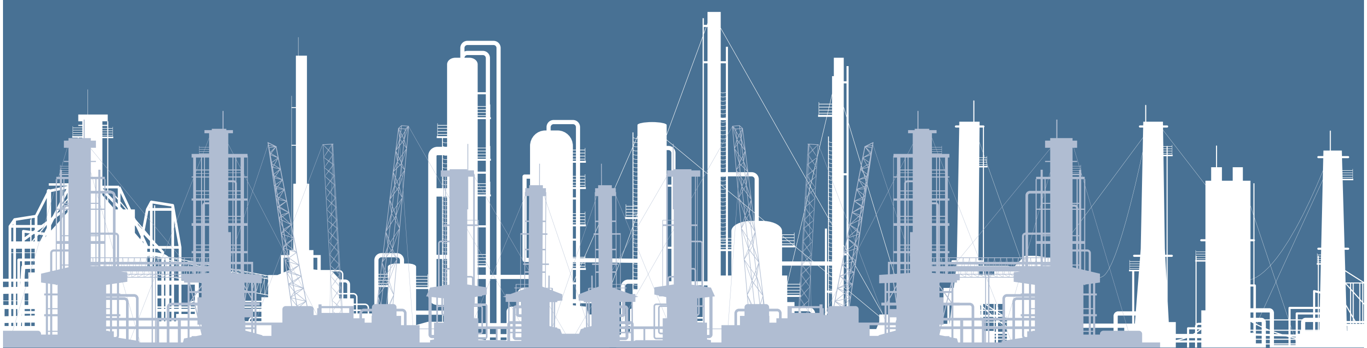
sasol
reaching new frontiers

A NEW ERA FOR SASOL

Annual financial statements
30 June 2014



CONTENTS

SASOL OVERVIEW

SASOL LIMITED GROUP CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

SASOL LIMITED COMPANY

How to read our Annual financial statements

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

Annual Financial Statements

Contains 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.

Annual Integrated Report

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

Form 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.

Sustainable Development Report

Our annual report covering environment, social and governance matters. Prepared in accordance with the GRI G4 framework.

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

The annual financial statements have been audited in compliance with s30 of the South African Companies Act and Paul Victor CA(SA), Acting Chief Financial Officer is responsible for this set of financial statements and has supervised the preparation thereof in conjunction with the Acting Senior Vice President Controlling, Nina Stofberg CA(SA).

Chief Financial Officer's review

Paul Victor, Acting Chief Financial Officer

As we enter a new era for Sasol, we are well placed to continue delivering sustainable value to our shareholders. Our continued focus on managing the factors within our control underpinned another record set of results. Our cash flow generation and balance sheet remains robust, allowing us to deliver on our progressive dividend policy while we invest in our existing asset base and our growth projects in line with our strategy.

DELIVERING EXCEPTIONAL SHAREHOLDER RETURNS

1. Overview of 2014

Sasol delivered another set of record results, despite persistent volatility in the global macro-economic environment. Management continued to focus on the factors within our control, which included driving operational improvements, stringent cost control and increasing margins. This, combined with the all-encompassing changes we have introduced to ensure greater efficiency, effectiveness and competitiveness, underpinned our excellent performance.

In the last three years, as these changes have taken effect in line with our strategic aspirations, our financial focus has been to support the delivery of the group's strategy by managing our margins, cash, gearing and return on equity, within the context of difficult local and international operating environments.

Our focus on operational improvements delivered an increase in Sasol Synfuels production volumes of 2% to 7,6 million tons (mt). This was achieved despite a planned total and phased shutdown and exceeded our internal production targets. This performance indicates the progress we have made in building a solid platform for exceptional performance.

Following decisive management actions introduced to ensure cost discipline and sustainable cost reductions, our normalised cash fixed cost trend was 1,8% below the South African Producer Price Index (SA PPI) inflation of 7,3% for the year. This was achieved despite a challenging South African cost environment in respect of labour, maintenance and electricity costs.

While global economic activity and trade increased throughout 2014, risks were still evident due to the volatile nature of global growth. The recovery in the United States (US) appeared to gain traction while economic conditions in Europe remained challenging. Doubts have also persisted about the sustainability of China's economic expansion.

2. Key financial risks and uncertainties affecting our performance

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

Definition of victory	Key performance indicator	Financial risk	Notes
Deliver value to our shareholders sustainably	**Earnings growth** Target – US dollar earnings growth of 10% per annum on a three-year moving average basis	Current economic climate	a
		Crude oil prices	b
		Exchange rates	c
		Expansion of natural gas offering	d
		Chemical prices	e
		Impacts on our cost base	f
		Impairments	g
	Targeted return on capital investment Target – Return to exceed required rates of return as determined by our weighted average cost of capital.	Delivering on capital projects	h
	Gearing Target – Achieve a gearing ratio of between 20% – 40%.	Credit market risk and its impact on our debt profile	i

Chief Financial Officer's review continued

a. Current economic climate and its impact on Sasol

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 4 to 6.

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.

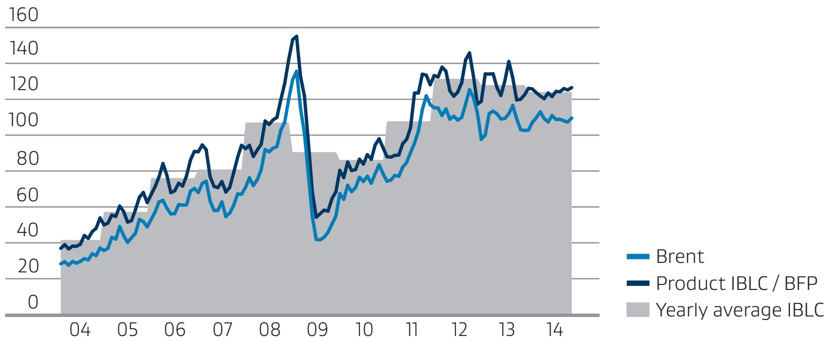
b. Crude oil prices

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.

The crude oil price has remained flat over the year; however, we have seen volatility and substantial increases in the average Brent crude oil price over the past six years mainly attributable to the uncertainties surrounding supply. This resulted in the crude oil price averaging around US$109,40/barrel (bbl) for the 2014 financial year, reaching a high of US$117,13/bbl and a low of US$103,19/bbl and closing at US$111,02/bbl at 30 June 2014.

Crude oil (US$/bbl)



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 are 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.

In determining the crude oil price for budgeting and planning 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. Prices continue to remain volatile, attributable to poor economic indicators for Europe, China and the US. We continue to remain more cautious on the short-term outlook and believe that we could see prices stabilising in the medium term due to balanced supply and demand dynamics. Our view is that in the next five years, crude oil prices will settle around US$109/bbl, however, in the longer term, we expect the crude oil price to increase.

For budgeting and forecasting purposes, we estimate that for every US$1/bbl increase in the annual average crude oil price, group operating profit for the year will increase by approximately US$70 million (R746 million) during 2015. This estimate is off a base of US$105,50/bbl crude oil price and a rand/US dollar exchange rate of R10,60. 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. Exchange rates

A large portion of our turnover and capital investments is significantly impacted by the rand/US dollar exchange rate. 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 mostly 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, by way of forward exchange contracts.

Our Group Executive Committee (GEC) sets broad guidelines in terms of tenor and hedge cover ratios to specifically to assess large forward cover amounts for long periods into the future, which have the potential to materially affect our financial position. These guidelines 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. We do not hedge foreign currency receipts.

During the financial year, the average rand/US dollar exchange rate weakened by 17% in comparison to 14% seen in the prior financial year. The currency continued to remain volatile during the current financial year and ended weaker at R10,64/US dollar at 30 June 2014 (2013 – R9,88/US dollar).

We believe that the rand is currently undervalued by more than 10% and the effects of developments around the wage negotiation process, the impact of potential electricity supply constraints, the funding of South Africa's relatively large current account deficit and the reaction of credit rating agencies to developments in the country has not yet been fully priced into the currency. We anticipate a high risk of significant currency volatility on the back of global geo-political tensions and the start of the interest rate normalisation cycle in key global economies. The risk of further depreciation of the rand/US dollar exchange rate will increase significantly if wage negotiations, coupled with industrial action, deteriorate.

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 R857 million in 2015. This estimate is off a base of US$105,50/bbl crude oil price and a rand/US dollar exchange rate of R10,60. 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.

d. Expansion of natural gas offering

Natural gas is the fastest growing fossil fuel, with global natural gas consumption increasing by 1,7% per year. The US ranks third as one of the countries which will account for the largest increases in natural gas production from 2010 to 2040. With this rapid growth of US production, coupled with mounting climate change pressure, the increasing use of natural gas as transportation fuel in the US and elsewhere, bodes well for Sasol's growth aspirations in North America.

Natural gas is an attractive fuel alternative in the industrial and electricity industries due to its lower carbon intensity compared to coal and oil. The substitution of traditional fuels like oil-based diesel, for fuels derived from natural gas provides a solid business case for our gas-to-liquids (GTL) investment proposition.

Chief Financial Officer's review continued

Our investment in Canadian shale gas assets, situated in the Montney Basin, supports our strategy to deliver fuel alternatives in support of lowering our carbon dioxide (CO_2) emissions. The strong growth outlook for natural gas, especially in the US, Canada and China, coupled with developments in technology, is making shale gas economical worldwide.

However, new gas ventures involve risks – while our Canadian shale gas assets are not producing as planned, we expect that production will improve in the future once we see an increase in natural gas prices. In relation to our 96 000 barrels per day GTL facility in the US (subject to final investment decision), we anticipate that our shale gas assets will act as a natural price hedge for the feedstock, providing a cover on the price of gas of approximately two-thirds.

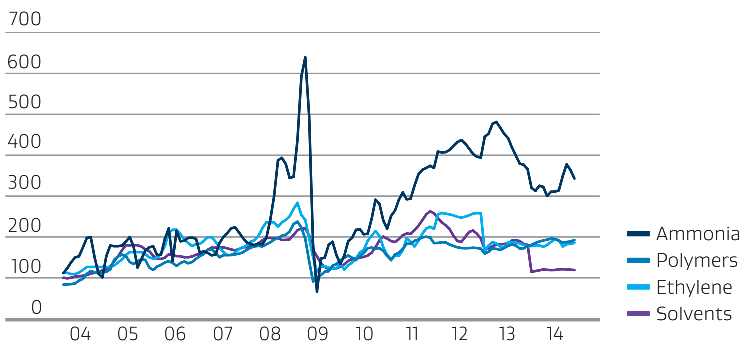
Current gas prices in North America remain depressed, however we have seen some improvement over the financial year. The spot natural gas price for the US benchmark (Henry Hub) improved to US$4,39/million metric British thermal units (mmbtu) at 30 June 2014, compared to US$3,57/mmbtu at 30 June 2013.

e. 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. The strategy for our commodity chemicals businesses is therefore, wherever possible, to invest in the value chain from raw materials to final products.

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 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 volatility 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 2014, we saw a progressive improvement in chemical prices which benefited our South African-based polymers business and our solvents business. However in Europe, the slower than expected recovery of the European market, coupled with higher feedstock prices and increased competition in this sector, resulted in lower market demand for our European chemical businesses. As a result of these factors, management reviewed the performance of these businesses and, accordingly, decided to divest of our Solvents Germany assets to INEOS.

In order to take full advantage of the benefit of low ethane prices in the US, we are constructing a 470 kilotons per annum high density polyethylene (HDPE) plant in partnership with INEOS. The ethylene required for the production of HDPE will initially be supplied from our existing Lake Charles operations. Once our new ethane cracker is operational (subject to final investment decision), the ethylene from the existing Lake Charles operations will be supplemented with ethylene from the new ethane cracker.

f. 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, Producer Price Inflation has declined from its highs of 11,5% in 2008 to 7,3% in 2014. The weakening rand/US dollar exchange rate remains the greatest impact on inflation.

The effects of labour cost increases and strikes around the wage negotiation process in South Africa adds to inflation risk, placing further pressure on our operating costs. However through our relationships with organised labour unions, we have managed to control the wage negotiation process, with no strikes, resulting in a stable and focused workforce.

We continued to maintain strict cost discipline across the group in 2014 by introducing cost reduction as a specific target within our short-term incentive scheme. In addition, we made significant progress on our business performance enhancement programme which will restructure and reposition Sasol for the new era. The programme realised actual benefits of R469 million for the financial year, R700 million on an annualised basis. Refer to section 3 for additional information.

g. Impairments and reversals of impairments

The global economic environment and the impact thereof on the rand exchange rate and crude oil prices are key drivers in impairment tests. While in the past two years, we have seen signs of global economic recovery, risks including the euro zone crisis, US fiscal policy and the Chinese hard landing, continue to persist.

Accordingly, where there were indicators of impairment, we performed an impairment test to determine whether the carrying value of our assets is recoverable. As a result, net impairments of R6,3 billion have been recognised for the year ended 30 June 2014, primarily related to the write-down of the Canadian shale gas asset of R5,3 billion. The impairment recognised at 31 December 2013 was mainly due to the decline in gas prices in North America and the drop in valuation of recent market transactions for similar assets in the Montney region. The value-in-use calculation is particularly sensitive to changes in the gas price, the estimated ultimate recovery factor as well as changes in drilling and completion costs. These variables are interdependent and accordingly a 5% change in any of these variables could change the recoverable amount by CAD200 million – CAD420 million. Some of these factors are within the control of management and is monitored closely to minimise the impact of potential impairments. The gas price however is a market price driven by global macroeconomics. We continue to monitor this asset for further impairments or signs of recovery indicating a reversal of impairment.

In addition, high feedstock prices, poor demand and high energy costs continued to burden our assets in Solvents Germany. Accordingly, we decided to dispose of a significant portion of these assets and consequently recognised an impairment of R466 million based on management's assessment of fair value less costs of disposal.

h. 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. 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 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, such as the development of our North American operations, are integrated across a number of our businesses and 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 continuously strive to improve our operations excellence 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 capital investments 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

Chief Financial Officer's review continued

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. In selecting these projects, reference is made to our hurdle rate, being 1,3 times Sasol's weighted average cost of capital (WACC). In determining our WACC rate, the methodology applied 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 fact that the individual components of the capital asset pricing methodology remained reasonably constant during the review process, the WACC rates remain unchanged. Refer to section 7 of this report for details on our capital allocation.

i. Credit market risk and its impact on our debt profile

Indications by the Federal Reserve that it may start to reduce the amount of monthly bond purchases as part of its QE programme, prompted a sharp increase in bond yields globally. As a result, the cost of funding for corporates in the debt capital markets also increased sharply. A similar US dollar bond to that which the company issued in November 2012 is likely to attract a 100 basis points higher coupon rate today.

The sovereign credit rating of the Republic of South Africa was downgraded by Standard & Poor's Ratings Services (S&P) in 2014 from BBB to BBB-. Any future downgrade of the South African sovereign credit rating could increase the cost of long-term funding.

Conditions in the syndicated loan markets continue to improve, particularly for shorter-term tenures. It is, however, becoming increasingly clear that the new Basel 3 regulations will significantly hamper banks' abilities to provide term funding over longer tenures, and the cost of long-term funding will increase.

In anticipation of the significant planned capital investments and full project pipeline, our funding requirements are monitored on a continuous basis as part of our enterprise risk management activities and ensuring that appropriate levels of liquidity are maintained.

To this end, Sasol issued a US$1 billion corporate bond in November 2012. The bond, with a tenure of 10 years and a fixed coupon rate of 4,5% per annum, was oversubscribed by 3,47 times. The coupon is the lowest ever achieved by a South African non-state owned enterprise. This reflects the confidence that investors have in our company and in our ability to deliver value. This corporate bond provides long-term funding to balance the abundant short-term liquidity available to the group. The latter includes our R8 billion commercial paper programme, a revolving credit facility and several committed bank credit lines. Appropriate liquidity and committed funding facilities are also an essential part of retaining Sasol's investment grade rating.

3. Our business performance enhancement programme

We are continuing to implement our company-wide business performance enhancement programme, which will restructure and reposition Sasol for the new era. Accordingly, we have taken pivotal and proactive measures to secure our long-term growth and competitiveness. Following a detailed diagnostic study to better understand the root cause of our growing costs, we have renewed our cost optimisation drive and implemented decisive actions to address both cost and complexity in Sasol.

To this end, we have simplified our group-wide operating model to ensure that we become a more effective, efficient and competitive organisation. Our new operating model, effective 1 July 2014, will be structured along an upstream, operations and sales and marketing value chain, with the core building blocks comprising marketing businesses, regional operating hubs, and group functions.

