentive schemes expense in line with the Sasol share price performance.

The increase in the effective tax rate from 31,3% to 32,6% resulted primarily from the increase in non-deductible expenses and additional tax losses which have not been recognised as deferred tax assets, compared to the prior year.

Cash flow generated by operating activities was R47,9 billion compared with R38,6 billion in the prior year. This was mainly due to increased operating profits, which was partly offset by increased working capital, both as a result of price and volume effects. Capital investments for the year totalled R29,2 billion.

Earnings per share (EPS) including and excluding once-off items (Rand)



4 Effect of significant changes in accounting principles

During the 2012 financial year, we adopted a number of new accounting standards as set out in our accounting policies. Except for IAS 19 (Amendments), Employee Benefits, these newly adopted standards did not significantly impact our financial results. Refer to note 1 of the consolidated annual financial statements for details of the financial impact of the adoption of this standard.

5 Black economic empowerment (BEE) transactions

As part of Sasol's overall strategy, we are committed to our transformation objectives, particularly in South Africa. To this end, we have initiated and successfully completed two significant transactions. We continue to focus on ensuring the success of these transactions.

a. Sasol Inzalo share transaction

The Sasol Inzalo share transaction, our broad-based BEE transaction to transfer beneficial ownership of 10% of Sasol Limited's issued share capital to employees and a wide spread of black South Africans (BEE participants), is now well established. The current year includes a share-based payment expense of R470 million, related to the Employee Trusts, has decreased compared with that of the prior year's expense of R830 million, due to the vesting profile of the scheme.

We continue to recognise the preference shares issued to the financiers in respect of the selected participants and the black public in the statement of financial position at an amount of R7 386 million (2011 – R7 178 million), including accrued finance charges. The C preference shares issued to the financiers, included in the aforementioned amount, have been guaranteed by Sasol Limited. The funding companies are required to maintain, inter alia, minimum share cover ratios in respect of the A and B preference shares. The maintenance of the ratio is dependent upon the Sasol ordinary share price and the dividends paid by Sasol on the Sasol preferred ordinary shares. The share cover ratios decrease over time with the amortisation of the preference shares. In addition, a further condition of the guaranteed C preference shares is that the Sasol group must maintain a maximum net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) cover ratio of 2,5 times.

Should the aforementioned preference share covenants be breached, there are other actions that Sasol could take that will ensure the sustainability of the Sasol Inzalo share transaction over the 10-year period of the transaction. To date these share cover ratios have not been breached despite the volatility seen over the previous year in the Sasol share price. The net debt to EBITDA cover ratio remains below the maximum allowed.

The long-term interests of all our shareholders are paramount to us and the Sasol Inzalo share transaction continues to remain one of our focus areas.

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b. Ixia Coal transaction

In 2011, we announced the completion of the Ixia Coal transaction, through a black-women controlled coal mining company called Ixia Coal (Pty) Ltd. (Ixia). The Ixia Coal transaction is a broad-based BEE transaction, in line with Sasol Mining's empowerment strategy and its commitment to comply with the objectives of the Mineral and Petroleum Resources Development Act in South Africa, as well as the Mining Charter. Through a funding company (Ixia Coal Funding (Pty) Ltd.), the members of Ixia subscribed for a 20% share in Sasol Mining for a purchase consideration of R1,8 billion. The black-women members of Ixia, through WipCoal (Pty) Ltd. (WipCoal), and Sasol Mining Holdings (Pty) Ltd. contributed, in cash, equity of R47 million, in their respective shareholding of 51% and 49%. The balance of the contribution was funded through preference share debt, including preference shares subscribed for by Sasol, issued by the funding company.

The preference shares issued to the financiers have been recognised in the statement of financial position at an amount of R669 million (2011 – R707 million), including accrued finance charges.

The Ixia Coal transaction increased Sasol Mining's BEE ownership component to 20%. In May 2012, the Department of Mineral Resources confirmed that the Sasol Inzalo employee share option programme (ESOP) contributes 26% to the BEE ownership of Sasol Mining, based on value of Sasol Mining's historically disadvantaged South African employees participating in the Sasol Inzalo share transaction. The combined BEE ownership in Sasol Mining is now in excess of 40%. Sasol Mining exceeds the Mining Charter's current requirements of 26% BEE ownership by 2014.

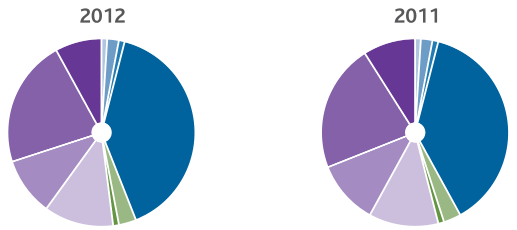
6 Operating performance

The key indicators of our operating performance during the year were as follows:

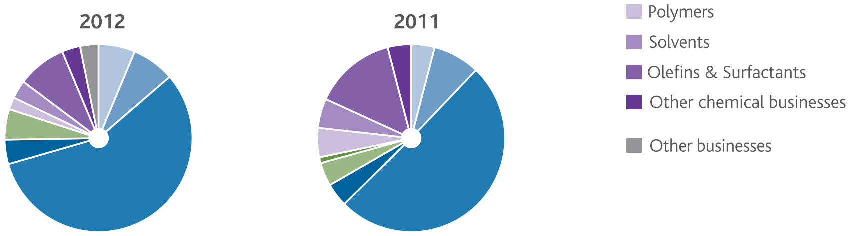
		2012 Rm	% change	2011 Rm	% change	2010 Rm
Turnover		**169 446**	**19**	142 436	17	122 256
Variable gross margin		**84 729**	**17**	72 633	21	63 072
Non-cash costs		**4 349**		3 302		2 248
Operating profit		**36 758**	**23**	29 950	25	23 937
Operating profit margin	%	**22**		21		20
Operating profit margin before once-off charges	%	**23**		22		20
Profit attributable to shareholders		**23 583**	**19**	19 794	24	15 941
Earnings per share	Rand	**39,10**	**19**	32,97	24	26,68
Headline earnings per share	Rand	**42,28**	**25**	33,85	27	26,57

The composition of turnover and operating profit by business unit is set out below:

Turnover by segment (R billion)



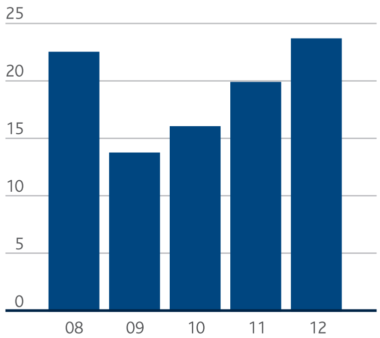
Operating profit by segment (R billion)



a. Trend analysis

Turnover has increased by 19%, operating profit by 23% and profit attributable to shareholders by 19% for this year. This has primarily resulted from the higher average crude oil prices and chemical product prices, as well as the weaker average rand/US dollar exchange rate. Overall, group production volumes are in line with the prior year, despite interruptions in the Sasol Synfuels' production resulting from industrial action and production incidents in the first half of the year. Our operating margin has been enhanced by the cost containment initiatives implemented over the last two years.

Profit attributable to shareholders (R billion)



Our **South African Energy cluster** continues to produce robust results, contributing approximately 80% to group profitability in 2012. Compared to the previous year, operating profit increased by 45%. Sasol Synfuels remained the largest contributor to the group operating profit, contributing over half of the total operating profit, with an operating margin of 45%. Higher average crude oil prices supported by the weaker rand/US dollar exchange rate contributed to the operating profit in this cluster. These positive effects were partially offset by lower sales volumes at Sasol Oil resulting from an extended planned shutdown at the Natref refinery, coupled with crude oil supply shortages resulting from an unplanned single buoy mooring (SBM) shutdown in December 2011, and reduced trading activities. Production volumes at Sasol Synfuels were 1,1% higher than the prior year, due to improved plant efficiencies and fewer plant instabilities, coupled with a phased shutdown compared to the full shutdown in 2011.

Our **International Energy cluster** reflected reduced operating profits compared to the prior year, ending almost break even for the year. The increase in our Sasol Synfuels International (SSI) growth portfolio is underpinned by the increased production at the ORYX GTL plant in Qatar. The ORYX GTL plant continues to achieve new production records – in April and May 2012, the monthly average production was above 34 000 barrels/day, 5% above design capacity. This performance continues to endorse the commercial viability of our GTL technology. However, the favourable results at SSI were offset by lower production volumes, increased depreciation and a partial impairment of R964 million related to our Canadian shale gas assets, as well as the impairment of Block 16/19 in Mozambique amounting to R434 million and the write off of a dry well WA433 in Australia for an amount of R274 million. Our Canadian assets continue to be under pressure due to the extremely low natural gas prices, coupled with higher than expected drilling and completion costs and sub-surface complexities. Our Canadian shale gas operations continue to be cash positive, excluding the impact of the partial impairment and depreciation. The prior year included the once-off partial impairment of EGTL amounting to R123 million and dry well write offs of R441 million relating to Papua New Guinea and Mozambique.

The **Chemical cluster** was negatively affected by the decreased demand on the back of the European debt crisis, reflecting lower operating profit. Sasol Olefins and Surfactants (Sasol O&S) was a strong performer, contributing almost half of the Chemical cluster's operating profit. Sasol O&S managed to maintain its gross margins, and saw improvement in some regions, despite some reductions in volumes. Difficult trading conditions continued to prevail, especially during the latter half of the year, for Sasol Solvents. Average product prices, despite being above prior year levels, steadily reduced over the course of the year. Margins contracted on the back of higher feedstock costs and lower sales volumes. Operating profit at Sasol Polymers was positively impacted by a 1% increase in overall sales volumes; however, this increase was negated by the slowing of the international polymers market, coupled with the continued margin squeeze experienced in the South African polymers business, where feedstock price increases outweighed the increases in selling process. ASPC has again performed well during this period and contributed positively to the Sasol Polymers' business despite translation losses, which included a negative exchange rate adjustment. ASPC achieved a capacity utilisation rate of 84% for the year.

b. Year-on-year comparison

Operating profit increased by 23% (R6 808 million) in 2012 compared to a 25% increase (R6 013 million) in 2011.

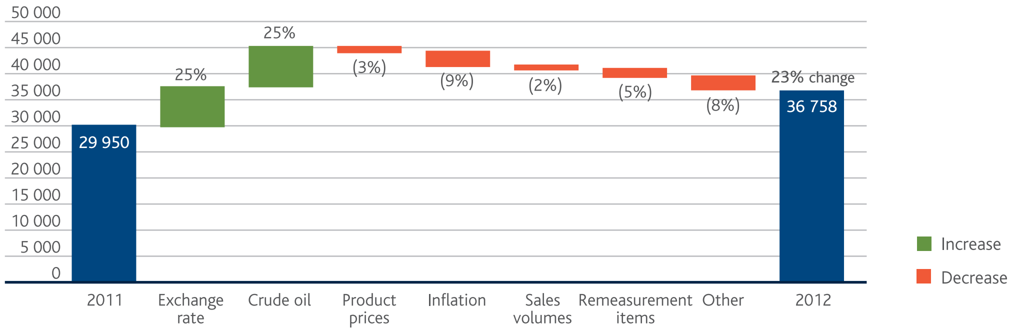
The movement in the reported operating profit is due to the following primary drivers:

	2012		2011		2010	
	Rm	%*	Rm	%*	Rm	%*
Foreign currency effects	**7 384**	**25**	(4 545)	(19)	(10 457)	(42)
Crude oil	**7 453**	**25**	6 965	29	(2 382)	(10)
Product prices	**(915)**	**(3)**	6 948	29	4 393	18
Inflation on cash fixed costs	**(2 650)**	**(9)**	(2 285)	(10)	(2 304)	(9)
Volume and other effects	**(3 030)**	**(10)**	(598)	(2)	8 506	34
Effect of remeasurement items	**(1 434)**	**(5)**	(472)	(2)	1 515	6
Increase/(decrease)	**6 808**	**23**	6 013	25	(729)	(3)

* *Reported as a percentage of operating profit of the prior year.*

The increase in operating profit over the last year can be graphically depicted as follows:

Operating profit – price volume variance analysis (R million)



The increase in crude oil prices, which was supported by the weakening of the rand/US dollar exchange rate contributed significantly to the increase in operating profit. However, operating profits were negatively impacted by the lower demand for our products, especially in the chemical businesses, where the euro zone debt crisis played a significant role. At our Sasol Synfuels operations, our production for the year was higher than anticipated, despite the negative effect of industrial action and production incidents in the first half of the year. The positive contribution of our other businesses, including ASPC and the ORYX GTL plant, have further contributed to our operating profit.

The operating profit in the current year was negatively impacted by once-off charges totalling R2 121 million (2011 – R1 103 million). These items relate primarily to the partial impairment of our Canadian shale gas assets and impairment of Block 16/19 in Mozambique of R964 million and R434 million, respectively, and the write off of unsuccessful exploration wells in Australia amounting to R274 million, offset by the profit of R124 million on the sale of our Sasol Nitro Phalaborwa operations and certain of the upstream fertiliser businesses and the profit realised on the disposal of the Witten plant in Germany of R285 million. The operating profit in 2011 includes once-off competition related administrative penalties of R112 million, the partial impairment of EGTL of R123 million, the reversal of the impairment of Sasol Italy of R491 million and the share-based payment expense related to the Ixia Coal transaction of R565 million. In addition, the current year includes a Sasol Inzalo share-based payment expense of R470 million, which is below the expense of R830 million in the previous year. Generally, the share-based payment expense has also been affected by the decrease in the Sasol share price, resulting in a lower expense for the current year.

c. Cash fixed costs – price volume variance analysis

Being primarily a commodity business, we aim to control and maintain our cash fixed costs within inflation on a year-on-year basis. The average South African producers price index (SA PPI) was 8,6% for the past financial year (2011 – 6,8%) whereas the average South African consumer price index (SA CPI) was 5,9% (2011 – 3,9%). The achievement of this objective may be negatively impacted by:

- Expenditure on safety and plant maintenance;
- Labour, electricity and other operating costs which escalate beyond inflation;
- Costs incurred on growth initiatives and new projects; and
- Currency effects.

	2012 Rm	**% change**	2011 Rm	% change	2010 Rm
Cash fixed costs	**35 568**	**12**	31 678	7	29 491
current operations	**34 886**		31 765		30 067
once-off items and growth initiatives	**682**		(87)		(576)

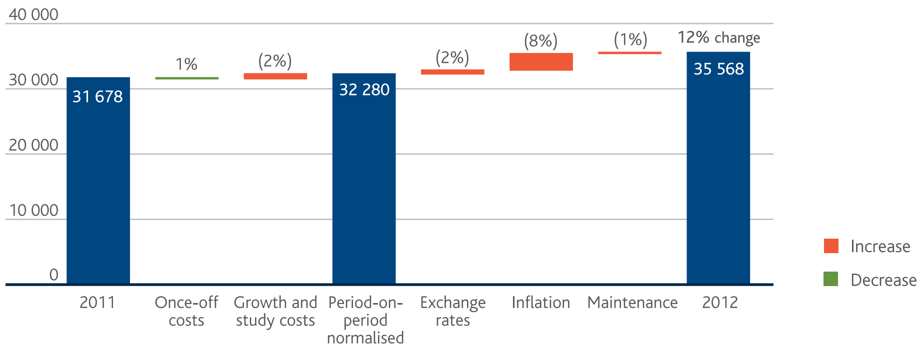
The factors causing an increase in our cash fixed costs over the last year are as follows:

	2012^ Rm	2011^ Rm	%*
Cash fixed costs	**35 568**	31 678	12
Less once-off items and growth initiatives	**682**	(87)	
other^^	**2 028**	1 514	
once-off impact of shut down maintenance	**(100)**	(98)	
study costs	**(229)**	(348)	
new business and growth initiatives	**(1 017)**	(1 155)	
Total cash fixed costs excluding once-off items and growth initiatives	**34 886**	31 765	10
Exchange rates	**(1 019)**	(429)	
Total cash fixed costs excluding once-off items, growth initiatives and currency effects	**33 867**	31 336	8

* *Reported as a percentage of cash fixed costs of the prior year.*
^ *Once-off items and growth initiatives represent the cumulative impact relative to 2010 (once-off).*
^^ *Other items include the cumulative impact relative to 2010 relating primarily to the capitalisation of shutdown costs, voluntary retrenchment payments, additional maintenance costs and the SAP project costs.*

The year-on-year increase in cash fixed costs can be graphically depicted as follows:

Cash fixed cost – price volume variance analysis (R million)



We have contained our normalised cash fixed costs to inflation, excluding the effects of once-off costs and growth initiatives as well as the impact of exchange rates. This is a direct result of our cost containment initiatives. Cost control is underpinned by strategic group initiatives such as operations excellence, functional excellence, business improvement plans and increased electricity generation. SA PPI is more relevant than SA CPI to our Sasol Synfuels and Sasol Mining businesses.

At our South African operations, the cost of electricity has seen abnormal increases above inflation during the past three years, which has impacted our cash fixed costs. In June 2009, the South African state owned electricity provider, Eskom, was granted an average annual electricity tariff increase of 31,3%. Eskom was granted a further 24,8% average tariff increase in February 2010 which was effected in July 2010, to be followed by another average tariff increase of 25,8% and 25,9% in April 2011 and April 2012, respectively. In March 2012, the National Energy Regulator of South Africa (NERSA) announced that Eskom's electricity tariffs will rise by about 16% in 2012/13 against an earlier published 26% increase. We are able to generate nearly half of our electricity requirements and aim to increase internal electricity generation to up to 60% of our requirements, however, these increases will continue to have a material adverse effect on our cash fixed costs in the future. We have been able to mitigate this risk to some extent by entering into a Power Purchase Agreement with Eskom following the construction of our power generation facility in Secunda. The gas turbines have been completed and reached beneficial operation in August 2011, together with the combined cycle gas turbines. During the year, Sasol New Energy began construction of a 140 megawatt electricity generation plant in Sasolburg, South Africa. The plant will utilise natural gas as its feedstock. The first gas engines arrived in Sasolburg in May 2012. It is anticipated that the facility will be on line and reach full capacity during the first quarter of the 2013 calendar year.

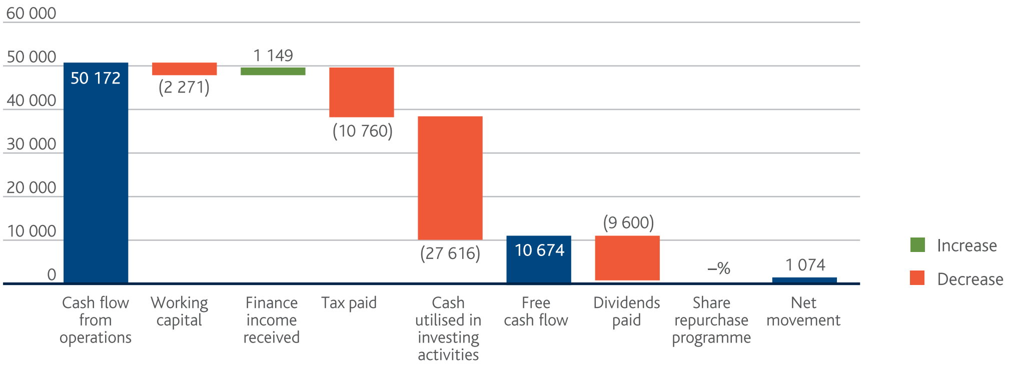
One of our most significant costs is labour. More than 60% of our employees are members of trade unions or works councils covered by collective agreements entered into with these parties. In South Africa, we have concluded wage negotiations for 2013 for increases between 7,5% and 8,0%, of which increases in the different sectors are as follows:

- Mining sector: An increase of 7,5%, effective 1 July 2012, with an additional service increment of 0,5%, effective 1 January 2013;
- Chemicals sector: An increase of 7,5% effective 1 July 2012; and
- Petroleum sector: A two year agreement was reached with an increase of 8,0%, effective 1 July 2012, and an increase, effective 1 July 2013, of CPI plus 2,0%, with a guaranteed minimum of 7,0% and a capped maximum of 10,0%.

7 Cash f ow analysis

	2012 Rm	2011 Rm	% change	2010 Rm	% change
Cash generated by operating activities	**47 901**	38 639	24	27 338	41
Additions to non-current assets	**29 160**	20 665	41	16 108	28
Acquisition of interests in joint ventures	**(24)**	(3 823)	(99)	–	100
(Decrease)/increase in debt	**(971)**	250	–	(2 596)	–
Free cash flow	**10 674**	8 863	20	5 966	49

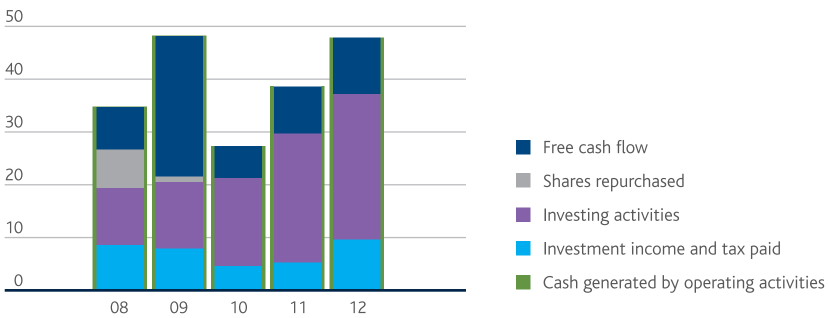
Free cash flow waterfall analysis (R million)



One of the most important drivers to sustain and increase shareholder value is free cash flow generation. We define free cash flow as consisting of both operating components (operating profit, change in operating working capital and capital investment) as well as non-operating components, including financial income and taxes. To maximise our free cash flow generation across our global and diversified group, our business unit management is required to continuously improve operating profits as well as optimise working capital and our capital investment programme. Financial expenses and taxes are managed centrally to a large degree by our central treasury and tax functions, respectively. All these actions however are underpinned by the group strategy to deliver value to our stakeholders.

We firstly apply cash generated from operating activities to repay our debt and tax commitments and then provide a return to our shareholders in the form of dividends. Remaining cash is used to fund our capital investment programme. Any shortfall in the funding of our capital investment programme will be funded from borrowings. As a result, this will impact our gearing ratio. We have the authority to repurchase up to 10% of our issued share capital, should we decide to proceed with our share repurchase programme.

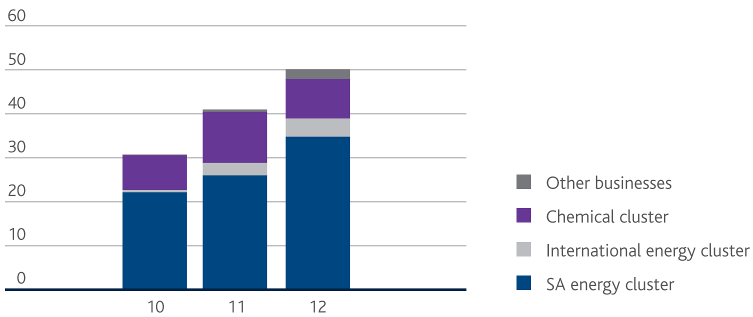
Free cash flow (R billion)



a. Cash generated by operating activities

We have generated R47,9 billion cash from operating activities in 2012 and over the last three years we have generated an average of R38,0 billion cash per annum from operating activities.

Cash generated by operations (R billion)



The current year has seen all our businesses generate positive cash flow from operations. Sasol Synfuels remains our most significant contributor to cash generated by operating activities. The higher crude oil prices were offset by the lower demand, which resulted in higher inventory holdings at the year end.

Our working capital has increased again during the 2012 financial year compared with the previous year. Both inventory and trade receivables increased due to inherent higher product prices, mainly due to the increase in crude oil prices, compared with the previous financial year. In addition, inventory volumes are higher due to lower demand as well as stockpiling at certain business units to ensure continuous supply of product to the markets. Our working capital ratio for 2012 was 14,3% compared with 14,4% of the previous year. Our target working capital ratio for 2013 is 16%. The cash conservation mode, which we entered into in 2008 to better position the company in tough credit markets, continues to result in strong cash resources being available to the company. Our focus remains on strengthening our working capital management and credit exposure, and fixed cash cost containment continues.

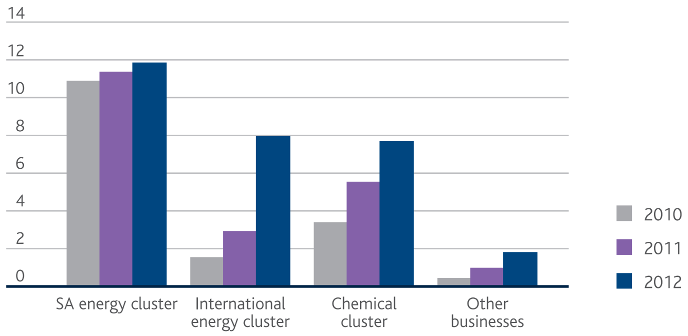
b. Capital investments

The central treasury funds all capital investments of the group, which are executed by wholly-owned subsidiaries. The central treasury in turn is funded by means of a group cash pooling system. The net funding requirement is raised from the local and international debt markets and takes into account the group's self imposed targeted gearing range, which is between 20% and 40%. Our gearing remains low and we have sufficient headroom in our balance sheet to fund our growth opportunities, grow dividends and provide a buffer against volatilities. Given our large capital intensive growth plan, we expect to return to within our targeted gearing range of 20% – 40% in the medium term.

Where projects are executed in partnerships and in foreign jurisdictions, particularly those where an element of political risk exists, project finance is used as a development tool to mitigate such risk as well as geographic and concentration risk and to some extent, liquidity risk. This view is based on the principle that if an economically viable project has been developed using a sound project finance risk allocation approach, it is likely to be funded in the international markets. We have previously reviewed and reprioritised our capital expenditure programme in light of our cash conservation approach. We continue to maintain a flexible approach to our capital expenditure programme, ensuring that our pipeline of growth projects is not affected, and our capital investments continue unabated ensuring that our long-term shareholder value proposition remains intact.

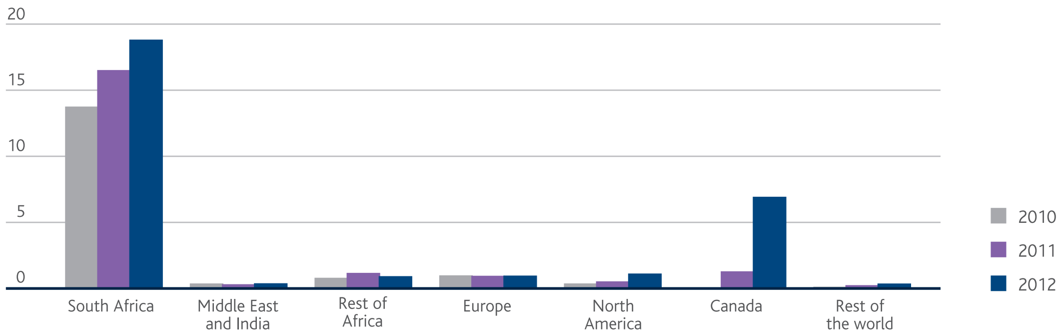
Over the last three years, the group has invested a total of R65,9 billion in capital investments, with R29,2 billion being invested in 2012. This amount relates primarily to the Sasol Synfuels' planned maintenance outage, the extension of our reserves at Sasol Mining, the construction of the wax production facility in Sasolburg, South Africa, and the development of our Canadian shale gas assets, as well as various other small projects.

Capital investments (R billion)



We have focused our investments in projects in the last three years primarily in South Africa, North America, including Canada, Mozambique, Germany and Qatar.

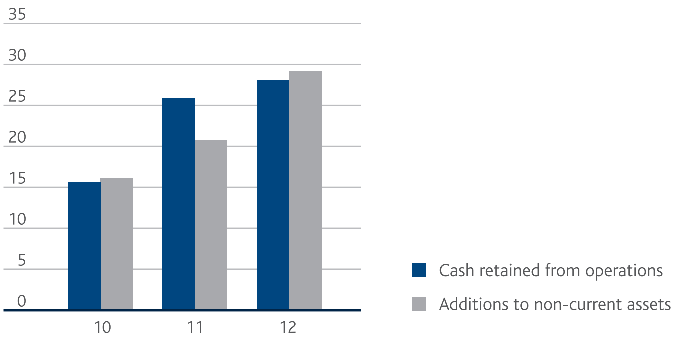
Capital investments by geographic region (R billion)



Further detail of our additions to our non-current assets is provided in notes 2, 3 and 5 to our financial statements.

c. Cash utilisation

Cash utilisation (R billion)



The cash outflow of our capital investment programme marginally exceeded the cash retained from operating activities during the current year. In addition to dividends, in the past we have returned cash to shareholders in the form of share repurchases. Cash generation from operating activities in the last three years has contributed to the reduction in the group's overall debt and gearing.

8

Debt

Our debt is made up as follows:

	2012 Rm	2011 Rm	2010 Rm
Long-term debt	**15 885**	15 849	15 197
Short-term debt	**15**	109	456
Bank overdraft	**222**	209	119
Total debt	**16 122**	16 167	15 772
Less cash (excluding cash restricted for use)	**12 746**	14 716	14 870
Net debt	**3 376**	1 451	902
(Decrease)/increase in funding	**(971)**	250	(2 596)

a. Debt profile

Our long-term capital expansion projects are financed by a combination of floating and fixed rate long-term debt, as well as internally generated funds. This debt is normally financed in the same currency as the underlying project and the repayment terms are designed to match the cash flows expected from that project.

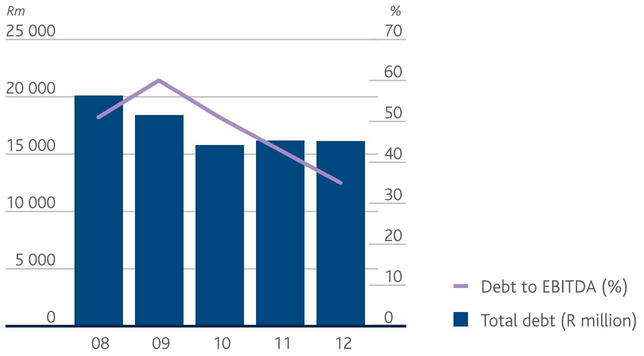
Our debt profile has a longer-term bias, which reflects both our capital investment programme and the overall positive results generated by our operating activities over the last three years. At 30 June 2012, the ratio of long-term debt to short-term debt of 98:2 has remained unchanged since 30 June 2011.

Our debt exposure at 30 June analysed by currency was:

	2012		2011		2010	
	Rm	%	Rm	%	Rm	%
Rand	**12 960**	**80**	13 385	83	12 352	78
US dollar	**219**	**2**	267	2	268	2
Euro	**2 890**	**18**	2 501	15	2 755	17
Other	**53**	**–**	14	–	397	3
Total debt	**16 122**	**100**	16 167	100	15 772	100

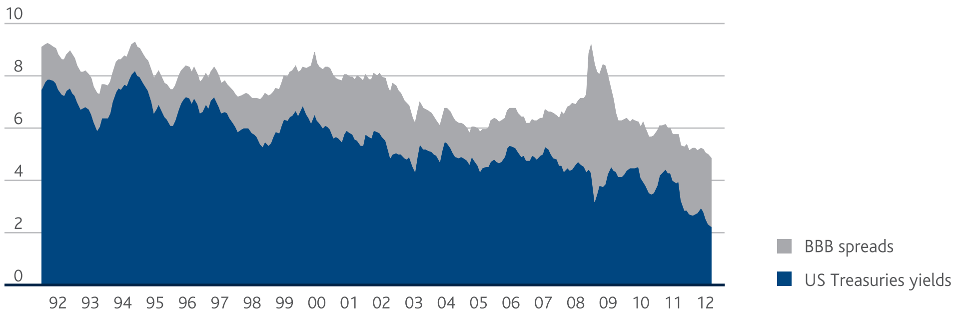
During the year, the movement in our debt resulted primarily from the proceeds related to new debt raised totalling R1 179 million for the year, offset by payments of debt totalling R2 150 million for the year. This increase relates to mainly to the interest accrued on the preference share debt relating to the Inzalo share and Ixia Coal transactions as well as an increase in the ASPC unsecured debt.

Debt to EBITDA



In the previous year due to global economic conditions and illiquid credit markets, the cost of debt became more expensive as illustrated below:

Cost of debt spread (Cost of debt %)



b. Credit ratings

Our credit rating is influenced by some of our more significant risks which include the crude oil price volatility, our investments in developing countries and their particular associated economic risks, the potential for significant debt increase and the execution challenges associated with a number of our planned GTL and coal-to-liquids (CTL) projects if they materialise simultaneously, as well as the risks arising from potential increases in capital costs associated with these projects.

Our foreign currency credit rating according to Moody's is Baa1/stable/P-2 and our national scale issuer rating is Aa3.za/P-1.za. The latest credit opinion on the group was published on 30 March 2012, and no subsequent revisions have been made. It is anticipated that this will be updated during the latter part of the 2012 calendar year.

Standard and Poors (S&P) latest corporate ratings analysis was published on 30 March 2012. Our foreign currency credit rating according to S&P is BBB+/negative/A-2. It is anticipated that this will also be updated during the 2012 calendar year.

The group's financial position remains strong in these challenging economic times representing a unique competitive advantage. Our rating is underpinned by, amongst others, our strong position as one of South Africa's blue chip companies and a leading fuels producer, our history of profitability and free cash flow from South African operations, our technological know-how as well as our prudent financial policies. Our unique capabilities are recognised by project partners globally, including host governments, who benefit from our financial strength and the expertise we bring to the development and conversion of resources into viable outputs.

c. Strategy for mitigation of interest rate risk

We limit our hedging activities in respect of debt to two primary instruments – cross currency swaps and interest rate swaps.

Our debt is structured using a combination of floating and fixed interest rates. The ratio for our debt between floating and fixed interest rates is dependent upon a number of factors at the time the debt is entered into including, amongst others, the tenor of the debt, the currency, the risk and the partner. To manage this ratio, we have in the past issued fixed rate debt such as the Eurobond, which was repaid in the 2010 financial year, as well as using interest rate swaps, where appropriate, to convert some of our variable rate debt to fixed rate debt. In some cases, we have also used an interest rate collar, similar to the crude oil hedge instrument which we have used in the past, which enables us to take advantage of lower variable rates within a range whilst affording the group protection from the effects of higher interest rates.

Our debt exposure, after taking into account the interest rate swaps, to fixed and variable rates is as follows:

	2012		2011	
	Rm	**%**	Rm	%
Fixed interest rates	**4 823**	**30**	4 707	29
Variable interest rates	**10 774**	**67**	10 815	67
Non-interest bearing	**525**	**3**	645	4
Total debt	**16 122**	**100**	16 167	100

Our cross currency swaps are applied in certain cases where the debt is denominated in one currency while the application of that debt is in a different currency. An example was our Eurobond, denominated in euro, which was swapped by means of a cross currency swap into rand, as the group utilised this facility in South Africa.

To limit the group's total exposure to interest rate risk, we have adopted a gearing policy that requires us to manage our gearing within a targeted range of 20% to 40%, discussed in more detail below.

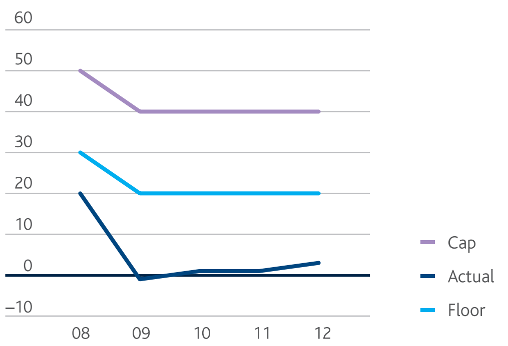
9 Financial strategies and targets

We have defined a number of targets to measure our financial performance. We continually monitor our performance against these targets and, when necessary, revise them to take into account changes in the group's strategic outlook.

a. Gearing

We aim to maintain our gearing ratio (net debt to equity) within a range of 20% to 40%. Our gearing level takes cognisance of our substantial capital investments and susceptibility to external market factors such as crude oil prices, commodity chemical prices and exchange rates.

Gearing (%)



Our gearing level in 2012 has increased slightly compared with that of 2011, however, remains low as a result of healthy cash flow generation, which reduced our debt after funding capital expenditure. During the past four years, the strong cash flows generated by our South African energy businesses resulted in our gearing levels dropping to below our self-imposed preferred range. Our share repurchase programme was suspended during the 2009 financial year, and together with our cash conservation approach, we have seen our gearing levels remain low. This low level of gearing is expected to be maintained in the short term. However, over the medium term, in anticipation of our large capital investment programme, we expect our gearing level to move within our targeted range.

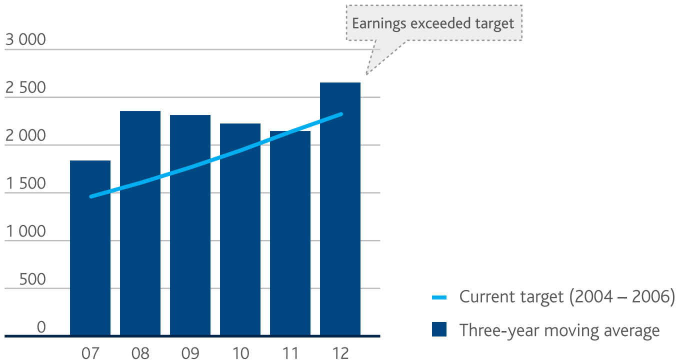
There is still uncertainty in credit markets due to the provisions of Basel 3 affecting liquidity, however our cash balances position the company well for our future growth in these times when liquidity remains tight.

Our gearing increases by approximately 0,8% for every R1 billion of debt raised.

b. Earnings growth

We aim to achieve a 10% earnings growth per annum in US dollar terms on a three-year moving average basis, measured against the 2004-2006 base of US$1 329 million. Our earnings growth since 2006 has exceeded this target every year, but we aim for improved consistency and more stable and predictable performance. However, in the light of crude oil and rand/US dollar price volatility, this has not always been possible. We achieved an annual increase of 24% during the year (2011 – decrease of 4%), but continue to exceed the three year moving average target.

US$ earnings growth (US$ million)



c. Targeted return on capital investment

In general, approximately 80% of all new capital investment projects are required to provide a targeted return of at least 1,3 times our WACC, which is currently 12,95% in South African rand terms and 8,00% in Europe and in the US in US dollar terms. This rate of return does not apply to sustenance capital expenditure on existing operations, in particular environmental projects that are typically difficult to demonstrate economic viability.

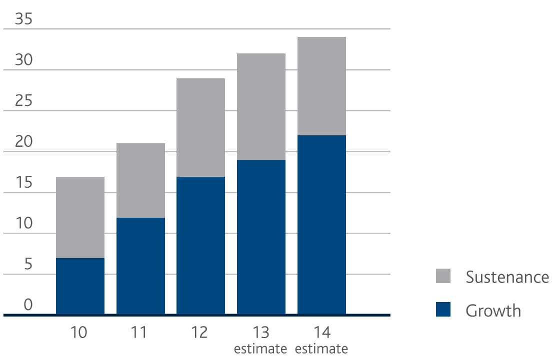
Our targeted return of at least 1,3 times WACC was selected for two main reasons. Firstly, to take into account that certain capital projects, as described above, do not generate a return and therefore lower the overall return on assets, and secondly, to ensure that the group only targets capital investment projects that meet the economic returns required by our stakeholders, while providing a buffer for changes in economic conditions applicable to the asset.

10 Capital allocation

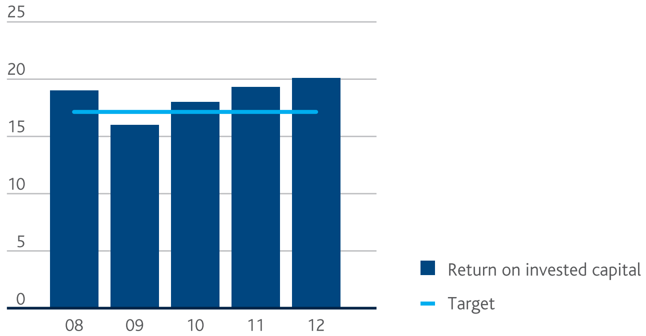
Capital investments support the group's strategic agenda in continuously improving and growing our asset base, with the aim of sustainably growing shareholder value. All capital investment projects are rigorously screened by various governance structures, which support the GEC and the Sasol Limited board. Capital investment projects are grouped into the following broad categories, namely growth projects, improvement projects (which assist with capacity efficiencies and cost savings initiatives), and sustenance projects. These projects are evaluated against prioritisation criteria and ranked with a focus on risks and returns. The prioritisation criteria include, inter alia, strategic alignment, competitive advantage, business robustness, financial returns, project risk, project maturity and markets. Capital excellence is a strategic group initiative with a focus to enhance project returns through project execution and robustness of key project assumptions.

The trend analysis for expenditure is illustrated below:

Additions to non-current assets (R billion)



Return on invested capital (%)



11 Shareholding and equity

We have a strong track record of exceeding our return on invested capital target of 16,8% (1,3 times WACC) in rand terms through the cycle.

a. Shareholding

During 2009, we concluded our Sasol Inzalo share transaction. No further shares have been issued in the current year in respect of this transaction. On 7 February 2011, the 2,8 million Sasol BEE ordinary shares were listed on the JSE main board. During the year, 93 860 shares traded at an average price of R263,14 per share.

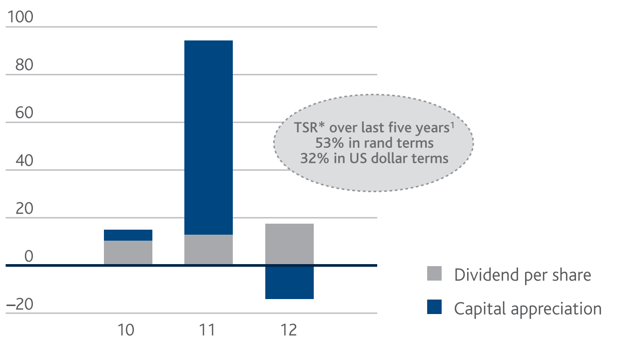
Trading activity of our shares on the NYSE decreased, while trading activity on the JSE increased, year-on-year. The percentage of shares held by non-South African residents at 30 June 2012, has increased to 31,5% compared to 29% in the previous year.

b. Total shareholder return

We return value to our shareholders in the form of both dividends and share price appreciation.

Our Sasol ordinary share price has remained relatively flat over the past five years, except for a spike in 2008. A shareholder who purchased a Sasol share on 30 June 2008 at R461,00 would have received R49,50 in dividends. Based on a closing share price of R342,40 on 30 June 2012, the share price has depreciated by R118,60 in capital over the same period. The share performance over this period is directly related to the global economic crisis which emerged in 2008 and macroeconomic uncertainties, which continue.

Shareholder return (Rand)



* *Total shareholder returns.*

1. *Source: Bloomberg 30 June 2007 to 30 June 2012, assuming dividends are reinvested in securities.*

c. Share repurchase programme

During 2007, the share repurchase programme was reactivated, through our wholly-owned subsidiary Sasol Investment Company (Pty) Ltd. (SIC). At our annual general meeting in November 2011, our shareholders authorised the directors to approve the repurchase of up to 10% of our issued ordinary share capital, excluding the Sasol preferred ordinary and Sasol BEE ordinary shares. This authority will be valid until the company's next annual general meeting and will not exceed 15 months from the date of resolution. No shares have been repurchased under this authority during the current financial year.

Since inception of the programme in March 2007, we have repurchased 40 309 886 Sasol ordinary shares at an average price of R299,77 per share, representing 6,39% of our issued ordinary share capital, excluding the Sasol Inzalo share transaction. 31 500 000 of the repurchased Sasol ordinary shares were cancelled in 2009 for a total value of R7,9 billion. SIC holds 8 809 886 Sasol ordinary shares. The shares repurchased are reflected as treasury shares, resulting in our issued share capital at 30 June 2012 amounting to 644 825 216 Sasol ordinary shares of no par value, 25 547 081 Sasol preferred ordinary shares of no par value and 2 838 565 Sasol BEE ordinary shares of no par value, totalling R28 billion.

d. Dividends

Sasol has a progressive dividend policy, which takes into account the overall market and economic conditions, the on-going strength of our financial position and our current capital investment plans as well as the earnings growth for the past year. Our intention is to maintain and/or grow dividends over time in line with our anticipated sustainable growth in earnings taking into account significant economic factors.

Our policy is to pay a dividend to shareholders twice a year (interim and final). In determining the dividend, we take cognisance of the prevailing circumstances of the company, future re-investment opportunities, financial performance as well as trading and significant changes in the external economic environment during the period.

Our dividend for the year increased by 35% to R17,50 per share, which represents a dividend cover of 2,3 times, compared with R13,00 in 2011 and R10,50 in 2010. The growth in dividends demonstrates our commitment to a progressive dividend policy and to delivering value to shareholders.

The proposed amendments to the tax treatment of dividends in South Africa became effective on 1 April 2012. The group's final dividend for year ended 30 June 2012 and dividends declared thereafter will be affected by a dividend withholding tax. As a result of the withdrawal of secondary tax on companies (STC) and the introduction of a dividend withholding tax, the savings in STC have been passed onto shareholders by increasing the dividend payment for the current financial year. We will continue to assess future dividends taking into account our progressive dividend policy.

12 Our financial priorities for the year ahead

To be successful long into the future and to ensure that our growth aspirations are realised, we, as the Sasol team, need to reach our overarching goal to make Sasol a company that delivers value to its shareholders and employees. It is therefore, essential that we strengthen our relationships with our key stakeholders, including our customers, our business partners and the governments in the countries in which we operate. To achieve this, it also requires that we engage with our own people to create a culture of excellence, where the businesses, supported by the functions, work together to achieve our operational, growth, profit, safety, stakeholder and cultural transformation priorities.

Sasol's business is one built on a solid foundation. But to go from strength to strength, we must get the fundamental operating performance right, ensuring that we have stability, reliability and maintainability of our operations throughout the world. In addition, the advancement of an accelerated sustainable growth strategy will allow us to deliver on our growth aspirations. Coupled with this, of course is safety – great business results hold little value if it comes at the cost of our people. We have seen marked improvements in this area but we continue to focus on zero harm.

Delivering on our top financial priorities for 2013

In order to achieve our operational, growth, profit, safety, stakeholder and cultural transformation priorities for 2013, our businesses must operate sustainably on a foundation of sound governance. Our chief executive officer, Mr David E. Constable, has set out the top priorities for the group for 2013 in order to achieve our growth aspirations, but these of course do come with financial implications, which we will manage.

We are accelerating sustainable growth for shareholders

Sasol is embarking on an accelerated sustainable growth strategy, aimed at delivering returns to our stakeholders. It is about finding the right opportunities in the right geographical area and delivering within the timelines. This means that there will be significant capital investment in the future. These capital investments will not only encompass new acquisitions to compliment our existing operations, but will also include initiatives in the new energy sector.

We continue to review and improve the way we allocate capital. Enhancing operational performance and accelerating sustainable growth requires that we appropriately classify and prioritise sustenance and growth capital. Sustenance capital has discretionary and mandatory characteristics. Our objective remains to minimise discretionary sustenance projects that do not meet our hurdle rate in order to efficiently maximise the amount of capital that can be deployed on strategic growth projects. We aim to improve the group's internal rate of return on capital projects by reducing capital costs and optimising project timelines. We also aspire to improve the group's capital projects portfolio management to ensure that capital is allocated to achieve the strategically aligned projects, which deliver the highest return in order to maximise shareholder value.

We deliver outstanding service performance

As the priorities for 2013 and beyond, cross key areas in our businesses, we will be ensuring that the businesses are supported by the finance function to ensure that we are working towards a common goal. This will require systems and processes, which are simple and effective, to achieve this. This further speaks to a common platform from which we can operate, where we have standardised and optimised processes and reduce the amount of bureaucracy. The implementation of a common information technology platform for the finance function for global rollout is being evaluated, and we anticipate that in the year ahead, this project will gain momentum. As part of this project, we are continuously seeking ways to optimise various financial functions, including intercompany transactions and our shared services offering. In addition, we evaluate our reporting systems on an ongoing basis to ensure that they are up to date, stable and able to provide the financial reporting information required to manage our business in the most effective manner.

We are managing our financial risks

As seen over the past financial year, crude oil prices have remained volatile and we expect that they will continue to be volatile in the near term, due to the weakening demand for oil in Europe, as well as lower growth in emerging markets and the United States. This is coupled with higher than expected oil supply and geopolitical development. Off this base, product prices are expected to be equally volatile. The resolution of the European debt crisis remains uncertain. While we continuously monitor the macroeconomic factors, and put in place actions where appropriate to mitigate these risks, it is an imperative for management to focus on those factors within our control: volume growth, margin improvement and cost containment within inflation. These issues span the globe, across all our operations. Coupled with this, is our maintenance of sound controls over our operating assets and managing economic crime and fraud, which seems to be on the increase globally.

We deliver together as one team of talented individuals

Of course, all these aspirations will not be attainable without the right financial talent, in the right roles at the right time delivering results. In order to deliver on the strategic growth aspirations, especially through these turbulent economic conditions, we require employees of the highest technical and leadership capabilities in the finance function to support the business. Talented people are recruited from around the globe and through both formal and informal training programmes, they are developed through our talent management programmes into exceptional leaders, working in collaboration as one team across the organisation. We are committed to maintaining a diverse and transformed workforce and focus on merit-based, long-term career development. It is important that we acknowledge outstanding performance amongst our people.

Investing in and retaining our talent is one of the ways in which we are able to deliver outstanding performance and value to our shareholders as well as provide a sustainable source of competitive advantage.

13

Conclusion

The effects of the global economic crisis are still being felt within developed economies, especially with the escalation in euro zone financial crisis. Emerging economies, like China and India, have shown lower growth than expected and, overall, in the global economy there is still volatility and some uncertainty. Crude oil prices have remained volatile during the past year and we expect that they will continue to be volatile in the near term, due to the weakening demand for oil in Europe as well as lower growth in emerging markets and the United States. This is coupled with higher than expected oil supply and geopolitical developments. Off this base, product prices are expected to be equally volatile. The rand/US dollar exchange rate remains the single biggest external factor impacting our profitability. Given the continuing uncertain macroeconomic conditions and our assumptions in respect of crude oil and product prices, as well as the stronger rand/US dollar exchange rate, we will continue to manage the business with diligence. The current volatility and uncertainty of global markets make it difficult to be more precise on the outlook for the year ahead.

We remain on track to deliver on our expectations for improved operational performance and to contain normalised cash fixed costs within South African PPI inflation. The macroeconomic conditions continue to be volatile, impacting our assumptions in respect of improved crude oil and product prices, weaker refining margins as well as the weaker rand/US dollar exchange rate. We have also pursued attractive growth projects, underpinned by our focus on improving operational efficiencies, working capital improvements and cost containment strategies. We have realised further cash fixed cost savings in respect of these initiatives and have been able to deliver a robust financial performance. Our balance sheet remains strong and is again testament to this focused approach and our commitment to deliver value.

Our focus in the year ahead remains on factors within our control: volume growth, margin improvement and cost containment. These areas will be underpinned by our group-wide priorities for 2013 as discussed above. We firmly believe that the forthcoming year promises both exciting opportunities and challenges alike.

14 Better together... we deliver quality financial information

Through the diligence and integrity displayed by our financial personnel as well as an understanding of the challenging economic and financial pressures that we have had to contend with, together we have been able to deliver quality financial information for our stakeholders, which reflects our objectives and values for long-term success. I would like to take this opportunity to thank our strong and enthusiastic financial team for their ongoing support and look forward to the year ahead.

Christine Ramon
chief financial officer

7 September 2012

corporate governance

Governance framework

The company maintains a primary listing of its ordinary shares on the Johannesburg Stock Exchange operated by the JSE Limited (JSE) and a listing of American Depositary Shares on the New York Stock Exchange (NYSE)[1]. The company is accordingly subject to the ongoing disclosure, corporate governance and other requirements imposed by legislation in both jurisdictions, the JSE, the United States Securities and Exchange Commission (SEC) and the NYSE. The company has implemented controls to provide reasonable assurance of compliance with the South African Companies Act, No 71 of 2008 (the SA Companies Act), the JSE Listings Requirements, the SEC, the NYSE and US legislation such as the Sarbanes-Oxley Act of 2002 (SOX), in so far as they apply to foreign companies listed on the NYSE.

Sasol applies all the principles of the King Code of Governance Principles for South Africa 2009 (King III Code). In a few areas Sasol is of the view that, while it is applying the recommended practice, additional enhancements have been identified which are being implemented over time in line with its objective to continuously improve its corporate governance practices.

In addition, Sasol has compared its corporate governance practices to those required for domestic US companies listed on the NYSE and confirms that it complies with such NYSE corporate governance standards, in most significant respects. The significant differences relate to the composition of the remuneration and nomination and governance committees as set out in Sasol's annual report on Form 20-F filed with the SEC.

Sound corporate governance structures and processes are being applied at Sasol and are considered by the board to be pivotal to delivering on sustainable growth in the interests of all stakeholders. Governance structures and processes, underpinned by Sasol's values driven culture and code of ethics, are regularly reviewed and adapted to accommodate internal corporate developments and to reflect national and international best practice to the extent considered in the best interests of the company.

The board considers corporate governance as a priority that requires more attention than merely establishing the steps to be taken to demonstrate compliance with codes and legal, regulatory or listing requirements. The board has therefore carefully considered the extent to which the implementation of new non-statutory corporate governance concepts will in fact be in the best interests of the company. The application of governance requirements should facilitate, not detract from, the directors' ability to execute their statutory and fiduciary duties, and their duties of care and skill.

The nomination, governance, social and ethics committee and the board continue to review and benchmark the group's governance structures and processes to ensure the directors and the board exercise effective and ethical leadership, good corporate citizenship and sustainability. Sasol is committed to achieving high standards of business integrity and ethics across all its activities.

Board powers and procedures

The responsibility for strategic direction and control of the company is assigned to the board in its charter and its memorandum of incorporation. The board exercises this control through the governance framework of the company which includes detailed reporting to the board and its committees, board reserved decision-making matters and a system of assurances on internal controls.

The board has approved and regularly reviews the delegation of authority in terms of which matters are delegated to management and certain matters reserved for decision-making by the board.

The board has adopted a board charter, which is a statement of the practices and processes the board has adopted to discharge its responsibilities. A copy is posted on the company's website, together with the terms of reference of all board and statutory committees and the company's memorandum of incorporation. Sasol's website address is www.sasol.com.

The board charter specifically provides a concise overview of:

- the demarcation of the roles, functions, responsibilities and powers of the board, the shareholders, chairman, lead independent director, individual directors, company secretary, other officials and the executives of the company;
- the terms of reference of board and statutory committees;
- matters reserved for final decision-making or pre-approval by the board; and
- the policies and practices of the board on matters such as corporate governance, directors' dealings in the securities of the company, declarations of conflicts of interest, board meeting documentation, alternative dispute resolution, business rescue proceedings and procedures and the nomination, appointment, induction, training and evaluation of directors and members of board committees.

Within the powers conferred upon the board by the memorandum of incorporation, the board has determined its main function and responsibility as adding significant value to the company by:

- retaining full and effective control over the company and providing effective leadership in the best interests of the company;
- determining the strategies and strategic objectives of the company and ensuring that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced;
- determining and setting the tone of the company's values, including principles of ethical business practice and the requirements of being a responsible corporate citizen;
- bringing independent, informed and effective judgement and leadership to bear on material decisions of the company and group companies, including material company and group policies, the group framework of delegated authorities, appointment and removal of the chief executive officer, approval of the appointment or removal of group executive committee members, capital expenditure transactions and consolidated group budgets and company budgets;
- satisfying itself that the company and group entities are governed effectively in accordance with corporate governance best practice, including risk management, legal compliance management, appropriate and relevant non-binding industry rules codes and standards, and internal control systems to:

1. For purposes of registration of the company's American Depositary Shares with the United States Securities and Exchange Commission.

- maximise sustainable returns;
- safeguard the people, assets and reputation of the group; and
- ensure compliance with applicable laws and regulations;

- monitoring implementation by group entities, board committees and executive management of the board's strategies, decisions, values and policies by a structured approach to governance, reporting, risk management, information management (including information technology) and risk-based auditing;
- ensuring that the company has an effective and independent audit committee, remuneration committee, risk and safety, health and environment (SHE) committee and nomination and governance committee;
- ensuring that there is an effective risk-based internal audit;
- governing the disclosure control processes of the company, including ensuring the integrity of the company's integrated annual report and reporting on the effectiveness of the company's system of internal controls;
- ensuring that business rescue proceedings or other turnaround mechanisms are considered by the board as soon as the company is financially distressed as defined in the SA Companies Act;
- ensuring that disputes are resolved as effectively, efficiently and expeditiously as possible; and
- monitoring of the relationship between management and stakeholders of the company.

The board is satisfied that it discharged its duties and obligations as described in the board charter during the past financial year.

Composition of the board and appointment of directors

Biographies of directors of the company appear in the section "Our board" of the annual integrated report.

In terms of the company's memorandum of incorporation, the company's board shall consist of a maximum of 16 directors of whom up to five may be executive directors. The board has determined the size of the board to be 14 for the time being. Currently, there are 13 directors in office, the majority of whom are independent, and of which three are executive directors, namely Mr DE Constable[2] (chief executive officer), Ms KC Ramon (chief financial officer) and Ms VN Fakude. The majority of the directors are non-executive directors, namely Mrs TH Nyasulu (chairman), Prof JE Schrempp (lead independent director), Mr C Beggs, Mr HG Dijkgraaf, Dr MSV Gantsho, Ms IN Mkhize, Mr ZM Mkhize[3], Mr MJN Njeke, Mr PJ Robertson[4] and Mr S Westwell[5].

Non-executive directors are chosen for their business skills and expertise appropriate to the strategic direction of the company. Considerations of gender and racial diversity, as well as diversity in business, geographic and academic backgrounds, are also taken into account by the nomination, governance, social and ethics committee and the board when appointments to the board are considered. In the board's assessment, all directors have the relevant knowledge, skills and experience to make a meaningful contribution with respect to the business of the company. The board further ensures that it has the right balance of skills, experience, independence and business knowledge necessary to discharge its responsibilities in keeping with the highest standards of governance.

The directors are entitled to seek independent professional advice at Sasol's expense concerning the company's affairs and have access to any information they may require in discharging their duties as directors.

The board[6] comprises 54% historically disadvantaged South Africans, including women, and 31% women. Seven of the eight South African citizens on the board are from historically disadvantaged groups. Newly appointed directors are inducted in the company's business, board matters, their duties and other governance responsibilities as directors under the guidance of the company secretary, in accordance with each director's specific needs. Directors receive briefings on new legal developments and changes in the risk and general business environment on an ongoing basis.

The nomination, governance, social and ethics committee annually evaluates the effectiveness and performance of the board, its committees and the individual directors. The chairman, through the nomination, governance, social and ethics committee and assisted by the company secretary, leads the evaluation process. An independent evaluation was conducted of the board and individual directors at the end of the past financial year. The evaluation found the board to be mature and experienced, with only a few matters raised by individual members. These matters will be addressed by the chairman or the company secretary, as appropriate. The performance of committees was evaluated by way of individual questionnaires, and the consolidated responses reviewed by the individual committees and the nomination, governance, social and ethics committee. No major concerns were identified by any of the committees.

The nomination, governance, social and ethics committee and the board specifically consider the number of other commitments of directors such as other directorships in order to determine whether each director has sufficient time to discharge his or her duties effectively. The lead independent director is responsible for ensuring that the performance of the chairman is evaluated annually and such an evaluation was performed during the year under review.

In terms of the company's memorandum of incorporation, one-third of directors must retire at every annual general meeting and are eligible for re-election. In terms of the memorandum of incorporation the board may terminate the appointment of a director by majority decision.

The independence of directors is evaluated in terms of a policy developed by the board based on the applicable corporate governance requirements referred to above. This determination is carried out by the nomination, governance, social and ethics committee and the board upon the first appointment of a director, annually or at any other time when a director's circumstances change such as to warrant reconsideration. All the non-executive directors, except Mrs TH Nyasulu, have been determined by the board to be independent directors in accordance with the King III Code and the rules of the NYSE. The board is, however, of the view that all non-executive directors exercise independent judgement at all times with respect to material decisions of the board.

2. *Appointed with effect from 1 July 2012.*
3. *Appointed with effect from 29 November 2011.*
4. *Appointed with effect from 1 July 2012.*
5. *Appointed with effect from 1 June 2012.*
6. *As at 30 September 2012.*

Prof JE Schrempp joined the Sasol Limited board in November 1997 and his independence was confirmed after taking into account, amongst other considerations, his term of office.

Mrs TH Nyasulu has a 1,275% indirect interest in Sasol Oil (Pty) Ltd., a subsidiary of Sasol Limited, and is accordingly categorised as not independent for purposes of adherence to the King III Code.

The company's directors, executives and senior employees are prohibited from dealing in Sasol securities during certain prescribed restricted periods. The company secretary regularly informs directors, executives and senior employees of the insider trading legislation and advises them of closed periods. A report on directors' dealings in the company's shares is tabled at each board meeting and is disclosed in terms of the applicable JSE and NYSE listings requirements.

Directors' declarations of personal financial interests are tabled annually and additional or amended declarations of interest are circulated at every board meeting and nomination, governance, social and ethics committee meeting for consideration and noting.

The board met six times during the financial year. The attendance by each director was as follows:

Director	09/09/11	24/11/11	25/11/11	09/03/12	07/06/12	08/06/12
C Beggs	✓	✓	✓	✓	✓	✓
DE Constable	✓	✓	✓	✓	✓	✓
HG Dijkgraaf	✓	✓	✓	✓	✓	✓
VN Fakude	✓	✓	✓	✓	✓	✓
MSV Gantsho	✓	✓	✓	✓	✓	✓
IN Mkhize	✓	✓	✓	✓	✓	✓
ZM Mkhize[7]	n/a	n/a	n/a	✓	✓	✓
MJN Njeke	✓	✓	–	✓	✓	✓
TH Nyasulu	✓	✓	✓	✓	✓	✓
KC Ramon	✓	✓	✓	✓	✓	✓
JE Schrempp	–	✓	✓	✓	✓	✓
S Westwell[8]	n/a	n/a	n/a	n/a	✓	✓

✓ Indicates attendance. – Indicates absence with apology. n/a Indicates not a member at the time.

7. Appointed with effect from 29 November 2011.

8. Appointed with effect from 1 June 2012.

Chairman and lead independent director

The offices of chairman and chief executive officer are separate and the office of the chairman is occupied by a non-executive director, Mrs TH Nyasulu. Due to Mrs TH Nyasulu's interest in Sasol Oil (Pty) Ltd., the lead independent director, Prof JE Schrempp, leads discussions when matters relating to the succession or performance of the chairman, are discussed. Mrs TH Nyasulu recuses herself from board meetings when matters about Sasol Oil are considered, where she could potentially have a conflict of interest.

Independent thinking at board meetings is re-enforced by the lead independent director and the clear majority of independent directors on the board. The roles of the chairman and the lead independent director are specified in the board charter.

The appointment and performance of the chairman and lead independent director are reviewed annually. The board and the nomination, governance, social and ethics committee are responsible for the succession plan for the chairman. The process is guided by the lead independent director.

After an assessment of the chairman's performance, the board continues to be of the view that it is in the company's best interest that she continues to be the chairman of the board.

Chief executive officer

Mr DE Constable is the chief executive officer of the group. In terms of the company's memorandum of incorporation, the directors appoint the chief executive officer. The appointment is made on recommendation of the nomination, governance, social and ethics committee. Such an appointment may not exceed five years at a time. The board is responsible for ensuring that succession plans are in place for the chief executive officer and other members of the group executive committee. The role and function of the chief executive officer is specified in the board charter.

Company secretary

Mr VD Kahla, the group executive: advisory and assurance, is the company secretary, duly appointed by the board in accordance with the SA Companies Act. Mr VD Kahla is not a director of the company. The board has considered the competence, qualifications and experience of the company secretary and is satisfied that he is competent and has the appropriate qualifications and experience to serve as the company secretary.

The company secretary has a direct channel of communication to the chairman, while maintaining an arm's-length relationship with the board and the directors as far as reasonably possible. Director induction and training are part of the company secretary's responsibilities. He is responsible, amongst others, for ensuring the proper administration of board proceedings, including the preparation and circulation of board papers, drafting yearly work plans, ensuring that feedback is provided to the board and board committees and preparing and circulating minutes of board and board committee meetings. He provides practical support and guidance to the board and directors on their duties, responsibilities and powers within the prevailing regulatory and statutory environment and the manner in which such responsibilities (including not dealing in the company's shares during restricted periods) should be discharged. The company secretary also assists with the evaluation of the board, audit committee, board committees and individual directors and ensures that the delegation of authority framework is aligned to corporate governance best practice. The role of the company secretary is described in more detail in the board charter.

Sasol subsidiaries and divisions

Sasol Limited has more than 200 direct and indirect subsidiaries globally, which conduct their business through one or more divisions. None of these subsidiaries are listed on a stock exchange. Each subsidiary, and some divisions, has its own board of directors.

Subsidiary and divisional boards operate in accordance with a general board charter. As direct or indirect shareholder of these subsidiaries, the company exercises its shareholder rights to ensure that the company approves material decisions of its subsidiaries and divisions and that the group's minimum requirements in respect of matters such as governance, internal controls, financial management, disclosure controls, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, human resource management, information management, stakeholder relationships and sustainability are complied with. Enterprise functions design the systems, policies, processes and capacity to ensure adherence by all entities in the Sasol group to essential group requirements.

The company requires decision-making involvement for a defined list of material matters of the businesses of its subsidiaries and divisions to ensure independent decision-making in the interest of the Sasol group on matters that are material to the company. This list includes matters such as the appointment of directors, strategy charters, budgets, large capital expenditures and mergers, acquisitions and disposals.

External disclosures and reporting are mostly managed at group level and contained in consolidated group reporting. Sasol also prescribes the standard framework of approval and signing authorities in the group, as well as the criteria for composition of the various levels of subsidiary and divisional boards.

The Sasol Limited board has delegated the authority to appoint the directors of its main subsidiaries and their divisions to the group executive committee. The boards of the main subsidiaries and divisions of the company are constituted in such a manner as to ensure that a majority of directors of each main subsidiary or divisional board are non-executive directors of the subsidiary or division. Where appropriate, independent directors are appointed from outside the Sasol group to provide expert guidance on technical, strategic and governance matters. The composition of subsidiary and divisional boards is revised from time to time by the group executive committee, and the performance of the subsidiary and divisional boards and individual directors are assessed as part of the general performance review processes of the group.

Sasol Group Services (Pty) Ltd. is the company secretary of all South African subsidiaries. The company secretarial services are performed by the company secretarial department, which is staffed by suitably qualified and experienced individuals, who discharge the duties of the company secretary as set out in the SA Companies Act and the King III Code. This includes training and guidance to the directors of subsidiary and divisional boards on their fiduciary and other responsibilities.

Board and statutory committees

Several committees have been established to assist the board in discharging its responsibilities. The audit committee, as statutory committee, is elected by shareholders. Members of board committees are appointed by the board. The committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group. The terms of reference of the board committees form part of the board charter and can be viewed on the company's website (www.sasol.com). These terms of reference are reviewed annually. All committees, with the exception of the risk and SHE committee, comprise only non-executive members of the board. Although the chief executive officer is not a member of the audit, nomination, governance, social and ethics and remuneration committees, he attends all committee meetings on invitation, and is requested to leave the meeting, where appropriate, before any decisions relating to the chief executive officer are finalised. All committees are empowered to obtain such external or other independent professional advice as they consider necessary to discharge their duties.

The remuneration committee

Members: Mr HG Dijkgraaf (chairman), Ms IN Mkhize, Mrs TH Nyasulu, Mr PJ Robertson[9] and Prof JE Schrempp. With the exception of Mrs TH Nyasulu, all the members of the committee, including the chairman, are independent non-executive directors.

Although Mrs TH Nyasulu has not been categorised as an independent director due only to her potentially conflicting interest in Sasol Oil, it is the view of the board that the chairman of the board is a critical member of any remuneration committee. The board is satisfied that Mrs TH Nyasulu's interest in Sasol Oil will not have any bearing on her ability to exercise independent judgement with respect to remuneration matters.

The chief executive officer and executives responsible for remuneration matters attend the meetings of the committee on invitation, but recuse themselves before any decisions are made.

The functions and terms of reference of the remuneration committee, as well as directors' remuneration and other relevant remuneration information are available in the remuneration report from pages 66 to 91 of the annual financial statements.

The committee is required to meet at least twice a year. During the year under review, it met four times at which attendance was as follows:

Member	08/09/11	23/11/11	08/03/12	07/06/12
HG Dijkgraaf	✓	✓	✓	✓
IN Mkhize	✓	✓	✓	✓
TH Nyasulu	✓	✓	✓	✓
JE Schrempp	–	✓	✓	✓

✓ Indicates attendance. – Indicates absence with apology.

The audit committee

Members: Messrs C Beggs (chairman), HG Dijkgraaf, Dr MSV Gantsho, Mr MJN Njeke and Mr S Westwell[10].

The audit committee is an important element of the board's system of monitoring and control. In compliance with applicable SEC and

9. Appointed as a member with effect from 1 July 2012.
10. Appointed as a member with effect from 8 June 2012.

NYSE rules, as well as South African legislation, all members are independent non-executive directors.

The audit committee is constituted as a statutory committee of Sasol Limited in respect of its statutory duties in terms of section 94(7) of the SA Companies Act and a committee of the Sasol Limited board in respect of all other duties assigned to it by the board and US legislation. Members are elected by shareholders at the annual general meeting.

The committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the board and the shareholders. On all responsibilities delegated to it by the board outside of the statutory duties, the committee makes recommendations for approval by the board.

All audit committee members are financially literate and have extensive audit committee experience. In order to ensure greater integration between the work of the audit committee and the risk and SHE committee, particularly for purposes of integrated reporting and the application of the combined assurance model, the board has implemented a practice in terms of which the chairmen of the two committees respectively have membership of the other committee. Mr C Beggs is accordingly a member of the risk and SHE committee and Mr HG Dijkgraaf is a member of the audit committee. None of the members serve on the audit committee of more than three public companies.

Mr C Beggs has been designated as the audit committee financial expert in accordance with the SEC rules. The chairman of the board, the chief executive officer, chief financial officer, internal auditor and external auditors attend audit committee meetings on invitation.

The audit committee obtains assurance from management, the governance committees or boards of the South African subsidiaries in respect of the functions specifically performed by the committee in terms of section 94(7) of the SA Companies Act.

The audit committee primarily assists the board in overseeing:
- the quality and integrity of the company's integrated reporting, incorporating the annual financial statements (including consolidated group financial statements) and sustainability reporting, and public announcements in respect of the financial results;
- the qualification and independence of the external auditors for Sasol and all group companies;
- the scope and effectiveness of the external audit function of Sasol and all group companies;
- the effectiveness of the Sasol group's internal controls and internal audit function; and
- compliance with legal and regulatory requirements to the extent that they might have an impact on the integrated annual report or the annual financial statements.

The board has delegated extensive powers in accordance with the SA Companies Act and US corporate governance requirements to the audit committee to perform these functions. In line with these requirements the audit committee has, amongst other things, implemented a procedure for the pre-approval by the audit committee of all audit services and permissible non-audit services provided by the external auditor. The audit committee meets the group's external and internal auditors and executive management regularly to consider risk assessment and management, review the audit plans of the external and internal auditors and to review accounting, auditing, financial reporting, corporate governance and compliance matters. The audit committee assesses the independence of the external auditors annually and approves the external auditors' engagement letter and the terms, nature and scope of the audit function and the audit fee. The internal audit charter, internal audit plan and internal audit conclusions are similarly reviewed and approved by the audit committee. The audit committee meets regularly in separate sessions with each of management, the external auditor and the internal auditor.

All publications and announcements of a financial nature are reviewed by the audit committee before publication. Both the audit committee and the board are satisfied there is adequate segregation between the external and internal audit functions and that the independence of the internal and external auditors is not in any way impaired or compromised.

The audit committee is responsible for ensuring that the combined assurance model introduced by the King III Code is applied to provide a co-ordinated approach to all assurance activities. A combined assurance model has been developed, the implementation thereof started in 2011 and it is taking place in stages. Further progress has been made with the implementation of the combined assurance model.

In particular, the committee:
- ensures that the combined assurance received is appropriate to address all the significant risks facing the company; and
- monitors the relationship between the external assurance providers and the company.

The committee is an integral part of the risk management process. In this regard the committee considers and reviews the findings and recommendations of the risk and SHE committee in so far as they are relevant to the functions of the audit committee.

The committee considered the appropriateness of the expertise and experience of the chief financial officer and concluded that the chief financial officer has the necessary expertise and experience. The committee is also satisfied that the expertise, resources, succession plan and experience of the finance function are adequate.

Subsidiary and divisional governance committees oversee financial reporting, internal control and some other governance aspects of subsidiaries and divisions. These committees assist the respective subsidiary and divisional boards by examining and reviewing those companies' annual financial statements prior to submission and approval by the relevant boards and monitoring the effective functioning of those companies' internal and disclosure controls. The proceedings of these subsidiary and divisional governance committees are reported to the relevant subsidiary or divisional board and to the Sasol Limited audit committee.

The audit committee is required to meet at least three times a year. During the year, the committee met four times. Attendance at meetings was as follows:

Member	07/09/11	07/10/11	08/03/12	01/06/12
C Beggs	✓	✓	✓	✓
HG Dijkgraaf	✓	✓	✓	✓
MSV Gantsho	✓	✓	–	✓
MJN Njeke	✓	–	✓	✓

✓ Indicates attendance. – Indicates absence with apology.

See also the report of the audit committee on pages 50 to 52.

The risk and safety, health and environment committee (risk and SHE committee)

Members: Mr HG Dijkgraaf (chairman), Mr C Beggs, Mr DE Constable[11], Ms VN Fakude, Ms IN Mkhize, Mrs TH Nyasulu, Ms KC Ramon and Mr S Westwell[12].

The committee's functions include reviewing and assessing the integrity of the company's risk management processes, including the effective management of those covering safety, health, environmental and sustainability matters.

The committee reports its findings and recommendations in respect of material risks as well as the company's policies on risk assessment and risk management which may have an impact on the integrated annual report. It also reviews and evaluates the disclosure of sustainability matters in the integrated annual report and reports to the audit committee to enable the audit committee to provide assurance to the board that the disclosure is reliable and does not conflict with the financial information.

The committee met four times during the year. Attendance at meetings was as follows:

Member	07/09/11	23/11/11	07/03/12	01/06/12
C Beggs	✓	✓	✓	✓
DE Constable	n/a	✓	✓	✓
HG Dijkgraaf	✓	✓	✓	✓
VN Fakude	✓	✓	✓	✓
IN Mkhize	✓	✓	✓	✓
TH Nyasulu	✓	✓	✓	✓
KC Ramon	✓	✓	✓	✓

✓ Indicates attendance. n/a Indicates not a member at the time.

The nomination, governance, social and ethics committee

Members: Mrs TH Nyasulu (chairman), Prof JE Schrempp (lead independent director), Dr MSV Gantsho and Mr ZM Mkhize[13].

In November 2011, the board reconstituted the nomination and governance committee to perform both the responsibilities of a nomination and governance committee and social and ethics committee as required in terms of the SA Companies Act. The committee comprises four non-executive directors, of whom three are independent. The chairman of the board is the chairman of the nomination, governance, social and ethics committee as is required by the JSE Listings Requirements.

Although Mrs TH Nyasulu has not been categorised as an independent director due only to her potentially conflicting interest in Sasol Oil, it is the view of the board that the chairman of the board should chair a company's nomination committee. The board is satisfied that Mrs TH Nyasulu's interest in Sasol Oil will not have any bearing on her ability to exercise independent judgement with respect to matters within the mandate of this committee.

The nomination, governance, social and ethics committee's functions include reviewing and making recommendations to the board on the company's general corporate governance framework, the composition and performance of the board, individual directors and its committees, appointment or re-appointment of directors and members of the group executive committee, succession planning of the chairman and the chief executive officer, legal compliance and the company's ethics policy and programmes and oversight over the Sasol group's stakeholder governance, with specific reference to compliance with legislation and sound corporate governance requirements.

The nomination, governance, social and ethics committee met four times during the financial year. Attendance at the meetings was as follows:

Member	09/09/11	23/11/11	09/03/12	08/06/12
MSV Gantsho	✓	✓	✓	✓
TH Nyasulu	✓	✓	✓	✓
JE Schrempp	–	✓	✓	✓

✓ Indicates attendance. – Indicates absence with apology.