We are making significant progress with the implementation of the legal restructuring and streamlined governance and enterprise resource planning (ERP) systems.

The process of designing and filling our new senior leadership structure has been completed. This process has resulted in almost 200 voluntary retrenchments and early retirements having been agreed by the end of 2014.

We are confident that the programme will deliver sustainable costs savings, compared to a 2013 base, of at least R4 billion per year from 2016 onwards, and that our cash fixed costs will follow inflation thereafter. Implementation costs for the programme amounted to R1,3 billion during 2014, and are expected to increase to approximately R2,1 billion for 2015. Actual cost savings achieved during 2014 amounted to R469 million (R700 million annualised), as a result of voluntary employee severances and reduced external spend. We expect cost savings of approximately R1,5 billion for 2015 (R2,2 billion annualised).

As we implement this group-wide programme, we are maintaining a key focus on safety, compliance and operational stability to allow us to continue to deliver on our operational and financial performance targets.

4. Financial performance

Earnings attributable to shareholders for the year ended 30 June 2014 increased by 13% to R29,6 billion from R26,3 billion in the prior year. Headline earnings per share increased by 14% to R60,16 and earnings per share increased by 12% to R48,57, over the same period.

Operating profit, after remeasurement items, was R41,7 billion for the year, excluding our share of profits from equity accounted joint ventures and associates of R4,1 billion, which includes our ORYX GTL plant. This achievement was on the back of an overall stellar operational performance. Operating profit was further boosted by a 17% weaker average rand/US dollar exchange rate (R10,39/US$ at 30 June 2014 compared with R8,85/US$ at 30 June 2013), and a progressive improvement in chemical prices, while the average Brent crude oil price (average dated Brent was US$109,40/barrel at 30 June 2014 compared with US$108,66/barrel at 30 June 2013) remained flat.

Our share price increased by 47% over the financial year closing at R632,36. This however resulted in a substantial year on year increase in the provision for long-term employee share based incentives of R3,6 billion.

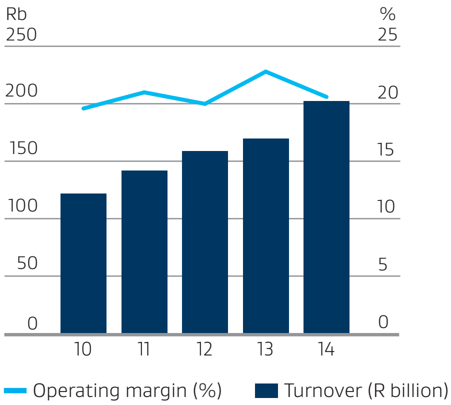
Earnings attributable to shareholders in the current year were negatively impacted by remeasurement items* totalling R7,6 billion (30 June 2013 – R6,5 billion). These items relate primarily to the R5,3 billion (CAD540 million) partial impairment of our Canadian shale gas assets and the R466 million (EUR32 million) partial impairment and final loss on disposal of R966 million (EUR67 million) of our Solvents Germany assets.

The change in the effective tax rate from 31,7% to 32,6% was mainly due to the partial impairment of our Canadian shale gas assets, the reduction of the Sasol Wax fine imposed by the European Commission in 2009, as well as the Sasol Polymers fine (currently under appeal) incurred during the financial year.

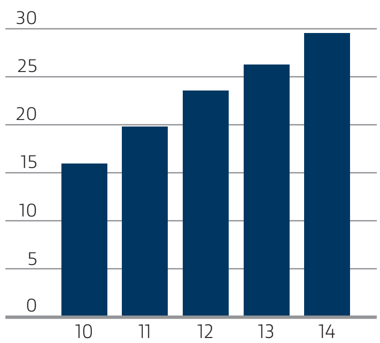
Cash flow generated from operations increased by 26% to R65,5 billion compared with R51,9 billion in the prior year. This includes an increase in working capital of R2,1 billion, mainly as a result of price effects due to higher commodity prices and the weaker exchange rate. Capital spend for the year amounted to R39,5 billion.

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:

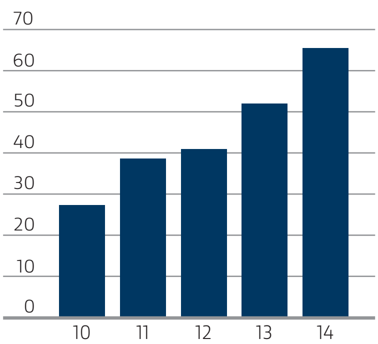
Turnover and operating margin



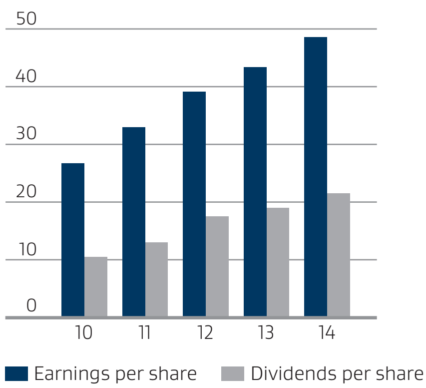
Profit attributable to shareholders (R billion)



Cash generated by operating activities (R billion)



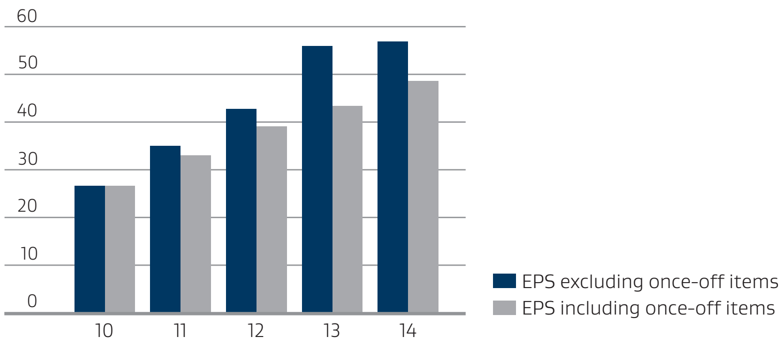
Earning per share and dividend per share (Rand)



* Remeasurement items include our equity accounted joint ventures.

Chief Financial Officer's review continued

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



Key drivers impacting operating profit

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

		2014 Rm	% change	2013 Rm	% change	2012 Rm
Turnover		202 683	19	169 891	7	159 114
Variable gross margin		108 983	22	89 400	17	76 502
Non-cash costs		14 354		4 061		4 248
Operating profit after remeasurement items		41 674	7	38 779	22	31 749
Operating profit margin	%	21		23		20
Operating profit margin before remeasurement items	%	24		25		21
Profit of equity accounted joint ventures and associates, net of impairment		4 144	101	2 066	(58)	4 961
Earnings attributable to shareholders		29 580	13	26 274	11	23 580
Earnings per share	Rand	48,57	12	43,38	11	39,09
Headline earnings per share	Rand	60,16	14	52,62	24	42,28

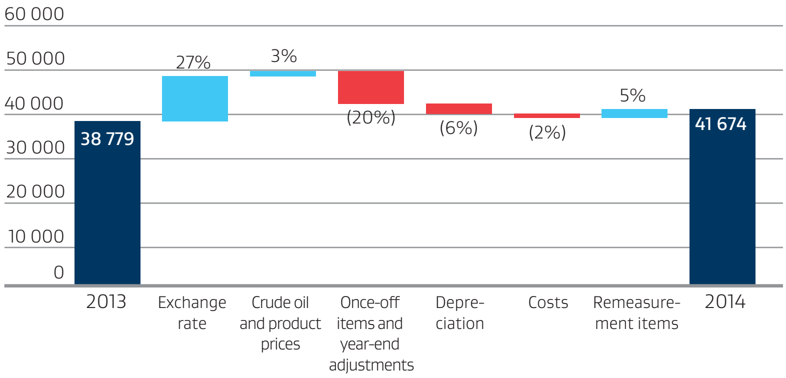
Operating profit increased by 7% (R2 895 million) in 2014 compared to a 22% increase (R7 030 million) in 2013. The movement in the reported operating profit is due to the following primary drivers:

	2014		2013	
	Rm	%*	Rm	%*
Foreign currency effects	10 581	27	10 928	34
Crude oil and product prices	1 231	3	(760)	(2)
Once off items and year-end adjustments	(7 651)	(20)	(437)	(1)
Depreciation	(2 395)	(6)	(2 279)	(7)
Costs and other effects	(961)	(4)	(2 589)	(8)
Sales volumes	2 090	7	2 167	7
Increase	2 895	7	7 030	22

* 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 reconciliation (R million)



Taking our share of equity accounted joint ventures and associates into consideration, profit from operations increased by 12% to R45 818 million in 2014 compared to an 11% increase in 2013.

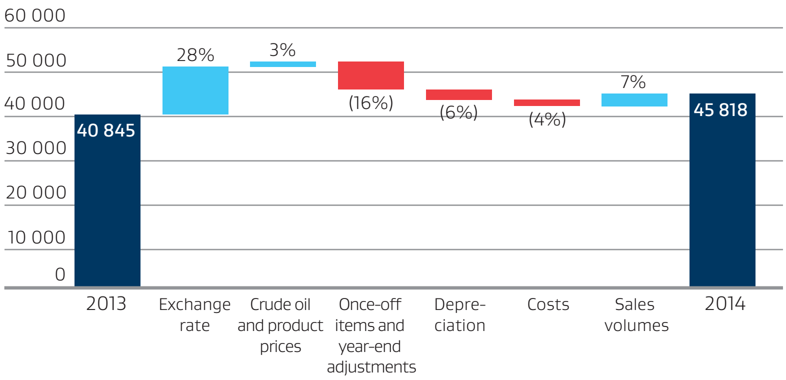
The movement in the reported amount is due to the following primary drivers:

	2014		2013	
	Rm	%*	Rm	%*
Foreign currency effects	11 216	28	10 048	27
Crude oil and product prices	1 175	3	370	1
Once off items and year-end adjustments	(6 531)	(16)	(3 752)	(10)
Depreciation	(2 395)	(6)	(2 279)	(6)
Costs	(1 472)	(4)	(2 634)	(7)
Sales volumes	2 980	7	2 382	6
Increase	4 973	12	4 135	11

* Reported as a percentage of profit from operations, joint ventures and associates of the prior year.

The increase in profit from operations, joint ventures and associates over the last year can be graphically depicted as follows:

Profit from operations and equity accounted earnings – price volume variance analysis (R million)



Chief Financial Officer's review continued

5. Focusing on operational performance

In 2014, Sasol delivered a strong operational performance mainly due to management's focus on operational efficiency, improving volumes and expanding margins. This resulted in Sasol Synfuels delivering better than expected production volumes of 7,6 million tons (mt) (30 June 2013 – 7,4 mt), an increase of 2% compared to the prior year. This performance, a record for the past decade, was achieved despite a planned total and phase maintenance shutdown of the east factory in September 2013. Normalised production increased by 4% on a comparable basis.

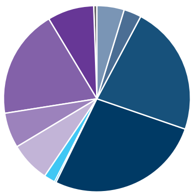
Production performance at our ORYX gas-to-liquids (GTL) plant also exceeded our expectations and achieved a record average utilisation rate of 97%.

In our European chemical businesses, we continued to optimise our production volumes and margins, in light of the slower than expected recovery of the European market. Our Sasol Olefins and Surfactants business delivered improved operating results, as well as benefited from low feedstock prices in the US. Our Sasol Polymers business is returning to profitability mainly as a result of the commissioning of our Ethylene Purification Unit 5 (EPU5) during the year coupled with the effect of our business turnaround plan.

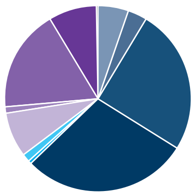
The composition of turnover and operating profit by business unit is set out below:

Contribution to group turnover (%)

2014

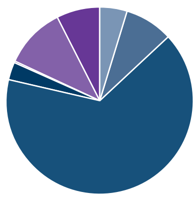


2013

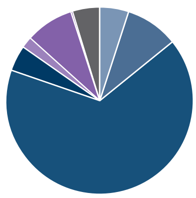


Contribution to group operating profit, after remeasurement items (%)

2014



2013



Mining
Gas
Synfuels
Oil
Synfuels International
Petroleum International
Polymers
Solvents
Olefins & Surfactants
Other Chemical Businesses
Other Businesses

Segment report
for the year ended 30 June

Turnover R million				Operating profit/(loss) after remeasurement items R million		
2012[1]	2013[1]	**2014**	**Business unit analysis**	**2014**	2013[1]	2012[1]
133 100	145 954	**171 782**	**South African Energy Cluster**	**41 147**	36 616	28 645
10 672	12 324	**14 134**	Mining	**2 453**	2 214	2 287
6 778	8 081	**9 355**	Gas	**4 175**	3 919	2 840
48 791	58 275	**67 654**	Synfuels	**32 988**	28 624	22 095
66 859	67 274	**80 639**	Oil	**1 531**	1 859	1 425
–	–	**–**	Other	**–**	–	(2)
3 913	4 515	**5 933**	**International Energy Cluster**	**(6 916)**	(2 877)	(2 773)
802	881	**725**	Synfuels International	**(935)**	(991)	(837)
3 111	3 634	**5 208**	Petroleum International	**(5 981)**	(1 886)	(1 936)
89 165	98 943	**119 997**	**Chemicals Cluster**	**8 407**	3 022	4 522
15 922	17 759	**21 145**	Polymers	**(767)**	(1 506)	(1 020)
18 504	20 728	**18 306**	Solvents	**200**	825	1 381
37 698	41 278	**56 071**	Olefins & Surfactants	**5 336**	3 580	3 193
17 041	19 178	**24 475**	Other Chemical Businesses	**3 638**	123	968
117	368	**1 063**	**Other Businesses**	**(964)**	2 018	1 355
226 295	249 780	**298 775**		**41 674**	38 779	31 749
(67 181)	(79 889)	**(96 092)**	Intersegmental turnover			
159 114	169 891	**202 683**				

1 Restated to reflect the adoption of the consolidation suite of accounting standards.
Refer to the basis of preparation in the summarised financial information for additional information.

Our **South African Energy Cluster** continued to produce solid results, contributing R41 billion (approximately 90%) to the group's profit from operations, joint ventures and associates in 2014. Sasol Synfuels contributed R33 billion (almost 72%) of the group's profit from operations, joint ventures and associates, with an operating margin of 49%. While the weaker rand/US dollar supported the cluster's profitability significantly, the higher feedstock prices, maintenance and energy costs, and increased mining costs, partially offset the positive currency effect.

Our **International Energy Cluster** recorded an operating loss of R6 916 million in 2014, excluding the equity accounted earnings of ORYX GTL in Qatar.

In total, Sasol Synfuels International's (SSI) profit from operations, joint ventures and associates increased by 74% to R2 761 million compared to the prior year. Our share of income from the ORYX GTL joint venture was 52% higher at R4 028 million compared to the prior year. This was due to the record average utilisation rate of 97% as well as the weaker rand/US dollar exchange rate.

Sasol Petroleum International (SPI) recorded an operating loss of R5 981 million, compared to an operating loss of R1 886 million in the prior year. This was mainly due to the R5,3 billion partial impairment of our Canadian shale gas assets and depreciation of those assets of R1,9 billion. Excluding these effects, SPI achieved an operating profit of R1 022 million for the year compared to an operating loss of R71 million in the prior year. This was mainly due to a 9% improvement in production volumes from our assets in Mozambique and Gabon.

The **Chemicals Cluster** performed exceptionally well and recorded an operating profit of R8,4 billion in 2014 compared to R3 billion in 2013, underpinned by consistent and reliable operational delivery, supported by the weaker rand/euro exchange rate. Sasol Olefins and Surfactants (Sasol O&S) remains a strong performer, contributing R5,3 billion (approximately 63%) to the Chemicals Cluster's operating profit. Sasol O&S managed to maintain its gross margins and its US operations continued to benefit from the low US ethane price. The European operations had some year-on-year improvement in results, however they remained under pressure due to softer demand, coupled with continued high petrochemical feedstock prices.

Sasol Solvents' operating profit decreased by 76% from R825 million in 2013 to R200 million in 2014. The financial performance was negatively impacted by the partial impairment of R466 million (EUR32 million) of the Solvents Germany assets as well as a loss on disposal of these assets of R966 million (EUR67 million). After adjusting for the sale of assets, operating profit increased by 54% mainly as a result of an increase in margins following the weaker rand against the US dollar.