The nomination, governance, social and ethics committee commenced its activities in compliance with regulation 43 of the SA Companies Act regulations with effect from March 2012.

The committee compiled a work plan to ensure that all the activities listed in regulation 43 would be covered during the course of the 2012 calendar year. During the period under review, the committee:

- considered the company's compliance with the goals and purposes of the 10 principles set out in the United Nations Global Compact;
- considered the company's standing in terms of the goals and purposes of the OECD recommendations regarding corruption;
- received a report on Sasol's progress under the Employment Equity Act, No 55 of 1998;
- noted Sasol's standing in terms of the Broad-Based Black Economic Empowerment Act, No 53 of 2003;
- considered stakeholder relationship reports, including assessments of stakeholder relationship health and progress with the development of a stakeholder management strategy for each stakeholder category;
- considered a report on the company's labour and employment activities, taking into account:
  - the laws and codes of best practice applicable in host countries in which the company operates;
  - the International Labour Organisation's protocol on decent work and working conditions;
  - the company's employment relationships, and its contribution toward the educational development of its employees; and
- received a report on the company's consumer relationships, including the company's advertising and public relations, and compliance with consumer protection laws.

The remainder of the items within its mandate will be covered at the remaining meetings for the calendar year.

Progress in the above areas is covered in greater detail in the sustainable development report.

Group executive committee (GEC)

Members: Mr DE Constable (chairman with effect from 1 July 2011), Mr AM de Ruyter, Mr VD Kahla, Mr BE Klingenberg, Ms VN Fakude, Mr CF Rademan, Mr M Radebe, Ms KC Ramon and Mr GJ Strauss.

The GEC is the highest executive decision-making body of the Sasol group. The board appoints GEC members upon recommendation of the chief executive officer and the nomination, governance, social and ethics committee.

11. *Appointed with effect from 9 September 2011.*
12. *Appointed as a member with effect from 8 June 2012.*
13. *Appointed as a member with effect from 8 June 2012.*

The board has, within certain parameters, delegated a wide range of matters relating to Sasol's management to the GEC, including financial, strategic, operational, governance, risk and functional issues.

The board has approved and regularly revises the top-level delegation of authority in terms of which matters are delegated to management and certain matters reserved for decision-making by the board. Delegation to management is directly to the chief executive officer and the GEC, rather than through the chief executive officer. Sasol believes this provides the same, or more, checks and balances as the delegation framework recommended by the King III Code. The GEC's focus is on the formulation of group strategy and policy and the alignment of group initiatives and activities. The committee meets at least monthly and reports directly to the Sasol Limited board.

Internal control and combined assurance

The directors are ultimately responsible for the group's system of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. The group maintains a system of internal financial control that is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

A combined assurance approach has been implemented during 2011 that assists in addressing control over the key risks facing the group. Such risks and their mitigating controls are identified and controlled by management, within a risk framework determined by the risk and SHE committee, and the process is monitored and evaluated under the direction of internal audit.

The internal control and combined assurance system includes:
- a documented organisational structure and reasonable division of responsibility;
- policies and procedures (including a code of conduct to foster a strong ethical climate) which are communicated throughout the group; and
- mechanisms to ensure compliance.

Sasol, as a foreign private issuer on the NYSE, is subject to and complies with, section 404 of the Sarbanes-Oxley Act, 2002 (SOX 404). In this regard, see Sasol's annual report on Form 20-F filed annually with the SEC and available on Sasol's website.

The board reviewed the effectiveness of controls for the year ended 30 June 2012, principally through a process of management self-assessment, including formal confirmation through representation letters by executive management. Consideration was given to input, including reports from internal audit, the external auditor and by the compliance and risk management functions.

Internal audit

The group has an internal audit function covering its global operations. Internal audit is responsible for:
- assisting the board and management in monitoring the adequacy and effectiveness of combined assurance over the company's risk management process;
- assisting the board and management in maintaining an effective internal control environment by evaluating those controls continuously to determine whether they are adequately designed, operating efficiently and effectively and to recommend improvements; and
- co-ordinating, combining and integrating the assurance provided by various parties (such as line management, internal and external assurance providers) pursuant to the combined assurance model introduced by the King III Code.

Internal controls reviewed consist of strategic, operating, financial reporting and compliance controls and encompass controls relating to:
- the information management environment;
- the reliability and integrity of financial and operating information;
- the safeguarding of assets, including fraud prevention;
- the effective and efficient use of the company's resources; and
- the completeness and accuracy of matters reported in the integrated annual report.

The annual audit plan is based on an assessment of risk areas identified by internal audit and management, as well as focus areas highlighted by the audit committee, GEC and management. Additionally, areas highlighted by the SOX reviews of systems or by external auditors are incorporated into the plan. The annual audit plan is updated as appropriate to ensure they are responsive to changes in the business. A comprehensive report on internal audit findings is presented to the GEC and the audit committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. Internal audit's formal quality assurance and improvement plan and its risk-based audit plan for 2013 have been approved by the audit committee.

Corporate governance best practice requires that the internal audit function reports directly to the audit committee. Such direct reporting is ensured by the audit committee's mandate to:
- evaluate the effectiveness of internal control;
- review and approve the internal audit charter, internal audit plans and internal audit conclusions about internal control;
- review significant internal audit findings and the adequacy of corrective action taken;
- assess the performance of the internal audit function and the adequacy of available internal audit resources;
- review significant differences of opinion between management and the internal audit function; and
- consider the appointment, performance, dismissal or reassignment of the head of internal audit.

The charter of the internal audit department provides that the head of internal audit has direct access to the chief executive officer, chief financial officer and the chairman of the audit committee. The head of internal audit reports administratively to the group executive responsible for advisory and assurance services.

The head of internal audit attends executive management meetings as and when required. Internal auditors may request attendance of an executive management meeting if it is required for the execution of their duties. The head of internal audit has unfettered access to board and committee minutes and submissions, risk registers of Sasol businesses and functions. Representatives of internal audit are invited to all governance committee meetings of subsidiaries and divisions of the Sasol group.

The internal audit function is required to undergo an independent quality review at least every three years. An international external audit firm conducted a quality assessment review of Sasol's internal audit function during 2011 and concluded that the internal audit function generally conformed to the standards of the Institute of Internal Auditors. Recommendations to improve areas of weaknesses have been addressed.

Based on the results of review of the company's systems of internal control and risk management, including the design, implementation and effectiveness of internal financial control through a formal documented management self-assessment process during 2012 and considering information and explanations provided by management and discussions with the external auditor on the results of the audit, the internal auditor concluded that the company's system of internal control and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements.

Risk management

The board is responsible for governing risk management processes within the Sasol group in accordance with corporate governance requirements. A comprehensive enterprise risk management programme is in place, with a group risk manager and the risk and SHE committee (as a subcommittee of the board) which provides oversight in this respect. Through overseeing the enterprise risk management process the board ensures that business plans are supported by risk assessments.

The group's enterprise-wide risk management process pursues the following principal objectives:

- to ensure that significant business risks that Sasol is exposed to are systematically identified, assessed and managed to acceptable levels based on risk tolerance and appetite levels as approved by the Sasol Limited board;
- to achieve an optimal risk-reward balance; and
- to ensure that risk management is embedded in all decision making processes including planning, projects, business operations, investments, disposals and closures.

Sasol's enterprise-wide risk management process is guided by the following key principles:

- a clear assignment of responsibilities and accountabilities;
- a common enterprise-wide risk management framework;
- a set of enabling risk management capabilities through measurement, standardisation of risk processes, systems and risk training;
- the identification of uncertain future events that may influence the achievement of business plans and strategic objectives; and
- the integration of risk management activities within the company and across its value chains.

Sasol's integrated risk management implementation approach entails the determination and development of risk profiles at a Sasol integrated business unit, functional and process portfolio level.

Risks are considered at a group level through the management of top risks that impact the company's ability to achieve its strategic objectives on a sustainable basis. Risks at business and functional level are considered in achieving business strategies that are closely aligned to the Sasol group strategy. Risks at the process level also include the management of operational, project, financial and legal compliance risks to mitigate the impact of Sasol's operations to people and the environment.

The management of risk processes are supported by the Sasol risk management strategy, policy, tone, enabling best practices, competencies in risk management as well as a risk management maturity assessment used to track progress in terms of risk compliance and performance. The group has implemented a more robust operating model and organisation structure to ensure that Sasol achieves a higher level of risk maturity that allows it to take full advantage of future growth opportunities based on responsible risk taking for exceptional rewards.

The company's insurance services department, with the assistance of external consultants, undertakes regular risk control reviews of the company's plants and operations using recognised international procedures and standards. It is Sasol's policy to procure property damage, business interruption and liability insurance above acceptable deductible levels at acceptable commercial premiums and terms.

Disaster recovery plans are continually reviewed for critical information management systems that could have a material impact on the group's continuing operations. Certain of these plans are subject to regular testing and, in other cases, are subjected to ongoing tests to ensure their robustness and reliability.

Most significant risks

The most significant risks currently faced by the group are:

- viable superior or alternative technologies from competitors;
- failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which Sasol operates;
- the risk of not delivering on our coal-to-liquids and gas-to-liquids strategic growth objectives;
- not succeeding with the engineering, construction and commissioning of new plants;
- non-compliance with applicable laws, regulations and standards;
- a major safety, health or environmental incident or liability occurring;
- non-availability of sufficient management and technical skills;
- risk of major unplanned production interruptions along Sasol's integrated value chain;
- risk of carbon regulations impacting Sasol's operations and growth strategy;
- risk of macroeconomic factors (exchange rate, oil/gas price and recession) impacting on Sasol's ability to sustain the business and execute the growth strategy; and
- increasing utility and infrastructure risk.

The responsibility for monitoring the management of each of these risks, by line management, is assigned to a senior group executive member.

For a more comprehensive disclosure of our material risks, please refer to the integrated annual report and Sasol's 2012 annual report on Form 20-F filed with the SEC.

Information management

The board is responsible for information technology (IT) governance. IT governance is systematic and based on CoBIT (control objectives for Information and related technologies) principles. Management on group level is accountable for the operational governance in the Sasol group of information management (IM) governance (which includes IT).

Decision-making structures have been defined and a reporting framework is in place. Additionally, best practice frameworks have been adopted, including ITIL (Information Technology Infrastructure Library) and ISO17799.

External auditors and internal audit perform assessments as part of their audit of IM and IT related controls. This includes, but is not limited to, SOX 404 controls. All IM and IT related audit findings are reported to the board and managed accordingly.

An IM charter has been developed and is managed through IM governance structures. The IM strategy is aligned to the

Sasol business needs and sustainability objectives by taking into account the business focus areas.

An IM governance committee has been established as a subcommittee of the GEC, chaired by the GEC member responsible for IM and comprising a combination of GEC members, functional managers and the chief information officer.

This committee performs an oversight function and gives executive direction to IM in regard to Sasol group IM strategy, governance over IT investment, efficiency and effectiveness, ensuring an appropriate control environment over new and existing business processes and ensuring Sasol remains competitive in relation to technology.

The audit committee receives quarterly reports from the IM governance subcommittee on its work, and assists the board in determining that the subcommittee's activities are appropriate in meeting these objectives, and accordingly comply with the requirements of the King III Code in regard to governance over IT. The board receives reports and presentations on all significant IT matters and such matters are considered at the board's meetings.

The IM risk management framework is aligned to the group risk management framework inclusive of disaster recovery measures. All technology solutions impacting financial reporting are part of the internal and external auditing scope.

Compliance with laws, rules, codes and standards

It is Sasol policy that all group companies and their employees and directors should comply with all applicable laws. Legal compliance systems and processes have been intensified during the year to mitigate the risk of non-compliance with the complex laws in the various jurisdictions in which group companies do business. Particular attention has been given by the board and management to mitigate the risks of non-compliance with competition laws in the past three years. Further, specific areas of law have been identified as key group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas.

The board and its committees continue to monitor the implementation of the company's legal compliance policy and the implementation of legal compliance processes closely.

A group legal compliance committee (GLCC) functions as a subcommittee of the GEC to oversee the group's legal compliance programme. The GLCC is chaired by the group executive: advisory and assurance and company secretary and comprises members of the GEC and legal services department. A legal compliance report is presented to the nomination, governance, social and ethics committee on a quarterly basis and, to the extent that legal and regulatory matters could have an impact on the financial statements, risk management or sustainability, reports are also presented to the risk and SHE committee, as well as the audit committee, as appropriate.

The Sasol group has established a framework to govern the management of tax throughout the group. This governance framework, which has been approved by the board, utilises a combination of appropriately skilled resources, internal processes and internal and external controls. Tax is managed in alignment with the group's business strategy. The group strives to arrange its tax affairs in an efficient manner, however, always in compliance with current laws in all jurisdictions in which it operates and taking into account financial and reputational risk. The group, further, strives to maintain a cooperative relationship with tax authorities and to conduct all such dealings in an open and constructive manner.

Compliance with laws and regulations is also addressed in other sections of the annual integrated report.

Disclosure and sustainability

The disclosure committee, which functions as a subcommittee of the GEC and comprises a combination of GEC members and functional managers, which oversees compliance with the disclosure requirements contained, amongst others, in the JSE, SEC and NYSE rules. The company has disclosure controls and processes in compliance with section 302 and 404 of the Sarbanes-Oxley Act, 2002 which are subject to internal and external audit assessment. Disclosure controls and procedures have been implemented to ensure that accurate and timely disclosure of information that may have a material effect on the value of Sasol securities or influence investment decisions is made to shareholders, the financial community and the investing public.

The board oversees sustainability matters through considering reports at board level and at the committees of the board, notably the audit committee, risk and SHE committee and the nomination, governance, social and ethics committee. The audit committee is responsible for the oversight over the provision of assurance over sustainability issues.

Worker participation and employment equity

The group has established participative structures on issues that affect employees directly and materially and is committed to promoting equal opportunities and fair employment practices regardless of employees' ethnic origin or gender. Several programmes have been implemented to ensure practical application of the group's commitment to worker participation and employment equity, while maintaining the company's high standards and statutory compliance. The financial year has seen an increase in focus on the implementation of the transformation agenda, as reflected in more detail in the sustainable development report. A group partnership forum has been in place in South Africa since 2009. Union representatives meet quarterly with management in this forum to discuss matters of mutual interest.

In the spirit of ensuring diversity and inclusion across the group, and in support of Sasol's commitment to the United Nations women's empowerment principles, Sasol affirms its strong support for gender equity through the implementation of the women empowerment strategy globally. This will entail developing professional and leadership competencies of women through advocacy, mentoring, networking and skills building initiatives.

Code of ethics

The group's code of ethics consists of four fundamental ethical principles – responsibility, honesty, fairness and respect. The code is supported by guidelines to the codes of ethics which provides more information on 15 ethical standards. These cover issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of all our stakeholders and the environment. The code embodies a requirement of compliance with all applicable laws and regulations as a minimum standard. In essence, the guidelines to the code of ethics outline Sasol's approach to ethics management which includes all the elements internationally recognised as the best practice elements of ethics management. The code of ethics guides interactions with all stakeholders of the group, including employees, suppliers and customers. Any amendment or waiver of the code as it relates to the chief executive officer or chief financial officer will be posted on the website within four business days following such amendment or waiver. No such amendments or waivers are anticipated.

The code of ethics has been communicated to all employees, suppliers, service providers and customers and is available on the company's website. The website address is www.sasolethics.com.

A dedicated ethics office at group level manages the ethics programme and ethics officers have been appointed and trained to assist with the management of ethics in the various Sasol businesses. The group ethics office manages ethics through a comprehensive programme that includes an ethics strategy, identifying and prioritising ethics opportunities, assessing and mitigating ethics risks, applying effective governance structures, articulating a code of ethics with relevant guidelines and policies, institutionalising the code and policies in practice (e.g. by training, communication and integrating ethics into business matters), applying effective governance structures, detection and resolution of ethical violations, monitoring and reporting and development of applicable tools and technologies. Sasol has established a nomination, governance, social and ethics committee at board level that oversees implementation of the ethics programme and monitors and reports to the board on ethics. An ethics forum discusses best practice and compliance requirements and consider and recommended amendments to the code and guide as required.

Sasol has been operating an independent ethics reporting telephone line through external service providers since 2002 for the detection and resolution of ethical violations. This confidential and anonymous ethics hotline provides an impartial facility for all stakeholders to anonymously report fraud, statutory malpractice and other crimes, unsafe behaviour, deviations from the procurement policy, financial and accounting reporting irregularities and other deviations from ethical behaviour. These calls are monitored and progress on their resolution is reported to business governance committees while the audit committee receives progress and feedback on sensitive and potentially high risk investigations together with details on sensitive calls .The nomination, governance, social and ethics committee is updated on progress with our ethics agenda and programme on a regular basis.

During the year under review, considerable effort was put into developing an ethics call management tool. The tool enables enhanced tracking of progress on ethics calls and improved reporting in the form of trends. The chief executive officer's continual call on the Sasol leadership and all employees to being a values driven organisation and the commitment of all parties to living the Sasol values, especially the value of integrity, are probably some of the underlying reasons that have resulted in a continued upward trend of employees as well as external stakeholders using the ethics line to report unethical behaviour.

Stakeholder relationships

Sasol subscribes to the spirit of the principles on stakeholder management expressed in the King III Code and is on track to implement the required governance mechanisms in order to comply.

A global stakeholder management strategy and stakeholder engagement charter has been developed with relevance to all Sasol's operations and the management of relationships with all stakeholders. The stakeholder engagement charter has been published as a public commitment of the way Sasol engages its stakeholders. The charter sets out the desired behaviours for all Sasol employees who engage stakeholders, and is a personal commitment to principled, value-based engagement.

Stakeholder engagement programmes are under development to plan, co-ordinate, and execute stakeholder engagement more effectively. Sasol's stakeholder landscape has been structured into nine distinct stakeholder categories, with specific stakeholders defined within each category. Distinct roles and responsibilities for stakeholder management have been defined, by appointing relationship owners for each stakeholder. Stakeholder relationship owners are accountable for Sasol's relationship with that individual or group. The relationship owner conducts regular reviews of the relationship, drawing on the input of other Sasol colleagues, who regularly interact with the stakeholder. These reviews enable structured and insightful quarterly stakeholder reporting to the nomination, governance, social and ethics committee. The reports seek to ensure that the board is empowered with the necessary information to take the legitimate interests and expectations of stakeholders into account in its decision-making and in so doing performs its custodial responsibility.

In addition to the self-assessment of stakeholder relationship health, as indicated above, regular stakeholder research is envisaged from 2013 onwards. The research will focus on an independent measure of any gap between Sasol's performance and stakeholder perceptions, to be addressed through Sasol's communication and actions. This will contribute to more constructive stakeholder engagement, by enabling Sasol to respond to verified stakeholder issues and concerns. It will also enhance the integrated and sustainability reporting process to fulfil the communication needs of all stakeholders.

The chief executive officer, the chief financial officer and investor relations management conduct regular presentations on the group's performance and strategy to analysts, institutional investors and the media in South Africa, North America and Europe. The company's investor relations management maintains regular contact with the investment community and analysts. Through the group communication function, cordial and open relationships with local and international media are also maintained with a strong focus on proactive reputation management. To ensure the company communicates with its smaller shareholders and those stakeholders without access to the electronic media, the company publishes and reports on details of its corporate actions and performance (including its interim and final results) in the main South African daily newspapers. The company maintains a website through which access is available to the company's latest financial, operational and historical information, including its annual reports.

Sasol invites all shareholders to attend its annual general meeting and also facilitates participation by way of focussed proxy solicitation. Electronic participation is available for participation in shareholders meetings.

In practice, Sasol strives to resolve disputes with its stakeholders effectively and expeditiously. Sasol has a preference to settle disputes rather than to litigate and uses alternative dispute resolution mechanisms whenever appropriate.

During the year, the Sasol group received two requests for access to records under the Promotion of Access to Information Act, 2000. One request was subsequently withdrawn. Sasol is engaging with the other requesting party to ensure that access is given to the required information without compromising Sasol's rights with respect to the information.

eleven year financial performance

	% Change 2012 vs. 2011	2012 Rm	2011* Rm	2010* Rm	2009 Rm
Statement of financial position					
Property, plant and equipment		**95 872**	79 245	72 523	70 370
Assets under construction		**33 585**	29 752	21 018	14 496
Other intangible assets		**1 214**	1 265	1 193	1 068
Other non-current assets		**7 611**	7 402	7 416	6 920
Current assets		**65 471**	59 781	53 723	53 011
Total assets	14,8	**203 753**	177 445	155 873	145 865
Total equity	16,8	**128 314**	109 860	96 425	86 217
Interest-bearing debt		**15 596**	15 522	15 032	17 814
Interest-free liabilities		**59 843**	52 063	44 416	41 834
Total equity and liabilities	14,8	**203 753**	177 445	155 873	145 865
Income statement					
Turnover	19,0	**169 446**	142 436	122 256	137 836
Operating profit	22,7	**36 758**	29 950	23 937	24 666
Share of profit of associates (net of tax)		**479**	292	217	270
Net finance expenses		**(1 234)**	(826)	(782)	(741)
Profit before tax	22,4	**36 003**	29 416	23 372	24 195
Taxation		**(11 746)**	(9 196)	(6 985)	(10 480)
Profit	20,0	**24 257**	20 220	16 387	13 715
Attributable to					
Owners of Sasol Limited	19,1	**23 583**	19 794	15 941	13 648
Non-controlling interests in subsidiaries		**674**	426	446	67
		24 257	20 220	16 387	13 715
Statement of cash f ows					
Cash from operations	22,3	**50 172**	41 018	30 762	37 194
(Increase)/decrease in working capital		**(2 271)**	(2 379)	(3 424)	10 993
Cash generated by operating activities	24,0	**47 901**	38 639	27 338	48 187
Finance income received		**1 149**	1 380	1 372	2 264
Finance expenses paid		**(666)**	(898)	(1 781)	(2 168)
Tax paid		**(10 760)**	(6 691)	(6 040)	(10 252)
Cash available from operating activities	16,0	**37 624**	32 430	20 889	38 031
Dividends and debenture interest paid		**(9 600)**	(6 614)	(5 360)	(7 193)
Cash retained from operating activities	8,6	**28 024**	25 816	15 529	30 838
Additions to non-current assets		**(29 160)**	(20 665)	(16 108)	(15 672)
Acquisition of businesses		**–**	–	–	(30)
Acquisition of interests in joint ventures		**(24)**	(3 823)	–	–
Other movements		**1 568**	23	(596)	3 184
Decrease/(increase) in funding requirements		**408**	1 351	(1 175)	18 320

* *The group's accounting policies in respect of employee benefits have been amended due to the adoption of the amendments to IAS 19, Employee Benefits. Comparative figures have been restated to the extent that it is practicable.*

	2008 Rm	2007 Rm	2006 Rm	2005 Rm	2004 Rm	2003 Rm	2002 Rm	Compound annual growth rate % 5 years	 10 years
	66 273	50 611	39 929	39 618	38 003	30 574	30 594	13,6	12,1
	11 693	24 611	23 176	18 088	9 811	12 213	8 256		
	964	629	775	1 053	1 280	1 627	1 457		
	6 359	4 839	3 235	3 324	2 386	2 108	1 894		
	54 833	38 375	36 043	26 095	21 866	23 097	23 529		
	140 122	119 065	103 158	88 178	73 346	69 619	65 730	11,3	12,0
	78 995	63 269	52 984	44 006	35 400	33 818	31 587	15,2	15,0
	19 455	18 925	17 884	18 745	16 308	14 277	10 579		
	41 672	36 871	32 290	25 427	21 638	21 524	23 564		
	140 122	119 065	103 158	88 178	73 346	69 619	65 730	11,3	12,0
	129 943	98 127	82 395	69 239	60 151	64 555	59 590	11,5	11,0
	33 816	25 621	17 212	14 386	9 168	11 767	14 671	7,5	9,6
	254	405	134	184	117	60	31		
	(413)	(323)	(230)	(438)	(249)	(58)	(54)		
	33 657	25 703	17 116	14 132	9 036	11 769	14 648	7,0	9,4
	(10 129)	(8 153)	(6 534)	(4 573)	(3 175)	(4 007)	(4 905)		
	23 528	17 550	10 582	9 559	5 861	7 762	9 743	6,7	9,6
	22 417	17 030	10 406	9 449	5 795	7 674	9 705	6,7	9,3
	1 111	520	176	110	66	88	38		
	23 528	17 550	10 582	9 559	5 861	7 762	9 743		
	42 558	28 618	28 284	21 081	14 859	15 986	19 241	11,9	10,1
	(7 818)	(186)	(3 749)	(2 179)	292	11	216		
	34 740	28 432	24 535	18 902	15 151	15 997	19 457	11,0	9,4
	957	1 059	444	169	230	178	247		
	(2 405)	(1 816)	(1 745)	(1 523)	(1 384)	(1 286)	(863)		
	(9 572)	(7 251)	(5 389)	(3 753)	(3 963)	(5 527)	(4 749)		
	23 720	20 424	17 845	13 795	10 034	9 362	14 092	13,0	10,3
	(5 766)	(4 613)	(3 660)	(2 856)	(2 745)	(2 835)	(2 325)		
	17 954	15 811	14 185	10 939	7 289	6 527	11 767	12,1	9,1
	(10 855)	(12 045)	(13 296)	(12 616)	(11 418)	(10 968)	(8 742)		
	(431)	(285)	(147)	–	(555)	(155)	(565)		
	–	–	–	–	–	–	–		
	442	1 785	1 160	299	1 085	402	878		
	7 110	5 266	1 902	(1 378)	(3 599)	(4 194)	3 338		

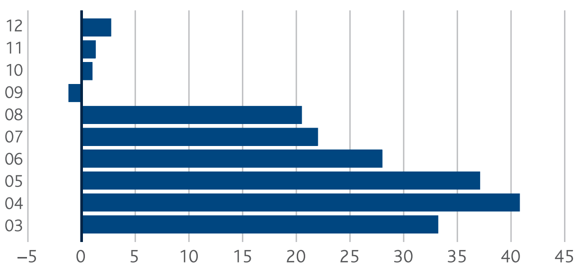
key performance indicators

Liquidity	*Measures the group's ability to meet its maturing obligations and unexpected cash needs in the short term*
Current ratio	Current assets / Current liabilities
Quick ratio	Current assets – inventories / Current liabilities
Cash ratio	Cash and cash equivalents / Current liabilities – bank overdraft
Debt leverage	*Measures the group's ability to meet capital and interest payments over the long term*
Total liabilities to shareholders' equity	Non-current liabilities + current liabilities / Shareholders' equity
Total borrowings to shareholders' equity	Long-term debt + short-term debt + bank overdraft (total borrowings) / Shareholders' equity
Net borrowings to shareholders' equity (gearing)	Total borrowings – cash / Shareholders' equity
Debt coverage	Cash generated by operating activities / Total borrowings
Finance expense cover	Net profit before finance expenses and taxation / Finance expenses paid
Profitability	*Measures the financial performance of the group*
Return on shareholders' equity	Attributable earnings / Average shareholders' equity
Return on total assets	Net profit before finance expenses and taxation / Average non-current assets + average current assets
Return on total operating assets	Net profit before finance expenses and taxation / Average non-current operating assets + average current assets
Return on net assets	Net profit before finance expenses and taxation / Average total assets – average total liabilities
Gross profit margin	Gross profit / Turnover
Operating profit margin	Operating profit / Turnover

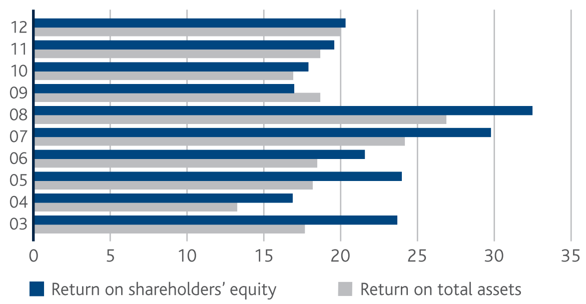
* *The group's accounting policies in respect of employee benefits have been amended due to the adoption of the amendments to IAS 19, Employee Benefits. Comparative figures have been restated to the extent that it is practicable.*

\# *The targeted performance ratios and the actual results achieved are discussed in the chief financial officer's review on page 4.*

Net borrowings to shareholders' equity (gearing) (%)

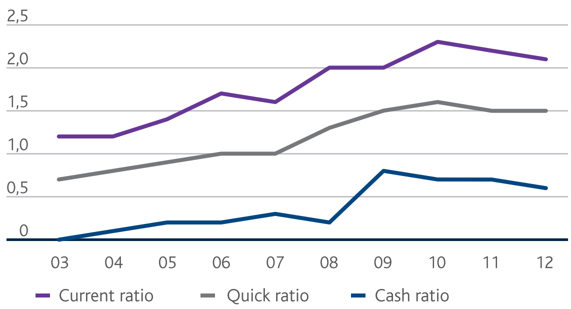


Profitability (%)

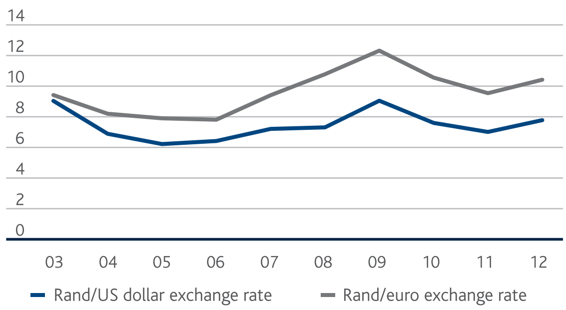


	Target range#	2012	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
– :1		**2,1**	2,2	2,3	2,0	2,0	1,6	1,7	1,4	1,2	1,2
– :1		**1,5**	1,5	1,6	1,5	1,3	1,0	1,0	0,9	0,8	0,7
– :1		**0,6**	0,7	0,7	0,8	0,2	0,3	0,2	0,2	0,1	–
– %		**60,2**	63,1	63,3	71,1	79,9	90,6	95,4	101,0	108,3	106,8
– %		**12,9**	15,1	16,8	22,0	26,3	31,7	34,7	42,8	46,7	42,8
– %	**20 – 40**	**2,7**	1,4	1,0	(1,2)	20,5	22,0	28,0	37,1	40,8	33,2
– times		**2,9**	2,4	1,7	2,6	1,7	1,5	1,3	1,0	0,9	1,1
– times		**57,3**	34,8	14,3	12,3	14,5	14,8	10,1	9,7	6,8	9,3
– %		**20,3**	19,7	17,9	17,0	32,5	29,8	21,6	24,0	16,9	23,7
– %		**20,0**	18,7	16,9	18,7	26,9	24,2	18,5	18,2	13,3	17,7
– %		**24,0**	22,0	19,1	20,7	31,2	30,8	23,6	22,0	15,7	20,9
– %		**31,9**	30,1	27,8	32,4	48,9	46,2	36,5	37,1	27,4	36,7
– %		**34,5**	36,5	35,2	35,8	42,6	38,9	41,1	39,0	35,5	39,0
– %		**21,7**	21,0	19,6	17,9	26,0	26,1	20,9	20,8	15,2	18,2

Liquidity ratios



Exchange rates



Efficiency	*Measures the effectiveness and intensity of the group's management of its resources*
Net asset turnover ratio	Turnover / Average total assets – average total liabilities
Net operating asset turnover ratio	Turnover / Average total operating assets – average total liabilities
Depreciation to cost of property, plant and equipment	Depreciation / Cost of property, plant and equipment
Net working capital to turnover	(Inventories + trade receivables + other receivables and prepaid expenses) – (trade payables and accrued expenses + other payables) / Turnover
Shareholders' returns	*Measures key financial variables on a per share basis*
Attributable earnings per share	Attributable earnings / Weighted average number of shares in issue after the share repurchase programme
Headline earnings per share	Headline earnings (refer note 43) / Weighted average number of shares in issue after the share repurchase programme
Dividend per share	Interim dividend per share paid + final dividend per share declared
Dividend cover	Attributable earnings per share + STC on prior year final dividend – STC on current year final dividend / Interim dividend paid per share + final dividend declared per share
Net asset value per share	Shareholders' equity / Total number of shares in issue after the share repurchase programme
Annual increase/(decrease) in turnover	Turnover – prior year turnover / Prior year turnover
Employee cost to turnover	Total employee cost / Turnover
Depreciation and amortisation to turnover	Total depreciation of property, plant and equipment + amortisation of goodwill, negative goodwill and intangible assets / Turnover
Effective tax rate	Taxation / Profit before tax
Employee statistics	
Number of employees (at year end)	
Paid to employees	
Average paid to employees	
Economic indicators	
Average crude oil price (Brent)	
Rand/US dollar exchange rate	– closing – average
Rand/euro exchange rate	– closing – average
Shareholders	
Number of shareholders – beneficial (at year end)	

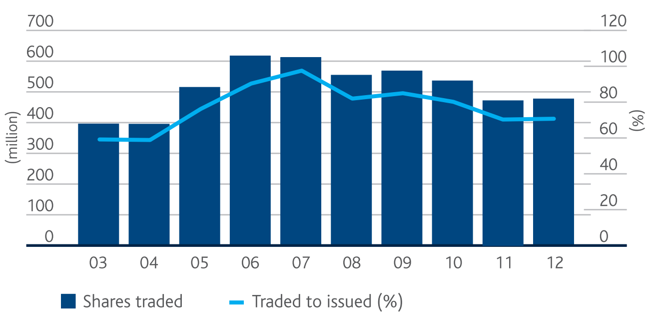
The targeted performance ratios and the actual results achieved are discussed in the chief financial officer's review on page 4.
* *The group's accounting policies in respect of employee benefits have been amended due to the adoption of the amendments to IAS 19, Employee Benefits. Comparative figures have been restated to the extent that it is practicable.*

	Target range#	2012	2011*	2010*	2009	2008	2007	2006	2005	2004	2003
– times		**1,4**	1,4	1,3	1,7	1,8	1,7	1,7	1,7	1,7	2,0
– times		**1,9**	1,8	1,7	2,0	2,5	2,9	3,0	2,7	2,5	2,9
– %		**5,5**	5,0	4,9	4,7	4,1	3,8	4,5	4,8	5,8	5,9
– %	**16,0**	**14,3**	14,4	15,3	11,2	21,4	18,5	20,2	18,2	17,8	17,4
– SA rand		**39,10**	32,97	26,68	22,90	37,30	27,35	16,78	15,39	9,50	12,59
– US dollar		**5,02**	4,71	3,51	2,53	5,11	3,80	2,62	2,48	1,38	1,39
– SA rand		**42,28**	33,85	26,57	25,42	38,09	25,37	22,98	17,29	9,10	12,56
– US dollar		**5,43**	4,83	3,50	2,81	5,22	3,52	3,59	2,78	1,32	1,39
– SA rand		**17,50**	13,00	10,50	8,50	13,00	9,00	7,10	5,40	4,50	4,50
– US dollar		**2,14**	1,92	1,37	1,10	1,65	1,27	1,01	0,84	0,71	0,58
– times	**Progressive**	**2,30**	2,50	2,50	2,70	2,80	3,00	2,30	2,90	2,11	2,80
– SA rand		**208,27**	179,89	157,63	141,14	128,44	100,55	84,45	70,94	57,31	55,03
– %		**18,96**	16,51	(11,30)	6,10	32,40	19,10	19,00	15,10	(6,80)	8,30
– %		**11,76**	13,17	14,35	12,70	11,10	11,90	11,60	12,70	14,80	14,00
– %		**5,7**	5,2	5,5	4,5	4,0	4,1	5,2	5,9	8,3	7,0
– %		**32,6**	31,3	29,9	43,3	30,1	31,7	38,2	32,4	35,1	34,0
– number		**34 916**	33 708	33 054	33 164	33 928	31 860	31 460	30 004	30 910	31 150
– R million		**19 921**	18 756	17 546	17 532	14 443	11 695	9 551	8 782	8 877	9 199
– R thousand		**517**	556	531	529	426	367	304	293	287	295
– US$/bbl		**112,42**	96,48	74,37	68,14	95,51	63,95	62,45	46,17	31,30	27,83
– :1		**8,17**	6,77	7,67	7,73	7,83	7,04	7,17	6,67	6,21	7,50
– :1		**7,78**	7,01	7,59	9,04	7,30	7,20	6,41	6,21	6,88	9,03
– :1		**10,34**	9,82	9,39	10,84	12,34	9,53	9,17	8,07	7,57	8,63
– :1		**10,42**	9,54	10,55	12,31	10,77	9,40	7,80	7,89	8,19	9,41
– number		**75 180**	70 021	67 885	56 873	52 580	42 591	40 336	35 315	36 496	41 165

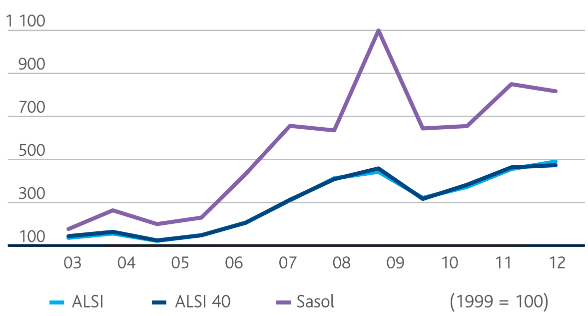
Share performance	*Measures the annual movement of the shareholding in the group*
Total shares in issue* Sasol ordinary shares in issue* Sasol BEE ordinary shares in issue*****	
Shares repurchased	
Sasol Inzalo share transaction	
Net shares in issue**	
Weighted average shares in issue**	
Market capitalisation – Sasol ordinary shares – Sasol BEE ordinary shares*****	Closing market price per share x shares in issue (before share repurchase)
JSE Limited statistics	*Measures the performance of the group's shares listed on the JSE*
Shares traded***	
Traded to issued	
Value of share transactions	
Market price per share – Sasol ordinary shares – year end – high – low	
Market price per share – Sasol BEE ordinary shares***** – year end – high – low	
Key market performance ratios	*Measures the performance of the group's shares*
Earnings yield	Attributable earnings per share / Closing market price per share
Dividend yield	Dividends per share / Closing market price per share
Price to net asset value	Closing market price per share / Net asset value per share
NYSE statistics**	*Measures the performance of the group's shares listed on the NYSE*
Shares traded	
Value of share transactions	
Market price per share – year end – high – low	

* *Before share repurchase programme and including shares issued as part of Sasol Inzalo share transaction.*
** *After share repurchase programme and excluding shares issued as part of Sasol Inzalo share transaction.*
*** *Includes share repurchase programme.*
**** *As quoted on NYSE (American Depositary Shares) since 9 April 2003.*
***** *Sasol BEE ordinary shares listed on JSE Limited since 7 February 2011.*

Shares traded – JSE



Share performance against JSE all share indices
(as percentage of 2001)

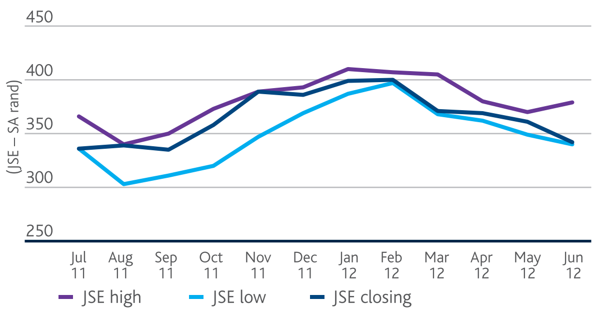


	Target range#	2012	2011^	2010^	2009	2008	2007	2006	2005	2004	2003
– million		**673,2**	671,0	667,7	665,9	676,7	627,7	683,0	676,9	671,3	668,8
– million		**644,8**	642,6	639,3	637,5	667,7	627,7	683,0	676,9	671,3	668,8
– million		**2,8**	2,8								
– million		**8,8**	8,8	8,8	8,8	37,1	14,9	60,1	60,1	60,1	59,7
– million		**63,1**	63,1	63,1	63,1	44,2					
– million		**601,3**	599,1	595,8	594,0	595,4	612,8	622,9	616,8	611,2	609,1
– million		**603,2**	600,4	597,6	596,1	601,0	622,6	620,0	613,8	610,0	609,3
– R million		**220 788**	228 749	175 548	172 111	307 579	166 968	187 825	122 384	64 512	55 878
– R million		**686**	742								
– million		**477,4**	471,9	535,5	568,5	555,0	612,6	617,5	515,5	395,5	396,2
– %		**70,9**	70,3	80,2	85,4	82,0	97,6	90,4	76,2	58,9	59,2
– R million		**172 385**	161 455	154 687	171 651	198 348	151 088	141 206	67 930	36 941	38 111
– Rand		**342,40**	355,98	274,60	269,98	461,00	266,00	275,00	180,80	96,10	83,55
– Rand		**409,99**	403,55	318,00	454,00	514,00	278,49	279,00	181,50	111,50	121,50
– Rand		**303,45**	270,03	255,56	221,00	259,49	215,00	183,00	103,40	75,10	75,50
– Rand		**245,01**	265,00								
– Rand		**295,02**	310,00								
– Rand		**167,21**	260,00								
– %		**11,42**	9,26	9,72	8,48	8,09	10,28	6,10	8,51	9,89	15,07
– %		**5,11**	3,65	3,82	3,15	2,82	3,38	2,58	2,99	4,68	5,39
– :1		**1,64**	1,99	1,74	1,91	3,59	2,65	3,26	2,55	1,68	1,52
– million		**60,7**	69,9	90,0	209,0	174,6	147,9	107,2	65,9	16,7	2,4
– US$ million		**2 810**	3 373	3 417	7 101	8 665	5 034	3 856	1 467	239	–
– US$		**42,45**	52,89	35,27	34,82	38,40	37,54	38,64	26,98	15,73	11,28
– US$		**54,22**	60,39	43,68	57,95	66,09	37,54	46,10	28,77	16,50	12,30
– US$		**40,01**	34,89	31,15	19,23	35,66	32,20	27,30	15,75	10,35	10,30

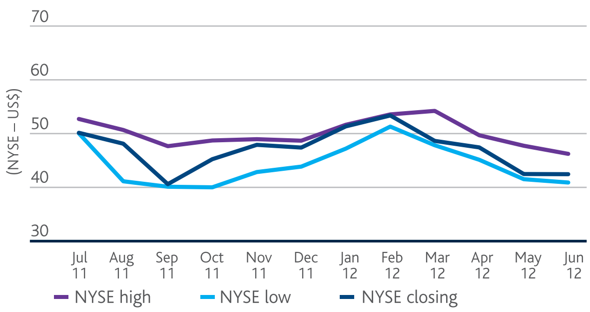
^ *The group's accounting policies in respect of employee benefits have been amended due to the adoption of the amendments to IAS 19, Employee Benefits. Comparative figures have been restated to the extent that it is practicable.*

The targeted performance ratios and the actual results achieved are discussed in the chief financial officer's review on page 4.

Average share price – JSE



Average share price – NYSE



value added statement

for the year ended 30 June

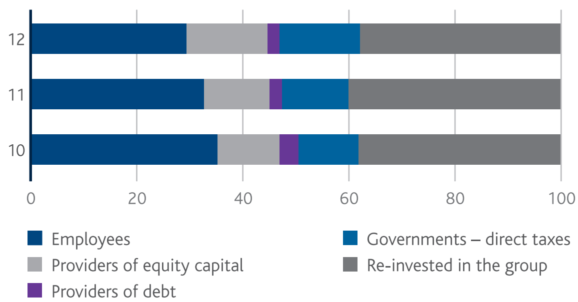
Value added is defined as the value created by the activities of a business and its employees and, in the case of Sasol, is determined as turnover less the cost of purchased materials and services. The value added statement reports on the calculation of value added and its application among the stakeholders in the group. This statement shows the total wealth created and how it was distributed, taking into account the amounts retained and reinvested in the group for the replacement of assets and development of operations.

	2012 Rm	2011 Rm	2010 Rm	2009 Rm	2008 Rm
Turnover	**169 446**	142 436	122 256	137 836	129 943
Less purchased materials and services	**(103 116)**	(86 330)	(74 061)	(89 393)	(76 472)
Value added	**66 330**	56 106	48 195	48 443	53 471
Finance income	**1 275**	1 283	1 549	2 060	989
Wealth created	**67 605**	57 389	49 744	50 503	54 460

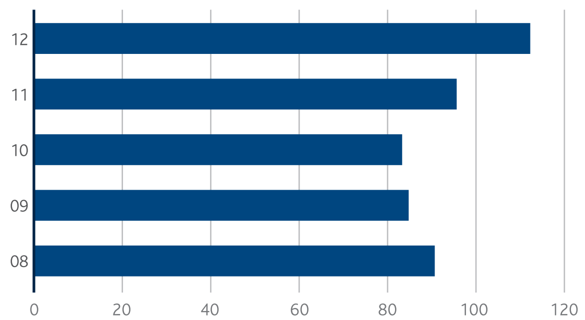
	2012 %	2012 Rm	2011 %	2011 Rm	2010 %	2010 Rm	2009 %	2009 Rm	2008 %	2008 Rm
Employees	**29,5**	**19 921**	32,7	18 756	35,3	17 546	34,7	17 532	26,5	14 443
Providers of equity capital	**15,2**	**10 274**	12,3	7 040	11,6	5 806	14,4	7 260	12,6	6 877
Providers of debt	**2,3**	**1 565**	2,4	1 392	3,6	1 799	4,3	2 191	4,5	2 427
Governments – direct taxes	**15,2**	**10 267**	12,5	7 198	11,3	5 602	18,7	9 413	17,5	9 521
Reinvested in the group	**37,8**	**25 578**	40,1	23 003	38,2	18 991	27,9	14 107	38,9	21 192
Wealth distribution	**100,0**	**67 605**	100,0	57 389	100,0	49 744	100,0	50 503	100,0	54 460
Employee statistics										
Number of employees at year end		**34 916**		33 708		33 054		33 164		33 928

	2012 Rand	2011 Rand	2010 Rand	2009 Rand	2008 Rand
Turnover per employee at year end	**4 852 961**	4 225 584	3 698 675	4 156 193	3 829 963
Value added per employee at year end	**1 899 702**	1 664 471	1 458 069	1 460 710	1 576 014
Wealth created per employee at year end	**1 936 218**	1 702 534	1 504 931	1 522 826	1 605 164

Wealth distribution (%)



Wealth created per share (Rand per share)

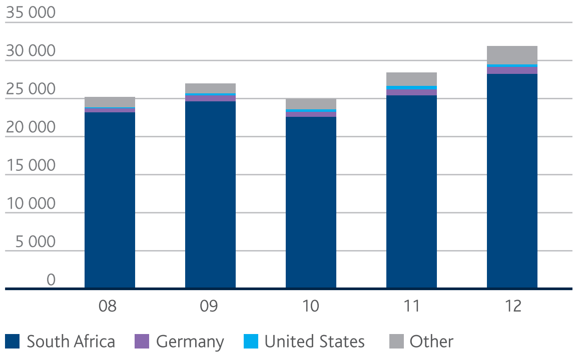


monetary exchanges with governments

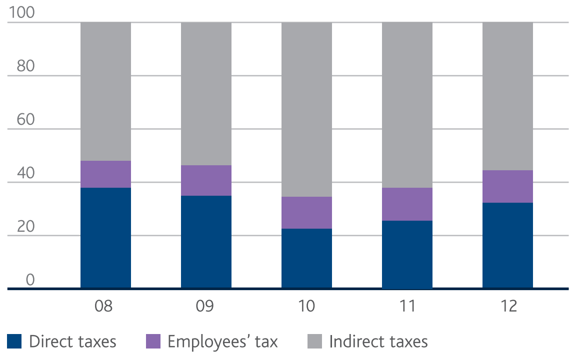
for the year ended 30 June

	2012 Rm	2011 Rm	2010 Rm	2009 Rm	2008 Rm
Direct taxes	**10 267**	7 198	5 602	9 413	9 521
South African normal tax	**7 358**	5 235	4 270	8 067	8 497
foreign tax	**1 861**	1 192	726	515	387
dividend withholding tax	**16**	–	–	–	–
Secondary Taxation on Companies	**1 032**	771	606	831	637
Employees' tax	**3 921**	3 571	3 028	3 045	2 564
Indirect taxes	**17 732**	17 626	16 292	14 506	13 112
customs, excise and fuel duty	**18 396**	18 200	16 889	13 148	11 855
property tax	**98**	96	86	92	75
other levies	**46**	8	4	5	5
net VAT received	**(2 161)**	(1 714)	(1 615)	(1 056)	(152)
other	**1 353**	1 036	928	2 317	1 329
Net monetary exchanges with governments	**31 920**	28 395	24 922	26 964	25 197
South Africa	**28 242**	25 400	22 602	24 646	23 182
Germany	**880**	792	619	777	490
United States of America	**416**	496	370	220	193
Other	**2 382**	1 707	1 331	1 321	1 332

Net monetary exchanges with governments by region (R million)



Net monetary exchanges with governments (%)



audit committee report

The audit committee (the committee) is pleased to present this report in respect of the 2012 financial year to the shareholders of Sasol Limited.

This report has been prepared based on the requirements of section 94(7)(f) of the South African Companies Act, 71 of 2008 (the SA Companies Act) as amended, the King Code of Governance Principles for South Africa 2009 (the King III Code), JSE Listings Requirements (JSE) and other regulatory requirements.

The audit committee (the committee) is constituted as a statutory committee of Sasol Limited in line with the SA Companies Act and a committee of the Sasol Limited board in respect of all other duties assigned to it by the board and United States (US) legislation.

The committee has decision-making authority with regard to its statutory duties and is accountable in this regard to both the board and the shareholders. On all resolutions delegated to it by the board outside of the statutory duties, the committee makes recommendations to the board for approval. The committee also acts as the audit committee for all public South African companies in the Sasol group.

Composition and meetings

In compliance with applicable US Securities and Exchange Commission (SEC) and New York Stock Exchange (NYSE) rules, as well as South African legislation, all members are independent non executive directors. Members are financially literate and have extensive audit committee experience. Mr C Beggs has been designated as the audit committee financial expert in accordance with the SEC rules. The chairman of the board, the chief executive officer, chief financial officer, internal auditor and external auditor attend audit committee meetings on invitation.

The audit committee is required to meet at least three times a year. During the year, the committee met four times. Members and their attendance were as follows:

Member	07/09/11	07/10/11	08/03/12	01/06/12
Mr C Beggs (Chairman)	✓	✓	✓	✓
Mr HG Dijkgraaf	✓	✓	✓	✓
Dr MSV Gantsho	✓	✓	–	✓
Mr MJN Njeke	✓	–	✓	✓

✓ *Indicates attendance.*
– *Indicates absence with apology.*

The abovementioned four members were elected by shareholders at the annual general meeting held on 25 November 2011. Mr S Westwell was appointed to the committee by the board of directors with effect from 8 June 2012.

Statutory duties and functions

During the year under review, the committee had nominated for appointment as auditor, KPMG Inc. and Mr C H Basson as the designated auditor and ensured that the appointment complied with the SA Companies Act, JSE and all other applicable legal and regulatory requirements.

The committee nominated the external auditor and the designated independent auditor for each of the South African subsidiaries of the company.

The committee reviewed and assessed the independence of the external auditor and is satisfied that KPMG Inc. is independent of the group based on amongst others, the following reasons:

- representations made by KPMG Inc. to the committee, including an annual written statement confirming that their independence has not been impaired;
- the auditor does not, except as external auditor, or in rendering of permitted non-audit services, receive any direct or indirect remuneration or other benefit from the company or any other company within the group;
- the auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditor for the company or any previous appointment as auditor of the company or any other company within the group;
- assurance obtained that no member of the external audit team was hired by the company or any other company within the group in a financial reporting oversight role during the year under review; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

The external auditor's terms of engagement, the audit plan and the budgeted audit fees payable to the external auditor were determined and approved by the committee.

The committee determined the nature and extent of all non-audit services that the external auditor may or may not provide to the company or any other company of the group and all permissible non-audit services provided, as well as the agreement/s in terms of which such services were provided, were pre-approved by the committee.

Pursuant to the requirements of section 61(8)(c)(i) of the SA Companies Act, the committee has recommended to the board, which in turn has recommended to the shareholders for consideration at the forthcoming annual general meeting, the appointment of KPMG Inc. as auditor, and Mr CH Basson as the designated auditor for the financial year ending 30 June 2013.

Management and other governance structures within the group provided assurance to the committee in respect of the functions specifically performed by the committee on behalf of subsidiaries and where necessary, the committee made submissions to the board on the company and the group's accounting policies, financial control, records and reporting.

Regulatory requirements

Pursuant to the provisions of the JSE, the committee:

- satisfied itself of the appropriateness of the expertise and experience of the chief financial officer[1], Ms KC Ramon; and
- satisfied itself that the appointed independent auditors and registered auditor were duly accredited as such on the JSE's list of auditors.

Financial statements and accounting practices

Following the committee's review of the annual financial statements of the company and the group for the financial year ended 30 June 2012, we are of the opinion that, in all material

1. *Ms KC Ramon is an executive director of Sasol Limited as is required by the JSE Listings Requirements.*

respects, they comply with the relevant provisions of the SA Companies Act and International Financial Reporting Standards (IFRS) and Interpretations of the IFRS standards as issued by the International Accounting Standards Board. The financial statements fairly present the consolidated and separate results of operations, cash flows, and the financial position of Sasol Limited. On this basis, we recommended the consolidated and separate annual financial statements of Sasol Limited for approval to the board.

The committee further reviewed the accounting policies, practices and internal controls of the company and is satisfied that they are appropriate, adequate and comply in all respects with the relevant provisions of the SA Companies Act and IFRS and Interpretations of those standards as issued by the International Accounting Standards Board.

The committee has established a process to deal with any concerns or complaints relating to accounting practices, internal audit, auditing or content of the company's financial statements and internal financial controls. The committee confirmed that no significant concerns or complaints were raised during the financial year under review.

Internal controls

The company has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting practices.

The committee is of the opinion that there were no material breakdowns in internal control, including financial controls, business risk management and maintenance of effective material control systems during the 2012 financial year.

Duties assigned by the board

The board annually reviews and approves the terms of reference for the committee in terms of which responsibilities of the committee include assisting the board in overseeing:

- quality and integrity of the Sasol Limited's integrated reporting, incorporating the financial statements (including consolidated group financial statements), sustainability reporting and public announcements in respect of the financial results;
- the qualification and independence of the external auditors for Sasol Limited and all group companies;
- the scope and effectiveness of the external audit function for Sasol Limited and all group companies;
- the effectiveness of the group's internal controls and internal audit function; and
- compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements.

In line with the above mentioned responsibilities, the committee performed the following functions:

- The committee oversaw integrated reporting having regard to all factors and risks that may impact on the integrity of the integrated annual report and considered and reviewed the findings and recommendations of the disclosure committee and the risk and safety, health and environment (SHE) committee insofar as they related to the annual integrated report;
- In respect of the interim and annual financial statements the committee:
  - examined and reviewed the interim and annual financial statements, as well as all financial information, disclosed to the public prior to submission and approval by the board;
  - ensured that the annual financial statements fairly present the financial position of the company and of the group as at the end of the financial year and the results of operations and cash flows for the financial year and prospects of the company and of the group;
  - confirmed the going concern as the basis of preparation of the interim and annual financial statements;
  - considered accounting treatments, significant unusual transactions and accounting judgements;
  - reviewed the external auditor's audit report;
  - reviewed any significant legal and tax matters and considered any concerns identified that could have a material impact on the financial statements;
  - considered and made recommendations to the board on the interim and final dividends paid to shareholders;
  - met separately with management, external and internal audit; and
  - considered the effectiveness of the group's disclosure controls and procedures;
- In respect of the scope and effectiveness of the external audit function, the committee, among others:
  - reviewed the external audit and evaluated the quality of the external audit process and concluded it to be satisfactory;
  - considered whether any reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 2005, and determined that there were none; and
  - reviewed the external auditor's report and obtained assurances from the external auditor that adequate accounting records were being maintained;
- In respect of internal control and internal audit, including forensic audit, the committee among others:
  - considered the reports of the internal and external auditors on the group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems. Significant issues raised and the adequacy of corrective action in response thereto were reviewed;
  - approved the annual internal audit charter and audit plan, including combined assurance, and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter; and
  - assessed the adequacy of the performance of the internal audit function and the adequacy of the available internal audit resources and found them to be satisfactory;
- The audit committee is satisfied that there is adequate segregation between the external and internal audit functions and that the independence of the internal and external auditors is not in any way impaired or compromised;
- In respect of legal and regulatory compliance requirements to the extent that it may have an impact on the financial statements, the committee amongst others:
  - reviewed with management, and to the extent deemed necessary, internal and/or external counsel, legal matters that could have a material impact on the group;

   - reviewed with the company's internal counsel the adequacy and effectiveness of the group's procedures to ensure compliance with financial, legal and regulatory responsibilities; and
   - monitored complaints received through the group's ethics line, including complaints or concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters;
- In respect of the co-ordination of assurance activities, the committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business;
- In respect of risk management and information technology, the committee, insofar as relevant to the functions of the committee:
   - reviewed the group's policies on risk assessment and risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment, and found them to be sound; and
   - considered and reviewed the findings and recommendations of the risk and SHE committee, as well as a report from the information management governance subcommittee;
- In respect of sustainability issues contained in the sustainable development report, the committee among others:
   - oversaw the process of sustainability reporting;
   - considered the findings and recommendations of the disclosure committee and the risk and SHE committee;
   - recommended to the risk and SHE committee (for recommendation to the board) the appointment of Environmental Resources Management Southern Africa (Pty) Ltd. to provide assurance on sustainability matters contained in the report; and
   - together with the risk and SHE committee, met with the assurance provider, senior management and internal audit to consider the assurance provider's findings, made appropriate enquiries from management and, through this process, received the necessary assurances that material disclosures are reliable and do not conflict with the financial information.

Other corporate governance requirements

Pursuant to the King III Code, and based on specific procedures performed by the independent auditors, the committee satisfied itself with the expertise, resources, successions and experience of the company's finance and taxation functions and concluded that these were appropriate.

Conclusion

The committee is satisfied that it has complied with all its statutory and other responsibilities and having had regard to all material risks and factors that may impact on the integrity of the integrated annual report and the annual financial statements following review, we recommend the integrated annual report and the annual financial statements of Sasol Limited for the year ended 30 June 2012 for approval to the board of directors.

On behalf of the audit committee

Colin Beggs
chairman

6 September 2012

approval of the financial statements

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the financial position of the group and Sasol Limited (company) as at the end of the financial year and the results of their operations and cash flows for the financial year, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board, JSE Listings Requirements, the AC 500 Standards as issued by the Accounting Practices Board or its successor and the South African Companies Act. The group's external auditors are engaged to express an independent opinion on the consolidated annual financial statements and the annual financial statements of the company. In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and applicable legislation and incorporate disclosure in line with the accounting policies of the group. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management and the internal auditors that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors have reviewed the group's forecast financial performance for the year to 30 June 2013 as well as the longer-term budget and, in the light of this review and the current financial position, they are satisfied that the group and the company has or has access to adequate resources to continue as a going concern for the foreseeable future.

The consolidated annual financial statements, set out on pages 57 to 256, and company annual financial statements, set out on pages 257 to 271, which have been prepared on the going concern basis, were approved by the board of directors on 7 September 2012 and were signed on their behalf by:

Hixonia Nyasulu	**David E. Constable**	**Christine Ramon**
chairman	chief executive officer	chief financial officer

7 September 2012

certificate of the company secretary

In my capacity as the company secretary, I hereby confirm, in terms of the South African Companies Act, 2008, that for the year ended 30 June 2012 Sasol Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 2008, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Vuyo Kahla

7 September 2012

report of the independent auditor

To the shareholders of Sasol Limited

We have audited the consolidated and separate annual financial statements of Sasol Limited, which comprise the statements of financial position at 30 June 2012, and the income statements, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 66 to 271.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 from 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited at 30 June 2012, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act of South Africa

As part of our audit of the financial statements for the year ended 30 June 2012, we have read the directors' report, the audit committee report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per **CH Basson**
Chartered Accountant (SA)
Registered Auditor
Director

7 September 2012

85 Empire Road
Parktown
2193

shareholders' information

Shareholders' diary

Financial year end	30 June 2012
Annual general meeting	30 November 2012

Dividends

Interim dividend	
– rand per share	5,70
– paid	16 April 2012
Final dividend	
– rand per share	11,80
– date declared	10 September 2012
– last date to trade *cum dividend*	5 October 2012
– payable	15 October 2012

share ownership

at 30 June

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public	75 133	99,9	597 744 701	92,7
Non-public	47	0,1	47 080 515	7,3
– Directors and their associates	3		159 613	
– Directors of subsidiary companies	38		446 134	
– Sasol Investment Company (Pty) Ltd.	1		8 809 886	
– The Sasol Inzalo Employee Trust	1		23 339 310	
– The Sasol Inzalo Management Trust	1		1 892 376	
– The Sasol Inzalo Foundation	1		9 461 882	
– Sasol Employee Share Savings Trust	1		956 106	
– Sasol Pension Fund	1		2 015 208	
	75 180	100,0	644 825 216	100,0

Public and non-public shareholding of Sasol BEE ordinary shares*	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public	65 234	100	2 838 252	100
Non-public	1	–	313	–
– Directors and their associates	1		313	
	65 235	100	2 838 565	100

* *The Sasol BEE ordinary shares were listed on the JSE with effect from 7 February 2011.*

Major categories of shareholders	Number of shares	% of ordinary shares	% of total issued securities
Category			
Pension and provident funds	176 591 904	27,4	26,2
Unit trusts	140 136 256	21,7	20,8
American depositary shares**	34 078 261	5,3	5,1
Insurance companies	31 217 710	4,8	4,6
Sovereign wealth	30 922 447	4,8	4,6
Other managed funds	30 662 203	4,8	4,6
Employees	25 280 726	3,9	3,8
Black public (Sasol Inzalo BEE transaction)	18 923 764	2,9	2,8

** *Held by The Bank of New York Mellon as Depository and listed on the New York Stock Exchange.*

Major shareholders

Pursuant to Section 56(7) of the South African Companies Act, 2008, the following beneficial shareholdings equal to or exceeding 5% as at 30 June 2012 were disclosed or established from enquiries:

	Number of shares	% of ordinary shares	% of total issued securities
Government Employees Pension Fund	84 693 863	13,1	12,6
Industrial Development Corporation of South Africa Limited	53 266 887	8,3	7,9

No individual shareholder's beneficial shareholding in the Sasol BEE ordinary shares is equal to or exceeds 5%. All the issued Sasol preferred ordinary shares are held by entities created for the purposes of the Sasol Inzalo share transaction.

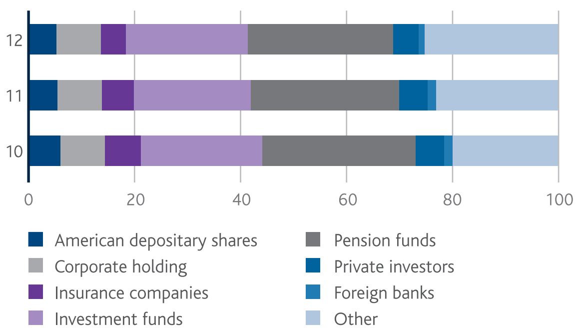
Furthermore, the directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2012, the following fund managers were responsible for managing investments of 2% or more of the share capital of Sasol Limited.

Fund manager	Number of shares	% of ordinary shares	% of total issued securities
PIC Equities*	63 683 919	9,9	9,5
Allan Gray Investment Counsel	53 368 660	8,3	7,9
Coronation Fund Managers	27 528 065	4,3	4,1
Investec Asset Management	26 688 349	4,1	4,0
Old Mutual Asset Managers	23 143 929	3,6	3,4
Black Rock Incorporated	16 942 016	2,6	2,5
The Vanguard Group Incorporated	15 613 698	2,4	2,3
Sanlam Investment Management	14 946 659	2,3	2,2

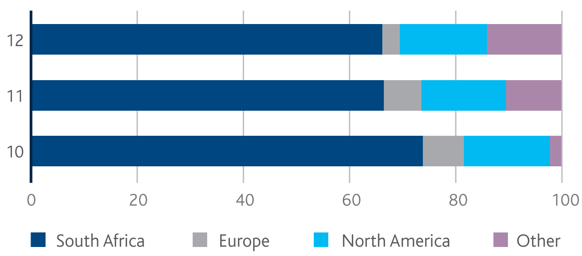
* *Included in this portfolio are 61,0 million shares managed on behalf of the Government Employees Pension Fund.*

Beneficial shareholding

Beneficial ownership by fund type (%)



Beneficial ownership by geographic region (%)



directors' report

(Company registration number 1979/003231/06)

The directors have pleasure in presenting their report for the year ended 30 June 2012.

Nature of business

Sasol Limited, the holding company of the group, is incorporated and domiciled in the Republic of South Africa and was listed on the Johannesburg Stock Exchange (JSE) on 31 October 1979 and on the New York Stock Exchange (NYSE) on 9 April 2003.

Sasol is mainly based in South Africa and has global operations. The company consists of a group of companies focussed on integrated energy and chemicals. Sasol adds value to coal and natural oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our proprietary processes.

Sasol mines coal in South Africa and produces natural gas and condensate in Mozambique, oil in Gabon and shale gas in Canada. Sasol continues to advance its upstream oil and gas activities in West and Southern Africa, the Asia Pacific region and Canada. In South Africa, Sasol refines imported crude oil and retails liquid fuels through a network of 404 Sasol- and Exel service stations, which include five integrated energy centres, and supplies gas to industrial customers. The group also supplies fuels to other licensed wholesalers in the region.

Sasol has chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

Through Sasol Synfuels International (SSI), Sasol is focused on commercialising its coal-to-liquids (CTL) and gas-to-liquids (GTL) technology internationally.

The nature of the businesses of the significant operating subsidiaries and incorporated joint ventures is set out on pages 269 to 271.

Financial results

Profit attributable to shareholders of R23 583 million for the year was 19% higher (2011 – 24% higher) than the R19 794 million of the previous year. Earnings per share, after taking into account the share buyback programme, increased by 19% (2011 – increase of 24%) from R32,97 per share to R39,10 per share.

Subsidiaries, joint ventures and associates

Joint ventures

In September 2011, an investment agreement was concluded between the partners in the Uzbekistan gas-to-liquids joint venture to amend the equity interest of each partner. This results in Sasol and Uzbekneftegaz's equity interests in Uzbekistan GTL LLC being 44,5% each, and PETRONAS having an 11% interest. The transaction was concluded on 1 November 2011, when all conditions precedent were fulfilled.

Associates

On 10 July 2007, Sasol Wax disposed of its investment in Paramelt RMC BV, operating in The Netherlands. During the current year, all conditions precedent were met resulting in additional consideration being received of R7 million.

Share capital

New shares issued

Note 45 to the annual financial statements provides further details regarding the share capital of Sasol Limited. No additional shares were issued during the year as part of the Sasol Inzalo share transaction.

A further 2 234 700 shares were issued during the year in terms of the Sasol Share Incentive Scheme.

Sasol BEE ordinary shares

On 7 February 2011, the 2,8 million Sasol BEE ordinary shares were listed on the BEE segment of the JSE's main board. This trading facility provides the holders of Sasol's BEE ordinary shares access to a regulated market in line with the company's commitment to broad-based shareholder development.

Share repurchase programme

No shares were repurchased during the year. We have repurchased a total of 40 309 886 ordinary shares at a weighted average price of R299,77 per share since the inception of the programme in 2007. 31 500 000 ordinary shares of the repurchased shares were cancelled during 2009 for a total value of R7,9 billion, whereupon they were restored to authorised share capital. 8 809 886 ordinary shares remain held by Sasol Investment Company (Pty) Ltd., a wholly owned subsidiary.

Shareholders' equity has been reduced by the cost of these ordinary shares. No dividends are paid outside the group in respect of these ordinary shares.

At the annual general meeting of 25 November 2011, shareholders granted the authority to the Sasol directors to repurchase up to 10% of Sasol's issued securities for a further maximum of 15 months. No shares were repurchased during the year.

Shares held in reserve

The 495 183 538 authorised but unissued ordinary shares of the company continue to be held in reserve.

Note 45 to the annual financial statements provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2012, the company had in issue through The Bank of New York Mellon as depositary bank, and listed on the NYSE, 34 078 261 (2011 – 35 258 078) American depositary shares (ADS). Each ADS represents one ordinary share.

Sasol Share Incentive Scheme

In terms of the Sasol Share Incentive Scheme, 6 605 600 shares (2011 – 11 066 300 shares) are under the control of the directors for purposes of enabling Sasol Limited to allot shares and to grant options in respect of ordinary shares to present employees, including executive directors of Sasol Limited, its subsidiaries and employees seconded to joint ventures. Following the introduction of the Sasol

Share Appreciation Rights Scheme (SAR scheme), no further options are expected to be issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the SAR Scheme. Notes 45 and 46.1 to the annual financial statements provides further details regarding the Sasol Share Incentive Scheme.

Sasol Share Appreciation Rights Scheme

In March 2007, the group introduced the SAR scheme. This scheme replaces the Sasol Share Incentive Scheme. The SAR scheme allows certain senior employees to earn a long-term cash incentive calculated with reference to the increase in the Sasol Limited share price between the offer date of the share appreciation rights to vesting and exercise of such rights. No shares are issued in terms of this scheme and all amounts payable in terms of the scheme will be settled in cash. Note 46.4.1 to the annual financial statements provides further details regarding the Sasol Share Appreciation Rights Scheme with no performance targets.

Share appreciation rights with corporate performance targets were introduced for those senior employees who participate in the Sasol Medium-term Incentive Scheme (MTI scheme). No shares are issued in terms of this scheme and all amounts payable in terms of the scheme will be settled in cash. Note 46.4.2 to the annual financial statements provides further details regarding the SAR scheme with performance targets.

Sasol Medium-term Incentive Scheme

In September 2009, the group introduced the MTI scheme. This scheme provides qualifying employees who participate in the SAR scheme, the opportunity of receiving cash incentive payments based on the value of the Sasol ordinary shares. The MTI scheme incentive amount is linked to certain corporate performance targets. No shares are issued in terms of this scheme and all amounts payable in terms of the scheme will be settled in cash. Note 46.5 to the annual financial statements provides further details regarding the Sasol Medium-term Incentive Scheme.

Sasol Inzalo Employee Trust and Sasol Inzalo Management Trust (Employee Share Scheme)

In terms of the Employee Share Scheme, 23 339 310 and 1 892 376 shares were allotted to The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust, respectively. The shares are held for the purposes of enabling Sasol Limited to grant rights in respect of ordinary shares to present and future employees below managerial level and Sasol black managers and black executives in terms of the Sasol Inzalo share transaction. Note 46.2 to the annual financial statements provides further details regarding the Employee Share Scheme.

Dividends

An interim dividend of R5,70 per ordinary share (2011 – R3,10 per ordinary share) was paid on 16 April 2012. A final dividend in respect of the year ended 30 June 2012 of R11,80 per ordinary share (2011 – R9,90 per ordinary share) was declared on 10 September 2012.

The total dividend for the year amounted to R17,50 per ordinary share (2011 – R13,00 per share).

The estimated total cash flow of the final dividend of R11,80 per share, payable on 15 October 2012 is R7 239 million.

The board of directors is satisfied that the liquidity and solvency of the company, as well as capital remaining after payment of the final dividend is sufficient to support the current operations and to facilitate future development of the business.

Directors

Mr DE Constable was appointed as chief executive officer and an executive director of Sasol Limited with effect from 1 July 2011. On 29 November 2011, Mr ZM Mkhize was appointed as an independent non-executive director and on 25 May 2012, Mr S Westwell and Mr PJ Robertson were appointed as independent non-executive directors with effect from 1 June 2012 and 1 July 2012, respectively.

The composition of the board of directors is set out in the section "Our board" of the integrated annual report. The remuneration and fees of Sasol Limited's directors are set out on pages 66 to 91 of this report.

Auditors

KPMG Inc. continued in office as auditors of Sasol Limited and its subsidiaries. At the annual general meeting of 30 November 2012, shareholders will be requested to appoint KPMG Inc. auditors of Sasol Limited for the 2013 financial year and it will be noted that Mr CH Basson will be the individual registered auditor that will undertake the audit.

Subsequent events

There were no events that occurred subsequent to 30 June 2012, except:

- Activities to further the potential disposal of our investment in Arya Sasol Polymer Company are progressing. We continue to engage with a number of interested parties, who include business and government stakeholders. Further announcements will be made once sufficient certainty is achieved.

Secretary

The company secretary of Sasol Limited is Mr VD Kahla. His business and postal addresses appear on the inside back cover.

Special resolutions

The following special resolutions were passed by subsidiaries of Sasol Limited since the date of the previous directors' report, affecting the capital structure, borrowing powers, the object clause or any other material matter that could affect the understanding of the company and its subsidiaries:

Subsidiary	Effective date	Details
Sasol Chemical Holdings International (Pty) Ltd.	12 October 2011	• To convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 800 no par value ordinary shares; • To amend the company's memorandum of incorporation to align to the special resolutions to convert to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Synfuels International (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To authorise the company to increase its share capital by the creation of 5 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the Special Resolutions to convert par value shares to no par value shares, and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of director's control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approved the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.

Subsidiary	Effective date	Details
Sasol Financing (Pty) Ltd.	15 December 2011	• To convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 6 000 no par ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Chemical Industries Limited	12 October 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 800 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par value shares and to increase the authorised shares; and • To authorise and empowered the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy the company from time to time and confirms such funding at least once per annum.

Subsidiary	Effective date	Details
Sasol Petroleum International (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 6 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of the equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Gas Holdings (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by creation of 6 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert from par value to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.

Subsidiary	Effective date	Details
Sasol Technology (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 10 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert from par value to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit , provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approved the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Polymers International Investments (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 800 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align with the special resolutions to convert from par value to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.

Subsidiary	Effective date	Details
Sasol Group Services (Pty) Ltd.	15 December 2011	• To authorise the company to convert all issued and all authorised shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align with the special resolutions to convert from par value to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Mining Holdings (Pty) Ltd.	4 November 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert from par value to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approved the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol New Energy Holdings (Pty) Ltd.	12 October 2011	• To convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align with the special resolutions to convert par value shares to no par value shares and to increase authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.

Subsidiary	Effective date	Details
Chemcity (Pty) Ltd.	12 October 2011	• To authorise the company to convert all issued and all authorised ordinary shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 9 000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par value shares and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
Sasol Investment Company (Pty) Ltd.	12 October 2011	• To authorise the company to convert all the issued and all authorised shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank *pari passu* in all respects with the existing ordinary shares; • To increase the company's share capital by the creation of 6000 no par value ordinary shares; • To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par values and to increase the authorised shares; and • To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that: – the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; – in determining the price at which the issue of shares will be made in terms of this authority, the price will be equal to the value of the equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and – the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time, and confirms such funding at least once per annum.

<table>
<tr><th>Subsidiary</th><th>Effective date</th><th>Details</th></tr>
<tr><td>Sasol Properties (Pty) Ltd.</td><td>4 November 2011</td><td>
• To authorise the company to convert all issued and all authorised shares with a par value into ordinary shares of no par value , such that save as to nominal value, the shares shall have the same rights and rank pari passu in all respects with the existing ordinary shares;
• To amend the memorandum of incorporation of the company to align to the special resolutions to convert the par value shares to no par value, and to increase the authorised shares; and
• To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that:
– the shares will be allotted and issued to the company's shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy;
– in determining the price at which an issue of shares will be made in terms of this authority, the price will be equal to the value of equity funding provided to the company in terms of the Sasol Group Equity Funding Policy during a certain period approved by the board from time to time; and
– the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
</td></tr>
<tr><td>Sasol Cobalt Catalyst Manufacturing (Pty) Ltd.</td><td>24 January 2012</td><td>
• To authorise the company to convert all issued and all authorised shares with a par value into ordinary shares of no par value, such that save as to nominal value, the shares shall have the same rights and rank pari passu in all respects with the existing ordinary shares;
• To increase the company’s share capital by the creation of 9 000 no par value ordinary shares;
• To amend the memorandum of incorporation of the company to align to the special resolutions to convert par value shares to no par value and to increase the authorised shares; and
• To authorise and empower the directors, by way of a general authority, to allot and issue for cash without restriction, all or any of the remaining ordinary no par value shares in the authorised but unissued share capital of the company to any related or inter-related companies or corporations and placed under the board of directors' control as they in their sole discretion may deem fit, provided that:
– the shares will be allotted and issued to the company’s shareholder (parent company) who provides equity funding in terms of the Sasol Group Equity Funding Policy; and
– the group executive committee approves the provision of equity funding in terms of the Sasol Group Equity Funding Policy to the company from time to time and confirms such funding at least once per annum.
</td></tr>
</table>

remuneration report

Dear shareholder

The following pages present you with Sasol's remuneration report for the 2012 financial year. Specific consideration is given to the remuneration of the chief executive officer, executive directors and other members of the group executive committee (GEC). The GEC includes the prescribed officers who are not executive directors. The fees of the non-executive directors are also presented.

The remuneration committee (the committee) is committed to applying independent and objective oversight. Its overriding mission is to ensure that the remuneration policy and practices enable the execution of Sasol's business strategy and align the interests of shareholders and executives.

The committee keeps abreast of remuneration developments globally and of evolving best practices. Feedback received from stakeholders on the group's remuneration policy was considered carefully. The committee and/or the board of directors approved a number of adjustments to remuneration practices, effective from 2013:

- The short-term incentive scheme allows for greater differentiation based on group, portfolio and individual performance. Targets have been amended accordingly;
- Elements of the long-term incentive schemes have been rebalanced such that the majority consists of (cash settled) share-based rights;
- Vesting of the majority of rights awarded under the long-term incentive schemes is subject to the achievement of performance targets;
- The performance targets for the vesting of rights awarded under the long-term incentives scheme have been redefined; and
- The vesting periods of the rights awarded under the share appreciation rights long-term incentive scheme have been adjusted in line with prevailing market practice.

Your support for Sasol's remuneration policy is solicited.

Henk Dijkgraaf **Imogen Mkhize** **Hixonia Nyasulu** **Jürgen Schrempp**

Remuneration governance

The remuneration committee has functioned as a committee of the Sasol Limited board (the board) since 1989, in accordance with its terms of reference, which is reviewed annually by the board. The committee evaluates and monitors Sasol's remuneration policy and practices and ensures that they are consistent with sound governance and risk management principles. The terms of reference are available on the company's website at www.sasol.com.

The members of the committee for the year under review were:
- Mr HG Dijkgraaf (chairman)
- Ms IN Mkhize
- Mrs TH Nyasulu
- Prof JE Schrempp

Mrs TH Nyasulu is the only member of the committee who is not categorised as an independent director (refer to the corporate governance report).

The quorum for decisions of the committee is any two independent members present.

The chief executive officer and the executive director responsible for human resources attend meetings by invitation of the committee when deemed appropriate. The company secretary also attends the meetings. They are not present when decisions are finalised. Furthermore, no members of management, irrespective of their position, are allowed to take part in discussions regarding their own remuneration nor are they present in the meetings when such decisions are taken. External advisors from PricewaterhouseCoopers (PwC) and Vasdex & Associates (Pty) Ltd. are used to provide advice as and when required. The committee regularly reviews external reports on developments in local and international remuneration trends and practices.

The committee met four times during the year. Attendance is reported on page 33 in the corporate governance report.

The remuneration principles stated in the King Code of Governance Principles for South Africa 2009 (King III Code) are applied, with one exception, namely the non-executive directors' fee structure.

The fee structure for non-executive directors is not split between a base fee and an attendance fee. Board members are paid a fixed annual fee in respect of their board membership, as well as supplementary fees for committee membership. The fee structure reflects the responsibilities of the directors that extend beyond the attendance of meetings and the requirement for directors to be available between scheduled meetings, when required.

For clarity, the following terms are used in this report:
- The term *group executive committee* refers to the executive committee, which is responsible for the design and execution of the organisation's strategy and long-term business plans. The members of the GEC, at 30 June 2012, included the chief executive officer, two executive directors, two senior group executives and four group executives. All members of the GEC are prescribed officers within the meaning of the Companies Act, No 71 of 2008, as amended (the Act);
- *Top management* is defined as the top two levels of the organisation and aligns with the disclosure required under the Employment Equity Act. *Top management* includes members of the GEC and other executives; and
- *Senior management* is defined as the top four levels in the organisation.

The following table provides a breakdown of the number of people in categories, included in this report:

Group	Number of employees at 30 June 2012
GEC (includes chief executive officer, executive directors and prescribed officers)	**9**
Top management (top 2 levels of the organisation, including the GEC)	**99**
Senior management (top 4 levels of the organisation, including top management)	**1 883**

1. Remuneration policy

The remuneration policy is a crucial enabler of Sasol's business strategy encouraging sustainable performance based on a values-driven organisational culture, aligning behaviour with the company's approach to risk management. The policy aims at providing competitive, market aligned pay balancing this with the structural need for cost containment.

The committee is confident that the remuneration policy aligns top management's interests with shareholders' by promoting and measuring performance that drives long-term growth and sustained shareholder value.

Key principles include:

- Providing strong stimuli for employee attraction, motivation and retention;
- Establishing a strong relationship between pay and performance;
- Reinforcing performance targets at individual, team and business levels;
- Embracing reasonable differentiation in remuneration for purposes of rewarding high performing employees, attracting and retaining scarce skills and promoting diversity; and
- Positioning Sasol as a preferred employer in the markets in which it operates.

1.1 Remuneration landscape and mix

The following table illustrates the key components and drivers of Sasol's remuneration policy:

Remuneration component	Strategic intent and drivers
Basic salary	• Attraction and retention of key employees • Internal and external equity • Recognition of competence applied at bargaining unit level • Individual performance at non-bargaining unit level
Benefits	• External market competitiveness • Integrated approach towards wellness driving employee effectiveness and engagement
Allowances	• Compliance with legislative, negotiated and contractual commitments
Short-term incentive scheme (<12 months)	Alignment with group/business unit/functional performance in terms of: • Financial targets • Employment equity (South African employees only) • Safety performance • Business unit/group functions/team-specific performance against targets • Individual performance for members of the GEC only and with effect from 1 July 2012, the two levels below the GEC as well
Long-term incentive schemes consisting of: • Sasol Medium-term Incentive Scheme (three years) • Sasol Share Appreciation Rights Scheme (two – six years' vesting cycles) (vesting periods changing to three – five years from 2013)	• Attraction and retention of senior employees with the majority of the awards linked to corporate performance targets • Exceptionally performing employees in the top 20% per level, receive an additional individual reward on the basis of personal performance • Direct alignment with shareholders' interests • Additional rewards when the corporate performance targets are exceeded or units forfeited when targets are not achieved • The longer vesting periods on the share appreciation rights (SARs) scheme align with the business development cycle of major growth projects
Share purchase plan	• Up to specified amounts after tax 'units of shares' may be purchased; with the company allocating 'bonus units' of 20% of the units acquired over the year, to the balance of units • Aims at fostering share ownership throughout the company

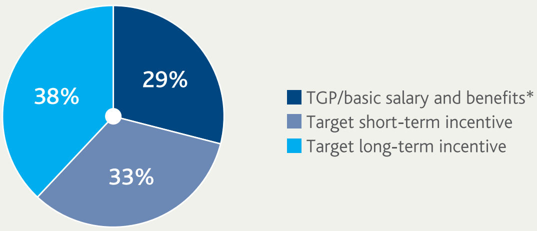
Sasol also has a global expatriation policy that is comparable with what is used by most global organisations. This policy is reviewed regularly and governs expatriate assignments globally.

The remuneration mix for employees not subject to collective bargaining agreements consists of:
- basic salary and benefits (referred to as total guaranteed package in the South African context);
- short-term incentives (applicable to all levels); and
- long-term incentives (awarded to performing members of senior management).

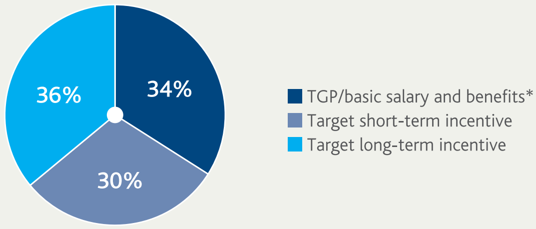
The ratios within the remuneration mix are structured for different management levels within the organisation and geographic location. In order to remain competitive, all elements of total remuneration, as well as of the remuneration mix, are subject to annual benchmarking exercises. The committee ensures that the peer groups used for benchmarking remain appropriate.

The relative proportion of the remuneration components of the GEC within the approved remuneration mix is set out in the following charts:

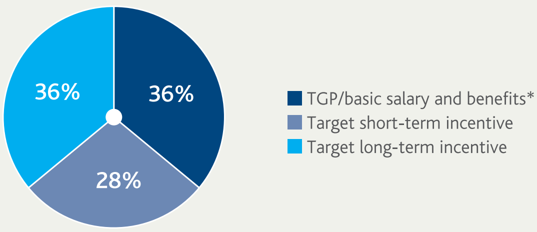
Chief executive officer



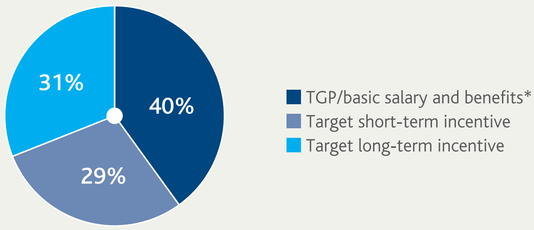
Executive directors



Senior group executives



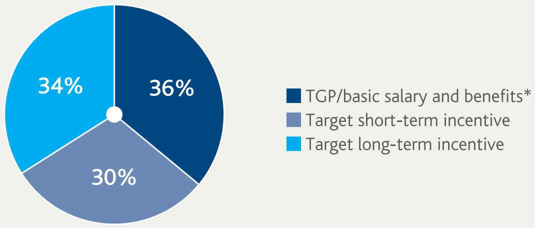
Group executives



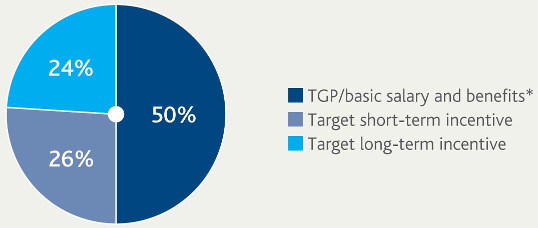
* *Total guaranteed package (TGP).*

Remuneration mix for the employee categories reported on, is set out as follows:

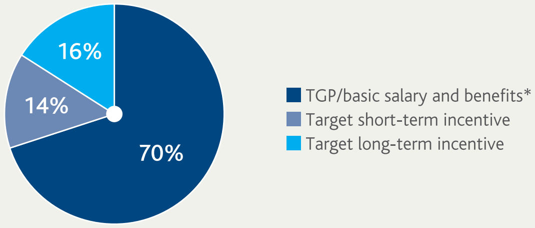
GEC
(Number of employees at 30 June 2012 = 9)



Top management
(Number of employees at 30 June 2012 = 99)



Senior management
(Number of employees at 30 June 2012 = 1 883)



* *Total guaranteed package (TGP).*

Sasol also has a global expatriation policy that is comparable with those applied by most global companies. This policy is reviewed regularly and governs expatriate assignments across our global operations.

1.2 Benchmarking

Executive remuneration is benchmarked to data provided in national executive remuneration surveys, as well as to information disclosed in the remuneration reports of organisations included in our benchmarking peer group.

Survey reports from LMO Executive Services, PwC Remchannel and Global Remuneration Solutions (GRS) were used for benchmarking of South African remuneration levels. Survey data from the Hay Group, ECA, Mercer and Towers Watson are used to determine benchmarks and annual salary increases for employees in international operations.

South African executive remuneration survey data is supplemented by the published remuneration information of a number of comparator organisations. This comparator group of companies include:

- four global resources companies with significant South African presence namely BHP Billiton, Anglo American, Gold Fields and AngloGold Ashanti;
- two South African global industrials namely SAB Miller and Sappi; and
- six US and European energy and chemicals integrated companies namely ExxonMobil, Chevron, ConocoPhillips, Shell, BP and Total.

In calculating the internal reference salaries, a regression analysis is done on the data points extracted from the respective data sources. For members of the GEC, international data points are adjusted for cost of living differences and foreign exchange rates and carry a 30% weighting in the data analysis; South African executive remuneration data carries the remaining 70% weighting.

Annually, in its June 2012 meeting, the committee reviews the benchmarking exercises in detail aiming at securing relevance, consistency and reliability.

1.3 Total guaranteed package (TGP)

Due to the size and complexity of the group, its business model, multiple value chains and extensive international footprint, total guaranteed package values for senior specialist and executive positions within the South African market are compared to upper quartile values available from South African remuneration surveys. The rationale for this benchmark is that participating organisations that are included in the South African remuneration surveys are mostly smaller in terms of market capitalisation with a less complex business model and value chain and with a more limited geographic spread. Consequently, the median values disclosed do not accurately reflect the remuneration levels that would typically be required to be paid to executives and high-level specialists of large, complex multi-national organisations. All other positions are benchmarked against the market median, or for scarce skills positions slightly higher than the median.

In our international jurisdictions, salary benchmarks are mostly set at the market median, or where there is a shortage of specialist skills, slightly higher than the market median. The rationale for different benchmarks is explained by the availability of skills in different international jurisdictions. More than half of Sasol employees worldwide have their remuneration governed by collective agreements such as bargaining councils and works councils.

South African employees that are excluded from the respective collective bargaining units receive a total guaranteed package that includes employer contributions towards retirement, risk, life and medical benefits. All members of the Sasol Pension Fund have the option to change their pensionable income and monthly contributions made to the Sasol Pension Fund and the risk benefit funds, subject to the rules of those funds. Eligible South African based employees may allocate a car allowance from the total guaranteed package in accordance with the group's vehicle benefit scheme and may participate in the group vehicle insurance scheme. The balance of the total guaranteed package, after all deductions, is paid as a cash salary.

Annual increases in the total guaranteed package are determined with reference to the scope and nature of an employee's role, market benchmarks, personal performance and competence, affordability, company performance, projected consumer price index figures and projected movements in remuneration in the external market. Annual increases for all employees outside of the collective bargaining councils, take effect from 1 October. GEC members may be provided with security services at their primary residence, the determined value of which is subject to tax as a fringe benefit.

Employees falling within the collective bargaining councils receive similar benefits, namely membership to medical aid, life assurance, disability insurance and a retirement fund. Collective bargaining agreements typically exclude performance-based increases and therefore, across-the-board increases are mostly awarded to these employees.

1.4 Variable remuneration

1.4.1 Short-term incentive plan

The short-term incentive (STI) plan intends to recognise the achievement of a combination of group and business unit/group functional performance objectives. In addition, in 2012, for members of the GEC, incentives were also calculated on their individual performance objectives which included for the executive directors an element of portfolio performance.

The following table indicates the target percentages of TGP applicable to members of the GEC, as well as the weightings allocated towards the different components of the incentive:

GEC level	2012 Target	2013 Target
Chief executive officer	**115%**	115%
Executive directors	**90%**	90%
Senior group executives	**80%**	80%
Group executives	**72%**	75%

The determination of the final STI award is based on a combination of group, portfolio and individual performance measures. For 2012, the target percentages mentioned in the previous table were allocated towards these measures in the following ratios:

GEC level	% allocated towards portfolio measures	% allocated towards group measures	% allocated towards individual measures
Chief executive officer	**0%**	**80%**	**20%**
Executive directors*	**0%**	**80%**	**20%**
Senior group executives and group executives	**30%**	**50%**	**20%**

* *Individual measures include portfolio performance.*

For 2012, the principal financial driver of the plan that applied to top management is the achievement of a pre-determined group attributable earnings target. Additionally, safety and employment equity targets and, where relevant, business unit and group functional drivers were included in the incentive scorecard.

For 2013, the incentive calculation will be calculated on a combination of business units/group functional drivers which will include compulsory measures such as safety and employment equity. For top and senior management this score will be multiplied by the group's performance in terms of certain group targets namely:

- growth in volumes (in fuel equivant tons);
- growth in earnings before interest, taxation, depreciation and amortisation (EBITDA); and
- containment of cash fixed cost measured against average producer price index (PPI).

With the exception of the short-term incentive target for members of the GEC moving from 72% to 75%, no other changes will be made to target short-term incentive levels. The changes to the incentive calculation formula and the targets for 2013 are designed to provide both increased reward for outperformance as well as commensurately lower reward for underperformance.

The committee has the final discretion in determining the individual amounts that are paid out under the group short-term incentive plan considering overall performance versus predetermined targets.

1.4.2 Long-term incentive schemes

Long-term incentives are awarded as cash settled rights with payment based on the market value of ordinary shares at settlement date (medium-term incentives or MTIs) and as cash settled rights based on the increase in market value of ordinary shares between grant and settlement dates (share appreciation rights or SARs). Governance of the long-term incentive schemes is provided through the Scheme Committee. This committee comprises the members of the remuneration committee and approves grants in terms of the policy under the following circumstances:

- upon promotion of an employee to the qualifying level for SAR and MTI rights as well as any subsequent promotion;
- upon appointment to the group on the qualifying level;
- an annual supplementary MTI and SAR rights award to eligible employees; and
- discretionary allocations for purposes of retention.

MTI and SAR rights are distributed to performing members of top and senior management. Personal performance, in the scheme committee's discretion, influences the final supplementary quantum (awarded annually) where the top 20% of individual performers are awarded an additional 20% of rights under the respective schemes.

For 2012, the weighting allocated to MTI and SAR rights in the remuneration mix, was divided in terms of the fair value at the date of grant, on a ratio of 40% in the form of MTI rights and 60% in the form of SARs rights. 50% of the MTI award and 25% of the SAR award were linked to corporate performance targets with the balance being allocated for purposes of retention.

For 2013, in line with prevailing market trends, the allocation ratio will change to 60% MTI rights and 40% SARs. In addition, 60% of all allocations will be linked to corporate performance targets, with the balance being allocated for purposes of retention. The effect of increasing the portion that will be linked to corporate performance targets is greater downside and upside risk for share scheme allocations compared to 2012, as indicated in the following table.

Vesting range	MTI scheme	SAR scheme
2012	**50% to 150%**	**75% to 125%**
2013	40% to 160%	40% to 160%

Long-term incentives play an important role in employee retention, in particular in the energy industry, and hence the need to maintain a minimum level of guaranteed vesting (40% from 2013 onwards) based on continuous employment whilst simultaneously having a large part of share based remuneration at risk against group objectives (60% from 2013 onwards).

Vesting is considered in terms of the weighted performance measured against three targets. If targets are not met, MTIs and SARs with targets, are forfeited and if targets are exceeded, additional MTIs and SARs are awarded. There is no opportunity for retesting of targets.

For the rights awarded during 2012, a combination of internal and external targets was used. These corporate performance targets link to the company's business strategy on sustainable performance over the vesting periods.

The table below summarises the relative weighting of the corporate performance targets under which the SAR and MTI rights were granted during 2012:

Corporate performance target (CPT)	Weighting	Threshold grant (proportion of total award)	Target grant (proportion of total award)	Stretch grant (proportion of total award)
Relative share price performance	50%	**SARs:** 37,5% (<90% of ALSI 40) **MTIs:** 25,0% (<85% of ALSI 40)	**SARs:** 50% (between 90% and 120% of ALSI 40) **MTIs:** 50% (between 85% and 130% of ALSI 40)	**SARs:** 62,5% (>120% of ALSI 40) **MTIs:** 75,0% (>130% of ALSI 40)
Growth in attributable earnings	25%	**SARs:** 18,75% (<90% of CPI) **MTIs:** 12,5% (<85% of CPI)	**SARs:** 25% (between 90% and 120% of CPI) **MTIs:** 25% (between 85% and 130% of CPI)	**SARs:** 31,25% (>120% of CPI) **MTIs:** 37,5% (>130% of CPI)
Growth in production volumes	25%	**SARs:** 18,75% (<0%) **MTIs:** 12,5% (<0%)	**SARs:** 25% (0% – 1%) **MTIs:** 25% (0% – 2%)	**SARs:** 31,25% (>1%) **MTIs:** 37,5% (>2%)
Total	100%	**SARs:** 75% **MTIs:** 50%	**SARs & MTIs:** 100%	**SARs:** 125% **MTIs:** 150%

For the rights to be awarded in 2013, the target on growth in attributable earnings will be maintained as this constitutes a crucial connection with shareholders requirements.

The target on growth in production volumes will be changed to an efficiency target ie growth in production volume per employee. The target of relative share price performance, will be replaced with a target for total shareholders' return (TSR), measured against two indices namely the global MSCI Energy index and the JSE Resources10.

The revised targets eliminate duplication with what is used in the short-term incentive plan and through the selection of revised indices, compensate to a material degree for macro-economic factors.

1.4.2.1 Medium-term incentives

MTI rights give participating employees the opportunity, subject to the vesting conditions, to receive a future cash incentive payment calculated with reference to the market value of a Sasol ordinary share after a three year vesting period. The plan does not confer any right to acquire shares in Sasol Limited and employees are not entitled to dividends.

The following table details summarised features of the MTI scheme, as applied in 2012 and 2013:

	2012	2013
Vesting period	**100% after three years**	100% after three years
Key purpose	• **To align value creation with share price and organisational performance** • **Retention of senior leaders in the organisation**	• To align value creation with share price and organisational performance • Retention of senior leaders in the organisation
Corporate performance targets (CPTs)	**Applied to 50% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded**	Applied to 60% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded
Portion of fair value of long term incentive award allocated to MTIs	**40%**	60%
Termination conditions	• **For reasons of death, disability, retirement or retrenchment: Vesting subject to assessment of probability of achieving CPTs** • **For all other reasons: forfeiture of rights**	• For reasons of death, disability, retirement or retrenchment: Vesting subject to assessment of probability of achieving CPTs • For all other reasons: forfeiture of rights

A summary of all outstanding MTI allocations is presented in the following table:

Year of allocation	Vesting dates	Vesting range	Performance targets	Vesting results
2009	2012	50% to 150%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	87,50%
2010 2011 2012	2013 2014 2015	50% to 150%	50% – Share price relative to ALSI 40 25% – Attributable earnings growth 25% – Production volume growth	Unvested
2013	2016	40% to 160%	25% – TSR relative to JSE Resources 10 index 25% – TSR relative to MSCI energy index 25% – Attributable earnings growth 25% – Production volume/employee growth	Unvested

1.4.2.2 Share appreciation rights

SARs give participating employees the opportunity, subject to the vesting conditions, to receive a future cash incentive payment calculated with reference to the market value of a Sasol ordinary share after the three vesting periods namely two, four and six years. The scheme does not confer any right to acquire shares in Sasol Limited and employees are not entitled to dividends.

The following table details summarised features of the SAR scheme, as applied in 2012 and 2013:

	2012	2013
Vesting period	**33% after 2, 4 and 6 years respectively**	33% after 3, 4 and 5 years respectively
Key purpose	• **Retention of senior leaders in the organisation** • **A balanced portfolio of longer term incentives that rewards the incremental growth in the share price as well as organisational performance**	• Retention of senior leaders in the organisation • A balanced portfolio of longer term incentives that rewards the incremental growth in the share price as well as organisational performance
Corporate performance targets	**Applied to 25% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded**	Applied to 60% of the award. This portion can be forfeited if targets are not achieved, or doubled if targets are exceeded
Portion of fair value of long term incentive award allocated to SARs	**60%**	40%
Termination conditions	• **For reasons of death, disability, retirement or retrenchment: Vesting subject to assessment of probability of achieving CPTs** • **For all other reasons: forfeiture of rights**	• For reasons of death, disability, retirement or retrenchment: Vesting subject to assessment of probability of achieving CPTs • For all other reasons: forfeiture of rights

SARs may be exercised up to nine years from the award date after which, if not exercised, they will lapse.

The committee has reviewed the percentage of the award that is tied to CPTs and concluded that it should increase to 60%, with effect from 1 July 2012 to enhance employee focus on sustainable organisational performance over the longer term, maintaining a strong incentive for employee retention over this period.

A summary of all outstanding SAR allocations is presented in the table below:

Year of allocation	Vesting schedule	Vesting range	Performance targets	Vesting results
2006	2008, 2010 and 2012	100%	N/A	No CPTs
2007	2009, 2011 and 2013	100%	N/A	No CPTs
2008	2010, 2012 and 2014	100%	N/A	No CPTs
2009	2011, 2013 and 2015	75% to 125%	50% – Share price relative to Alsi 40 25% – Attributable earnings growth 25% – Production volume growth	2001 = 100%
2010	2012, 2014 and 2016	75% to 125%	50% – Share price relative to Alsi 40 25% – Attributable earnings growth 25% – Production volume growth	2012 = 106,25%
2011 & 2012	2013, 2015 and 2017 2014, 2016 and 2018	75% to 125%	50% – Share price relative to Alsi 40 25% – Attributable earnings growth 25% – Production volume growth	Unvested
2013	2016, 2017 and 2018	40% to 160%	25% – TSR relative to JSE Resources 10 index 25% – TSR relative to MSCI energy index 25% – Attributable earnings growth 25% – Production volume/employee growth	Unvested

1.4.2.3 Sasol Share Incentive Scheme

The SAR scheme replaced the previous Sasol Share Incentive Scheme, which has been closed since 2007. The Sasol Share Incentive Scheme, closed since 2007, had similar vesting periods as the SAR plan, namely 2, 4 and 6 years, and options could be implemented up to a maximum of nine years from the date of grant. If options are not implemented by this date, they will lapse.

1.5 Retention and sign-on payments

A sign-on payment policy is used in the external recruitment of candidates in highly specialised or scarce skill positions mostly in senior management levels. Sign-on payments are typically linked to retention agreements.

A formal scarce skills/retention framework was approved by the committee to ensure consistency in the consideration of requests for such awards. During 2012, scarce skills/retention awards were approved to the total value of R15 565 163 for 34 employees.

1.6 Clawback policy

The Sasol board (delegated to the committee) retains the discretion to request the repayment of gains resulting from the material misstatement of financial statements or where performance related to non-financial targets (e.g. volumes, employment equity, safety) has been misrepresented.

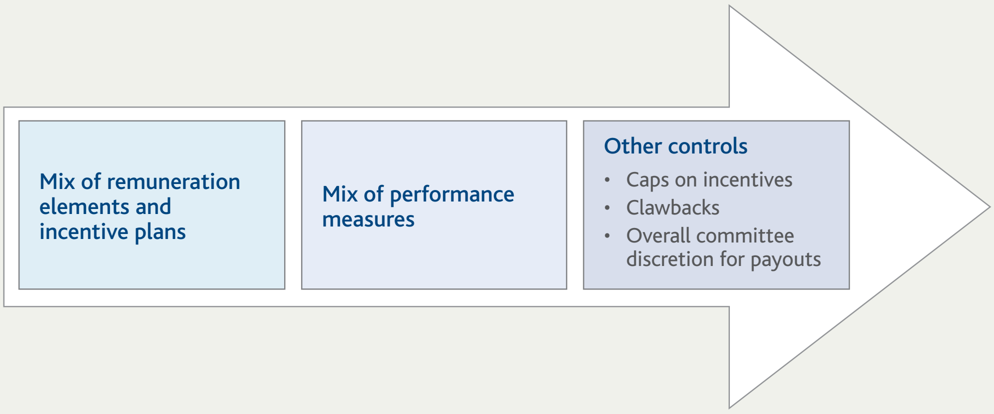
1.7 Sasol Inzalo Management Scheme

On 16 May 2008, Sasol shareholders approved the Sasol Inzalo black economic empowerment (BEE) transaction. As part of this transaction, senior black management (black managers), including black executive directors and members of the GEC, participated in the Sasol Inzalo Management Scheme and were awarded rights to Sasol ordinary shares. The rights entitle the employees from the inception of the scheme to receive dividends bi-annually and Sasol ordinary shares at the end of ten years, being the tenure of the transaction, subject to Sasol's right to repurchase some of the shares issued to The Sasol Inzalo Management Trust (Management Trust) in accordance with a pre-determined repurchase formula. The formula takes into account the underlying value of the shares on 18 March 2008, the dividends not received by the Management Trust as a result of the pre-conditions attached to those shares and the price of Sasol ordinary shares at the end of the ten year period.

On retirement at normal retirement age, early retirement, retrenchment due to operational requirements or on leaving the employ of Sasol due to ill health during the tenure of the Sasol Inzalo transaction, the black managers (as defined in the Deed of Trust for The Sasol Inzalo Management Trust) will retain their entire allocation of rights until the end of the ten year period, subject to Sasol's repurchase right referred to above. The nominated beneficiaries or heirs of those black managers, who die at any time during the transaction period, will succeed to their entire allocation of rights. On resignation within the first three years of having been granted these rights, all rights will be forfeited. On resignation after three years or more from being granted the rights, the black managers will forfeit 10% of their rights for each full year or part thereof remaining from the date of resignation until the end of the transaction period. Black managers leaving the employment of Sasol during the ten year period by reason of dismissal, or for reasons other than operational requirements, will forfeit their rights to Sasol ordinary shares.

1.8 Risk management

The committee ensures that corporate governance and legal compliance requirements are considered when reviewing existing remuneration practices or implementing new remuneration plans or policies. The following risk-mitigating controls, as required under the King III Code, are part of the design of the remuneration practices:



Mix of remuneration elements

The committee determines each component of remuneration, both separately and in totality, and ensures that the pay mix components provide for a balanced pay mix driven by sustainable business performance. The long-term incentive schemes are designed such that a balance is struck between retention and performance over the business development cycle.

Mix of performance measures

Financial and non-financial measures are used in all incentive plans to ensure that performance related rewards are conditional upon achievement of a diverse mix of measures protecting shareholder interests and truly rewarding performance. Furthermore the mix of group, portfolio and individual performance measures ensures an appropriate mix of drivers.

Other controls

A cap on the maximum pay-out under the short-term incentive plan mitigates against unintended and inappropriate rewards. The committee, furthermore, has final discretion to approve payments under all incentive plans to protect the organisation and its shareholders against any unintended consequences.

Clawbacks may be implemented by the board for the material misstatement of financial statements or where performance related to non-financial targets has been misrepresented.

2. Executive service contracts

The chief executive officer is employed on a five year contract, effective 1 June 2011. In view of the volatility of currency movements the board has agreed to align the CEO's contract of employment with the remuneration policy for expatriate employees, and calculate his salary and short-term incentive in US dollars at an agreed exchange rate.

The executive directors and prescribed officers are not employed on fixed-term contracts and have standard employment service agreements with current notice periods of three months. They are required to retire from the group and the board at the age of 60, unless requested by the board to extend their term. Service contracts entitle executives to standard group benefits, as well as participation in the group's short-term and long-term incentive plans.

Summarised details of service contracts are as follows:

- Contractual entitlements on termination of employment include, for employees who leave for reasons of retirement or retrenchment, a pro rata short-term incentive payment. Share options, SARs and MTIs are treated in terms of the scheme rules.
- No additional provisions or entitlements exist for a change of control of the company other than for termination of employment in accordance with the prevailing company policy and long-term incentive scheme rules.
- In the event of a takeover or merger of the company, the rights issued under the long-term incentive schemes will vest immediately, subject to the latest estimated performance achievement against the corporate performance targets.
- In the event of a takeover or merger which results in a participating group company ceasing to be a subsidiary, all rights shall if determined by the board, become immediately exercisable to the extent and within the period which the board determines.

The appointment and re-election dates of executive directors are outlined below:

Executive directors	Employment date in the group of companies	Date first appointed to the board	Date last re-elected as a director	Date due for re-election[1]
DE Constable	1 June 2011	1 July 2011	25 November 2011	30 November 2012
VN Fakude	1 October 2005	1 October 2005	25 November 2011	22 November 2013[1]
KC Ramon	1 May 2006	1 May 2006	25 November 2011	22 November 2013[1]

1. *The revised memorandum of incorporation which will be presented to shareholders for approval at the 2012 annual general meeting, does not provide for the retirement by rotation of executive directors.*

3. Report on 2012

Total guaranteed package/basic salary

The cost of annual increases of 7,5% were approved by the committee, with effect from 1 October 2011, for all employees outside the respective collective bargaining councils in South Africa. Of this increase, 6,75% was distributed on the basis of individual performance and the balance was used to address anomalies in terms of internal and external equity. Employees in South Africa, forming part of the respective collective bargaining councils, received increases varying between 7,5% and 8,0%.

International employees were awarded increases in line with anticipated movements in remuneration in respective industries in the international jurisdictions and in accordance with individual performance.

No significant changes were made to benefits.

Short-term incentives

The following table indicates the actual percentages achieved on the group objectives as stated in the short-term incentive plan for members of the GEC (excluding personal and portfolio measures and achievements) against the pre-determined group targets:

Measure	2012 Targets	2012 Actual achievement	Comments
Growth in group attributable earnings	2011 + CPI + 7,5%	2011 + CPI (5,9%) + 13,24%	The target set was exceeded resulting in 100% being allocated towards the financial component.
Safety	*Lagging indicator (60%):* RCR < 0,340 *Leading indicators (40%):* The group's weighted average achievement against the following leading indicators: Three compulsory indicators: • Closure of SHE audit findings • SHE training • Learning interventions Business units had to select one indicator from the following list: • Housekeeping • Permit to work • Inspection of process safety critical equipment	*Lagging indicator:* RCR = 0,346 *Leading indicators:* 92,4% weighted average of the achievement by different business units	At 30 June 2012, the Sasol group has slightly under-achieved in its RCR target (excluding illnesses). The combined score, after the penalty was applied for fatalities, was 66,2%. The group however had a substantial reduction in the number of fatalities from 15 in 2011 to 4 in 2012. The safety performance also reflects a substantial reduction in significant process safety incidents and transportation incidents.
Employment equity (EE) (SA only)	Progressing group's employment equity profile in specific targeted areas, in line with its approved EE plan. In the senior management category, at least 50% of all vacancies and promotions had to be filled by Black employees.	Appointment of a predetermined percentage of: • Female employees into supervisory levels and higher • African, Coloured and Indian employees into middle management *Senior management: 28%*	*Female and middle management:* 80,8% achievement at group level. *Senior management target:* Less than 50% of opportunities were utilised for the appointment of Black employees, leading to a zero incentive.

1. *Recordable Case Rate excluding injuries and illnesses.*

Taking into consideration the results achieved under portfolio and personal objectives, the resultant short term incentive awards, stated as a percentage of TGP as at 30 June 2012, for the chief executive officer, executive directors and prescribed officers, were as follows:

Chief executive officer/ executive directors/ prescribed officers	Annual TGP/Salary as at 30 June 2012 on which STI is calculated	Target percentage of TGP as at 30 June 2012$^{(a)}$	Actual achievement$^{(b)}$	Actual percentage of TGP as at 30 June 2012$^{(a \times b)}$
DE Constable	**R9 703 573**	115%	87,80%	100,97%
VN Fakude	**R6 389 672**	90%	87,80%	79,02%
KC Ramon	**R6 348 463**	90%	87,70%	78,93%
AM de Ruyter	**R5 467 289**	80%	79,71%	63,77%
VD Kahla	**R4 173 000**	72%	81,50%	59,65%
BE Klingenberg	**R4 538 224**	72%	79,17%	57,00%
M Radebe	**R3 352 664**	72%	80,89%	58,24%
CF Rademan	**R4 628 188**	72%	85,15%	61,31%
GJ Strauss	**R5 845 830**	80%	81,50%	65,20%

3.1 Report on remuneration and benefits awarded during 2012

Chief executive officer and executive directors' emoluments

Remuneration and benefits paid and short-term incentives approved in respect of 2012 for executive directors were as follows:

Executive directors	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual incentives[2] R'000	Total[3] 2012 R'000	Total[4] 2011 R'000
DE Constable[5]	9 264	155	11 081	11 381	**31 881**	n/a
LPA Davies[6]	1 828	160	115	1 805	**3 908**	24 456
VN Fakude	5 097	1 051	361	5 049	**11 558**	10 944
KC Ramon	3 679	1 519	1 056	5 011	**11 265**	10 778
Total	**19 868**	**2 885**	**12 613**	**23 246**	**58 612**	**46 178**

1. *Other benefits detailed in next table.*
2. *Incentives approved on the group results for the 2012 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package as at 30 June 2012. The difference between the total amount approved as at 7 September 2012 and the total amount accrued as at 30 June 2012 represents an over provision of R0,3 million. The over provision for 2011 (R0,3 million) was reversed in 2012.*
3. *Total remuneration for the financial year excludes gains derived from the long-term incentive schemes, details of which are disclosed on pages 83 to 86.*
4. *Includes incentives approved on the group results for the 2011 financial year and paid in 2012.*
5. *Appointed as chief executive officer and executive director on 1 July 2011. Incentive to be paid in US dollars, ref ected at the exchange rate of 12 September 2012 being the date of processing of the incentive (R8,47: US$1).*
6. *Retired as a director of Sasol Limited on 30 June 2011. Retirement from the Sasol group on 12 September 2011. Incentive calculated on period in service in 2012.*

Benefits and payments made in 2012 disclosed in the previous table as "other benefits" include the following:

Executive directors	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Other R'000	Exchange rate fluctuation[1] R'000	Total other benefits 2012 R'000	Total other benefits 2011 R'000
DE Constable[2]	300	169	6	156	9 962	488	**11 081**	n/a
LPA Davies[3]	20	10	2	9	74	–	**115**	3 883
VN Fakude	60	50	6	245	–	–	**361**	458
KC Ramon	982	57	6	11	–	–	**1 056**	235
Total	**1 362**	**286**	**20**	**421**	**10 036**	**488**	**12 613**	**4 576**

1. *Difference between salary paid in US dollars and rand equivalent costs.*
2. *Other benefits include actual costs as well as fringe benefit tax on: accommodation (R1 200 000), air tickets (R593 333), schooling costs (R545 427), relocation costs (R864 428), tax assistance (R28 542), currency difference (R325 164) and security benefits (R104 273). In addition, as reported in 2011deferred sign-on payments of R6 229 058 for 2012, related to the portion linked to continued service in 2012.*
3. *Other benefits include leave encashment on date of termination.*

Prescribed officers' emoluments

Remuneration and benefits paid and short-term incentives approved in respect of 2012 for prescribed officers were as follows:

Prescribed officers	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual incentives[2] R'000	**Total[2] 2012 R'000**	Total[3] 2011 R'000
DE Constable[4]	n/a	n/a	n/a	n/a	**n/a**	2 804
A de Klerk[5]	n/a	n/a	n/a	n/a	**n/a**	6 512
AM de Ruyter	3 671	1 435	286	3 486	**8 878**	8 082
NL Joubert[6]	n/a	n/a	n/a	n/a	**n/a**	9 196
VD Kahla[7]	3 576	472	1 362	2 489	**7 899**	3 876
BE Klingenberg	3 367	828	302	2 587	**7 084**	6 744
M Radebe[8]	2 476	498	357	1 953	**5 284**	3 394
CF Rademan	3 240	623	693	2 838	**7 394**	6 657
GJ Strauss	4 654	961	148	3 811	**9 574**	10 420
Total	**20 984**	**4 817**	**3 148**	**17 164**	**46 113**	**57 685**

1. *Other benefits detailed in the next table.*
2. *Incentives approved on the group results for the 2012 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package as at 30 June 2012. The difference between the total amount approved as at 7 September 2012 and the total amount accrued as at 30 June 2012 represents an over provision of R2,4 million. The over provision for 2011 of R0,5 million was reversed in 2012.*
3. *Includes incentives on the group results for the 2011 financial year and paid in 2012.*
4. *Appointed as chief executive officer and executive director with effect from 1 July 2011.*
5. *Retired as a GEC member with effect from 30 April 2011.*
6. *Resigned as GEC member with effect from 30 June 2011. Appointed as Country President: Sasol Canada with effect from 1 July 2011.*
7. *Appointed as a GEC member with effect from 1 January 2011.*
8. *Appointed as GEC member with effect from 1 November 2010.*

Benefits and payments made in 2012 disclosed in the table above as "other benefits" include the following:

Prescribed officers	Vehicle benefits R'000	Medical benefits R'000	Vehicle insurance fringe benefits R'000	Security benefits R'000	Other R'000	Exchange rate fluctuation R'000	**Total other benefits 2012 R'000**	Total other benefits 2011 R'000
DE Constable[1]	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	1 209
A de Klerk	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	718
AM de Ruyter	206	61	6	10	3	–	**286**	79
NL Joubert	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	1 099
VD Kahla[2]	–	57	1	304	1 000	–	**1 362**	658
BE Klingenberg	222	57	6	17	–	–	**302**	304
M Radebe	264	61	6	26	–	–	**357**	221
CF Rademan	621	54	6	12	–	–	**693**	696
GJ Strauss	60	50	6	26	6	–	**148**	1 588
Total	**1 373**	**340**	**31**	**395**	**1 009**	**–**	**3 148**	**6 572**

1. *Appointed as chief executive officer and executive director with effect from 1 July 2011.*
2. *Sign on payment of R3 000 000 (less tax), was paid to Mr VD Kahla with his first salary linked to a retention period of 36 months, from 1 January 2011. This amount ref ects that portion related to his period of service within the financial year.*

3.2 Non-executive directors

Non-executive directors are appointed to the Sasol Limited board based on their ability to contribute competence, insight and experience appropriate to assisting the group to set and achieve its objectives. Consequently, fees are set at levels to attract and retain the calibre of director necessary to contribute to a highly effective board. Non-executive directors receive fixed fees for services on boards and board committees. They do not receive short-term incentives, nor do they participate in long-term incentive schemes. No arrangement exists for emoluments in respect of loss of office.

The annual fees payable to non-executive directors for the year commencing 1 July 2011, were approved by shareholders on 25 November 2011, and thereafter implemented retroactively.

The board recommends the fees payable to the chairman and non-executive directors for approval by the shareholders. Proposals for fees are prepared with the support of internal and external human resources experts, for consideration by the committee and the board. Consideration is given to the increased responsibility placed on non-executive directors due to onerous legal and regulatory requirements and the commensurate risk assumed. Benchmarking information of companies of similar size and complexity and projected inflation rate over the period are factors considered when reviewing the annual fees. The revised fees of the non-executive directors will be submitted to the shareholders for approval at the annual general meeting to be held on 30 November 2012, and implemented with retroactive effect from 1 July 2012, once approval by way of special resolution has been obtained. A total review of the non-executive directors fee structure is planned to be done in 2013.

Annual non-executive directors' fees are as follows for the years ended 30 June:

	2012		2011	
	Member	**Chairman**	Member	Chairman
Chairman of the board, inclusive of fees payable for attendance or membership of board committees and directorships of the company		**R4 226 000**		R3 950 000
Resident fees:				
Non-executive directors	**R420 000**		R380 000	
Audit committee members	**R175 350**	**R350 700**	R175 350	R350 700
Remuneration committee members	**R108 150**	**R216 300**	R108 150	R216 300
Risk and safety, health and environment committee	**R108 150**	**R216 300**	R103 000	
Nomination and governance committee	**R108 150**	**R216 300**	R103 000	R216 300
Share incentive scheme trustees (resident and non-resident)	**R67 000**	**R134 000**	R67 000	R134 000
Lead independent director fee (additional fee)	**R143 000**		R129 500	
Attendance of formally scheduled ad hoc board meetings (per meeting)	**R17 650**		R16 550	
Non-resident fees:				
Non-executive directors	**US$132 000**		US$125 000	
Audit committee members	**US$25 000**	**US$50 000**	US$25 000	US$50 000
Remuneration committee members	**US$17 500**	**US$35 000**	US$17 500	US$35 000
Risk and safety, health and environment committee	**US$17 500**	**US$35 000**	US$17 500	US$35 000
Nomination and governance committee	**US$17 500**	**US$35 000**	US$17 500	US$35 000
Non-employee directors of subsidiary and divisional boards	**US$57 800**		US$57 800	
Lead independent director fee (additional fee)	**US$46 200**		US$43 750	

In terms of section 66(8) and (9) of the Act, shareholders are referred to the Special Resolution contained in the annual integrated report regarding approval of the proposed non-executive director fee structure for 2013.

The chairmen of the board committees are paid double the committee meeting fees of a member of such a committee. For formally scheduled ad hoc board and committee meetings, a fee of R17 650 per meeting is paid. Executive directors do not receive directors' fees.

A non-executive director is required to retire at the end of the calendar year in which the director turns 70, unless the board, subject to the memorandum of incorporation and by unanimous resolution on a year-to-year basis, extends the director's term of office until the end of the year in which he or she turns 73.

Details of the appointments of non-executive directors are listed below:

Non-executive directors	Date first appointed to the board	Date last re-elected as a director	Date due for re-election[1]
TH Nyasulu (Chairman)	1 June 2006	25 November 2011	
JE Schrempp (Lead independent director)	21 November 1997	25 November 2011	
C Beggs	9 July 2009	25 November 2011	
HG Dijkgraaf	16 October 2006	25 November 2011	
MSV Gantsho	1 June 2003	26 November 2010	
IN Mkhize	1 January 2005	26 November 2010	
ZM Mkhize	29 November 2011	n/a	30 November 2012
MJN Njeke	4 February 2009	25 November 2011	
PJ Robertson	1 July 2012	n/a	30 November 2012
S Westwell	1 June 2012	n/a	30 November 2012

1. *The revised memorandum of incorporation which will be presented to shareholders for approval at the 2012 annual general meeting, does not provide for the retirement by rotation of executive directors.*

Non-executive directors' remuneration for the year was as follows:

Non-executive directors	Board meeting fees R'000	Lead director fees R'000	Committee fees R'000	Share incentive trustee fees R'000	**Total 2012 R'000**	Total 2011 R'000
TH Nyasulu (Chairman)	3 726	–	433	67	**4 226**	3 950
JE Schrempp (Lead independent director)	1 079	378	286	67	**1 810**	1 513
C Beggs	420	–	459	–	**879**	714
BP Connellan[1]	n/a	n/a	n/a	n/a	**n/a**	541
HG Dijkgraaf[2]	1 097	–	777	67	**1 941**	1 663
MSV Gantsho	420	–	283	–	**703**	681
A Jain[2, 3]	n/a	n/a	n/a	n/a	**n/a**	372
GA Lewin[2, 4]	n/a	n/a	n/a	n/a	**n/a**	758
IN Mkhize	420	–	216	134	**770**	713
ZM Mkhize	245	–	–	–	**245**	–
MJN Njeke	420	–	175	–	**595**	572
S Westwell[2, 5]	92	–	–	–	**92**	–
TA Wixley[6]	n/a	n/a	n/a	n/a	**n/a**	332
Total	**7 919**	**378**	**2 629**	**335**	**11 261**	**11 809**

1. *Retired as director of Sasol Limited on 31 December 2010.*
2. *Board and committee fees paid in US dollars.*
3. *Retired as a director of Sasol Limited on 26 November 2010.*
4. *Resigned as a director of Sasol Limited on 1 April 2011.*
5. *Appointed as a director of Sasol Limited on 1 June 2012.*
6. *Retired as a director of Sasol Limited on 31 December 2010.*

3.3 Long-term incentives previously granted, exercised implemented and/or vested

During the year ending 30 June 2012, the highest and lowest closing market prices for the company's shares were R409,99 (on 19 January 2012) and R303,45 (on 10 August 2011), and the closing market price on 30 June 2012 was R342,40. Refer to note 46 of the consolidated financial statements for further details of the incentive schemes.

No variations have been made to the terms and conditions of the options during the relevant period.

Directors

Sasol share incentive scheme – share options

Executive directors	Balance at beginning of year (number)[1]	Share options implemented (number)	Effect of resignations (numbers)	**Balance at end of year[2] (number)**
LPA Davies[3]	499 200	–	–	**499 200**
VN Fakude	81 900	35 000	–	**46 900**
KC Ramon	81 700	–	–	**81 700**
Total share options	**662 800**	**35 000**	**–**	**627 800**

1. *The balance of options represents the accumulated number of options granted (less implemented) over the preceding years.*
2. *No share options were granted during the period under review as a result of the replacement of the Sasol Share Incentive Scheme with the SAR Scheme with effect from 1 March 2007.*
3. *Retired as a director of Sasol Limited on 30 June 2011. The share options were granted to Mr LPA Davies while he was still an executive director.*

Share options implemented

Executive directors	Implementation dates	Share options (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on implementation of share options **2012 R'000**	2011 R'000
LPA Davies[1]	–	–	–	–	**–**	15 835
VN Fakude		35 000			**4 937**	–
	14 October 2011	20 000	219,50	345,99	**2 530**	
	15 November 2011	15 000	219,50	380,00	**2 407**	
Total		**35 000**			**4 937**	**15 835**

1. *Retired as a director of Sasol Limited on 30 June 2011. The share options were granted to Mr LPA Davies while he was still an executive director.*

Share options outstanding at the end of the year vest during the following periods

Executive directors	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	**Total (number)**
LPA Davies[1]	499 200	–	–	–	–	**499 200**
VN Fakude	46 900	–	–	–	–	**46 900**
KC Ramon	54 400	27 300	–	–	–	**81 700**
Total	**600 500**	**27 300**	**–**	**–**	**–**	**627 800**

1. *Retired as a director of Sasol Limited on 30 June 2011. The share options were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, without performance targets

Executive directors	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Share appreciation rights exercised (number)	Balance at end of year (number)
LPA Davies[1]	126 000	–	–	–	102 400	**23 600**
VN Fakude	39 500	–	–	–	–	**39 500**
KC Ramon	23 200	–	–	–	–	**23 200**
Total share appreciation rights	**188 700**	**–**			**102 400**	**86 300**

1. *Retired as a director of Sasol Limited on 30 June 2011, employment contract terminated 12 September 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, without performance targets, exercised

Executive director	Exercise dates	Share appreciation rights exercised (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on exercise of share appreciation rights 2012 R'000	Gain on exercise of share appreciation rights 2011 R'000
LPA Davies[1]		102 400			**7 816**	–
	12 December 2011	55 200	294,50	393,20	**5 448**	
	8 February 2012	23 600	352,10	399,05	**1 108**	
	5 March 2012	23 600	352,10	405,49	**1 260**	
Total		**102 400**			**7 816**	**–**

1. *Retired as a director of Sasol Limited on 30 June 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, without performance targets, outstanding at the end of the year vest during the following periods

Executive directors	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
LPA Davies[1]	23 600	–	–	–	–	**23 600**
VN Fakude	18 900	7 500	5 700	7 400	–	**39 500**
KC Ramon	7 700	7 700	–	7 800	–	**23 200**
Total	**50 200**	**15 200**	**5 700**	**15 200**	**–**	**86 300**

1. *Retired as a director of Sasol Limited on 30 June 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, with performance targets granted in 2012

Executive directors	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of change in composition of board of directors (number)	Share appreciation rights exercised (number)	Balance at end of year (number)
DE Constable[1]	–	112 900	334,53	15 Sep 2011	243 000	–	**355 900**
LPA Davies[2]	141 000	–	–	–	–	141 000	**–**
VN Fakude	115 100	62 900	334,53	15 Sep 2011	–	–	**178 000**
KC Ramon	114 100	52 400	334,53	15 Sep 2011	–	–	**166 500**
Total share appreciation rights	**370 200**	**228 200**			**243 000**	**141 000**	**700 400**

1. *Award upon appointment as GEC member effective 1 June 2011, as chief executive officer designate. appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Retired as a director of Sasol Limited on 30 June 2011, employment contract terminated 12 September 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, with performance targets, exercised

Executive director	Exercise date	Share appreciation rights (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on exercise of share appreciation rights 2012 R'000	2011 R'000
LPA Davies[1]	12 December 2011	**141 000**	298,65	393,20	**13 332**	–

1. *Retired as a director of Sasol Limited on 30 June 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Share appreciation rights, with performance targets, outstanding at the end of the year vest during the following periods

Executive directors	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
DE Constable[1]	–	81 000	37 600	199 600	37 700	**355 900**
LPA Davies[2]	–	–	–	–	–	**–**
VN Fakude	6 600	31 700	27 600	91 200	20 900	**178 000**
KC Ramon	7 700	30 400	25 200	85 800	17 400	**166 500**
Total	**14 300**	**143 100**	**90 400**	**376 600**	**76 000**	**700 400**

1. *Award upon appointment as GEC member effective 1 June 2011, as chief executive officer designate. Appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Retired as a director of Sasol Limited on 30 June 2011. The share appreciation rights were granted to Mr LPA Davies while he was still an executive director.*

Medium-term incentive rights granted in 2012

Executive directors	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of change in composition of board of directors (number)	Medium-term incentive rights vested (number)	Rights lapsed (number)	Balance at end of year (number)
DE Constable[1]	–	25 082	–	15 Sep 2011	54 000	–	–	**79 082**
LPA Davies[2]	31 339	–	0,00	–	–	31 339	–	**–**
VN Fakude	25 591	13 970	0,00	15 Sep 2011	–	–	–	**39 561**
KC Ramon	25 378	11 642	0,00	15 Sep 2011	–	–	–	**37 020**
Total medium-term incentive rights	**82 308**	**50 694**			**54 000**	**31 339**	**–**	**155 663**

1. *Award upon appointment as GEC member effective 1 June 2011, as chief executive officer designate. Appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Retired as a director of Sasol Limited on 30 June 2011, employment contract terminated 12 September 2011. The medium-term incentive rights were granted to Mr LPA Davies while he was still an executive director.*

Medium-term incentive rights vested during the year

Executive director	Vesting date	Medium-term incentive rights (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on vesting of Medium-term incentive rights 2012 R'000	2011 R'000
LPA Davies[1]	12 September 2011	**31 339**	0,00	324,00	**10 154**	–

1. *Retired as a director of Sasol Limited on 30 June 2011. The medium-term incentive rights were granted to Mr LPA Davies while he was still an executive director.*

Medium-term incentive rights outstanding at the end of the year vest during the following periods

Executive directors	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
DE Constable[1]	–	–	54 000	25 082	–	**79 082**
LPA Davies[2]	–	–	–	–	–	**–**
VN Fakude	–	4 442	21 149	13 970	–	**39 561**
KC Ramon	–	5 136	20 242	11 642	–	**37 020**
Total	**–**	**9 578**	**95 391**	**50 694**	**–**	**155 663**

1. *Award upon appointment as GEC member effective 1 June 2011, as chief executive officer designate. Appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Retired as a director of Sasol Limited on 30 June 2011. All outstanding medium-term incentives vested on 12 September 2011, subject to the forecasted achievement of the performance targets.*

Sasol Inzalo Management Scheme rights

Executive directors	Balance at beginning of year (number)	Rights granted (number)	Value of underlying share (Rand)	Grant date	Effect of resignations (number)	Balance at end of year (number)
VN Fakude	25 000	–	–	–	–	**25 000**
KC Ramon	25 000	–	–	–	–	**25 000**
Total Sasol Inzalo Management Scheme rights	**50 000**	**–**			**–**	**50 000**

Prescribed officers#

Sasol share incentive scheme – share options

Prescribed officers	Balance at beginning of year (number)[1]	Share options implemented (number)	Effect of change in composition of group executive committee (number)	**Balance at end of year[2] (number)**
AM de Ruyter	23 200	–	–	**23 200**
NL Joubert[3]	43 300	–	(43 300)	**–**
BE Klingenberg	28 300	15 100	–	**13 200**
M Radebe	14 900	–	–	**14 900**
CF Rademan	6 300	–	–	**6 300**
GJ Strauss	91 000	–	–	**91 000**
Total share options	**207 000**	**15 100**	**(43 300)**	**148 600**

1. The balance of options represents the accumulated number of options granted (less implemented) over the preceding years.
2. No share options were granted during the period under review as a result of the replacement of the Sasol Share Incentive Scheme with the SAR Scheme with effect from 1 March 2007.
3. Resigned as a GEC member with effect from 30 June 2011.

Share options implemented

Prescribed officers	Implementation dates	Share options (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on implementation of share options **2012 R'000**	Gain on implementation of share options 2011 R'000
A de Klerk[1]	–	–	–	–	**–**	5 315
AM de Ruyter	–	–	–	–	**–**	649
NL Joubert[2]	–	–	–	–	**–**	3 293
BE Klingenberg		15 100			**3 877**	1 193
	27 June 2012	2 500	89,50	346,65	**643**	
	27 June 2012	12 600	90,00	346,65	**3 234**	
CF Rademan	–	–	–	–	**–**	1 849
GJ Strauss	–	–	–	–	**–**	864
Total		**15 100**			**3 877**	**13 163**

1. Retired as a GEC member with effect from 30 April 2011.
2. Resigned as a GEC member with effect from 30 June 2011.

Share options outstanding at the end of the year vest during the following periods

Prescribed officers	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	**Total (number)**
AM de Ruyter	23 200	–	–	–	–	**23 200**
BE Klingenberg	11 300	1 900	–			**13 200**
M Radebe	13 000	1 900	–			**14 900**
CF Rademan	3 700	2 600	–			**6 300**
GJ Strauss	88 000	3 000	–	–	–	**91 000**
Total	**139 200**	**9 400**	**–**	**–**	**–**	**148 600**

 # Excluding the executive directors disclosed separately in the preceding tables.

Share appreciation rights, without performance targets

Prescribed officers	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of change in composition of group executive committee (number)	Share appreciation rights (number)	Balance at end of year (number)
AM de Ruyter	11 100	–	–	–	–	–	11 100
NL Joubert[1]	36 200	–	–	–	(36 200)	–	–
BE Klingenberg	80 400	–	–	–	–	–	80 400
M Radebe	11 400	–	–	–	–	–	11 400
CF Rademan	77 000	–	–	–	–	–	77 000
GJ Strauss	29 000	–	–	–	–	–	29 000
Total share appreciation rights	**245 100**	**–**	**–**	**–**	**(36 200)**	**–**	**208 900**

1. *Resigned as a GEC member with effect from 30 June 2011.*

Share appreciation rights, without performance targets, outstanding at the end of the year vest during the following periods

Prescribed officers	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
AM de Ruyter	5 100	2 300	1 400	2 300	–	11 100
BE Klingenberg	28 300	2 800	24 000	25 300	–	80 400
M Radebe	5 200	2 400	1 300	2 500	–	11 400
CF Rademan	24 200	3 000	24 300	25 500	–	77 000
GJ Strauss	13 500	5 700	4 000	5 800	–	29 000
Total	**76 300**	**16 200**	**55 000**	**61 400**	**–**	**208 900**

Share appreciation rights, with performance targets granted in 2012

Prescribed officers	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of change in composition of group executive committee (number)	Balance at end of year (number)
DE Constable[1]	243 000	–	–	–	(243 000)	–
AM de Ruyter	179 400	44 900	334,53	15 Sep 2011	–	224 300
NL Joubert[2]	36 400	–	–	–	(36 400)	–
VD Khala	57 700	15 900	334,53	15 Sep 2011	–	73 600
BE Klingenberg	31 400	28 700	334,53	15 Sep 2011	–	60 100
M Radebe	76 200	19 900	334,53	15 Sep 2011	–	96 100
CF Rademan	31 400	34 400	334,53	15 Sep 2011	–	65 800
GJ Strauss	181 100	53 900	334,53	15 Sep 2011	–	235 000
Total share appreciation rights	**836 600**	**197 700**			**(279 400)**	**754 900**

1. *Award upon appointement as GEC member effective 1 June 2011, as chief executive officer designate. appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Resigned as a GEC member with effect from 30 June 2011.*

Share appreciation rights, with performance targets, outstanding at the end of the year vest during the following periods

Prescribed officers	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
AM de Ruyter	–	59 800	15 000	134 600	14 900	**224 300**
VD Kahla	–	19 200	5 300	43 800	5 300	**73 600**
BE Klingenberg	2 800	7 700	12 400	27 700	9 500	**60 100**
M Radebe	2 400	23 000	9 000	55 000	6 700	**96 100**
CF Rademan	2 800	7 700	14 300	29 600	11 400	**65 800**
GJ Strauss	5 800	54 500	23 800	133 000	17 900	**235 000**
Total	**13 800**	**171 900**	**79 800**	**423 700**	**65 700**	**754 900**

Medium-term incentive rights granted in 2012

Prescribed officers	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand)	Grant date	Effect of change in composition of group executive committee (number)	Rights vested (number)	Rights lapsed (number)	Balance at end of year (number)
DE Constable[1]	54 000	–	–	–	(54 000)	–	–	**–**
AM de Ruyter	39 868	9 979	0,00	15 Sep 2011	–	–	–	**49 847**
NL Joubert[2]	8 094	–	–	–	(8 094)	–	–	**–**
VD Khala	12 821	3 540	0,00	15 Sep 2011	–	–	–	**16 361**
BE Klingenberg	7 002	6 376	0,00	15 Sep 2011	–	–	–	**13 378**
M Radebe	16 925	4 425	0,00	15 Sep 2011	–	–	–	**21 350**
CF Rademan	7 002	7 651	0,00	15 Sep 2011	–	–	–	**14 653**
GJ Strauss	40 315	11 975	0,00	15 Sep 2011	–	–	–	**52 290**
Total medium-term incentive rights	**186 027**	**43 946**			**(62 094)**	**–**	**–**	**167 879**

1. *Award upon appointment as GEC member effective 1 June 2011, as chief executive officer designate. Appointed as chief executive officer and executive director of Sasol Limited, effective 1 July 2011.*
2. *Resigned as a GEC member with effect from 30 June 2011.*

Medium-term incentive rights outstanding at the end of the year vest during the following periods

Prescribed officers	Already vested (number)	Within one year (number)	One to two years (numbers)	Two to five years (number)	More than five years (number)	Total (number)
AM de Ruyter	–	–	39 868	9 979	–	**49 847**
VD Kahla	–	–	12 821	3 540	–	**16 361**
BE Klingenberg	–	1 859	5 143	6 376	–	**13 378**
M Radebe	–	1 570	15 355	4 425	–	**21 350**
CF Rademan	–	1 859	5 143	7 651	–	**14 653**
GJ Strauss	–	3 952	36 363	11 975	–	**52 290**
Total	**–**	**9 240**	**114 693**	**43 946**	**–**	**167 879**

Sasol Inzalo Management Scheme rights

Prescribed officer	Balance at beginning of year (number)	Rights granted (number)	Value of underlying share (Rand)	Grant date	Effect of change in composition of group executive committee (number)	Balance at end of year (number)
M Radebe[1]	15 000	–	–	–	–	**15 000**

1. Appointed as a GEC member with effect from 1 November 2010.

At grant date on 3 June 2008, the issue price of the underlying share of R366,00 was the 60 day volume weighted average price of Sasol ordinary shares to 18 March 2008. The shares were issued to The Sasol Inzalo Management Trust at R0,01 per share.

3.4 Beneficial shareholding

The aggregate beneficial shareholding at 30 June 2012 of the directors of the company and the group executive committee and their associates (none of which have a holding greater than 1%) in the issued ordinary share capital of the company are detailed in the tables below.

	2012				2011			
	Number of shares				Number of shares			
Beneficial shareholding	**Direct**	**Indirect[1]**	**Number of share options[2]**	**Total beneficial share-holding[4]**	Direct	Indirect[1]	Number of share options[2]	Total beneficial share-holding
Executive directors								
LPA Davies[3]	**96 800**	**–**	**499 200**	**596 000**	136 800	235	353 400	490 435
VN Fakude	**1 500**	**–**	**46 900**	**48 400**	1 500	–	41 200	42 700
KC Ramon	**21 500**	**41 556**	**54 400**	**117 456**	21 500	41 556	54 400	117 456
Non-executive directors								
TH Nyasulu (Chairman)	**–**	**1 450**	**–**	**1 450**	–	–	–	–
IN Mkhize	**1 313**	**18 626**	**–**	**19 939**	1 313	18 626	–	19 939
Total	**121 113**	**61 632**	**600 500**	**783 245**	**161 113**	**60 417**	**449 000**	**670 530**

1. Includes units held in the Sasol Shares Savings Trust and shares held in Sasol Inzalo Public Limited.
2. Includes share options which have vested or which vest within sixty days of 30 June 2012.
3. Retired as a director of Sasol Limited on 30 June 2011. The options were awarded when he was still an executive director.
4. Other than those ref ected in the notes above, there have been no changes to the direct or indirect beneficial interest of the directors in office during the financial year ended 30 June 2012, and their associates, between 30 June 2012 and 28 September 2012.

	2012				2011			
	Number of shares				Number of shares			
Beneficial shareholding	**Direct**	**Indirect[1]**	**Number of share options[2]**	**Total beneficial share-holding**	Direct	Indirect[1]	Number of share options[2]	Total beneficial share-holding
Prescribed officers[3]								
AM de Ruyter	**5 900**	**–**	**23 200**	**29 100**	5 900	–	21 600	27 500
VD Kahla	**–**	**–**	**–**	**–**	–	–	–	–
NL Joubert[4]	**n/a**	**n/a**	**n/a**	**n/a**	1 400	–	8 200	9 600
BE Klingenberg	**15 800**	**–**	**11 300**	**27 100**	700	–	23 900	24 600
M Radebe	**–**	**3 659**	**13 000**	**16 659**	–	3 575	10 000	13 575
CF Rademan	**350**	**–**	**3 700**	**4 050**	350	–	–	350
GJ Strauss	**4 300**	**190**	**88 000**	**92 490**	4 300	175	60 800	65 275
Total	**26 350**	**3 849**	**139 200**	**169 399**	**12 650**	**3 750**	**124 500**	**140 900**

1. Includes units held in the Sasol Share Savings Trust and shares held through Sasol Inzalo Public Limited.
2. Includes share options which have vested or which vest within sixty days of 30 June 2012.
3. Excluding the executive directors disclosed separately in the table above.
4. Resigned as a GEC member with effect from 30 June 2011.

Beneficial shareholding for 2012 disclosed in the table above includes shares held by the following black directors, the prescribed officers/group executive committee and their associates as a result of their participation in the Sasol Inzalo share transaction on 8 September 2008.

	2012		2011	
Executive director	Number of Sasol BEE ordinary shares	Number of Sasol Inzalo ordinary shares	Number of Sasol BEE ordinary shares	Number of Sasol Inzalo ordinary shares
KC Ramon	–	41 556[1]	–	41 556[1]
Non-executive directors				
IN Mkhize	313	18 626	313	18 626
TH Nyasulu	–	1 450	–	1 450
Prescribed officer				
M Radebe	–	3 137	–	3 137
Total	313	64 769	313	64 769

1. *This includes an effective interest in 427 Sasol Inzalo ordinary shares owned by Melanani Investments (Pty) Ltd. in which Ms KC Ramon has a 15% interest and an effective interest in 655 Sasol Inzalo ordinary shares owned by Melanani Womens Investment (Pty) Ltd. in which Ms KC Ramon has a 20% interest.*

The Sasol BEE ordinary shares rank *pari passu* with Sasol ordinary shares in all respects except that they have limited trading rights until 7 September 2018. Sasol Inzalo Public Limited (Sasol Inzalo) indirectly held 2,4% of the total issued capital of Sasol on 30 June 2012 in the form of unlisted Sasol preferred ordinary shares. The Sasol Inzalo ordinary shares have limited trading rights until 7 September 2018. Refer to note 46 of the consolidated annual financial statements for details of the Sasol Inzalo share transaction.

4. Interest of directors in contracts

The directors of the company declare their personal financial interest in any transactions with the company in terms of the Act.

Mrs TH Nyasulu, the non-executive chairman of the company, is also a director of Sasol Oil (Pty) Ltd., a subsidiary of Sasol Limited, and Tshwarisano LFB Investment (Pty) Ltd., and indirectly holds 1,275% of the shares of Sasol Oil through her 5,1% indirect holding in Tshwarisano LFB Investment (Pty) Ltd.

5. Dilution

The potential dilution that could occur if all the share options are implemented under the Sasol Share Incentive Scheme and the Inzalo share schemes, is addressed in note 43 of the consolidated annual financial statements.

accounting policies and financial reporting terms

Sasol Limited is the holding company of the Sasol group (the group) and is domiciled in the Republic of South Africa. The following principal accounting policies were applied by the group for the financial year ended 30 June 2012. Except as otherwise disclosed, these policies are consistent in all material respects with those applied in previous years.

Financial reporting terms

These definitions of financial reporting terms are provided to ensure clarity of meaning as certain terms may not always have the same meaning or interpretation in all countries.

Group structures	
Associate	An entity, other than a subsidiary or joint venture, in which the group, holding a material long-term interest, has significant influence, but no control or joint control, over financial and operating policies.

Business unit	An operation engaged in providing similar goods or services that are different to those provided by other operations.
	
	The primary business units are:
	
	South African energy cluster
	● Sasol Mining
	● Sasol Gas
	● Sasol Synfuels
	● Sasol Oil
	● Other
	
	International energy cluster
	● Sasol Synfuels International
	● Sasol Petroleum International
	
	Chemical cluster
	● Sasol Polymers
	● Sasol Solvents
	● Sasol Olefins & Surfactants
	● Other chemical businesses including:
	  ● Sasol Wax
	  ● Sasol Nitro
	  ● Merisol
	  ● Sasol Infrachem
	
	Classified as 'other businesses' in the segment report:
	● Sasol Technology
	● Sasol Financing
	● Corporate head office functions
	● Alternative energy businesses
	
	In the notes to the financial statements, where items classified as "other businesses" or "other chemical businesses" are material, the amounts attributable to these businesses have been specified.

Company	A legal business entity registered in terms of the applicable legislation of that country.
Entity	Sasol Limited, a subsidiary, joint venture, associate or special purpose entity.
Foreign operation	An entity whose activities are based or conducted in a country or currency other than those of the reporting entity (Sasol Limited).
Group	The group comprises Sasol Limited, its subsidiaries and its interest in joint ventures, associates and special purpose entities.
Joint venture	An economic activity over which the group exercises joint control established under a contractual arrangement.
Operation	A component of the group: • that represents a separate major line of business or geographical area of operation; and • is distinguished separately for financial and operating purposes.
Subsidiary	Any entity over which the group has the power to exercise control.
Special purpose entity	An entity established to accomplish a narrow and well defined objective, including the facilitation of the group's black economic empowerment transactions, and where the group receives the majority of the benefits related to the operations and net assets of the entity, is exposed to the majority of the risks incident to the entity's activities and retains the majority of the residual or ownership risks related to the entity or its assets.

General accounting terms

Acquisition date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates commences.
Assets under construction	A non-current asset which includes expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment, intangible assets and exploration assets.
Business	An integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.
Cash generating unit	The smallest identifiable group of assets which can generate cash inflows independently from other assets or groups of assets.
Commissioning date	The date that an item of property, plant and equipment, whether acquired or constructed, is brought into use.
Consolidated group financial statements	The financial results of the group which comprise the financial results of Sasol Limited and its subsidiaries, special purpose entities, the proportionate interest in the financial results of joint ventures and its interest in associates.
Construction contract	A contract specifically negotiated with a third party for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.
Control	The ability, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing the ability to control an entity, the existence and effect of potential voting rights that are presently exercisable or convertible are taken into account.
Corporate assets	Assets, other than goodwill, that contribute to the future cash flows of both the cash generating unit under review as well as other cash generating units.
Discontinued operation	An operation that, pursuant to a single plan, has been disposed of or is classified as an operation held for sale.
Discount rate	The rate used for purposes of determining discounted cash flows defined as the yield on AAA credit rated bonds (for entities outside South Africa) and relevant South African Government bonds (for South African entities) that have maturity dates approximating the term of the related cash flows. This pre-tax interest rate reflects the current market assessment of the time value of money. To the extent that, in determining the cash flows, the risks specific to the asset or liability are taken into account in determining those cash flows, they are not included in determining the discount rate.
Disposal date	The date on which control in subsidiaries, special purpose entities, joint control in joint ventures and significant influence in associates ceases.
Exploration assets	Capitalised expenditure relating to the exploration for and evaluation of mineral resources (coal, oil and gas).
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Financial results	Comprise the financial position (assets, liabilities and equity), results of operations (revenue and expenses) and cash flows of an entity and of the group.
Functional currency	The currency of the primary economic environment in which the entity operates.
Long-term	A period longer than 12 months from the reporting date.
Market participants	Buyers and sellers in an open market who are independent, knowledgeable and willing to exchange an asset or settle a liability in an arm's length transaction.
Mineral assets	Capitalised expenditure relating to producing coal, oil and gas properties, including development costs and previously capitalised exploration assets.
Other comprehensive income	Comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement and includes the effect of translation of foreign operations, cash flow hedges, remeasurements of defined benefit plans, available-for-sale financial assets and changes in revaluation reserves.
Presentation currency	The currency in which financial results of an entity are presented.
Qualifying asset	An asset that necessarily takes a substantial period (normally in excess of 12 months) of time to get ready for its intended use.
Recoverable amount	The amount that reflects the greater of the fair value less costs to sell and value in use that can be attributed to an asset as a result of its ongoing use by the entity. In determining the value in use, expected future cashflows are discounted to their present values using a discount rate.

General accounting terms continued

Related party	Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the reporting entity (Sasol Limited) or exercise significant influence over the reporting entity or is a member of the key management of the reporting entity.
Revenue	Comprises turnover, dividends received and interest received.
Share-based payment	A transaction in which an entity issues equity instruments, share options or incurs a liability to pay cash based on the price of the entity's equity instruments to another party as compensation for goods received or services rendered.
Significant influence	The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decisions of an entity so as to obtain economic benefit from its activities.
Turnover	Comprises revenue generated by operating activities and includes sales of products, services rendered, licence fees and royalties, net of indirect taxes, rebates and trade discounts.

Financial instruments

Available-for-sale financial asset	A financial asset that has been designated as available-for-sale or a financial asset other than those classified as loans and receivables, financial assets at fair value through profit or loss, held-to-maturity investments or derivative instruments. An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.
Cash and cash equivalents	Comprise cash on hand, cash restricted for use, demand deposits and other short-term highly liquid investments with a maturity period of three months or less at date of purchase.
Cash flow hedge	A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.
Cash restricted for use	Cash and cash equivalent balances which are not available for general use by the group, including amounts held in escrow, trust or other separate bank accounts.
Derivative instrument	A financial instrument: • whose value changes in response to movements in a specified interest rate, commodity price, foreign exchange rate or similar variable; • that requires minimal initial net investment; and • whose terms require or permit settlement at a future date.
Effective interest rate	The derived rate that discounts the expected future cash flows to the current net carrying amount of the financial asset or financial liability.
Equity instrument	Any financial instrument (including investments) that evidences a residual interest in the assets of an enterprise after deducting all of its liabilities.
Financial asset	Cash or cash equivalents, a contractual right to receive cash, an equity instrument or a contractual right to exchange a financial instrument under favourable conditions.
Financial liability	A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions. This includes debt.
Financial guarantee	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of the debt instrument.
Financial assets at fair value through profit or loss	A financial asset with no fixed or determinable repayments, that the group manages based on its fair value at each reporting period.
Held-to-maturity investment	A financial asset with a fixed maturity and fixed or determinable future payments, that management has the positive intent and ability to hold to maturity. Such a financial asset is classified as a non-current asset, except when it has a maturity within 12 months from the reporting date, in which case it is classified as a current asset.
Loans and receivables	A financial asset with fixed or determinable repayments that are not quoted in an active market, other than: • a derivative instrument; • financial assets at fair value through profit or loss; or • an available-for-sale financial asset.
Monetary asset	An asset which will be settled in a fixed or determinable amount of money.
Monetary liability	A liability which will be settled in a fixed or determinable amount of money.
Transaction date	The date an entity commits itself to purchase or sell a financial instrument.

Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the AC 500 Standards as issued by the Accounting Practices Board or its successor and the South African Companies Act, 2008, as amended. The consolidated financial statements were approved for issue by the board of directors on 7 September 2012 and are subject to approval by the Annual General Meeting of shareholders on 30 November 2012.

During the current financial year, the following accounting standards, interpretations and amendments to published accounting standards were adopted prior to their effective dates:

- IFRS 7 (Amendments), Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities;
- IAS 19 (Amendments), Employee Benefits;
- IAS 32 (Amendments), Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities;
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine; and
- Various Improvements to IFRSs.

Except for IAS 19 (Amendments), Employee Benefits, these newly adopted standards did not significantly impact our financial results. Refer note 1 for the impact of the adoption of IAS 19 (Amendments), Employee Benefits, on the financial results.

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to Sasol but not yet effective, have not been adopted in the current year:

Standard	Date published	Effective date*	Anticipated impact on Sasol
IFRS 9, Financial Instruments	12 November 2009	1 January 2015	IFRS 9 introduced new requirements for classifying and measuring financial assets. Subsequently, new requirements were published for the accounting for financial liabilities and the derecognition of financial instruments. As the scope of the standard will be further expanded to include impairment of assets and hedge accounting, we will review the effects of a comprehensive standard on financial instruments and consider adoption when appropriate.
IFRS 10, Consolidated Financial Statements	12 May 2011	1 January 2013^	This standard defines the principle of control and establishes control as the basis for determining which entities are included in the consolidated financial statements. This standard will not have a significant impact on the financial statements of the group as we currently apply the criteria for establishing control as defined in IFRS 10, Consolidated Financial Statements.
IFRS 11, Joint Arrangements	12 May 2011	1 January 2013^	This standard establishes the principles for financial reporting by parties to a joint arrangement, and focuses on the rights and obligations established under the joint arrangement rather than the legal form of the arrangement. Under this standard, a joint arrangement is classified as either a joint operation or joint venture, and the option to proportionately consolidate joint ventures has been removed. Sasol currently consolidates its joint ventures proportionately on a line-by-line basis (refer note 64 for financial information on proportionately consolidated joint ventures). Application of this standard could result in some jointly controlled entities being accounted for using the equity method. We are currently evaluating the impact on the financial statements of the group and will consider adoption when appropriate.
IFRS 12, Disclosure of Interests in Other Entities	12 May 2011	1 January 2013^	The standard requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in subsidiaries, entities that are not fully consolidated, including joint arrangements, associates and special purposes entities; and the effects of those interests on its financial position, financial performance and cash flows. We are currently reviewing the effects of the standard in conjunction with IFRS 11, Joint Arrangements, and will consider adoption when appropriate.
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).	28 June 2012	1 January 2013^	The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements (IFRS10). The amendments also provide additional transition relief in IFRS 10, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities (IFRS12), limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. We are currently reviewing the effects of the standard and will consider adoption when appropriate.