Sasol Polymers recorded an operating loss of R767 million, an improvement from the operating loss of R1 506 million in the prior year. The operating loss includes penalties of R534 million relating to the South African Competition Tribunal fine, as well as a final loss on disposal of our Arya Sasol Polymer Company (ASPC) business in Iran of R198 million. Excluding these once-off items of R732 million, the Polymers business was close to break-even. The main contributors to the improved results were progressive increases in dollar based sales prices, an increase in sales volumes of 5% and an increase in production volumes of 12%. The increased volumes are due to improved plant efficiencies, as well as plant stability benefits derived from the commissioning of EPU5 in October 2013. Total sales volumes have improved by 10,6% since 2012.

Our other chemical businesses recorded an operating profit of R3 638 million compared to an operating profit of R123 million in the prior year. The significant increase in the operating profit of Sasol Wax is due to a payment of R2,5 billion (EUR168,2 million) received from the European Commission, based on a favourable judgment by the European General Court. The Court has reduced a 2009 fine paid by Sasol to the European Commission from EUR318,2 million to EUR150 million. This decision was not appealed by the European Commission.

Sasol Infrachem's operating profit of R1 165 million was negatively affected by softer global ammonia prices, coupled with lower production volumes. The Sasol Nitro business incurred an operating loss of R332 million for the year. While sales volumes increased slightly, the explosives and fertiliser businesses faced challenging trading and market conditions, characterised by prolonged industrial action in the platinum mining sector and depressed international nitrogen fertiliser prices.

Chief Financial Officer's review continued

6. Our value drivers

Cash fixed costs

As a mainly commodity business, we aim to control and maintain our cash fixed costs within inflation on a year-on-year basis.

The indicative average SA PPI was 7,3% for the past financial year (2013 – 6,0%) and the average South African consumers' price index (SA CPI) was 6,0% (2013 – 5,5%).

Following decisive management actions introduced in the prior year to ensure cost discipline and focused cost reductions, our normalised cash fixed cost trend is 1,8% below SA PPI, despite a very challenging South African cost environment.

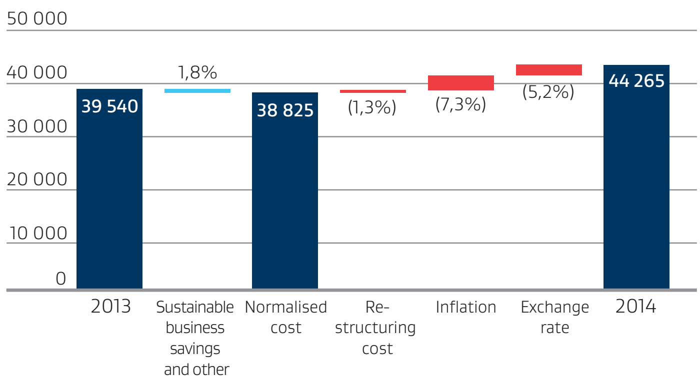
The factors affecting an increase in our cash fixed costs over the last year are as follows:

	2014 Rm	2013 Rm	%*
Cash fixed costs	44 265	39 540	11,9
Less exchange rates and restructuring cost	(2 554)		
Exchange rates	(2 058)		
Restructuring cost^	(496)		
Total cash fixed costs excluding once-off restructuring cost and currency effects	41 711	39 540	5,5

* Reported as a percentage of cash fixed costs of the prior year.
^ Consist of the increase in the cash cost portion of restructuring costs. The total restructuring cost for 2014 amounts to R1 279 million.

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

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



Going forward, our objective to keep our costs in line with inflation may be negatively impacted by:
- Expenditure to ensure continued plant stability and reliability;
- Labour and electricity costs which escalate beyond inflation;
- Costs incurred on growth initiatives and new projects; and
- Currency effects.

To mitigate these risks, our Business Performance Enhancement Programme has identified key drivers for cost optimisation. These are aimed at extracting efficiencies from the new operating model, improving operational productivity, establishing fit-for-purpose functions, and driving inbound supply chain cost reductions. We expect to deliver sustainable costs savings, compared to a 2013 base, of at least R4 billion per year from 2016 onwards, and that our cash fixed costs will follow PPI thereafter. In addition, our strategic group imperatives such as our Operations Excellence programme, business improvement plans and the increase in self-generated electricity, are all geared to reduce cost on a sustainable basis.

Containing electricity costs

The cost of electricity is a significant cost driver, in particular at our South African operations. Abnormal increases in the cost of electricity well above inflation have negatively impacted our cash fixed costs in the last few years.

In March 2012, the National Energy Regulator of South Africa (NERSA) announced that the South African state owned electricity provider, Eskom, electricity tariffs will increase by about 16% in 2012/13. NERSA further confirmed in February 2013, that for the next five years commencing 2013/14, electricity increases would be contained to 8% per annum. However it is likely that South African electricity tariffs may increase by more than the 8%. These increases will continue to have a material adverse effect on our cash fixed costs in the future.

In order to contain the cost of electricity, we have continued to further our own electricity generation initiatives. In South Africa, we have the capacity to generate around 70% of our own electricity requirements. This was facilitated through the construction of the Sasolburg and Secunda gas engine power plants.

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 in August 2011. In addition, we have also installed power generation facilities at our German operations and we are commissioning a 175 megawatt gas-fired power generation plant in Mozambique, in which we have a 49% share. We are continuing to explore for further gas-to-power opportunities.

Managing our employee costs

Another of our most significant costs relates to our employees. Our total employee costs, including share-based payment expenses, were R28,6 billion for the year compared to R22,5 billion in the previous year.

The increase in labour costs is primarily due to increased share-based payment expenses of R3,6 billion related to the 47% increase in our share price which closed at R632,36 at 30 June 2014. The share-based payments are cash-settled and accordingly, the related provision is remeasured to fair value at each reporting date. A significant increase in the share price would therefore result in a significant increase in the share-based payment expense.

Excluding the effect of the share-based payment expense, as well as the impact of the weaker rand/US dollar exchange rate and other once-off items, our employee costs increased by approximately 7%.

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 2015 for increases between 7,5% and 8,5%, as follows:

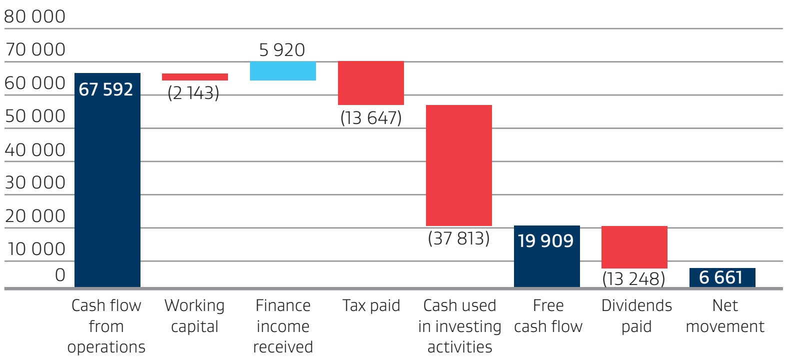
- **Mining sector:** An increase of 8,0%, effective 1 July 2014, with an additional service increment of 0,5%, effective 1 January 2015;
- **Chemicals sector:** An increase of 7,5%, effective 1 July 2014, and a further 0,5% effective 1 December 2014; and
- **Petroleum sector:** A two year agreement was reached and an increase of 8,5%, effective 1 July 2014, and an increase, effective 1 July 2015, of CPI plus 1,5%, including provisions for a guaranteed minimum of 7,0% and a capped maximum of 10,0%.

Our Business Performance Enhancement Programme will assist to manage our employee costs. The process of designing and filling our new senior leadership structure has been completed. This has resulted in almost 200 voluntary retrenchments and early retirements having been agreed by the end of 2014.

7. Our cash flow generation and utilisation

	2014 Rm	2013 Rm	% change	2012 Rm	% change
Cash generated by operating activities	**65 449**	51 906	26	40 861	27
Additions to non-current assets	**(38 779)**	(30 414)	27	(28 539)	6
Acquisition of interests in joint ventures	**–**	(730)		(24)	
Increase/(decrease) in debt	**905**	8 049		(1 227)	
Free cash flow	**19 909**	16 769	18	10 300	62

Free cash flow waterfall analysis (R million)

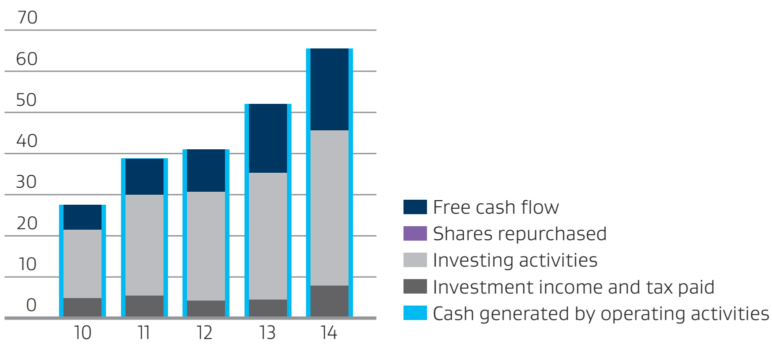


Chief Financial Officer's review continued

We generated free cash flow of R19,9 billion in the year (2013 – R16,8 billion). Free cash flow generation is one of the most important drivers of sustaining and increasing shareholder value. 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. We seek to maximise our free cash flow generation across our global and diversified group. 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. Our strategic objective to deliver value to our stakeholders underpins all these efforts.

We 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.

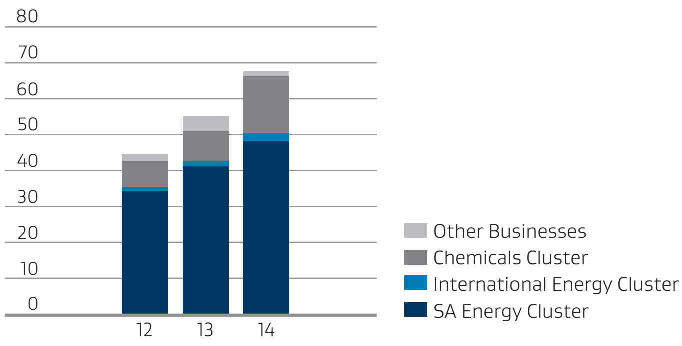
Free cash flow (R billion)



a. Cash generated by operating activities

We have generated R43,9 billion cash from operating activities in 2014 and over the last three years we have generated an average of R35,6 billion cash a year from operating activities.

Cash flow from operations (R billion)

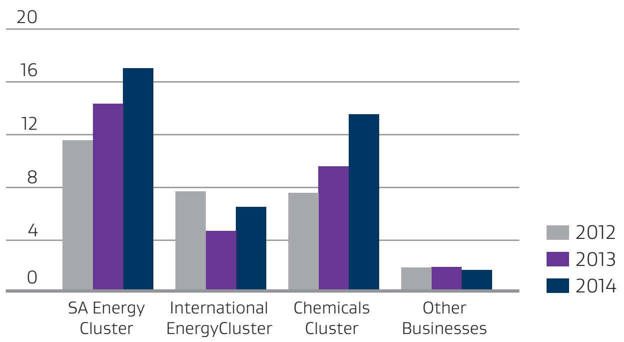


The current year has again seen all our businesses generate positive cash flow from operations with the most significant contributor being Sasol Synfuels. Sasol Synfuels contributed R38 billion to cash generated by operating activities, which was underpinned by the increased volumes. Our working capital has increased by R2,1 billion during the 2014 financial year compared with the previous year. Trade receivables increased due to inherently higher rand product prices, mainly due to the weaker rand/US dollar exchange rate, 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 2014 was 14,3% compared with 15,7% of the previous year. Our target working capital ratio of 16% remains in place for 2015. 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 group. Our focus remains on strengthening our working capital management and credit exposure, and cash fixed cost containment continues.

b. Capital investments

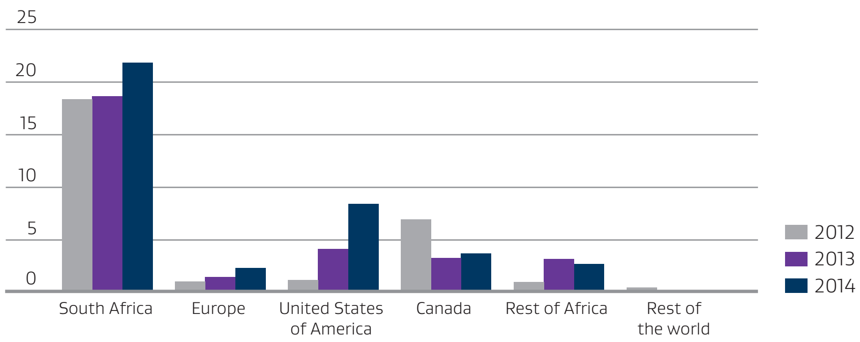
The central treasury funds all capital investments of the group, which are executed by wholly-owned subsidiaries. The central treasury in turn is funded by means of a group cash pooling system. The net funding requirement is raised from the local and international debt markets and takes into account the group's self-imposed targeted gearing range, which is between 20% and 40%. Over the last three years, the group has invested a total of R97,7 billion in capital investments, with R39,5 billion being invested in 2014. This amount relates primarily to the Ethane cracker and downstream derivatives project in the US, 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)



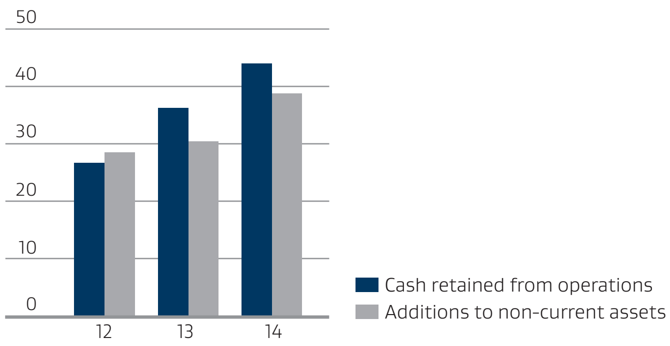
Our capital investments in South Africa was R22 billion in 2014, which is approximately 57% of the total capital investment for the year.

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

Chief Financial Officer's review continued

c. Cash utilisation

Cash utilisation (R billion)



In 2014, cash retained from operating activities exceeded the cash outflow of our capital investment programme. Strong cash generation from operating activities in the last three years has contributed to the reduction in the group's overall debt and gearing.

8. Executing and funding our growth projects

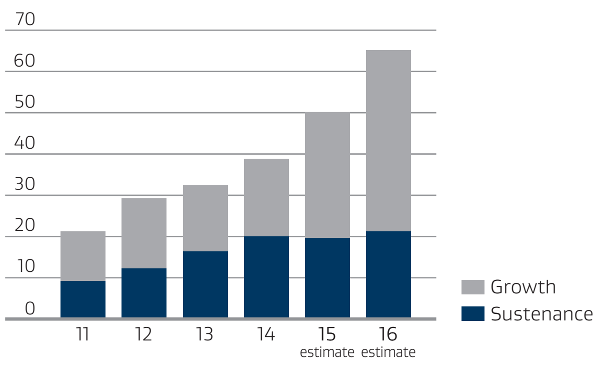
Delivering shareholder value will depend on the successful execution of our growth projects both locally and internationally. We have a proven track record in respect of the strategic allocation of capital, which has delivered returns on invested capital consistently above our weighted average cost of capital (WACC), as well as our internal hurdle rates. This demonstrates our ability to sustainably grow long-term shareholder value.

a. Allocating capital optimally

We have a solid process in place to ensure that we allocate capital optimally. All capital investment projects are rigorously screened by various governance structures, which support the Investment Committee, the Group Executive Committee and the Sasol Limited Board. Projects are evaluated against prioritisation criteria and ranked with a focus on risks and returns. The prioritisation criteria include strategic alignment, competitive advantage, business robustness, financial returns, project risk and execution capability, project maturity and markets. Capital excellence is a strategic group imperative with a focus to enhance project returns through project execution and robustness of key project assumptions.