* *The effective date refers to periods commencing on or after the date noted and early adoption is permitted, unless otherwise indicated.*
^ *Early adoption is permitted provided that the entire suite of consolidation standards is adopted at the same time.*

The following accounting standards, interpretations and amendments to published accounting standards which are relevant to Sasol but not yet effective, have not been adopted in the current year:

Standard	Date published	Effective date*	Anticipated impact on Sasol
IAS 27 (Amendments), Separate Financial Statements	12 May 2011	1 January 2013^	Following the introduction of IFRS 10, Consolidated Financial Statements, this standard was also amended. We are currently reviewing the effects of the standard in conjunction with IFRS 11, Joint Arrangements, and will consider adoption when appropriate.
IAS 28 (Amendments), Investments in Associates and Joint Ventures	12 May 2011	1 January 2013^	Following the introduction of IFRS 11, Joint Arrangements, this standard was also amended to take into account the changes in accounting for joint arrangements whereby joint ventures are equity accounted. We are currently reviewing the effects of the standard in conjunction with IFRS 11, Joint Arrangements, and will consider adoption when appropriate.

* *The effective date refers to periods commencing on or after the date noted and early adoption is permitted, unless otherwise indicated.*
^ *Early adoption is permitted provided that the entire suite of consolidation standards is adopted at the same time.*

Principal accounting policies

Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, as set out in the accounting policies below, certain items, including derivative instruments, liabilities for cash-settled share-based payment schemes, financial assets at fair value through profit or loss and available-for-sale financial assets, are stated at fair value.

The consolidated financial statements are prepared on the going concern basis.

Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

These accounting policies are consistently applied throughout the group.

Basis of consolidation of financial results

The consolidated financial statements reflect the financial results of the group. All financial results are consolidated with similar items on a line by line basis except for investments in associates, which are included in the group's results as set out below.

Inter-company transactions, balances and unrealised gains and losses between entities are eliminated on consolidation. To the extent that a loss on a transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss of a non-current asset, that loss is charged to the income statement.

In respect of joint ventures and associates, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. Unrealised gains and losses arising from transactions with associates are eliminated against the investment in the associate.

Subsidiaries The financial results of subsidiaries are consolidated into the group's results from acquisition date until disposal date. The existence of potential voting rights that are currently exercisable or convertible are also considered when assessing whether the group controls another entity.

Special purpose entities The financial results of special purpose entities (SPE) are consolidated into the group's results from the date that the group controls the SPE until the date that control ceases. Control is based on an evaluation of the substance of the SPE's relationship with the group and the SPE's risks and rewards.

Joint ventures The proportionate share of the financial results of joint ventures are consolidated into the group's results from acquisition date until disposal date.

Associates The financial results of associates are included in the group's results according to the equity method from acquisition date until the disposal date.

Under this method, investments in associates are recognised initially at cost. Subsequent to the acquisition date, the group's share of profits or losses of associates is charged to the income statement as equity accounted earnings and its share of movements in equity reserves is recognised as other comprehensive income. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the group's share of losses in associates equals or exceeds its interest in those associates, the carrying amount of the investment is reduced to zero, and the group does not recognise further losses, unless the group has incurred a legal or constructive obligation or made payments on behalf of those associates.

Goodwill relating to associates forms part of the carrying amount of those associates.

The total carrying amount of each associate is evaluated annually, as a single asset, for impairment or when conditions indicate that a decline in fair value below the carrying amount is other than temporary. If impaired, the carrying amount of the group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment and charged to the income statement. A previously recognised impairment loss will be reversed, insofar as estimates change as a result of an event occurring after the impairment loss was recognised.

Associates whose financial year ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

Foreign currency translation

Items included in the financial results of each entity are measured using the functional currency of that entity. The consolidated financial results are presented in rand, which is Sasol Limited's functional and presentation currency, rounded to the nearest million.

Foreign currency transactions Income and expenditure transactions are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date. To the extent that transactions occur regularly throughout the year, they are translated at the average rate of exchange for the year since this is deemed to provide a good approximation of the actual exchange rates at which those transactions occurred.

Monetary assets and liabilities are translated into the functional currency of the entity at the rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the translation and settlement of monetary assets and liabilities are recognised in the income statement, except when they relate to cash flow hedging activities in which case these gains and losses are recognised as other comprehensive income and are included in the cash flow hedge accounting reserve.

Foreign operations The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the exchange rate ruling at that date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

When the settlement of a monetary item, arising from a receivable or from a payable to a foreign operation, is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are included in the foreign currency translation reserve.

On consolidation, differences arising from the translation of the net investment in a foreign operation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

On disposal of all of the operation, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve through the statement of comprehensive income are included in determining the profit or loss on disposal of that operation recognised in the income statement as part of the gain or loss on the disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative foreign currency translation reserve is reattributed to non-controlling interests. When the group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant portion of the cumulative foreign currency translation reserve is reclassified to the income statement.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The cost of self-constructed assets includes expenditure on materials, direct labour and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset as well as gains or losses on qualifying cash flow hedges attributable to that asset. Costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

Finance expenses, net of finance income, are capitalised on qualifying assets.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items. Expenditure incurred to replace or modify a significant component of plant is capitalised and any remaining carrying amount of the component replaced is written off in the income statement. All other expenditure is charged to the income statement.

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life. Mineral assets are depreciated in accordance with the policy set out below on exploration, evaluation and development. The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The following depreciation rates, based on the estimated useful lives of the respective assets, were applied:

Buildings and improvements	%	2 – 5
Retail convenience centres	%	3 – 5
Plant	%	4 – 5
Equipment	%	10 – 33
Vehicles	%	20 – 33
Mineral assets		Life of related reserve base

The carrying amount of property, plant and equipment will be derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised in the income statement.

Exploration, evaluation and development

Oil and gas The successful efforts method is used to account for natural oil and gas exploration, evaluation and development activities.

Expenditures relating to dry exploratory wells are charged to the income statement when the well is identified as being dry and the costs of carrying and retaining undeveloped properties are charged to the income statement as incurred.

Property and licence acquisition costs as well as development cost, including expenditure incurred to drill and equip development wells on proved properties, are capitalised as part of assets under construction and transferred to mineral assets in property, plant and equipment when the assets begin producing.

On completion of an exploratory well or exploratory-type stratigraphic test well, the entity will be able to determine if there are oil or gas resources. The classification of resources as proved reserves depends on whether development of the property is economically feasible and recoverable in the future, under existing economic and operating conditions, and if any major capital expenditure to develop the property as a result of sufficient quantities of additional proved reserves being identified is justifiable, approved and recoverable.

The cost of exploratory wells through which potential proved reserves may be or have been discovered, and the associated exploration costs are capitalised as exploration and evaluation assets in assets under construction. These costs remain capitalised pending the evaluation of results and the determination of whether there are proved reserves. At each reporting date, exploration and evaluation assets are assessed for impairment. The following conditions must be met for these exploration costs to remain capitalised:

- Sufficient progress is being made in assessing the oil and gas resources, including assessing the economic and operating viability with regards to developing the property.
- It has been determined that sufficient oil and gas resources or reserves exist which are economically viable based on a range of technical and commercial considerations to justify the capital expenditure required for the completion of the well as a producing well, either individually or in conjunction with other wells.

Progress in this regard is reassessed at each reporting date and is subject to technical, commercial and management review to ensure sufficient justification for the continued capitalisation of such qualifying exploration and evaluation expenditure as an exploration and evaluation asset as part of assets under construction. If both of the above conditions are not met or if information is obtained that raises substantial doubt about the economic or operating viability, the costs are charged to the income statement.

Exploratory wells and exploratory-type stratigraphic test wells can remain suspended on the statement of financial position for several years while additional activity including studies, appraisal, drilling and/or seismic work on the potential oil and gas field is performed or while the optimum development plans and timing are established in the absence of impairment indicators.

Depreciation of mineral assets on producing oil and gas properties is based on the units-of-production method calculated using estimated proved developed reserves. Depreciation of property acquisition costs, capitalised as part of mineral assets in property, plant and equipment, is based on the units-of-production method calculated using estimated proved reserves.

Coal mining Coal mining exploration and evaluation expenditure is charged to the income statement until completion of a final feasibility study supporting proved and probable coal reserves. Expenditure incurred subsequent to proved and probable coal reserves being identified is capitalised as exploration assets in assets under construction.

Expenditure on producing mines or development properties is capitalised when excavation or drilling is incurred to extend reserves or further delineate existing proved and probable coal reserves. All development expenditure incurred after the commencement of production is capitalised to the extent that it gives rise to probable future economic benefits.

Life-of-mine coal assets are depreciated using the units-of-production method. A unit is considered to be produced once it has been removed from underground and taken to the surface, passed the bunker and has been transported by conveyor over the scale of the shaft head. The calculation is based on proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefits from the utilisation of those assets. Inaccessible reserves are excluded from the calculation. Other coal mining assets are depreciated on the straight-line method over their estimated useful lives.

Business combinations

The acquisition method is used when a business is acquired. A business may comprise an entity, group of entities or an unincorporated operation including its operating assets and associated liabilities.

On acquisition date, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. A non-controlling interest at acquisition date is measured at fair value or at its proportionate interest in the fair value of the net identifiable assets of the entity acquired on a transaction by transaction basis, including that component of the non-controlling interest which has a present ownership interest.

Fair values of all identifiable assets and liabilities included in the business combination are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows using the discount rate to present values.

When an acquisition is achieved in stages (step acquisition), the identifiable assets and liabilities are recognised at their full fair value when control is obtained, and any adjustment to fair values related to these assets and liabilities previously held as an equity interest is recognised in the income statement.

When there is a change in the interest in a subsidiary after control is obtained, that does not result in a loss in control, the difference between the fair value of the consideration transferred and the amount by which the non-controlling interest is adjusted is recognised directly in the statement of changes in equity.

The consideration transferred is the fair value of the group's contribution to the business combination in the form of assets transferred, shares issued, liabilities assumed or contingent consideration at the acquisition date. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement. Transaction costs directly attributable to the acquisition are charged to the income statement.

On acquisition date, goodwill is recognised when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of these transactions. The adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary. Goodwill is tested at each reporting date for impairment.

To the extent that the fair value of the net identifiable assets of the entity acquired exceeds the consideration transferred and the recognised amount of non-controlling interests, the excess, or bargain purchase gain, is recognised in the income statement on acquisition date.

The profit or loss realised on disposal or termination of an entity is calculated after taking into account the carrying amount of any related goodwill.

Other intangible assets

Intangible assets, other than goodwill (refer policy above on business combinations), are stated at cost less accumulated amortisation and impairment losses.

These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. The estimation of the useful lives of other intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The following amortisation rates, based on the estimated useful lives of the respective assets were applied:

Software	%	17 – 33
Patents and trademarks	%	20
Other intangible assets	%	6 – 33

Intangible assets with indefinite useful lives are not amortised but are tested at each reporting date for impairment. The assessment that the estimated useful lives of these assets are indefinite is reviewed at least annually.

Research and development Research expenditure relating to gaining new technical knowledge and understanding is charged to the income statement when incurred.

Development expenditure relating to the production of new or substantially improved products or processes is capitalised if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. All remaining development expenditure is charged to the income statement.

Cost includes expenditure on materials, direct labour and an allocated proportion of project overheads.

Software Purchased software and the direct costs associated with the customisation and installation thereof are capitalised.

Expenditure on internally-developed software is capitalised if it meets the criteria for capitalising development expenditure.

Other software development expenditure is charged to the income statement when incurred.

Patents and trademarks Expenditure on purchased patents and trademarks is capitalised. Expenditure incurred to extend the term of the patents or trademarks is capitalised. All other expenditure is charged to the income statement when incurred.

Emission rights Emission rights (allowances) received from a government or a government agency and expenditure incurred on purchasing allowances are capitalised as indefinite life intangible assets at the quoted market price on acquisition date and are subject to an annual impairment test.

Non-current asset or disposal group held for sale

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Where a disposal group held for sale will result in the loss of control or joint control of a subsidiary or joint venture, all the assets and liabilities of that subsidiary or joint venture are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or joint venture is to be retained after the sale. Proportionate consolidation ceases from the date a joint venture is classified as held for sale.

Upon classification of a non-current asset or disposal group as held for sale it is reviewed for impairment. The impairment loss charged to the income statement is the excess of the carrying amount of the non-current asset or disposal group over its expected fair value less costs to sell.

No depreciation or amortisation is provided on non-current assets from the date they are classified as held for sale. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

If a non-current asset or disposal group is classified as held for sale, but the criteria for classification as held for sale are no longer met, the disclosure of such non-current asset or disposal group as held for sale is ceased.

On ceasing such classification, the non-current assets are reflected at the lower of:

- the carrying amount before classification as held for sale adjusted for any depreciation or amortisation that would have been recognised had the assets not been classified as held for sale; or
- the recoverable amount at the date the classification as held for sale ceases. The recoverable amount is the amount at which the asset would have been recognised after the allocation of any impairment loss arising on the cash generating unit as determined

in accordance with the group's policy on impairment of non-financial assets.

Any adjustments required to be made on reclassification are recognised in the income statement on reclassification, and included in income from continuing operations.

Where the disposal group was also classified as a discontinued operation, the subsequent classification as held for use also requires that the discontinued operation be included in continuing operations. Comparative information relating to the classification as a discontinued operation is restated accordingly.

Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The impairment loss charged to the income statement is the excess of the carrying amount over the recoverable amount.

Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs. The group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash-generating unit to which the corporate asset belongs. For the purposes of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored internally.

Impairment losses recognised in respect of a cash-generating unit are first allocated to reduce the carrying amount of the goodwill allocated to the unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis relative to their carrying amounts.

With the exception of goodwill, a previously recognised impairment loss will be reversed insofar as estimates change as a result of an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised in the income statement.

Exploration assets are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration assets' carrying amount exceeds their recoverable amount. For the purpose of assessing impairment, the relevant exploration assets are included in the existing cash-generating units of producing properties that are located in the same geographic region.

Financial assets

The group classifies its financial assets into the following categories:

- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets;
- financial assets at fair value through profit or loss; and
- derivative instruments (set out below).

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets at the time of the initial recognition and re-evaluates such designation at least at each reporting date, except for those financial assets at fair value through profit or loss, where this designation is made on initial recognition and is irrevocable.

Financial assets held for trading are classified at fair value through profit or loss. The group manages these investments and makes purchase and sale decisions based on their fair value. Attributable transaction costs are recognised in the income statement as incurred. Financial assets at fair value through profit or loss are stated initially at transaction date at fair value and subsequent changes therein, which takes into account any dividend or interest income, are charged to the income statement.

Financial assets are recognised on transaction date when the group becomes a party to the contracts and thus obtains rights to receive economic benefits and are derecognised when these rights expire or are transferred.

Financial assets, with the exception of those held at fair value through profit or loss, are stated initially on transaction date at fair value including transaction costs. Held-to-maturity financial assets and loans and receivables are subsequently stated at amortised cost using the effective interest rate method, less impairment losses. Available-for-sale financial assets are subsequently stated at fair value at the reporting date.

Unrealised gains and losses arising from revaluation of available-for-sale financial assets are recognised as other comprehensive income and included in the investment fair value reserve. On disposal or impairment of available-for-sale financial assets, cumulative unrealised gains and losses previously recognised in other comprehensive income are included respectively in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is recognised in the income statement.

The fair values of financial assets are based on quoted market prices or amounts derived using a discounted cash flow model. Fair values for unlisted equity securities are estimated using valuation techniques reflecting the specific economic circumstances of the investee which would affect the market value of those securities. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment losses.

Premiums or discounts arising from the difference between the fair value of a financial asset and the amount receivable at maturity date are charged to the income statement based on the effective interest rate method.

An assessment is performed at each reporting date to determine whether objective evidence exists that a financial asset is impaired. Objective evidence that financial instruments are impaired includes indications of a debtor or group of debtors experiencing significant financial difficulty, default or delinquency of payments, the probability of a debtor entering bankruptcy, or other observable data indicating a measurable decrease in estimated future cash flows, such as economic conditions that correlate with defaults. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are charged to the income statement and are included in the allowance against loans and receivables. When a subsequent event causes the impairment loss to decrease, the impairment loss is reversed in the income statement. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of the asset below its cost is considered an indicator of impairment. If any such evidence exists, the cumulative loss is removed as other comprehensive income from the investment fair value reserve and recognised in the income statement. Impairment losses charged to the income statement on available-for-sale financial assets are not reversed.

Financial assets and liabilities are offset and the net amount presented when the group has a current legal enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities

Financial liabilities are recognised on the transaction date when the group becomes a party to a contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

Financial liabilities are stated initially on the transaction date at fair value including transaction costs. Subsequently, they are stated at amortised cost using the effective interest rate method.

Financial assets and liabilities are offset and the net amount presented when the group has a current legal enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedging activities

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks. To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

The group's criteria for a derivative instrument to be designated as a hedging instrument at the inception of the transaction require that:

- the hedge transaction is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured throughout the duration of the hedge;
- there is adequate documentation of the hedging relationship at the inception of the hedge; and
- for cash flow hedges, the forecast transaction that is the subject of the hedge must be highly probable.

Where a derivative instrument is designated as a cash flow hedge of an asset, liability or highly probable forecast transaction that could affect the income statement, the effective part of any gain or loss arising on the derivative instrument is recognised as other comprehensive income and is classified as a cash flow hedge accounting reserve until the underlying transaction occurs. The ineffective part of any gain or loss is recognised in the income statement. If the hedging instrument no longer meets the criteria for cash flow hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

If the forecast transaction results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is transferred from the cash flow hedge accounting reserve, as other comprehensive income, to the underlying asset or liability on the transaction date. If the forecast transaction is no longer expected to occur, then the cumulative balance in other comprehensive income is recognised immediately in the income statement as reclassification adjustments. Other cash flow hedge gains or losses are recognised in the income statement at the same time as the hedged transaction occurs.

When derivative instruments, including forward exchange contracts, are entered into as fair value hedges, no hedge accounting is applied. All gains and losses on fair value hedges are recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the greater of normal production capacity and actual production.

The costs attributable to any inefficiencies in the production process are charged to the income statement as incurred.

Cost is determined as follows:

Crude oil and other raw materials	First-in-first-out valuation method (FIFO)
Process, maintenance and other materials	Weighted average purchase price
Work-in-progress	Manufacturing costs incurred
Manufactured products including consignment inventory	Manufacturing costs according to FIFO

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less impairment losses. An impairment loss is recognised when it is probable that an entity will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment loss is charged to the income statement.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

Cash restricted for use

Cash which is subject to restrictions on its use is stated separately at carrying amount in the statement of financial position.

Share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

Share repurchase programme

When Sasol Limited's shares are repurchased by a subsidiary, the amount of consideration paid, including directly attributable costs, is recognised as a deduction from shareholders' equity. Repurchased shares are classified as treasury shares and are disclosed as a deduction from total equity. Where such shares are subsequently reissued, any consideration received is included in the statement of changes in equity. The resultant gain or loss on the transaction is transferred to or from retained earnings.

Preference shares

Preference shares are classified as liabilities if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are charged to the income statement as a finance expense based on the effective interest rate method.

Debt

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. Debt is classified as short-term unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

Leases

Finance leases Leases where the group assumes substantially all the benefits and risks of ownership, are classified as finance leases. Finance leases are capitalised as property, plant and equipment at the lower of fair value or the present value of the minimum lease payments at the inception of the lease with an equivalent amount being stated as a finance lease liability as part of debt.

The capitalised amount is depreciated over the shorter of the lease term and asset's useful life unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Lease payments are allocated between capital repayments and finance expenses using the effective interest rate method.

Operating leases Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are charged to the income statement over the lease term on a straight-line basis unless another basis is more representative of the pattern of use.

The land and buildings elements of a lease are considered separately for the purpose of lease classification as a finance or an operating lease.

Provisions

A provision is recognised when the group has a present legal or constructive obligation arising from a past event that will probably be settled, and a reliable estimate of the amount can be made.

Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

Environmental rehabilitation provisions Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Decommissioning costs of plant and equipment The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement.

Ongoing rehabilitation expenditure Ongoing rehabilitation expenditure is charged to the income statement.

Employee benefits

Employee benefits Remuneration of employees is charged to the income statement. Short-term employee benefits are those that are expected to be settled completely within 12 months after the end of the reporting period in which the services have been rendered. Short-term employee benefit obligations are measured on an undiscounted basis and are charged to the income statement as the related service is provided. Long-term employee benefits are those benefits that are expected to be settled more than 12 months after the end of the reporting period, in which the services have been rendered and are discounted to their present value. An accrual is recognised for accumulated leave, incentive bonuses and other employee benefits when the group has a present legal or constructive obligation as a result of past service provided by the employee, and a reliable estimate of the amount can be made.

Pension benefits The group operates or contributes to defined contribution pension plans and defined benefit pension plans for its employees in certain of the countries in which it operates. These plans are generally funded through payments to trustee-administered funds as determined by annual actuarial calculations.

Defined contribution pension plans Defined contribution pension plans are plans under which the group pays fixed contributions into a separate legal entity and has no legal or constructive obligation to pay further amounts. Contributions to defined contribution pension plans are charged to the income statement as an employee expense in the period in which related services are rendered by the employee. Contributions that are expected to be completely settled more than 12 months after the end of the reporting period, in which the employee renders the service, are discounted to their present value.

Defined benefit pension plans The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to employees in return for services rendered to date.

This future benefit is discounted to determine its present value, using discount rates based on government bonds, that have maturity dates approximating the terms of the group's obligations and which are denominated in the currency in which the benefits are expected to be paid. Independent actuaries perform this calculation annually using the projected unit credit method.

Past service costs are charged to the income statement at the earlier of the following dates:

- when the plan amendment or curtailment occurs; and
- when the group recognises related restructuring costs or termination benefits.

Actuarial gains and losses arising from experience adjustments and changes to actuarial assumptions, the return on plan assets (excluding amounts included in net interest on the defined benefit liability (asset)) and any changes in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability (asset)) are recognised in other comprehensive income in the period in which they arise.

Where the plan assets exceed the gross obligation, the asset recognised is limited to the lower of the surplus in the defined benefit plan and the asset ceiling determined using a discount rate, representing the present value of any future refunds from the plan or reductions in future contributions to the plan.

Surpluses and deficits in the various plans are not offset.

Defined benefit post-retirement healthcare benefits The group provides post-retirement healthcare benefits to certain of its retirees. The entitlement of these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above. Independent actuaries perform the calculation of this obligation annually.

Share-based payments The group has equity-settled and cash-settled share-based compensation plans. The equity-settled schemes allow certain employees the option to acquire ordinary shares in Sasol Limited over a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the options, based on management's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions. These share options are not subsequently revalued.

The cash-settled schemes allow certain senior employees the right to participate in the performance of the Sasol Limited share price, in return for services rendered, through the payment of cash incentives which are based on the market price of the Sasol Limited share. These rights are recognised as a liability at fair value, at each reporting date, in the statement of financial position until the date of settlement. The fair value of these rights is determined at each reporting date and the unrecognised cost is amortised to the income statement as employee costs over the period that the employees provide services to the company.

Fair value is measured using the Black Scholes, Binomial tree and Monte-Carlo option pricing models where applicable. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations such as volatility, dividend yield and the vesting period. The fair value takes into account the terms and conditions on which these incentives are granted and the extent to which the employees have rendered service to the reporting date.

Termination benefits Termination benefits are recognised as a liability when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits that are expected to be settled more than 12 months after the end of the reporting period are discounted to their present value.

Deferred income

Incentives received are recognised on a systematic basis in the income statement over the periods necessary to match them with the related costs which they are intended to compensate. Incentives related to non-current assets are stated on the statement of financial position as deferred income and are charged to the income statement on a basis representative of the pattern of use of the asset to which the incentive relates.

Revenue received prior to delivery occurring or the service being rendered is stated on the statement of financial position as deferred income and is recognised in the income statement when the revenue recognition criteria, detailed below, are met.

Black economic empowerment (BEE) transactions

To the extent that an entity grants shares or share options in a BEE transaction and the fair value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the income statement in the period in which the transaction becomes effective. Where the BEE transaction includes service conditions the difference will be charged to the income statement over the period of these service conditions. A restriction on the transfer of the shares or share options is taken into account in determining the fair value of the share or share option.

Taxation

The income tax charge is determined based on net income before tax for the year and includes deferred tax, dividend withholding tax and Secondary Taxation on Companies.

Current tax The current tax charge is the calculated tax payable on the taxable income for the year using enacted or substantively enacted tax rates and any adjustments to tax payable in respect of prior years.

Deferred tax Deferred tax is provided for using the liability method, on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes and on any tax losses. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and
- investments in subsidiaries to the extent they will probably not reverse in the foreseeable future.

The provision for deferred tax is calculated using enacted or substantively enacted tax rates at the reporting date that are expected to apply when the asset is realised or liability settled. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

Dividend withholding tax Dividend withholding tax is payable at a rate of 15% on dividends distributed to shareholders. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the tax authorities on behalf of the shareholder. On receipt of a dividend, the dividend withholding tax is recognised part of the current tax charge in the income statement in the period in which the dividend is received.

Secondary Taxation on Companies (STC) STC is recognised as part of the current tax charge in the income statement when the related dividend is declared. STC was replaced with dividends withholding tax in South Africa for dividends declared after 1 April 2012.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable net of indirect taxes, rebates and trade discounts and consists primarily of the sale of products, services rendered, licence fees, royalties, dividends received and interest received.

Revenue is recognised when the following criteria are met:

- evidence of an arrangement exists;
- delivery has occurred or services have been rendered and the significant risks and rewards of ownership have been transferred to the purchaser;
- transaction costs can be reliably measured;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

The timing of revenue recognition is as follows. Revenue from:

- the sale of products is recognised when the group no longer retains continuing managerial involvement associated with ownership or effective control;
- services rendered is based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project;
- licence fees and royalties is recognised on an accrual basis;
- dividends received is recognised when the right to receive payment is established; and
- interest received is recognised on a time proportion basis using the effective interest rate method.

The group enters into exchange agreements with the same counterparties for the purchase and sale of inventory that are entered into in contemplation of one another. When the items exchanged are similar in nature, these transactions are combined and accounted for as a single exchange transaction. The exchange is recognised at the carrying amount of the inventory transferred.

Further descriptions of the recognition of revenue for the various reporting segments are included under the accounting policy on segmental reporting.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with that construction contract are recognised as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the reporting date. The stage of completion is generally based on physical progress, man-hours or costs incurred, based on the appropriate method for the type of contract.

To the extent that the outcome of a construction contract cannot be reliably measured, revenue is recognised only to the extent that contract costs incurred are likely to be recovered.

Any expected loss on a construction contract is charged immediately to the income statement.

Contract costs relating to future activity on a contract are recognised as an asset provided it is likely that they will be recovered.

Finance expenses

Finance expenses are capitalised against qualifying assets as part of property, plant and equipment.

Such finance expenses are capitalised over the period during which the qualifying asset is being acquired or constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the qualifying asset is substantially complete. Further finance expenses are charged to the income statement.

Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of finance expenses eligible for capitalisation on that asset is the actual finance expenses incurred on the borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of finance expenses eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate is the weighted average of the interest rates applicable to the borrowings of the group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying assets. The amount of finance expenses capitalised will not exceed the net amount of borrowing costs incurred and interest received on excess borrowings invested.

Dividends payable

Dividends payable and the related taxation thereon are recognised as a liability in the period in which they are declared.

Segment information

Reporting segments

The group has nine main reportable segments that comprise the structure used by the group executive committee (GEC) to make key operating decisions and assess performance. The group's reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market (referred to as business segments). Each business utilises different technology, manufacturing and marketing strategies.

The group evaluates the performance of its reportable segments based on operating profit. The group accounts for inter-segment sales and transfers as if the sales and transfers were entered into under the same terms and conditions as would have been entered into in a market related transaction.

The financial information of the group's reportable segments is reported to the GEC for purposes of making decisions about allocating resources to the segment and assessing its performance.

The group has formed significant joint ventures to promote Sasol technology and products internationally. The group is promoting and marketing its gas-to-liquids (GTL) technology for converting remote or flared natural gas into new-generation, low-emission GTL diesel, GTL naphtha and other products. It is envisaged that Sasol Synfuels International (SSI) through the recent development of the GTL plants in Qatar and Nigeria will contribute to the growing of a global GTL business in the future.

Whilst Sasol Petroleum International (SPI), like SSI, does not meet the quantitative criteria for disclosure as a separate segment, it is expected to become a significant contributor to the group's performance in future years as the upstream supplier of resources for the group's GTL and coal-to-liquids (CTL) activities.

Consequently, the GEC has chosen to include SSI and SPI as reportable operating segments even though SSI and SPI do not meet any of the quantitative thresholds as the GEC believes that such information would be useful to the users of the financial statements.

South African energy cluster

Sasol Mining

Sasol Mining's activities include the mining and supply of coal to other segments including Sasol Synfuels, other entities and to third parties.

Sasol Mining sells coal under both long-term and short-term contracts at a price determinable from the agreements. Turnover is recognised upon delivery of the coal to the customer, which, in accordance with the related contract terms is the point at which the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured.

The date of delivery related to Sasol Mining is determined in accordance with the contractual agreements entered into with customers which are briefly summarised as follows:

Delivery terms	Title and risks and rewards of ownership pass to the customer
Free on Board (FOB)	When the coal is loaded onto the vessel at Richards Bay Coal Terminal – customer is responsible for shipping and handling costs.
Free on Barge (Amsterdam)	When the coal is loaded from Overslag Bedrijf Amsterdam stockpile onto the customer vessel – seller is responsible for shipping and handling costs, these are however recovered from the customer.
Cost Insurance Freight (CIF) and Cost Freight Railage (CFR)	When the coal is loaded into the vessel – seller is responsible for shipping and handling costs which are included in the selling price.

The related costs of sales are recognised in the same period as the supply of the coal and include any shipping and handling costs incurred. All inter-segment sales are conducted at market related prices.

Sasol Gas

Sasol Gas' activities include the marketing of clean-burning pipeline gas sourced from Sasol Synfuels and natural gas from the Mozambican gas fields.

Sasol Gas sells gas under long-term contracts at a price determinable from the supply agreements. Turnover is recognised at the intake flange of the customer where it is metered, which is the point at which the title and risks and rewards of ownership passes to the customer, and where prices are determinable and collectability is reasonably assured. Gas analysis and tests of the specifications and content are performed prior to delivery.

Transportation and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Sasol Synfuels

Sasol Synfuels' activities include the production, using natural gas, from Sasol Gas, and synthesis gas derived from coal, supplied by

Sasol Mining, using in-house technology to convert this into a wide range of liquid fuels intermediates and petrochemicals. Sasol Synfuels also provides chemical feedstock to, amongst others Sasol Polymers and Sasol Solvents.

Sasol Synfuels sells synthetic fuels, chemical feedstock and industrial pipeline gas under contracts at prices determinable from the agreements. Turnover is recognised for the liquid fuel intermediates and petrochemicals when the title and risks and rewards of ownership pass to the customer, which is when the product has passed over the appropriate weigh bridge or flow meter, prices are fixed or determinable and collectability is reasonably assured.

Sasol Oil

Sasol Oil is responsible for the group's crude oil refining activities and for blending and marketing of all liquid fuels and lubricants.

Sasol Oil sells liquid fuel products under both short-term and long-term agreements for both retail sales and commercial sales including sales to other oil companies. The prices are regulated and fixed by South African law for retail sales, and the prices are fixed and determinable according to the specific contract with periodic price adjustments for commercial sales and sales to other oil companies. Laboratory tests of the fuel specifications and content are performed prior to delivery. Turnover is recognised under the following arrangements:

- Commercial sales transactions and sales to other oil companies: when product is delivered to the customer site, which is the point where the risks and rewards of ownership and title of the product transfer to the customer, and collectability is reasonably assured.
- Dealer-owned supply agreements and franchise agreements: upon delivery of the product to the customer, which is the point where the risks and rewards of ownership of the product transfer to the customer. Title under these contracts is retained to enable recovery of the goods in the event of customer default on payment. The title to the good does not enable the group to dispose of the product or rescind the transaction, and cannot prevent the customer from selling the product.

Turnover for the supply of fuel is based on measurement through a flow-meter into customers' tanks. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of a product. The related costs of sales are recognised in the same period as the turnover.

Other

This segment currently includes costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa known as Project Mafutha.

International energy cluster

Sasol Synfuels International (SSI)

SSI is responsible for developing, implementing and managing international business ventures based on Sasol's proprietary technology, through its GTL and CTL technology, marketing and support subsidiary. SSI's primary focus is on securing opportunities to advance Sasol's GTL and CTL ambitions.

SSI is currently involved in the establishment of three GTL production facilities in Qatar, Nigeria and Uzbekistan, and is conducting feasibility studies for both GTL and CTL facilities at various other locations around the world, including Canada, US, and India.

Turnover is derived from the sale of goods produced by the operating facilities and is recognised when, in accordance with the related contract terms, the title and risks and rewards of ownership pass to the customer, prices are fixed or determinable and collectability is reasonably assured. Shipping and handling costs are included in turnover when billed to customers in conjunction with the sale of the products. Turnover is also derived from the rendering of engineering services to external partners in joint ventures upon the proof of completion of the service.

Sasol Petroleum International (SPI)

SPI manages upstream interests in natural oil and gas exploration, development and production in North America, Africa and the East Asia Pacific region.

SPI sells natural oil and gas to internal customers, under fixed contracts at prices determinable from the agreements, and on the open market.

Chemical cluster

Sasol Polymers

Sasol Polymers focuses on the production of monomers, polypropylene, polyethylene, vinyls and other chemical products through its respective businesses.

Sasol Solvents

Sasol Solvents primarily manufactures and markets globally a range of oxygenated solvents, co-monomers and chemical intermediates to various industries.

Sasol Olefins & Surfactants

Sasol Olefins & Surfactants manufactures and markets globally a diverse range of surfactants, surfactant intermediates, alcohols, monomers and inorganic speciality chemicals.

Other chemical businesses

Other chemical businesses include Sasol Wax (production and marketing of wax and wax related products), Sasol Nitro (production and marketing of ammonia and ammonia derivative products), Merisol (manufacturing and marketing of phenolics and cresylics) and Sasol Infrachem (manufacturing of synthesis gas).

The businesses in the chemical cluster sell much of their products under contracts at prices determinable from such agreements. Turnover is recognised upon delivery to the customer which in accordance with the related contract terms, is the point at which the title and risks and rewards of ownership transfer to the customer, prices are determinable and collectability is reasonably assured. Turnover on consignment sales is recognised on consumption by the customer, when title and the risks and rewards of ownership pass to the customer, prices are determinable and collectability is reasonably assured. Product quality is safeguarded through quality assurance programmes.

The date of delivery related to the above Chemical cluster is determined in accordance with the contractual agreements entered into with customers which are briefly summarised as follows:

Delivery terms	Title and risks and rewards of ownership pass to the customer
Ex-tank sales	When products are loaded into the customer's vehicle or unloaded from the seller's storage tanks.
Ex works (EXW)	When products are loaded into the customers vehicle or unloaded at the sellers premises.
Carriage Paid to (CPT)	On delivery of products to a specified location (main carriage is paid for by the seller).
Free on Board (FOB)	When products are loaded into the transport vehicle – customer is responsible for shipping and handling costs.
Cost Insurance Freight (CIF) and Cost Freight Railage (CFR)	When products are loaded into the transport vehicle – seller is responsible for shipping and handling costs which are included in the selling price.
Proof of Delivery (POD)	When products are delivered to and signed for by the customer.
Consignment Sales	As and when products are consumed by the customer.

Other businesses

Other businesses include the group's treasury, research and development activities and central administration activities as well as alternative energy activities.

Convenience translation from rand to US dollars

The presentation currency of the group is rand.

Supplementary US dollar information is provided for convenience only.

The conversion to US dollars is performed as follows:

- assets and liabilities are translated at the closing rate of exchange on the reporting date;
- income and expenses are translated at average rates of exchange for the years presented;
- shareholders' equity, other than attributable earnings for the year, is translated at the closing rate on each reporting date; and
- the resulting translation differences are included as other comprehensive income in shareholders' equity.

Critical accounting estimates and judgements

Management of the group makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the financial statements where applicable.

Management continually evaluate estimates and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognised in the period in which the estimates are reviewed and in any future periods affected.

Comparative figures

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the financial statements.

During the year, the group changed its accounting policy with respect to recognising actuarial gains and losses on post-retirement defined benefit plans upon the adoption of IAS 19 (Amendments), Employee Benefits (IAS 19). Under the previous policy, the group applied the corridor method, whereby cumulative unrecognised actuarial gains or losses, that exceeded ten percent of the greater of the present value of the defined benefit obligation and fair value of the plan assets, were charged to the income statement over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor were not recognised. Under the amended policy, all actuarial gains and losses are recognised immediately in other comprehensive income. In addition, the return on plan assets, excluding amounts included in net interest on the defined benefit liability or asset, and any changes in the effect of the asset ceiling, excluding amounts included in net interest on the defined benefit liability or asset, are also recognised in other comprehensive income.

In addition, the group changed its accounting policy with respect to calculating the expected return on plan assets. Under the previous policy, net interest income was recognised in the income statement based on the expected rate of return of plan assets. Under the amended policy, the interest rate on plan assets is no longer calculated based on an expected rate of return, but rather equal to the discount rate used for determining pension obligations.

This change in accounting policy has been applied retrospectively and comparative figures have been restated. Refer note 1 for the effect of the change in accounting policy.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

statement of financial position

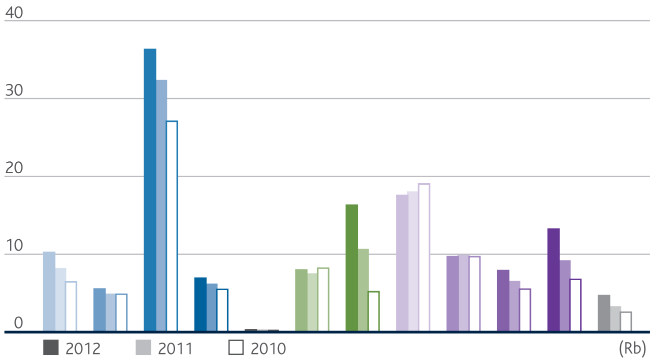
at 30 June

	Note	2012 Rm	2011 Restated (Note 1) Rm	2010 Restated (Note 1) Rm
Assets				
Property, plant and equipment	2	**95 872**	79 245	72 523
Assets under construction	3	**33 585**	29 752	21 018
Goodwill	4	**787**	747	738
Other intangible assets	5	**1 214**	1 265	1 193
Investments in securities	6	**712**	664	585
Investments in associates	7	**2 560**	3 071	3 573
Post-retirement benefit assets	8	**313**	265	178
Long-term receivables and prepaid expenses	9	**1 531**	1 533	1 241
Long-term financial assets	10	**194**	21	2
Deferred tax assets	22	**1 514**	1 101	1 099
Non-current assets		**138 282**	117 664	102 150
Investments in securities	6	**–**	–	77
Assets held for sale	11	**18**	54	16
Inventories	12	**20 668**	18 512	16 472
Tax receivable	27	**325**	49	356
Trade receivables	13	**23 159**	21 628	18 624
Other receivables and prepaid expenses	14	**2 815**	1 497	1 417
Short-term financial assets	15	**426**	22	50
Cash restricted for use	16	**5 314**	3 303	1 841
Cash	16	**12 746**	14 716	14 870
Current assets		**65 471**	59 781	53 723
Total assets		**203 753**	177 445	155 873
Equity and liabilities				
Shareholders' equity		**125 234**	107 171	93 915
Non-controlling interests		**3 080**	2 689	2 510
Total equity		**128 314**	109 860	96 425
Long-term debt	17	**12 828**	14 356	14 111
Long-term financial liabilities	18	**38**	103	75
Long-term provisions	19	**10 518**	8 233	7 013
Post-retirement benefit obligations	20	**6 872**	5 160	5 120
Long-term deferred income	21	**455**	498	273
Deferred tax liabilities	22	**13 839**	11 961	9 987
Non-current liabilities		**44 550**	40 311	36 579
Liabilities in disposal groups held for sale	11	**–**	–	4
Short-term debt	23	**3 072**	1 602	1 542
Short-term financial liabilities	24	**135**	136	357
Short-term provisions	25	**3 267**	2 760	2 647
Short-term deferred income	26	**737**	885	266
Tax payable	27	**546**	725	550
Trade payables and accrued expenses	28	**17 559**	16 718	13 335
Other payables	29	**5 351**	4 239	4 049
Bank overdraft	16	**222**	209	119
Current liabilities		**30 889**	27 274	22 869
Total equity and liabilities		**203 753**	177 445	155 873

business segment information

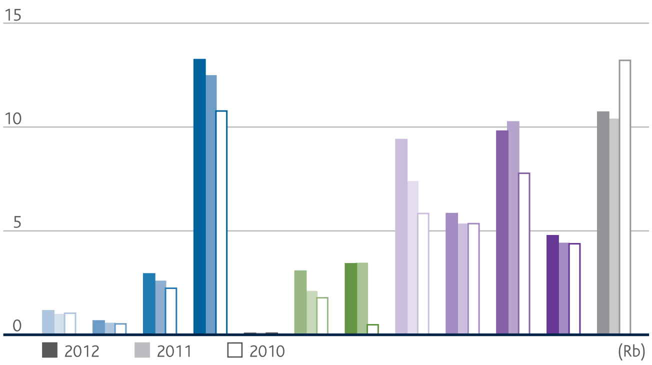
Non-current assets*#

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**59 062**	51 640	43 933
Mining	**10 240**	8 126	6 451
Gas	**5 533**	5 001	4 859
Synfuels	**36 275**	32 283	27 058
Oil	**6 925**	6 141	5 490
Other	**89**	89	75
International energy cluster	**24 262**	18 047	13 396
Synfuels International	**7 973**	7 452	8 209
Petroleum International	**16 289**	10 595	5 187
Chemical cluster	**48 370**	43 382	40 985
Polymers	**17 552**	17 960	19 011
Solvents	**9 694**	9 821	9 686
Olefins & Surfactants	**7 905**	6 478	5 517
Other chemical businesses	**13 219**	9 123	6 771
Other businesses	**4 761**	3 229	2 559
Total operations	**136 455**	116 298	100 873



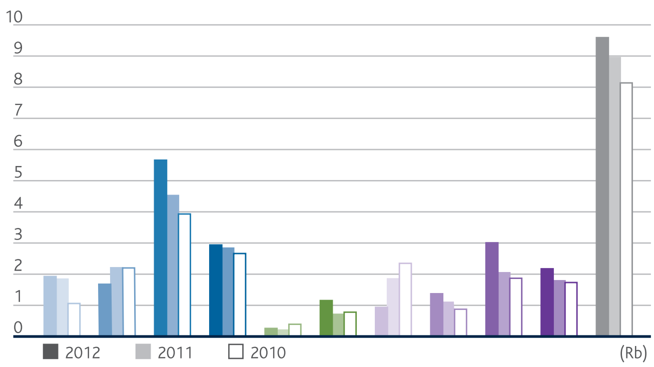
Current assets*

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**17 988**	16 547	14 569
Mining	**1 154**	970	1 037
Gas	**667**	546	525
Synfuels	**2 929**	2 570	2 239
Oil	**13 238**	12 456	10 766
Other	**–**	5	2
International energy cluster	**6 478**	5 509	2 261
Synfuels International	**3 063**	2 076	1 778
Petroleum International	**3 415**	3 433	483
Chemical cluster	**29 968**	27 312	23 334
Polymers	**9 393**	7 360	5 836
Solvents	**5 830**	5 316	5 347
Olefins & Surfactants	**9 979**	10 241	7 772
Other chemical businesses	**4 766**	4 395	4 379
Other businesses	**10 712**	10 364	13 203
Total operations	**65 146**	59 732	53 367



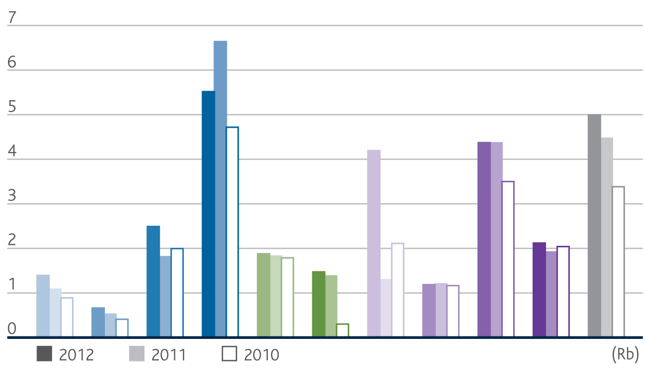
Non-current liabilities*

	2012 Rm	2011^ Restated Rm	2010^ Restated Rm
South African energy cluster	**12 195**	11 436	9 857
Mining	**1 924**	1 875	1 060
Gas	**1 677**	2 200	2 199
Synfuels	**5 658**	4 525	3 935
Oil	**2 936**	2 836	2 663
International energy cluster	**1 421**	918	1 173
Synfuels International	**267**	206	393
Petroleum International	**1 154**	712	780
Chemical cluster	**7 487**	6 787	6 800
Polymers	**935**	1 854	2 343
Solvents	**1 372**	1 098	851
Olefins & Surfactants	**3 007**	2 046	1 869
Other chemical businesses	**2 173**	1 789	1 737
Other businesses	**9 608**	8 945	8 137
Total operations	**30 711**	28 086	25 967



Current liabilities*

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**10 091**	10 061	8 014
Mining	**1 419**	1 084	890
Gas	**663**	524	410
Synfuels	**2 492**	1 814	1 996
Oil	**5 517**	6 639	4 718
International energy cluster	**3 361**	3 223	2 090
Synfuels International	**1 887**	1 841	1 788
Petroleum International	**1 474**	1 382	302
Chemical cluster	**11 899**	8 794	8 832
Polymers	**4 193**	1 297	2 112
Solvents	**1 187**	1 203	1 169
Olefins & Surfactants	**4 399**	4 375	3 500
Other chemical businesses	**2 120**	1 919	2 051
Other businesses	**4 992**	4 471	3 383
Total operations	**30 343**	26 549	22 319



* *Excludes tax and deferred tax.*
\# *Excludes post-retirement benefit assets.*
^ *Results for 2011 and 2010 have been restated. Refer note 1.*

income statement

for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Turnover	30	**169 446**	142 436	122 256
Cost of sales and services rendered	31	**(111 042)**	(90 467)	(79 183)
Gross profit		**58 404**	51 969	43 073
Other operating income	32	**1 416**	1 088	854
Marketing and distribution expenditure		**(6 701)**	(6 796)	(6 496)
Administrative expenditure		**(11 672)**	(9 887)	(9 451)
Other operating expenditure		**(4 689)**	(6 424)	(4 043)
Other expenses		**(4 932)**	(5 408)	(3 036)
Translation gains/(losses)	33	**243**	(1 016)	(1 007)
Operating profit	34	**36 758**	29 950	23 937
Finance income	38	**796**	991	1 332
Share of profit of associates (net of tax)	39	**479**	292	217
Finance expenses	40	**(2 030)**	(1 817)	(2 114)
Profit before tax		**36 003**	29 416	23 372
Taxation	41	**(11 746)**	(9 196)	(6 985)
Profit for year		**24 257**	20 220	16 387
Attributable to				
Owners of Sasol Limited		**23 583**	19 794	15 941
Non-controlling interests in subsidiaries		**674**	426	446
		24 257	20 220	16 387

	Note	Rand	Rand	Rand
Per share information				
Basic earnings per share	43	**39,10**	32,97	26,68
Diluted earnings per share	43	**38,95**	32,85	26,54

statement of comprehensive income

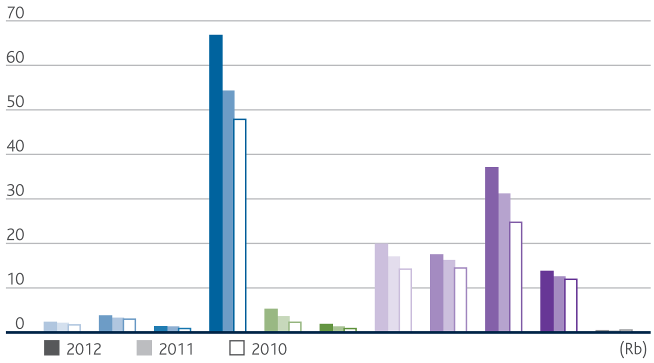
for the year ended 30 June

	Note	2012 Rm	2011 Restated (Note 1) Rm	2010 Restated (Note 1) Rm
Profit for year		**24 257**	20 220	16 387
Other comprehensive income, net of tax				
Items that can be subsequently reclassified to the income statement		**4 101**	(1 938)	(817)
Effect of translation of foreign operations	44	**4 063**	(2 026)	(842)
Effect of cash flow hedges	44	**41**	111	13
Investments available-for-sale	44	**(3)**	–	4
Tax on items that can be subsequently reclassified to the income statement	44	**–**	(23)	8
Items that cannot be subsequently reclassified to the income statement		**(821)**	332	(282)
Actuarial gains and losses on post-retirement benefit obligations	44	**(1 195)**	440	(436)
Tax on items that can not be subsequently reclassified to the income statement	44	**374**	(108)	154
Total comprehensive income		**27 537**	18 614	15 288
Attributable to				
Owners of Sasol Limited		**26 853**	18 186	14 849
Non-controlling interests in subsidiaries		**684**	428	439
		27 537	18 614	15 288

business segment information

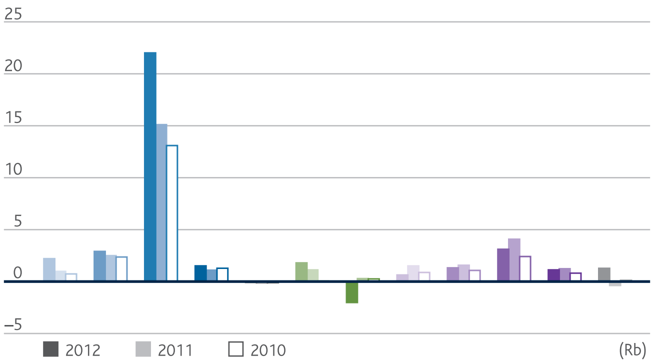
External turnover*

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**74 291**	60 672	53 493
Mining	**2 256**	2 029	1 696
Gas	**3 967**	3 170	2 986
Synfuels	**1 268**	1 208	879
Oil	**66 800**	54 265	47 932
International energy cluster	**6 960**	4 926	3 198
Synfuels International	**5 182**	3 715	2 282
Petroleum International	**1 778**	1 211	916
Chemical cluster	**88 145**	76 811	65 386
Polymers	**19 952**	16 985	14 236
Solvents	**17 429**	16 156	14 425
Olefins & Surfactants	**37 044**	31 116	24 774
Other chemical businesses	**13 720**	12 554	11 951
Other businesses	**50**	27	179
Total operations	**169 446**	142 436	122 256



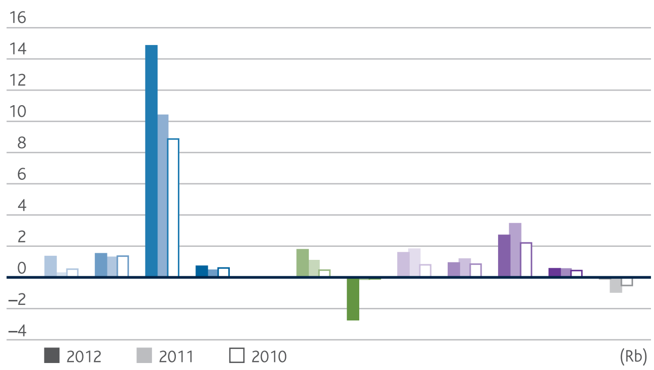
Operating profit/(losses)

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**28 957**	19 947	17 808
Mining	**2 287**	1 063	815
Gas	**2 985**	2 578	2 479
Synfuels	**22 095**	15 188	13 175
Oil	**1 592**	1 180	1 364
Other	**(2)**	(62)	(25)
International energy cluster	**(55)**	1 587	468
Synfuels International	**1 881**	1 205	131
Petroleum International	**(1 936)**	382	337
Chemical cluster	**6 500**	8 712	5 496
Polymers	**716**	1 579	958
Solvents	**1 403**	1 655	1 154
Olefins & Surfactants	**3 193**	4 161	2 492
Other chemical businesses	**1 188**	1 317	892
Other businesses	**1 356**	(296)	165
Total operations	**36 758**	29 950	23 937



Contribution to attributable earnings

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**18 566**	12 505	11 493
Mining	**1 377**	312	567
Gas	**1 553**	1 326	1 402
Synfuels	**14 884**	10 431	8 907
Oil	**754**	498	642
Other	**(2)**	(62)	(25)
International energy cluster	**(862)**	1 068	451
Synfuels International	**1 812**	1 146	504
Petroleum International	**(2 674)**	(78)	(53)
Chemical cluster	**5 907**	7 120	4 476
Polymers	**1 618**	1 847	844
Solvents	**963**	1 214	889
Olefins & Surfactants	**2 733**	3 479	2 248
Other chemical businesses	**593**	580	495
Other businesses	**(28)**	(899)	(479)
Total operations	**23 583**	19 794	15 941



* *Excludes inter-segment sales.*

statement of financial position (US dollar convenience translation)

at 30 June

	2012 US$m	2011 Restated US$m	2010 Restated US$m
Assets			
Property, plant and equipment	**11 735**	11 705	9 455
Assets under construction	**4 111**	4 395	2 741
Goodwill	**96**	110	96
Other intangible assets	**149**	187	156
Investments in securities	**88**	98	76
Investments in associates	**313**	454	466
Post-retirement benefit assets	**38**	39	23
Long-term receivables and prepaid expenses	**187**	226	162
Long-term financial assets	**24**	3	–
Deferred tax assets	**185**	163	143
Non-current assets	**16 926**	17 380	13 318
Investments in securities	**–**	–	10
Assets held for sale	**2**	8	2
Inventories	**2 530**	2 734	2 147
Tax receivable	**40**	7	46
Trade receivables	**2 835**	3 195	2 428
Other receivables and prepaid expenses	**345**	221	185
Short-term financial assets	**52**	3	7
Cash restricted for use	**650**	488	240
Cash	**1 560**	2 174	1 939
Current assets	**8 014**	8 830	7 004
Total assets	**24 940**	26 210	20 322
Equity and liabilities			
Shareholders' equity	**15 329**	15 830	12 245
Non-controlling interests	**377**	397	326
Total equity	**15 706**	16 227	12 571
Long-term debt	**1 570**	2 120	1 840
Long-term financial liabilities	**5**	15	10
Long-term provisions	**1 287**	1 216	914
Post-retirement benefit obligations	**841**	762	668
Long-term deferred income	**56**	74	36
Deferred tax liabilities	**1 694**	1 767	1 301
Non-current liabilities	**5 453**	5 954	4 769
Liabilities in disposal groups held for sale	**–**	–	–
Short-term debt	**376**	237	201
Short-term financial liabilities	**17**	20	47
Short-term provisions	**400**	408	345
Short-term deferred income	**90**	131	35
Tax payable	**67**	107	72
Trade payables and accrued expenses	**2 149**	2 469	1 739
Other payables	**655**	626	527
Bank overdraft	**27**	31	16
Current liabilities	**3 781**	4 029	2 982
Total equity and liabilities	**24 940**	26 210	20 322
Exchange rate			
Converted at closing rate of rand per 1US$	**8,17**	6,77	7,67

income statement (US dollar convenience translation)

for the year ended 30 June

	2012 US$m	2011 US$m	2010 US$m
Turnover	**21 780**	20 318	16 108
Cost of sales and services rendered	**(14 273)**	(12 905)	(10 433)
Gross profit	**7 507**	7 413	5 675
Other operating income	**182**	155	113
Marketing and distribution expenditure	**(861)**	(969)	(856)
Administrative expenditure	**(1 500)**	(1 410)	(1 245)
Other operating expenditure	**(603)**	(917)	(533)
Other expenses	**(634)**	(772)	(400)
Translation gains/(losses)	**31**	(145)	(133)
Operating profit	**4 725**	4 272	3 154
Finance income	**102**	141	175
Share of profit of associates (net of tax)	**62**	42	29
Finance expenses	**(261)**	(259)	(279)
Profit before tax	**4 628**	4 196	3 079
Taxation	**(1 510)**	(1 312)	(920)
Profit for year	**3 118**	2 884	2 159
Attributable to			
Owners of Sasol Limited	**3 031**	2 823	2 100
Non-controlling interests in subsidiaries	**87**	61	59
	3 118	2 884	2 159

	US$	US$	US$
Per share information			
Basic earnings per share	**5,02**	4,70	3,51
Diluted earnings per share	**5,01**	4,69	3,50
Exchange rate			
Converted at average rate of rand per 1US$	**7,78**	7,01	7,59

statement of changes in equity

for the year ended 30 June

	Share capital (note 45) Rm	Share-based payment reserve (note 46) Rm	Foreign currency translation reserve (note 47) Rm	Investment fair value reserve Rm
Balance at 30 June 2009	**27 025**	**5 833**	**939**	**2**
Effect of change in accounting policy (refer note 1)	–	–	16	–
Balance at 30 June 2009 (restated)	**27 025**	**5 833**	**955**	**2**
Shares issued on implementation of share options	204	–	–	–
Share-based payment expense	–	880	–	–
Transactions with non-controlling shareholders in subsidiaries	–	–	–	–
Total comprehensive income for year	–	–	(842)	3
profit	–	–	–	–
other comprehensive income for year	–	–	(842)	3
Dividends paid	–	–	–	–
Balance at 30 June 2010 (restated)	**27 229**	**6 713**	**113**	**5**
Shares issued on implementation of share options	430	–	–	–
Effect of the Ixia Coal transaction (refer note 46.3)	–	(117)	–	–
Share-based payment expense	–	1 428	–	–
Disposal of business (refer note 56)	–	–	(4)	–
Total comprehensive income for year	–	–	(2 023)	–
profit	–	–	–	–
other comprehensive income for year	–	–	(2 023)	–
Dividends paid	–	–	–	–
Balance at 30 June 2011 (restated)	**27 659**	**8 024**	**(1 914)**	**5**
Shares issued on implementation of share options	325	–	–	–
Share-based payment expense	–	485	–	–
Transactions with non-controlling shareholders in subsidiaries	–	–	–	–
Total comprehensive income for year	–	–	4 051	10
profit	–	–	–	–
other comprehensive income for year	–	–	4 051	10
Dividends paid	–	–	–	–
Balance at 30 June 2012	**27 984**	**8 509**	**2 137**	**15**

Cash flow hedge accounting reserve Rm	Sasol Inzalo share transaction (note 46) Rm	Actuarial gains and losses Rm	Share repurchase programme (note 48) Rm	Retained earnings Rm	**Shareholders' equity Rm**	Non-controlling interests Rm	**Total equity Rm**
(151)	**(22 054)**	**–**	**(2 641)**	**74 882**	**83 835**	**2 382**	**86 217**
–	–	(483)	–	(26)	**(493)**	(2)	**(495)**
(151)	**(22 054)**	**(483)**	**(2 641)**	**74 856**	**83 342**	**2 380**	**85 722**
–	–	–	–	–	**204**	–	**204**
–	–	–	–	–	**880**	–	**880**
–	–	–	–	–	**–**	9	**9**
29	–	(282)	–	15 941	**14 849**	439	**15 288**
–	–	–	–	15 941	**15 941**	446	**16 387**
29	–	(282)	–	–	**(1 092)**	(7)	**(1 099)**
–	–	–	–	(5 360)	**(5 360)**	(318)	**(5 678)**
(122)	**(22 054)**	**(765)**	**(2 641)**	**85 437**	**93 915**	**2 510**	**96 425**
–	–	–	–	–	**430**	–	**430**
–	–	–	–	(53)	**(170)**	170	**–**
–	–	–	–	–	**1 428**	–	**1 428**
–	–	–	–	–	**(4)**	–	**(4)**
83	–	332	–	19 794	**18 186**	428	**18 614**
–	–	–	–	19 794	**19 794**	426	**20 220**
83	–	332	–	–	**(1 608)**	2	**(1 606)**
–	–	–	–	(6 614)	**(6 614)**	(419)	**(7 033)**
(39)	**(22 054)**	**(433)**	**(2 641)**	**98 564**	**107 171**	**2 689**	**109 860**
–	–	–	–	–	**325**	–	**325**
–	–	–	–	–	**485**	–	**485**
–	–	–	–	–	**–**	101	**101**
26	–	(817)	–	23 583	**26 853**	684	**27 537**
–	–	–	–	23 583	**23 583**	674	**24 257**
26	–	(817)	–	–	**3 270**	10	**3 280**
–	–	–	–	(9 600)	**(9 600)**	(394)	**(9 994)**
(13)	**(22 054)**	**(1 250)**	**(2 641)**	**112 547**	**125 234**	**3 080**	**128 314**

statement of cash flows

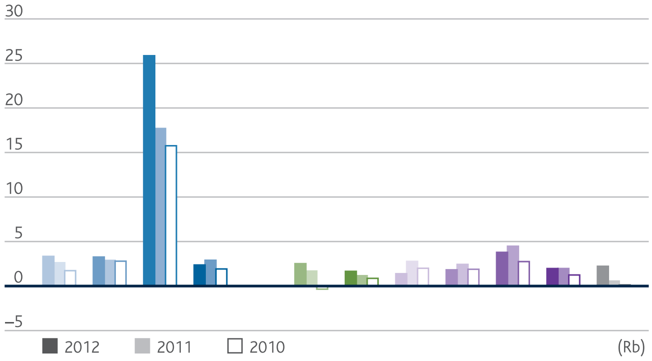
for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Cash receipts from customers		**168 934**	138 955	118 129
Cash paid to suppliers and employees		**(121 033)**	(100 316)	(90 791)
Cash generated by operating activities	49	**47 901**	38 639	27 338
Finance income received	52	**1 149**	1 380	1 372
Finance expenses paid	40	**(666)**	(898)	(1 781)
Tax paid	27	**(10 760)**	(6 691)	(6 040)
Cash available from operating activities		**37 624**	32 430	20 889
Dividends paid	53	**(9 600)**	(6 614)	(5 360)
Cash retained from operating activities		**28 024**	25 816	15 529
Additions to non-current assets		**(29 160)**	(20 665)	(16 108)
additions to property, plant and equipment	2	**(2 593)**	(1 674)	(2 034)
additions to assets under construction	3	**(26 518)**	(18 861)	(14 023)
additions to other intangible assets	5	**(49)**	(130)	(51)
Non-current assets sold	54	**257**	168	208
Acquisition of interests in joint ventures	55	**(24)**	(3 823)	–
Disposal of businesses	56	**713**	22	–
Additional investments in associates	7	**(81)**	(91)	(1 248)
Purchase of investments		**(40)**	(71)	(47)
Proceeds from sale of investments		**1**	70	14
Decrease/(increase) in long-term receivables		**718**	(75)	477
Cash utilised in investing activities		**(27 616)**	(24 465)	(16 704)
Share capital issued on implementation of share options		**325**	430	204
Contributions from non-controlling shareholders		**11**	27	9
Dividends paid to non-controlling shareholders		**(394)**	(419)	(318)
Proceeds from long-term debt	17	**1 138**	2 247	2 080
Repayments of long-term debt	17	**(1 997)**	(1 702)	(4 647)
Proceeds from short-term debt	23	**41**	118	170
Repayments of short-term debt	23	**(153)**	(413)	(199)
Cash effect of financing activities		**(1 029)**	288	(2 701)
Translation effects on cash and cash equivalents of foreign operations	47	**649**	(421)	(124)
Increase/(decrease) in cash and cash equivalents		**28**	1 218	(4 000)
Cash and cash equivalents at beginning of year		**17 810**	16 592	20 592
Cash and cash equivalents at end of year	16	**17 838**	17 810	16 592

business segment information

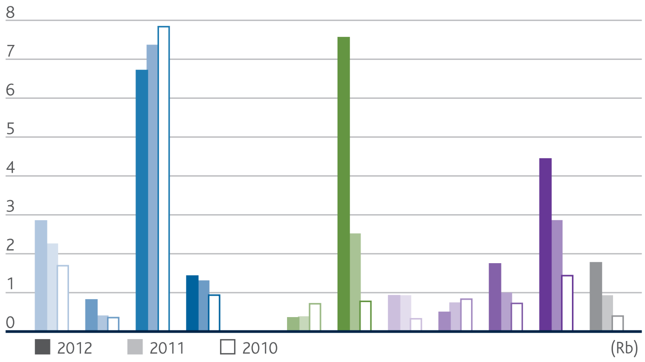
Cash flow from operations (refer note 50)

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**34 811**	26 015	22 166
Mining	**3 328**	2 616	1 727
Gas	**3 257**	2 875	2 793
Synfuels	**25 865**	17 691	15 754
Oil	**2 363**	2 895	1 917
Other	**(2)**	(62)	(25)
International energy cluster	**4 165**	2 840	515
Synfuels International	**2 515**	1 681	(349)
Petroleum International	**1 650**	1 159	864
Chemical cluster	**8 977**	11 607	7 937
Polymers	**1 384**	2 766	2 056
Solvents	**1 820**	2 429	1 894
Olefins & Surfactants	**3 816**	4 446	2 746
Other chemical businesses	**1 957**	1 966	1 241
Other businesses	**2 219**	556	144
Total operations	**50 172**	41 018	30 762



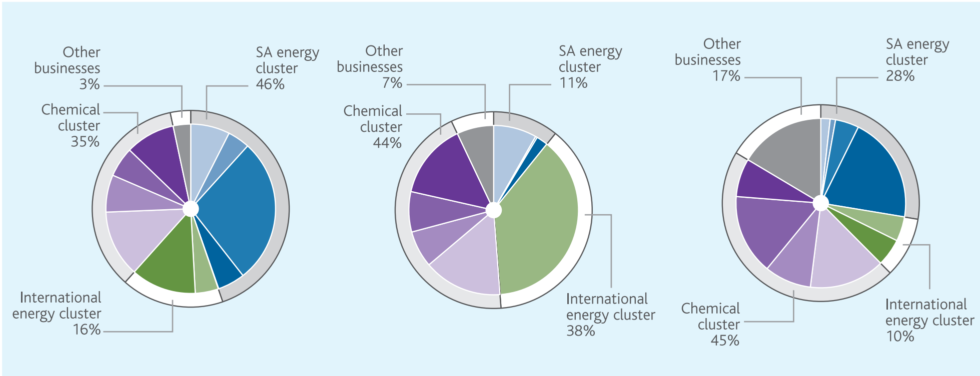
Additions to non-current assets

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**11 818**	11 331	10 850
Mining	**2 849**	2 252	1 699
Gas	**820**	402	365
Synfuels	**6 716**	7 374	7 843
Oil	**1 433**	1 303	943
Other	**–**	–	–
International energy cluster	**7 920**	2 890	1 504
Synfuels International	**359**	380	721
Petroleum International	**7 561**	2 510	783
Chemical cluster	**7 648**	5 502	3 349
Polymers	**960**	921	335
Solvents	**500**	737	840
Olefins & Surfactants	**1 745**	992	730
Other chemical businesses	**4 443**	2 852	1 444
Other businesses	**1 774**	942	405
Total operations	**29 160**	20 665	16 108



business segment information

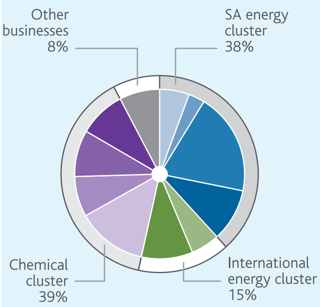
Property, plant and equipment; assets under construction and other intangible assets	Other non-current assets*#	Current assets*



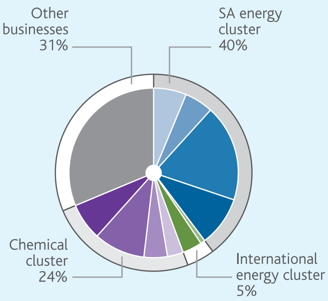
	Property, plant and equipment; assets under construction and other intangible assets			Other non-current assets*#			Current assets*		
	2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
South African energy cluster	**58 439**	51 058	43 351	**623**	582	582	**17 988**	16 547	14 569
Mining	**9 764**	7 671	6 024	**476**	455	427	**1 154**	970	1 037
Gas	**5 531**	4 999	4 857	**2**	2	2	**667**	546	525
Synfuels	**36 257**	32 253	27 002	**18**	30	56	**2 929**	2 570	2 239
Oil	**6 798**	6 046	5 393	**127**	95	97	**13 238**	12 456	10 766
Other	**89**	89	75	**–**	–	–	**–**	5	2
International energy cluster	**22 062**	15 665	10 672	**2 200**	2 382	2 724	**6 478**	5 509	2 261
Synfuels International	**5 776**	5 070	5 485	**2 197**	2 382	2 724	**3 063**	2 076	1 778
Petroleum International	**16 286**	10 595	5 187	**3**	–	–	**3 415**	3 433	483
Chemical cluster	**45 816**	40 542	38 200	**2 554**	2 840	2 785	**29 968**	27 312	23 334
Polymers	**16 683**	16 387	17 413	**869**	1 573	1 598	**9 393**	7 360	5 836
Solvents	**9 289**	9 466	9 355	**405**	355	331	**5 830**	5 316	5 347
Olefins & Surfactants	**7 460**	6 142	5 260	**445**	336	257	**9 979**	10 241	7 772
Other chemical businesses	**12 384**	8 547	6 172	**835**	576	599	**4 766**	4 395	4 379
Other businesses	**4 354**	2 997	2 511	**407**	232	48	**10 712**	10 364	13 203
Total	**130 671**	110 262	94 734	**5 784**	6 036	6 139	**65 146**	59 732	53 367

* *Excludes tax and deferred tax.*
\# *Excludes post-retirement benefit assets.*
^ *Results for 2011 and 2010 have been restated. Refer note 1.*

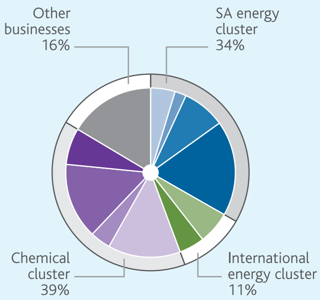
Total consolidated assets*#



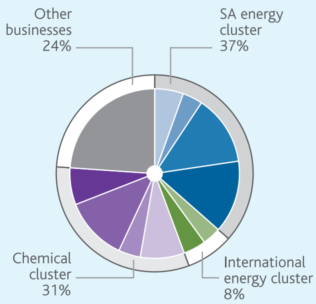
Non-current liabilities*^



Current liabilities*



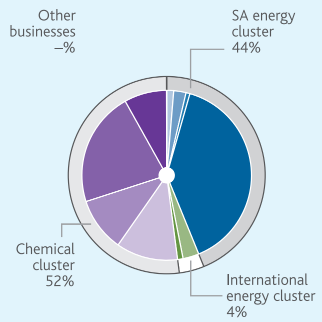
Total consolidated liabilities*^

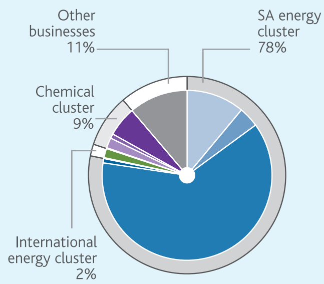


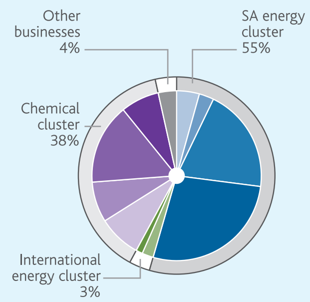
Total consolidated assets*#			Non-current liabilities*^			Current liabilities*			Total consolidated liabilities*^		
2012 Rm	2011 Rm	2010 Rm	2012 Rm	2011 Restated Rm	2010 Restated Rm	2012 Rm	2011 Rm	2010 Rm	2012 Rm	2011 Restated Rm	2010 Restated Rm
77 050	68 187	58 502	**12 195**	11 436	9 857	**10 091**	10 061	8 014	**22 286**	21 497	17 871
11 394	9 096	7 488	**1 924**	1 875	1 060	**1 419**	1 084	890	**3 343**	2 959	1 950
6 200	5 547	5 384	**1 677**	2 200	2 199	**663**	524	410	**2 340**	2 724	2 609
39 204	34 853	29 297	**5 658**	4 525	3 935	**2 492**	1 814	1 996	**8 150**	6 339	5 931
20 163	18 597	16 256	**2 936**	2 836	2 663	**5 517**	6 639	4 718	**8 453**	9 475	7 381
89	94	77	**–**	–	–	**–**	–	–	**–**	–	–
30 740	23 556	15 657	**1 421**	918	1 173	**3 361**	3 223	2 090	**4 782**	4 141	3 263
11 036	9 528	9 987	**267**	206	393	**1 887**	1 841	1 788	**2 154**	2 047	2 181
19 704	14 028	5 670	**1 154**	712	780	**1 474**	1 382	302	**2 628**	2 094	1 082
78 338	70 694	64 319	**7 487**	6 787	6 800	**11 899**	8 794	8 832	**19 386**	15 581	15 632
26 945	25 320	24 847	**935**	1 854	2 343	**4 193**	1 297	2 112	**5 128**	3 151	4 455
15 524	15 137	15 033	**1 372**	1 098	851	**1 187**	1 203	1 169	**2 559**	2 301	2 020
17 884	16 719	13 289	**3 007**	2 046	1 869	**4 399**	4 375	3 500	**7 406**	6 421	5 369
17 985	13 518	11 150	**2 173**	1 789	1 737	**2 120**	1 919	2 051	**4 293**	3 708	3 788
15 473	13 593	15 762	**9 608**	8 945	8 137	**4 992**	4 471	3 383	**14 600**	13 416	11 520
201 601	176 030	154 240	**30 711**	28 086	25 967	**30 343**	26 549	22 319	**61 054**	54 635	48 286

business segment information continued

External turnover	Intersegment turnover	Total turnover

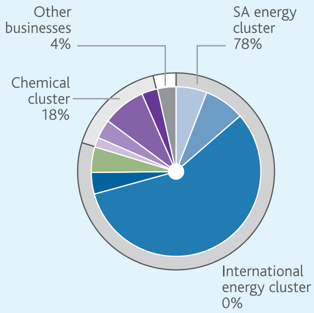


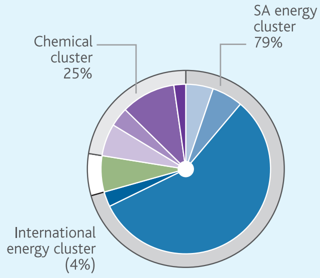




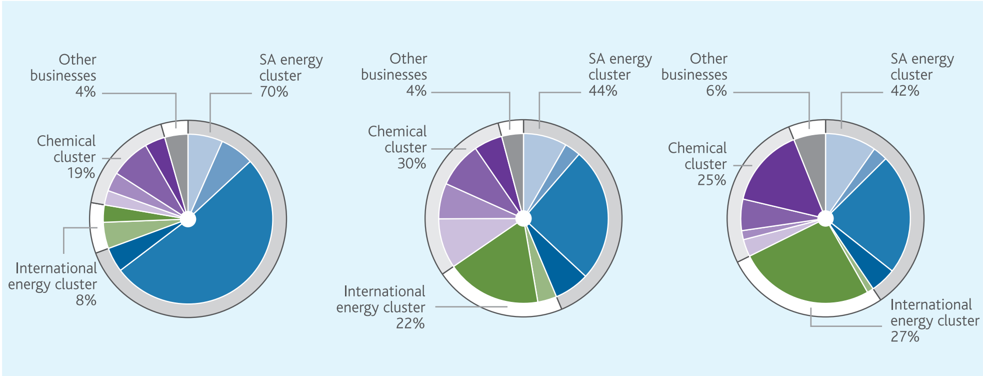
	External turnover 2012 Rm	External turnover 2011 Rm	External turnover 2010 Rm	Intersegment turnover 2012 Rm	Intersegment turnover 2011 Rm	Intersegment turnover 2010 Rm	Total turnover 2012 Rm	Total turnover 2011 Rm	Total turnover 2010 Rm
South African energy cluster	**74 291**	60 672	53 493	**59 523**	46 188	42 045	**133 814**	106 860	95 538
Mining	**2 256**	2 029	1 696	**8 416**	7 117	6 167	**10 672**	9 146	7 863
Gas	**3 967**	3 170	2 986	**2 964**	2 275	2 385	**6 931**	5 445	5 371
Synfuels	**1 268**	1 208	879	**47 523**	36 277	33 014	**48 791**	37 485	33 893
Oil	**66 800**	54 265	47 932	**620**	519	479	**67 420**	54 784	48 411
Other	**–**	–	–	**–**	–	–	**–**	–	–
International energy cluster	**6 960**	4 926	3 198	**1 469**	946	769	**8 429**	5 872	3 967
Synfuels International	**5 182**	3 715	2 282	**136**	–	–	**5 318**	3 715	2 282
Petroleum International	**1 778**	1 211	916	**1 333**	946	769	**3 111**	2 157	1 685
Chemical cluster	**88 145**	76 811	65 386	**6 607**	6 043	6 191	**94 752**	82 854	71 577
Polymers	**19 952**	16 985	14 236	**129**	97	85	**20 081**	17 082	14 321
Solvents	**17 429**	16 156	14 425	**1 485**	1 124	1 340	**18 914**	17 280	15 765
Olefins & Surfactants	**37 044**	31 116	24 774	**654**	599	509	**37 698**	31 715	25 283
Other chemical businesses	**13 720**	12 554	11 951	**4 339**	4 223	4 257	**18 059**	16 777	16 208
Other businesses	**50**	27	179	**8 548**	6 016	5 241	**8 598**	6 043	5 420
Total	**169 446**	142 436	122 256	**76 147**	59 193	54 246	**245 593**	201 629	176 502