The trend analysis for capital investments is illustrated below:

Additions to non-current assets (R billion)



b. Meeting our hurdle rates

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. Our WACC rate is currently 12,95% in South African rand terms and 8,00% in Europe, US and Canada in US dollar terms. This rate of return does not apply to sustenance capital expenditure on existing operations, such as environmental projects that are typically difficult to demonstrate economic viability.

c. Financing our capital projects

We actively consider all alternatives to fund our capital investments. Internal funding options, are generally preferred to more expensive debt and equity funding. However, these internal alternatives include an element of risk and associated costs, including, for example, the potential loss of synergies following the phasing of a capital project. Given the scale of the capital requirements for our growth initiatives and potential impact on the group's gearing and credit rating, we consider various funding alternatives, including specific project financing, export credit agency funding and bank loans, as well as corporate and project bonds. Equity funding is expensive until projects are commissioned and therefore is not the preferred option to fund our capital projects. 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.

Our growth aspirations have been prioritised as we steadily advance our growth strategy, particularly in South Africa and North America. Capital investments in these regions will constitute a significant portion of our total capital expenditure over the following eight years. Our gearing remains low currently and we have sufficient headroom in our balance sheet to fund our growth opportunities, grow dividends and provide a buffer against volatilities. Given that a large portion of our funding for our capital intensive growth plan will come from the offshore debt markets, we are acutely aware of that we need to manage our gearing within our long-term targeted range. The 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.

Following the successful issuance of our US dollar bond in 2013, flexibility has been introduced into our funding plan. This provides us with the opportunity to approach international bond markets to fund our growth projects in North America. We continue to maintain this flexible approach to our capital expenditure programme, taking into account all available funding options and ensuring that our pipeline of growth projects is not affected, and that our capital investments continue unabated providing a foundation for our long-term shareholder value proposition.

9. Debt

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.

Our debt is made up as follows:

	2014 Rm	2013 Rm	2012 Rm
Long-term debt	**25 921**	22 648	12 792
Short-term debt	**135**	257	14
Bank overdraft	**379**	748	166
Total debt	**26 435**	23 653	12 972
Less cash (excluding cash restricted for use)	**37 155**	25 247	12 538
Net (cash)/debt	**(10 720)**	(1 594)	434
Increase/(decrease) in funding	**905**	8 049	(1 227)

At 30 June 2014, the ratio of long-term debt to short-term debt of 98:2 compared to a ratio of 95:5 at 30 June 2013. During the year, the movement in our debt resulted primarily from the proceeds related to new debt raised totalling R5 609 million for the year, offset by payments of debt totalling R4 704 million for the year. The new debt relates mainly to facilities utilised for our capital investment programme in Sasol Mining.

Chief Financial Officer's review continued

a. Debt profile

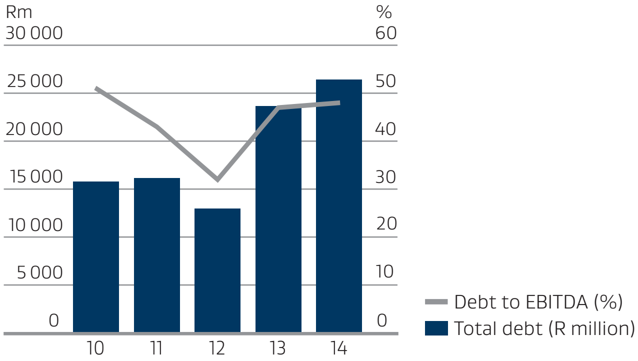
Our long-term capital expansion projects are financed by a combination of floating and fixed rate long-term debt, as well as internally generated funds. This debt is normally financed in the same currency as the underlying project and the repayment terms are designed to match the cash flows expected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

Our debt profile at 30 June analysed by currency was:

	2014		2013		2012	
	Rm	**%**	Rm	%	Rm	%
Rand	**14 575**	**55**	12 067	51	12 433	96
US dollar	**10 890**	**41**	10 326	44	149	1
Euro	**780**	**3**	593	2	343	3
Other	**190**	**1**	667	3	47	–
Total debt	**26 435**	**100**	23 653	100	12 972	100

As we begin the execution of our growth initiatives in the United States, we expect that our debt exposure will be biased towards the US dollar, matching the currency in which the capital expenditure will be incurred of the underlying projects.

Debt to EBITDA



b. Credit ratings

Our credit rating is influenced by some of our more significant risks which include the crude oil price volatility, movements in the sovereign credit rating of the Republic of South Africa, 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 growth projects if they materialise simultaneously, as well as the risks arising from potential increases in capital costs associated with these projects.

Sasol's credit rating was previously constrained by the long-term rating on the Republic of South Africa. However, on 15 May 2014, Standard and Poors (S&P) revised its outlook on Sasol from negative to stable on the basis that Sasol could maintain sufficient liquidity to cover its future commitments even if the sovereign suffered an extreme stress event. Accordingly, our foreign currency credit rating was revised by S&P to BBB/stable/A-2.

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 29 March 2013. No subsequent revisions have been made.

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 use fixed rate debt such as the US$1 billion bond issue, which was issued in 2013, 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. We also apply cross currency swaps in certain cases where the debt is denominated in one currency while the application of that debt is in a different currency.

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

	2014		2013	
	Rm	%	Rm	%
Fixed interest rates	15 025	57	14 209	60
Variable interest rates	10 805	41	8 654	37
Non-interest bearing	605	2	790	3
Total debt	26 435	100	23 653	100

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.

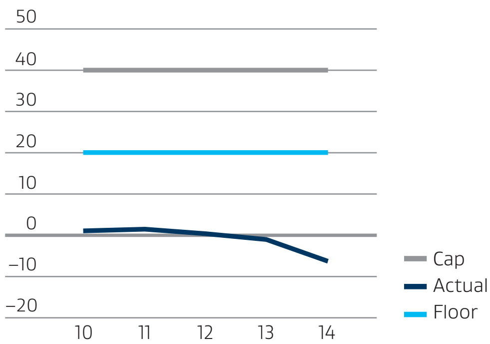
10. Financial key performance indicators (KPIs)

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 (%)



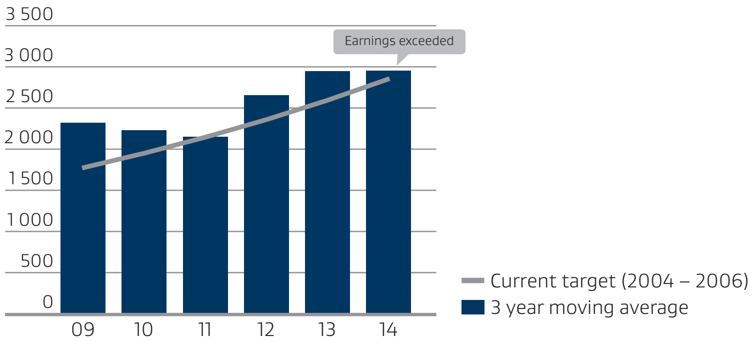
Our balance sheet reflects an under-geared position of 6,3%. Our gearing remains low as a result of healthy cash flow generation, which reduced our debt after funding capital expenditure. The strong cash flows generated by our South African energy businesses resulted in our gearing levels dropping to below our targeted 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.

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. 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 a 14% 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.

Chief Financial Officer's review continued

US$ earnings growth (US$ millions)



c. Targeted return on capital investment

Return on capital investment provides a sense of how efficiently we are allocating the capital, both equity and debt, under our control to profitable investments and generating a return thereon. 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.

Our target for 2014 remains at 16,8% in South African rand terms and 10,4% in Europe and the US in US dollar terms. We have consistently exceeded this target through the cycle over the last four years with an average return on invested capital of 19,1%. In 2014, we achieved a return on invested capital of 18%.

11. Shareholding and equity

a. Shareholding

We have not issued shares in the current year in respect of the Sasol Inzalo share transaction, which was concluded during 2009. On 7 February 2011, the 2,8 million Sasol BEE ordinary shares were listed on the JSE main board.

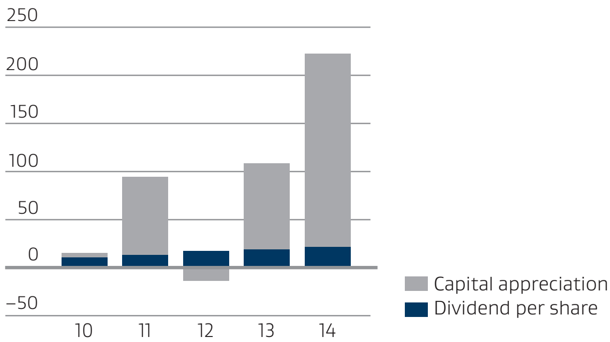
Our listing on the New York Stock Exchange (NYSE) made it possible for Sasol to access the US capital market, while growing its profile in this investment community as a compelling investment proposition. Sasol's shares trade in the form of American Depositary Receipts (ADRs) and listed at US$10,73 per share. Our ADR share price has increased almost five fold since our listing, closing at US$59,12 per share on 30 June 2014, an increase of 37% compared to 2013. The success of our listing bodes well for our future US investment opportunities.

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 been volatile over the past five years. A shareholder who purchased a Sasol share on 30 June 2010 at R274,60 would have received R81,50 in dividends. Based on a closing share price of R632,36 on 30 June 2014, the share price has appreciated by R357,76 in capital over the same period. The share performance over this period is directly related to improved operational efficiency, cost containment initiatives and the tentative recovery of the global economy following the economic crisis which emerged in 2008 and macroeconomic uncertainties, which continue. The volatility of the Brent crude oil price, coupled with the rand/US dollar exchange rate, has further contributed to the share performance, especially during the current financial year.

Shareholder return (Rand)



1 Source: Bloomberg 30 June 2008 to 30 June 2014, assuming dividends are reinvested in securities.

Total shareholder return (TSR), is a measure of the performance of the company's shares over time, and combines both share price appreciation and dividends paid to indicate the total return to a shareholder over the period. One of the benefits of TSR is that it allows the performance of companies to be compared, irrespective of whether high or low dividends are paid. It is determined by calculating the growth in capital from purchasing a share to the end date, assuming that the dividends are re-invested each time they are paid.

Sasol's TSR for the 5 year period ending 30 June 2014 was 184%, expressed in Rand terms, which is ahead of most of our peers, and ahead of the indices we actively track, being the MSCI World Energy and JSE Resi 10 indices.

c. 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. By effectively managing our long-term gearing over the period of executing our capital projects, we will be able to consistently return value to shareholders through our dividend policy.

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 13% to R21,50 per share, which represents a dividend cover of 2,3 times (based on earnings per share), compared with R19,00 in 2013 and R17,50 in 2012. The growth in dividends demonstrates our commitment to a progressive dividend policy and to delivering value to shareholders.

12. Our financial priorities for the year ahead

The group-wide priorities for 2014 have remained constant for the year ahead. Our President and Chief Executive Officer, David Constable, has set out the top priorities for the group for 2015. These have taken into account the critical issues which need to be addressed in order to achieve our growth aspirations and build on the solid foundation that we have already created. 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.

To be successful long into the future, we need to deliver on our strategic agenda and provide value to our shareholders and employees.

In 2015, we will continue to focus on four key areas, which overlap the 2014 deliverables:

- Improving safety performance;
- Enhancing business performance;
- Accelerating sustainable growth; and
- Driving a high performance culture.

Chief Financial Officer's review continued

13. Outlook for 2015

South Africa's economic outlook remains challenging as the country recovers from a five-month long strike in the platinum sector, with business and consumer confidence levels remaining low. While our oil price and exchange rate views are largely unchanged, there is an increased risk that global geo-political tensions, and the start of the interest rate normalisation cycle in key global economies could see higher financial market volatility. This could impact both the rand exchange rate and oil price assumptions, both of which remain some of the biggest external factors impacting our profitability. We continue to focus on factors within our control: volume growth, margin improvement and cost reduction. The current volatility and uncertainty of global markets and geo-political activities make it difficult to be more precise in this outlook statement.

Our Business Performance Enhancement Programme and cost optimisation initiatives are expected to contain normalised cash fixed costs to within South African PPI inflation, however our cost increases will remain under pressure due to higher than expected electricity price increases. We will continue to progress our growth projects, underpinned by our focus on improving operational efficiencies and working capital. Our balance sheet remains strong, and we will continue to manage our value drivers, to grow shareholder value sustainably.

In closing, I wish to thank our financial team for their determination and integrity in dealing with the economic and financial pressures of the last year. Together we have been able to deliver quality financial information to our stakeholders, which reflects our values and our commitment to long-term success.

14. Thanks and acknowledgement

I am very proud of the achievements of our financial team and thank them all for the excellent work they have done this year. While this year had its highlights, it was a year of change as we implemented our business performance enhancement programme and also dealt with the change in external auditors.

Through the determination and integrity displayed by our financial personnel as well as an understanding of the 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.

My thanks also go to the Group Executive Committee and our board of directors for their valuable contribution to our deliberations and decision-making in a year during which we had to make important financial strategic decisions.

Paul Victor
Acting Chief Financial Officer

5 September 2014

Corporate governance

Governance framework

Sasol applies sound corporate governance structures and processes, which the board considers pivotal to delivering sustainable growth in the interests of all stakeholders. Sasol's values-driven culture and code of ethics underpin its governance structures and processes, committing the company to high standards of business integrity and ethics in all its activities.

Governance structures and processes are reviewed regularly, and adapted to accommodate internal developments and reflect national and international best practice. The board considers corporate governance to be a priority and endeavours to go beyond minimum compliance where appropriate. The board will therefore consider all new non-statutory corporate governance concepts carefully and will implement them if they are deemed to be in Sasol and its stakeholders' best interests. 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 they support effective and ethical leadership, good corporate citizenship and sustainability.

Sasol's ordinary shares and Sasol BEE ordinary shares are listed on the Johannesburg Stock Exchange operated by the JSE Limited (JSE). Sasol is also listed on the New York Stock Exchange (NYSE) for the purpose of registering the company's American Depositary Shares with the United States Securities and Exchange Commission (SEC). Accordingly, the company is subject to and has implemented controls to provide reasonable assurance of its compliance with all relevant requirements in respect of its listings. These include the South African Companies Act, no 71 of 2008 (the SA Companies Act), the JSE Listings Requirements, SEC rules, the NYSE Listed Company Manual 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 (King III Code). In some areas the board is of the view that, while recommended practice is being applied, further enhancements will be made over time in line with its objective to continuously improve corporate governance practices. A statement confirming Sasol's application of each of the 75 principles of the King III code is available on www.sasol.com.

Sasol has compared its corporate governance practices to the requirements imposed on domestic US companies listed on the NYSE, and confirms that it complies with these governance standards, in most significant respects. There are no significant differences to report.

Board powers and procedures

The company's memorandum of incorporation (MOI) and the board charter assign responsibility for strategic direction and control of the company to the board. The board exercises this control by way of the company's governance framework, which includes detailed reporting to the board and its committees, and a system of assurances on internal controls.

The board regularly reviews those matters reserved for board decision-making and approves the delegation of authority to management in specified matters. The board charter sets out the practices and processes adopted to enable the board to discharge its responsibilities. The board charter is available on the company's website, www.sasol.com, together with the terms of reference of all board and statutory committees and the company's MOI.

The board charter specifies:

- the demarcation of the roles, functions, responsibilities and powers of the board, as well as those of the shareholders, Chairman, Lead Independent Director, Deputy Chairman, individual directors, Company Secretary, other officials and the executives of the company;
- the terms of reference of the 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 the MOI confers on it, the board has determined its main function and responsibility to be to add 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 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

Corporate governance continued

President and Chief Executive Officer, approval of the appointment or removal of members of the Group Executive Committee, 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:
  - 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 through a structured approach to governance, reporting, risk management and information management (including information technology);
- ensuring that the company has an effective and Independent Audit Committee, Remuneration Committee, Risk and Safety, Health and Environment (SHE) Committee and Nomination, Governance, Social and Ethics Committee;
- ensuring that there is an effective risk-based internal audit process and function;
- governing the disclosure control processes of the company, including the integrity of the company's annual integrated report and reporting on the effectiveness of the company's system of internal controls;
- considering business rescue proceedings or other turnaround mechanisms 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 fulfilled these duties and obligations during the past financial year.

Composition of the board and appointment of directors

Directors' biographies appear in the "Our Board of Directors" section of the Annual Integrated Report.

In terms of the company's MOI, the board shall consist of a maximum of 16 directors. Up to five may be Executive Directors. The board has determined the size of the board to be 14 for the time being. As at 8 September 2014, there were 14 directors of whom three were Executive Directors, namely Mr DE Constable (President and Chief Executive Officer), Mr P Victor (Acting Chief Financial Officer) and Ms VN Fakude.

All Non-Executive Directors are independent, namely Dr MSV Gantsho (Chairman), Prof JE Schrempp (Lead Independent Director), Mr C Beggs, Mr HG Dijkgraaf, Ms NNA Matyumza[1], Ms IN Mkhize, Mr ZM Mkhize, Mr MJN Njeke, Mr B Nqwababa, Mr PJ Robertson and Mr S Westwell.

Non-Executive Directors are chosen for their corporate leadership skills, experience and expertise required to advance the strategic direction of the company. The Nomination, Governance, Social and Ethics Committee and the board take into account diversity in gender and race, as well as in business, geographic and academic backgrounds and experience when appointments to the board are considered. The board 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. In the board's assessment, all directors have the relevant knowledge, skills and experience to make a meaningful contribution to the business of the company.

As at 8 September 2014, 21% of the directors were women, and 78% of the South African directors were historically disadvantaged South Africans, including women. The board has identified the need to improve gender diversity on the board and will give preference to female candidates when required to fill a vacancy.

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

Newly appointed directors are inducted under the guidance of the Company Secretary. They are apprised of the company's business, board matters, their duties and other governance responsibilities as directors. The induction is tailored to each director's specific needs. Directors are briefed on legal developments and changes in the risk and general business environment on an on-going basis.

The Nomination, Governance, Social and Ethics Committee facilitates the annual evaluation of 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 of the board was conducted at the end of the 2012 financial year and will be considered again in the 2015 financial year. A self-assessment, by way of individual questionnaires and interviews by the Chairman, was performed in the 2014 financial year. No major concerns were raised in respect of the functioning of the board or any of its committees.

1 Appointed on 8 September 2014.

The Nomination, Governance, Social and Ethics Committee and the board specifically consider the directors' other commitments such as other directorships, 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 which was done during the year under review.

In terms of the company's MOI, one-third of directors must retire at every annual general meeting and are eligible for re-election.

The independence of directors is evaluated in terms of the board's policy, which is based on the applicable corporate governance requirements. The Nomination, Governance, Social and Ethics Committee and the board make this determination when a director is first appointed, annually or at any other time when a director's circumstances change and warrant re-evaluation. The board has determined that all the Non-Executive Directors are independent in accordance with the King III Code and the rules of the NYSE.

Dr MSV Gantsho, Ms IN Mkhize and Prof JE Schrempp have been in office for more than 9 years, but their independence has been re-confirmed after taking into account among other considerations, the extent to which the diversity of their views, skills and experience continue to enhance the board's effectiveness. The board is of the view that all Non-Executive Directors exercise their judgement independently at all times. A director is required to retire at the end of the calendar year in which he or she turns 70, provided that the board may on, an annual basis, extend a director's term of office, but not beyond the end of the year he turns 73. Prof JE Schrempp will reach retirement age in the 2014 calendar year. The board has agreed to extend his term until the end of the 2015 calendar year to ensure continuity and transfer of skills on the board.

The company's directors, executives and senior employees are prohibited from dealing in Sasol securities during certain prescribed 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. Additional or amended declarations of interest are circulated at every board meeting and annually at the 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	06/09/13	21/11/13	22/11/13	**07/03/14**	**05/06/14**	**06/06/14**
C Beggs	✓	✓	✓	✓	✓	✓
DE Constable	✓	✓	✓	✓	✓	✓
HG Dijkgraaf	✓	✓	✓	✓	✓	✓
VN Fakude	✓	✓	✓	✓	✓	✓
MSV Gantsho	✓	✓	✓	✓	✓	✓
IN Mkhize	✓	✓	✓	✓	✓	✓
ZM Mkhize	✓	✓	✓	✓	✓	✓
MJN Njeke	✓	✓	✓	✓	✓	✓
B Nqwababa[1]	n/a	n/a	n/a	✓	✓	✓
PJ Robertson	✓	✓	✓	✓	✓	✓
JE Schrempp	✓	✓	✓	✓	–	–
P Victor[2]	n/a	✓	✓	✓	✓	✓
S Westwell	✓	✓	✓	✓	✓	✓

✓ Indicates attendance.
– Indicates absence with apology.
n/a Indicates not a member at the time.
1 Appointed on 5 December 2013.
2 Appointed with effect from 10 September 2013.

Corporate governance continued

Chairman and Lead Independent Director

Dr MSV Gantsho is the Chairman of the Board, having succeeded Mrs TH Nyasulu on 22 November 2013. The offices of Chairman and President and Chief Executive Officer are separate and the Chairman is an independent Non-Executive Director. 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 succession planning in relation to the position of the Chairman. The Lead Independent Director guides this process.

President and Chief Executive Officer

Mr DE Constable is the President and Chief Executive Officer[2] of the group. In terms of the company's MOI, the directors appoint the President and 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 President and Chief Executive Officer and other members of the Group Executive Committee. The role and function of the President and Chief Executive Officer are specified in the board charter.

The President and Chief Executive Officer is the highest executive decision-making functionary of Sasol and the Sasol group. The Sasol Limited Board delegates authority to the President and Chief Executive Officer, and holds him accountable for the successful implementation of the group strategy and the overall management and performance of the Sasol group, with the primary aim of enhancing long-term shareholder value.

Chief Financial Officer

Mr P Victor was appointed as Executive Director and Acting Chief Financial Officer with effect from 10 September 2013. The Audit Committee considered his expertise and experience at its meeting on 4 September 2014 and deemed it appropriate. The committee is also satisfied that the expertise, resources, succession plans and experience of the finance function reporting to the Chief Financial Officer are adequate.

Company Secretary

Mr VD Kahla, the Executive Vice President: Advisory and Assurance, is the Company Secretary. The board appointed him in accordance with the SA Companies Act. Having considered his competence, qualifications and experience at its meeting held on 5 September 2014, the board is satisfied that he is competent and has the appropriate qualifications and experience to serve as the Company Secretary. Mr Kahla holds BA and LLB degrees and has a 16-year track record as a legal advisor and governance practitioner in both the private and public sectors.

The Company Secretary communicates directly with the Chairman, while maintaining an arm's-length relationship with the board and the directors as far as reasonably possible. The Company Secretary is not a director but is a member of the Group Executive Committee and, in his capacity as an Executive Vice President, reports to the President and Chief Executive Officer. The role and responsibilities of the Company Secretary are described in the board charter.

The board considered the interactions between the company secretary and the board during the past year, and is satisfied that there is an arms-length relationship between the board and the Company Secretary.

Sasol subsidiaries and divisions

During the period under review, Sasol Limited had more than 200 direct and indirect subsidiaries globally, which conducted their business through one or more divisions. Each subsidiary, and some divisions, had its own board of directors.

Subsidiary and divisional boards operated in accordance with a general board charter. As a direct or indirect shareholder of these subsidiaries, the company exercised its rights in approving material decisions and ensuring that the group's minimum requirements were complied with 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.

The necessary systems, policies, processes and capacity are in place to ensure all entities in the Sasol group adhere to essential group requirements.

The company is involved in the decision-making of its subsidiaries on material matters to ensure its best interests are advanced. This defined list of material matters includes the appointment of directors, strategy charters, budgets, large capital expenditures and significant mergers, acquisitions and disposals.

External disclosures and reporting are mostly managed at group level and contained in consolidated group reporting.

With effect from 1 July 2014, the Sasol group implemented a new operating model supported by a revised governance framework. The boards of wholly-owned subsidiaries have been restructured to ensure focused accountability with fewer directors.

To ensure effective decision-making, except for decisions which cannot by law be delegated and those matters reserved for decision-making by the Sasol Limited Board,

2 As from 1 July 2014, the Chief Executive Officer goes under the title of President and Chief Executive Officer.

these boards have delegated all authority to the Group Executive Committee, its sub-committees and individuals within the group and businesses, in line with the governance framework. All divisional boards were dissolved with effect from 1 July 2014.

During the year under review, Sasol Group Services (Pty) Ltd (SGS) fulfilled the role of Company Secretary of all South African subsidiaries. Sasol Chemical Industries (Pty) Ltd replaced SGS as Company Secretary of all South African subsidiaries with effect from 1 July 2014. The company secretarial department, which is staffed by suitably qualified and experienced individuals, discharges the duty of company secretary according to the requirements of the SA Companies Act and the King III Code. Outside of South Africa, local legal advisors ensure that good governance practices are maintained in the various jurisdictions

Board and statutory committees

Several committees have been established to assist the board in discharging its responsibilities. Shareholders elect the members of the Audit Committee, which is a statutory committee and the board appoints the members of all its other committees. The committees play an important role in enhancing standards of governance and effectiveness within the group. The terms of reference of the committees are reviewed annually and form part of the board charter. All committees, except the Risk and Safety, Health and Environment (SHE) Committee, comprise only Non-Executive Directors. The President and Chief Executive Officer is not a member of the Audit, Remuneration and Nomination, Governance, Social and Ethics Committees, but attends all committee meetings by invitation. He is requested to leave the meeting, where appropriate, before any decisions are made that relate to him personally. All committees may obtain external or other independent professional advice they consider necessary to discharge their duties.

The Remuneration Committee

Members: Mr HG Dijkgraaf (Chairman), Ms IN Mkhize, Mr PJ Robertson, Dr MSV Gantsho (with effect from 22 November 2013, following his appointment as Chairman of the board) and Prof JE Schrempp. All members are independent Non-Executive Directors.

The President and Chief Executive Officer and executives responsible for remuneration attend the committee's meetings by 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 on pages 57 to 82 of the annual financial statements.

The committee is required to meet at least twice a year and met four times during the year under review. Attendance was as follows:

Member	05/09/13	20/11/13	**06/03/14**	**05/06/14**
HG Dijkgraaf	✓	✓	✓	✓
MSV Gantsho	n/a	n/a	✓	✓
IN Mkhize	✓	✓	✓	✓
PJ Robertson	✓	✓	✓	✓
JE Schrempp	✓	✓	✓	–

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

The Audit Committee

Members: Messrs C Beggs (Chairman), Dr MSV Gantsho (until 22 November 2013), Ms IN Mkhize, Mr MJN Njeke, Mr B Nqwababa (from 5 December 2013) and Mr S Westwell.

The Audit Committee is an important element of the board's system of monitoring and control. In compliance with the applicable US and South African corporate governance requirements, all members are independent Non-Executive Directors.

The Audit Committee is a statutory committee of Sasol Limited in respect of its 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 the board and US legislation assigns to it. Shareholders elect the members of the committee 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. The committee makes recommendations for board approval on all responsibilities the board delegates to it.

All Audit Committee members are financially literate and most have extensive Audit Committee experience. 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 chairmen of the two committees are members of the other committee, respectively.

None of the members serve on the Audit Committees of more than three listed 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 President and Chief Executive Officer, Chief Financial Officer, Internal Auditor, Chief Risk Officer and external auditors attend Audit Committee meetings by invitation.

Corporate governance continued

The Audit Committee obtains assurance from management, the governance committees or boards of the South African subsidiaries in respect of the specific functions they performed 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 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 performance of the external auditors of the Sasol group;
- 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 annual integrated report or the annual financial statements.

The board has delegated extensive powers to the Audit Committee to perform these functions in accordance with the SA Companies Act and US corporate governance requirements. In line with these requirements the Audit Committee has, among other things, implemented a procedure for the pre-approval by the Audit Committee of all audit and permissible non-audit services that the external auditor provides. The Audit Committee meets the group's external and internal auditors and executive management regularly to consider risk assessment and management, to 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 Audit Committee also reviews and approves the internal audit charter, internal audit plan and internal audit conclusions. The Audit Committee meets regularly in separate sessions with management, the external auditor and the internal auditor.

The Audit Committee reviews all publications and announcements relating to the financial results 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 coordinated approach to all assurance activities. A combined assurance model was developed in 2011 and is being implemented in phases. Further progress was made in the year under review.

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 service 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.

During the year under review, subsidiary and divisional governance committees provided oversight of the financial reporting, internal control and other governance matters relating to subsidiaries and divisions. These committees assisted 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 were reported to the relevant subsidiary or divisional boards. Material matters of concern were also reported to the Audit Committee. In the 2015 financial year, the decision-making bodies of the new governance framework replaced these subsidiary and divisional governance committees.

The Audit Committee is required to meet at least three times a year and met five times during the year. One special meeting was held in February 2014. Attendance was as follows:

Member	05/09/13	09/10/13	**11/02/14***	**06/03/14**	**30/05/14**
C Beggs	✓	✓	✓	✓	✓
MSV Gantsho	✓	✓	n/a	n/a	n/a
IN Mkhize	✓	✓	✓	✓	✓
MJN Njeke	✓	✓	✓	✓	✓
B Nqwababa	n/a	n/a	✓	✓	✓
S Westwell	✓	✓	✓	✓	✓

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

See also the report of the Audit Committee on pages 48 to 50.

The Risk and Safety, Health and Environment Committee (Risk and SHE Committee)

Members: Ms IN Mkhize (Chairman), Mr C Beggs, Mr DE Constable, Mr HG Dijkgraaf, Ms VN Fakude, Mrs TH Nyasulu (until 22 November 2013), Mr P Victor (from 22 November 2013), Dr MSV Gantsho (from 22 November 2013) and Mr S Westwell. Mr PJ Robertson was appointed a member on 5 September 2014.

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

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 that may have an impact on the annual integrated report. It also reviews the disclosure of sustainability matters in the annual integrated report and reports to the Audit Committee to enable the latter to provide assurance to the board that the disclosure is reliable and does not conflict with the financial information.

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

Member	04/09/13	31/10/13	19/11/13	**05/03/14**	**30/05/14**
C Beggs	✓	✓	✓	✓	✓
DE Constable	✓	✓	✓	✓	✓
HG Dijkgraaf	✓	–	✓	✓	✓
VN Fakude	✓	✓	✓	✓	✓
MSV Gantsho	n/a	n/a	n/a	✓	✓
IN Mkhize	✓	✓	✓	✓	✓
P Victor	n/a	✓	✓	✓	–
S Westwell	✓	✓	✓	✓	✓

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

The Nomination, Governance, Social and Ethics Committee

Members: Dr MSV Gantsho (Chairman from 22 November 2013), Prof JE Schrempp (Lead Independent Director), Mr HG Dijkgraaf, and Mr ZM Mkhize.

The Nomination, Governance, Social and Ethics Committee performs the responsibilities of a nomination and governance committee as well as a Social and Ethics Committee as required in terms of the SA Companies Act. All the members of the committee are independent Non-Executive Directors and the Chairman of the Board is the Chairman of the 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 President and Chief Executive Officer; and
- legal compliance and the company's ethics policy and programmes.

In addition, the committee oversees the governance of the group's stakeholder engagement activities, with specific reference to applicable legislation and sound corporate governance requirements.

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

Member	06/09/13	20/11/13	**07/03/14**	**06/06/14**
HG Dijkgraaf	✓	✓	✓	✓
MSV Gantsho	✓	✓	✓	✓
ZM Mkhize	✓	✓	✓	✓
JE Schrempp	✓	✓	✓	–

✓ Indicates attendance.
– Indicates absence with apology.

The committee's work plan ensures all its statutory responsibilities are covered during the course of a 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 Organisation for Economic Co-operation and Development recommendations regarding corruption;
- received a report on Sasol's progress in terms of the South African Employment equity Act, no 55 of 1998;
- noted Sasol's standing in terms of the South African Broad-Based Black Economic Empowerment (B-BBEE) Act, no 53 of 2003, and considered the impact of the revised codes on Sasol's B-BBEE rating;

Corporate governance continued

- considered stakeholder relationship reports , including assessments of 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; and
  - the company's employment relationships in terms of decent work and work conditions, employee engagement, gender diversity and women empowerment, organised labour and its contribution to the development and training of its employees;
- received a report on the company's advertising and public relations, and compliance with consumer protection laws; and
- received a report on good corporate citizenship incorporating activities related to the Sasol Foundation, Corporate Social Responsibility as well as Sasol's flagship community investment programme, Ikusasa.

The board has delegated responsibility for all environmental, health and public safety matters, including the impact of the company's activities and of its products or services on stakeholders, to the Risk and SHE Committee. Accordingly, the Nomination, Governance, Social and Ethics Committee noted the reports relating to those matters that were submitted to the Risk and SHE Committee.

Progress in the above areas is covered in greater detail in the sustainable development report available on www.sasol.com.

Group Executive Committee

Members: Mr DE Constable (Chairman), Mr SR Cornell (from 1 February 2014), Ms VN Fakude, Mr FR Grobler (from 1 December 2013), Mr VD Kahla , Mr BE Klingenberg, Mr E Oberholster, Mr CF Rademan, Mr M Radebe, Mr SJ Schoeman (from 1 May 2014), and Mr P Victor.