Translation gains/(losses)			Effect of remeasurement items (before tax) (refer note 42)			Operating profit/(losses)			Attributable to owners of Sasol Limited		
2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
(331)	(473)	(202)	**324**	223	69	**28 957**	19 947	17 808	**18 566**	12 505	11 493
(5)	(27)	(2)	**61**	3	1	**2 287**	1 063	815	**1 377**	312	567
(17)	3	(16)	**11**	6	–	**2 985**	2 578	2 479	**1 553**	1 326	1 402
4	(81)	(136)	**238**	197	58	**22 095**	15 188	13 175	**14 884**	10 431	8 907
(313)	(368)	(48)	**14**	17	10	**1 592**	1 180	1 364	**754**	498	642
–	–	–	**–**	–	–	**(2)**	(62)	(25)	**(2)**	(62)	(25)
(322)	187	28	**1 643**	568	112	**(55)**	1 587	468	**(862)**	1 068	451
(212)	142	33	**34**	126	4	**1 881**	1 205	131	**1 812**	1 146	504
(110)	45	(5)	**1 609**	442	108	**(1 936)**	382	337	**(2 674)**	(78)	(53)
100	(509)	(672)	**(128)**	(402)	(251)	**6 500**	8 712	5 496	**5 907**	7 120	4 476
(485)	(129)	(553)	**62**	46	14	**716**	1 579	958	**1 618**	1 847	844
479	(293)	(132)	**83**	63	58	**1 403**	1 655	1 154	**963**	1 214	889
19	(17)	37	**(179)**	(500)	(344)	**3 193**	4 161	2 492	**2 733**	3 479	2 248
87	(70)	(24)	**(94)**	(11)	21	**1 188**	1 317	892	**593**	580	495
796	(221)	(161)	**21**	37	24	**1 356**	(296)	165	**(28)**	(899)	(479)
243	(1 016)	(1 007)	**1 860**	426	(46)	**36 758**	29 950	23 937	**23 583**	19 794	15 941





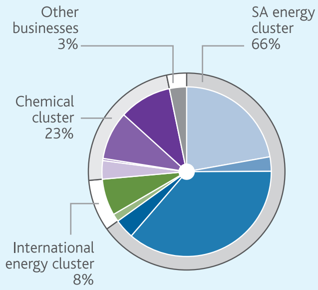
business segment information continued

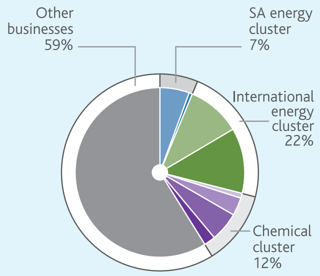


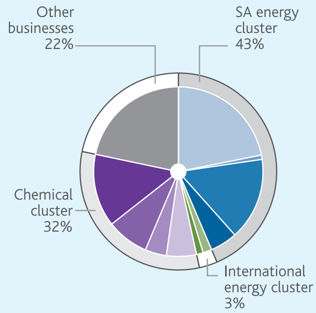
	Cash flow information								
	Cash f ow from operations (refer note 50)			Depreciation and amortisation			Additions to non-current assets		
	2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
South African energy cluster	**34 811**	26 015	22 166	**(4 213)**	(3 510)	(3 015)	**11 818**	11 331	10 850
Mining	**3 328**	2 616	1 727	**(803)**	(716)	(649)	**2 849**	2 252	1 699
Gas	**3 257**	2 875	2 793	**(294)**	(278)	(322)	**820**	402	363
Synfuels	**25 865**	17 691	15 754	**(2 467)**	(1 886)	(1 445)	**6 716**	7 374	7 843
Oil	**2 363**	2 895	1 917	**(649)**	(630)	(599)	**1 433**	1 303	945
Other	**(2)**	(62)	(25)	**–**	–	–	**–**	–	–
International energy cluster	**4 165**	2 840	515	**(2 103)**	(741)	(699)	**7 920**	2 890	1 504
Synfuels International	**2 515**	1 681	(349)	**(351)**	(325)	(316)	**359**	380	721
Petroleum International	**1 650**	1 159	864	**(1 752)**	(416)	(383)	**7 561**	2 510	783
Chemical cluster	**8 977**	11 607	7 937	**(2 935)**	(2 749)	(2 648)	**7 648**	5 502	3 349
Polymers	**1 384**	2 766	2 056	**(916)**	(1 026)	(1 016)	**960**	921	335
Solvents	**1 820**	2 429	1 894	**(654)**	(636)	(553)	**500**	737	840
Olefins & Surfactants	**3 816**	4 446	2 746	**(841)**	(629)	(720)	**1 745**	992	730
Other chemical businesses	**1 957**	1 966	1 241	**(524)**	(458)	(359)	**4 443**	2 852	1 444
Other businesses	**2 219**	556	144	**(400)**	(400)	(350)	**1 774**	942	405
Total	**50 172**	41 018	30 762	**(9 651)**	(7 400)	(6 712)	**29 160**	20 665	16 108

Capital commitments

Property, plant and equipment			Other intangible assets			Number of employees		

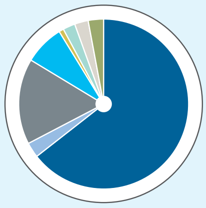
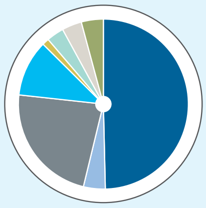




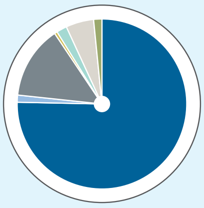
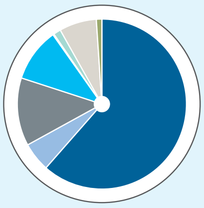
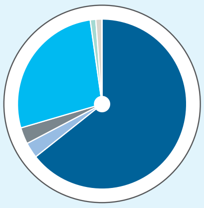
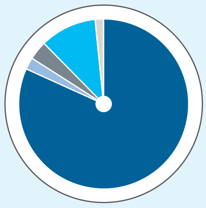


2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Number**	2011 Number	2010 Number
29 832	27 561	29 630	**20**	19	17	**15 494**	14 909	15 091
10 165	6 113	7 507	**–**	6	–	**7 800**	7 425	7 453
1 259	1 994	567	**18**	13	15	**291**	273	269
16 680	17 036	19 438	**2**	–	2	**5 554**	5 376	5 362
1 728	2 418	2 118	**–**	–	–	**1 849**	1 835	2 007
–	–	–	**–**	–	–	**–**	–	–
3 883	5 657	2 931	**73**	17	15	**1 062**	828	724
679	384	695	**33**	6	2	**604**	514	449
3 204	5 273	2 236	**40**	11	13	**458**	314	275
10 606	12 442	12 872	**39**	47	175	**11 320**	11 476	11 712
1 616	1 324	1 914	**3**	2	–	**2 045**	2 013	2 166
186	272	474	**11**	6	72	**1 454**	1 509	1 676
4 205	2 775	886	**18**	33	79	**2 869**	2 886	2 824
4 599	8 071	9 598	**7**	6	24	**4 952**	5 068	5 046
1 498	2 336	791	**189**	242	66	**7 040**	6 495	5 527
45 819	47 996	46 224	**321**	325	273	**34 916**	33 708	33 054

geographic information

	Total turnover			External turnover		
						
	2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
South Africa	**158 255**	127 632	115 425	**84 101**	69 930	62 014
Rest of Africa	**7 112**	6 527	5 653	**7 039**	6 498	5 613
Mozambique	**578**	341	271	**505**	312	233
Nigeria	**870**	621	429	**870**	621	427
Rest of Africa	**5 664**	5 565	4 953	**5 664**	5 565	4 953
Europe	**40 067**	33 860	27 620	**38 874**	32 977	26 978
Germany	**8 962**	8 673	7 649	**7 937**	7 809	7 022
Italy	**4 683**	4 230	2 724	**4 547**	4 225	2 719
Rest of Europe	**26 422**	20 957	17 247	**26 390**	20 943	17 237
North America	**18 657**	14 669	13 093	**18 152**	14 274	13 047
United States of America	**16 661**	13 203	11 692	**16 155**	12 808	11 650
Canada	**666**	70	–	**666**	70	–
Rest of North America	**1 330**	1 396	1 401	**1 331**	1 396	1 397
South America	**2 209**	2 024	1 443	**2 204**	2 024	1 445
Southeast Asia and Australasia	**5 717**	3 995	3 066	**5 603**	3 917	3 022
Middle East and India	**6 380**	7 075	5 450	**6 376**	7 066	5 451
Iran	**451**	981	795	**451**	981	796
Qatar	**837**	146	13	**837**	146	13
Rest of Middle East and India	**5 092**	5 948	4 642	**5 088**	5 939	4 642
Far East	**7 196**	5 847	4 752	**7 097**	5 750	4 686
Total	**245 593**	201 629	176 502	**169 446**	142 436	122 256

* *Excludes tax and deferred tax.*
\# *Excludes post-retirement benefit assets.*

Operating profit/(loss)			Total consolidated assets*#			Additions to non-current assets (by location of assets)			Capital commitments of non-current assets		
											
2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
27 698	20 316	18 143	**123 984**	112 353	101 953	**18 765**	16 463	13 702	**37 727**	39 750	42 392
498	(249)	407	**11 159**	9 925	9 823	**872**	1 120	750	**1 050**	1 396	2 071
235	(337)	186	**6 461**	6 226	5 766	**673**	872	620	**650**	1 139	1 754
(242)	(233)	2	**3 325**	2 647	3 029	**46**	2	4	**65**	55	147
505	321	219	**1 373**	1 052	1 028	**153**	246	126	**335**	202	170
5 109	5 437	3 553	**26 084**	22 249	17 462	**915**	901	935	**1 651**	705	985
739	1 312	773	**9 545**	9 343	7 744	**619**	661	776	**1 485**	479	538
209	423	283	**4 408**	4 509	2 997	**259**	223	122	**110**	190	115
4 161	3 702	2 497	**12 131**	8 397	6 721	**37**	17	37	**56**	36	332
(11)	1 763	1 060	**20 587**	14 426	6 054	**7 952**	1 722	323	**4 966**	6 149	592
2 111	1 658	880	**7 244**	6 260	5 709	**1 071**	480	323	**2 789**	2 270	592
(2 272)	(91)	–	**13 181**	8 035	–	**6 881**	1 242	–	**2 177**	3 879	–
150	196	180	**162**	131	345	**–**	–	–	**–**	–	–
198	194	113	**460**	359	302	**–**	–	–	**–**	–	–
732	86	218	**2 833**	2 069	2 246	**310**	186	75	**12**	38	170
1 953	1 858	537	**14 375**	12 853	14 642	**335**	262	321	**728**	283	283
172	464	252	**6 485**	6 581	7 521	**64**	100	70	**181**	69	42
432	37	(684)	**5 275**	4 516	5 239	**188**	160	248	**264**	214	241
1 349	1 357	969	**2 615**	1 756	1 882	**83**	2	3	**283**	–	–
581	545	(94)	**2 119**	1 796	1 758	**11**	11	2	**6**	–	4
36 758	29 950	23 937	**201 601**	176 030	154 240	**29 160**	20 665	16 108	**46 140**	48 321	46 497

changes to comparative information

	Note
Change in accounting policy	1

1 Change in accounting policy

During 2012, the group changed its accounting policy with respect to recognising actuarial gains and losses on post-retirement defined benefit plans upon the adoption of IAS 19 (Amendments), Employee Benefits (IAS 19). Under the previous policy, the group applied the corridor method whereby any cumulative unrecognised actuarial gain or loss that exceeded ten percent of the greater of the present value of the defined benefit obligation and fair value of the plan assets was charged to the income statement over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor were not recognised. Under the amended policy, all actuarial gains and losses are recognised immediately in other comprehensive income.

In addition, the group changed its accounting policy with respect to calculating the expected return on plan assets. Under the previous policy, net interest income was recognised in the income statement based on the expected rate of return of plan assets. Under the amended policy, the interest rate on plan assets is no longer calculated based on an expected rate of return but rather equal to the discount rate used for determining pension obligations.

This change in accounting policy has been applied retrospectively and prior year figures have been restated. The adoption of the amendments to IAS 19 did not have a significant impact on earnings or cash flows, hence the income statement and statement of cash flows have not been restated. The following table summarises the adjustments made to the statement of financial position, statement of comprehensive income and statement of changes in equity on implementation of the revised accounting policy.

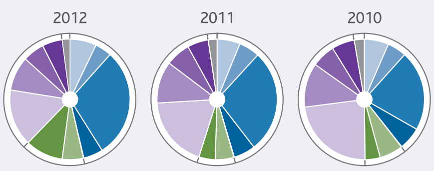
for the year ended 30 June	2011 Rm	2010 Rm
Statement of financial position		
Post-retirement benefit obligations (refer note 20)		
Balance as previously reported	**4 896**	4 495
Effect of change in accounting policy	**264**	625
Restated balance	**5 160**	5 120
Post-retirement benefit assets (refer note 8)		
Balance as previously reported	**792**	789
Effect of change in accounting policy	**(527)**	(611)
Restated balance	**265**	178
Deferred tax liability (refer note 22)		
Balance as previously reported	**12 272**	10 406
Effect of change in accounting policy	**(311)**	(419)
Restated balance	**11 961**	9 987
Statement of comprehensive income		
Total comprehensive income as previously reported	**18 277**	15 610
Increase/(decrease) in other comprehensive income	**337**	(322)
actuarial gains and losses on post-retirement benefit obligations	**440**	(436)
translation gains and losses on effect of adjustment	**5**	(40)
(decrease)/increase in deferred tax relating to components of other comprehensive income	**(108)**	154
Restated balance	**18 614**	15 288
Statement of changes in equity		
Shareholders' equity as previously reported	**107 649**	94 730
Effect of change in accounting policy	**(478)**	(815)
Restated balance	**107 171**	93 915

non-current assets

	Note	2012 Rm	2011 Restated Rm	2010 Restated Rm
Property, plant and equipment	2	**95 872**	79 245	72 523
Assets under construction	3	**33 585**	29 752	21 018
Goodwill	4	**787**	747	738
Other intangible assets	5	**1 214**	1 265	1 193
Investments in securities	6	**712**	664	585
Investments in associates	7	**2 560**	3 071	3 573
Post-retirement benefit assets	8	**313**	265	178
Long-term receivables and prepaid expenses	9	**1 531**	1 533	1 241
Long-term financial assets	10	**194**	21	2
Deferred tax assets	22	**1 514**	1 101	1 099
		138 282	117 664	102 150

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
2 Property, plant and equipment				
Cost				
Balance at beginning of year		**144 747**	134 174	129 560
Acquisition of interests in joint ventures	55	**–**	709	–
Additions		**3 110**	1 883	2 132
to sustain existing operations		**2 510**	1 662	1 707
to expand operations		**600**	221	425
Transfer from assets under construction	3	**22 206**	12 480	7 088
Net transfer (to)/from other intangible assets	5	**(1)**	–	1
Transfer (to)/from inventories		**(3)**	10	(3)
Change in rehabilitation provisions capitalised	19	**(26)**	–	–
Reclassification from/(to) held for sale		**22**	(5)	–
Translation of foreign operations	47	**4 500**	(1 939)	(2 873)
Disposal of businesses		**(314)**	(18)	(6)
Disposals and scrapping		**(4 288)**	(2 547)	(1 725)
Balance at end of year		**169 953**	144 747	134 174
Comprising				
Land		**1 165**	1 127	1 072
Buildings and improvements		**7 684**	7 048	6 936
Retail convenience centres		**1 454**	1 421	1 342
Plant, equipment and vehicles		**134 780**	120 333	111 176
Mineral assets		**24 870**	14 818	13 648
		169 953	144 747	134 174

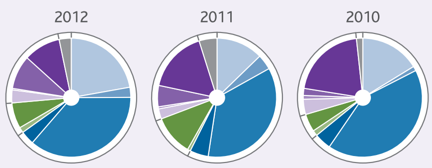
for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
2 Property, plant and equipment continued				
Accumulated depreciation and impairment				
Balance at beginning of year		**65 502**	61 651	59 190
Current year charge	34	**9 422**	7 165	6 509
Impairment of property, plant and equipment	42	**572**	49	47
Reversal of impairment of property, plant and equipment	42	**–**	(529)	(348)
Net transfer from other intangible assets	5	**–**	–	23
Transfer from inventories		**–**	6	–
Reclassification from/(to) held for sale		**12**	(12)	–
Translation of foreign operations	47	**2 601**	(567)	(2 221)
Disposal of businesses		**(178)**	(8)	(5)
Disposals and scrapping		**(3 850)**	(2 253)	(1 544)
Balance at end of year		**74 081**	65 502	61 651
Comprising				
Land		**207**	207	199
Buildings and improvements		**3 597**	3 398	3 264
Retail convenience centres		**470**	412	338
Plant, equipment and vehicles		**60 177**	54 373	51 465
Mineral assets		**9 630**	7 112	6 385
		74 081	65 502	61 651
Carrying value				
Land		**958**	920	873
Buildings and improvements		**4 087**	3 650	3 672
Retail convenience centres		**984**	1 009	1 004
Plant, equipment and vehicles		**74 603**	65 960	59 711
Mineral assets		**15 240**	7 706	7 263
Balance at end of year		**95 872**	79 245	72 523
Business segmentation				
South African energy cluster		**44 482**	36 064	28 605
Mining		**6 823**	4 922	4 744
Gas		**4 325**	4 425	3 718
Synfuels		**28 206**	21 986	15 644
Oil		**5 039**	4 642	4 424
Other SA Energy		**89**	89	75
International energy cluster		**15 201**	7 438	7 541
Synfuels International		**5 476**	3 967	4 584
Petroleum International		**9 725**	3 471	2 957
Chemical cluster		**34 211**	33 863	34 414
Polymers		**14 626**	15 180	16 775
Solvents		**8 842**	8 920	8 608
Olefins & Surfactants		**5 553**	5 280	4 582
Other chemical businesses		**5 190**	4 483	4 449
Other businesses		**1 978**	1 880	1 963
Total operations		**95 872**	79 245	72 523



	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	**Total Rm**
2 Property, plant and equipment continued						
Cost						
Balance at 30 June 2011	1 127	7 048	1 421	120 333	14 818	**144 747**
Additions	39	56	73	1 358	1 584	**3 110**
to sustain existing operations	4	55	–	871	1 580	**2 510**
to expand operations	35	1	73	487	4	**600**
Reclassification of property, plant and equipment	–	28	–	(28)	–	**–**
Change in rehabilitation provisions capitalised	–	–	–	(26)	–	**(26)**
Transfer from assets under construction	–	573	12	12 915	8 706	**22 206**
Transfer to inventories	–	–	–	(3)	–	**(3)**
Net transfer to other intangible assets	–	–	–	(1)	–	**(1)**
Reclassification from held for sale	–	3	–	19	–	**22**
Translation of foreign operations	3	298	3	3 656	540	**4 500**
Disposal of businesses	(1)	(66)	–	(247)	–	**(314)**
Disposals and scrapping	(3)	(256)	(55)	(3 196)	(778)	**(4 288)**
Balance at 30 June 2012	**1 165**	**7 684**	**1 454**	**134 780**	**24 870**	**169 953**
Accumulated depreciation and impairment						
Balance at 30 June 2011	207	3 398	412	54 373	7 112	**65 502**
Current year charge	–	267	59	6 587	2 509	**9 422**
Impairment of property, plant and equipment	–	1	1	126	444	**572**
Reclassification from held for sale	–	1	–	11	–	**12**
Translation of foreign operations	3	211	1	2 156	230	**2 601**
Disposal of businesses	–	(31)	–	(147)	–	**(178)**
Disposals and scrapping	(3)	(250)	(3)	(2 929)	(665)	**(3 850)**
Balance at 30 June 2012	**207**	**3 597**	**470**	**60 177**	**9 630**	**74 081**
Carrying value at 30 June 2012	**958**	**4 087**	**984**	**74 603**	**15 240**	**95 872**
Carrying value at 30 June 2011	920	3 650	1 009	65 960	7 706	**79 245**

for the year ended 30 June		2012 Rm	2011 Rm	2010 Rm
2	**Property, plant and equipment** continued			
	Additions to property, plant and equipment (cash flow)			
	To sustain existing operations	**1 993**	1 453	1 609
	current year additions	**2 510**	1 662	1 707
	adjustments for non-cash items			
	movement in environmental provisions capitalised	**(517)**	(209)	(98)
	To expand operations	**600**	221	425
	Per the statement of cash flows	**2 593**	1 674	2 034
	Additional disclosures			
	Leased assets			
	Carrying value of capitalised leased assets (included in plant, equipment and vehicles)	**905**	1 018	1 025
	cost	**1 371**	1 423	1 422
	accumulated depreciation	**(466)**	(405)	(397)
	Finance lease additions included in additions above	**102**	70	154
	Cost price of fully depreciated and fully impaired assets still in use	**9 155**	9 004	8 571
	Carrying value of assets committed as security for debt (refer note 17)	**10 029**	12 041	11 774
	Depreciation rates for property, plant and equipment are noted on page 97.			

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
2 Property, plant and equipment continued			
Capital commitments			
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:			
Authorised and contracted for	**50 243**	41 101	31 441
Authorised but not yet contracted for	**28 417**	33 211	35 524
Less expenditure to the end of year	**(32 841)**	(26 316)	(20 741)
	45 819	47 996	46 224
to sustain existing operations	**18 252**	22 434	22 854
to expand operations	**27 567**	25 562	23 370
Comprising			
Subsidiary companies	**43 133**	43 794	45 775
Proportionate share of joint ventures	**2 686**	4 202	449
	45 819	47 996	46 224
Estimated expenditure			
Within one year	**24 805**	26 491	17 321
One to two years	**16 415**	15 297	12 036
Two to three years	**2 590**	4 937	6 398
Three to four years	**1 967**	424	6 849
Four to five years	**28**	820	1 617
More than five years	**14**	27	2 003
	45 819	47 996	46 224
Business segmentation			
South African energy cluster	**29 832**	27 561	29 630
Mining	**10 165**	6 113	7 507
Gas	**1 259**	1 994	567
Synfuels	**16 680**	17 036	19 438
Oil	**1 728**	2 418	2 118
International energy cluster	**3 883**	5 657	2 931
Synfuels International	**679**	384	695
Petroleum International	**3 204**	5 273	2 236
Chemical cluster	**10 606**	12 442	12 872
Polymers	**1 616**	1 324	1 914
Solvents	**186**	272	474
Olefins & Surfactants	**4 205**	2 775	886
Other chemical businesses	**4 599**	8 071	9 598
Other businesses	**1 498**	2 336	791
Total operations	**45 819**	47 996	46 224



for the year ended 30 June

2 Property, plant and equipment continued

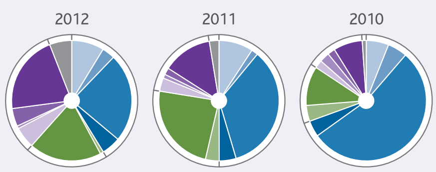
Significant commitments at 30 June 2012 include:

Project	Business unit	2012 Rm	2011 Rm	2010 Rm
Impumelelo colliery to maintain Brandspruit mine operation	Mining	**3 697**	3 986	4 543
Replacement of Twistdraai colliery operation	Mining	**4 782**	–	–
Thubelisha shaft to maintain Twistdraai colliery operation	Mining	**549**	1 197	2 444
Acquisition of prospecting rights	Mining	**465**	535	–
Mozambique natural gas pipeline	Gas	**897**	1 409	67
Gas heated heat exchange reformers	Synfuels	**723**	1 136	1 882
Volatile organic compounds abatement programme	Synfuels	**1 355**	1 676	1 795
Coal tar filtration project	Synfuels	**1 503**	1 655	–
Additional gasifiers in gas production	Synfuels	**813**	1 097	1 758
Water recovery growth	Synfuels	**1 038**	1 357	1 647
Major shutdown and statutory maintenance	Synfuels	**1 892**	1 174	1 387
Replacement of tar tanks and separators	Synfuels	**1 859**	867	318
Reforming gas improvement project	Synfuels	**306**	739	1 296
Replacement of steam turbines at steam plant	Synfuels	**586**	689	802
Second life cycle replacement of corroded fire water network	Synfuels	**446**	462	–
Recovery of ethane and heavier hydrocarbons from natural gas	Synfuels	**191**	423	–
Improvement of synthol total feed compressors	Synfuels	**216**	257	382
Building of shutdown and service provider ablutions' facilities	Synfuels	**195**	231	–
De-bottlenecking of cold separation	Synfuels	**160**	228	218
Sulphur house decanter replacement	Synfuels	**120**	209	–
Power generation with open cycle turbines	Synfuels	**139**	201	502
16th Oxygen train project	Synfuels	**81**	174	849
10th Sasol advanced synthol reactor	Synfuels	**27**	164	542
Combined waste heat boilers	Synfuels	**146**	134	172
Replace circulation water preheaters at gas reforming plant	Synfuels	**110**	113	201
Selective catalytic cracker – baseline optimisation project	Synfuels	**624**	–	37
Lining of effluent dam project	Synfuels	**324**	–	–
Clean Fuels 2 project	Synfuels	**250**	–	–
Steam plant emergency shut down	Synfuels	**224**	–	–
Secunda Natref pipeline project	Oil	**276**	509	769
Project wholesale logistics	Oil	**133**	439	178
Upgrade of retail convenience centres	Oil	**277**	334	407
Diesel unifier project	Oil	**21**	291	117
3rd Catalyst plant in Sasolburg, South Africa	Synfuels International	**94**	156	374
Mozambique expansion	Petroleum International	**279**	1 129	1 082
Canadian shale gas exploration and development	Petroleum International	**2 177**	3 879	–
Ethylene purification unit	Polymers	**296**	1 004	1 731
C3 Stabilisation project	Polymers	**939**	–	–
Ethylene tetramerisation project in North America	Olefins & Surfactants	**1 132**	1 469	–
Acquisition of land in North America	Olefins & Surfactants	**961**	–	–
Limestone ammonium nitrate (LAN) replacement project	Other chemical businesses	**97**	302	737
Fischer-Tropsch wax expansion project	Other chemical businesses	**3 181**	5 839	7 560
Sasolburg gas power engines	Other businesses	**805**	1 754	–
Other projects	Various	**11 433**	10 778	12 427
		45 819	47 996	46 224

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities and specific project financing.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
3 Assets under construction				
Cost				
Balance at beginning of year		**29 752**	21 018	14 496
Acquisition of interests in joint ventures	55	**24**	3 114	–
Additions		**26 720**	18 877	14 060
to sustain existing operations		**9 761**	8 658	7 867
to expand operations		**16 959**	10 219	6 193
Finance expenses capitalised	40	**24**	43	58
Impairment of assets under construction	42	**(879)**	(2)	(61)
Reversal of impairment of assets under construction	42	**–**	2	2
Write off of unsuccessful exploration wells	42	**(270)**	(441)	(58)
Transfer to inventories		**–**	(2)	(8)
Projects capitalised		**(22 385)**	(12 634)	(7 348)
property, plant and equipment	2	**(22 206)**	(12 480)	(7 088)
other intangible assets	5	**(179)**	(154)	(260)
Reclassification to held for sale		**–**	(32)	–
Translation of foreign operations	47	**850**	(72)	(84)
Disposals and scrapping		**(251)**	(119)	(39)
Balance at end of year		**33 585**	29 752	21 018
Comprising				
Property, plant and equipment under construction		**28 377**	25 154	19 566
Other intangible assets under construction		**300**	185	80
Exploration and evaluation assets		**4 908**	4 413	1 372
		33 585	29 752	21 018
Business segmentation				
South African energy cluster		**13 840**	14 857	14 599
Mining		**2 935**	2 744	1 274
Gas		**1 164**	531	1 108
Synfuels		**8 017**	10 236	11 303
Oil		**1 724**	1 346	914
International energy cluster		**6 854**	8 216	3 118
Synfuels International		**299**	1 103	899
Petroleum International		**6 555**	7 113	2 219
Chemical cluster		**10 886**	5 909	3 077
Polymers		**1 928**	1 066	452
Solvents		**244**	319	562
Olefins & Surfactants		**1 619**	543	425
Other chemical businesses		**7 095**	3 981	1 638
Other businesses		**2 005**	770	224
Total operations		**33 585**	29 752	21 018



3 Assets under construction continued

	Property, plant and equipment under construction Rm	Other intangible assets under construction Rm	Exploration and evaluation assets Rm	Total Rm
Cost				
Balance at 30 June 2011	25 154	185	4 413	**29 752**
Acquisition of interests in joint ventures	24	–	–	**24**
Additions	25 828	271	621	**26 720**
to sustain existing operations	9 524	237	–	**9 761**
to expand operations	16 304	34	621	**16 959**
Reclassification of assets under construction	(22)	22	–	**–**
Finance expenses capitalised	24	–	–	**24**
Impairment of assets under construction	(131)	(1)	(747)	**(879)**
Write off of unsuccessful exploration wells	–	–	(270)	**(270)**
Projects capitalised	(22 596)	(179)	390	**(22 385)**
Translation of foreign operations	346	3	501	**850**
Disposals and scrapping	(250)	(1)	–	**(251)**
Balance at 30 June 2012	**28 377**	**300**	**4 908**	**33 585**

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Additions to assets under construction (cash flow)			
To sustain existing operations	**9 735**	8 641	7 849
current year additions	**9 761**	8 658	7 867
adjustments for non-cash items			
cash flow hedge accounting	**–**	3	(8)
other non-cash movements	**(32)**	–	–
movement in environmental provisions capitalised	**6**	(20)	(10)
To expand operations	**16 783**	10 220	6 174
current year additions	**16 959**	10 219	6 193
adjustments for non-cash items			
cash flow hedge accounting	**(21)**	5	(18)
movement in environmental provisions capitalised	**(155)**	(4)	(1)
Per the statement of cash flows	**26 518**	18 861	14 023

The group hedges its exposure in South Africa to foreign currency risk in respect of its significant capital projects. This is done primarily by means of forward exchange contracts. Cash flow hedge accounting is applied to these hedging transactions and accordingly, the effective portion of any gain or loss realised on these contracts is adjusted against the underlying item of assets under construction.

3 Assets under construction continued

Capital expenditure

Significant projects to sustain operations

As part of the normal plant operations, the group incurs capital expenditure to replace or modify significant components of plant to maintain the useful lives of the plant operations and improve plant efficiencies. Of the R9 735 million to sustain operations, R8 866 million (2011 – R7 631 million; 2010 – R7 538 million) relates to expenditure incurred to sustain existing operations. Other expenditure includes amounts incurred to meet legal and environmental obligations.

for the year ended 30 June		2012 Rm	2011 Rm	2010 Rm
Significant projects to sustain operations include:				
Project	**Business unit**			
Thubelisha shaft to maintain Twistdraai colliery operation	Mining	**530**	1 175	752
Impumelelo colliery to maintain Brandspruit mine operation	Mining	**584**	155	88
Refurbishments of continuous miners	Mining	**85**	61	60
Mining renewal	Mining	**121**	92	–
Major shutdown and statutory maintenance	Synfuels	**1 636**	1 412	1 484
Replacement of air heater systems at boiler 9	Synfuels	**9**	193	301
Improvement of synthol total feed compressors	Synfuels	**41**	117	266
Selective catalytic cracker – baseline optimisation project	Synfuels	**37**	31	231
Ash-lock project	Synfuels	**120**	90	181
Volatile organic compounds abatement programme	Synfuels	**321**	252	64
Replacement of steam turbines at steam plant	Synfuels	**104**	113	60
Refurbishment of the utility cooling water towers	Synfuels	**58**	68	55
Change plant to reduce benzene fuel	Synfuels	**18**	30	25
Secunda Natref pipeline project	Oil	**213**	279	155
Project wholesale logistics	Oil	**305**	199	–
Replace hydrofluoric acid relief gas scrubber and external regenerator	Oil	**95**	165	–
Diesel unifier project	Oil	**96**	77	154
Depot expansion project	Oil	**8**	73	148
Shutdown and statutory maintenance	Oil	**200**	49	–
ORYX GTL statutory maintenance	Synfuels International	**29**	110	264
Upgrade of central processing facility at Sasol Petroleum Temane	Petroleum International	**18**	52	77
Mozambique onshore drilling	Petroleum International	**–**	129	–
Replacement of Infrachem laboratory	Other chemical businesses	**56**	104	101
Replacement of cranes	Other businesses	**41**	15	27
Replacement of information management systems and software	Other businesses	**216**	188	127
Other projects to sustain existing operations	Various	**3 925**	2 402	2 918
Expenditure related to other environmental obligations	Various	**587**	961	126
Expenditure incurred relating to other safety regulations	Various	**282**	49	185
		9 735	8 641	7 849

for the year ended 30 June		Note	2012 Rm	2011 Rm	2010 Rm
3 Assets under construction continued					
Significant projects to expand operations include:					
Project	**Business unit**				
Pipeline expansion – 1st compressor	Gas		**486**	177	186
Additional gasifiers in gas production	Synfuels		**284**	661	–
Reforming gas improvement project	Synfuels		**433**	557	–
Power generation with open cycle turbines	Synfuels		**41**	307	842
16th Oxygen train project	Synfuels		**106**	559	970
10th Sasol advanced synthol reactor	Synfuels		**171**	378	463
Gas heated heat exchange reformers	Synfuels		**669**	608	354
Ethane and heavier hydrocarbons	Synfuels		**233**	–	–
3rd Catalyst plant in Sasolburg, South Africa	Synfuels International		**68**	218	465
Uzbekistan GTL plant	Synfuels International		**72**	–	–
Canadian shale gas exploration and development	Petroleum International		**6 441**	1 242	–
Mozambique exploration and development	Petroleum International		**391**	675	484
West Africa development	Petroleum International		**93**	197	83
Gas exploration project in Australia	Petroleum International		**276**	–	–
Ethylene purification unit	Polymers		**673**	675	109
2nd and 3rd Octene trains	Solvents		**–**	124	–
Ethylene tetramerisation project in North America	Olefins & Surfactants		**809**	68	–
Limestone ammonium nitrate (LAN) replacement project	Other chemical businesses		**350**	367	–
Fischer-Tropsch wax expansion project	Other chemical businesses		**2 884**	1 720	564
Sasolburg gas power engines	Other businesses		**949**	–	–
Other projects	Various		**1 354**	1 687	1 654
			16 783	10 220	6 174

	Note	2012 Rm	2011 Rm	2010 Rm
4 Goodwill				
Cost				
Balance at beginning of year		**1 702**	1 659	1 877
Translation of foreign operations	47	**300**	43	(218)
Balance at end of year		**2 002**	1 702	1 659
Accumulated impairment				
Balance at beginning of year		**955**	921	1 072
Translation of foreign operations	47	**260**	34	(151)
Balance at end of year		**1 215**	955	921
Carrying value at end of year		**787**	747	738
Business segmentation				
South African energy cluster				
Oil		**85**	85	85
Chemical cluster				
Solvents		**210**	180	184
Olefins & Surfactants		**213**	224	203
Other chemical businesses		**279**	258	266
Wax		**185**	163	171
Nitro		**94**	95	95
Total operations		**787**	747	738

For the purposes of impairment testing, goodwill is allocated to the smallest cash generating unit. Impairment testing in respect of goodwill is performed at each reporting date by comparing the recoverable amount based on the value-in-use of the cash generating unit to the carrying amount as described in note 42.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
5 Other intangible assets				
Cost				
Balance at beginning of year		**3 389**	3 142	3 067
Additions		**146**	272	256
to sustain existing operations		**146**	260	255
to expand operations		**–**	12	1
Net transfer from/(to) property, plant and equipment	2	**1**	–	(1)
Assets under construction capitalised	3	**179**	154	260
Transfer to inventories		**–**	–	(3)
Net reclassification (to)/from held for sale		**(18)**	–	6
Translation of foreign operations	47	**113**	4	(173)
Disposal of businesses		**–**	–	(1)
Disposals and scrapping		**(268)**	(183)	(269)
Balance at end of year		**3 542**	3 389	3 142
Comprising				
Software		**1 522**	1 345	1 301
Patents and trademarks		**990**	926	916
Emission rights		**311**	326	274
Other intangible assets		**719**	792	651
		3 542	3 389	3 142
Accumulated amortisation and impairment				
Balance at beginning of year		**2 124**	1 949	1 999
Current year charge	34	**229**	235	203
Net impairment of assets/(reversal of impairment)	42	**115**	12	(14)
Net transfer to property, plant and equipment	2	**–**	–	(23)
Transfer to inventories		**–**	–	(1)
Net reclassification from held for sale		**–**	–	6
Translation of foreign operations	47	**65**	12	(104)
Disposal of businesses		**–**	–	(1)
Disposals and scrapping		**(205)**	(84)	(116)
Balance at end of year		**2 328**	2 124	1 949
Comprising				
Software		**1 088**	946	868
Patents and trademarks		**748**	690	649
Emission rights		**108**	46	26
Other intangible assets		**384**	442	406
		2 328	2 124	1 949
Carrying value				
Software		**434**	399	433
Patents and trademarks		**242**	236	267
Emission rights		**203**	280	248
Other intangible assets		**335**	350	245
		1 214	1 265	1 193

	Software Rm	Patents and trademarks Rm	Emission rights Rm	Other intangible assets Rm	**Total Rm**
5 Other intangible assets continued					
Cost					
Balance at 30 June 2011	1 345	926	326	792	**3 389**
Additions to sustain existing operations	32	3	97	14	**146**
Net transfer from property, plant and equipment	1	–	–	–	**1**
Assets under construction capitalised	154	6	–	19	**179**
Reclassification of intangible assets	–	13	–	(13)	**–**
Net reclassification to held for sale	–	–	(18)	–	**(18)**
Translation of foreign operations	17	44	16	36	**113**
Disposals and scrapping	(27)	(2)	(110)	(129)	**(268)**
Balance at 30 June 2012	1 522	990	311	719	**3 542**
Accumulated amortisation and impairment					
Balance at 30 June 2011	946	690	46	442	**2 124**
Current year charge	152	33	–	44	**229**
Impairment of assets	–	–	114	1	**115**
Translation of foreign operations	15	27	(1)	24	**65**
Disposals and scrapping	(25)	(2)	(51)	(127)	**(205)**
Balance at 30 June 2012	1 088	748	108	384	**2 328**
Carrying value at 30 June 2012	434	242	203	335	**1 214**
Carrying value at 30 June 2011	399	236	280	350	1 265

for the year ended 30 June	**2012 Rm**	2011 Rm	2010 Rm
Additions to other intangible assets (cash flow)			
To sustain existing operations	**49**	118	50
current year additions	**146**	260	255
adjustments for non-cash item emission rights received	**(97)**	(142)	(205)
To expand operations	**–**	12	1
current year additions	**–**	12	1
Per the statement of cash flows	**49**	130	51

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm

5 Other intangible assets continued

Additional disclosures

Cost price of fully amortised and fully impaired assets still in use	**796**	767	776

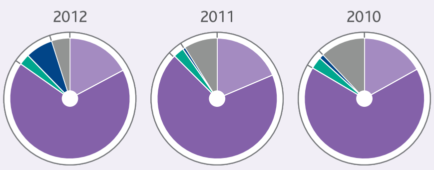
Amortisation of intangible assets

Amortisation rates on intangible assets are noted on page 99. Emission rights are not subject to amortisation. The assessment that the estimated useful lives of these assets are indefinite is based on the assumption that emission rights can be utilised over an indefinite number of years as there are no limitations on the transferability thereof. This assessment is reviewed at least annually. The recoverable amount of emission rights is determined based on their quoted market price.

Estimated future aggregate amortisation

Within one year	**229**	252	248
One to two years	**194**	174	177
Two to three years	**123**	135	129
Three to four years	**86**	89	100
Four to five years	**67**	58	65
More than five years	**312**	277	226
	1 011	985	945
Assets not subject to amortisation (emission rights)	**203**	280	248
	1 214	1 265	1 193

Business segmentation of emission rights



Chemical cluster			
Solvents	**35**	52	42
Olefins & Surfactants	**137**	192	165
Other chemical businesses	**21**	10	11
Wax	**6**	8	8
Merisol	**15**	2	3
Other businesses			
Sasol Financing	**10**	26	30
Total operations	**203**	280	248

Capital commitments

Capital commitments include all projects for which specific board approval has been obtained at the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:

Authorised and contracted for	**422**	266	112
Authorised but not yet contracted for	**204**	247	245
Less expenditure to the end of year	**(305)**	(188)	(84)
	321	325	273

These capital commitments are in respect of subsidiary companies only.

Funding

Capital expenditure will be financed from funds generated out of normal business operations and existing borrowing facilities.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
6 Investments in securities				
Investments available-for-sale	6.1	**206**	189	245
long-term investments		**206**	189	168
short-term investment*		**–**	–	77
Investment held-for-trading	6.2	**34**	30	–
Investments held-to-maturity	6.3	**472**	445	417
Investments in securities per statement of financial position		**712**	664	662
long-term portion		**712**	664	585
short-term portion		**–**	–	77

* *In 2006, sEnergy Insurance Limited had suspended its underwriting activities. In 2011, the company was liquidated and Sasol's initial investment in the company was repaid.*

6.1 Investments available-for-sale

	Note	2012 Rm	2011 Rm	2010 Rm
Balance at beginning of year		**189**	245	264
Investments purchased		**13**	13	17
Investments sold		**(1)**	(77)	(14)
Impairment of investments	42	**–**	–	(1)
Revaluation to fair value		**(3)**	–	4
Disposal of businesses	56	**(2)**	–	–
Translation of foreign operations	47	**10**	8	(25)
Balance at end of year		**206**	189	245

Fair value of investments available-for-sale

The fair value of the unlisted equity investments cannot be determined as there is no quoted price available for an identical or similar instrument in an active market. Accordingly, these investments are carried at their original cost less impairment in the statement of financial position.

Name	Country of incorporation	Nature of business	Interest %	2012 Rm	2011 Rm	2010 Rm
Investments available-for-sale						
Aetylen Rohrleitungsgesellschaft GmbH & Co KG	Germany	Pipeline business	20	**152**	145	135
sEnergy Insurance Limited	Bermuda	Insurance	6	**–**	–	77
Other			various	**54**	44	33
				206	189	245

The unlisted investments represent strategic investments of the group and are long term in nature as management has no intention of disposing of these investments in the foreseeable future.

for the year ended 30 June	2012 Rm	2011 Rm
6 Investments in securities continued		
6.2 Investment held-for-trading		
Balance at beginning of year	**30**	–
Investments purchased	**–**	30
Foreign exchange differences recognised in income statement	**4**	–
Balance at end of year	**34**	30

The investment held-for-trading represents a strategic investment of the group and is long term in nature as management has no intention of disposing of this investment in the foreseeable future. This investment has no fixed or determinable repayments and is managed based on its fair value at each reporting period.

Fair value of investment held-for-trading

The fair value of the unlisted equity investment cannot be determined as there is no quoted price available for an identical or similar instrument in an active market. Accordingly, this investment is carried at it's original cost less impairment in the statement of financial position.

Name	Country of incorporation	Nature of business	Interest %	2012 Rm	2011 Rm
Investment held-for-trading					
CO_2 Technology Centre Mongstad DA	Norway	Carbon capture	2,44	**34**	30

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
6.3 Investments held-to-maturity			
At amortised cost			
Balance at beginning of year	**445**	417	387
Reinvestment of funds	**27**	28	30
Balance at end of year	**472**	445	417
Fair value of investments held-to-maturity The fair value of investments held-to-maturity is determined using a discounted cash flow method using market related rates at 30 June. The market related rates used to discount estimated cash flows were between 5,77% and 6,03% (2011 – 6,14% and 7,15%).			
Fair value of investments held-to-maturity	**472**	445	417

At 30 June, the group's investments held-to-maturity and their carrying values were:

Name	Country of incorporation	Nature of business	Interest rate at 30 June 2012	2012 Rm	2011 Rm	2010 Rm
Investments held-to-maturity						
Long-term fixed deposits with fixed interest and fixed or determinable maturity dates	South Africa	Investment*	5,77% – 6,03%	**472**	445	417

* *The long-term fixed deposits are restricted for use as they are held in a separate trust to be used exclusively for rehabilitation purposes at Sasol Mining.*

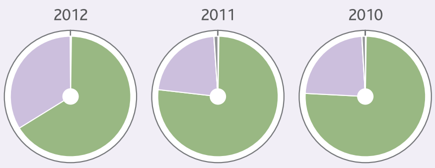
for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
7 Investments in associates				
Balance at beginning of year		**3 071**	3 573	2 170
Disposal of associate		**(29)**	–	–
Additional investments in associates		**81**	91	1 248
Reclassification to long-term receivables		**(434)**	–	–
Reclassification to other receivables	14	**(859)**	–	–
Share of profit of associates, net of dividends received		**118**	(105)	164
Impairment of investment in associate	42	**(64)**	(123)	–
Effect of translation of foreign operations	47	**676**	(365)	(9)
Balance at end of year		**2 560**	3 071	3 573
Comprising				
Investments at cost (net of impairment)		**2 050**	3 306	3 365
Share of post-acquisition reserves		**510**	(235)	208
		2 560	3 071	3 573

Fair value of investments in associates

The fair value of investments in associates is determined using a discounted cash flow method using market related rates at 30 June. The market related rates used to discount estimated cash flows were between 9,38% and 11,20% (2011 – 9,10% and 9,72%).

	Note	2012 Rm	2011 Rm	2010 Rm
Estimated fair value of investments in associates		**5 340**	6 439	6 301
Dividends received from associates	52	**361**	397	53

Business segmentation



	2012 Rm	2011 Rm	2010 Rm
Synfuels	**6**	8	8
Synfuels International	**1 689**	2 351	2 701
Polymers	**863**	678	830
Other chemical businesses	**2**	2	2
Other businesses	**–**	32	32
Total operations	**2 560**	3 071	3 573

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
7 Investments in associates continued				
Key financial information of associates*				
Non-current assets		**66 608**	44 645	39 886
property, plant and equipment		**3 534**	3 279	3 546
assets under construction		**63 032**	41 325	36 041
other non-current assets		**42**	41	299
Current assets		**47 050**	5 006	9 644
Total assets		**113 658**	49 651	49 530
Shareholders' equity		**25 701**	20 852	23 382
Long-term debt (interest bearing)		**–**	5	5
Long-term provisions		**4**	–	–
Other non-current liabilities		**22 583**	27 002	24 299
Interest bearing current liabilities		**777**	860	815
Non-interest bearing current liabilities		**64 593**	932	1 029
Total equity and liabilities		**113 658**	49 651	49 530
Total turnover		**9 936**	6 886	5 827
Operating profit		**4 713**	3 071	2 295
Finance income		**61**	61	2
Finance expenses		**(12)**	(80)	(33)
Profit before tax		**4 762**	3 052	2 264
Taxation		**(1 164)**	(771)	(571)
Profit		**3 598**	2 281	1 693

* *The financial information provided represents the full financial position and results of the associates.*

At 30 June, the group's total investment in the Escravos gas-to-liquids (EGTL) project was:

	Note	2012 Rm	2011 Rm	2010 Rm
Investment in associate		**1 689**	2 351	2 702
Loan to associate classified as long-term receivables		**434**	–	–
Loan to associate classified as other receivables	14	**859**	–	–
		2 982	2 351	2 702

No additional amounts in the current year (2011 – R148 million, 2010 – R1 266 million) has been committed by the group for further development of the EGTL project.

There were no contingent liabilities at 30 June 2012 relating to associates other than disclosed in note 57.

Impairment testing in respect of investments in associates is performed at each reporting date by comparing the recoverable amount based on the value-in-use of the cash generating unit to the carrying amount as described in note 42.

7 Investments in associates continued

At 30 June, the group's associates, interest in those associates and the total carrying values were:

Name	Country of incorporation	Nature of business	Interest %	2012 Rm	2011 Rm	2010 Rm
Escravos GTL (EGTL)*	Nigeria	GTL plant	10	**1 689**	2 351	2 702
Optimal Olefins Malaysia Sdn Bhd **	Malaysia	Ethane and propane gas cracker	12	**684**	538	676
Wesco China Limited	Hong Kong	Trading and distribution of raw plastic materials	40	**178**	140	154
Other			various	**9**	42	41
				2 560	3 071	3 573

* *In December 2008, Sasol reduced its interest in EGTL from 37,5% to 10%. The 10% interest retained by Sasol in the EGTL project has been recognised as an investment in an associate at its fair value at the date of disposal. Although the group holds less than 20% of the voting power of EGTL, the group exercises significant influence as a member of Sasol's senior management serves on the executive committee of the project and Sasol is responsible for providing essential technical support to the project.*

** *Although the group holds less than 20% of the voting power of Optimal Olefins Malaysia Sdn Bhd, the group exercises significant influence as a member of Sasol's senior management serves on the board of directors of the company.*

Associates whose financial year ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' financial results for material transactions and events in the intervening period.

None of the group's investments in associates are publicly traded and therefore no quoted market prices are available. The fair value of investments in associates is determined using a discounted cash flow method using market related rates at 30 June.

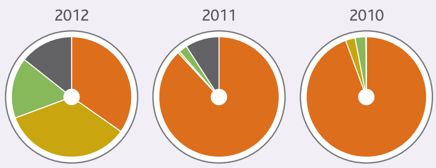
There are no significant restrictions on the ability of the associates to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

for the year ended 30 June	Note	2012 Rm	2011 Restated (Note 1) Rm	2010 Restated (Note 1) Rm
8 Post-retirement benefit assets				
Post-retirement benefit assets	20.2	**313**	265	178

For further details of post-retirement benefit assets, refer note 20.2.

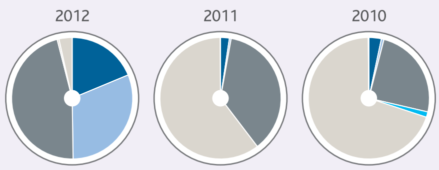
for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
9 Long-term receivables and prepaid expenses				
Total long-term receivables		**1 451**	1 482	1 317
Short-term portion	14	**(78)**	(24)	(169)
		1 373	1 458	1 148
Long-term prepaid expenses		**158**	75	93
		1 531	1 533	1 241
Comprising				
Long-term joint venture receivables (interest bearing)		**51**	891	791
Long-term interest-bearing loans		**968**	457	307
Long-term interest-free loans		**354**	110	50
		1 373	1 458	1 148
Maturity profile				
Within one year		**78**	24	169
One to two years		**327**	48	325
Two to three years		**232**	348	320
Three to four years		**141**	341	164
Four to five years		**226**	340	9
More than five years		**447**	381	330
		1 451	1 482	1 317

Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**504**	1 306	1 243
US dollar	**502**	7	34
Rand	**237**	34	38
Other currencies	**208**	135	2
	1 451	1 482	1 317

Geographic information



	2012 Rm	2011 Rm	2010 Rm
South Africa	**272**	35	44
Rest of Africa	**450**	7	9
Europe	**671**	545	324
North America	**–**	–	19
Middle East and India	**7**	894	919
Far East	**51**	1	2
	1 451	1 482	1 317

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
9 Long-term receivables and prepaid expenses continued			
Fair value of long-term loans and receivables			
The fair value of long-term receivables is determined using a discounted cash flow method using market related rates at 30 June. The fair value of long-term interest bearing receivables approximates the carrying value as market related rates of interest are charged on these outstanding amounts.			
The interest-free loans relate primarily to deposits on office rental space in terms of various operating lease agreements. These amounts were considered to be recoverable as at 30 June 2012.			
Fair value of long-term receivables	**1 451**	1 482	1 317
Impairment of long-term loans and receivables			
Long-term loans and receivables that are not past their due date are not considered to be impaired, except in situations where they are part of individually impaired long-term loans and receivables.			
Collateral			
The group holds collateral over certain long-term receivables related to the investment in EGTL, refer note 7.			
10 Long-term financial assets			
Forward exchange contracts	**194**	21	2
Arising on long-term derivative financial instruments	**194**	21	2
used for cash flow hedging	**1**	1	–
held-for-trading	**193**	20	2

Long-term financial assets include the revaluation of in-the-money derivative instruments, refer note 63.

Fair value of derivative financial instruments

The fair value of derivatives is based on market valuations.

Forward exchange contracts

The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values are then determined using the appropriate currency specific discount curve.

current assets

	Note	2012 Rm	2011 Rm	2010 Rm
Investments in securities	6	–	–	77
Assets in disposal groups held for sale	11	18	54	16
Inventories	12	20 668	18 512	16 472
Tax receivable	27	325	49	356
Trade receivables	13	23 159	21 628	18 624
Other receivables and prepaid expenses	14	2 815	1 497	1 417
Short-term financial assets	15	426	22	50
Cash restricted for use	16	5 314	3 303	1 841
Cash	16	12 746	14 716	14 870
		65 471	59 781	53 723

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
11 Disposal groups held for sale				
Assets in disposal groups held for sale				
Sasol Nitro emission rights	11.1	18	–	–
Sasol Nitro fertiliser businesses	11.1	–	23	–
Sasol Petroleum International exploration assets	11.2	–	31	–
Sasol Italy Paderno Dugnano site	11.3	–	–	16
		18	54	16
Liabilities in disposal groups held for sale				
Sasol Italy Paderno Dugnano site	11.3	–	–	(4)
		–	–	(4)

11.1 Sasol Nitro

During 2012, Sasol Nitro entered into negotiations with a potential buyer to dispose of certified emission reduction certificates. The sale is expected to be completed in the next 12 months.

On 20 July 2010, Sasol concluded an agreement with the South African Competition Commission to dispose of the bulk blending and liquid fertiliser blending facilities in Durban, Bellville, Endicott and Kimberley. As a result, Sasol entered into negotiations with potential buyers for the purchase of the plants. Based on management's estimate of fair value to be obtained from the sale, the net assets have been impaired by R3 million to their fair value less costs to sell.

11.2 Sasol Petroleum International

During 2010, Sasol Petroleum International entered into negotiations with a potential buyer interested in acquiring exploration assets in Nigeria. Based on management's estimate of fair value to be obtained from the sale, the net assets have been impaired by R1 million to their fair value less costs to sell.

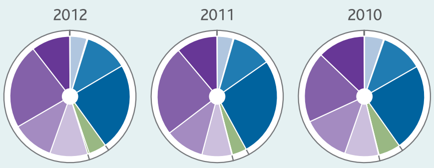
11.3 Sasol Olefins & Surfactants (Sasol O&S)

Sasol Italy Paderno Dugnano site

During 2010, as part of the Sasol O&S restructuring programme announced in March 2007, Sasol decided to dispose of the Paderno Dugnano Italy site. As a result, Sasol entered into negotiations with a potential buyer interested in acquiring the land. In 2011, the negotiations were unsuccessful and the land was reclassified back into property, plant and equipment.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
12 Inventories				
Carrying value				
Crude oil and other raw materials		**3 433**	3 708	2 569
Process material		**1 519**	1 248	1 396
Maintenance materials		**3 547**	2 929	2 851
Work in process		**1 868**	1 473	1 323
Manufactured products		**10 111**	8 998	8 215
Consignment inventory		**190**	156	118
		20 668	18 512	16 472
Inventories carried at net realisable value (taken into account in the carrying value of inventories above)				
Crude oil and other raw materials		**54**	12	146
Process material		**94**	40	32
Maintenance materials		**–**	7	102
Manufactured products		**3 694**	1 007	2 040
		3 842	1 066	2 320
Write-down/(reversal of write-down) of inventories to net realisable value				
Crude oil and other raw materials		**8**	8	42
Process material		**8**	12	(54)
Maintenance materials		**–**	–	4
Manufactured products		**315**	92	126
Income statement charge	34	**331**	112	118
Inventory obsolescence (taken into account in the carrying value of inventories above)				
Balance at beginning of year		**504**	421	388
Raised during year		**259**	194	168
Utilised during year		**(84)**	(84)	(110)
Released during year		**(70)**	(27)	(13)
Foreign exchange differences recognised in income statement		**1**	–	–
Translation of foreign operations		**10**	–	(12)
Balance at end of year		**620**	504	421

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
12 Inventories continued			
Business segmentation			
South African energy cluster	**8 274**	7 780	6 622
Mining	**939**	789	847
Gas	**57**	47	40
Synfuels	**2 420**	1 994	1 874
Oil	**4 858**	4 950	3 861
International energy cluster	**1 075**	750	995
Synfuels International	**987**	726	973
Petroleum International	**88**	24	22
Chemical cluster	**11 304**	9 968	8 837
Polymers	**2 107**	1 490	1 498
Solvents	**2 318**	1 944	2 108
Olefins & Surfactants	**4 721**	4 482	3 129
Other chemical businesses	**2 158**	2 052	2 102
Other businesses	**15**	14	18
Total operations	**20 668**	18 512	16 472
Inventories to sale of products (%)	**12,3%**	13,1%	13,6%
Inventories to cost of sales and services rendered (%)	**18,6%**	20,5%	20,8%



The impact of higher crude oil and lower chemical product prices has resulted in a net realisable value write-down of R331 million in 2012 (2011 – R120 million; 2010 – R172 million). The reversal of the net realisable value write-down amounted to Rnil in 2012 (2011 – R8 million; 2010 – R54 million).

No inventories are encumbered.

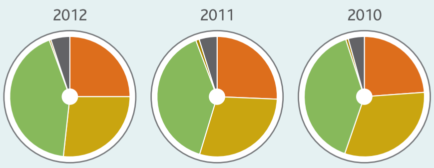
for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
13 Trade receivables				
Trade receivables*		**20 520**	20 406	17 006
Related party receivables		**1 146**	434	375
associates		**357**	163	223
joint ventures		**789**	271	152
Impairment of trade receivables		**(509)**	(442)	(307)
Receivables		**21 157**	20 398	17 074
Duties recoverable from customers*		**436**	106	286
Value added tax		**1 566**	1 124	1 264
		23 159	21 628	18 624

* *Duties recoverable from customers amounting to R1 621 million in 2011 and R 1 778 million in 2010 were reclassified to trade receivables having risks and rewards more closely aligned to trade receivables.*

		2012	2011	2010
Trade receivables to turnover (%)		**13,7%**	15,2%	15,2%

Currency analysis of receivables

		2012	2011	2010
Euro		**5 288**	4 818	3 648
US dollar		**5 658**	5 453	4 809
Rand		**9 034**	9 047	7 851
Pound sterling		**95**	174	106
Other currencies		**1 082**	906	660
		21 157	20 398	17 074



Impairment of trade receivables

	Note	2012 Rm	2011 Rm	2010 Rm
Balance at beginning of year		**(442)**	(307)	(258)
Disposal of businesses		**–**	5	–
Raised during year	36	**(135)**	(293)	(138)
Utilised during year		**2**	80	53
Released during year	36	**74**	76	15
Translation of foreign operations		**(8)**	(3)	21
Balance at end of year		**(509)**	(442)	(307)

Credit risk exposure in respect of trade receivables is analysed as follows:

	Carrying value 2012 Rm	Impairment 2012 Rm	Carrying value 2011 Rm	Impairment 2011 Rm
Age analysis of trade receivables				
Not past due date	**18 647**	**7**	18 558	171
Past due 0 – 30 days	**1 165**	**9**	1 332	62
Past due 31 – 150 days	**159**	**20**	257	21
Past due 151 days – one year	**384**	**321**	75	11
More than one year*	**165**	**152**	184	177
	20 520	**509**	20 406	442

* *More than one year relates to long outstanding balances for specific customers who have exceeded their contractual repayment terms.*

changes to comparative information
non-current assets
current assets
non-current liabilities
current liabilities
results of operations
equity structure
liquidity and capital resources
other disclosures

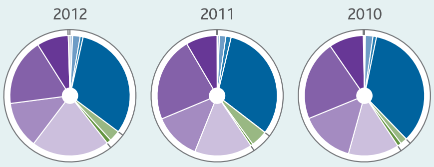
13 Trade receivables continued

Impairment of trade receivables

Trade receivables that are not past their due date are not considered to be impaired, except in situations where they are part of individually impaired trade receivables. The individually impaired trade receivables mainly relate to certain customers who are trading in difficult economic circumstances.

No individual customer represents more than 10% of the group's trade receivables.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Business segmentation			
South African energy cluster	**8 148**	7 666	7 038
Mining	**165**	129	47
Gas	**467**	377	379
Synfuels	**185**	305	176
Oil	**7 331**	6 850	6 434
Other SA Energy	**–**	5	2
International energy cluster	**973**	1 105	533
Synfuels International	**696**	970	335
Petroleum International	**277**	135	198
Chemical cluster	**13 930**	12 852	10 997
Polymers	**4 854**	3 356	2 543
Solvents	**2 917**	2 733	2 704
Olefins & Surfactants	**4 192**	4 939	4 016
Other chemical businesses	**1 967**	1 824	1 734
Other businesses	**108**	5	56
Total operations	**23 159**	21 628	18 624

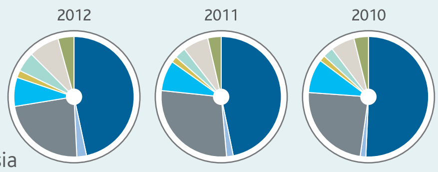


Fair value of trade receivables
The carrying value approximates fair value because of the short period to maturity of these instruments.

Collateral
The group holds no collateral over the trade receivables which can be sold or repledged to a third party.

Geographic information

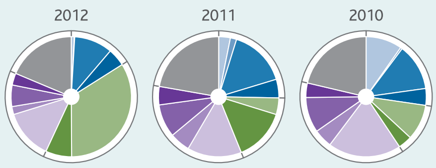
	2012 Rm	2011 Rm	2010 Rm
South Africa	**10 803**	10 119	9 443
Rest of Africa	**601**	387	281
Europe	**5 369**	6 073	4 455
North America	**1 803**	1 770	1 695
South America	**453**	352	296
South-East Asia and Australasia	**1 232**	663	526
Middle East and India	**1 906**	1 483	1 202
Far East	**992**	781	726
	23 159	21 628	18 624



for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
14 Other receivables and prepaid expenses				
Insurance related receivables		**260**	189	121
Capital project related receivables		**82**	173	29
Receivables related to exploration activities		**67**	18	48
Employee related receivables		**66**	38	42
Receivable related to investment in EGTL	7	**859**	–	–
Other receivables		**926**	580	504
		2 260	998	744
Short-term portion of long-term receivables	9	**78**	24	169
Other receivables		**2 338**	1 022	913
Prepaid expenses		**477**	475	504
		2 815	1 497	1 417

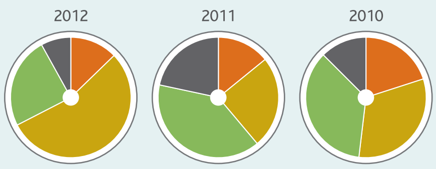
Business segmentation

	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**451**	379	387
Mining	**23**	47	138
Gas	**3**	25	7
Synfuels	**290**	232	178
Oil	**135**	75	64
International energy cluster	**1 151**	278	189
Synfuels International	**954**	67	136
Petroleum International	**197**	211	53
Chemical cluster	**688**	507	539
Polymers	**375**	218	278
Solvents	**60**	82	71
Olefins & Surfactants	**163**	133	135
Other chemical businesses	**90**	74	55
Other businesses	**525**	333	302
Total operations	**2 815**	1 497	1 417

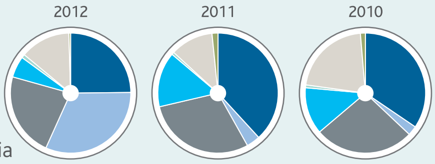


Currency analysis

	2012 Rm	2011 Rm	2010 Rm
Euro	**288**	141	149
US dollar	**1 236**	247	237
Rand	**554**	394	265
Other currencies	**182**	216	93
	2 260	998	744



for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
14 Other receivables and prepaid expenses continued			
Geographic information			
South Africa	**699**	572	489
Rest of Africa	**898**	55	36
Europe	**637**	441	379
North America	**161**	222	179
South-East Asia and Australasia	**27**	10	11
Middle East and India	**380**	173	304
Far East	**13**	24	19
	2 815	1 497	1 417



Fair value of other receivables
The carrying value approximates fair value because of the short period to maturity of these instruments.

	2012 Rm	2011 Rm	2010 Rm
15 Short-term financial assets			
Forward exchange contracts	**400**	22	50
Commodity derivatives	**26**	–	–
Arising on short-term derivative financial instruments	**426**	22	50
used for cash flow hedging	**3**	4	2
held-for-trading	**423**	18	48

Short-term financial assets include the revaluation of in-the-money derivative instruments, refer note 63.

Fair value of derivative financial instruments
The fair value of derivatives is based upon market valuations.

Forward exchange contracts
The fair value gains were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present values of these net market values are then determined using the appropriate currency specific discount curve.

Commodity derivatives
The fair value of commodity derivatives is determined by reference to quoted market prices for similar instruments.

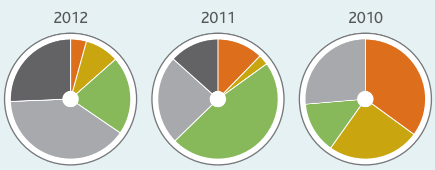
for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
16 Cash and cash equivalents			
Cash restricted for use	**5 314**	3 303	1 841
Cash	**12 746**	14 716	14 870
Bank overdraft	**(222)**	(209)	(119)
Per the statement of cash flows	**17 838**	17 810	16 592
Cash restricted for use			
In trust	**53**	257	209
In respect of joint ventures	**3 981**	1 320	1 176
In cell captive insurance company	**347**	301	239
Funds not available for general use	**760**	1 262	–
Held as collateral	**68**	75	87
Other	**105**	88	130
	5 314	3 303	1 841

Included in cash restricted for use:

- Cash held in trust of R53 million (2011 – R257 million; 2010 – R209 million) is restricted for use and is being held in escrow for the funding of specific project finance related to the construction of joint venture plants;
- Cash in respect of joint ventures can only be utilised for the businesses of the joint ventures;
- Cell captive insurance company funds of R347 million (2011 – R301 million; 2010 – R239 million) to which the group has restricted title. The funds are restricted solely to be utilised for insurance purposes;
- Cash held in a separate bank account of R760 million (2011 – R1 262 million) is restricted for use and is not available for general use by the group;
- Cash deposits of R68 million (2011 – R75 million; 2010 – R87 million) serving as collateral for bank guarantees; and
- Other cash restricted for use include customer foreign currency accounts to be used for the construction of reactors where the contractor pays in advance. The cash can be utilised only for these designated reactor supply projects.

Currency analysis

	2012 Rm	2011 Rm	2010 Rm
Euro	**227**	406	645
US dollar	**488**	90	456
Rand	**1 121**	1 575	255
Canadian dollar	**2 116**	791	–
Other currencies	**1 362**	441	485
	5 314	3 303	1 841



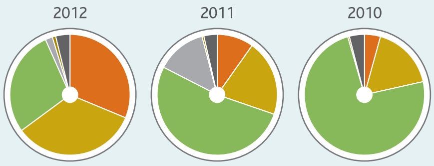
for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm

16 Cash and cash equivalents continued

Cash

	2012 Rm	2011 Rm	2010 Rm
Cash on hand and in bank	**6 351**	5 953	3 590
Foreign currency accounts	**566**	346	394
Short-term deposits	**5 829**	8 417	10 886
	12 746	14 716	14 870

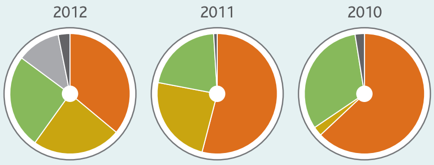
Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**3 981**	1 450	640
US dollar	**4 293**	3 000	2 559
Rand	**3 621**	7 695	11 004
Canadian dollar	**246**	1 970	–
Pound sterling	**116**	74	64
Other currencies	**489**	527	603
	12 746	14 716	14 870

	2012 Rm	2011 Rm	2010 Rm
Bank overdraft	**(222)**	(209)	(119)

Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**(80)**	(113)	(75)
US dollar	**(53)**	(50)	(3)
Rand	**(56)**	(44)	(38)
Canadian dollar	**(26)**	–	–
Other currencies	**(7)**	(2)	(3)
	(222)	(209)	(119)

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

non-current liabilities

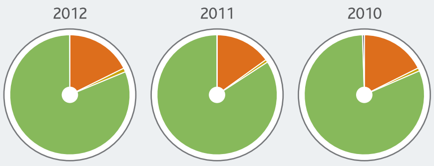
	Note	2012 Rm	2011 Rm	2010 Rm
Long-term debt	17	**12 828**	14 356	14 111
Long-term financial liabilities	18	**38**	103	75
Long-term provisions	19	**10 518**	8 233	7 013
Post-retirement benefit obligations	20	**6 872**	5 160	5 120
Long-term deferred income	21	**455**	498	273
Deferred tax liabilities	22	**13 839**	11 961	9 987
		44 550	40 311	36 579

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
17 Long-term debt				
Total long-term debt		**15 885**	15 849	15 197
Short-term portion	23	**(3 057)**	(1 493)	(1 086)
		12 828	14 356	14 111
Analysis of long-term debt				
At amortised cost				
Secured debt		**2 794**	3 494	3 611
Preference shares		**8 055**	7 885	6 960
Finance leases		**789**	888	908
Unsecured debt		**4 396**	3 617	3 766
Unamortised loan costs		**(149)**	(35)	(48)
		15 885	15 849	15 197
Reconciliation				
Balance at beginning of year		**15 849**	15 197	17 887
Loans raised		**1 138**	2 247	2 080
Loans repaid		**(1 997)**	(1 702)	(4 647)
Interest accrued	40	**886**	479	–
Amortisation of loan costs		**(112)**	15	18
Effect of cash flow hedge accounting		**–**	(6)	8
Translation effect of foreign currency loans		**15**	5	(94)
Translation of foreign operations	47	**106**	(386)	(55)
Balance at end of year		**15 885**	15 849	15 197

for the year ended 30 June

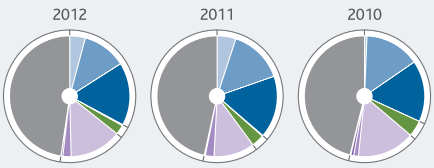
17 Long-term debt continued

Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**2 810**	2 388	2 680
US dollar	**166**	118	126
Rand	**12 904**	13 341	12 314
Other	**5**	2	77
	15 885	15 849	15 197
Interest bearing status			
Interest bearing debt	**15 360**	15 204	14 472
Non-interest bearing debt	**525**	645	725
	15 885	15 849	15 197
Maturity profile			
Within one year	**3 057**	1 493	1 086
One to two years	**1 439**	1 318	1 751
Two to three years	**1 759**	1 518	1 418
Three to four years	**822**	1 522	1 375
Four to five years	**639**	1 060	947
More than five years	**8 169**	8 938	8 620
	15 885	15 849	15 197

Business segmentation



	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**5 212**	5 750	4 835
Mining	**669**	798	99
Gas	**1 866**	2 317	2 245
Synfuels	**5**	2	2
Oil	**2 672**	2 633	2 489
International energy cluster	**454**	568	660
Synfuels International	**46**	34	3
Petroleum International	**408**	534	657
Chemical cluster	**2 648**	2 152	2 692
Polymers	**2 218**	1 738	2 353
Solvents	**351**	371	192
Olefins & Surfactants	**73**	38	117
Other chemical businesses	**6**	5	30
Other businesses	**7 571**	7 379	7 010
Total operations	**15 885**	15 849	15 197

17 Long-term debt continued

Fair value of long-term debt

The fair value of long-term debt is based on the quoted market price for the same or similar instruments or on the current rates available for debt with the same maturity profile and with similar cash flows. Market related rates ranging between 1,2% and 16,6% were used to discount estimated cash flows based on the underlying currency of the debt.

	2012 Rm	2011 Rm	2010 Rm
Total long-term debt (before unamortised loan costs)	**16 455**	16 737	14 887

In terms of Sasol Limited's memorandum of incorporation, the group's borrowing powers are limited to twice the sum of its share capital and reserves (2012 – R250 billion; 2011 – R215 billion and 2010 – R189 billion).