In terms of the company's governance framework, the Group Executive Committee supports the President and Chief Executive Officer in implementing the strategy and in managing the Sasol group. The President and Chief Executive Officer is entitled to sub-delegate any of the powers delegated to him to the Group Executive Committee, individual members of the Group Executive Committee or other committees, forums or individuals within the Sasol group. The President and Chief Executive Officer may sub-delegate all matters not specifically reserved for decision-making by the board or its shareholders. The Board appoints Group Executive Committee members on the recommendation of the President and Chief Executive Officer and the Nomination, Governance, Social and Ethics Committee.

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.

The group began implementing a combined assurance approach in 2011 to assist in addressing the key risks facing the group. Management identifies and controls these risks by means of 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). More information is included in Sasol's annual report on Form 20-F filed annually with the SEC and available on www.sasol.com.

The board reviewed the effectiveness of controls for the year ended 30 June 2014, principally through a process of management self-assessment, including formal confirmation from executive management. The board also considered reports from internal audit, the external auditor and the compliance and risk management functions.

Internal audit

The group has an internal audit function that covers 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 controls continuously, using a risk-based approach, to determine whether they are adequately designed, operating efficiently and effectively and to recommend improvements;
- 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; and
- Investigating economic crime.

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 economic crime prevention;
- the effective and efficient use of the company's resources; and
- the completeness and accuracy of matters reported in the annual integrated 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, Group Executive Committee and management. The annual audit plan is updated as appropriate to ensure it is responsive to changes in the business. A comprehensive report on internal audit findings is presented to the Group Executive Committee and the Audit Committee quarterly. Follow-up audits are conducted in areas where major internal control weaknesses are found. The Audit Committee approved internal audit's formal quality assurance and improvement plan and its risk-based audit plan for 2014.

Corporate governance best practice requires that the internal audit function reports directly to the Audit Committee in terms of 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 function gives the head of internal audit direct access to the President and Chief Executive Officer, Chief Financial Officer and the Chairman of the Audit Committee. The head of internal audit reports administratively to the Executive Vice President responsible for advisory and assurance services.

The head of internal audit attends executive management meetings as and when required. Internal auditors may ask to attend an executive management meeting if required in 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 four years. An international external audit firm conducted a quality assessment review of Sasol's internal audit function during 2014 and concluded that the internal audit function conformed to the standards of the Institute of Internal Auditors. The maturity of the internal audit function was assessed as a significantly leading edge function. The next external quality assessment is planned to be executed in 2018.

The company's systems of internal control and risk management, including the design, implementation and effectiveness of internal financial control, were reviewed in 2014, by way of a formal management self-assessment. Based on the findings of the review, and considering information and explanations provided by management and discussions with the external auditor on the results of the audit, the head of internal audit 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 risk management processes within the Sasol group in accordance with corporate governance requirements. The Risk and Safety, Health and Environment (SHE) Committee oversees Sasol's risk management activities. The Risk and SHE Committee and the Audit Committee work closely to ensure that risk management complies with the relevant standards and is working effectively. Oversight of risk management at business and function level takes place through the accountable executive, executive committees and in certain cases the subsidiary board. Sasol has a Chief Risk Officer who ensures that a comprehensive enterprise risk management process is in place.

The principal objectives of the group's enterprise-wide risk management process are:
- to ensure that the 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 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.

Corporate governance continued

The following key principles guide Sasol's enterprise-wide risk management process:

- an understanding that risks are defined as "uncertain future events that could influence the achievement of business objectives (including any deviation from expected outcomes)";
- a clear assignment of responsibilities and accountabilities;
- a common enterprise-wide risk management framework;
- a set of enabling risk management capabilities through standardisation of risk processes, systems, risk training and measurement;
- the integration of risk management activities within the company and across its value chains.

Sasol's integrated risk management approach includes the determination and development of risk profiles at operational and strategic business units, regional operating hubs and group functions. At a process level, operational, project, financial and legal compliance risks are managed to mitigate the impact of Sasol's operations on people, processes and the environment.

Top risks that impact the company's ability to achieve its strategic objectives on a sustainable basis, or may result in the company exceeding its risk appetite, are managed at a group level.

The group risk management strategy, policy, tone at the top, competencies and a risk management maturity assessment, which is used to track progress in risk compliance and performance, all support and enable Sasol's risk management process.

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. Sasol's policy is to procure property damage, business interruption and liability insurance above acceptable deductible levels at acceptable commercial premiums and terms.

Most significant risks

The most significant risks currently faced by the group are:

- Risk of viable superior or alternative technologies from competitors;
- Risk of failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which Sasol operates;
- Risk of not delivering on our gas-to-liquids strategic growth objectives;
- Risk of not consistently achieving competitive capital project performance;
- Risk of uncertainty in public policy and regulatory developments and non-compliance with, or adverse impact of, laws, regulations and standards;
- Risk of a major safety, health or environmental undesirable incident or liability;
- Risk of non-availability of sufficient management and technical skills;
- Risk of major unplanned production interruptions impacting Sasol's integrated value chain;
- Risk of climate change and related policies impacting Sasol's operations, growth strategy and earnings; and
- Risk of changing global competitiveness dynamics.

Members of the Group Executive Committee, individually, are responsible for monitoring the management of each of these risks. For a more comprehensive discussion of our material risks, please refer to the Annual Integrated Report and Sasol's 2014 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 control objectives for Information and related technologies (CoBIT) principles. Group management is accountable for the operational governance of information management (IM) governance, which includes IT in the Sasol group. Decision-making structures have been defined and a reporting framework is in place. Additionally, best practice frameworks have been adopted, including Information Technology Infrastructure Library (ITIL) and ISO17799.

An IM charter has been developed and is managed through IM governance structures. The IM strategy is aligned to Sasol business needs and sustainability objectives.

In the period under review, the Audit Committee received quarterly reports from the IM Governance Committee, a GEC sub-committee, and assisted the board in determining if the committee was meeting its objectives, and accordingly complied with the requirements of the King III code in regard to IT governance. A member of the Group Executive Committee chaired the committee, which comprised members of the Group Executive Committee, senior management and the Chief Information Officer.
The committee provided oversight and executive direction in line with the group's IM strategy, including 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.

In future, IM governance will be overseen by the newly established Business and Functional Integration Committee and the Combined Assurance and Disclosure Committee.

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 significant IM and IT related audit findings are

reported to the board and managed accordingly. The IM risk management framework is aligned to the group risk management framework, including 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

Sasol policy requires all group companies and their directors and employees to comply with all applicable laws. Legal compliance systems and processes were 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. The board and management have given particular attention to the risk of non-compliance with competition laws in the past five years. 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. Two of the important key risk areas are anti-bribery and anti-corruption and sanction laws.

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

In the period under review, a Group Legal Compliance Committee (GLCC) functioned as a sub-committee of the Group Executive Committee, overseeing the group's legal compliance programme. The Executive Vice President: Advisory and Assurance chaired the GLCC, which comprised members of the Group Executive Committee (including the President and Chief Executive Officer) and was attended by relevant legal and compliance services employees. A legal compliance report was presented to the Nomination, Governance, Social and Ethics Committee on a quarterly basis and, to the extent that legal and regulatory matters 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. In future, legal compliance will fall under the newly established Combined Assurance and Disclosure Committee.

A framework has been established to govern the management of tax throughout the group. Approved by the board, the governance framework combines appropriately skilled resources, internal processes and internal and external controls to manage tax in line with the group strategy. The company strives to arrange its tax affairs in an efficient manner, while always being in compliance with current laws in all jurisdictions in which it operates and taking into account financial and reputational risk. The company strives to maintain a cooperative relationship with tax authorities and to conduct all such dealings in an open and constructive manner.

Disclosure and sustainability

The Disclosure Committee functioned as a sub-committee of the Group Executive Committee and comprised a combination of Group Executive Committee members and functional managers. It performed an oversight role in terms of compliance with the disclosure requirements of the JSE, SEC and NYSE rules among others. The disclosure controls and processes in place to comply with section 302 and 404 of the Sarbanes-Oxley Act, 2002 are subject to internal and external audit assessment. The company's disclosure controls and procedures ensure the accurate and timely disclosure of information that may have a material effect on the value of Sasol securities or that may influence investment decisions, to shareholders, the financial community and the investor community. In future, disclosure controls will fall under the newly established Combined Assurance and Disclosure Committee.

The board oversees sustainability matters through the reports presented to it and its committees, notably the Audit Committee, Risk and SHE Committee and the Nomination, Governance, Social and Ethics Committee. The Audit Committee, together with the Nomination, Governance, Social and Ethics Committee, is responsible for overseeing the provision of assurance over sustainability issues. More information is included in Sasol's sustainable development report which is available on www.sasol.com.

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. 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. Similar consultations take place through works councils in Germany.

During the financial year, increased focus was given to transformation, which is discussed in more detail in the sustainable development report available on www.sasol.com.

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 has implemented a global women empowerment strategy. This will entail developing professional and leadership competencies of women through, mentoring, networking and skills development.

Corporate governance continued

Code of ethics

The group's code of ethics (the code) consists of four fundamental ethical principles – responsibility, honesty, fairness and respect. Guidelines, which provide more information on 15 ethical standards to support the code, have also been published. The guidelines 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 requires 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, including employees, suppliers and customers. Any amendment or waiver of the code as it relates to the President and 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 have been posted or 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 and functions. 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 for the effective management of Sasol's ethics programme. The Nomination, Governance, Social and Ethics Committee oversees the implementation of the ethics programme, and monitors and reports to the board on ethics. An ethics forum discusses best practice and compliance requirements and considers and recommends amendments to the code and guide as required.

Sasol has been operating an independent ethics reporting telephone line, which detects and resolves ethical violations, through external service providers since 2002. This confidential and anonymous ethics hotline provides an impartial facility for all stakeholders to anonymously report any ethics related matter, such as unfairness, disrespect, 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. The Nomination, Governance, Social and Ethics Committee receives progress updates on sensitive and potentially high risk investigations with material outcomes. The Nomination, Governance, Social and Ethics Committee is regularly updated on the ethics programme.

In addition to the group-wide online training, ethics has been included as a module in all formal Sasol leadership development programmes. This, together with ongoing communication on ethics, contributes to the continued upward trend of employees as well as external stakeholders using the ethics line to report unethical behaviour.

Stakeholder relationships

Sasol subscribes to the stakeholder management principles in the King III Code and is on track in implementing the required governance mechanisms.

A global stakeholder management strategy and a stakeholder engagement charter, relevant to all Sasol's operations and all stakeholders, have been developed. The stakeholder engagement charter sets out the desired behaviours for all Sasol employees who interface with stakeholders, and has been published as a public commitment to principled, value-based engagement.

Stakeholder engagement programmes facilitate the planning, coordination, and execution of stakeholder engagement more effectively. Sasol's stakeholder landscape has been structured into ten distinct stakeholder categories, with specific stakeholders defined within each category. Distinct roles and responsibilities for stakeholder management have been defined, and relationship owners for each stakeholder group have been appointed. 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 functions, and regularly interacts with the stakeholder. These reviews enable structured and insightful quarterly stakeholder reporting to the Nomination, Governance, Social and Ethics Committee. The reports provide the board with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making.

In addition to the self-assessment of stakeholder relationship health, as described above, regular stakeholder research is conducted as an independent measure of any gap between Sasol's performance and stakeholder perceptions. This enables constructive stakeholder engagement, by enabling Sasol to respond to verified stakeholder issues and concerns.

The President and Chief Executive Officer, the Chief Financial Officer and investor relations function 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 function 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 who lack access to the electronic media, the company publishes and reports on details of its corporate actions and performance (including its interim and final financial results) in the main South African daily newspapers. The company also publishes its most recent financial, operational and historical information, including its annual reports, on www.sasol.com.

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

Sasol strives to resolve disputes with its stakeholders effectively and expeditiously. The company investigates and implements alternative resolution mechanisms where possible, before instituting litigation.

Sasol considers and responds to all requests for access to records it receives in terms of the Promotion of Access to Information Act, 2000. Appropriate engagement with requesting parties is ensured without compromising Sasol's rights with respect to the protection of certain information. During the year Sasol received two requests for access to records. One request was refused in accordance with the provisions of the legislation, and the one was granted.

Eleven year financial performance

	% change 2014 vs. 2013	2014 Rm	2013 Rm Restated[1]	2012 Rm Restated[1]	2011 Rm
Statement of financial position					
Property, plant and equipment		**111 449**	100 989	85 214	79 245
Assets under construction		**51 320**	39 865	33 112	29 752
Other intangible assets		**1 882**	1 418	943	1 265
Other non-current assets		**18 242**	17 831	17 144	7 402
Current assets		**97 371**	86 062	61 170	59 781
Total assets	13,9	**280 264**	246 165	197 583	177 445
Total equity	14,3	**174 769**	152 893	127 942	109 860
Interest-bearing debt		**25 879**	23 139	12 497	15 522
Interest-free liabilities		**79 616**	70 133	57 144	52 063
Total equity and liabilities	13,9	**280 264**	246 165	197 583	177 445
Income statement					
Turnover	19,3	**202 683**	169 891	159 114	142 436
Operating profit	7,5	**41 674**	38 779	31 749	29 950
Share of profit of equity accounted joint ventures, net of tax		**3 810**	1 562	4 545	–
Share of profit of associates, net of tax		**334**	504	416	292
Net finance costs		**(705)**	(1 139)	(1 007)	(826)
Profit before tax	13,6	**45 113**	39 706	35 703	29 416
Taxation		**(14 696)**	(12 595)	(11 501)	(9 196)
Profit	12,2	**30 417**	27 111	24 202	20 220
Attributable to					
Owners of Sasol Limited	12,6	**29 580**	26 274	23 580	19 794
Non-controlling interests in subsidiaries		**837**	837	622	426
		30 417	27 111	24 202	20 220
Statement of cash flows					
Cash flow from operations	22,5	**67 592**	55 184	44 703	41 018
(Increase)/decrease in working capital		**(2 143)**	(3 278)	(3 842)	(2 379)
Cash generated by operating activities	26,1	**65 449**	51 906	40 861	38 639
Finance income received		**5 920**	6 063	6 574	1 380
Finance costs paid		**(499)**	(523)	(482)	(898)
Tax paid		**(13 647)**	(10 367)	(10 612)	(6 691)
Cash available from operating activities	21,5	**57 223**	47 079	36 341	32 430
Dividends paid		**(13 248)**	(10 787)	(9 600)	(6 614)
Cash retained from operating activities	21,2	**43 975**	36 292	26 741	25 816
Additions to non-current assets		**(38 779)**	(30 414)	(28 539)	(20 665)
Acquisition of interests in associates		**(519)**	–	–	–
Acquisition of interests in joint operations and joint ventures		**–**	(730)	(24)	(3 823)
Other movements		**1 485**	311	2 040	23
Decrease/(increase) in funding requirements		**6 162**	5 459	218	1 351

1 Restated to reflect the adoption of the consolidation suite of accounting standards.

sasol
reaching new frontiers

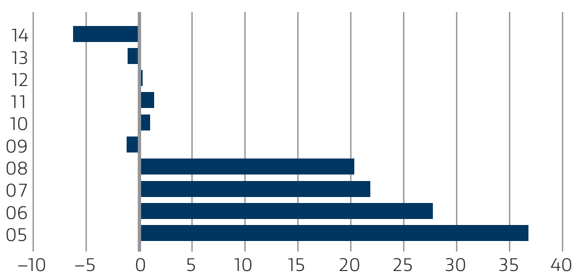
2010	2009	2008	2007	2006	2005	2004	Compound annual growth rate %	
Rm	Rm	Rm	Rm	Rm	Rm	Rm	5 years	10 years
72 523	70 370	66 273	50 611	39 929	39 618	38 003	9,6	11,4
21 018	14 496	11 693	24 611	23 176	18 088	9 811		
1 193	1 068	964	629	775	1 053	1 280		
7 416	6 920	6 359	4 839	3 235	3 324	2 386		
53 723	53 011	54 833	38 375	36 043	26 095	21 866		
155 873	145 865	140 122	119 065	103 158	88 178	73 346	14,0	14,3
96 425	86 217	78 995	63 269	52 984	44 006	35 400	15,2	17,3
15 032	17 814	19 455	18 925	17 884	18 745	16 308		
44 416	41 834	41 672	36 871	32 290	25 427	21 638		
155 873	145 865	140 122	119 065	103 158	88 178	73 346	14,0	14,3
122 256	137 836	129 943	98 127	82 395	69 239	60 151	8,0	12,9
23 937	24 666	33 816	25 621	17 212	14 386	9 168	11,1	16,3
–	–	–	–	–	–	–		
217	270	254	405	134	184	117		
(782)	(741)	(413)	(323)	(230)	(438)	(249)		
23 372	24 195	33 657	25 703	17 116	14 132	9 036	13,3	17,4
(6 985)	(10 480)	(10 129)	(8 153)	(6 534)	(4 573)	(3 175)		
16 387	13 715	23 528	17 550	10 582	9 559	5 861	17,3	17,9
15 941	13 648	22 417	17 030	10 406	9 449	5 795	16,7	17,7
446	67	1 111	520	176	110	66		
16 387	13 715	23 528	17 550	10 582	9 559	5 861		
30 762	37 194	42 558	28 618	28 284	21 081	14 859	12,7	16,4
(3 424)	10 993	(7 818)	(186)	(3 749)	(2 179)	292		
27 338	48 187	34 740	28 432	24 535	18 902	15 151	6,3	15,8
1 372	2 264	957	1 059	444	169	230		
(1 781)	(2 168)	(2 405)	(1 816)	(1 745)	(1 523)	(1 384)		
(6 040)	(10 252)	(9 572)	(7 251)	(5 389)	(3 753)	(3 963)		
20 889	38 031	23 720	20 424	17 845	13 795	10 034	8,5	19,0
(5 360)	(7 193)	(5 766)	(4 613)	(3 660)	(2 856)	(2 745)		
15 529	30 838	17 954	15 811	14 185	10 939	7 289	7,4	19,7
(16 108)	(15 672)	(10 855)	(12 045)	(13 296)	(12 616)	(11 418)		
–	–	–	–	–	–	–		
–	–	–	–	–	–	–		
(596)	3 154	11	1 500	1 013	299	530		
(1 175)	18 320	7 110	5 266	1 902	(1 378)	(3 599)		

Key performance indicators

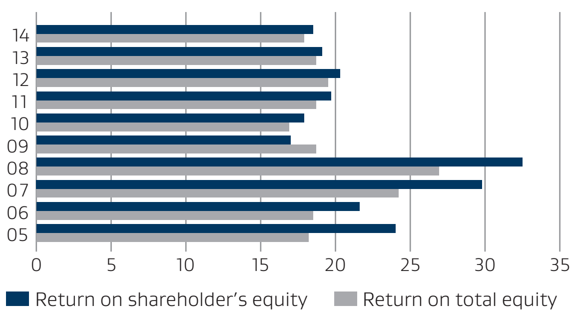
Liquidity	Measures the group's ability to meet its maturing obligations and unexpected cash needs in the short-term
Current ratio	Current assets / Current liabilities
Quick ratio	Current assets – inventories / Current liabilities
Cash ratio	Cash and cash equivalents / Current liabilities – bank overdraft
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 costs cover	Net profit before finance costs and taxation / Finance costs 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 costs and taxation / Average non-current assets + average current assets
Return on total operating assets	Net profit before finance costs and taxation / Average non-current operating assets + average current assets
Return on net assets	Net profit before finance costs and taxation / Average total assets – average total liabilities
Gross profit margin %	Turnover – variable cost – cost of stock / Turnover
Operating profit margin	Operating profit after remeasurement items / Turnover

\# The targeted performance ratios and the actual results achieved are discussed in the Chief Financial Officer's review on page 2.
1 Restated to reflect the adoption of the consolidation suite of accounting standards.

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

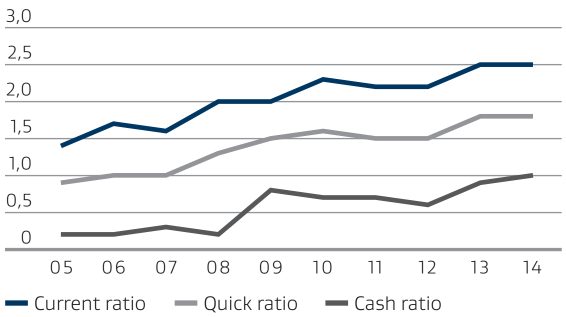


Profitability (%)

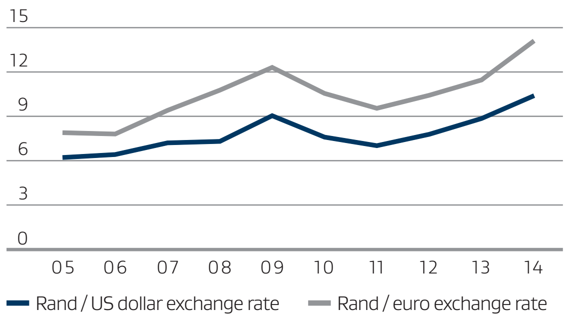


	Target range#	2014	2013 Restated[1]	2012 Restated[1]	2011	2010	2009	2008	2007	2006	2005
– :1		**2,5**	2,5	2,2	2,2	2,3	2,0	2,0	1,6	1,7	1,4
– :1		**1,8**	1,8	1,5	1,5	1,6	1,5	1,3	1,0	1,0	0,9
– :1		**1,0**	0,9	0,6	0,7	0,7	0,8	0,2	0,3	0,2	0,2
– %		**61,7**	62,4	55,6	63,1	63,3	71,1	79,9	90,6	95,4	101,0
– %		**15,5**	15,8	10,4	15,1	16,8	22,0	26,3	31,7	34,7	42,8
– %	20 – 40	**(6,3)**	(1,1)	0,3	1,4	1,0	(1,2)	20,5	22,0	28,0	37,1
– times		**2,5**	2,2	3,1	2,4	1,7	2,6	1,7	1,5	1,3	1,0
– times		**94,3**	79,4	77,8	34,8	14,3	12,3	14,5	14,8	10,1	9,7
– %		**18,5**	19,1	20,3	19,7	17,9	17,0	32,5	29,8	21,6	24,0
– %		**17,9**	18,7	19,5	18,7	16,9	18,7	26,9	24,2	18,5	18,2
– %		**21,6**	22,4	23,3	22,1	19,1	20,7	31,2	30,8	23,6	22,0
– %		**28,7**	29,6	30,4	30,3	27,8	32,4	48,9	46,2	36,5	37,1
– %		**53,7**	52,5	48,1	50,9	51,6	47,5	51,9	51,2	53,5	
– %		**20,6**	22,8	20,0	21,0	19,6	17,9	26,0	26,1	20,9	20,8

Liquidity ratios



Average exchange rates



Key performance indicators continued

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 44) / 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 2.
* From 2011, the ratios reflect employee cost before labour cost capitalised to assets under construction.
1 Restated to reflect the adoption of the consolidation suite of accounting standards.

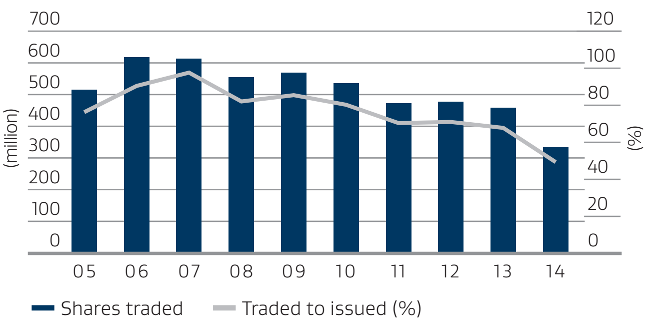
	Target range#	2014	2013 Restated[1]	2012 Restated[1]	2011	2010	2009	2008	2007	2006	2005
– times		**1,2**	1,2	1,3	1,4	1,3	1,7	1,8	1,7	1,7	1,7
– times		**1,7**	1,6	1,7	1,8	1,7	2,0	2,5	2,9	3,0	2,7
– %		**6,3**	5,9	5,6	5,0	4,9	4,7	4,1	3,8	4,5	4,8
– %	**16,0**	**14,3**	15,7	14,7	14,4	15,3	11,2	21,4	18,5	20,2	18,2
– SA rand		**48,57**	43,38	39,09	32,97	26,68	22,90	37,30	27,35	16,78	15,39
– US dollar		**4,67**	4,90	5,02	4,71	3,51	2,53	5,11	3,80	2,62	2,48
– SA rand		**60,16**	52,62	42,28	33,85	26,57	25,42	38,09	25,37	22,98	17,29
– US dollar		**5,79**	5,95	5,43	4,83	3,50	2,81	5,22	3,52	3,59	2,78
– SA rand		**21,50**	19,00	17,50	13,00	10,50	8,50	13,00	9,00	7,10	5,40
– US dollar		**2,06**	1,92	2,14	1,92	1,37	1,10	1,65	1,27	1,01	0,84
– times	**Progressive**	**2,30**	2,30	2,20	2,50	2,50	2,70	2,80	3,00	2,30	2,90
– SA rand		**281,68**	247,12	208,21	178,89	157,63	141,14	128,44	100,55	84,45	70,94
– %		**19,30**	6,77	11,71	16,51	(11,30)	6,10	32,40	19,10	19,00	15,10
– %		**15,17**	14,15	12,36	13,27	14,35	12,70	11,10	11,90	11,60	12,70
– %		**6,7**	6,5	5,6	5,2	5,5	4,5	4,0	4,1	5,2	5,9
– %		**32,6**	31,7	32,2	31,3	29,9	43,3	30,1	31,7	38,2	32,4
		33 400	33 746	33 415	33 708	33 054	33 164	33 928	31 860	31 460	30 004
– R million		**30 747**	24 033	19 662	18 907	17 546	17 532	14 443	11 695	9 551	8 782
– R thousand		**921**	712	588	561	531	529	426	367	304	293
– US$/bbl		**109,40**	108,66	112,42	96,48	74,37	68,14	95,51	63,95	62,45	46,17
– :1		**10,64**	9,88	8,17	6,77	7,67	7,73	7,83	7,04	7,17	6,67
– :1		**10,39**	8,85	7,78	7,01	7,59	9,04	7,30	7,20	6,41	6,21
– :1		**14,57**	12,85	10,34	9,82	9,39	10,84	12,34	9,53	9,17	8,07
– :1		**14,10**	11,46	10,42	9,54	10,55	12,31	10,77	9,40	7,80	7,89
		91 399	85 780	75 180	70 021	67 885	56 873	52 580	42 591	40 336	35 315

Key performance indicators continued

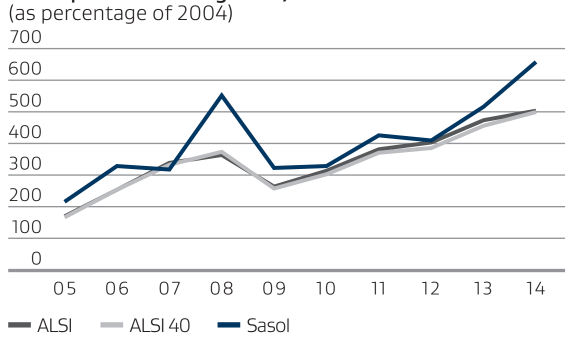
Share performance	Measures the annual movement of the shareholding in the group
Total shares in issue* Sasol ordinary shares in issue* Sasol BEE ordinary shares in issue*****	
Shares repurchased	
Sasol Inzalo share transaction	
Net shares in issue**	
Weighted average shares in issue**	
Market capitalisation 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
1 Restated to reflect the adoption of the consolidation suite of accounting standards.

Shares traded – JSE

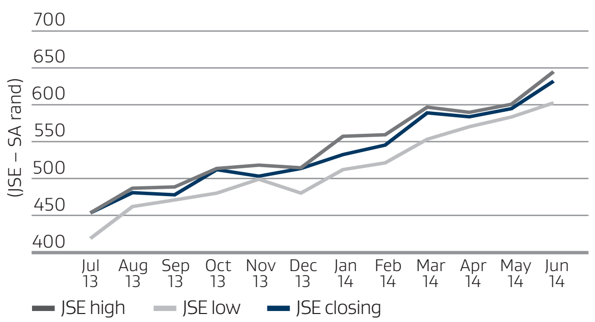


Share performance against JSE all share indices
(as percentage of 2004)

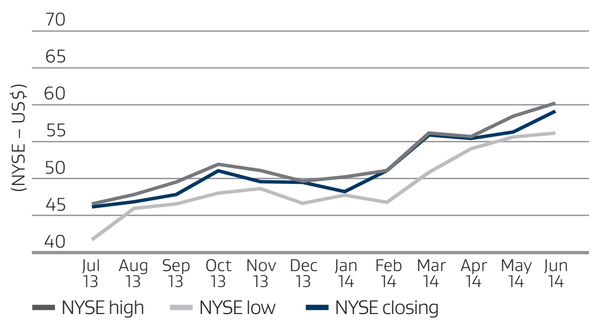


	Target range#	2014	2013 Restated[1]	2012 Restated[1]	2011	2010	2009	2008	2007	2006	2005
– million		**678,9**	677,2	673,2	671,0	667,7	665,9	676,7	627,7	683,0	676,9
– million		**650,6**	648,8	644,8	642,6	639,3	637,5	667,7	627,7	683,0	676,9
– million		**2,8**	2,8	2,8	2,8						
– million		**8,8**	8,8	8,8	8,8	8,8	8,8	37,1	14,9	60,1	60,1
– million		**63,1**	63,1	63,1	63,1	63,1	63,1	44,2			
– million		**607,0**	605,3	601,3	599,1	595,8	594,0	595,4	612,8	622,9	616,8
– million		**609,0**	605,7	603,2	600,4	597,6	596,1	601,0	622,6	620,0	613,8
– R million		**411 413**	279 983	220 788	228 749	175 548	172 111	307 579	166 968	187 825	122 384
– R million		**1 330**	871	686	742						
– million		**334,0**	458,4	477,4	471,9	535,5	568,5	555,0	612,6	617,5	515,5
– %		**49,2**	67,7	70,9	70,3	80,2	85,4	82,0	97,6	90,4	76,2
– R million		**174 514**	176 314	172 385	161 455	154 687	171 651	198 348	151 088	141 206	67 930
– Rand		**632,36**	431,54	342,40	355,98	274,60	269,98	461,00	266,00	275,00	180,80
– Rand		**645,10**	452,96	409,99	403,55	318,00	454,00	514,00	278,49	279,00	181,50
– Rand		**420,00**	336,00	303,45	270,03	255,56	221,00	259,49	215,00	183,00	103,40
– Rand		**475,00**	311,00	245,01	265,00						
– Rand		**485,00**	340,00	295,02	310,00						
– Rand		**315,00**	245,02	167,21	260,00						
– %		**7,68**	10,05	11,42	9,26	9,72	8,48	8,09	10,28	6,10	8,51
– %		**3,40**	4,40	5,11	3,65	3,82	3,15	2,82	3,38	2,58	2,99
– :1		**2,24**	1,75	1,64	1,99	1,74	1,91	3,59	2,65	3,26	2,55
– million		**44,2**	50,5	60,7	69,9	90,0	209,0	174,6	147,9	107,2	65,9
– US$ million		**2 271**	2 184	2 810	3 373	3 417	7 101	8 665	5 034	3 856	1 467
– US$		**59,12**	43,31	42,45	52,89	35,27	34,82	38,40	37,54	38,64	26,98
– US$		**60,21**	47,92	54,22	60,39	43,68	57,95	66,09	37,54	46,10	28,77
– US$		**41,65**	39,94	40,01	34,89	31,15	19,23	35,66	32,20	27,30	15,75

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.