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2012	**2012 Rm**	2011 Rm	2010 Rm
Secured debt							
Repayable in semi-annual instalments ending between December 2014 and December 2017	Secured by plant with a carrying value of R3 415 million (2011 – R3 711 million)	Gas (Rompco)	Rand	Jibar + 1,2% to 3,4%	**1 364**	1 687	1 371
Repayable in semi-annual instalments ending between 2014 and 2016	Secured by plant with a carrying value of R2 072 million (2011 – R3 524 million)	Polymers (Arya)	Euro and US dollar	Euribor + 0,5% and Libor + 0,5%	**657**	870	1 262
Repayable in semi-annual instalments ending June 2015	Secured by plant and equipment with a carrying value of R3 599 million (2011 – R3 480 million)	Petroleum International	Rand and Euro	Jibar + 1,2% to 2,5% and Euribor + 2,0%	**411**	542	671
Repayable in December 2013	Secured by the shares in the company borrowing the funds	Oil (Petromoc)	US dollar	Variable 18,0%	**4**	5	7
Repayable in semi-annual instalments ending December 2018	Secured by plant and other current assets with a carrying value of R512 million (2011 – R527 million)	Solvents (Huntsman)	Euro	Euribor + 2,9%	**353**	374	199
Other secured debt		Various	Various	Various	**5**	6	13
Settled during the financial year		Various	Various	Various	**–**	10	88
					2 794	3 494	3 611

17 Long-term debt continued

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2012	2012 Rm	2011 Rm	2010 Rm
Preference shares							
A preference shares repayable in semi-annual instalments between June and October 2018[1]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 11,1% to 12,3%	**2 309**	2 448	2 462
B preference shares repayable between June and October 2018[2]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 13,3% to 14,7%	**1 160**	1 154	1 153
C preference shares repayable October 2018[3]	Secured by guarantee from Sasol Limited	Other (Inzalo)	Rand	Variable 7,2%	**3 917**	3 576	3 345
A preference shares repayable between March 2013 and October 2018[4]	Secured by preference shares held by Sasol Mining Holdings (Pty) Ltd.	Sasol Mining	Rand	Fixed 9,2% and Variable 79% of prime	**669**	707	–
					8 055	7 885	6 960
Finance leases							
Repayable in monthly instalments over 10 to 30 years ending December 2033	Secured by plant and equipment with a carrying value of R766 million (2011 – R789 million)	Oil	Rand	Variable 6,8% to 16,6%	**703**	729	733
Other smaller finance leases	Underlying assets	Various	Various	Various	**86**	159	175
					789	888	908
Total secured debt					**11 638**	12 267	11 479

1. *No additional A preference shares debt was raised in the current year (2011 – Rnil; 2010 – Rnil) within special purpose entities as part of the Sasol Inzalo share transaction (refer note 46.2). During the year, R138 million (2011 – R14 million; 2010 – R14 million) was repaid in respect of the capital portion related to these preference shares. Dividends on these preference shares are payable in semi-annual instalments ending October 2018. It is required that 50% of the principal amount be repaid between October 2008 and October 2018, with the balance of the debt repayable at that date. The A preference shares are secured by a first right over the Sasol preferred ordinary shares held by the special purpose entities. It therefore has no direct recourse against Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumbered in any way.*
2. *No additional B preference shares debt was raised in the current year (2011 – Rnil; 2010 – Rnil) within special purpose entities as part of the Sasol Inzalo share transaction (refer note 46.2). Dividends on these preference shares are payable in semi-annual instalments ending October 2018. The principal amount is repayable on maturity during October 2018. The B preference shares are secured by a second right over the Sasol preferred ordinary shares held by the special purpose entities. It therefore has no direct recourse against Sasol Limited. The Sasol preferred ordinary shares held may not be disposed of or encumbered in any way.*
3. *No additional C preference shares debt was raised in the current year (2011 – Rnil; 2010 – Rnil) within special purpose entities as part of the Sasol Inzalo share transaction (refer note 46.2). Dividends and the principal amount on these preference shares are payable on maturity during October 2018. The C preference shares are secured by a guarantee from Sasol Limited.*
4. *A preference shares debt was raised in 2011 as part of the Sasol Ixia Coal transaction (refer note 46.3). No additional preference share debt was raised in the current year. Dividends and the principal amount on these preference shares are payable on maturity between March 2013 and October 2018. The A preference shares are secured by preference shares held by Sasol Mining Holdings (Pty) Ltd., a subsidiary of Sasol Limited. These preference shares may not be disposed of or encumbered in any way.*

	Terms of repayment	Business	Currency	Interest rate at 30 June 2012	2012 Rm	2011 Rm	2010 Rm
17	**Long-term debt** continued						
	Unsecured debt						
	Repayable in semi-annual instalments ending December 2017	Oil	Rand	Variable 7,0%	**749**	825	923
	Loan from iGas (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. No fixed repayment terms	Gas (Rompco)	Rand	–	**300**	300	300
	Loan from CMG (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. No fixed repayment terms	Gas (Rompco)	Rand	–	**300**	300	300
	Repayable in semi-annual instalments ending June 2014	Oil	Rand	Fixed 11,6%	**50**	94	116
	No fixed repayment terms	Oil	Rand	Fixed 8,0%	**318**	240	253
	Repayable in yearly instalments ending June 2019	Oil	Rand	Variable 8,0%	**643**	735	450
	Repayable in yearly instalments ending June 2022	Oil	Rand	Variable 8,0%	**200**	–	–
	Repayable in equal semi-annual instalments ending March 2013	Polymers (Arya)	Euro	Euribor + 3,0%	**1 561**	868	1 013
	Repayable in equal semi-annual instalments until May 2018	Other businesses – Sasol Financing	Euro	Euribor + 1,8%	**104**	116	–
	Other unsecured debt	Various	Various	Various	**171**	139	111
	Settled during the financial year	Various	Various	Various	**–**	–	300
	Total unsecured debt				**4 396**	3 617	3 766
	Total long-term debt				**16 034**	15 884	15 245
	Unamortised loan costs (amortised over period of debt using effective interest rate method)				**(149)**	(35)	(48)
					15 885	15 849	15 197
	Repayable within one year included in short-term debt (refer note 23)				**(3 057)**	(1 493)	(1 086)
					12 828	14 356	14 111

	Expiry date	Currency	Rand equivalent Rm	Utilisation Rm
17 Long-term debt continued				
Banking facilities and debt arrangements at 30 June 2012				
Sasol Financing				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	6 892	–
Commercial paper programme	None	Rand	8 000	–
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	1 225	–
Commercial banking facilities	Various (short-term)	Rand	2 000	–
Sasol Financing International				
Committed facility				
Revolving credit facility (bilateral)	June 2013	US dollar	1 225	–
Other commercial banking facilities	Various	Euro	8	–
Other Sasol businesses				
Uncommitted facilities				
Commercial banking facilities	Various (short-term)	Rand	7 798	–
Asset based finance				
Republic of Mozambique Pipeline Investments Company (Pty) Ltd.	December 2017	Rand	1 992	1 992
Sasol Petroleum Temane Limitada	June 2015	Rand and Euro	411	411
Debt arrangements				
Arya Sasol Polymer Company	March 2016	Euro	2 218	2 218
National Petroleum Refiners of South Africa (Pty) Ltd.	Various	Rand	2 018	1 642
Sasol Inzalo Groups Funding (Pty) Ltd. (preference shares)	October 2011 to October 2018	Rand	2 569	2 569
Sasol Inzalo Public Funding (Pty) Ltd. (preference shares)	October 2011 to October 2018	Rand	4 817	4 817
Sasol Mining Holdings (Pty) Ltd. (preference shares)	March 2013 to October 2018	Rand	669	669
Property finance leases				
Sasol Oil (Pty) Ltd. and subsidiaries	Various	Rand	703	703
Other banking facilities and debt arrangements	Various	Various	2 733	1 101
			45 278	16 122
Comprising				
Long-term debt				15 885
Short-term debt				15
Bank overdraft (refer note 16)				222
				16 122

Financial covenants

There were no events of default during the current year. The group is in compliance with its debt covenants, none of which are expected to represent material restrictions on funding or investment policies in the foreseeable future.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
18 Long-term financial liabilities				
Derivative instruments				
Forward exchange contracts		**14**	78	37
Interest rate derivatives		**9**	4	13
		23	82	50
used for cash flow hedging		**1**	5	43
held for trading		**22**	77	7
Non-derivative instruments				
Financial guarantees recognised		**24**	29	34
Less amortisation of financial guarantees		**(5)**	(5)	(5)
		19	24	29
Less short-term portion of financial guarantees	24	**(4)**	(3)	(4)
		15	21	25
Arising on long-term financial instruments		**38**	103	75

Long-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer note 63.

Fair value of derivative financial instruments

The fair value of derivatives is based on market valuations.

Forward exchange contracts

The fair value losses were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values are then determined using the appropriate currency specific discount curve.

Interest rate derivatives

The fair value of interest rate derivatives is determined by reference to quoted market prices for similar instruments.

Fair value of long-term financial guarantees

The fair value of long-term financial guarantees is calculated based on the present value of future principal and interest cash flows of the related debt, discounted at the market rate of interest at the reporting date, consistent with the method of calculation at the inception of the guarantee. The interest rates used range between 13,16% – 13,29%.

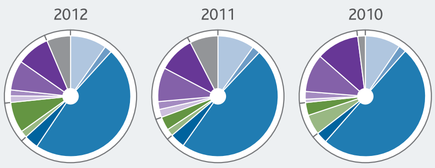
In terms of the sale of 25% in Sasol Oil (Pty) Ltd. to Tshwarisano LFB Investment (Pty) Ltd. during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R39 million was recognised. This liability is being amortised over the period of the guarantee using the effective interest rate method.

In terms of the sale of 25% in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. to Companhia de Moçambicana de Gasoduto during 2007, facilitation for the financing requirements has been provided. A financial liability for the fair value of this guarantee, amounting to R17 million was recognised. This liability is being amortised over the period of the guarantee using the effective interest rate method.

Fair value of financial liabilities	**33**	99	73

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
19 Long-term provisions				
Balance at beginning of year		**9 043**	7 587	6 906
Capitalised in property, plant and equipment and assets under construction		**666**	233	109
Reversal of rehabilitation provisions capitalised in property, plant and equipment	2	**(26)**	–	–
Operating income charge		**1 279**	1 230	1 173
increase for year		**785**	1 190	1 105
reversal of unutilised amounts		**(104)**	(12)	(161)
effect of change in discount rate		**598**	52	229
Notional interest	40	**489**	468	373
Utilised during year (cash flow)		**(493)**	(486)	(904)
Reclassification from held for sale		**–**	4	16
Reclassification from other payables		**–**	–	54
Reclassification from short-term provisions	25	**–**	23	–
Disposal of businesses	56	**(4)**	–	(9)
Foreign exchange differences recognised in income statement		**61**	22	–
Translation of foreign operations	47	**190**	(38)	(131)
Balance at end of year		**11 205**	9 043	7 587
Less short-term portion	25	**(687)**	(810)	(574)
Long-term provisions		**10 518**	8 233	7 013
Comprising				
Environmental		**8 911**	6 900	6 109
Other		**2 294**	2 143	1 478
provision against guarantees		**368**	405	405
share appreciation rights		**1 006**	909	304
long-term supply obligation		**140**	142	142
foreign early retirement provisions		**219**	224	214
other		**561**	463	413
		11 205	9 043	7 587

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
19 Long-term provisions continued			
Business segmentation			
South African energy cluster	**6 654**	5 254	4 524
Mining	**1 029**	815	669
Gas	**211**	178	141
Synfuels	**5 013**	3 931	3 503
Oil	**401**	330	211
International energy cluster	**1 063**	456	619
Synfuels International	**196**	157	377
Petroleum International	**867**	299	242
Chemical cluster	**2 127**	1 898	1 727
Polymers	**183**	176	63
Solvents	**168**	173	144
Olefins & Surfactants	**838**	749	714
Other chemical businesses	**938**	800	806
Other businesses	**674**	625	143
Total operations	**10 518**	8 233	7 013
Expected timing of future cash-flows			
Within one year	**687**	810	574
One to two years	**1 023**	670	828
Two to three years	**769**	784	628
Three to four years	**338**	540	448
Four to five years	**186**	291	393
More than five years	**8 202**	5 948	4 716
	11 205	9 043	7 587
Estimated undiscounted obligation	**42 544**	38 083	27 215



Representing the estimated actual cash flows in the period in which the obligation is settled.

In accordance with the group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised when the obligation arises.

The environmental obligation includes estimated costs for the rehabilitation of coal mining, oil, gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The determination of long-term provisions, in particular environmental provisions, remains a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

for the year ended 30 June	2012 %	2011 %	2010 %

19 Long-term provisions continued

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation.

	2012 %	2011 %	2010 %
South Africa	**5,4 to 7,5**	6,0 to 8,5	6,6 to 8,4
Europe	**0,6 to 2,2**	1,9 to 4,1	1,0 to 3,8
United States of America	**0,5 to 2,5**	0,4 to 4,1	0,6 to 4,5
Canada	**1,0 to 2,6**	1,2 to 4,1	–

	2012 Rm	2011 Rm	2010 Rm
A 1% change in the discount rate would have the following effect on the long-term provisions recognised			
Increase in the discount rate	**(1 275)**	(1 076)	(739)
amount capitalised to property, plant and equipment	**(304)**	(168)	(139)
amount recognised in income statement	**(971)**	(908)	(600)
Decrease in the discount rate	**1 606**	1 348	911
amount capitalised to property, plant and equipment	**383**	211	174
amount recognised in income statement	**1 223**	1 137	737

	Environmental 2012 Rm	Other 2012 Rm	Total 2012 Rm
Balance at beginning of year	**6 900**	**2 143**	**9 043**
Capitalised in property, plant and equipment and assets under construction	**666**	**–**	**666**
Reversal of rehabilitation provisions capitalised in property, plant and equipment	**(26)**	**–**	**(26)**
Operating income charge	**978**	**301**	**1 279**
increase for year	**541**	**244**	**785**
reversal of unutilised amounts	**(135)**	**31**	**(104)**
effect of change in discount rate	**572**	**26**	**598**
Notional interest	**474**	**15**	**489**
Utilised during year (cash flow)	**(213)**	**(280)**	**(493)**
Disposal of businesses	**–**	**(4)**	**(4)**
Foreign exchange differences recognised in income statement	**51**	**10**	**61**
Translation of foreign operations	**81**	**109**	**190**
Balance at end of year	**8 911**	**2 294**	**11 205**

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
20 Post-retirement benefit obligations				
Post-retirement healthcare benefits	20.1	**3 445**	2 914	2 781
Pension benefits	20.2	**3 570**	2 370	2 371
Total post-retirement benefit obligations		**7 015**	5 284	5 152
Less short-term portion				
post-retirement healthcare benefits	25	**(97)**	(85)	–
pension benefits	25	**(46)**	(39)	(32)
		6 872	5 160	5 120

20.1 Post-retirement healthcare benefits

The group provides post-retirement healthcare benefits to certain of its retirees, principally in South Africa and the United States of America. The method of accounting and the frequency of valuations for determining the liability are similar to those used for defined benefit pension plans.

South Africa

The post-retirement benefit plan provides certain healthcare and life assurance benefits to South African employees hired prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund. Generally, medical coverage provides for a specified percentage of most medical expenses, subject to preset rules and maximum amounts. The cost of providing these contributions is shared with the retirees. The plan is unfunded. The accumulated post-retirement benefit obligation is accrued over the employee's working life until full eligibility age.

United States of America

Certain other healthcare and life assurance benefits are provided for personnel employed in the United States of America. Generally, medical coverage pays a specified percentage of most medical expenses, subject to preset maximum amounts and reduced for payments made by healthcare provider, Medicare. The cost of providing these benefits is shared with the retirees. The plan is also unfunded.

	South Africa	United States of America
Last actuarial valuation	**31 March 2012**	**30 June 2012**
Full/interim valuation	**Full**	**Full**
Valuation method adopted	**Projected unit credit**	**Projected unit credit**

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuations are determined in consultation with independent actuaries.

	South Africa		United States of America	
at valuation date	2012 %	2011 %	2012 %	2011 %
Healthcare cost inflation				
initial	**7,6**	7,6	**7,0***	7,0*
ultimate	**7,6**	7,6	**5,5***	5,5*
Discount rate	**8,5**	9,0	**3,4**	4,5

* *The healthcare cost inflation rate in respect of the plans for the United States of America is capped. All future increases due to the healthcare cost inflation will be borne by the participants.*

20 Post-retirement benefit obligations continued

20.1 Post-retirement healthcare benefits continued

Reconciliation of projected benefit obligation to the amount recognised in the statement of financial position

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Restated (Note 1) Rm	United States of America 2012 Rm	United States of America 2011 Restated (Note 1) Rm	Total 2012 Rm	Total 2011 Restated (Note 1) Rm
Projected benefit obligation	**3 282**	2 781	**163**	133	**3 445**	2 914
Less short-term portion	**(83)**	(73)	**(14)**	(12)	**(97)**	(85)
Non-current post-retirement healthcare obligation	**3 199**	2 708	**149**	121	**3 348**	2 829

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Restated (Note 1) Rm	United States of America 2012 Rm	United States of America 2011 Restated (Note 1) Rm	Total 2012 Rm	Total 2011 Restated (Note 1) Rm
Total post-retirement healthcare obligation at beginning of year	**2 781**	2 638	**133**	143	**2 914**	2 781
Current service cost	**77**	98	**2**	3	**79**	101
Interest cost	**249**	290	**6**	7	**255**	297
Remeasurement losses/(gains)	**255**	(162)	**10**	11	**265**	(151)
actuarial (gains)/losses – change in demographic assumptions	**(1)**	1	**–**	–	**(1)**	1
actuarial losses/(gains) – change in financial assumptions	**256**	(163)	**10**	11	**266**	(152)
Benefits paid	**(80)**	(83)	**(15)**	(14)	**(95)**	(97)
Translation of foreign operations	**–**	–	**27**	(17)	**27**	(17)
Total post-retirement healthcare obligation at end of year	**3 282**	2 781	**163**	133	**3 445**	2 914

Net post-retirement healthcare costs recognised in the income statement

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Rm	United States of America 2012 Rm	United States of America 2011 Rm	Total 2012 Rm	Total 2011 Rm
Current service cost	**77**	98	**2**	3	**79**	101
Interest cost	**249**	290	**6**	7	**255**	297
Net periodic benefit cost	**326**	388	**8**	10	**334**	398

20 Post-retirement benefit obligations continued

20.1 Post-retirement healthcare benefits continued

Remeasurement of the net post-retirement healthcare obligation

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Rm	United States of America 2012 Rm	United States of America 2011 Rm	Total 2012 Rm	Total 2011 Rm
Actuarial (gains)/losses arising from changes in demographic assumptions	**(1)**	1	**–**	–	**(1)**	1
Actuarial losses/(gains) arising from changes in financial assumptions	**256**	(163)	**10**	11	**266**	(152)
Net remeasurement recognised in other comprehensive income	**255**	(162)	**10**	11	**265**	(151)

Sensitivity analysis

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the post-retirement healthcare benefits. A 1% change in assumed healthcare cost trend rates could increase or decrease the relevant amount to:

for the year ended 30 June	South Africa 1% increase Rm	South Africa 1% decrease Rm	United States of America 1% increase Rm	United States of America 1% decrease Rm
2012				
Total service and interest cost components	**437**	**303**	**8***	**8***
Accumulated post-retirement benefit obligations	**3 920**	**2 793**	**163***	**163***
2011 (Restated)				
Total service and interest cost components	454	324	10*	10*
Accumulated post-retirement benefit obligations	3 308	2 372	133*	133*

* *A change in the healthcare cost inflation for the United States of America will not have an effect on the above components or the obligation as the employer's cost is capped and all future increases due to the healthcare cost inflation are borne by the participants. The effect shown is the current year charge for the service and interest cost and the current year projected benefit obligation.*

Discount rates have a significant effect on the amounts reported for the post-retirement healthcare benefits. A 1% change in assumed discount rates could increase or decrease the relevant amount to:

for the year ended 30 June	South Africa 1% increase Rm	South Africa 1% decrease Rm	United States of America 1% increase Rm	United States of America 1% decrease Rm
2012				
Total service and net interest cost components	**329**	**323**	**8***	**8***
Accumulated post-retirement benefit obligations	**2 805**	**3 908**	**163***	**163***
2011 (Restated)				
Total service and net interest cost components	392	384	10*	10*
Accumulated post-retirement benefit obligations	2 384	3 295	133*	133*

* *A change in the healthcare cost inflation for the United States of America will not have an effect on the above components or the obligation as the employer's cost is capped and all future increases due to the healthcare cost inflation are borne by the participants. The effect shown is the current year charge for the service and interest cost and the current year projected benefit obligation.*

The weighted average duration of the post-retirement healthcare benefit obligation at 30 June 2012 is 12 years.

Post-retirement healthcare obligation per statement of financial position

for the year ended 30 June	2012 Rm	2011 Restated Rm	2010 Restated Rm	2009 Rm	2008 Rm
Projected benefit obligation	**3 445**	2 914	2 781	2 532	2 538
Less short-term portion	**(97)**	(85)	–	(16)	(24)
Non-current post-retirement healthcare obligation	**3 348**	2 829	2 781	2 516	2 514

20 Post-retirement benefit obligations continued

20.2 Pension benefits

The group operates or contributes to defined benefit pension plans and defined contribution plans in the countries in which it operates.

Contributions by the group and in some cases the employees are made for funds set up in South Africa and the United States of America, while no contributions are made for plans established in other geographic areas like Europe.

Provisions for pension obligations are established for benefits payable in the form of retirement, disability and surviving dependent pensions. The benefits offered vary according to the legal, fiscal and economic conditions of each country.

South African operations

Background

Sasol contributes to a pension fund which provides defined post-retirement and death benefits based on final pensionable salary at retirement. Prior to 1 April 1994, this pension fund was open to all employees of the group in South Africa. In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section. At that date the calculated actuarial surplus of approximately R1 250 million was apportioned to pensioners, members transferring to the defined contribution section and a R200 million balance was allocated within the pension fund to an employer's reserve.

The assets of the Sasol Pension Fund (the Fund) are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the Fund assets are 2 015 208 Sasol ordinary shares valued at R690 million at year end (2011 – 2 075 208 shares valued at R739 million) purchased under terms of an approved investment strategy.

Contributions

The annual pension charge is determined in consultation with the pension fund's independent actuary and is calculated using assumptions consistent with those used at the last actuarial valuation of the pension fund. The Fund assets have been valued at fair value.

The prepayment of R313 million (2011 – R265 million) in the statement of financial position represents the accumulated excess of the actual contributions paid to the pension fund in excess of the accumulated pension liability and the surplus that arose prior to 31 December 2002, to which the company is entitled in terms of the Surplus Apportionment Scheme as well as the rules of the Fund.

Members of the defined benefit section are required to contribute to the pension fund at the rate of 7,5% of pensionable salary. Sasol meets the balance of the cost of providing benefits. Company contributions are based on the results of the actuarial valuation of the pension fund in terms of South African legislation and are agreed by Sasol Limited and the pension fund trustees.

Contributions, for the defined contributions section, are paid by the members and Sasol at fixed rates. Contributions to the defined contribution fund by the group for the year ended 30 June 2012 amounted to R1 127 million, comprising R750 million of contributions made by the employer and R377 million in respect of employees (2011 – R1 076 million, comprising R740 million in respect of employer contributions and R336 million in respect of employee contributions).

Limitation of asset recognition

In December 2001, the Pension Funds Second Amendment Act (the Act) was promulgated. The Act generally provides for the payment of enhanced benefits to former members, minimum pension increases for pensioners and the apportionment of any actuarial surplus existing in the Fund, at the apportionment date, in an equitable manner between existing members including pensioners, former members and the employer in such proportions as the trustees of the Fund shall determine.

In terms of the Act, the Fund undertook a surplus apportionment exercise as at December 2002. The surplus apportionment exercise, and the 31 December 2002 statutory valuation of the Fund, was approved by the Financial Services Board on 26 September 2006. Payments of benefits to former members in terms of the surplus apportionment scheme have been substantially completed and an amount of R101 million (2011 – R113 million) has been set aside for members that have not claimed their benefits.

Based on the latest actuarial valuation of the Fund and the approval of the trustees of the surplus allocation, the company has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The estimated surplus due to the company amounted to approximately R313 million as at 31 March 2012 and has been included in the pension asset recognised in the current year.

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

The group occupies certain properties owned by the Sasol Pension Fund. The fair value of investment properties owned by the Sasol Pension Fund is R3 604 million as at 30 June 2012 (2011 – R3 369 million).

Foreign operations

Pension coverage for employees of the group's international operations is provided through separate plans. The company systematically provides for obligations under such plans by depositing funds with trustees for those plans operating in the United States of America or by creation of accounting obligations for other plans.

Pension fund assets

The assets of the pension funds are invested as follows:

	South Africa		United States of America	
at 30 June	**2012 %**	2011 %	**2012 %**	2011 %
Local equities	**51**	55	**29**	27
equity instrument funds	**–**	–	**29**	27
financial institutions	**9**	11	**–**	–
manufacturing industry	**42**	44	**–**	–
Foreign equities	**11**	10	**13**	13
equity instrument funds	**–**	–	**13**	13
financial institutions	**1**	1	**–**	–
manufacturing industry	**10**	9	**–**	–
Fixed interest	**12**	9	**49**	49
Property	**19**	20	**6**	–
retail	**11**	11	**2**	–
offices	**3**	3	**1**	–
other	**5**	6	**3**	–
Cash and cash equivalents	**5**	4	**–**	1
Other	**2**	2	**3**	10
Total	**100**	100	**100**	100

The pension fund assets are measured at fair value at valuation date. The fair value of the equity and debt instruments have been calculated by reference to quoted prices in an active market. The fair value of property and other assets has been determined by performing market valuations and using other valuation techniques at the end of each reporting period.

changes to comparative information
non-current assets
current assets
non-current liabilities
current liabilities
results of operations
equity structure
liquidity and capital resources
other disclosures

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Investment strategy

The investment objectives of the group's pension plans are designed to generate returns that will enable the plans to meet their future obligations. The precise amount for which these obligations will be settled depends on future events, including the life expectancy of the plan's members and salary inflation. The obligations are estimated using actuarial assumptions, based on the current economic environment.

The pension plans seek to achieve total returns both sufficient to meet expected future obligations as well as returns greater than their policy benchmark reflecting the target weights of the asset classes used in its targeted strategic asset allocation.

In evaluating the strategic asset allocation choices, an emphasis is placed on the long-term characteristics of each individual asset class, and the benefits of diversification among multiple asset classes. Consideration is also given to the proper long-term level of risk for the plan, particularly with respect to the long-term nature of the plan's liabilities, the impact of asset allocation on investment results, and the corresponding impact on the volatility and magnitude of plan contributions and expense and the impact certain actuarial techniques may have on the plan's recognition of investment experience.

The trustees target the plans' asset allocation within the following ranges within each asset class:

	South Africa[1]		United States of America	
Asset classes	Minimum %	Maximum %	Minimum %	Maximum %
Equities				
local	**45**	60	**25**	65
foreign	**5**	15	**–**	25
Fixed interest	**6**	25	**20**	65
Property	**10**	35	**–**	20
Other	**–**	20	**–**	20

1. Members of the scheme have a choice of four investment portfolios. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The total assets of the fund under these investment portfolios are R186 million, R25 587 million, R503 million and R37 million for the low portfolio, moderate portfolio, aggressive portfolio and money market portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio. The money market portfolio is restricted to pensioners only.

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that fund managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on fund managers in this regard.

	South Africa	United States of America	Europe
Last actuarial valuation	**31 March 2012**	**30 June 2012**	**30 June 2012**
Full/interim valuation	**Full**	**Full**	**Full**
Valuation method adopted	**Projected unit credit**	**Projected unit credit**	**Projected unit credit**

The plans have been assessed by the actuaries and have been found to be in sound financial positions.

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuations are determined in consultation with independent actuaries.

			Foreign			
	South Africa		United States of America		Europe	
at valuation date	2012 %	2011 %	2012 %	2011 %	2012 %	2011 %
Discount rate	**8,8**	9,0	**2,7**	3,8	**4,0**	5,5
Average salary increases	**7,1**	7,1	**4,2**	4,2	**2,9**	2,9
Average pension increases	**3,6**	3,8	**–**	–	**2,8**	2,2

Assumptions regarding future mortality are based on published statistics and mortality tables.

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Reconciliation of the funded status to amounts recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	**2012 Rm**	2011 Rm	**2012 Rm**	2011 Restated Rm	**2012 Rm**	2011 Restated Rm
Projected benefit obligation (funded obligation)	**7 732**	6 719	**1 545**	1 064	**9 277**	7 783
Plan assets	**(8 811)**	(7 637)	**(1 237)**	(1 000)	**(10 048)**	(8 637)
Projected benefit obligation (unfunded obligation)	**–**	–	**3 262**	2 306	**3 262**	2 306
Asset not recognised due to asset limitation	**766**	653	**–**	–	**766**	653
Net liability/(asset) recognised	**(313)**	(265)	**3 570**	2 370	**3 257**	2 105
Comprising						
Prepaid pension asset (refer note 8)	**(313)**	(265)	**–**	–	**(313)**	(265)
Pension benefit obligation	**–**	–	**3 570**	2 370	**3 570**	2 370
long-term portion	**–**	–	**3 524**	2 331	**3 524**	2 331
short-term portion	**–**	–	**46**	39	**46**	39
Net liability/(asset) recognised	**(313)**	(265)	**3 570**	2 370	**3 257**	2 105

Reconciliation of projected benefit obligation (funded obligation)

	South Africa		United States of America		Total	
for the year ended 30 June	**2012 Rm**	2011 Rm	**2012 Rm**	2011 Rm	**2012 Rm**	2011 Rm
Projected benefit obligation at beginning of year	**6 719**	5 835	**1 064**	1 028	**7 783**	6 863
Current service cost	**10**	10	**41**	35	**51**	45
Interest cost	**592**	498	**43**	41	**635**	539
Remeasurement losses	**378**	160	**279**	150	**657**	310
actuarial losses – change in financial assumptions	**378**	160	**279**	150	**657**	310
Member contributions	**3**	3	**–**	–	**3**	3
Benefits paid	**(519)**	(444)	**(87)**	(88)	**(606)**	(532)
Translation of foreign operations	**–**	–	**205**	(102)	**205**	(102)
Transfer from defined contribution plan[1]	**549**	657	**–**	–	**549**	657
Projected benefit obligation at end of year	**7 732**	6 719	**1 545**	1 064	**9 277**	7 783

1. Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Reconciliation of projected benefit obligation (unfunded obligation)

	Foreign		Total	
for the year ended 30 June	2012 Rm	2011 Rm	2012 Rm	2011 Rm
Projected benefit obligation at beginning of year	**2 306**	2 292	**2 306**	2 292
Current service cost	**72**	66	**72**	66
Past service cost	**–**	7	**–**	7
Interest cost	**137**	117	**137**	117
Remeasurement losses/(gains)	**735**	(202)	**735**	(202)
actuarial gains – change in demographic assumptions	**(1)**	–	**(1)**	–
actuarial losses/(gains) – change in financial assumptions	**736**	(202)	**736**	(202)
Benefits paid	**(82)**	(73)	**(82)**	(73)
Translation of foreign operations	**117**	99	**117**	99
Disposal of business	**(23)**	–	**(23)**	–
Projected benefit obligation at end of year	**3 262**	2 306	**3 262**	2 306
Reimbursement right recognised at fair value[1]	**115**	77	**115**	77

1. *Certain of the foreign defined benefit plans have reimbursement rights under contractually agreed legal binding terms that match the amount and timing of some of the benefits payable under the plan. Those benefits have a present value of R115 million (2011 – R77 million) and have been recognised in long-term receivables.*

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
for the year ended 30 June	2012 Rm	2011 Rm	2012 Rm	2011 Rm	2012 Rm	2011 Rm
Fair value of plan assets at beginning of year	**7 637**	6 646	**1 000**	972	**8 637**	7 618
Interest income	**616**	513	**39**	40	**655**	553
Plan participant contributions	**3**	3	**–**	–	**3**	3
Employer contributions	**5**	5	**57**	50	**62**	55
Benefit payments	**(519)**	(444)	**(87)**	(88)	**(606)**	(532)
Remeasurement gains	**520**	257	**22**	145	**542**	402
return on plan assets (excluding interest income)	**520**	257	**22**	145	**542**	402
Translation of foreign operations	**–**	–	**206**	(119)	**206**	(119)
Transfer from defined contribution plan[1]	**549**	657	**–**	–	**549**	657
Fair value of plan assets at end of year	**8 811**	7 637	**1 237**	1 000	**10 048**	8 637
Actual return on plan assets	**1 136**	770	**61**	185	**1 197**	955

1. *Amount represents retired employees from the defined contribution section of the plan, who, on retirement, have elected to participate in the defined benefit plan by purchasing a defined benefit pension from the fund.*

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Net periodic pension cost/(gain) recognised in the income statement

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Rm	Foreign 2012 Rm	Foreign 2011 Restated Rm	Total 2012 Rm	Total 2011 Restated Rm
Current service cost	10	10	113	101	123	111
Past service cost	–	–	–	7	–	7
Net interest cost	(24)	(15)	141	118	117	103
Net pension cost/(gain)	(14)	(5)	254	226	240	221

The current service cost, past service cost and net interest expense for the year is included in employee costs in the income statement. The remeasurement of the net defined benefit liability/(asset) is included in the statement of comprehensive income.

Remeasurement of the net defined benefit liability/(asset)

for the year ended 30 June	South Africa 2012 Rm	South Africa 2011 Restated Rm	Foreign 2012 Rm	Foreign 2011 Restated Rm	Total 2012 Rm	Total 2011 Restated Rm
Return on plan assets (excluding amounts in net interest cost)	(520)	(257)	(22)	(145)	(542)	(402)
Actuarial losses arising from changes in demographic assumptions	–	–	(1)	–	(1)	–
Actuarial gains/(losses) arising from changes in financial assumptions	378	160	1 015	(52)	1 393	108
Changes in asset limitation	112	18	–	–	112	18
Net remeasurement in other comprehensive income	(30)	(79)	992	(197)	962	(276)

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions for the 2013 financial year.

	South Africa Rm	Foreign Rm
Pension contributions	10	45

Sensitivity analysis

Average salary increases have a significant effect on the amounts reported for the net post-retirement defined pension benefits. A 1% change in assumed salary increase rates could increase or decrease the relevant amount to:

	South Africa 1% increase Rm	South Africa 1% decrease Rm	Foreign 1% increase Rm	Foreign 1% decrease Rm
2012				
Total service and interest cost components	610	595	325	322
Accumulated net post-retirement defined pension obligation	7 775	7 695	5 240	5 193

20 Post-retirement benefit obligations continued

20.2 Pension benefits continued

Discount rates have a significant effect on the amounts reported for the post-retirement pension benefits. A 1% change in assumed healthcare cost trend rates could increase or decrease the relevant amount to:

	South Africa		Foreign	
	1% increase Rm	1% decrease Rm	1% increase Rm	1% decrease Rm
2012				
Total service and net interest cost components	**606**	**599**	**377**	**406**
Accumulated net post-retirement defined pension obligation	**7 673**	**7 809**	**5 131**	**5 338**

The weighted average duration of the post-retirement defined pension obligation at 30 June 2012 is 19 years.

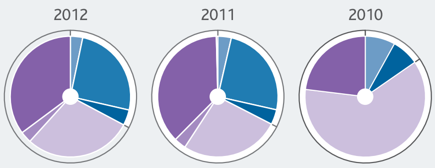
Post-retirement defined pension obligation per statement of financial position

for the year ended 30 June	2012 Rm	2011 Restated Rm	2010 Restated Rm	2009 Rm	2008 Rm
Projected benefit obligation (funded obligation)	**9 277**	7 783	6 863	5 984	6 069
Plan assets	**(10 048)**	(8 637)	(7 618)	(6 085)	(6 709)
Projected benefit obligation (unfunded obligation)	**3 262**	2 306	2 292	2 132	2 453
Asset not recognised due to asset limitation	**766**	653	633	12	225
Net liability recognised	**3 257**	2 105	2 170	2 043	2 038

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
21 Long-term deferred income				
Total deferred income		**542**	613	476
Short-term portion	26	**(87)**	(115)	(203)
		455	498	273

Amounts received in respect of capital investment, to be recognised in income over the useful lives of the underlying assets, as well as emission rights received to be recognised in the income statement as the emissions are generated.

Business segmentation



	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**149**	162	42
Gas	**15**	18	22
Synfuels	**115**	124	–
Oil	**19**	20	20
Chemical cluster	**306**	336	231
Polymers	**132**	133	168
Solvents	**14**	16	–
Olefins & Surfactants	**160**	185	63
Other chemical businesses	**–**	2	–
Total operations	**455**	498	273

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
22 Deferred tax				
Reconciliation				
Balance at beginning of year		**10 860**	8 888	7 719
Current year charge		**1 105**	2 129	1 221
per the income statement	41	**1 479**	1 998	1 383
per the statement of comprehensive income	44	**(374)**	131	(162)
Transactions with non-controlling shareholders in subsidiaries		**35**	–	–
Foreign exchange differences recognised in income statement		**152**	(83)	–
Translation of foreign operations	47	**173**	(74)	(52)
Balance at end of year		**12 325**	10 860	8 888
Comprising				
Deferred tax assets		**(1 514)**	(1 101)	(1 099)
Deferred tax liabilities		**13 839**	11 961	9 987
		12 325	10 860	8 888

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities.

Deferred tax is attributable to the following temporary differences

	2012 Rm	2011 Rm	2010 Rm
Assets			
Property, plant and equipment	**455**	533	244
Short- and long-term provisions	**(1 109)**	(883)	(557)
Calculated tax losses	**(563)**	(418)	(661)
Other	**(297)**	(333)	(125)
	(1 514)	(1 101)	(1 099)
Liabilities			
Property, plant and equipment	**18 352**	15 924	14 553
Intangible assets	**74**	74	34
Current assets	**(391)**	(253)	(308)
Short- and long-term provisions	**(3 404)**	(2 954)	(3 024)
Calculated tax losses	**(696)**	(865)	(1 030)
Other	**(96)**	35	(238)
	13 839	11 961	9 987

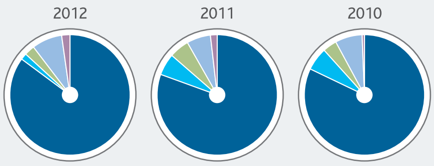
Deferred tax assets have been recognised for the carry forward amount of unused tax losses relating to the group's operations where, among other things, taxation losses can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

Deferred tax assets are not recognised for carry forward of unused tax losses when it cannot be demonstrated that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised.

changes to comparative information
non-current assets
current assets
non-current liabilities
current liabilities
results of operations
equity structure
liquidity and capital resources
other disclosures

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
22 Deferred tax continued			

Attributable to the following tax jurisdictions



	2012 Rm	2011 Rm	2010 Rm
South Africa	**10 872**	9 200	7 769
United States of America	**218**	409	346
Germany	**354**	581	249
Mozambique	**1 040**	735	694
Italy	**(444)**	(273)	(230)
Other	**285**	208	60
	12 325	10 860	8 888

Calculated tax losses

(before applying the applicable tax rate)	2012 Rm	2011 Rm	2010 Rm
Available for offset against future taxable income	**12 619**	8 414	9 071
Utilised against the deferred tax balance	**(4 100)**	(3 158)	(4 016)
Not recognised as a deferred tax asset	**8 519**	5 256	5 055

Deferred tax assets have been recognised to the extent that it is probable that the entities will generate future taxable income against which these tax losses can be utilised.

A portion of the estimated tax losses available may be subject to various statutory limitations as to its usage.

Calculated tax losses carried forward that have not been recognised

	2012 Rm	2011 Rm	2010 Rm
Expiry between one and two years	**–**	588	837
Expiry between two and five years	**–**	993	874
Expiry thereafter	**6 657**	2 699	2 846
Indefinite life	**1 862**	976	498
	8 519	5 256	5 055

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
22 Deferred tax continued			
Unremitted earning of subsidiaries, associates and incorporated joint ventures			
Provisions are not recognised for the income tax effect that may arise on the remittance of unremitted earnings by subsidiaries, associates and incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in the group.			
Unremitted earnings at end of year that would be subject to dividend withholding tax	**7 189**	7 100	6 582
Europe	**1 470**	1 373	1 389
Rest of Africa	**1 409**	1 250	778
United States of America	**315**	339	575
Qatar	**2 805**	3 000	3 048
Other	**1 190**	1 138	792
Tax effect if remitted	**133**	125	131
Europe	**69**	67	67
Rest of Africa	**3**	4	3
United States of America	**32**	17	32
Qatar*	**–**	–	–
Other	**29**	37	29

* *Entity is a non-tax paying entity due to tax holiday.*

Secondary Taxation on Companies (STC)

Up to 31 March 2012, STC was a tax levied on South African companies at a rate of 10,0% (before 1 October 2007 – 12,5%) on dividends distributed.

Current and deferred tax for periods prior to 1 April 2012 were measured at the tax rate applicable to undistributed income and therefore only took STC into account to the extent that dividends had been received or paid.

On declaration of a dividend, the company included the STC on the dividend in its computation of the income tax expense in the period of such declaration.

	2012 Rm	2011 Rm	2010 Rm
Undistributed earnings that would be subject to STC		110 172	100 886
Tax effect if distributed		11 017	10 089
Available STC credits at end of year		159	162

Dividend withholding tax

On 1 April 2012, STC was replaced with a dividend withholding tax. Subsequent to 1 April 2012, any outstanding STC credits can be carried forward for a period of three years. The company may utilise the available STC credits to reduce the liability for dividend withholding tax of the beneficial holder of the share. The company has not recognised deferred tax assets relating to these STC credits at 30 June 2012.

Dividend withholding tax is payable at a rate of 15% on dividends distributed to shareholders. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the tax authorities on behalf of the shareholder.

On receipt of a dividend, the company includes the dividend withholding tax on this dividend in its computation of the income tax expense in the period of such receipt.

	2012 Rm	2011 Rm	2010 Rm
Undistributed earnings at end of year that would be subject to dividend withholding tax withheld by the company on behalf of shareholders	**125 283**		
Maximum withholding tax payable by shareholders	**18 792**		

current liabilities

	Note	2012 Rm	2011 Rm	2010 Rm
Liabilities in disposal groups held for sale	11	**–**	–	4
Short-term debt	23	**3 072**	1 602	1 542
Short-term financial liabilities	24	**135**	136	357
Short-term provisions	25	**3 267**	2 760	2 647
Short-term deferred income	26	**737**	885	266
Tax payable	27	**546**	725	550
Trade payables and accrued expenses	28	**17 559**	16 718	13 335
Other payables	29	**5 351**	4 239	4 049
Bank overdraft	16	**222**	209	119
		30 889	27 274	22 869

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
23 Short-term debt				
Bank loans		**15**	75	411
Other		**–**	34	45
Short-term debt		**15**	109	456
Short-term portion of long-term debt	17	**3 057**	1 493	1 086
		3 072	1 602	1 542
Reconciliation				
Balance at beginning of year		**109**	456	490
Loans raised		**41**	118	170
Loans repaid		**(153)**	(413)	(199)
Translation effect of foreign currency loans		**1**	–	–
Translation of foreign operations	47	**17**	(52)	(5)
Balance at end of year		**15**	109	456
Currency analysis				
US dollar		**–**	99	139
Other currencies		**15**	10	317
		15	109	456
Interest bearing status				
Interest bearing debt		**15**	109	442
Non-interest bearing debt		**–**	–	14
		15	109	456

Short-term debt bears interest at market related rates. The weighted average interest rate applicable to short-term debt for the year was approximately 0,03% (2011 – 2,42%; 2010 – 18,19%).

Security

All short-term debt is unsecured.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
23 Short-term debt continued				
Business segmentation				
Synfuels International		**–**	–	14
Polymers		**–**	–	300
Olefins & Surfactants		**15**	45	31
Other chemical businesses		**–**	64	111
Total operations		**15**	109	456

Fair value of short-term debt

The carrying value of short-term external debt approximates fair value because of the short period to maturity. The fair value of the short-term portion of long-term debt is disclosed in note 17.

24 Short-term financial liabilities

	Note	2012 Rm	2011 Rm	2010 Rm
Derivative instruments				
Forward exchange contracts		**119**	118	339
Interest rate derivatives		**12**	15	13
Commodity derivatives		**–**	–	1
		131	133	353
used for cash flow hedging		**22**	48	131
held for trading		**109**	85	222
Non-derivative instruments				
Short-term portion of financial guarantees	18	**4**	3	4
Arising on short-term financial instruments		**135**	136	357

Short-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer note 63.

Fair value of derivative financial instruments

The fair value of derivatives is based upon market valuations.

Forward exchange contracts

The fair value losses are determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present values of these net market values are then determined using the appropriate currency specific discount curve.

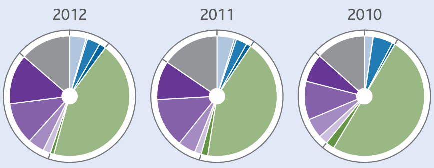
Interest rate and commodity derivatives

The fair value of interest rate and commodity derivatives is determined by reference to quoted market prices for similar instruments.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
25 Short-term provisions				
Employee provisions		**75**	144	160
Insurance related provisions		**52**	88	128
Restructuring provisions		**–**	–	111
Provision in respect of EGTL		**1 353**	1 124	1 274
Provision against guarantees		**292**	178	122
Other provisions		**665**	292	246
		2 437	1 826	2 041
Short-term portion of				
long-term provisions	19	**687**	810	574
post-retirement benefit obligations	20	**143**	124	32
		3 267	2 760	2 647
Reconciliation				
Balance at beginning of year		**1 826**	2 041	2 355
Disposal of businesses	56	**(1)**	–	–
Net income statement movement*		**508**	(163)	(274)
Reclassification to long-term provisions	19	**–**	(23)	–
Other movements in short-term provisions		**27**	–	–
Foreign exchange differences recognised in income statement		**41**	(25)	–
Translation of foreign operations	47	**36**	(4)	(40)
Balance at end of year		**2 437**	1 826	2 041

* *Included in the movement of short-term provisions are changes relating to the increase in emission obligations for the year as well as the utilisation of emission rights in reducing these provisions.*

Business segmentation



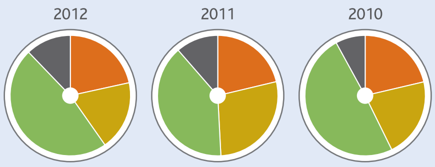
		2012 Rm	2011 Rm	2010 Rm
South African energy cluster		**331**	261	224
Mining		**145**	129	62
Gas		**13**	16	1
Synfuels		**115**	82	141
Oil		**58**	34	20
International energy cluster		**1 473**	1 237	1 387
Synfuels International		**1 441**	1 188	1 326
Petroleum International		**32**	49	61
Chemical cluster		**1 018**	835	682
Polymers		**66**	49	65
Solvents		**144**	130	141
Olefins & Surfactants		**370**	368	275
Other chemical businesses		**438**	288	201
Other businesses		**445**	427	354
Total operations		**3 267**	2 760	2 647

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
26 Short-term deferred income				
Short-term portion of long-term deferred income	21	**87**	115	203
Short-term deferred income		**650**	770	63
		737	885	266
Short-term deferred income relates mainly to amounts received in respect of the sale of fuel, to be recognised in income when ownership of inventory passes, as well as emission rights received to be recognised in income as the emissions are generated.				
27 Tax paid				
Net amounts unpaid at beginning of year		**(676)**	(194)	(675)
Net interest and penalties on tax		**(10)**	2	22
Income tax per income statement	41	**(10 267)**	(7 198)	(5 602)
Disposal of businesses	56	**–**	(1)	–
Foreign exchange differences recognised in income statement		**(10)**	3	–
Translation of foreign operations	47	**(18)**	21	21
		(10 981)	(7 367)	(6 234)
Net tax payable per statement of financial position		**221**	676	194
tax payable		**546**	725	550
tax receivable		**(325)**	(49)	(356)
Per the statement of cash flows		**(10 760)**	(6 691)	(6 040)
Comprising				
Normal tax				
South Africa		**(7 767)**	(4 633)	(4 924)
foreign		**(1 945)**	(1 284)	(513)
Dividend withholding tax		**(16)**	–	–
STC		**(1 032)**	(774)	(603)
		(10 760)	(6 691)	(6 040)
28 Trade payables and accrued expenses				
Trade payables		**12 333**	11 787	9 311
Accrued expenses		**1 482**	1 344	573
Related party payables		**695**	833	791
third parties		**258**	111	288
joint ventures		**437**	722	503
		14 510	13 964	10 675
Duties payable to revenue authorities		**2 700**	2 401	2 348
Value added tax		**349**	353	312
		17 559	16 718	13 335
Trade payables and accrued expenses to cost of sales and services rendered (%)		**15,8%**	18,5%	16,8%

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm

28 Trade payables and accrued expenses continued

Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**3 129**	2 971	2 277
US dollar	**2 713**	3 895	2 284
Rand	**6 900**	5 506	5 262
Other currencies	**1 768**	1 592	852
	14 510	13 964	10 675

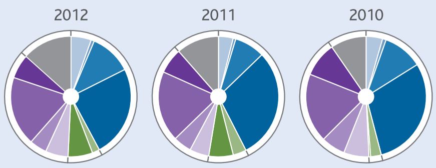
Age analysis of trade payables			
Not past due date	**11 148**	10 763	8 292
Past due 0 – 30 days	**670**	465	611
Past due 31 – 150 days	**358**	444	314
Past due 151 days – one year	**120**	55	40
More than one year	**37**	60	54
	12 333	11 787	9 311

No individual vendor represents more than 10% of the group's trade payables.

Fair value of trade payables and accrued expenses

The carrying value approximates fair value because of the short period to settlement of these obligations.

Business segmentation

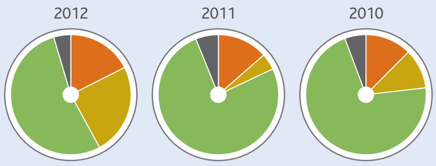


	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**7 410**	7 102	6 124
Mining	**962**	658	592
Gas	**150**	119	128
Synfuels	**1 975**	1 361	1 426
Oil	**4 323**	4 964	3 978
International energy cluster	**1 505**	1 694	443
Synfuels International	**347**	596	383
Petroleum International	**1 158**	1 098	60
Chemical cluster	**6 297**	6 007	5 488
Polymers	**1 068**	867	902
Solvents	**814**	823	864
Olefins & Surfactants	**3 275**	3 175	2 475
Other chemical businesses	**1 140**	1 142	1 247
Other businesses	**2 347**	1 915	1 280
Total operations	**17 559**	16 718	13 335

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
29 Other payables			
Employee related payables	**3 319**	3 162	2 950
Insurance related payables	**347**	271	196
Fuel related payables *	**68**	444	169
Other payables	**1 617**	362	734
	5 351	4 239	4 049

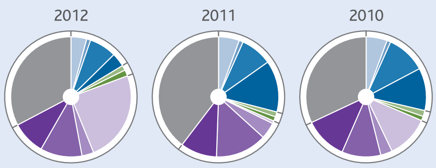
* *Relates to the over recovery by Sasol Oil on regulated fuel prices, which will be settled by future changes in the regulated fuel price and commitments to purchase oil from other oil companies.*

Currency analysis



	2012 Rm	2011 Rm	2010 Rm
Euro	**938**	573	503
US dollar	**1 315**	188	435
Rand	**2 854**	3 220	2 881
Other currencies	**244**	258	230
	5 351	4 239	4 049

Business segmentation



	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**872**	1 232	1 161
Mining	**226**	237	229
Gas	**57**	46	41
Synfuels	**391**	361	428
Oil	**198**	588	463
International energy cluster	**162**	107	113
Synfuels International	**72**	57	65
Petroleum International	**90**	50	48
Chemical cluster	**2 565**	1 219	1 479
Polymers	**1 314**	31	465
Solvents	**170**	188	127
Olefins & Surfactants	**600**	585	423
Other chemical businesses	**481**	415	464
Other businesses	**1 752**	1 681	1 296
Total operations	**5 351**	4 239	4 049

Fair value of other payables

The carrying value approximates fair value because of the short period to maturity.

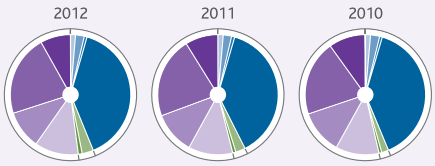
results of operations

	Note	2012 Rm	2011 Rm	2010 Rm
Turnover	30	**169 446**	142 436	122 256
Cost of sales and services rendered	31	**(111 042)**	(90 467)	(79 183)
Other operating income	32	**1 416**	1 088	854
Translation gains/(losses)	33	**243**	(1 016)	(1 007)
Operating profit	34	**36 758**	29 950	23 937
Employee numbers and costs	35	**(19 921)**	(18 756)	(17 546)
Financial instruments expenses	36	**(275)**	(99)	(442)
Auditors' remuneration	37	**(83)**	(72)	(78)
Finance income	38	**796**	991	1 332
Share of profit of associates (net of tax)	39	**479**	292	217
Finance expenses	40	**(2 030)**	(1 817)	(2 114)
Taxation	41	**(11 746)**	(9 196)	(6 985)
Remeasurement items affecting operating profit	42	**(1 921)**	(532)	65
		Rand	Rand	Rand
Earnings per share	43	**39,10**	32,97	26,68
Dividend per share		**17,50**	13,00	10,50
		Rm	Rm	Rm
Other comprehensive income	44	**3 280**	(1 606)	(1 099)

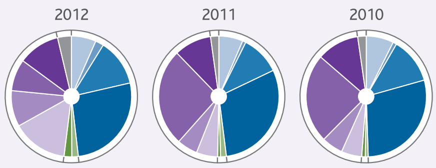
for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
30 Turnover			
Sale of products	**167 893**	141 018	120 820
Services rendered	**1 027**	867	889
Other trading income	**526**	551	547
	169 446	142 436	122 256
Comprising			
Within South Africa	**83 692**	69 504	61 597
Exported from South Africa	**20 920**	19 192	16 100
Outside South Africa	**64 834**	53 740	44 559
	169 446	142 436	122 256

Turnover generated within South Africa includes sales of products manufactured and sold, or services rendered, to customers inside South Africa. Exported from South Africa relates to sales of products manufactured in South Africa and sold elsewhere, while outside South Africa relates to goods manufactured outside South Africa, irrespective of where they are sold as well as services rendered outside South Africa.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
30 Turnover continued			
Business segmentation			
South African energy cluster	**74 291**	60 672	53 493
Mining	**2 256**	2 029	1 696
Gas	**3 967**	3 170	2 986
Synfuels	**1 268**	1 208	879
Oil	**66 800**	54 265	47 932
International energy cluster	**6 960**	4 926	3 198
Synfuels International	**5 182**	3 715	2 282
Petroleum International	**1 778**	1 211	916
Chemical cluster	**88 145**	76 811	65 386
Polymers	**19 952**	16 985	14 236
Solvents	**17 429**	16 156	14 425
Olefins & Surfactants	**37 044**	31 116	24 774
Other chemical businesses	**13 720**	12 554	11 951
Other businesses	**50**	27	179
Total operations	**169 446**	142 436	122 256



	2012 Rm	2011 Rm	2010 Rm
31 Cost of sales and services rendered			
Cost of sales of products	**110 763**	90 088	78 886
Cost of services rendered	**279**	379	297
	111 042	90 467	79 183
Business segmentation			
South African energy cluster	**53 465**	43 421	39 187
Mining	**6 938**	5 864	5 833
Gas	**1 102**	814	784
Synfuels	**12 237**	9 533	9 734
Oil	**33 188**	27 210	22 836
International energy cluster	**4 233**	2 112	1 371
Synfuels International	**1 956**	1 393	609
Petroleum International	**2 277**	719	762
Chemical cluster	**50 594**	42 932	36 819
Polymers	**6 240**	5 170	4 346
Solvents	**5 176**	5 002	4 538
Olefins & Surfactants	**29 522**	23 677	18 920
Other chemical businesses	**9 656**	9 083	9 015
Other businesses	**2 750**	2 002	1 806
Total operations	**111 042**	90 467	79 183

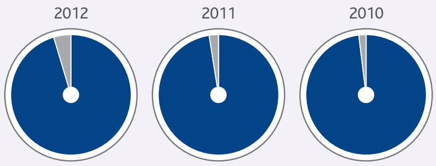


for the year ended 30 June	Notes	2012 Rm	2011 Rm	2010 Rm
32 Other operating income				
Emission rights received		**128**	79	143
Gain on hedging activities		**335**	276	218
Bad debts recovered		**15**	2	1
Insurance proceeds		**39**	46	25
Other		**899**	685	467
		1 416	1 088	854
33 Translation gains/(losses)				
Gains/(losses) on foreign exchange transactions				
realised		**564**	(1 331)	(334)
unrealised		**(321)**	315	(673)
		243	(1 016)	(1 007)
Comprising				
Forward exchange contracts		**548**	(422)	(314)
Trade receivables		**1 035**	(301)	(141)
(Loss)/gain on translation of foreign currency loans		**(1 471)**	44	(463)
Realisation of foreign currency translation reserve	47	**–**	2	–
Other		**131**	(339)	(89)
		243	(1 016)	(1 007)
34 Operating profit				
Operating profit includes				
Amortisation of other intangible assets	5	**(229)**	(235)	(203)
Auditors' remuneration	37	**(83)**	(72)	(78)
Depreciation of property, plant and equipment	2	**(9 422)**	(7 165)	(6 509)
Effect of remeasurement items	42	**(1 860)**	(426)	46
Employee costs (including employee related share-based payment expenses)	35	**(19 921)**	(18 756)	(17 546)
Exploration expenditure		**(276)**	(285)	(482)
Operating lease charges				
buildings		**(437)**	(369)	(390)
plant and equipment		**(735)**	(643)	(625)
Research expenditure		**(1 257)**	(1 006)	(908)
Restructuring costs		**(3)**	(103)	(92)
Technical and other fees		**(421)**	(454)	(296)
Administration penalty on Sasol Polymers		**–**	(112)	–
Write-down of inventories to net realisable value	12	**(331)**	(120)	(172)
Reversal of write-down of inventories to net realisable value	12	**–**	8	54

Included in operating profit are other expenses, which include share-based payment expenses (refer note 46), remeasurement items (refer note 42), the effect of crude oil hedging (refer note 36) and exploration expenditure (refer above).

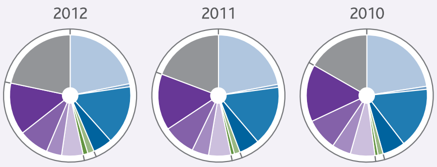
35 Employee numbers and costs

The total number of permanent and non-permanent employees, excluding contractors and associates' employees, and including a proportionate share of employees within joint venture entities is analysed below:



for the year ended 30 June	2012 Number	2011 Number	2010 Number
Permanent employees	**33 992**	32 866	32 411
Non-permanent employees	**924**	842	643
	34 916	33 708	33 054

The number of employees, by principle location of employment, is analysed as follows:



Business segmentation	2012 Number	2011 Number	2010 Number
South African energy cluster	**15 494**	14 909	15 091
Mining	**7 800**	7 425	7 453
Gas	**291**	273	269
Synfuels	**5 554**	5 376	5 362
Oil	**1 849**	1 835	2 007
International energy cluster	**1 062**	828	724
Synfuels International	**604**	514	449
Petroleum International	**458**	314	275
Chemical cluster	**11 320**	11 476	11 712
Polymers	**2 045**	2 013	2 166
Solvents	**1 454**	1 509	1 676
Olefins & Surfactants	**2 869**	2 886	2 824
Other chemical businesses	**4 952**	5 068	5 046
Other businesses	**7 040**	6 495	5 527
Total operations	**34 916**	33 708	33 054

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
Analysis of employee costs				
Labour		**19 230**	17 250	16 603
wages and salaries		**18 656**	16 750	16 057
post employment benefits		**574**	500	546
Share-based payment expenses		**691**	1 506	943
Total employee cost recognised in income statement	34	**19 921**	18 756	17 546

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
36 Financial instruments expenses				
Financial instruments expenses recognised in the income statement				
Net (loss)/gain on derivative instruments held for trading		**(214)**	118	(318)
revaluation of crude oil derivatives		**(214)**	118	(87)
revaluation of cross currency swaps		**–**	–	(231)
Impairment of investments available-for-sale	42	**–**	–	(1)
Impairment of trade receivables				
raised during year	13	**(135)**	(293)	(138)
released during year	13	**74**	76	15
		(275)	(99)	(442)
37 Auditors' remuneration				
Audit fees		**76**	65	72
KPMG		**73**	63	71
other external auditors		**3**	2	1
Other fees paid to auditors for advisory services		**1**	2	1
Tax advisory fees		**2**	2	2
Expenses		**4**	3	3
		83	72	78
38 Finance income				
Dividends received from investments available-for-sale		**22**	40	31
South Africa		**1**	3	5
outside South Africa		**21**	37	26
Interest received		**766**	943	1 288
South Africa		**481**	776	988
outside South Africa		**285**	167	300
Notional interest received		**8**	8	13
		796	991	1 332
Interest received on				
investments available-for-sale		**1**	1	–
investments held-to-maturity		**26**	29	30
loans and receivables		**203**	174	273
cash and cash equivalents		**536**	739	985
		766	943	1 288

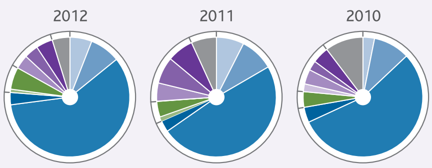
for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
39 Share of profit of associates (net of tax)				
Profit before tax		**621**	388	289
Taxation		**(142)**	(96)	(72)
Share of profit of associates (net of tax)		**479**	292	217
Dividends received from associates	7	**361**	397	53
Business segmentation				
Synfuels		**5**	5	4
Polymers		**474**	286	220
Olefins & Surfactants		**(2)**	(1)	(1)
Other chemical businesses		**2**	2	(6)
Total operations		**479**	292	217
40 Finance expenses				
Bank overdraft		**29**	19	7
Debt		**558**	506	899
Preference share dividends		**822**	677	636
Finance leases		**26**	75	72
Other		**117**	100	167
		1 552	1 377	1 781
Amortisation of loan costs		**13**	15	18
Notional interest	19	**489**	468	373
Total finance expenses		**2 054**	1 860	2 172
Amounts capitalised to assets under construction*	3	**(24)**	(43)	(58)
Income statement charge		**2 030**	1 817	2 114
Total finance expenses comprise				
South Africa		**1 713**	1 555	1 513
Outside South Africa		**341**	305	659
		2 054	1 860	2 172
Total finance expenses before amortisation of loan costs and notional interest		**1 552**	1 377	1 781
Less interest accrued on debt	17	**(886)**	(479)	–
Per the statement of cash flows		**666**	898	1 781

* *Finance expenses capitalised during the year relate to specific borrowings only, as the group is in a net interest received position.*

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
41 Taxation				
South African normal tax		**7 358**	5 235	4 270
current year		**7 529**	5 249	4 431
prior years		**(171)**	(14)	(161)
Dividend witholding tax		**16**	–	–
STC		**1 032**	771	606
Foreign tax		**1 861**	1 192	726
current year		**1 912**	1 212	735
prior years		**(51)**	(20)	(9)
Income tax	27	**10 267**	7 198	5 602
Deferred tax – South Africa	22	**1 711**	1 491	1 105
current year		**1 554**	1 435	1 191
prior years		**157**	56	(86)
Deferred tax – foreign	22	**(232)**	507	278
current year		**(69)**	816	552
prior years		**8**	(98)	(15)
recognition of deferred tax assets*		**(171)**	(211)	(259)
		11 746	9 196	6 985

* *Included in the charge per the income statement is the recognition of an amount of R171 million (2011 – R211 million; 2010 – R259 million) relating to a deferred tax asset not previously recognised due to the uncertainty previously surrounding the utilisation thereof in future years.*

Business segmentation



	2012 Rm	2011 Rm	2010 Rm
South African energy cluster	**8 955**	6 292	5 296
Mining	**698**	687	229
Gas	**967**	841	722
Synfuels	**6 901**	4 481	4 042
Oil	**389**	283	303
International energy cluster	**806**	498	(36)
Synfuels International	**105**	109	(345)
Petroleum International	**701**	389	309
Chemical cluster	**1 062**	1 778	968
Polymers	**(360)**	6	153
Solvents	**443**	451	291
Olefins & Surfactants	**448**	665	192
Other chemical businesses	**531**	656	332
Other businesses	**923**	628	757
Total operations	**11 746**	9 196	6 985

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41 Taxation continued

Reconciliation of effective tax rate

Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are:

for the year ended 30 June	2012 %	2011 %	2010 %
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to			
STC	**2,9**	2,6	2,6
disallowed preference share dividend	**0,6**	0,6	0,8
disallowed expenditure	**2,4**	1,8	2,2
disallowed share-based expenses	**0,4**	1,4	1,1
disallowed expenditure on fines	**–**	0,1	–
new tax losses recognised	**–**	0,1	–
tax losses not recognised	**3,5**	1,1	0,7
other adjustments	**0,3**	1,1	1,3
	38,1	36,8	36,7
Decrease in rate of tax due to			
exempt income	**(1,7)**	(1,1)	(0,4)
different foreign tax rate	**(1,5)**	(1,5)	(2,5)
recognition of deferred tax assets	**(0,5)**	(0,7)	(1,1)
utilisation of tax losses	**(1,3)**	(1,5)	(1,0)
prior year adjustments	**(0,1)**	(0,3)	(1,2)
other adjustments	**(0,4)**	(0,4)	(0,6)
Effective tax rate	**32,6**	31,3	29,9

42 Remeasurement items affecting operating profit

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
Impairment of		**(1 642)**	(190)	(110)
property, plant and equipment	2	**(572)**	(49)	(47)
assets under construction	3	**(879)**	(2)	(61)
other intangible assets	5	**(127)**	(16)	(1)
investments in associate	7	**(64)**	(123)	–
investments in securities	6	**–**	–	(1)
Reversal of impairment of		**12**	535	365
property, plant and equipment	2	**–**	529	348
assets under construction	3	**–**	2	2
other intangible assets	5	**12**	4	15
Profit on disposal of		**499**	29	5
property, plant and equipment		**138**	14	4
other intangible assets		**–**	–	(1)
investment in associate	56	**7**	6	7
investments in businesses	56	**354**	9	(5)
Scrapping of property, plant and equipment		**(212)**	(267)	(124)
Scrapping of assets under construction		**(247)**	(92)	(32)
Write off of unsuccessful exploration wells	3	**(270)**	(441)	(58)
		(1 860)	(426)	46
Tax effect thereon		**(61)**	(106)	19
		(1 921)	(532)	65

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
42 Remeasurement items affecting operating profit continued			
Business segmentation			
South African energy cluster	**(324)**	(223)	(69)
Mining	**(61)**	(3)	(1)
Gas	**(11)**	(6)	–
Synfuels	**(238)**	(197)	(58)
Oil	**(14)**	(17)	(10)
International energy cluster	**(1 643)**	(568)	(112)
Synfuels International	**(34)**	(126)	(4)
Petroleum International	**(1 609)**	(442)	(108)
Chemical cluster	**128**	402	251
Polymers	**(62)**	(46)	(14)
Solvents	**(83)**	(63)	(58)
Olefins & Surfactants	**179**	500	344
Other chemical businesses	**94**	11	(21)
Other businesses	**(21)**	(37)	(24)
Total operations	**(1 860)**	(426)	46

	Gross 2012 Rm	Tax 2012 Rm	Non-controlling interest 2012 Rm	Net 2012 Rm
Earnings effect of remeasurement items				
Impairment of	(1 642)	31	–	(1 611)
property, plant and equipment	(572)	15	–	(557)
assets under construction	(879)	–	–	(879)
other intangible assets	(127)	16	–	(111)
investment in associate	(64)	–	–	(64)
Reversal of impairment of other intangible assets	12	(3)	–	9
Profit on disposal of	499	(132)	–	367
property, plant and equipment	138	2	–	140
investment in associate	7	(2)	–	5
investments in businesses	354	(132)	–	222
Scrapping of property, plant and equipment	(212)	39	–	(173)
Scrapping of assets under construction	(247)	4	–	(243)
Write off of unsuccessful exploration wells	(270)	–	–	(270)
	(1 860)	(61)	–	(1 921)

42 Remeasurement items affecting operating profit continued

Impairment/reversal of impairments

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash generating unit to which it belongs.

Value-in-use calculations

The recoverable amount of the assets reviewed for impairment is determined based on value-in-use calculations. Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value in use. Future cash flows are estimated based on financial budgets approved by management covering a three, five and ten year period and are extrapolated over the useful life of the assets to reflect the long-term plans for the group using the estimated growth rate for the specific business or project. The estimated future cash flows and discount rates used are post-tax, based on an assessment of the current risks applicable to the specific entity and country in which it operates. Discounting post-tax cash flows at a post-tax discount rate yields the same result as discounting pre-tax cash flows at a pre-tax discount rate.

Management determines the expected performance of the assets based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the increase in the geographic segment long-term Producer Price Index (PPI). Estimations are based on a number of key assumptions such as volume, price and product mix which will create a basis for future growth and gross margin. These assumptions are set in relation to historic figures and external reports on market growth. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.

The weighted average cost of capital rate (WACC) is derived from a pricing model based on credit risk and the cost of the debt. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the cash generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

Main assumptions used for value-in-use calculations

		2012 Rm	2011 Rm
Average crude oil price (Brent) for the financial year	US$bbl	**112,42**	96,48
Long-term average gas price excluding margins (real)	US$mmbtu	**5,50**	5,50

		South Africa %	North America %	Europe %
Growth rate – long-term producer price index (PPI)	**2012**	**4,80**	**1,50**	**1,50**
Discount rate – weighted average cost of capital (WACC)	**2012**	**12,95**	**8,00**	**8,00 – 8,70**
Growth rate – long-term producer price index (PPI)	2011	4,80	1,50	1,50
Discount rate – weighted average cost of capital (WACC)	2011	12,95	8,00	8,00 – 8,70

Sensitivity to changes in assumptions

Management has considered the sensitivity of the values in use determined above to various key assumptions such as crude oil and gas prices, commodity prices and exchange rates. These sensitivities have been taken into consideration in determining the required impairments and reversals of impairments.

With regards to the impairment recognised in respect of the Sasol Canada shale gas assets, the value in use is particularly sensitive to changes in the gas price, estimated ultimate recovery factor as well as changes in drilling and completion costs. A change, relative to the individual aforementioned factors, would significantly affect the calculated value in use.

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42 Remeasurement items affecting operating profit continued

Significant (impairments)/reversal of impairment of assets

	Business unit	Property, plant and equipment 2012 Rm	Assets under construction 2012 Rm	Other intangible assets 2012 Rm	Investment in associate 2012 Rm	Total 2012 Rm
Sasol Canada shale gas assets	Petroleum International	(519)	(445)	–	–	(964)
Exploration assets in Mozambique	Petroleum International	–	(434)	–	–	(434)
Investment in associate – Wesco China Limited	Polymers	–	–	–	(61)	(61)
Emission rights	Olefins & Surfactants	–	–	(85)	–	(85)
Emission rights	Solvents	–	–	(24)	–	(24)
Sasol Nitro – Fertiliser business	Other chemical businesses	(34)	–	–	–	(34)
Emission rights	Other chemical businesses	–	–	11	–	11
Emission rights	Other businesses	–	–	(16)	–	(16)
Other	Various	(19)	–	(1)	(3)	(23)
		(572)	(879)	(115)	(64)	(1 630)

Impairment of Canadian shale gas assets

In 2011, Sasol acquired shale gas assets (Farrell Creek and Cypress A) in Canada for a total purchase consideration of R14,2 billion. A total cash consideration of CAD546,5 million (R3 823 million) was paid at that time and the remainder of the purchase consideration will be settled through the capital carry obligation. Due to low gas market prices and higher-than-expected drilling and completion costs , an impairment review was performed based on the current project economics. In calculating the value in use, Sasol lowered its long term North American gas price estimate to take cognisance of the unpredictability relating to the current oversupply of gas and the resultant potential impact on the long term North American gas market. The results of the impairment review indicated that the value in use was lower than the carrying value of the investment resulting in an impairment of R964 million. Sasol will continue to review the valuation of these assets in light of changes in the North American gas prices.

Impairment of exploration assets in Mozambique

The upstream feasibility studies on the 2008 and 2009 Njika-1 and Njika-2 gas discoveries in Block 16 and 19 offshore Mozambique were completed in 2012. These feasibility studies included in-house technical work and an independent assessment by a third party consultant. The results of the feasibility studies indicated that an economic development of the Njika gas discoveries is highly unlikely and an impairment of R434 million was recognised in 2012.

Impairment of investments in associate

Due to the slow and unbalanced global economic recovery, the demand for trading and distribution of plastics in the Middle East has declined resulting in lower sales volumes for Wesco China Limited in which Sasol holds a 40% interest. An impairment review was performed based on the current business model and the results thereof indicated that the value in use was lower than the carrying value resulting in an impairment of R61 million.

43 Earnings and dividends per share

Earnings per share is derived by dividing attributable earnings by the weighted average number of shares, after taking the share repurchase programme and the Sasol Inzalo share transaction into account. Appropriate adjustments are made in calculating diluted, headline and diluted headline earnings per share.

Diluted earnings per share reflect the potential dilution that could occur if all of the group's outstanding share options were exercised and the effects of all dilutive potential ordinary shares resulting from the Sasol Inzalo share transaction. The number of shares outstanding is adjusted to show the potential dilution if employee share options and Sasol Inzalo share rights are converted into ordinary shares and the ordinary shares that will be issued to settle the A and B preference shares in the Sasol Inzalo share transaction.

	Number of shares		
for the year ended 30 June	**2012 million**	2011 million	2010 million
Weighted average number of shares	**603,2**	600,4	597,6
Potential dilutive effect of outstanding share options	**2,9**	4,0	4,7
Potential dilutive effect of Sasol Inzalo transaction	**10,1**	10,1	13,2
Diluted weighted average number of shares	**616,2**	614,5	615,5

The diluted weighted average number of shares in issue does not include the effect of ordinary shares issuable upon the conversion of Sasol Inzalo share rights in respect of The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust, as their effect is currently not dilutive.

for the year ended 30 June	Note	**2012 Rm**	2011 Rm	2010 Rm
Diluted earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**23 583**	19 794	15 941
Finance expense on potentially dilutive shares (Sasol Inzalo share transaction)		**421**	393	395
Diluted earnings		**24 004**	20 187	16 336
Headline earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**23 583**	19 794	15 941
Adjusted for				
effect of remeasurement items	42	**1 860**	426	(46)
tax effect thereon	42	**61**	106	(19)
non-controlling interest thereon		**–**	–	–
Headline earnings		**25 504**	20 326	15 876
Finance expense on potentially dilutive shares (Sasol Inzalo share transaction)		**421**	393	395
Diluted headline earnings		**25 925**	20 719	16 271

43 Earnings and dividends per share continued

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Profit attributable to shareholders			
Basic earnings per share	**39,10**	32,97	26,68
Diluted earnings per share	**38,95**	32,85	26,54
Effect of share repurchase programme	**0,56**	0,48	0,39
Headline earnings			
Headline earnings per share	**42,28**	33,85	26,57
Diluted headline earnings per share	**42,07**	33,72	26,44
Effect of share repurchase programme	**0,61**	0,48	0,38
Dividends per share			
Ordinary shares of no par value			
interim	**5,70**	3,10	2,80
final*	**11,80**	9,90	7,70
	17,50	13,00	10,50

* *Declared subsequent to 30 June 2012 and has been presented for information purposes only. No accrual regarding the final dividend has been recognised.*

for the year ended 30 June		2012 Rm	2011 Rm	2010 Rm
Potential dilutive effect of options issued in terms of the Sasol Share Incentive Scheme				
Number of options granted at year end	thousand	**6 516**	8 976	12 103
Average issue price of options	Rand	**199,34**	185,69	177,34
Value at issue price	Rm	**1 299**	1 667	2 147
Average closing share price during year on the JSE	Rand	**364,17**	335,49	289,81
Equivalent shares at average closing share price	thousand	**3 567**	4 968	7 406
Potential dilutive effect of outstanding share options	thousand	**2 949**	4 008	4 697
Potential dilutive effect of shares to be issued to settle debt of the Sasol Inzalo share transaction				
Sasol Inzalo Groups Funding debt (A and B preference shares)	Rm	**1 243**	1 288	1 290
Sasol Inzalo Public Funding debt (A and B preference shares)	Rm	**2 226**	2 314	2 325
Closing share price on the JSE	Rand	**342,40**	355,98	274,60
Potential dilutive effect of the Sasol Inzalo share transaction	thousand shares	**10 133**	10 118	13 166
Potential dilutive weighted effect of Sasol Inzalo share transaction	thousand shares	**10 133**	10 118	13 166

for the year ended 30 June	Note	2012 Rm	2011 Restated (note 1) Rm	2010 Restated (note 1) Rm
44 Other comprehensive income				
Components of other comprehensive income				
Effect of translation of foreign operations		**4 063**	(2 026)	(842)
Effect of cash flow hedges		**41**	111	13
gains on effective portion of cash flow hedges		**20**	107	13
losses on cash flow hedges transferred to hedged items		**21**	4	–
(Loss)/gain on fair value of investments		**(3)**	–	4
Actuarial gains and losses on post-retirement benefit obligations		**(1 195)**	440	(436)
Tax on other comprehensive income	22	**374**	(131)	162
Other comprehensive income for year, net of tax		**3 280**	(1 606)	(1 099)

Except for the actuarial gains and losses on post-retirement benefit obligations, the components of other comprehensive income can be reclassified subsequently to the income statement.

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
Tax and non-controlling interest on other comprehensive income				
2012				
Effect of translation of foreign operations	**4 063**	**–**	**(12)**	**4 051**
Gain on effective portion of cash flow hedges	**20**	**(13)**	**(2)**	**5**
Loss on cash flow hedges transferred to hedged items	**21**	**–**	**–**	**21**
Gain on fair value of investments	**(3)**	**13**	**–**	**10**
Actuarial gains and losses on post-retirement benefit obligations	**(1 195)**	**374**	**4**	**(817)**
Other comprehensive income	**2 906**	**374**	**(10)**	**3 270**
2011				
Effect of translation of foreign operations	(2 026)	–	3	(2 023)
Gain on effective portion of cash flow hedges	107	(22)	(5)	80
Loss on cash flow hedges transferred to hedged items	4	(1)	–	3
Actuarial gains and losses on post-retirement benefit obligations	440	(108)	–	332
Other comprehensive income	(1 475)	(131)	(2)	(1 608)
2010				
Effect of translation of foreign operations	(842)	–	–	(842)
Gain on effective portion of cash flow hedges	13	9	7	29
Gain on fair value of investments	4	(1)	–	3
Actuarial gains and losses on post-retirement benefit obligations	(436)	154	–	(282)
Other comprehensive income	(1 261)	162	7	(1 092)

equity structure

	Note
Share capital	45
Share-based payment reserve	46
Foreign currency translation reserve	47
Share repurchase programme	48

	Number of shares		
	2012	2011	2010
45 Share capital			
Authorised			
Sasol ordinary shares of no par value	**1 127 690 590**	1 127 690 590	1 127 690 590
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**18 923 764**	18 923 764	18 923 764
	1 175 000 000	1 175 000 000	1 175 000 000
Issued			
Shares issued at beginning of year	**670 976 162**	667 673 462	665 880 862
Issued in terms of the Sasol Share Incentive Scheme	**2 234 700**	3 302 700	1 792 600
Shares issued at end of year	**673 210 862**	670 976 162	667 673 462
Comprising			
Sasol ordinary shares of no par value	**644 825 216**	642 590 516	639 287 816
Sasol preferred ordinary shares of no par value	**25 547 081**	25 547 081	25 547 081
Sasol BEE ordinary shares of no par value	**2 838 565**	2 838 565	2 838 565
	673 210 862	670 976 162	667 673 462
Held in reserve			
Allocated to the Sasol Share Incentive Scheme	**6 605 600**	11 066 300	14 551 900
Unissued shares	**495 183 538**	492 957 538	492 774 638
Sasol ordinary shares of no par value	**476 259 774**	474 033 774	473 850 874
Sasol preferred ordinary shares of no par value	**2 838 565**	2 838 565	2 838 565
Sasol BEE ordinary shares of no par value	**16 085 199**	16 085 199	16 085 199
	501 789 138	504 023 838	507 326 538

45 **Share capital** continued

Conditions attached to share classifications

The Sasol ordinary shares issued have no conditions attached to them.

The Sasol preferred ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol preferred ordinary shares rank *pari passu* with the Sasol ordinary shares and differ only in the fact that they are not listed and trading is restricted.

Further, the Sasol preferred ordinary shares carry a cumulative preferred dividend right where a dividend has been declared during the term of the Sasol Inzalo share transaction, with the dividends set out as follows:
- R16,00 per annum for each of the three years until 30 June 2011;
- R22,00 per annum for the next three years until 30 June 2014; and
- R28,00 per annum for the last four years until 30 June 2018.

With effect from 1 April 2012, the Sasol preferred ordinary share dividend has been grossed up by 10% in accordance with contractual obligations. The revised dividend is as follows for the remaining years:
- R24,20 per annum for the next two years until 30 June 2014; and
- R30,80 per annum for the last four years until 30 June 2018.

The Sasol BEE ordinary shares have voting rights attached to them and will be Sasol ordinary shares at the end of the term of the Sasol Inzalo share transaction. The Sasol BEE ordinary shares rank *pari passu* with the Sasol ordinary shares and differ only in the fact that they are listed on the BEE segment of the JSE main board and trading is restricted.

The Sasol BEE ordinary shares receive dividends per share simultaneously with, and equal to, the Sasol ordinary shares.

for the year ended 30 June	Note	**2012 Rm**	2011 Rm	2010 Rm
46 Share-based payments				
During the year the following share-based payment expenses were recognised in the income statement regarding share-based payment arrangements that existed:				
Equity settled – recognised directly in equity		**485**	1 428	880
Sasol Share Incentive Scheme	46.1	**15**	33	56
Sasol Inzalo share transaction	46.2	**470**	830	824
Ixia Coal transaction	46.3	**–**	565	–
Cash settled – recognised in long-term provisions				
Sasol Share Appreciation Rights Scheme		**82**	495	57
Share Appreciation Rights with no corporate performance targets	46.4.1	**(52)**	332	51
Share Appreciation Rights with corporate performance targets	46.4.2	**134**	163	6
Sasol Medium-term Incentive Scheme	46.5	**124**	148	6
		691	2 071	943

46 Share-based payments continued

Share options and share rights available for allocation

Previously in terms of the long-term incentive schemes, the number of share options and share rights available to eligible group employees through the Sasol Share Incentive Scheme, Sasol Share Appreciation Rights Scheme and the Sasol Medium-term Incentive Scheme shall not at any time exceed 80 million shares/rights. Following the introduction of the Sasol Share Appreciation Rights Scheme in March 2007, no further options have been issued in terms of the Sasol Share Incentive Scheme.

In June 2012, the Sasol Limited board approved that the maximum number of rights to be issued under the Sasol Share Appreciation Rights Scheme and the Sasol Medium-term Incentive Scheme (including unvested share options issued under the Sasol Share Incentive Scheme) be decreased to 69 million shares/rights, representing 10% of Sasol Limited's issued share capital immediately after the Sasol Inzalo share transaction.

	Number of share options/rights		
for the year ended 30 June	**2012**	2011	2010
Share options			
Shares allotted	–	48 933 700	45 448 100
Share options granted	–	8 865 600	12 275 800
Unallocated share options	–	2 200 700	2 276 100
	–	60 000 000	60 000 000
Share rights			
Share appreciation rights granted	**20 624 900**	16 436 300	11 399 700
Medium-term incentive rights granted	**2 421 126**	1 317 811	105 626
Unallocated share rights	**45 953 974**	2 245 889	8 494 674
	69 000 000	20 000 000	20 000 000
Total share options and share rights available for allocation	**69 000 000**	80 000 000	80 000 000

Equity settled share incentive schemes

46.1 The Sasol Share Incentive Scheme

In 1988, the shareholders approved the adoption of the Sasol Share Incentive Scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group who participate in management and also non-executive directors from time to time.

The objective of the Sasol Share Incentive Scheme is to recognise the contributions of senior staff to the value added to the group's financial position and performance and to retain key employees. Allocations are linked to the performance of both the group and the individual. Options are granted for a period of nine years and vest as follows:
2 years – 1st third
4 years – 2nd third
6 years – final third

The offer price of these options equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the option. These options are settled by means of the issue of Sasol ordinary shares of no par value by Sasol Limited. The fair value of the equity settled expense is calculated at grant date.

On resignation, share options which have not yet vested will lapse and share options which have vested may be taken up at the employee's election before their last day of service. Payment on shares forfeited will therefore not be required. On death, all options vest immediately and the deceased estate has a period of twelve months to exercise these options. On retrenchment, all share options vest immediately and the employee has a period of twelve months to exercise these options. On retirement the options vest immediately and the nine year expiry period remains unchanged.

Following the introduction of the Sasol Share Appreciation Rights Scheme in March 2007, no further options have been issued in terms of the Sasol Share Incentive Scheme. Unimplemented share options will not be affected by the Sasol Share Appreciation Rights Scheme.

It is group policy that employees should not deal in Sasol Limited securities for the periods from 1 January for half year end and 1 July for year end until two days after publication of the results and at any other time during which they have access to price sensitive information.

46 Share-based payments continued

46.1 The Sasol Share Incentive Scheme continued

for the year ended 30 June	Number of shares 2012	2011	2010
Vesting periods of options granted			
Already vested	**5 920 200**	6 835 000	8 225 300
Within one year	**685 400**	1 297 200	1 893 900
One to two years	**–**	733 400	1 368 300
Two to three years	**–**	–	788 300
	6 605 600	8 865 600	12 275 800

Movements in the number of options granted	Number of shares	Weighted average option price Rand
Balance at 30 June 2009	14 215 500	163,10
Options converted to shares	(1 792 600)	(114,18)
Options lapsed	(147 100)	(204,33)
Balance at 30 June 2010	12 275 800	169,75
Options converted to shares	(3 302 700)	(130,13)
Options lapsed	(107 500)	(173,57)
Balance at 30 June 2011	**8 865 600**	**119,17**
Options converted to shares	**(2 234 700)**	**(145,40)**
Options lapsed	**(25 300)**	**(183,06)**
Balance at 30 June 2012	**6 605 600**	**110,05**

for the year ended 30 June	2012 Rand	2011 Rand	2010 Rand
Average market price of options traded during year	**367,05**	342,50	295,70
Average fair value of share options vested during year	**71,72**	51,34	49,84

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Total intrinsic value of share options exercised during year	**495**	701	325
Share-based payment expense recognised*	**15**	33	56

* *The unrecognised share-based payment expense related to non-vested share options, expected to be recognised over a weighted average period of 0,5 years, amounted to R2 million at 30 June 2012 (2011 – R17 million; 2010 – R49 million).*

Following the introduction of the Sasol Share Appreciation Rights Scheme in 2007, no further options have been granted in terms of the Sasol Share Incentive Scheme. The share-based payment expense recognised in the current year relates to options granted in previous years and is calculated based on the assumptions applicable to the year in which the options were granted.

There was no income tax recognised as a consequence of Sasol Share Incentive Scheme.

46 Share-based payments continued

46.1 The Sasol Share Incentive Scheme continued

Range of exercise prices	Number of shares	Weighted average option Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented share options granted up to 30 June 2012				
R60,01 – R90,00	314 000	88,19	80	0,17
R90,01 – R120,00	918 000	110,45	213	1,13
R120,01 – R150,00	205 000	133,68	43	1,53
R150,01 – R180,00	191 300	159,02	35	1,80
R180,01 – R210,00	800 800	194,88	118	2,03
R210,01 – R240,00	3 473 400	225,81	405	2,67
R240,01 – R270,00	524 600	251,43	48	3,25
R270,01 – R300,00	178 500	274,72	12	2,93
	6 605 600	198,05	954	
Details of unimplemented share options vested at 30 June 2012				
R30,01 – R60,00	10 000	55,05	3	
R60,01 – R90,00	317 200	88,10	81	
R90,01 – R120,00	918 000	109,51	214	
R120,01 – R150,00	205 000	133,68	43	
R150,01 – R180,00	191 300	157,86	35	
R180,01 – R210,00	800 800	194,88	118	
R210,01 – R240,00	2 992 900	224,33	353	
R240,01 – R270,00	335 500	251,86	30	
R270,01 – R300,00	149 500	274,67	10	
	5 920 200	192,50	887	

46.2 The Sasol Inzalo share transaction

In May 2008, the shareholders approved the Sasol Inzalo share transaction, a broad-based black economic empowerment (BEE) transaction, which resulted in the transfer of beneficial ownership of 10% (63,1 million shares) of Sasol Limited's issued share capital before the implementation of this transaction to its employees and a wide spread of BEE participants. The transaction was introduced to assist Sasol, as a major participant in the South African economy, in meeting its empowerment objectives.

Components of the transaction	Note	% allocated	Value of shares issued Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust	i	4,0	9 235
The Sasol Inzalo Foundation	ii	1,5	3 463
Selected Participants	iii	1,5	3 463
Black Public Invitations	iv	3,0	6 927
		10,0	23 088

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

Components of the transaction	Note	Share-based payment expense recognised 2012 Rm	2011 Rm	2010 Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[1]	i	**470**	830	824
The Sasol Inzalo Foundation[2]	ii	**–**	–	–
Selected Participants	iii	**–**	–	–
Black Public Invitations	iv	**–**	–	–
		470	830	824

1. *The unrecognised share-based payment expense related to non-vested Employee and Management Trusts' share rights, expected to be recognised over a weighted average period of 1,94 years amounted to R1 093 million at 30 June 2012 (2011 – R1 585 million; 2010 – R2 285 million).*
2. *No share-based payment expense has been recognised for The Sasol Inzalo Foundation.*

i The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust (the Trusts)

On 3 June 2008, staff members that were South African residents or who were migrant workers that did not participate in the Sasol Share Incentive Scheme and the Sasol Share Appreciation Rights Scheme participated in The Sasol Inzalo Employee Trust (Employee Scheme), while all senior black staff that are South African residents participated in The Sasol Inzalo Management Trust (Management Scheme).

The share rights, which entitled the employees from the inception of the scheme to receive Sasol ordinary shares at the end of ten years, vest according to unconditional entitlement as follows:

- after three years: 30%
- thereafter: 10% per year until maturity

Participants in the Employee Scheme were granted share rights to 850 Sasol ordinary shares. The allocation of the shares in the Management Scheme was based on seniority and range from 5 000 to 25 000. 12% of the allocated shares has been set aside for new employees appointed during the first five years of the transaction. On resignation, within the first three years from the inception of the transaction, share rights granted will be forfeited. For each year thereafter, 10% of such share rights will be forfeited for each year or part thereof remaining until the end of the transaction period. On retirement, death or retrenchment the rights will remain with the participant.

The fair value of the equity settled share-based payment expense is calculated at grant date and expensed over the vesting period of the share rights.

The Sasol ordinary shares were issued to the Trusts, funded by contributions from Sasol, which collectively subscribed for 25,2 million Sasol ordinary shares at an issue price of R366,00 per share, with a nominal value of R0,01 per share, subject to pre-conditions regarding the right to receive only 50% of ordinary dividends paid on ordinary shares and Sasol's right to repurchase a number of shares at a nominal value of R0,01 per share at the end of year ten in accordance with a pre-determined formula. The participant has the right to all ordinary dividends received by the Trusts for the duration of the transaction.

After Sasol has exercised its repurchase right and subject to any forfeiture of share rights, each participant will receive a number of Sasol ordinary shares in relation to their respective share rights.

Any shares remaining in the Trusts after the distribution to participants may be distributed to The Sasol Inzalo Foundation.

ii The Sasol Inzalo Foundation

On 3 June 2008, The Sasol Inzalo Foundation (the Foundation), which was incorporated as a trust and in the process of being registered as a public benefit organisation, subscribed for 9,5 million Sasol ordinary shares at an issue price of R366,00 per share, with a nominal value of R0,01 per share.

The primary focus of The Sasol Inzalo Foundation is skills development and capacity building of black South Africans, predominantly in the fields of mathematics, science and technology.

The conditions of subscription for Sasol ordinary shares by The Sasol Inzalo Foundation includes the right to receive dividends equal to 5% of the ordinary dividends declared in respect of Sasol ordinary shares held by the Foundation. Sasol is entitled to repurchase a number of Sasol ordinary shares from the Foundation at a nominal value of R0,01 per share at the end of ten years in accordance with a pre-determined formula.

After Sasol has exercised its repurchase right, the Foundation will receive 100% of dividends declared on the Sasol ordinary shares owned by the Foundation.

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

iii Selected Participants

In 2008, selected BEE groups (Selected Participants) which included Sasol customers, Sasol suppliers, Sasol franchisees, women's groups, trade unions and other professional associations, through a funding company, which is consolidated as part of the Sasol group, subscribed in total for 9,5 million Sasol preferred ordinary shares at an issue price of R366,00 per share, with a nominal value of R0,01 per share. A portion of these shares have not yet been allocated to Selected Participants and have been subscribed for by a facilitation trust, which is funded by Sasol. As at 30 June 2012, 1,1 million (2011 – 1,1 million; 2010 – 1,1 million) Sasol preferred ordinary shares were issued to the facilitation trust.

The Selected Participants contributed equity between 5% to 10% of the value of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution funded through preference share debt (refer note 17), including preference shares subscribed for by Sasol.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Selected Participants is calculated at grant date and is expensed immediately as all vesting conditions had been met at that date.

The Selected Participants are entitled to receive a dividend of up to 5% of the dividend declared on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE. The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Selected Participants in proportion to their shareholding.

The funding company, from inception, has full voting and economic rights with regard to its shareholding of Sasol's total issued share capital.

iv Black Public Invitations

The Sasol Inzalo Black Public Invitations aimed to provide as many black people (Black Public) as possible with an opportunity to acquire shares in Sasol. The Black Public owns 3% of Sasol's issued share capital, through their participation in the Funded and Cash Invitations described below.

The Black Public Invitations closed on 9 July 2008 and were included in the results for 2009. On 8 September 2008, the Black Public indirectly subscribed for 16 085 199 Sasol preferred ordinary shares and directly for 2 838 565 Sasol BEE ordinary shares.

The fair value of the equity settled share-based payment expense relating to the share rights issued to the Black Public calculated at grant date is expensed immediately as all vesting conditions would have been met at that date. At 30 June 2012, 56 250 (2011 – 56 447; 2010 – 56 452) Sasol preferred ordinary shares and 17 440 (2011 – 17 395; 2010 – 17 405) Sasol BEE ordinary shares were issued to a facilitation trust funded by Sasol.

Funded Invitation

The members of the Black Public participating in the Funded Invitation through a funding company, which is consolidated as part of the Sasol group, subscribed for 16,1 million Sasol preferred ordinary shares. The Black Public contributed equity between 5% to 10% of their underlying Sasol preferred ordinary shares allocation, with the balance of the contribution being funded through preference share debt, (refer note 17), including preference shares subscribed for by Sasol.

Participants in the Funded Invitation may not dispose of their shares for the first three years after inception. Thereafter, for the remainder of the transaction term, trading in the shares will be allowed with other Black People or Black Groups through an over-the-counter trading mechanism. Participants in the Funded Invitation may not encumber the shares held by them before the end of the transaction term.

The Black Public are entitled to receive a dividend of up to 5% of the dividend on the Sasol preferred ordinary shares in proportion to their effective interest in Sasol's issued share capital, from the commencement of the fourth year of the transaction term of ten years, subject to the financing requirements of the preference share debt.

At the end of the transaction term, the Sasol preferred ordinary shares will automatically be Sasol ordinary shares and will then be listed on the JSE . The Sasol ordinary shares remaining in the funding company after redeeming the preference share debt and paying costs may then be distributed to the Black Public in proportion to their shareholding.

The funding company has, from inception, full voting and economic rights with regard to its interest in Sasol's issued share capital.

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

iv Black Public Invitations continued

Cash Invitation

The Cash Invitation allowed members of the Black Public to invest directly in Sasol BEE ordinary shares. As at 30 June 2012, the Black Public held 2,8 million (2011 – 2,8 million; 2010 – 2,8 million) Sasol BEE ordinary shares. Participants in the Cash Invitation receive dividends per share simultaneously with, and equal to, Sasol ordinary shareholders. In addition, they are entitled to exercise full voting rights attached to their Sasol BEE ordinary shares.

The Sasol BEE ordinary shares could not be traded for the first two years of the transaction term of ten years and, for the remainder of the transaction term, can only be traded between Black People and Black Groups.

Participants in the Cash Invitation are entitled to encumber their Sasol BEE ordinary shares, provided that these shares continue to be owned by members of the Black Public for the duration of the transaction term.

In February 2011, Sasol Limited listed the Sasol BEE ordinary shares on the BEE segment of the JSE's main board. This trading facility provides many Sasol Inzalo shareholders access to a regulated market in line with Sasol's commitment to broad-based shareholder development. At the end of the transaction term, the Sasol BEE ordinary shares will automatically be Sasol ordinary shares.

at 30 June 2012	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
Shares and share rights granted	60 977 868	24 278 102	9 461 882	8 387 977	18 849 907
Shares and share rights available for allocation	2 101 346	953 584	–	1 073 905	73 857
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	46 411 008	9 711 242	9 461 882	8 387 977	18 849 907
Within three years	7 283 430	7 283 430			
Three to five years	7 283 430	7 283 430			
Five to ten years	–	–			
	60 977 868	24 278 102	9 461 882	8 387 977	18 849 907

46 **Share-based payments** continued

46.2 The Sasol Inzalo share transaction continued

at 30 June 2011	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
Shares and share rights granted	61 391 292	24 691 526	9 461 882	8 387 977	18 849 907
Shares and share rights available for allocation	1 687 922	540 160	–	1 073 905	73 857
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	36 699 766	–	9 461 882	8 387 977	18 849 907
Within three years	7 407 458	7 407 458	–	–	–
Three to five years	4 938 305	4 938 305	–	–	–
Five to ten years	12 345 763	12 345 763	–	–	–
	61 391 292	24 691 526	9 461 882	8 387 977	18 849 907

at 30 June 2010	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
Shares and share rights granted	61 211 846	24 512 080	9 461 882	8 387 977	18 849 907
Shares and share rights available for allocation	1 867 368	719 606	–	1 073 905	73 857
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
Vesting periods of shares and share rights granted					
Already vested	36 699 766	–	9 461 882	8 387 977	18 849 907
Within three years	7 353 624	7 353 624	–	–	–
Three to five years	4 902 416	4 902 416	–	–	–
Five to ten years	12 256 040	12 256 040	–	–	–
	61 211 846	24 512 080	9 461 882	8 387 977	18 849 907

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

The share-based payment expense was calculated using an option pricing model reflective of the underlying characteristics of each part of the transaction. It is calculated using the following assumptions at grant date:

for the year ended 30 June		Employee and Management Trusts 2012	Selected Participants 2012	Black Public Invitation – Funded 2012	Black Public Invitation – Cash 2012
Valuation model		**Monte Carlo**	**Black-Scholes**	**Black-Scholes**	*
Exercise price	Rand	**366,00**	*	*	
Risk-free interest rate	(%)	**11,8**	*	*	
Expected volatility	(%)	**23,6**	*	*	
Expected dividend yield	(%)	**2,67 – 4,5**	*	*	
Vesting period		**5 to 6 years** **	*	*	

for the year ended 30 June		Employee and Management Trusts 2011	Selected Participants 2011	Black Public Invitation – Funded 2011	Black Public Invitation – Cash 2011
Valuation model		Monte Carlo	Black-Scholes	Black-Scholes	*
Exercise price	Rand	366,00	*	*	
Risk-free interest rate	(%)	11,8	*	*	
Expected volatility	(%)	25,7	*	*	
Expected dividend yield	(%)	2,67 – 4,5	*	*	
Vesting period		6 to 7 years **	*	*	

for the year ended 30 June		Employee and Management Trusts 2010	Selected Participants 2010	Black Public Invitation – Funded 2010	Black Public Invitation – Cash 2010
Valuation model		Monte Carlo	Black-Scholes	Black-Scholes	*
Exercise price	Rand	366,00	*	*	
Risk-free interest rate	(%)	11,8	*	*	
Expected volatility	(%)	33,5	*	*	
Expected dividend yield	(%)	2,67 – 4,5	*	*	
Vesting period		7 to 8 years **	*	*	

* *There were no further grants made during the year.*
** *Rights granted during the current year vest over the remaining period until tenure of the transaction until 2018.*

The risk-free rate for periods within the contractual term of the share rights is based on the South African government bonds in effect at the time of the grant.

The expected volatility in the value of the share rights granted is determined using the historical volatility of the Sasol ordinary share price.

The expected dividend yield of the share rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

Movements in the number of shares and share rights granted	Number of shares/share rights	Weighted average value Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
i) Sasol Inzalo Employee and Management Trusts				
Balance at 30 June 2009	21 633 050	366,00	(2 309)	9,0
Shares and share rights granted	2 921 059	366,00	(267)	–
Shares and share rights forfeited	(42 029)	–	(12)	–
Balance at 30 June 2010	24 512 080	366,00	(2 588)	8,0
Shares and share rights granted	878 312	366,00	(9)	–
Shares and share rights forfeited	(698 866)	–	(249)	–
Balance at 30 June 2011	**24 691 526**	**366,00**	**(2 846)**	**7,0**
Shares and share rights granted	**1 053 634**	**366,00**	**(44)**	**–**
Shares and share rights forfeited	**(1 467 058)**	**–**	**(476)**	**–**
Balance at 30 June 2012	**24 278 102**	**366,00**	**(3 366)**	**6,0**
ii) Sasol Inzalo Foundation				
Balance at 30 June 2009	9 461 882	366,00	(865)	9,0
Shares and share rights granted	–	–	–	–
Balance at 30 June 2010	9 461 882	366,00	(865)	8,0
Shares and share rights granted and forfeited	–	–	–	–
Balance at 30 June 2011	**9 461 882**	**366,00**	**(865)**	**7,0**
Shares and share rights granted and forfeited	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**9 461 882**	**366,00**	**(865)**	**6,0**
iii) Selected Participants				
Balance at 30 June 2009	8 387 977	366,00	(767)	9,0
Shares and share rights granted	–	–	–	–
Balance at 30 June 2010	8 387 977	366,00	(767)	8,0
Shares and share rights granted and forfeited	–	–	–	–
Balance at 30 June 2011	**8 387 977**	**366,00**	**(767)**	**7,0**
Shares and share rights granted and forfeited	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**8 387 977**	**366,00**	**(767)**	**6,0**
iv) Black Public Invitations				
Balance at 30 June 2009	18 850 413	366,00	(1 723)	9,0
Shares and share rights granted	–			
Shares and share rights forfeited	(506)	–	–	–
Balance at 30 June 2010	18 849 907	366,00	(1 723)	8,0
Shares and share rights granted and forfeited	–	–	–	–
Balance at 30 June 2011	**18 849 907**	**366,00**	**(1 723)**	**7,0**
Shares and share rights granted and forfeited	**–**	**–**	**–**	**–**
Balance at 30 June 2012	**18 849 907**	**366,00**	**(1 723)**	**6,0**

46 Share-based payments continued

46.2 The Sasol Inzalo share transaction continued

for the year ended 30 June 2012	i) Employee and Management Trusts 2012 Rand	ii) Sasol Inzalo Foundation 2012 Rand	iii) Selected Participants 2012 Rand	iv) Black Public Invitations – Funded 2012 Rand	iv) Black Public Invitations – Cash 2012 Rand
Average price at which shares/share rights were granted during year	**366***	–	–	–	–
Average fair value of shares/share rights issued during year	**48,15**	–	–	–	–

for the year ended 30 June 2011	i) Employee and Management Trusts 2011 Rand	ii) Sasol Inzalo Foundation 2011 Rand	iii) Selected Participants 2011 Rand	iv) Black Public Invitations – Funded 2011 Rand	iv) Black Public Invitations – Cash 2011 Rand
Average price at which shares/share rights were granted during year	366*	–	–	–	–
Average fair value of shares/share rights issued during year	66,13	–	–	–	–

for the year ended 30 June 2010	i) Employee and Management Trusts 2010 Rand	ii) Sasol Inzalo Foundation 2010 Rand	iii) Selected Participants 2010 Rand	iv) Black Public Invitations – Funded 2010 Rand	iv) Black Public Invitations – Cash 2010 Rand
Average price at which shares/share rights were granted during year	366*	–	–	–	–
Average fair value of rights issued during year	71,89	–	–	–	–

* *Underlying value at 60 day volume weighted average price on 18 March 2008, although the shares were issued at a nominal value of R0,01 per share.*

46 Share-based payments continued

46.3 The Ixia Coal transaction

On 29 September 2010, the remaining conditions precedent for the conclusion of the Ixia Coal transaction were met, which resulted in the Ixia Coal transaction becoming effective. The Ixia Coal transaction is a broad-based Black Economic Empowerment (BEE) transaction, in line with Sasol Mining's empowerment strategy and its commitment to comply with the objectives of the Mineral and Petroleum Resources Development Act in South Africa as well as the Mining Charter. The primary focus of the Ixia Coal transaction was to establish a black women controlled operational mining company with operating capacity, operating assets and growth assets, through a joint venture in which disadvantaged rural black women who originate from South African provinces, where Sasol Mining has operations or coal reserves, could participate.

The members of Ixia Coal (Pty) Ltd. (Ixia Coal), through a funding company (Ixia Coal Funding (Pty) Ltd., which is consolidated as part of the Sasol group), subscribed for a 20% share in Sasol Mining for a purchase consideration of R1,8 billion. The black-women members of Ixia Coal, through WipCoal (Pty) Ltd. (WipCoal), and Sasol Mining Holdings (Pty) Ltd., a wholly-owned subsidiary of Sasol Limited, contributed, in cash, equity of R47 million, in their respective shareholding of 51% and 49% in Ixia Coal. The balance of the contribution was funded through preference share debt (refer note 17), including preference shares subscribed for by Sasol, issued by the funding company.

The parties are entitled to receive a dividend on their shareholding in Sasol Mining in proportion to their effective interest in Sasol Mining's issued share capital, subject to the financing requirements of the preference share debt. The transaction results in WipCoal owning effectively 10,2% of the equity in Sasol Mining.

The fair value of the equity settled share-based payment expenses relating to the Ixia Coal transaction was calculated at grant date and was expensed immediately as all vesting conditions had been met at that date.

	Value of the transaction 2011 Rm	Share based payment expense recognised 2011 Rm
The Ixia Coal transaction	1 484	565

The share-based payment expense was calculated using an option pricing model reflective of the underlying characteristics of the transaction. It is calculated using the following assumptions at grant date:

		2011
Valuation model		Monte Carlo*
Risk-free interest rate	(%)	7,21
Expected volatility	(%)	31,98

* *As Sasol Mining is not publicly traded, the fair values were calculated using the Monte Carlo simulation model.*

The risk-free rate for periods within the contractual term of the transaction is based on the South African money market rates and swap rates in effect at the time of the valuation of the transaction. As Sasol Mining is not publicly traded, the expected volatility of Sasol Mining over the period of the transaction was determined using the historical daily share price of a similar company listed on the JSE.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

46 Share-based payments continued

Cash settled share incentive schemes

46.4 The Sasol Share Appreciation Rights Scheme

During March 2007, the group introduced the Sasol Share Appreciation Rights Scheme. This scheme replaced the Sasol Share Incentive Scheme. The objectives of the scheme are similar to that of the Sasol Share Incentive Scheme. The Share Appreciation Rights Scheme allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol ordinary share price between the offer date of share appreciation rights to vesting and exercise of such rights. With effect from September 2009, certain qualifying senior management receive only share appreciation rights that contain corporate performance targets (refer 46.4.2). These qualifying employees will retain the share appreciation rights with no corporate performance targets that have been granted to them previously .

46.4.1 Share Appreciation Rights with no corporate performance targets

The Share Appreciation Rights Scheme with no corporate performance targets allows certain senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of share appreciation rights to vesting and exercise of such rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

Rights are granted for a period of nine years and vest as follows:
2 years – 1st third
4 years – 2nd third
6 years – final third

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled liability is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be taken up at the employee's election before their last day of service. Payment on appreciation rights forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights.

It is group policy that employees should not deal in Sasol Limited securities (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of share appreciation rights		
for the year ended 30 June	**2012**	2011	2010
Vesting periods of rights granted			
Already vested	**3 881 300**	2 614 300	1 202 600
Within one year	**1 611 700**	1 850 000	1 740 500
One to two years	**1 736 200**	1 676 200	1 917 600
Two to three years	**1 356 100**	1 843 600	1 728 200
Three to four years	**916 100**	1 421 500	1 927 500
Four to five years	**67 100**	943 000	1 425 700
More than five years	**–**	67 100	984 800
	9 568 500	10 415 700	10 926 900

46 Share-based payments continued

46.4 The Sasol Share Appreciation Rights Scheme continued

46.4.1 Share Appreciation Rights with no corporate performance targets continued

Movements in the number of rights granted	Number of share appreciation rights	Weighted average share price Rand
Balance at 30 June 2009	8 193 300	287,24
Rights granted	3 044 200	296,54
Rights exercised	(40 700)	(268,68)
Rights forfeited	(900)	(299,90)
Rights lapsed	(269 000)	(324,81)
Balance at 30 June 2010	10 926 900	288,97
Rights granted	208 100	298,65
Rights exercised	(384 900)	(367,92)
Rights forfeited	(334 400)	(311,06)
Balance at 30 June 2011	**10 415 700**	**285,54**
Rights exercised	**(815 200)**	**(380,22)**
Rights forfeited	**(32 000)**	**(225,04)**
Balance at 30 June 2012	**9 568 500**	**277,68**

for the year ended 30 June	2012 Rand	2011 Rand	2010 Rand
Average price at which share appreciation rights were granted during year	–	298,65	296,54
Average market price of share appreciation rights traded during year	**380,22**	367,92	303,37
Average fair value of share appreciation rights vested during year	**66,52**	90,89	47,23
Average fair value of share appreciation rights issued during year	–	121,63	75,20

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Average intrinsic value of share appreciation rights exercised during year	**66**	31	1
Total intrinsic value of share appreciation rights vested	**143**	127	67
Share-based payment expense recognised*	**(52)**	332	51

* *The unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 2,2 years, amounted to R111 million at 30 June 2012 (2011 – R318 million; 2010 – R327 million).*

changes to comparative information
non-current assets
current assets
non-current liabilities
current liabilities
results of operations
equity structure
liquidity and capital resources
other disclosures

46 Share-based payments continued

46.4 The Sasol Share Appreciation Rights Scheme continued

46.4.1 Share Appreciation Rights with no corporate performance targets continued

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June:

		2012	2011	2010
Risk free interest rate	(%)	6,09 – 7,15	7,56 – 8,15	7,87 – 8,22
Expected volatility	(%)	24,13	25,58	28,69
Expected dividend yield	(%)	5,11	3,22	3,35
Expected forfeiture rate	(%)	5,00	5,00	5,00
Vesting period		2,4,6 years	2,4,6 years	2, 4, 6 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Range of exercise prices	Number of share appreciation rights	Weighted average price per right Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented rights granted up to 30 June 2012				
R210,01 – R240,00	232 000	222,50	28	3,68
R240,01 – R270,00	1 186 800	257,24	101	5,17
R270,01 – R300,00	4 849 400	294,75	232	5,69
R300,01 – R330,00	73 600	327,20	1	4,28
R330,01 – R360,00	2 621 700	351,02	–	5,13
R390,01 – R420,00	234 000	407,50	–	4,70
R420,01 – R450,00	187 900	444,00	–	4,82
R450,01 – R480,00	148 200	475,10	–	4,93
R480,01 – R510,00	34 900	496,75	–	4,90
	9 568 500	313,23	362	
Details of unimplemented rights vested at 30 June 2012				
R210,01 – R240,00	141 400	222,50	17	
R240,01 – R270,00	396 200	257,36	34	
R270,01 – R300,00	1 902 600	294,64	91	
R300,01 – R330,00	42 000	327,20	1	
R330,01 – R360,00	997 000	350,30	–	
R390,01 – R420,00	156 700	407,50	–	
R420,01 – R450,00	122 800	444,00	–	
R450,01 – R480,00	99 800	475,10	–	
R480,01 – R510,00	22 800	496,75	–	
	3 881 300	317,97	143	

46 Share-based payments continued

46.4 The Sasol Share Appreciation Rights Scheme continued

46.4.2 Share Appreciation Rights with corporate performance targets

During September 2009, the group introduced corporate performance targets as an additional vesting criteria for share appreciation rights. The corporate performance targets are share price performance versus the JSE ALSI 40, Sasol earnings growth and Sasol production volumes growth. The corporate performance targets determine how many shares will vest. Qualifying employees will retain the share appreciation rights with no corporate performance targets that have been previously granted to them.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme will be settled in cash.

Rights are granted for a period of nine years and vest as follows:
2 years – 1st third
4 years – 2nd third
6 years – final third

The vesting period of these rights are the same as the share appreciation rights with no corporate performance targets.

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash settled liability is calculated at each reporting date.

On resignation, share appreciation rights which have not yet vested will lapse and share appreciation rights which have vested may be exercised at the employee's election before their last day of service. Payment on rights forfeited will therefore not be required. On death, all appreciation rights vest immediately and the deceased estate has a period of twelve months to exercise these rights. On retrenchment, all appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights. On retirement the appreciation rights vest immediately and the employee has a period of twelve months to exercise these rights.

It is group policy that employees should not deal in Sasol Limited securities (and this is extended to the Sasol Share Appreciation Rights) for the periods from 1 January for half year end and 1 July for year end until 2 days after publication of the results and at any other time during which they have access to price sensitive information.

	Number of share appreciation rights		
for the year ended 30 June	**2012**	2011	2010
Vesting periods of rights granted			
Already vested	**210 000**	89 900	–
Within one year	**1 790 000**	140 900	–
One to two years	**1 652 100**	1 878 400	157 600
Two to three years	**1 788 500**	140 900	–
Three to four years	**1 648 900**	1 878 400	157 600
Four to five years	**1 669 400**	137 300	–
More than five years	**2 297 500**	1 754 800	157 600
	11 056 400	6 020 600	472 800

Movements in the number of rights granted	**Number of share appreciation rights**	**Weighted average share price Rand**
Balance at 30 June 2010	472 800	296,49
Rights granted	5 687 600	312,92
Rights exercised	(5 200)	(340,98)
Rights forfeited	(107 200)	(298,04)
Rights lapsed	(27 400)	(279,48)
Balance at 30 June 2011	**6 020 600**	**325,77**
Rights granted	**5 425 700**	**342,27**
Rights exercised	**(256 300)**	**(387,30)**
Rights forfeited	**(123 100)**	**(322,86)**
Rights lapsed	**(10 500)**	**(331,45)**
Balance at 30 June 2012	**11 056 400**	**332,47**

46 Share-based payments continued

46.4 The Sasol Share Appreciation Rights Scheme continued

46.4.2 Share Appreciation Rights with corporate performance targets continued

for the year ended 30 June	2012 Rand	2011 Rand	2010 Rand
Average price at which share appreciation rights were granted during year	**342,27**	312,92	296,49
Average market price of share appreciation rights traded during year	**387,30**	340,98	–
Average fair value of share appreciation rights vested during year	**49,86**	104,79	51,91
Average fair value of share appreciation rights issued during year	**61,00**	127,28	68,47

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Average intrinsic value of share appreciation rights exercised during year	**22**	–	–
Total intrinsic value of share appreciation rights vested	**8**	5	–
Share-based payment expense recognised*	**134**	163	6

* *The unrecognised share-based payment expense related to non-vested share appreciation rights with corporate performance targets, expected to be recognised over a weighted average period of 1,7 years, amounted to R509 million at 30 June 2012 (2011 – R613 million; 2010 – R25 million).*

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June:

		2012	2011	2010
Risk free interest rate	(%)	**6,09 – 7,15**	7,56 – 8,15	7,87 – 8,22
Expected volatility	(%)	**24,13**	25,58	28,69
Expected dividend yield	(%)	**5,11**	3,22	3,35
Expected forfeiture rate	(%)	**5,00**	5,00	5,00
Vesting period		**2, 4, 6 years**	2, 4, 6 years	2, 4, 6 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Range of exercise prices	Number of share appreciation rights	Weighted average price per right Rand	Aggregate intrinsic value Rm	Weighted average remaining life years
Details of unimplemented rights granted up to 30 June 2012				
R270,01 – R300,00	**4 084 400**	**298,44**	**180**	**7,12**
R300,01 – R330,00	**445 100**	**322,60**	**9**	**7,40**
R330,01 – R360,00	**5 027 000**	**336,76**	**29**	**8,17**
R360,01 – R390,00	**1 499 900**	**373,46**	**–**	**8,41**
	11 056 400	**327,01**	**218**	
Details of unimplemented rights vested at 30 June 2012				
R270,01 – R300,00	**170 200**	**296,94**	**8**	
R300,01 – R330,00	**11 400**	**322,60**	**–**	
R330,01 – R360,00	**28 400**	**334,53**	**–**	
	210 000	**303,42**	**8**	

46 Share-based payments continued

46.5 The Sasol Medium-Term Incentive Scheme

During September 2009, the group introduced the Sasol Medium-term Incentive Scheme (MTI). The objective of the MTI Scheme is to provide qualifying employees which participate in the Share Appreciation Rights Scheme with corporate performance targets (refer note 46.4.2) the opportunity of receiving incentive payments based on the value of Sasol ordinary shares in Sasol Limited. The MTI Scheme allows certain senior employees to earn a medium-term incentive amount, which is linked to certain corporate performance targets. These corporate performance targets are based on the share price performance versus the JSE ALSI 40, Sasol earnings growth and Sasol production volumes growth. Allocations of the MTI are linked to the performance of both the group and the individual. The MTI is also intended to complement existing incentive arrangements, to retain and motivate key employees and to attract new key employees.

Vesting conditions

Rights are granted for a period of three years and vest at the end of the third year. The MTIs are encashed at the end of the third year subject to the achievement of targets.

On resignation, MTIs which have not yet vested will lapse. Payment on MTIs forfeited will therefore not be required. On death, the MTIs vest immediately and the amount to be paid out to the deceased estate is calculated to the extent that the corporate performance targets are anticipated to be met. On retirement and retrenchment the MTIs vest immediately and the amount to be paid out is calculated to the extent that the corporate performance targets are anticipated to be met and is paid within forty days from the date of termination.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Medium-term Incentive Scheme will be settled in cash. The MTI carries no issue price. The fair value of the cash settled liability is calculated at each reporting date.

	Number of rights		
	2012	2011	2010
Vesting periods of rights granted			
Within one year	**82 511**	–	–
One to two years	**1 152 037**	90 779	–
Two to three years	**1 186 578**	1 227 032	–
Three to four years	**–**	–	105 626
	2 421 126	1 317 811	105 626

Movements in the number of rights granted	Number of rights
Rights granted	105 626
Balance at 30 June 2010	105 626
Rights granted	1 272 855
Rights exercised	(21 748)
Rights forfeited	(21 912)
Rights lapsed	(17 010)
Balance at 30 June 2011	**1 317 811**
Rights granted	**1 220 755**
Rights exercised	**(77 048)**
Rights forfeited	**(28 571)**
Rights lapsed	**(11 821)**
Balance at 30 June 2012	**2 421 126**

46 Share-based payments continued

46.5 The Sasol Medium-Term Incentive Scheme continued

for the year ended 30 June	2012 Rand	2011 Rand	2010 Rand
Average price at which MTIs were granted during year	**–**	–	–
Average fair value of MTIs issued during year	**250,51**	380,18	202,57
Average intrinsic value of MTIs exercised during the year	**354,99**	357,39	–

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Total intrinsic value of MTIs vested	**27**	7	–
Share-based payment expense recognised*	**124**	148	6

* *The unrecognised share-based payment expense related to MTIs, expected to be recognised over a weighted average period of 1,0 years, amounted to R370 million at 30 June 2012 (2011 – R503 million; 2010 – R20 million).*

The share-based payment expense is calculated using the Monte Carlo simulation model based on the following assumptions at 30 June:

		2012 Rand	2011 Rand	2010 Rand
Risk free interest rate	(%)	**6,09 – 7,15**	7,56 – 8,15	7,87 – 8,22
Expected volatility	(%)	**24,13**	25,58	28,69
Expected dividend yield	(%)	**5,11**	3,22	3,35
Expected forfeiture rate	(%)	**5,00**	5,00	5,00
Vesting period		**3 years**	3 years	3 years

The risk-free rate for periods within the contractual term of the rights is based on the South African government bonds in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using the historical dividend yield of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
47 Foreign currency translation reserve				
Translation of foreign operations				
Property, plant and equipment		**1 899**	(1 372)	(652)
cost	2	**4 500**	(1 939)	(2 873)
accumulated depreciation	2	**(2 601)**	567	2 221
Assets under construction	3	**850**	(72)	(84)
Goodwill	4	**40**	9	(67)
Intangible assets		**48**	(8)	(69)
cost	5	**113**	4	(173)
accumulated amortisation	5	**(65)**	(12)	104
Investments in securities	6	**10**	8	(25)
Investments in associates		**676**	(365)	(9)
Long-term receivables		**63**	10	(51)
Assets held for sale		**6**	(1)	(5)
Inventories		**903**	(130)	(521)
Trade receivables		**888**	(192)	(609)
Other receivables and prepaid expenses		**(1)**	(29)	(30)
Short-term financial assets		**–**	–	(1)
Cash and cash equivalents		**649**	(421)	(124)
Non-controlling interest		**(11)**	5	–
Long-term debt	17	**(106)**	386	55
Long-term provisions	19	**(190)**	38	131
Long-term financial liabilities		**–**	–	1
Post-retirement benefit obligations		**(143)**	(145)	263
Long-term deferred income		**(23)**	17	40
Deferred tax	22	**(173)**	74	52
Liabilities in disposal groups held for sale		**–**	–	2
Short-term debt	23	**(17)**	52	5
Short-term financial liabilities		**(1)**	2	4
Short-term provisions	25	**(36)**	4	40
Tax payable	27	**(18)**	21	21
Trade payables and accrued expenses		**(673)**	68	355
Other payables		**(378)**	(137)	1 037
		4 262	(2 178)	(241)
Arising from net investment in foreign operations		**(211)**	153	(601)
Movement for year		**4 051**	(2 025)	(842)
Realisation of foreign currency translation reserve	33	**–**	2	–
Disposal of businesses	56	**–**	(4)	–
Balance at beginning of year		**(1 914)**	113	955
Balance at end of year		**2 137**	(1 914)	113

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
47 Foreign currency translation reserve continued			
Business segmentation			
South African energy cluster	**16**	(4)	(3)
Oil	**16**	(4)	(3)
International energy cluster	**695**	(2 377)	(1 050)
Synfuels International	**(452)**	(2 081)	(1 070)
Petroleum International	**1 147**	(296)	20
Chemical cluster	**966**	218	1 094
Polymers	**(658)**	(516)	105
Solvents	**783**	605	554
Olefins & Surfactants	**389**	(329)	(213)
Other chemicals – Wax	**1 058**	982	986
Other chemicals	**(606)**	(524)	(338)
Other businesses	**460**	249	72
Financing	**420**	209	38
Other businesses	**40**	40	34
Total operations	**2 137**	(1 914)	113

	Number of shares 2012	2011	2010
48 Share repurchase programme			
Held by the wholly owned subsidiary, Sasol Investment Company (Pty) Ltd.			
Balance at beginning of year	**8 809 886**	8 809 886	8 809 886
Shares cancelled	**–**	–	–
Shares repurchased	**–**	–	–
Balance at end of year	**8 809 886**	8 809 886	8 809 886
Percentage of issued share capital (excluding Sasol Inzalo share transaction)	**1,44%**	1,45%	1,46%

for the year ended 30 June	2012 Rand	2011 Rand	2010 Rand
Average cumulative purchase price	**299,77**	299,77	299,77
Average purchase price during year	**–**	–	–

As at 30 June 2012, a total of 8 809 886 Sasol ordinary shares (30 June 2011 – 8 809 886; 30 June 2010 – 8 809 886), representing 1,44% (30 June 2011 – 1,45%; 30 June 2010 – 1,46%) of the issued share capital of the company, excluding the Sasol Inzalo share transaction, is held by its subsidiary, Sasol Investment Company (Pty) Ltd. These shares are held as treasury shares and do not carry any voting rights. Since the inception of the programme in 2007, 40 309 886 Sasol ordinary shares, representing 6,39% of the issued share capital of the company, excluding the Sasol Inzalo share transaction, had been repurchased for R12,1 billion at a cumulative average price of R299,77 per share. 31 500 000 Sasol ordinary shares of the repurchased shares were cancelled on 4 December 2008, for a total value of R7,9 billion, and restored to authorised share capital.

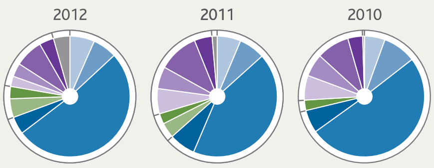
At the company's annual general meeting on 27 November 2009, shareholders renewed the directors' authority to repurchase up to 4% of the issued ordinary shares of the company subject to the provisions of the South African Companies Act and the requirements of the JSE Limited. No purchases have been made under this authority. At the annual general meeting held on 26 November 2010, shareholders granted the authority to the Sasol directors to repurchase up to 10% of Sasol's issued share capital (excluding the preferred ordinary and Sasol BEE ordinary shares). No purchases have been made under this authority. At the annual general meeting held on 25 November 2011, shareholders granted the authority to the Sasol directors to repurchase up to 10% of Sasol's issued securities for a further maximum of 15 months. No shares were repurchased during the year.

liquidity and capital resources

	Note	2012 Rm	2011 Rm	2010 Rm
Cash generated by operating activities	49	**47 901**	38 639	27 338
Cash flow from operations	50	**50 172**	41 018	30 762
Increase in working capital	51	**(2 271)**	(2 379)	(3 424)
Finance income received	52	**1 149**	1 380	1 372
Dividends paid	53	**(9 600)**	(6 614)	(5 360)
Non-current assets sold	54	**257**	168	208
Acquisitions	55	**(24)**	3 823	–
Disposals	56	**713**	22	–

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
49 Cash generated by operating activities				
Cash flow from operations	50	**50 172**	41 018	30 762
Increase in working capital	51	**(2 271)**	(2 379)	(3 424)
		47 901	38 639	27 338
50 Cash f ow from operations				
Operating profit		**36 758**	29 950	23 937
Adjusted for				
amortisation of intangible assets	34	**229**	235	203
equity settled share-based payment expense	46	**485**	1 428	880
deferred income		**(214)**	719	(387)
depreciation of property, plant and equipment	34	**9 422**	7 165	6 509
effect of remeasurement items	42	**1 860**	426	(46)
movement in impairment of trade receivables		**47**	137	70
movement in long-term prepaid expenses		**(45)**	15	(61)
movement in long-term provisions				
income statement charge	19	**1 279**	1 230	1 173
utilisation	19	**(493)**	(486)	(904)
movement in short-term provisions		**508**	(163)	(274)
movement in post-retirement benefit				
assets		**(18)**	(74)	(76)
obligations		**355**	414	319
translation effect of foreign currency loans		**(458)**	(145)	(94)
translation of net investment in foreign operations		**211**	153	(601)
write-down of inventories to net realisable value	34	**331**	112	118
other non-cash movements		**(85)**	(98)	(4)
		50 172	41 018	30 762

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
50 Cash f ow from operations continued				
Business segmentation				
South African energy cluster		**34 811**	26 015	22 166
Mining		**3 328**	2 616	1 727
Gas		**3 257**	2 875	2 793
Synfuels		**25 865**	17 691	15 754
Oil		**2 363**	2 895	1 917
Other		**(2)**	(62)	(25)
International energy cluster		**4 165**	2 840	515
Synfuels International		**2 515**	1 681	(349)
Petroleum International		**1 650**	1 159	864
Chemical cluster		**8 977**	11 607	7 937
Polymers		**1 384**	2 766	2 056
Solvents		**1 820**	2 429	1 894
Olefins & Surfactants		**3 816**	4 446	2 746
Other		**1 957**	1 966	1 241
Other businesses		**2 219**	556	144
Total operations		**50 172**	41 018	30 762



	Note	2012 Rm	2011 Rm	2010 Rm
51 Increase in working capital				
Increase in inventories				
Per the statement of financial position		**(2 156)**	(2 040)	(1 883)
Write-down of inventories to net realisable value		**(331)**	(112)	(118)
Transfer (to)/from other assets		**3**	(2)	13
Reclassification from/(to) held for sale		**13**	(14)	–
Disposal of businesses		**(124)**	–	–
Translation of foreign operations	47	**903**	(130)	(521)
Translation of foreign entities		**203**	(153)	–
		(1 489)	(2 451)	(2 509)
Increase in trade receivables				
Per the statement of financial position		**(1 531)**	(3 004)	(3 448)
Movement in impairment		**(47)**	(137)	(70)
Transfer to other assets		**2**	–	–
Disposal of businesses		**(72)**	–	–
Translation of foreign operations	47	**888**	(192)	(609)
Translation of foreign entities		**248**	(148)	–
		(512)	(3 481)	(4 127)
(Increase)/decrease in other receivables and prepaid expenses				
Per the statement of financial position		**(1 318)**	(80)	447
Movement in short-term portion of long-term receivables		**54**	(145)	(243)
Transfer from other assets		**857**	–	–
Disposal of businesses		**(2)**	–	–
Effect of cash flow hedging		**–**	1	–
Translation of foreign operations	47	**(1)**	(29)	(30)
Translation of foreign entities		**40**	(17)	–
		(370)	(270)	174

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
51 Increase in working capital continued				
Increase in trade payables and accrued expenses				
Per the statement of financial position		**841**	3 383	414
Disposal of businesses		**1**	–	–
Translation of foreign operations	47	**(673)**	68	355
Translation of foreign entities		**(80)**	80	–
		89	3 531	769
Increase in other payables				
Per the statement of financial position		**1 112**	190	747
Disposal of businesses		**2**	–	–
Reclassification to short-term provisions		**(5)**	–	–
Reclassification to long-term provisions		**–**	–	54
Effect of cash flow hedging		**–**	(2)	(18)
Translation of foreign operations	47	**(378)**	(137)	1 037
Translation of foreign entities		**(99)**	309	–
		632	360	1 820
Movement in financial assets and liabilities				
Long-term financial assets		**(173)**	(19)	13
Short-term financial assets		**(402)**	29	459
Long-term financial liabilities		**(60)**	36	(54)
Short-term financial liabilities		**14**	(114)	31
		(621)	(68)	449
Increase in working capital		**(2 271)**	(2 379)	(3 424)
52 Finance income received				
Interest received	38	**766**	943	1 288
Dividends received from investments	38	**22**	40	31
Dividends received from associates	7	**361**	397	53
		1 149	1 380	1 372
53 Dividends paid				
Final dividend – prior year		**(6 089)**	(4 713)	(3 653)
Interim dividend – current year		**(3 511)**	(1 901)	(1 707)
		(9 600)	(6 614)	(5 360)
Forecast cash flow on final dividend – current year		**7 239**	6 053	4 682
Forecast STC charge on final dividend – current year		**–**	589	452
The forecast cash flow on the final dividend is calculated based on the net number of Sasol ordinary shares in issue at 30 June 2012 of 644,8 million. The actual dividend payment will be determined on the record date of 12 October 2012.				
54 Non-current assets sold				
Property, plant and equipment		**190**	42	49
Assets under construction		**4**	27	7
Other intangible assets		**63**	99	152
		257	168	208

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
55 Acquisitions				
Property, plant and equipment	2	**–**	709	–
Assets under construction	3	**24**	3 114	–
Total consideration per the statement of cash flows		**24**	3 823	–
Comprising				
Synfuels International – Uzbekistan GTL		**24**	–	–
Petroleum International – Canadian shale gas assets		**–**	3 823	–
Total consideration		**24**	3 823	–

Acquisitions in 2012

During 2012, Sasol acquired an additional 11,2% interest in the Uzbekistan GTL project for a purchase consideration of R24 million, thereby increasing Sasol's participating interest in this project to 44,5%.

Acquisitions in 2011

On 17 December 2010, Sasol signed an agreement with the Canadian based Talisman Energy Inc. (Talisman) to acquire a 50% stake in their Farrell Creek shale gas assets, located in the Montney Basin of British Columbia, Canada for a purchase consideration of R7,1 billion. Talisman will retain the remaining 50% interest and continue as operator of the Farrell Creek assets, that includes gas gathering systems and processing facilities. On 1 March 2011, the suspensive conditions pertaining to the agreement with Talisman were fulfilled and the transaction was completed. A cash consideration of CAD295,7 million (R2 068 million) was paid at that time. The remainder of the purchase consideration will be settled through the capital carry obligation.

On 8 March 2011, Sasol exercised an option with Talisman to acquire a 50% stake in their Cypress A shale gas asset for a purchase consideration of R7,1 billion. This acquisition is also located in the Montney basin in Canada. Consistent with the Farrell Creek shale gas acquisition, this second acquisition will also see Talisman retain the remaining 50% interest and continue to operate the Cypress A gas asset. On 10 June 2011, the suspensive conditions pertaining to the agreement with Talisman were fulfilled and the transaction was completed. A cash consideration of CAD250,8 million (R1 755 million) was paid at that time. The remainder of the purchase consideration will be settled through the capital carry obligation.

Acquisitions in 2010

There were no acquisitions during 2010.

for the year ended 30 June	Note	2012 Rm	2011 Rm	2010 Rm
56 Disposals				
Property, plant and equipment				
cost		**314**	18	517
accumulated depreciation		**(178)**	(8)	(516)
Investments in securities		**2**	–	–
Investments in associates		**29**	–	–
Long-term receivables and prepaid expenses		**5**	–	–
Assets held for sale		**37**	–	66
Inventories		**99**	–	–
Trade receivables		**72**	–	–
Other receivables and prepaid expenses		**2**	–	–
Long-term provisions		**(4)**	–	(9)
Post-retirement benefit obligations		**(22)**	–	–
Short-term provisions		**(1)**	–	–
Trade payables and accrued expenses		**(1)**	–	–
Other payables		**(2)**	–	–
Liabilities in disposal groups held for sale		**–**	–	(60)
Tax payable	27	**–**	1	–
		352	11	(2)
Total consideration		**713**	22	–
		361	11	2
Realisation of accumulated translation effects		**–**	4	–
Profit on disposal	42	**361**	15	2
Total consideration comprising				
Petroleum International – Exploration assets		**96**	–	–
Olefins & Surfactants – Witten plant		**550**	–	–
Sasol Nitro – Fertiliser businesses		**31**	16	–
Sasol Wax – Paramelt RMC BV		**7**	6	7
Other businesses – Thin Film Solar Technology		**29**	–	–
Other		**–**	–	(7)
Total consideration		**713**	22	–

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56 **Disposals** continued

Disposals in 2012

Petroleum International – Exploration licences
In 2012, Sasol Petroleum International (SPI) disposed of 10% of its equity interest in an exploration asset in Papua New Guinea for a total consideration of R60 million. In addition, in 2010, SPI entered into negotiations with buyers interested in acquiring exploration assets in Nigeria. The sale of these assets were concluded in 2012 for a total consideration of R36 million.

Olefins & Surfactants – Witten plant
During 2012, as part of the Sasol Olefins & Surfactants (O&S), restructuring programme announced in March 2007, Sasol decided to dispose of the Witten plant in Germany for a total consideration of R550 million.

Sasol Nitro – Fertiliser businesses
In July 2010, Sasol Nitro concluded a settlement agreement with the South African Competition Commission to dispose of the bulk blending and liquid fertiliser blending facilities in Durban, Bellville, Endicott and Kimberley. During 2012, the facilities in Durban, Bellville, Endicott and Kimberley were sold for a total consideration of R31 million.

Sasol Wax – Paramelt RMC BV
On 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in The Netherlands, for a consideration of R251 million, realising a profit of R129 million. During 2012, the additional conditions precedent were met resulting in the receipt of additional consideration of R7 million.

Other businesses – Thin Film Solar Technology
During 2012, Sasol disposed of its 40% investment in Thin Film Solar Technology for a consideration of R29 million.

Disposals in 2011

On 5 July 2010, Sasol Nitro concluded a settlement agreement with the South African Competition Commission. In terms of this settlement, Sasol Nitro has restructured its fertiliser business. The settlement agreement included, amongst others, the divesting of the regional blending capacity. In March 2011, the sale of the Potchefstroom blending facility was concluded, resulting in a profit of R6 million.

In 2011, the group also disposed of other smaller investments realising a profit of R10 million.

Disposals in 2010

On 10 July 2007, Sasol Wax disposed of its 31% investment in Paramelt RMC BV, operating in The Netherlands, for a consideration of R251 million, realising a profit of R129 million. During 2010, the additional conditions precedent were met resulting in the receipt of additional consideration of R7 million.

In 2010, the group also disposed of other smaller investments realising a loss of R7 million.

other disclosures

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for the year ended 30 June	Note	Guarantees 2012 Rm	Liability included on statement of financial position 2012 Rm	Guarantees 2011 Rm	Liability included on statement of financial position 2011 Rm
57 Guarantees and contingent liabilities					
57.1 Guarantees					
In respect of EGTL	i	**4 010**	**1 921**	3 344	1 496
In respect of GTL ventures	ii	**1 950**	**–**	1 576	–
Other performance guarantees	iii	**782**	**231**	817	211
In respect of the shale gas ventures	iv	**6 243**	**–**	11 737	–
In respect of natural oil and gas	v	**2 160**	**1 660**	2 479	2 299
In respect of letter of credit	vi	**1 541**	**–**	2 674	–
In favour of BEE partners	vii	**319**	**8**	400	12
In respect of German propylene pipeline facility	viii	**72**	**–**	643	399
Guarantee in favour of Sasol Inzalo share transaction	ix	**3 927**	**3 927**	3 587	3 587
In respect of Natref debt	x	**1 047**	**1 047**	1 066	1 066
In respect of crude oil purchases	xi	**980**	**980**	813	813
In respect of development of retail convenience centres	xii	**700**	**700**	700	700
In respect of environmental obligations	xiii	**756**	**711**	554	362
Other guarantees and claims	xiv	**812**	**9**	605	–
		25 299	**11 194**	30 995	10 945

i. Sasol Limited has issued the following significant guarantees for the obligations of its associate Escravos GTL in Nigeria, including inter alia:

A performance guarantee has been issued in respect of the construction of Escravos GTL for the duration of the investment in the associate to an amount of US$250 million (R2 041 million).

A guarantee has been issued for Sasol's portion of its commitments in respect of the fiscal arrangements relating to the Escravos GTL project to an amount of US$166 million (R1 353 million). An amount of R1 353 million has been recognised as a provision in this regard.

A provision has been recognised in respect of a performance guarantee related to the construction of Escravos GTL plant for an amount of US$23 million (R188 million).

A guarantee has been issued in respect of the catalyst performance to an amount of €28 million (R289 million).

57 Guarantees and contingent liabilities continued

57.1. Guarantees continued

ii. Sasol Limited has issued the following significant guarantees for the obligations of various of its subsidiaries in respect of the GTL Ventures. These guarantees relate to the construction and funding of ORYX GTL Limited in Qatar, including inter alia:

A guarantee for the take-or-pay obligations of a wholly owned subsidiary has been issued under the gas sale and purchase agreement (GSPA) entered into between ORYX GTL Limited, Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited, by virtue of this subsidiary's 49% shareholding in ORYX GTL Limited. Sasol's exposure is limited to the amount of US$179 million (R1 462 million). In terms of the GSPA, ORYX GTL Limited is contractually committed to purchase minimum volumes of gas from Qatar Petroleum and ExxonMobil Middle East Gas Marketing Limited on a take-or-pay basis. Should ORYX GTL terminate the GSPA prematurely, Sasol Limited's wholly owned subsidiary will be obliged to take or pay for its 49% share of the contracted gas requirements. The term of the GSPA is 25 years from the date of commencement of operations. The project was commissioned in April 2007.

Sasol Limited issued a performance guarantee for the obligations of its subsidiaries in respect of and for the duration of the investment in Sasol Chevron Holdings Limited, limited to an amount of US$60 million (R490 million). Sasol Chevron Holdings Limited is a joint venture between a wholly owned subsidiary of Sasol Limited and Chevron Corporation.

All guarantees listed above are issued in the normal course of business.

iii. Various performance guarantees issued by subsidiaries. Provisions have been recognised in relation to certain performance guarantees that were issued as part of the licensing of Sasol's GTL technology and catalyst performance in respect of ORYX GTL. The events that gave rise to these provisions are not expected to have a material effect on the economics of the group's GTL ventures. Included are performance guarantees for the development of the coal blocks in India and a performance guarantee for the Uzbekistan GTL project.

iv. Guarantees of R6 243 million have been issued to Talisman Energy Inc, in respect of the development of the qualifying costs related to the Farrell Creek and Cypress A shale gas assets in Canada.

v. Guarantees have been issued to various financial institutions in respect of the obligations of its subsidiaries (Sasol Petroleum International (Pty) Ltd. (SPI) and Republic of Mozambique Pipeline Investment Company (Pty) Ltd. (Rompco)) for the natural gas project. The guarantee in respect of Rompco's obligations to the financial institutions has been reduced to 50% of the outstanding obligation upon selling a 25% interest each in Rompco to Companhia de Moçambicana de Gasoduto, S.A.R.L (CMG) and South African Gas Development Company (Pty) Ltd. (iGas). The liability on the statement of financial position of R1 648 million represents the gross amount owing by SPI and Rompco to the financial institutions at 30 June 2012.

vi. Various guarantees issued in respect of letters of credit issued by subsidiaries.

vii. In terms of the sale of 25% in Sasol Oil (Pty) Ltd. to Tshwarisano LFB Investment (Pty) Ltd. (Tshwarisano), facilitation for the financing requirements of Tshwarisano has been provided. The undiscounted exposure at 30 June 2012 amounted to R319 million. A liability for this guarantee at 30 June 2012, amounting to R8 million, has been recognised.

viii. Guarantees issued to various financial institutions in respect of the German propylene pipeline facility.

ix. As part of the Sasol Inzalo share transaction, the C Preference shares issued by the Sasol Inzalo Groups Funding (Pty) Ltd. and Sasol Inzalo Public Funding (Pty) Ltd. to the financing institutions are secured against a guarantee of R3 927 million.

x. Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 047 million for the Natref crude oil refinery. The outstanding debt on the statement of financial position was R1 047 million at 30 June 2012.

xi. Sasol Limited issued a guarantee for Sasol Oil International Limited's (SOIL) term crude oil contract with Saudi Aramco to cover two month's crude oil commitments.

xii. Guarantees issued to various financial institutions in respect of debt facilities for the establishment of the retail convenience centre network of R700 million. The outstanding debt on the statement of financial position was R700 million at 30 June 2012.

xiii. Guarantees and sureties issued in respect of environmental obligations of R756 million.

xiv. Included in other guarantees are guarantees for customs and excise of R232 million and R341 million in respect of feedstock purchases.

57 Guarantees and contingent liabilities continued

57.2 Product warranties

The group provides product warranties with respect to certain products sold to customers in the ordinary course of business. These warranties typically provide that products sold will conform to specifications. The group generally does not establish a liability for product warranty based on a percentage of turnover or other formula. The group accrues a warranty liability on a transaction-specific basis depending on the individual facts and circumstances related to each sale. Both the liability and the annual expense related to product warranties are immaterial to the consolidated financial statements.

57.3 Other contingencies

Subsidiaries

Sasol Limited has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements.

The group has guaranteed the borrowing facilities and banking arrangements of certain of its subsidiaries. Further details of major banking facilities and debt arrangements at 30 June 2012 are provided in note 17.

Mineral rights

As a result of the promulgation of legislation in South Africa, the common law (mineral rights) and associated statutory competencies of Sasol Mining have been converted to interim statutory rights (Old Order Rights). Sasol Mining is entitled to convert these Old Order Rights to statutory mining and prospecting rights (New Order Rights) after complying with certain statutory requirements. As at 30 June 2012, all applications to acquire prospecting and mining rights were granted by the Department of Minerals Resources (DMR). These rights cover all the prospecting rights in the Free State and Waterberg as well as the prospecting and mining rights in Secunda. No value has been attributed to these rights in the annual financial statements.

Legal costs

Legal costs expected to be incurred in connection with loss contingencies are expensed as incurred.

57.4 Litigation

Sasol Nitro

In 2004, the South African Competition Commission (the Commission) commenced with investigations against Sasol Nitro, a division of Sasol Chemical Industries Limited (SCI), based on complaints levelled against Sasol Nitro by two of its customers, Nutri-Flo and Profert. Both complaints were subsequently referred to the Competition Tribunal (the Tribunal) by the Commission. In May 2009, SCI and the Commission concluded a settlement agreement, in which Sasol Nitro acknowledged that, in the period from 1996 to 2005, it had contravened the Competition Act by fixing prices of certain fertilisers with its competitors, by agreeing with its competitors on the allocation of customers and suppliers and by collusively tendering for supply contracts. Sasol Nitro subsequently paid an administrative penalty of R250,7 million.

Civil claims and law suits totalling approximately R52 million have been instituted against Sasol arising from the admissions made in the settlement agreement. It is currently not possible to make an estimate of a contingent liability and accordingly, no provision was made as at 30 June 2012. The period for filing civil claims prescribed on 20 May 2012, therefore no additional claims may be made against Sasol arising from the admitted contraventions.

Sasol Nitro did not at the time, as part of the abovementioned settlement agreement, admit to engaging in price discrimination, excessive pricing or exclusionary practices.

Sasol Nitro, however, continued with its engagement of the Commission and on 5 July 2010, Sasol Nitro concluded a further settlement agreement with the Commission. In terms of this settlement, Sasol Nitro has restructured its fertiliser business.

57 Guarantees and contingent liabilities continued

57.4 Litigation continued

The settlement agreement is a full and final settlement of the alleged contraventions of excessive pricing and exclusionary practices, which were the subject of the Nutri-Flo and Profert referrals. On 20 July 2010, the Tribunal confirmed the settlement agreement. No finding was made relating to abuse of dominance and accordingly no administrative penalty was imposed. Sasol also did not make any admissions as to abuse of dominance.

The settlement agreement included the following salient structural changes to Sasol Nitro's fertiliser business model:
- Divesting its regional blending capacity in Bellville, Durban, Kimberley, Potchefstroom and Endicott whilst retaining its full production activities in Secunda;
- Altering Sasol Nitro's fertiliser sales approach to a Secunda ex-works model. All fertiliser retail agent contracts have been phased out and a new fertiliser sales operating model formulated;
- Pricing all ammonium nitrate based fertilisers on an ex-Secunda basis;
- Housing the ammonia business in a separate business unit from Sasol Nitro; and
- Phasing out ammonia imports on behalf of customers in South Africa.

Sasol Nitro concluded confidential settlement agreements with Profert and Nutri-Flo in terms of which any and all of the complaints arising from the Commission's investigations were settled without admission of any liability or admission of any anti-competitive or unlawful conduct as alleged by Profert and Nutri-Flo.

The settlement together with the changes to the Sasol Nitro business, will not have a material adverse impact on the Sasol group.

Sasol Nitro – complaint referral by Omnia

On 31 August 2011, Omnia Group (Pty) Ltd. (Omnia) submitted a complaint against SCI to the Commission. The complaint alleged, among other things, excessive pricing for ammonia and price discrimination in respect of ammonia.

On 7 of March 2012, the Commission issued a notice of non-referral in respect of the complaint on the grounds that the conduct complained of was substantially the same as the conduct which the Commission had settled on with Sasol in July 2010.

On 5 April 2012, Omnia themselves referred the complaint to the Tribunal. Omnia alleges that SCI charged Omnia an excessive price for ammonia during the period from May 2006 to December 2008 and that SCI has prevented Omnia from expanding within the markets for the supply of certain fertilisers during the period from May 2006 to December 2008 and that SCI has engaged in prohibited price discrimination in respect of ammonia.

SCI does not agree with the allegations made and is defending the matter. The allegations made are substantially similar to allegations in a civil claim for damages made by Omnia in 2009, which SCI is also defending in arbitration proceedings. The competition law complaint, and subsequent referral, have been made by Omnia prior to completing the prosecution of their arbitration claim to completion.

It is currently not possible to make an estimate of a contingent liability from the claim and, accordingly, no provision was made as at 30 June 2012.

Sasol Wax

On 1 October 2008, following an investigation by the European Commission, the European Union found that members of the European paraffin wax industry, including Sasol Wax GmbH, formed a cartel and violated antitrust laws.

A fine of €318,2 million was imposed by the European Commission on Sasol Wax GmbH (of which Sasol Wax International AG, Sasol Holdings in Germany GmbH and Sasol Limited would be jointly and severally liable for €250 million). According to the decision of the European Commission, an infringement of antitrust laws commenced in 1992 or even earlier. In 1995, Sasol became a co-shareholder in an existing wax business located in Hamburg, Germany owned by the Schümann group. In July 2002, Sasol acquired the remaining shares in the joint venture and became the sole shareholder of the business. Sasol was unaware of these infringements before the European Commission commenced their investigation at the wax business in Hamburg in April 2005.

On 15 December 2008, all Sasol companies affected by the decision lodged an appeal with the European Union's General Court against the decision of the European Commission on the basis that the fine is excessive and should be reduced. As a result of the fine imposed on Sasol Wax GmbH, on 23 September 2011, Sasol Wax GmbH has been served with a law suit in The Netherlands by a company to which potential claims for compensation of damages have been assigned to by eight customers. On 30 September 2011, another law suit was been lodged with the London High Court by 30 plaintiffs against Sasol Wax GmbH, Sasol Wax International AG and Sasol Holdings in Germany GmbH. The law suits do not demand a specific amount for payment. The result of these proceedings cannot be determined at present, however, a provision was recognised at 30 June 2012 for the estimated liability.

57 Guarantees and contingent liabilities continued

57.4 Litigation continued

Sasol Polymers

As previously disclosed by Sasol, the Commission has been investigating the South African polymers industry. On 12 August 2010, the Commission announced that it had referred its findings to the Tribunal for adjudication.

The complaints that the Commission referred to the Tribunal alleged that SCI had, in the pricing of polypropylene and propylene in the domestic South African market contravened section 8(a) of the Competition Act (the Act) in that its prices for each of the products were excessive. The referral further alleged that in regard to a formula employed and information exchanged between SCI and Safripol (Pty) Ltd. (Safripol) to determine the price of propylene which SCI sold to Safripol, SCI and Safripol had contravened section 4(1)(b)(i) of the Act by engaging in price fixing. The Commission also announced that it had simultaneously reached a settlement with Safripol in which Safripol admitted that the supply agreement between SCI and Safripol and its implementation amounted to the indirect fixing of a price or trading condition in contravention of the Act. This settlement agreement between the Commission and Safripol was confirmed by the Tribunal on 25 August 2010.

On 14 December 2010, Sasol Polymers, a division of SCI, concluded a settlement agreement with the Commission in relation to its existing propylene supply agreement (the Supply Agreement) with Safripol. The Supply Agreement was concluded pursuant to concerns raised by Safripol in relation to the proposed merger in 1993 of Sasol Limited and AECI Limited's monomer, polymer and certain other chemical operations. To address these concerns, the then Competition Board required a supply agreement, which would ensure Safripol's ongoing access to propylene according to a pricing formula, which would result in market-related prices. At the time, neither party understood this pricing formula to give rise to competition law concerns. The Commission, in terms of the current Competition Act, alleged that the pricing formula, which required the exchange of pricing information amounted to indirect price fixing.

Given the uncertainty surrounding the legal position in relation to the pricing formula and the technicality of the matter, it was considered prudent to settle the matter. Sasol Polymers therefore agreed to pay a penalty of R111,7 million, which represented 3% of Sasol Polymers' turnover derived from its sale of polypropylene products for its 2009 financial year. The settlement agreement is in full and final settlement of the Commission's allegations that the pricing formula gave rise to indirect price fixing. The settlement agreement was confirmed by the Tribunal on 24 February 2011.

As mentioned above, the Commission also contended that the prices at which Sasol Polymers supplied propylene and polypropylene were excessive. Sasol Polymers does not agree with the Commission's position in this regard and is contesting the Commission's allegations. Consequently, the Commission's allegations in respect of excessive pricing do not form any part of the settlement agreement concluded between the parties. The results of the excessive pricing investigation by the Commission and the outcome of the hearing by the Tribunal, which is scheduled for mid May 2013, cannot be determined at present and accordingly, no provision was made at 30 June 2012.

On 31 July 2012, a letter was received from the Commission whereby Sasol was advised that the Commission had initiated a new abuse of dominance complaint against Sasol Limited, Sasol Oil (Pty) Ltd., Sasol Synfuels (Pty) Ltd. and SCI. This new complaint is based on a complaint which was initially submitted to the Commission by Safripol in November 2011.

The initial Safripol complaint alleged that SCI had contravened various sections of the Act with regard to the pricing and supply of propylene and ethylene. Safripol subsequently withdrew the complaint.

The Commission has, however, decided to continue with its investigation into the matter. The allegations under investigation are excessive pricing of propylene and ethylene required by Safripol, constructive refusal to supply scarce goods (namely propylene and ethylene), margin squeeze in respect of the supply of propylene and polypropylene and price discrimination in relation to the sale of propylene and ethylene. These are all abuse of dominance allegations. The period of the investigation is from 2008 to date. Sasol continues to defend itself against these allegations.

Bitumen Pricing

A review of competition law compliance at Sasol Oil and Tosas identified a competition compliance concern related to the use of a bitumen pricing methodology agreement reached within the South African Bitumen and Tar Association (SABITA), of which Sasol Oil and Tosas are members, along with other oil companies. Sasol Oil and Tosas thereupon approached the Commission for leniency in terms of the Commission's corporate leniency policy and were granted conditional leniency by the Commission in April 2009. On 4 March 2010, the Commission announced that it had referred the findings of its investigation into bitumen pricing to the Tribunal for adjudication.

Sasol Oil and Tosas, as leniency applicants, were granted conditional immunity from prosecution and no penalty was sought by the Commission against Sasol or its subsidiaries. On 22 February 2012, the Commission concluded settlement agreements with the remaining respondents.

57 Guarantees and contingent liabilities continued

57.4 Litigation continued

Sasol Gas

On 30 October 2009, after being advised that certain provisions in a suite of agreements concluded between Sasol Gas, Coal, Energy and Power Resources Limited (CEPR) and Spring Lights Gas (Pty) Ltd. (Spring Lights) constituted contraventions of the Act, Sasol Gas applied for leniency in terms of the Commission's corporate leniency policy and obtained conditional leniency. Subsequent to Sasol Gas' leniency application, the Commission investigated the matter and found that provisions in the agreements resulted in fixing of prices and had the effect of dividing the piped gas market by allocating customers and territories. The suite of agreements related to the establishment of Spring Lights as a broad-based black economic empowerment (BBBEE) company for the purpose of acquiring a portion of the business of Sasol Gas as part of Sasol's BBBEE strategy at the time.

On 20 August 2010, Spring Lights concluded a settlement agreement with the Commission in terms of which Spring Lights acknowledged the mentioned contraventions and agreed to pay an administrative penalty of R10,8 million.

Spring Lights had also made an application to the Commission to exempt the conduct set out in these agreements, on the basis that it promoted the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive, in terms of section 10 (3)(b)(ii) of the Act. Spring Lights's settlement agreement was considered by the Tribunal on 1 September 2010 but the matter was postponed sine die to enable the Commission to make a ruling on the exemption application of Spring Lights. On 26 March 2012, the Commission gazetted its refusal to grant the exemption. On 7 August 2012, the Commission again approached the Tribunal regarding the approval of the settlement agreement. The Tribunal again postponed the matter ordering the parties to effect certain amendments to the applicable commercial agreements before the Tribunal would be willing to consider its approval of the settlement agreement.

Other

From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

57.5 Competition matters

Sasol is continuously evaluating and enhancing its compliance programmes and controls in general, and its competition law compliance programme and controls in particular. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has also adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. As reported previously, these compliance activities have already revealed, and may still reveal competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

The Commission is conducting investigations into the South African piped gas, coal mining, petroleum, fertilisers and polymer industries. Sasol continues to interact and co-operate with the Commission in respect of the subject matter of current leniency applications brought by Sasol, conditional leniency agreements concluded with the Commission, as well as in the areas that are subject to the Commission's investigations.

57.6 Environmental matters

Sasol is subject to loss contingencies pursuant to numerous national and local environmental laws and regulations that regulate the discharge of materials into the environment and that may require Sasol to remediate or rehabilitate the effects of its operations on the environment. The contingencies may exist at a number of sites, including, but not limited to, sites where action has been taken to remediate soil and groundwater contamination. These future costs are not fully determinable due to factors such as the unknown extent of possible contamination, uncertainty regarding the timing and extent of remediation actions that may be required, the allocation of the environmental obligation among multiple parties, the discretion of regulators and changing legal requirements.

Sasol's environmental obligation accrued at 30 June 2012 was R8 911 million compared to R6 900 million in 2011. Included in this balance is an amount accrued of approximately R3 842 million in respect of the costs of remediation of soil and groundwater contamination and similar environmental costs. These costs relate to the following activities: site assessments, soil and groundwater clean-up and remediation, and ongoing monitoring. Due to uncertainties regarding future costs the potential loss in excess of the amount accrued cannot be reasonably determined.

Although Sasol has provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

As with the oil and gas and chemical industries generally, compliance with existing and anticipated environmental, health, safety and process safety laws and regulations increases the overall cost of business, including capital costs to construct, maintain, and upgrade equipment and facilities. These laws and regulations have required, and are expected to continue to require, the group to make significant expenditures of both a capital and expense nature.

57 Guarantees and contingent liabilities continued

57.6 Environmental matters continued

South Africa

In South Africa, the environmental regulatory legal framework is still evolving, as is the enforcement process. We work with government authorities in striving to find a balance between economic development and, social and environmental considerations. Recent changes in government resulted in the alignment of departments governing environmental matters. South Africa is considered as a developing country in terms of the Kyoto Protocol under the United Nations Framework Convention on Climate Change and is committed to emission reduction pledges under the voluntary Copenhagen accord which is now incorporated in the National Climate Change Response White Paper.

Europe

Our European facilities are subject to extensive environmental regulation in the various countries in which we operate. For example: The European Union Chemicals Regulation for the registration, evaluation and authorisation of chemicals (REACH) (1907/2006/EC) is intended to harmonise existing European and national regulations to provide a better protection of human health and our environment against the harmful effects of hazardous substances and preparations. Sasol has registered a significant amount of chemical products and will ensure that we continue to comply with the ongoing requirements of REACH.

The countries within which we operate in Europe have all ratified the Kyoto Protocol and we have developed a greenhouse gas (GHG) strategy to comply with applicable GHG restrictions and to manage emission reductions cost effectively.

United States

Sasol North America (Sasol NA), Sasol Wax and Merisol are subject to numerous federal, state, and local laws and regulations that regulate the discharge of materials into the environment or that otherwise relate to the protection of human health and the environment.

Environmental compliance expenditures for our interest in Sasol NA, Sasol Wax and Merisol's manufacturing sites for the next five years are estimated to range from US$2 million to US$6 million per year.

58 Commitments under leases

Operating leases – Minimum future lease payments

The group leases buildings under long-term non-cancellable operating lease agreements and also rents offices and other equipment under operating leases that are cancellable at various short-term notice periods by either party.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Buildings and offices			
Within one year	**292**	242	252
One to two years	**271**	224	212
Two to three years	**244**	206	176
Three to four years	**211**	187	158
Four to five years	**156**	198	139
More than five years	**606**	596	812
	1 780	1 653	1 749
Equipment			
Within one year	**606**	410	444
One to two years	**489**	304	298
Two to three years	**376**	235	232
Three to four years	**314**	211	211
Four to five years	**264**	169	198
More than five years	**879**	746	845
	2 928	2 075	2 228
Included in operating leases for equipment is the rental of a pipeline for the transportation of gas products. The rental payments are determined based on the quantity of gas transported. The lease may be extended by either party for a further three year period prior to the expiry of the current lease term of 17 years.			
Water reticulation for Sasol Synfuels			
Within one year	**105**	107	87
One to two years	**130**	115	106
Two to three years	**142**	124	115
Three to four years	**151**	132	124
Four to five years	**157**	140	132
More than five years	**2 983**	2 885	2 618
	3 668	3 503	3 182
The water reticulation commitments of Sasol Synfuels relate to a long-term water supply agreement. The rental payments are determined based on the quantity of water consumed over the 20 year period of the lease.			
Total minimum future lease payments	**8 376**	7 231	7 159

These leasing arrangements do not impose any significant restrictions on the group or its subsidiaries.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
58 Commitments under leases continued			
Business segmentation – minimum future operating lease payments			
South African energy cluster	**5 320**	5 289	4 908
Mining	**7**	–	1
Gas	**1 212**	1 339	1 412
Synfuels	**3 668**	3 504	3 188
Oil	**433**	446	307
International energy cluster	**949**	590	720
Synfuels International	**305**	335	431
Petroleum International	**644**	255	289
Chemical cluster	**1 796**	1 107	1 227
Polymers	**296**	184	198
Solvents	**498**	288	316
Olefins & Surfactants	**726**	359	404
Other	**276**	276	309
Other businesses	**311**	245	304
Total operations	**8 376**	7 231	7 159

Contingent rentals

The group has contingent rentals in respect of operating leases that are linked to market related data such as the rand/US dollar exchange rate and inflation.

Minimum future lease payments – finance leases

The group leases buildings and other equipment under long-term non-cancellable finance lease agreements. These lease agreements contain terms of renewal and escalation clauses but excludes purchase options.

Minimum future lease payments – finance leases	2012 Rm	2011 Rm	2010 Rm
Within one year	**190**	204	161
One to two years	**129**	155	203
Two to three years	**101**	143	149
Three to four years	**84**	117	136
Four to five years	**81**	98	110
More than five years	**714**	856	807
Less amounts representing finance charges	**(510)**	(685)	(658)
	789	888	908

Contingent rentals

The group has no contingent rentals in respect of finance leases.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm

59 Related party transactions

A related party is an entity or person where the Sasol group can exercise influence or significant influence or which is controlled by the Sasol group. In particular, this relates to joint ventures and associates. Disclosure in respect of joint ventures is provided in note 62 and of associates in note 7.

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis. Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items. No impairment of receivables related to the amount of outstanding balances is required.

Material related party transactions
The following table shows the material transactions that are included in the financial statements using the equity method for associates and proportionate consolidation for joint ventures.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
Sales and services rendered from subsidiaries to related parties			
joint ventures	**954**	672	518
associates	**1 651**	1 053	1 004
	2 605	1 725	1 522
Purchases by subsidiaries from related parties			
joint ventures	**1 930**	1 582	1 267
associates	**59**	53	55
	1 989	1 635	1 322

Included in the above amounts are a number of transactions with related parties which are individually insignificant.

Identity of related parties with whom material transactions have occurred
Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

Directors and senior management
Details of the directors' and group executive committee remuneration and their shareholding in Sasol Limited are disclosed in the remuneration report on pages 66 to 91.

Shareholders
An analysis of major shareholders is provided on pages 55 and 56.

for the year ended 30 June	2012 %	2011 %	2010 %

60 Inf ation reporting

The financial statements have not been restated to a current cost basis as the group does not operate in a hyperinflationary economy.

	2012 %	2011 %	2010 %
Average Consumer Price Index – South Africa	**5,9**	3,9	5,7
Average Producer Price Index – South Africa	**8,6**	6,8	1,4

61 Subsequent events

There were no events that occurred subsequent to 30 June 2012.

62 Interest in joint ventures

In accordance with the group's accounting policy, the results of joint ventures are proportionately consolidated on a line-by-line basis. The information provided below includes intercompany transactions and balances.

	Sasol GTL Rm	Sasol Canada Rm	Polymers* Rm	Merisol Rm	Spring Lights Gas Rm	Other** Rm	2012 Total Rm	2011 Total Rm	2010 Total Rm
Statement of financial position									
External non-current assets	4 026	10 638	4 706	269	38	943	**20 620**	14 326	10 749
property, plant and equipment	3 815	5 715	4 506	219	–	795	**15 050**	9 508	9 952
assets under construction	172	4 897	75	23	–	87	**5 254**	4 544	498
other non-current assets	39	26	125	27	38	61	**316**	274	299
Intercompany non-current assets	–	–	–	–	–	–	**–**	–	1
External current assets	1 547	2 500	2 985	466	66	852	**8 416**	6 774	3 743
Intercompany current assets	105	3	27	1	–	75	**211**	993	632
Total assets	5 678	13 141	7 718	736	104	1 870	**29 247**	22 093	15 125
Shareholders' equity	4 931	12 088	2 597	515	80	886	**21 097**	15 943	9 055
Long-term debt (interest bearing)	44	3	480	–	–	362	**889**	1 779	2 241
Intercompany long-term debt	–	–	–	–	–	54	**54**	931	1 224
Long-term provisions	160	80	38	9	–	14	**301**	225	113
Other non-current liabilities	141	2	168	81	–	34	**426**	328	299
Interest bearing current liabilities	–	26	1 738	56	–	42	**1 862**	495	798
Non-interest bearing current liabilities	335	914	1 313	45	7	378	**2 992**	2 101	1 263
Intercompany current liabilities	67	28	1 384	30	17	100	**1 626**	291	132
Total equity and liabilities	5 678	13 141	7 718	736	104	1 870	**29 247**	22 093	15 125
Income statement									
Turnover	4 900	331	5 364	931	305	1 673	**13 504**	9 966	7 478
Operating profit	2 753	(2 365)	1 825	135	145	108	**2 601**	3 435	2 718
Other (expenses)/income	14	14	(139)	–	3	(39)	**(147)**	(153)	(265)
Net profit/(loss) before tax	2 767	(2 351)	1 686	135	148	69	**2 454**	3 282	2 453
Taxation	(24)	(5)	(54)	(27)	(52)	(14)	**(176)**	(151)	(133)
Attributable profit	2 743	(2 356)	1 632	108	96	55	**2 278**	3 131	2 320
Statement of cash flows									
Cash flow from operations	3 124	(52)	2 120	164	152	195	**5 703**	4 251	3 417
Movement in working capital	(206)	89	1 102	(67)	(10)	142	**1 050**	(23)	(851)
Taxation paid	(1)	–	(43)	(34)	(49)	(17)	**(144)**	(102)	(56)
Other expenses	–	–	(160)	(1)	–	(46)	**(207)**	(187)	(303)
Cash available from operations	2 917	37	3 019	62	93	274	**6 402**	3 939	2 207
Dividends paid	(3 086)	–	(1 399)	(50)	(115)	(87)	**(4 737)**	(2 634)	(285)
Cash retained from operations	(169)	37	1 620	12	(22)	187	**1 665**	1 305	1 922
Cash flow from investing activities	(188)	(6 849)	(93)	(10)	(1)	(122)	**(7 263)**	(5 533)	(560)
Cash flow from financing activities	157	5 986	(625)	(89)	–	240	**5 669**	7 169	(1 577)
Decrease/(increase) in cash requirements	(200)	(826)	902	(87)	(23)	305	**71**	2 941	(215)

* *Comprising Arya Sasol Polymer Company and Petlin.*
** *Includes Sasol Dyno Nobel, Sasol Fibres, Sasol Huntsman, Sasol Lurgi, Sasol Oil Petromoc, Sasol Yihai and Sasol Uzbekistan.*

At 30 June 2012, the group's share of the total capital commitments of joint ventures amounted to R2 686 million (2011 – R4 202 million; 2010 – R444 million). R2 177 million (2011 – R3 879 million) relates to the Sasol Canada business.

The GTL businesses results are associated with the GTL venture in Qatar and the evaluation of other projects in accordance with the group's strategy. The Sasol Canada businesses results are associated with the shale gas assets in Canada in accordance with the group's strategy to grow Sasol's upstream asset base.

63 Financial risk management and financial instruments

Introduction

The group is exposed in varying degrees to a variety of financial instrument related risks. The group executive committee (GEC) has the overall responsibility for the establishment and oversight of the group's risk management framework. The GEC established the risk and safety, health and environment committee, which is responsible for providing the board with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. A comprehensive risk management process has been developed to continuously monitor and control these risks. The Sasol group has a central treasury function that manages the financial risks relating to the group's operations. The group business committee, a subcommittee of the GEC consisting of the managing directors of the business units and functional core representatives, meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks. The committee reports on a regular basis to the GEC on its activities.

Capital risk management

The group's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk, to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to provide sustainable returns for shareholders and benefits to the stakeholders.

The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The gearing level takes into account the group's substantial capital investment and susceptibility to external market factors such as crude oil prices, exchange rates and commodity chemical prices. In 2009, the targeted gearing ratio was lowered to 20% – 40% from the previous range of 30% – 50%. The group's gearing level for 2012 of 2,7% (2011 – 1,4%; 2010 – 1,0%) remained low as a result of improved operating results. The gearing ratio is expected to return to the targeted range as the capital expansion programme progresses in the medium- to long-term horizon.

Financing risk

Financing risk refers to the risk that financing of the group's capital requirements and refinancing of existing borrowings could become more difficult or more costly in the future. This risk can be decreased by achieving the targeted gearing ratio, ensuring that maturity dates are evenly distributed over time, and that total short-term borrowings do not exceed liquidity levels.

The group's goals for long-term borrowings include an average time to maturity of at least two years, and an even spread of maturities.

Credit rating

To achieve and keep an efficient capital structure, the group aims to maintain a stable long-term credit rating.

Risk profile

Risk management and measurement relating to each of these risks is discussed under the headings below (subcategorised into credit risk, liquidity risk, and market risk) which entails an analysis of the types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the statement of financial position. The group's objective in using derivative instruments is for hedging purposes to reduce the uncertainty over future cash flows arising from foreign currency, interest rate and commodity price risk exposures.

63 Financial risk management and financial instruments continued

Credit risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations, is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains security in the form of guarantees to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary credit management committees. The central treasury function provides credit risk management for the group-wide exposure in respect of a diversified group of banks and other financial institutions. These are evaluated regularly for financial robustness especially in the current global economic environment. Management has evaluated treasury counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations.

Trade and other receivables consist of a large number of customers spread across diverse industries and geographical areas. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Trade and other receivables are carefully monitored for impairment. An allowance for impairment of trade receivables is made where there is an identified loss event, which based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Details of the credit quality of trade receivables and the associated provision for impairment is disclosed in note 13.

No single customer represents more than 10% of the group's total turnover or more than 10% of total trade receivables for the years ended 30 June 2012, 2011 and 2010. Approximately 50% (2011 – 49%; 2010 – 51%) of the group's total turnover is generated from sales within South Africa, while about 23% (2011 – 23%; 2010 – 22%) relates to European sales. Approximately 48% (2011 – 47%; 2010 – 51%) of the amount owing in respect of trade receivables is from counterparties in South Africa, while European receivables amount to about 24% (2011 – 28%; 2010 – 24%).

Credit risk exposure in respect of long-term receivables and trade receivables is further analysed in notes 9 and 13, respectively. The carrying value represents the maximum credit risk exposure.

The group has provided guarantees for the financial obligations of subsidiaries, joint-ventures and third parties. The outstanding guarantees at 30 June 2012 are provided in note 57.1.

Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations as they become due. The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a central treasury function to manage pooled business unit cash investments and borrowing requirements. Currently the group is maintaining a positive cash position, conserving the group's cash resources through renewed focus on working capital improvement and capital reprioritisation. The group meets its financing requirements through a mixture of cash generated from its operations and, short- and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained (refer note 17). The Sasol group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The group has sufficient undrawn borrowing facilities (refer note 17), which could be utilised to settle obligations.

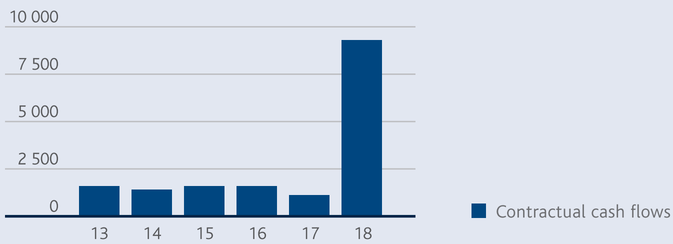
63 Financial risk management and financial instruments continued

Liquidity risk continued

The maturity profile of the contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
2012								
Financial assets								
Loans and receivables		**42 862**	**41 489**	**327**	**232**	**141**	**226**	**447**
Long-term receivables	9	1 451	78	327	232	141	226	447
Trade receivables	13	21 157	21 157	–	–	–	–	–
Other receivables	14	2 194	2 194	–	–	–	–	–
Cash restricted for use	16	5 314	5 314	–	–	–	–	–
Cash	16	12 746	12 746	–	–	–	–	–
Investments available-for-sale								
Investments in securities	6	206	–	–	–	–	–	206
Investment held for trading								
Investments in securities	6	34	–	–	–	–	–	34
Investments held-to-maturity								
Investments in securities	6	472	–	–	–	–	–	472
Non-derivative instruments		**43 574**	**41 489**	**327**	**232**	**141**	**226**	**1 159**
Derivative instruments								
Forward exchange contracts		17 139	12 020	4 441	678	–	–	–
Commodity derivatives		26	26	–	–	–	–	–
		60 739	**53 535**	**4 768**	**910**	**141**	**226**	**1 159**
Financial liabilities								
Non-derivative instruments		**(33 174)**	**(19 897)**	**(1 494)**	**(1 812)**	**(870)**	**(683)**	**(8 418)**
Long-term debt		(16 395)	(3 118)	(1 494)	(1 812)	(870)	(683)	(8 418)
Short-term debt	23	(15)	(15)	–	–	–	–	–
Trade payables and accrued expenses	28	(14 510)	(14 510)	–	–	–	–	–
Other payables	29	(2 032)	(2 032)	–	–	–	–	–
Bank overdraft	16	(222)	(222)	–	–	–	–	–
Financial guarantees[1]		(554)	(554)	–	–	–	–	–
		(33 728)	**(20 451)**	**(1 494)**	**(1 812)**	**(870)**	**(683)**	**(8 418)**
Derivative instruments								
Forward exchange contracts		(16 678)	(11 741)	(4 275)	(662)	–	–	–
Interest rate derivatives		(21)	(19)	–	–	(2)	–	–
		(50 427)	**(32 211)**	**(5 769)**	**(2 474)**	**(872)**	**(683)**	**(8 418)**

Long-term debt maturity (R million)



63 Financial risk management and financial instruments continued

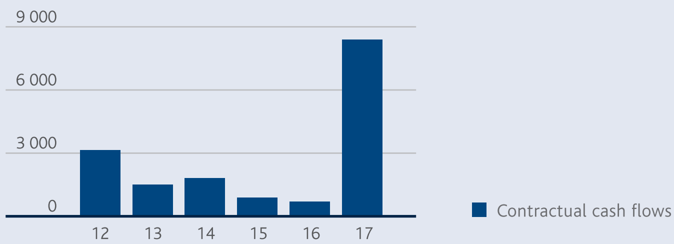
Liquidity risk continued

	Note	Contractual cash flows* Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
2011								
Financial assets								
Loans and receivables		40 859	39 401	48	348	341	340	381
Long-term receivables	9	1 482	24	48	348	341	340	381
Trade receivables	13	20 398	20 398	–	–	–	–	–
Other receivables	14	960	960	–	–	–	–	–
Cash restricted for use	16	3 303	3 303	–	–	–	–	–
Cash	16	14 716	14 716	–	–	–	–	–
Investments available-for-sale								
Investments in securities	6	189	–	–	–	–	–	189
Investment held for trading								
Investments in securities	6	30	–	–	–	–	–	30
Investments held-to-maturity								
Investments in securities	6	445	–	–	–	–	–	445
Non-derivative instruments		41 523	39 401	48	348	341	340	1 045
Derivative instruments								
Forward exchange contracts		15 167	7 796	3 963	2 765	643	–	–
Cross currency swaps		–	–	–	–	–	–	–
		56 690	47 197	4 011	3 113	984	340	1 045
Financial liabilities								
Non-derivative instruments		(31 893)	(16 931)	(1 389)	(1 581)	(1 579)	(1 113)	(9 300)
Long-term debt		(16 534)	(1 572)	(1 389)	(1 581)	(1 579)	(1 113)	(9 300)
Short-term debt	23	(109)	(109)	–	–	–	–	–
Trade payables and accrued expenses	28	(13 964)	(13 964)	–	–	–	–	–
Other payables	29	(1 077)	(1 077)	–	–	–	–	–
Bank overdraft	16	(209)	(209)	–	–	–	–	–
Financial guarantees[1]		(634)	(634)	–	–	–	–	–
		(32 527)	(17 565)	(1 389)	(1 581)	(1 579)	(1 113)	(9 300)
Derivative instruments								
Forward exchange contracts		(15 320)	(7 892)	(3 967)	(2 800)	(661)	–	–
Cross currency swaps		–	–	–	–	–	–	–
Interest rate derivatives		(22)	(16)	–	–	–	–	(6)
Commodity derivatives		–	–	–	–	–	–	–
		(47 869)	(25 473)	(5 356)	(4 381)	(2 240)	(1 113)	(9 306)

* *The amount disclosed is the contractual cash flows excluding finance expenses. Where a derivative is linked to an index, the amount payable or receivable has been based on the estimated forward exchange rates at the settlement date. Foreign exchange contracts and cross currency swaps are settled on a gross basis, while all other derivatives are net settled. For gross settled derivatives, the cash outflow has been included in financial liabilities, while the cash inflow is included in financial assets.*

1. *Issued financial guarantees contracts are all repayable on demand, however the likelihood of default is considered remote. Refer to note 57.1.*

Long-term debt maturity (R million)



63 Financial risk management and financial instruments continued

Liquidity risk continued

Cash flow hedges

In certain cases, the group classifies its forward foreign currency contracts hedging highly probable forecast transactions as cash flow hedges. Where this designation is documented, changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement (or hedged item on the statement of financial position) in accordance with the group's accounting policy.

The expected future timing of the recycling of derivatives used for hedging on the income statement at 30 June were as follows:

	Carrying value Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
2012							
Derivative instruments – cash flow hedges							
Financial assets	**4**	**1**	**1**	**–**	**–**	**–**	**2**
Financial liabilities	**23**	**9**	**–**	**1**	**1**	**1**	**11**
2011							
Derivative instruments – cash flow hedges							
Financial assets	5	1	2	–	–	–	2
Financial liabilities	53	14	6	2	2	2	27

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the group is exposed to include foreign currency exchange rates, interest rates and oil and natural gas prices (commodity price risk). The group has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

Foreign currency risk

The group's transactions are predominantly entered into in the respective functional currency of the individual operations. However, the group's operations utilise various foreign currencies on sales, purchases and borrowings and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The translation of foreign operations to the presentation currency of the group is not taken into account when considering foreign currency risk. Foreign currency risks are managed through the group's financing policies and the selective use of forward exchange contracts, cross currency swaps and cross currency options.

Changes in the foreign exchange rates also affect the group's income in connection with the translation of the income statements of foreign subsidiaries in South African rand. Sasol does not hedge such exposure. The translation exposures arising from income statements of foreign subsidiaries are included in the analysis mentioned below.

Forward exchange contracts are utilised primarily to reduce foreign currency exposure arising from imports into South Africa. Forward cover is required on both capital expenditure and imports (payables) in excess of US$50 000. This is an established policy of our group based on anticipated long-term trends and is designed to hedge our exposure in South Africa to exchange rate-based volatility in cash flows on both operating and capital expenditure. This policy enables us to more accurately forecast our cash flows for purchases for both capital items and operating materials thereby improving our management of both working capital and debt.

The GEC sets intervention levels to specifically assess large forward cover amounts for long periods into the future, which have the potential to materially affect Sasol's financial position. These limits are reviewed from time to time. The group also makes use of customer foreign currency accounts, where needed.

63 Financial risk management and financial instruments continued

Market risk continued

The following significant exchange rates were applied during the year:

	Average rate 2012	Average rate 2011	Closing rate 2012	Closing rate 2011
Rand/Euro	**10,42**	9,54	**10,34**	9,82
Rand/US dollar	**7,78**	7,01	**8,17**	6,77
Rand/Pound sterling	**12,33**	11,14	**12,83**	10,87

The exposure of the group's financial assets and liabilities to currency risk is as follows:

2012

	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other[1] Rm
Long-term receivables	693	–	494	–	–	199
Trade receivables	5 826	1 470	3 645	95	8	608
Other receivables	1 120	153	897	8	–	62
Cash restricted for use	1 458	105	158	3	–	1 192
Cash	7 548	3 474	3 535	100	214	225
Exposure on external asset balances	16 645	5 202	8 729	206	222	2 286
Forward exchange contracts	(2 425)	–	(2 217)	(84)	–	(124)
Net exposure on assets	14 220	5 202	6 512	122	222	2 162
Long-term debt	(2 501)	(2 423)	(77)	–	–	(1)
Short-term debt	(15)	–	(15)	–	–	–
Trade payables and accrued expenses	(1 581)	(299)	(930)	(76)	(16)	(260)
Other payables	(850)	(32)	(746)	(28)	(7)	(37)
Bank overdraft	(115)	–	(53)	–	(56)	(6)
Exposure on external liability balances	(5 062)	(2 754)	(1 821)	(104)	(79)	(304)
Foreign exchange contracts	14 216	1 097	2 507	136	–	10 476
Net exposure on liabilities	9 154	(1 657)	686	32	(79)	10 172
Exposure on external balances	23 374	3 545	7 198	154	143	12 334
Net exposure on balances between group companies	687	2 470	(1 685)	170	(431)	163
Total exposure	24 061	6 015	5 513	324	(288)	12 497

1. *Included in other is forward exchange contracts amounting to R10 308 million (2011 – R9 933 million), entered into mitigate the foreign currency risk in respect of the capital carry obligation as well as the group's portion of capital commitments related to the Canadian shale gas assets.*

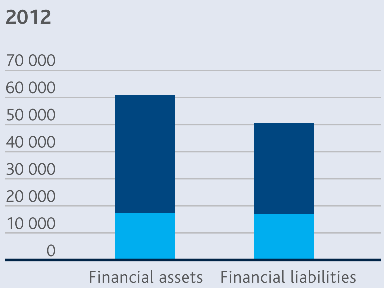
63 Financial risk management and financial instruments continued

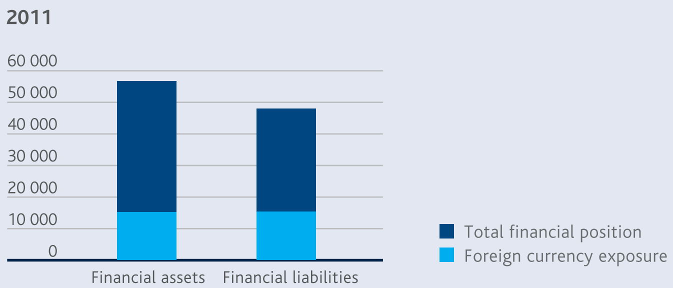
Market risk continued

	2011					
	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other[1] Rm
Long-term receivables	1 097	967	–	–	–	130
Trade receivables	4 292	705	3 085	174	10	318
Other receivables	61	4	20	7	–	30
Cash restricted for use	529	326	15	4	–	184
Cash	3 211	63	2 512	65	196	375
Exposure on external asset balances	9 190	2 065	5 632	250	206	1 037
Forward exchange contracts	(877)	(4)	(722)	(74)	–	(77)
Net exposure on assets	8 313	2 061	4 910	176	206	960
Long-term debt	(1 944)	(1 869)	(75)	–	–	–
Short-term debt	(34)	–	(34)	–	–	–
Trade payables and accrued expenses	(2 251)	(270)	(1 762)	(36)	(12)	(171)
Other payables	(125)	(1)	(64)	(22)	(9)	(29)
Bank overdraft	(17)	–	(15)	–	–	(2)
Exposure on external liability balances	(4 371)	(2 140)	(1 950)	(58)	(21)	(202)
Foreign exchange contracts	13 317	1 823	1 480	51	–	9 963
Net exposure on liabilities	8 946	(317)	(470)	(7)	(21)	9 761
Exposure on external balances	17 259	1 744	4 440	169	185	10 721
Net exposure on balances between group companies	2 947	1 463	1 499	94	(220)	111
Total exposure	20 206	3 207	5 939	263	(35)	10 832

1. *Included in other is forward exchange contracts amounting to R9 933 million entered into to mitigate the foreign currency risk in respect of the capital carry obligation as well as the group's portion of capital commitments related to the Canadian shale gas assets.*

Financial assets and liabilities foreign currency exposure to the total financial position including inter-company balances (R million)





63 Financial risk management and financial instruments continued

Sensitivity analysis

A 10 percent strengthening of the rand on the group's exposure to foreign currency risk at 30 June would have decreased/(increased) either the equity or the income statement by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular interest rates, remain constant and has been performed on the same basis for 2011.

	2012		2011	
	Equity Rm	Income statement Rm	Equity Rm	Income statement Rm
Euro	**354**	**388**	139	265
US dollar	**720**	**739**	518	591
Pound sterling	**15**	**20**	29	26
Rand	**14**	**9**	(4)	(5)
Other currencies	**1 233**	**204**	95	1 081

A 10 percent weakening in the rand against the above currencies at 30 June would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps

All forward exchange contracts are supported by underlying commitments or transactions, including those which have not been contracted for.

The fair value (losses)/gains calculated below were determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at year end is calculated by comparing the forward exchange contracted rates to the equivalent year end market foreign exchange rates. The present value of these net market values are then calculated using the appropriate currency specific discount curve.

The following forward exchange contracts and cross currency swaps were held at 30 June:

	Contract foreign currency amount 2012 million	Contract amount – Rand equivalent 2012 Rm	Average rate of exchange 2012 (calculated)	Estimated fair value (losses)/ gains 2012 Rm	Contract foreign currency amount 2011 million	Contract amount – Rand equivalent 2011 Rm	Average rate of exchange 2011 (calculated)	Estimated fair value (losses)/ gains 2011 Rm
Forward exchange contracts								
Transactions including committments which have been contracted for								
Derivative instruments – cash flow hedges								
Imports – capital								
Euro	10	102	10,62	(2)	64	646	10,10	(5)
US dollar	–	4	8,49	–	–	2	6,92	–
Pound sterling	–	1	13,41	–	–	–	–	–
		107		(2)		648		(5)
Imports – goods								
Euro	–	4	10,26	–	–	2	9,80	–
US dollar	–	–	–	–	1	6	6,53	–
		4		–		8		–
Other payables (liabilities)								
Euro	–	1	10,34	–	–	–	–	–
US dollar	–	2	8,28	–	–	2	6,77	–
Other currencies – US dollar equivalent	6	9	1,37	–	3	23	6,76	–
		12		–		25		–

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract foreign currency amount 2012 million	Contract amount – Rand equivalent 2012 Rm	Average rate of exchange 2012 (calculated)	Estimated fair value (losses)/ gains 2012 Rm	Contract foreign currency amount 2011 million	Contract amount – Rand equivalent 2011 Rm	Average rate of exchange 2011 (calculated)	Estimated fair value (losses)/ gains 2011 Rm
Derivative instruments – held for trading								
Imports – capital								
Euro	5	49	10,57	(1)	20	205	10,09	(13)
US dollar	5	41	8,18	1	1	4	6,77	–
Pound sterling	–	–	–	–	–	–	–	–
Other currencies – US dollar equivalent	4	30	7,76	2	–	–	–	–
		120		2		209		(13)
Imports – goods								
Euro	12	131	10,58	(2)	8	78	9,99	(1)
US dollar	9	76	8,30	(1)	86	589	6,86	(8)
Pound sterling	1	6	12,82	–	3	35	10,99	–
Other currencies – US dollar equivalent	2	20	8,47	–	1	5	6,73	–
		233		(3)		707		(9)
Exports								
Euro	–	–	10,34	–	1	5	9,79	–
US dollar	40	322	8,16	–	97	667	6,84	6
Pound sterling	6	79	12,83	–	7	76	11,15	2
Other currencies – US dollar equivalent	3	28	8,26	–	12	79	6,79	1
		429		–		827		9
Other payables (liabilities)								
Euro	1	13	10,67	–	7	73	9,82	(1)
US dollar	2	14	8,52	–	20	138	6,82	(2)
Pound sterling	–	1	13,13	–	–	–	–	–
Other currencies – US dollar equivalent	1 264	10 295	8,15	470	1 466	10 858	7,41	(126)
		10 323		470		11 069		(129)
Other receivables (assets)								
Euro	–	6	10,73	6	3	34	9,82	8
US dollar	–	16	8,33	16	11	80	6,89	7
Pound sterling	–	–	13,12	–	–	–	–	–
Other currencies – US dollar equivalent	–	26	8,17	24	–	30	7,41	26
		48		46		144		41

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract foreign currency amount 2012 million	Contract amount – Rand equivalent 2012 Rm	Average rate of exchange 2012 (calculated)	Estimated fair value (losses)/ gains 2012 Rm	Contract foreign currency amount 2011 million	Contract amount – Rand equivalent 2011 Rm	Average rate of exchange 2011 (calculated)	Estimated fair value (losses)/ gains 2011 Rm
Forward exchange contracts								
Transactions including committments which have not been contracted for								
Derivative instruments – cash flow hedges								
Imports								
Euro	**43**	**473**	**10,92**	**(14)**	57	569	9,94	(23)
US dollar	**11**	**88**	**8,19**	**2**	2	15	6,77	–
Pound sterling	**–**	**1**	**13,29**	**–**	–	1	10,87	–
Other currencies – US dollar equivalent	**1**	**4**	**8,13**	**–**	–	–	–	–
		566		**(12)**		585		(23)
Other payables (liabilities)								
Euro	**3**	**36**	**10,44**	**(1)**	2	17	9,78	–
US dollar	**–**	**–**	**–**	**–**	2	10	6,74	1
Pound sterling	**–**	**–**	**–**	**–**	–	4	11,64	–
		36		**(1)**		31		1
Other receivables (assets)								
US dollar		**–**		**–**	–	2	6,77	–

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract foreign currency amount 2012 million	Contract amount – Rand equivalent 2012 Rm	Average rate of exchange 2012 (calculated)	Estimated fair value (losses)/ gains 2012 Rm	Contract foreign currency amount 2011 million	Contract amount – Rand equivalent 2011 Rm	Average rate of exchange 2011 (calculated)	Estimated fair value (losses)/ gains 2011 Rm
Derivative instruments – held for trading								
Imports								
Euro	1	14	10,68	–	26	271	10,47	(13)
US dollar	168	1 417	8,44	(45)	105	719	6,83	(11)
Pound sterling	5	59	12,47	2	–	1	11,01	–
Other currencies – US dollar equivalent	–	–	–	–	2	10	6,77	–
		1 490		(43)		1 001		(24)
Exports								
Euro	–	–	–	–	1	7	6,77	–
US dollar	223	1 840	8,24	14	–	–	–	–
Pound sterling	–	5	12,88	–	–	–	–	–
Other currencies – US dollar equivalent	12	96	8,16	(1)	–	–	–	–
		1 941		13		7		–
Other payables (liabilities)								
Euro	30	319	10,72	(7)	7	65	9,82	–
US dollar	112	915	8,18	2	5	36	6,77	(1)
Pound Sterling	5	69	13,16	0	1	11	10,87	–
Other currencies – US dollar equivalent	6	54	9,03	(2)	–	1	6,77	–
		1 357		(7)		113		(1)
Other receivables (assets)								
US dollar	9	70	7,91	(2)	–	–	–	–

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

The maturity profile of contract amounts of forward exchange contracts and cross currency swaps at 30 June were as follows:

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four Rm
2012					
Forward exchange contracts					
Transactions including committments which have been contracted for					
Imports – capital					
Euro	**151**	151	–	–	–
US dollar	**45**	10	35	–	–
Pound sterling	**1**	1	–	–	–
Other currencies – US dollar equivalent	**30**	30	–	–	–
	227	192	35	–	–
Imports – goods					
Euro	**135**	135	–	–	–
US dollar	**76**	76	–	–	–
Pound sterling	**6**	6	–	–	–
Other currencies – US dollar equivalent	**20**	20	–	–	–
	237	237	–	–	–
Exports					
US dollar	**322**	322	–	–	–
Pound sterling	**79**	79	–	–	–
Other currencies – US dollar equivalent	**28**	28	–	–	–
	429	429	–	–	–
Other payables (liabilities)					
Euro	**14**	14	–	–	–
US dollar	**16**	16	–	–	–
Pound sterling	**1**	1	–	–	–
Other currencies – US dollar equivalent	**10 304**	5 475	4 168	661	–
	10 335	5 506	4 168	661	–
Other receivables (assets)					
Euro	**6**	6	–	–	–
US dollar	**16**	16	–	–	–
Other currencies – US dollar equivalent	**26**	13	13	–	–
	48	35	13	–	–

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four Rm
Transactions including committments which have not been contracted for					
Imports					
Euro	**487**	454	33	–	–
US dollar	**1 505**	1 470	35	–	–
Pound sterling	**60**	60	–	–	–
Other currencies – US dollar equivalent	**4**	4	–	–	–
	2 056	1 988	68	–	–
Exports					
US dollar	**1 840**	1 840	–	–	–
Pound sterling	**5**	5	–	–	–
Other currencies – US dollar equivalent	**96**	96	–	–	–
	1 941	1 941	–	–	–
Other payables (liabilities)					
Euro	**354**	351	3	–	–
US dollar	**916**	914	2	–	–
Pound sterling	**69**	69	–	–	–
Other currencies – US dollar equivalent	**54**	54	–	–	–
	1 393	1 388	5	–	–
Other receivables (assets)					
US dollar	**70**	70	–	–	–

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four Rm
2011					
Forward exchange contracts					
Transactions including committments which have not been contracted for					
Imports – capital					
Euro	851	851	–	–	–
US dollar	6	6	–	–	–
	857	857	–	–	–
Imports – goods					
Euro	80	80	–	–	–
US dollar	595	595	–	–	–
Pound sterling	35	35	–	–	–
Other currencies – US dollar equivalent	5	5	–	–	–
	715	715	–	–	–
Exports					
Euro	5	5	–	–	–
US dollar	667	667	–	–	–
Pound sterling	76	76	–	–	–
Other currencies – US dollar equivalent	79	79	–	–	–
	827	827	–	–	–
Other payables (liabilities)					
Euro	73	72	1	–	–
US dollar	140	140	–	–	–
Other currencies – US dollar equivalent	10 881	3 592	3 829	2 800	660
	11 094	3 804	3 830	2 800	660
Other receivables (assets)					
Euro	34	33	1	–	–
US dollar	80	80	–	–	–
Other currencies – US dollar equivalent	30	13	9	7	1
	144	126	10	7	1
Transactions including committments which have not been contracted for					
Imports					
Euro	840	756	84	–	–
US dollar	734	685	49	–	–
Pound sterling	2	2	–	–	–
Other currencies – US dollar equivalent	10	10	–	–	–
	1 586	1 453	133	–	–
Exports					
US dollar	7	7	–	–	–
Other payables (liabilities)					
Euro	82	78	4	–	–
US dollar	46	46	–	–	–
Pound sterling	15	15	–	–	–
Other currencies – US dollar equivalent	1	1	–	–	–
	144	140	4	–	–
Other receivables (assets)					
US dollar	2	2	–	–	–

63 Financial risk management and financial instruments continued

Interest rate risk

Fluctuations in interest rates impact on the value of short-term investments and financing activities, giving rise to interest rate risk. Exposure to interest rate risk is particularly with reference to changes in South African, European and US interest rates.

The group's policy is to borrow funds at floating rates of interest as this is considered to give somewhat of a natural hedge against commodity price movements, given the correlation with economic growth (and industrial activity) which in turn shows a high correlation with commodity price fluctuation. In certain circumstances, the group uses interest rate swap contracts to manage its exposure to interest rate movements.

The debt of the group is structured on a combination of floating and fixed interest rates. The benefits of fixing or capping interest rates on the group's various financing activities are considered on a case-by-case and project-by-project basis, taking the specific and overall risk profile into consideration. For further details on long-term debt refer note 17 and note 9 for long-term receivables.

In respect of financial assets, the group's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in short-term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Carrying value	
	2012 Rm	2011 Rm
Variable rate instruments		
Financial assets	**17 109**	17 024
Financial liabilities	**(10 773)**	(10 815)
	6 336	6 209
Fixed rate instruments		
Financial assets	**1 171**	1 855
Financial liabilities	**(4 823)**	(4 707)
	(3 652)	(2 852)
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**82:18**	81:19

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. A change of one percent in the prevailing interest rate in that region at the reporting date would have increased/(decreased) the income statement by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2011.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2012	**(31)**	**(8)**	**(37)**	**48**
30 June 2011	(4)	(5)	22	49

	Income statement – 1% decrease			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2012	**31**	**8**	**–**	**–**
30 June 2011	4	5	–	–

A 1% decrease in these interest rates at 30 June would have the equal but opposite effect, with the exception of US dollar, where interest could not be decreased by 1% as they are currently below 0,5%.

63 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

The following interest rate derivative contracts were in place at 30 June:

	Contract amount – Rand equivalent 2012 Rm	Average fixed rate 2012 %	Expiry 2012	Estimated fair value losses 2012 Rm	Contract amount – Rand equivalent 2011 Rm	Average fixed rate 2011 %	Expiry 2011	Estimated fair value losses 2011 Rm
Interest rate derivatives								
Derivative instruments – cash flow hedges								
Pay fixed rate receive floating rate								
Euro	–	–		–	638	3,6	31/12/2017	(8)
Rand	430	8,1	14/12/2012	(5)	556	5,6	15/12/2012	(11)
	430			(5)	1 194			(19)
Derivative instruments – held for trading								
Pay fixed rate receive floating rate								
Euro	104	2,4	25/05/2016	(4)	–	–	–	–
Euro	244	3,6	31/12/2018	(12)	–	–	–	–
	348			(16)	–			–

The maturity profile of gross contract amounts of interest rate derivatives at 30 June were as follows:

	Contract amount Rm	Within one year Rm	One to two years Rm	Two to three years Rm	Three to four years Rm	Four to five years Rm	More than five years Rm
Interest rate derivatives							
2012							
Derivative instruments – cash flow hedges							
Pay fixed rate receive floating rate							
Rand	430	430	–	–	–	–	–
Derivative instruments – held for trading							
Pay fixed rate receive floating rate							
Euro	103	17	17	17	52	–	–
Euro	244	244	–	–	–	–	–
	347	261	17	17	52	–	–
2011							
Derivative instruments – held for trading							
Pay fixed rate receive floating rate							
Euro	638	300	39	52	61	54	132
Rand	556	126	430	–	–	–	–
	1 194	426	469	52	61	54	132

63 Financial risk management and financial instruments continued

Commodity price risk

The group makes use of derivative instruments, including commodity swaps, options and futures contracts of short duration as a means of mitigating price and timing risks on crude oil purchases and sales. In effecting these transactions, the business units concerned operate within procedures and policies designed to ensure that risks, including those relating to the default of counterparties, are minimised.

In 2011, the group entered into a zero cost collar for approximately 30% of Sasol Synfuels' production and 30% of Sasol Petroleum International's West African output for the final quarter of 2011. The zero cost collar expired on 15 June 2011. The hedge provided downside protection should the monthly average dated Brent crude oil price have decreased below US$85 per barrel on the hedged portion of production. Conversely, Sasol will have incurred opportunity losses on the hedged portion of production should the monthly average oil price have exceeded a volume weighted average of US$172,77 per barrel. Together with the group's other risk mitigation initiatives, such as cost containment, cash conservation and capital prioritisation, the group's hedging strategy is considered in conjunction with these initiatives. The situation is monitored regularly to assess the appropriateness of oil price hedging to improve the stability and predictability of cash flows as part of Sasol's risk management activities. For the 2012 financial year, Sasol did not hedge as in the past as we did not consider there to have been value in the zero cost collars available in the market at this time. The situation is monitored regularly to assess when a suitable time might be to enter into an appropriate hedge again in the future.

Dated Brent crude prices applied during the year:

	Dated Brent crude 2012 US$	Dated Brent crude 2011 US$
High	**128,14**	126,64
Average	**112,42**	96,48
Low	**88,69**	70,61

The following commodity derivative contracts were in place at 30 June:

	Contract amount 2012 Rm	Within one year 2012 Rm	Contract amount 2011 Rm	Within one year 2011 Rm
Commodity derivatives				
Futures				
Crude oil	**26**	**26**	–	–

Sensitivity analysis

We continue to remain more cautious on the short-term outlook and believe that we could see prices stabilising in the medium-term. Our view is that in the next five years, crude oil prices will settle below US$110/b, however, in the longer term, we expect the crude oil price to increase. For forecasting purposes, we estimate that for every US$1/b increase in the annual average crude oil price, group operating profit for the year will increase by approximately US$72 million (R580 million) during 2013. This estimate is off a base of US$100/b crude oil price and a rand/US dollar exchange rate of R8,01. It should be noted that in the volatile environment that we are currently experiencing, these sensitivities could be materially different depending on the crude oil price, exchange rates, product prices and volumes.

A 10 percent increase of the commodity prices at 30 June would have increased the fair value of commodity derivatives recognised in other operating costs in the income statement by the amounts shown below, before the effect of tax. This analysis assumes that all other variables remain constant and should not be considered predictive of future performances. The calculation has been performed on the same basis for 2011.

	2012 Rm	2011 Rm
Crude oil	**3**	–

A 10 percent decrease in the commodity prices at 30 June would have the equal but opposite effect on the fair value amounts shown above, on the basis that all other variables remain constant.

63 Financial risk management and financial instruments continued

Classification of financial assets and financial liabilities

Accounting classifications and fair values

The table below sets out the group's classification of financial assets and financial liabilities, and their fair values.

	Note	2012 Fair value[1] Rm	2012 Carrying value Rm	2011 Fair value[1] Rm	2011 Carrying value Rm
Financial assets					
Financial assets measured at amortised cost					
Loans and receivables					
Long-term receivables	9	1 451	1 451	1 482	1 482
Trade receivables	13	21 157	21 157	20 398	20 398
Other receivables	14	2 194	2 194	960	960
Cash restricted for use	16	5 314	5 314	3 303	3 303
Cash	16	12 746	12 746	14 716	14 716
Investments held-to-maturity					
Investments in securities	6	472	472	445	445
Financial assets measured at fair value					
Investments available-for-sale					
Investments in securities[3]	6	206	206	189	189
Investment held for trading[3]	6	34	34	30	30
Derivative instruments[2]					
Cash flow hedges		4	4	5	5
Held for trading		616	616	38	38
		44 194	44 194	41 566	41 566
Financial liabilities					
Financial liabilities measured at amortised cost					
Long-term debt	17	(16 455)	(15 885)	(16 737)	(15 849)
Short-term debt	23	(15)	(15)	(109)	(109)
Trade payables and accrued expenses	28	(14 510)	(14 510)	(13 964)	(13 964)
Other payables	29	(2 032)	(2 032)	(1 077)	(1 077)
Bank overdraft	16	(222)	(222)	(209)	(209)
Financial guarantees		(19)	(19)	(24)	(24)
Derivative instruments[2]					
Cash flow hedges		(23)	(23)	(52)	(52)
Held for trading		(131)	(131)	(159)	(159)
		(33 407)	(32 837)	(32 331)	(31 443)

1. *Carrying value has been used where it closely approximates fair values. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of market prices which are not always available, the fair value was calculated on the basis of valuation techniques using current market parameters.*
2. *The fair value of financial assets measured at fair value are calculated using valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (ie derived from prices). This includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.*
3. *The fair value of the unlisted equity investments cannot be determined as there is no observable market price information available on these investments. The fair value of these instruments is measured at cost less impairment losses. Refer to note 6.*

statement of financial position

at 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Assets				
Investments in subsidiaries	1	**63 601**	53 811	37 037
Investment in security	2	**5**	6	6
Long-term financial assets	3	**18 747**	17 082	15 500
Long-term receivables	4	**3 373**	3 083	2 884
Long-term prepaid expenses	5	**–**	4	–
Non-current assets		**85 726**	73 986	55 427
Other receivables and prepaid expenses	6	**8 743**	14 096	20 056
Cash	7	**42**	29	26
Current assets		**8 785**	14 125	20 082
Total assets		**94 511**	88 111	75 509
Equity and liabilities				
Shareholders' equity		**94 247**	87 879	74 358
Long-term debt	8	**100**	100	1 057
Long-term financial liabilities	9	**12**	16	22
Long-term provision	10	**11**	33	7
Post-retirement benefit obligations	11	**2**	1	1
Non-current liabilities		**125**	150	1 087
Short-term financial liabilities	12	**5**	6	5
Short-term provision	13	**2**	3	1
Trade and other payables	14	**132**	73	58
Current liabilities		**139**	82	64
Total equity and liabilities		**94 511**	88 111	75 509

income statement

for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Operating (loss)/profit	15	**(185)**	6 954	(415)
Finance income	17	**16 087**	12 406	9 270
Finance expenses	18	**(1)**	(2)	(1)
Profit before tax		**15 901**	19 358	8 854
Taxation	19	**–**	–	–
Profit for year		**15 901**	19 358	8 854

statement of comprehensive income

for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Profit for year		**15 901**	19 358	8 854
Other comprehensive income, net of tax				
Investment available-for-sale	21	**(1)**	–	1
Total comprehensive income for year		**15 900**	19 358	8 855

statement of changes in equity

for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Share capital	22			
Balance at beginning of year		**27 659**	27 229	27 025
Shares issued on implementation of share options		**325**	430	204
Balance at end of year		**27 984**	27 659	27 229
Share-based payment reserve				
Balance at beginning of year		**7 575**	6 713	5 833
Share-based payment expense		**485**	862	880
Balance at end of year		**8 060**	7 575	6 713
Retained earnings				
Balance at beginning of year		**52 640**	40 411	37 415
Total comprehensive income for year		**15 901**	19 358	8 855
Dividends paid	26	**(10 342)**	(7 129)	(5 859)
Balance at end of year		**58 199**	52 640	40 411
Investment fair value reserve				
Balance at beginning of year		**5**	5	4
Total comprehensive income for year		**(1)**	–	1
Balance at end of year		**4**	5	5
Total shareholders' equity		**94 247**	87 879	74 358

statement of cash flows

for the year ended 30 June

	Note	2012 Rm	2011 Rm	2010 Rm
Cash generated by/(utilised in) operating activities	23	**5 159**	5 752	(771)
Finance income received		**14 126**	10 619	7 603
Cash available from operating activities		**19 285**	16 371	6 832
Dividends paid	26	**(10 333)**	(7 129)	(5 859)
Cash retained from operating activities		**8 952**	9 242	973
Investments in subsidiaries		**(39 178)**	(14 576)	–
Loans to subsidiaries		**(1 300)**	(1 557)	(1 165)
Repayment of loans by subsidiaries		**31 214**	–	–
Proceeds on disposal of subsidiary		**–**	7 421	–
Cash utilised in investing activities		**(9 264)**	(8 712)	(1 165)
Share capital issued on implementation of share options		**325**	430	204
Repayments of long-term debt	8	**–**	(957)	–
Cash effect of financing activities		**325**	(527)	204
Increase in cash		**13**	3	12
Cash				
at end of year	7	**42**	29	26
at beginning of year		**29**	26	14
Increase in cash		**13**	3	12

notes to the financial statements

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
1 Investments in subsidiaries			
Reflected as non-current assets			
Shares at cost	**52 861**	13 683	13 683
Shareholder loans to be replaced with equity	**803**	30 063	–
Share-based payment expense	**3 967**	3 484	2 627
Shareholder loans to subsidiaries	**6 184**	6 838	20 984
Impairment of investment in subsidiary	**(214)**	–	–
Impairment of loan to subsidiary	**–**	(257)	(257)
	63 601	53 811	37 037
Reflected as current assets			
Other receivables (refer note 6)	**8 736**	14 089	20 056
Reflected as non-current liabilities			
Long-term debt (refer note 8)	**(100)**	(100)	(1 057)
Reflected as current liabilities			
Trade and other payables (refer note 14)	**(80)**	(2)	(7)
Net investments at cost	**72 157**	67 798	56 029

Investments in subsidiaries are accounted for at cost less impairment losses.

The impairment of investment in subsidiary of R214 million arose from the operating assets of Sasol New Energy Holdings (Pty) Ltd. being transferred to Sasol Synfuels (Pty) Ltd. during the 2013 financial year, resulting in Sasol New Energy Holdings (Pty) Ltd. becoming dormant. Due to the change in nature of the business of Sasol New Energy Holdings (Pty) Ltd., management does not expect that it will recover its investment above the net asset value of the company.

The reversal of impairment of loan to Chemcity (Pty) Ltd. of R257 million arose due to the full outstanding loan being repaid during the current financial year.

Prior to 2011, Sasol Limited funded subsidiaries with shareholder loans. In terms of the Sasol group's funding policy, Sasol Limited funds its direct subsidiaries by way of additional equity contributions and shareholder loans to enable it to finance its investments and settle its outstanding obligations. The shareholder loans granted by Sasol Limited to its subsidiaries are accordingly regarded to be part of its investment in those subsidiaries. Sasol Limited shall not demand payment in respect of the shareholder loans.

In June 2011, the terms of the shareholder loans relating to wholly owned South African subsidiaries were changed, whereby the lender would not demand payment of these loans. The effect of this change resulted in a transfer between shareholder loans and shareholder's equity. It is the intention to replace the loans, at year end, to direct subsidiaries with share capital.

For further details of interests in subsidiaries and incorporated joint ventures, refer pages 269 to 271.

	2012 Rm	2011 Rm	2010 Rm
2 Investment in security			
Investment available-for-sale at fair value			
Long-term investment – unlisted	**5**	6	6
Fair value			
Balance at beginning of year	**6**	6	5
Revaluation to fair value	**(1)**	–	1
Balance at end of year	**5**	6	6

The investment in security comprises 1 077 261 ordinary shares in Business Partners Limited. This shareholding represents 0,6% of that company's issued share capital.

Fair value of investment available-for-sale

The fair value of the investment is estimated based on the market value of the security.

for the year ended 30 June		2012 Rm	2011 Rm	2010 Rm
3	**Long-term financial assets**			
	Sasol Inzalo share transaction			
	Sasol Inzalo Employee Trusts (a)	**13 818**	12 542	11 346
	Sasol Inzalo Foundation (b)	**4 929**	4 540	4 154
		18 747	17 082	15 500
	The long-term financial assets consist of: a) Notional vendor funding of 25,2 million Sasol Limited ordinary shares for the benefit of certain employees in the Sasol group. b) Notional vendor funding of 9,5 million Sasol Limited ordinary shares for skills development and capacity building of black South Africans.			
	Interest bearing status			
	Sasol Inzalo Employee Trusts	**11,5%***	11,5%*	11,5%*
	Sasol Inzalo Foundation	**11,5%***	11,5%*	11,5%*
	* *The interest rate is per the pre-determined formula as stipulated in the notional vendor funding agreements.*			
	Maturity profile			
	More than five years	**18 747**	17 082	15 500
	Fair value of long-term financial assets			
	The fair value of long-term financial assets approximates the carrying value.			
4	**Long-term receivables**			
	Total long-term receivables	**3 373**	3 083	2 884
	Comprising			
	Long-term interest-bearing loans			
	Sasol Inzalo Groups Funding (Pty) Ltd. RF	**1 492**	1 362	1 273
	Sasol Inzalo Public Funding (Pty) Ltd. RF	**1 861**	1 701	1 591
	Long-term interest-free loan			
	Sasol Inzalo Groups Facilitation Trust	**20**	20	20
		3 373	3 083	2 884
	The long-term receivables relating to the Sasol Inzalo Groups Funding (Pty) Ltd. RF and Sasol Inzalo Public Funding (Pty) Ltd. RF consists of D preference shares as part of funding the Selected Participants and the Black Public invitations.			
	The long-term receivable to the Sasol Inzalo Groups Facilitation Trust represents a loan to the entity to fund the acquisition of unallocated shares issued by Sasol Inzalo Groups RF Limited.			
	Interest bearing status			
	Variable interest bearing at 80,3% (2011-73%) of the prime overdraft rate	**7,23%**	6,57%	7,30%
	The interest and amount owing on the preference shares are repayable on maturity in October 2018.			
	Maturity profile			
	More than five years	**3 373**	3 083	2 884
	Currency analysis			
	Rand	**3 373**	3 083	2 884
	Fair value of long-term receivable	**3 886**	3 180	2 860

The fair value of long-term receivables is determined using a discounted cash flow method using market related rates at year end.

The long-term receivable has not been impaired as there has not been a significant or prolonged decline in its fair value below its cost.

for the year ended 30 June		2012 Rm	2011 Rm	2010 Rm
5	**Long-term prepaid expenses**			
	Long-term prepaid expenses	**–**	4	–
		–	4	–
	Maturity profile			
	One to two years	**–**	4	–
6	**Other receivables and prepaid expenses**			
	Related party receivables			
	deposit with Sasol Financing (Pty) Ltd.	**8 622**	14 055	19 997
	intercompany receivables	**114**	34	59
		8 736	14 089	20 056
	Other receivables	**3**	1	–
	Prepaid expenses	**4**	6	–
		8 743	14 096	20 056
	Currency analysis of other receivables			
	US dollar	**2**	–	–
	Rand	**8 741**	14 096	20 056
		8 743	14 096	20 056
	Fair value of other receivables			
	The carrying amount approximates fair value because of the short period to maturity.			
7	**Cash**			
	Cash – per statement of cash flows	**42**	29	26
	Currency analysis – Cash			
	Rand	**42**	29	26
	Fair value of cash			
	The carrying value of cash approximates fair value due to the short-term maturity.			
8	**Long-term debt**			
	Total long-term debt	**100**	100	1 057
	Analysis of long-term debt			
	At amortised cost			
	Unsecured, non-interest bearing debt – related party	**100**	100	1 057
	Reconciliation			
	Balance at beginning of year	**100**	1 057	1 057
	Loans repaid	**–**	(957)	–
	Balance at end of year	**100**	100	1 057
	Currency analysis			
	Rand	**100**	100	1 057
	Maturity profile			
	One to two years	**100**	100	–
	Two to three years	**–**	–	1 057
		100	100	1 057

Fair value of long-term debt

The fair value of long-term debt approximates the carrying value of the debt.

Financial covenants

There were no events of default during the current year. The company is in compliance with its debt covenants, none of which are expected to represent material restrictions on funding or investment policies in the foreseeable future.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
9 Long-term financial liabilities			
Financial guarantees recognised	**45**	44	43
Less amortisation of financial guarantees	**(28)**	(22)	(16)
	17	22	27
Short-term portion of financial guarantees (refer note 12)	**(5)**	(6)	(5)
Arising on long-term financial instruments	**12**	16	22

The long-term financial liabilities consist of:

The fair value of a guarantee issued in favour of Standard Bank of South Africa Limited as a result of the disposal of 25% of Sasol Limited's investment in its wholly owned subsidiary Sasol Oil (Pty) Ltd. on 1 July 2006. The carrying value of this guarantee at 30 June 2012 is R8 million.

The fair value of a guarantee issued on 27 June 2008 in respect of the C preference shares issued to various financiers as part of the Sasol Inzalo share transaction (refer to the consolidated annual financial statements). The carrying value of this guarantee at 30 June 2012 is R2 million.

The fair value of a guarantee issued on 8 September 2008 in respect of the C preference shares issued to various financiers as part of the Sasol Inzalo share transaction (refer to the consolidated annual financial statements). The carrying value of this guarantee at 30 June 2012 is R5 million.

The fair value of a guarantee issued on 23 December 2009 in favour of Nedbank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd. for capital expansion. The carrying value of this guarantee at 30 June 2012 is R1 million.

The fair value of a guarantee issued on 21 June 2012 in favour of Nedbank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd. for capital expansion. The carrying value of this guarantee at 30 June 2012 is R1 million.

Fair value of long-term financial liabilities

The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. The interest rates used range between 8,9% and 9,8% (2011- 8,9% and 11,4%).

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
10 Long-term provision			
Reconciliation			
Balance at beginning of year	**36**	8	7
Operating income charge	**8**	28	1
Utilised during year	**(31)**	–	–
Balance at end of year	**13**	36	8
Less short-term portion (refer note 13)	**2**	3	1
Long-term provisions	**11**	33	7
Comprising			
Share appreciation rights	**13**	36	8
Expected timing of future cash flows			
Within one year	**2**	3	1
One to two years	**3**	10	2
Two to three years	**3**	11	2
Three to four years	**3**	4	1
Four to five years	**1**	1	1
More than five years	**1**	7	1
	13	36	8

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
11 Post-retirement benefit obligations			
Post-retirement healthcare benefits	**2**	1	1
Post-retirement healthcare benefits			
The company provides post-retirement healthcare benefits to certain of its retirees employed prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund.			
The post-retirement healthcare liability forms part of the Sasol group's post-retirement benefit obligation. Full disclosure is provided in the consolidated annual financial statements.			
12 Short-term financial liabilities			
Short-term portion of financial guarantees (refer note 9)	**5**	6	5
13 Short-term provision			
Short-term portion of long-term provision (refer note 10)	**2**	3	1
14 Trade and other payables			
Related party			
intercompany payables	**71**	2	7
trade payables	**23**	43	22
Employee related payables	**29**	28	29
Dividend payable	**9**	–	–
	132	73	58
Currency analysis			
US dollar	**2**	–	–
Rand	**130**	73	58
	132	73	58
Age analysis of trade payables			
Not past due date	**–**	–	–
Fair value of trade and other payables			
The carrying value approximates fair value because of the short period to settlement of these obligations.			
15 Operating (loss)/profit			
Operating (loss)/profit includes			
Auditor's remuneration – audit fees	**(1)**	(1)	(1)
Directors' remuneration	**(51)**	(35)	(31)
total remuneration	**(68)**	(55)	(45)
paid by subsidiaries	**17**	20	14
Employee costs	**(77)**	(58)	(59)
Management fee paid to subsidiary	**(78)**	(98)	(66)
Remeasurement items affecting operating (loss)/profit (refer note 20)	**43**	7 206	(257)
Share-based payment expenses (refer note 16)	**(10)**	(33)	(8)

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
16 Share-based payment expenses			
Compensation expense recognised			
Sasol Share Incentive Scheme	**1**	3	4
Sasol Share Appreciation Rights Scheme	**2**	18	1
Medium term incentive	**6**	10	–
Sasol Inzalo share transaction	**1**	2	3
	10	33	8
Full disclosure is provided in the consolidated annual financial statements (note 46).			
17 Finance income			
Dividends received			
South Africa	**14 125**	10 618	7 602
Interest received			
South Africa	**1 956**	1 782	1 664
Amortisation of financial guarantee	**6**	6	4
	16 087	12 406	9 270
Interest received on loans and receivables			
long-term financial assets	**1 665**	1 582	1 457
long-term receivables	**290**	199	206
Bank accounts	**1**	1	1
	1 956	1 782	1 664
18 Finance expenses			
Notional interest	**1**	2	1

19 Taxation

No provision is made for taxation as the company has no taxable income.

	%	%	%
Reconciliation of effective tax rate			
Total income tax expense differs from the amount computed by applying the South African normal tax rate to income before tax. The reasons for these differences are			
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to other disallowed expenditure	**0,5**	0,4	1,3
	28,5	28,4	29,3
Decrease in rate of tax due to exempt other income	**(28,5)**	(28,4)	(29,3)
Effective tax rate	**–**	–	–

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
20 Remeasurement items affecting operating (loss)/profit			
Impairment of investment in subsidiary	**(214)**	–	–
Reversal of impairment/(impairment) of loan to subsidiary	**257**	–	(257)
Profit on disposal of investment in subsidiary	**–**	7 206	–
	43	7 206	(257)
Tax effect thereon	**–**	–	–
	43	7 206	(257)
21 Other comprehensive income			
Components of other comprehensive income			
(Loss)/gain on revaluation of investment	**(1)**	–	1
Other comprehensive income for year, net of tax	**(1)**	–	1

for the year ended 30 June	Number of shares 2012	2011	2010
22 Share capital			
Authorised	**1 175 000 000**	1 175 000 000	1 175 000 000
Issued	**673 210 862**	670 976 162	667 673 462

For further details of share capital, refer note 45 in the consolidated annual financial statements.

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
23 Cash generated by/(utilised in) operating activities			
Cash flow from operations (refer note 24)	**(244)**	(223)	(150)
Decrease/(increase) in working capital (refer note 25)	**5 403**	5 975	(621)
	5 159	5 752	(771)
24 Cash f ow from operations			
Operating (loss)/profit	**(185)**	6 954	(415)
Adjusted for			
equity settled share-based payment expenses	**2**	5	–
impairment of investment in subsidiary (refer note 20)	**214**	–	–
(reversal of impairment)/impairment of loan to subsidiary (refer note 20)	**(257)**	–	257
profit on disposal of investment in subsidiary (refer note 20)	**–**	(7 206)	–
movement in long-term prepaid expense	**4**	(4)	–
movement in long-term provision	**(23)**	28	8
movement in post-retirement benefit obligation	**1**	–	–
	(244)	(223)	(150)

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
25 Decrease/(increase) in working capital			
Decrease/(increase) in other receivables and prepaid expenses per statement of financial position	**5 353**	5 960	(607)
Increase/(decrease) in trade and other payables per statement of financial position	**50**	15	(14)
	5 403	5 975	(621)
26 Dividends paid			
Final dividend – prior year			
external shareholders	**(6 089)**	(4 713)	(3 653)
subsidiary company	**(87)**	(67)	(53)
related parties – Inzalo	**(290)**	(212)	(212)
Interim dividend – current year			
external shareholders	**(3 511)**	(1 901)	(1 707)
subsidiary company	**(50)**	(27)	(25)
related parties – Inzalo	**(315)**	(209)	(209)
	(10 342)	(7 129)	(5 859)
Dividend payable (refer note 14)	**9**	–	–
Per statement of cash flows	**(10 333)**	(7 129)	(5 859)
27 Guarantees and contingent liabilities			
Guarantees and claims	**42 929**	32 771	21 999

The company has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements. For further details of guarantees and contingent liabilities, note 57 of the consolidated annual financial statements.

28 Related party transactions

During the year the company, in the ordinary course of business, entered into various transactions with its fellow subsidiaries and subsidiaries. The effect of these transactions is included in the financial performance and results of the company. Terms and conditions are determined on an arm's length basis.

Material related party transactions were as follows

Other income statement items to related parties

	2012 Rm	2011 Rm	2010 Rm
Management fees to subsidiary			
Sasol Group Services (Pty) Ltd.	**78**	98	66
Finance income from subsidiaries			
Sasol Inzalo Employee Trust	**1 181**	1 106	1 012
Sasol Inzalo Management Trust	**96**	90	82
Sasol Inzalo Foundation	**388**	387	363
Sasol Inzalo Groups Funding (Pty) Ltd. RF	**130**	88	92
Sasol Inzalo Public Funding (Pty) Ltd. RF	**160**	110	114
	1 955	1 781	1 663
Profit on disposal of investment in subsidiary			
Sasol Mining (Pty) Ltd.	**–**	7 206	–

for the year ended 30 June	2012 Rm	2011 Rm	2010 Rm
28 Related party transactions continued			
Amounts reflected as non-current assets			
Investments in subsidiaries at cost	**52 861**	13 683	13 683
Long-term loans			
to direct subsidiaries			
Sasol Chemical Industries Limited	**404**	7 581	6 861
Sasol Investment Company (Pty) Ltd.	**–**	6 480	2 509
Sasol Financing (Pty) Ltd.	**5 454**	5 454	5 454
Sasol Mining Holdings (Pty) Ltd.	**–**	8 244	135
Sasol Technology (Pty) Ltd.	**–**	1 360	431
to indirect subsidiaries			
Sasol Mining (Pty) Ltd.	**615**	615	369
Sasol Petroleum International (Pty) Ltd.	**–**	5 222	4 184
other	**514**	1 688	784
	59 848	50 327	34 410
Long-term financial assets			
relating to fellow subsidiaries			
Sasol Inzalo Employee Trust	**12 782**	11 601	10 495
Sasol Inzalo Management Trust	**1 036**	941	851
Sasol Inzalo Foundation	**4 929**	4 540	4 154
	18 747	17 082	15 500
Long-term receivables			
relating to fellow subsidiaries			
Sasol Inzalo Groups Funding (Pty) Ltd. RF	**1 492**	1 362	1 273
Sasol Inzalo Public Funding (Pty) Ltd. RF	**1 861**	1 701	1 591
Sasol Inzalo Groups Facilitation Trust	**20**	20	20
	3 373	3 083	2 884
Amounts reflected as current assets			
Other receivables and prepaid expenses			
direct subsidiary			
Sasol Financing (Pty) Ltd.	**8 622**	14 055	20 035
other	**114**	34	21
	8 736	14 089	20 056
Amounts reflected as non-current liabilities			
Long-term debt			
subsidiary			
Sasol Industries (Pty) Ltd.	**100**	100	1 057

interest in significant operating subsidiaries

Name	Nature of business		Nominal issued share capital	Interest %	Investment at cost 2012 Rm	Investment at cost 2011 Rm	Shareholder loans to be converted to equity 2012 Rm	Shareholder loans to be converted to equity 2011 Rm	Shareholder loans to subsidiaries 2012 Rm	Shareholder loans to subsidiaries 2011 Rm
Operating subsidiaries										
Direct										
Sasol Mining Holdings (Pty) Ltd.	Holding company of the group's mining interests.	Rm	8 499	100	**8 499**	215	**–**	8 244	**–**	–
Sasol Synfuels (Pty) Ltd.	Production of liquid fuels, gases chemical products and refining of tar acids.	Rm	100	100	**676**	676	**–**	–	**–**	–
Sasol Technology (Pty) Ltd.	Engineering services, research and development and technology transfer.	Rm	485	100	**485**	1	**–**	1 360	**–**	–
Sasol Financing (Pty) Ltd.	Management of cash resources, investment and procurement of loans for South African operations.	R	200	100	*****	*	**–**	–	**5 454**	5 454
Sasol Investment Company (Pty) Ltd.	Holding company of the group's foreign investments and investment in movable and immovable property.	Rm	32 222	100	**32 222**	12 083	**–**	6 480	**–**	–
Sasol Chemical Industries Limited	Production and marketing of mining explosives, gases, petrochemicals and fertilisers.	Rm	8 477	100	**8 477**	*	**404**	7 581	**–**	–
Sasol Gas Holdings (Pty) Ltd.	Holding company of the group's gas interests.	R	100	100	*****	*	**–**	–	**–**	–
Sasol Oil (Pty) Ltd.	Marketing of fuels and lubricants.	Rm	505	75	**378**	378	**–**	–	**–**	–
Sasol New Energy Holdings (Pty) Ltd.	Developing and commercialising renewable and lower-carbon energy as well as carbon capture storage solutions.	Rm	1 795	100	**1 795**	*	**–**	545	**–**	–

* *– nominal amount*

Name	Nature of business		Nominal issued share capital	Interest %
Operating subsidiaries				
Indirect				
Chemcity (Pty) Ltd.	Supporting empowered small and medium manufacturing enterprises' requirements in order to enable them to thrive in the chemical industry.	Rm	612	100
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd.	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa.	Rm	10	50
Sasol Chemicals Europe Limited[a]	Marketing and distribution of chemical products.	GBP	20 000	100
Sasol Chemicals Pacific Limited[b]	Marketing and distribution of chemical products.	HKD	10 000	100
Sasol Chemical Holdings International (Pty) Ltd.	Investment in the Sasol Chemie group.	Rm	4 668	100
Sasol Financing International Plc[c]	Management of cash resources, investment and procurement of loans for operations outside South Africa.	Euro	1 009	100
Sasol Gas Limited	Marketing, distribution and transportation of pipeline gas and the maintenance and operation of pipelines used for the transportation of various types of gas.	R	1 000	100
Sasol Germany GmbH[d]	Production, marketing and distribution of waxes and wax related products.	Euro m	70	100
Sasol Group Services (Pty) Ltd.	Supplier of functional core and shared services to the Sasol group of companies.	Rm	506	100
Sasol Italy SpA[e]	Trading and transportation of oil products, petrochemicals and chemical products and their derivatives.	Euro m	23	100
Sasol North America Inc.[f]	Manufacturing of commodity and special chemicals.	US$ m	393	100
Sasol Oil International Limited[g]	Buying and selling of crude oil.	US$	1	100
Sasol Petroleum International (Pty) Ltd.	Exploration, production, marketing and distribution of petroleum and natural gas.	Rm	5 627	100
Sasol Polymers International Investments (Pty) Ltd.	Holding company of Sasol Polymers foreign investments.	R	100	100
Sasol Synfuels International (Pty) Ltd.	Conversion and marketing of liquid fuels and chemical products.	Rm	10 027	100
Sasol Wax International Aktiengesellschaft[d]	Holding company of the Sasol Wax operations.	Euro m	33	100
National Petroleum Refiners of South Africa (Pty) Ltd.*	Refining of crude oil.	Rm	128	64
Sasol Canada Holdings Limited	Development of shale gas reserves and production and marketing of shale gas.	CAD	1 818	100

* *The investment in the company is held by Sasol Oil (Pty) Ltd., a subsidiary in which Sasol Limited has a 75% shareholding, thereby reducing their effective interest held in the company.*

Name	Nature of business		Nominal issued share capital	Interest %
Incorporated joint ventures				
Indirect				
Arya Sasol Polymer Company[h]	Production of polyethylene.	Rial m	800	50
Merisol LP[c]	Production, marketing and distribution of phenolics.	US$ m	69	50
Sasol Chevron Holdings Limited[i]	Management of the group's joint venture interests with Chevron Corporation.	US$	12 000	50
Sasol-Huntsman GmbH & Co KG[d]	Production and marketing of maleic anhydride.	Euro m	20	50
ORYX GTL Limited (Q.S.C.)[j]	Manufacturing and marketing of synthetic fuels from gas.	US$ m	556	49
Petlin (Malaysia) Sdn. Bhd[k]	Manufacturing and marketing of low-density polyethylene pellets.	RM m	52	40
Spring Lights Gas (Pty) Ltd.	Marketing of pipeline gas in the Durban South area.	R	1 000	49

Except as indicated below, all companies are registered in the Republic of South Africa.

Foreign registered companies
(a) Registered in the United Kingdom. Share capital stated in Pound sterling.
(b) Registered in Hong Kong. Share capital stated in Hong Kong dollars.
(c) Registered in the Isle of Man. Share capital stated in Euro.
(d) Registered in Germany. Share capital stated in Euro.
(e) Registered in Italy. Share capital stated in Euro.
(f) Registered in the United States of America. Share capital stated in United States dollars.
(g) Registered in the Isle of Man. Share capital stated in United States dollars.
(h) Registered in Iran. Share capital stated in Rials.
(i) Registered in Bermuda. Share capital stated in United States dollars.
(j) Registered in Qatar. Share capital stated in United States dollars.
(k) Registered in Malaysia. Share capital stated in Malaysian ringgets.

The company's interest in the aggregate profits and losses of subsidiaries amounts to R20 054 million (2011 – R18 671 million) profits and R1 463 million (2011 – R888 million) losses.

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Direct purchase plan

The Bank of New York Mellon maintains a sponsored dividend reinvestment and direct purchase programme for Sasol's depositary receipts. As a participant in Global BuyDIRECT℠, investors benefit from the direct ownership of their depositary receipts, the efficiency of receiving corporate communications directly from the depositary receipt issuer, and the savings resulting from the reduced brokerage and transaction costs. Additional information is available at www.globalbuydirect.com.

Questions or correspondence about Global BuyDIRECT℠ should be addressed to:

The Bank of New York Mellon
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Forward-looking statements: *Contingent resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from a known accumulation by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is therefore uncertainty as to the portion of the volumes identified as contingent resources that will be commercially producible. Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 12 October 2012 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.*

Please note: *A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".*

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