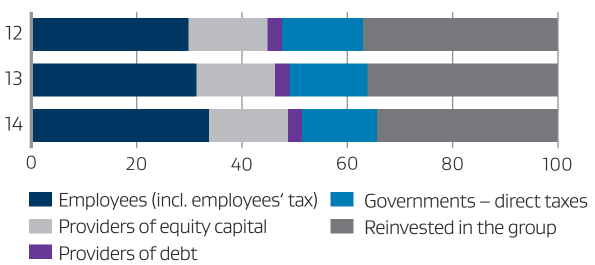
	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
Turnover	202 683	169 891	159 114
Less purchased materials and services	(116 746)	(95 958)	(98 861)
Value added	85 937	73 933	60 253
Finance income	5 364	2 735	5 772
Wealth created	91 301	76 668	66 025

	2014 %	2014 Rm	2013 %	2013 Rm	2012 %	2012 Rm
Employees	33,7	30 747	31,3	24 033	29,8	19 662
Providers of equity capital	15,4	14 085	15,2	11 624	15,5	10 222
Providers of debt	2,7	2 455	2,7	2 108	2,8	1 833
Governments – direct taxes	14,2	12 929	14,8	11 337	15,3	10 120
Reinvested in the group	34,0	31 085	36,0	27 566	36,6	24 188
Wealth distribution	100,0	91 301	100,0	76 668	100,0	66 025
Employee statistics						
Number of employees at year end		33 400		33 746		33 415

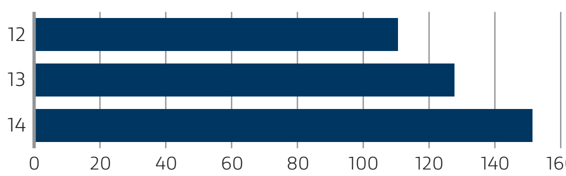
	2014 Rand	2013 Rand	2012 Rand
Turnover per employee at year end	6 068 353	5 034 404	4 761 754
Value added per employee at year end	2 572 964	2 190 867	1 803 172
Wealth created per employee at year end	2 733 563	2 271 914	1 975 909

1 Restated to reflect the adoption of the consolidation suite of accounting standards.

Wealth distribution (%)



Wealth created per share (Rand per share)



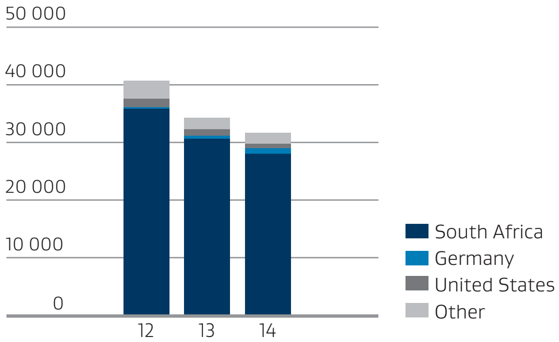
Monetary exchanges with governments

for the year ended 30 June

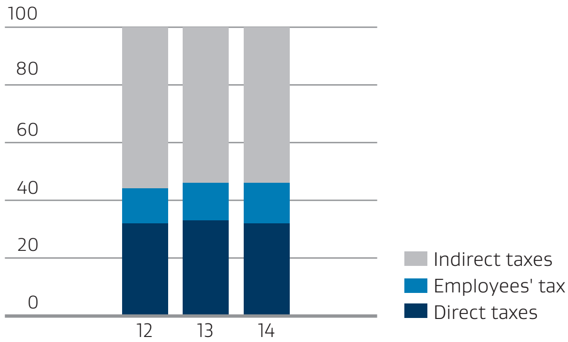
	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
Direct taxes	**12 929**	11 337	10 120
South African normal tax	**10 717**	9 289	7 293
foreign tax	**2 130**	1 979	1 800
Dividend withholding tax	**82**	69	16
Secondary Taxation on Companies	**–**	–	1 011
Employees' tax	**5 584**	4 507	3 858
Indirect taxes	**22 208**	18 435	17 672
customs, excise and fuel duty	**22 311**	19 343	18 346
property tax	**142**	126	94
other levies	**115**	75	–
net VAT received	**(2 639)**	(3 050)	(2 142)
other	**2 279**	1 941	1 374
Net monetary exchanges with governments	**40 721**	34 279	31 650
South Africa	**35 822**	30 628	28 068
Germany	**265**	522	920
United States of America	**1 476**	1 166	799
Other	**3 158**	1 963	1 863

1 Restated to reflect the adoption of the consolidation suite of accounting standards.

Net monetary exchanges with governments by region (R million)



Net monetary exchanges with governments (%)



Audit Committee report

The Audit Committee (the committee) has the honour of presenting this report in respect of the 2014 financial year to the shareholders of Sasol Limited.

This report has been prepared based on the requirements 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 (King III), the JSE Listings Requirements and other applicable regulatory requirements.

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.

Information on the membership and composition of the Audit Committee, its terms of reference and its procedures are set out in the 2014 Corporate Governance report on pages 25 to 37.

Statutory duties and functions

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.

The committee fulfilled all its statutory duties as required by section 94(7)(1) of the SA Companies Act.

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 South African companies within the Sasol group.

Duties assigned by the board

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

- the quality and integrity of 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:

In respect of the interim and annual financial statements:

- confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- reviewed the interim financial results and annual financial statements, prior to submission to and approval by the board, and satisfied itself that they fairly present the consolidated and separate results of operations, cash flows, and the financial position of Sasol Limited and comply, in all material respects, with the relevant provisions of the SA Companies Act, International Financial Reporting Standards (IFRS) and Interpretations of IFRS standards as issued by the International Accounting Standards Board;
- considered accounting treatments, significant unusual transactions and accounting judgements;
- 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;
- reviewed the external auditor's report;
- reviewed any significant legal and tax matters and considered any concerns identified that could have a material impact on the financial statements;
- reviewed the solvency and liquidity tests undertaken for specific transactions and distributions;
- considered and made recommendations to the board on the interim and final dividends paid to shareholders;
- met separately with management, the external auditor and internal audit; and
- considered the effectiveness of the group's disclosure controls and procedures.

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.

In respect of the scope and effectiveness of the external audit function:

- nominated PricewaterhouseCoopers Inc. (PwC) as the external auditor for the financial year ended 30 June 2014,
- nominated the external auditor and the individual auditor for each of the South African subsidiaries of the company;
- ensured that the appointment of the external auditors complied with the SA Companies Act, JSE and all other applicable legal and regulatory requirements;
- reviewed and approved the external audit plan, the budgeted and final fee for the reporting period and the terms of engagement of the external auditors;
- 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;
- reviewed the external auditor's report and obtained assurances from the external auditor that adequate accounting records were being maintained; and
- reviewed the findings and recommendations of the external auditors and confirmed that no unresolved issues of concern exist between the group and the external auditors in relation to the group or any of its business units and subsidiaries.

In respect of internal control and the assurance function, including internal audit and forensic audit:

- 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;
- reviewed the assurance services charter and approved the annual internal audit plan, including combined assurance, and evaluated the independence, effectiveness and performance of the internal audit function 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 the finance function:

- 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 material control systems.

In respect of legal and regulatory compliance requirements (to the extent that it may have an impact on the financial statements):

- 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:

- reviewed the plans and 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;
- reviewed the group's policies on risk assessment and management, including fraud and information technology risks as they pertain to financial reporting, together with the going concern assessment, and found them to be sound; and
- considered and reviewed the findings and recommendations of the Risk and Safety, Health and Environment (SHE) Committee, as well as a report pertaining to information management from the GEC sub-committee.

Audit Committee report continued

In respect of sustainability issues contained in the sustainable development report:

- monitored the process of sustainability reporting;
- considered the findings and recommendations of the Disclosure Committee and the Risk and SHE Committee;
- confirmed the reappointment and mandate of Environmental Resources Management Southern Africa (Pty) Ltd, the assurance provider on sustainability matters contained in the report; and
- considered 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.

The committee had oversight of integrated reporting, having regard to all factors and risks that may impact on the integrity of the annual integrated report and considered and reviewed the findings and recommendations of the Disclosure Committee and the Risk and SHE Committee insofar as they related to the Annual Integrated Report.

Internal controls

The company has designed such internal controls 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 2014 financial year.

Independence of the external auditors

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

- representations made by PwC 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.

Regulatory requirements

Pursuant to the provisions of the JSE, the committee:

- satisfied itself of the appropriateness of the expertise and experience of the Acting Chief Financial Officer, Mr P Victor; and
- satisfied itself that PwC, as well as the individual auditor determined by PwC to be responsible for performing the functions of auditor, were duly accredited as such on the JSE's list of auditors.

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.

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 and following review, the committee recommended the integrated annual report and the annual financial statements of Sasol Limited for the year ended 30 June 2014 for approval to the board of directors.

On behalf of the Audit Committee

Colin Beggs
Chairman

4 September 2014

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 and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008, as amended. 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 2015 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 55 to 249, and company annual financial statements, set out on pages 250 to 271, which have been prepared on the going concern basis, were approved by the board of directors on 5 September 2014 and were signed on their behalf by:

Mandla SV Gantsho Chairman	**David E Constable** President and Chief Executive Officer	**Paul Victor** Acting Chief Financial Officer

5 September 2014

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 2014, 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
5 September 2014

Independent auditor's report

To the shareholders of Sasol Limited

We have audited the consolidated and separate financial statements of Sasol Limited set out on pages 57 to 271, which comprise the statements of financial position as at 30 June 2014, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate 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 consolidated and separate 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 about whether the consolidated and separate 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, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited as at 30 June 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate 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 consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: PC Hough
Registered Auditor

Sunninghill

5 September 2014

Shareholder information

Shareholders' diary

Financial year end	30 June 2014
Annual general meeting	21 November 2014

Dividends

Interim dividend	
– rand per share	8,00
– paid	14 April 2014
Final dividend	
– rand per share	13,50
– date declared	08 September 2014
– last date to trade cum dividend	03 October 2014
– payable	13 October 2014

Share ownership

at 30 June 2014

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public	91 361	99,96	603 815 635	92,82
Non-public	38	0,04	46 734 531	7,18
– Directors and their associates	3		23 000	
– Directors of subsidiary companies	29		337 240	
– 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		863 729	
– Sasol Pension Fund	1		2 007 108	
	91 399	100,00	650 550 166	100,00

Public and non-public shareholding of Sasol BEE ordinary shares*	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public	58 948	100	2 838 252	100
Non-public	1	–	313	–
– Directors and their associates	1		313	
	58 949	100	2 838 565	100

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

Share ownership continued

Major categories of shareholders	Number of shares	% of ordinary shares	% of total issued securities
Category			
Pension and provident funds	174 258 933	26,8	25,7
Unit trusts	151 153 768	23,2	22,3
Other managed funds	74 971 513	11,5	11,0
Sovereign Wealth	37 104 215	5,7	5,5
Employees	34 730 468	5,3	5,1
American depositary shares**	29 702 347	4,6	4,4
Insurance companies	29 334 957	4,5	4,3
Black public (Sasol Inzalo BEE transaction)	18 923 764	2,9	2,8

** Held by the Bank of New York Mellon as Depositary 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 2014 were disclosed or established from enquiries:

	Number of shares	% of ordinary shares	% of total issued securities
Government Employees Pension Fund	93 978 508	14,4	13,8
Industrial Development Corporation of South Africa Limited	53 266 887	8,2	7,8

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 BEE transaction.

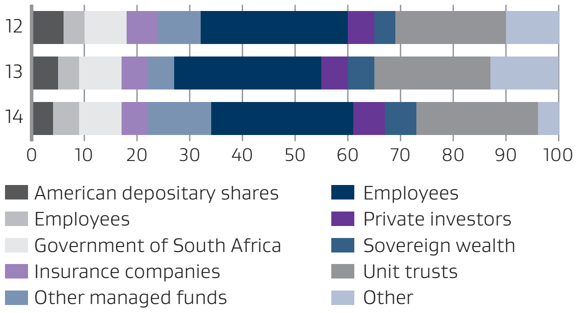
Furthermore, the Directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2014, the following fund managers were responsible for managing investments of 2% or more of the share capital of Sasol Limited.

Fund Manager	Number of shares	% of ordinary shares	% of total issued securities
PIC Equities*	82 264 116	12,6	12,1
Allan Gray Investment Counsel	50 196 534	7,7	7,4
Black Rock Incorporated	21 182 476	3,3	3,1
Sanlam Investment Management	19 027 693	2,9	2,8
Coronation Fund Managers	13 566 800	2,1	2,0

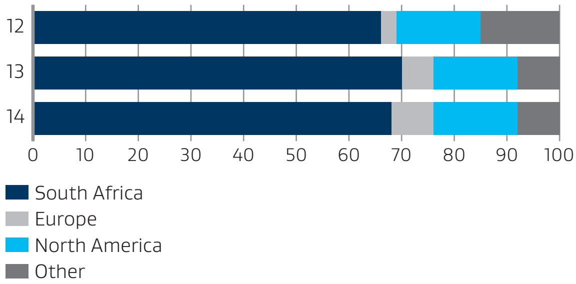
* Included in this portfolio are 73,0 million shares managed on behalf of the Government Employees Pension Fund.

Beneficial shareholding

Beneficial shareholding (%)



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 2014.

Nature of business

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

Sasol is an international integrated energy and chemicals company that leverages the talent and expertise of our more than 33 000 people working in 37 countries. Sasol develops and commercialises technologies, and builds and operates world-scale facilities, to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity. While continuing to support their home-base of South Africa, Sasol is expanding internationally based on a unique value proposition.

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 sells liquid fuels through a retail network of 380 Sasol- and Exel service stations, which include seven 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, Asia and the Americas. Through Sasol Synfuels International (SSI), Sasol is focused on commercialising its gas-to-liquids (GTL) technology internationally.

The nature of the businesses of the significant operating subsidiaries and incorporated joint arrangements is set out on pages 229 to 231.

Financial results

Profit attributable to shareholders for the year ended 30 June 2014 increased by 13% to R29 580 million from R26 274 million in the prior year. Earnings per share, after taking into account the share buyback programme, increased by 12% from R43,38 per share to R48,57 per share.

The financial statements set out the financial position, results of operations and cash flows for the group for the year ended 30 June 2014.

Subsidiaries, joint ventures and associates

IFRS 10: Consolidated Financial Statements and IFRS 11: Joint arrangements became effective in the current period. These statements replace IAS 27: Consolidated and Separate Financial statements and IAS 31: Interests in joint ventures.

The application of these standards required a full restatement of the prior year numbers. The required disclosure has been provided, and the full impact has been disclosed in Note 1 on page 123.

Acquisitions and disposals

Joint ventures

On 2 July 2013, Sasol disposed on its 49% shareholding in Spring Lights Gas for a purchase consideration of R474 million.

On 16 August 2013, Sasol disposed of its 50% interest in Arya Sasol Polymer Company for a total purchase consideration of R3 606 million.

Associates

In September 2013, Sasol acquired the remaining 60% shareholding in Wesco China Limited for a purchase consideration of R519 million.

Share capital

New shares issued

Note 46 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 transactions.

A further 1 749 450 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 listing provides the holders of Sasol's BEE ordinary shares access to a trading facility in 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 repurchased a total of 40 309 886 ordinary shares at a weighted average price of R299,77 per share between 2007 and October 2008. 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 are still 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 2012, shareholders granted the authority to the Sasol directors to authorise a repurchase of up to 10% of Sasol's ordinary issued shares and/or Sasol BEE ordinary shares. No shares were repurchased during the year.

Directors' report continued

Shares held in reserve

The 495 205 238 authorised but unissued ordinary shares of the company continue to be held in reserve.

Note 46 provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2014, the company had in issue through The Bank of New York Mellon as depositary bank, and listed on the NYSE, 29 702 347 (2013 – 33 379 805) American depositary shares (ADS). Each ADS represents one ordinary share.

Notes 47 and 47.1 provides further details on the various share-based payment schemes in place, including the Sasol Share Incentive schemes, Sasol Inzalo schemes and various cash-settled share-based payment arrangements.

Details on the material shareholdings for the group, including any shareholdings of directors, are provided under shareholder's information on pages 53 to 54.

Dividends

An interim dividend of R8,00 per ordinary share (2013 – R5,70 per ordinary share) was paid on 14 April 2014. A final dividend in respect of the year ended 30 June 2014 of R13,50 per ordinary share (2013 – R13,30 per ordinary share) was declared on 5 September 2014.

The total dividend for the year amounted to R21,50 per ordinary share (2013 – R19,00 per share).

The estimated total cash flow of the final dividend of R13,50 per share, payable on 13 October 2014 is R8 365 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

The composition of the board of directors is set out in the section "Our board" of the annual integrated report. The remuneration and fees of Sasol Limited's directors are set out on pages 57 to 82 of this report.

Auditors

PricewaterhouseCoopers Inc. (PwC) completed their first year in office as auditor of Sasol Limited and its subsidiaries for the duration of the financial year until 30 June 2014.

At the annual general meeting of 21 November 2014, shareholders will be requested to reappoint PricewaterhouseCoopers Inc. as auditor of Sasol Limited and to note that Mr PC Hough will be the individual responsible for performing the functions of the auditor, following the Audit Committees decision to nominate the firm PricewaterhouseCoopers Inc. as its independent auditor for the financial year commencing 1 July 2014.

Subsequent events

The following non-adjusting event occurred subsequent to 30 June 2014:

- On 31 July 2014, Sasol obtained approval from the South African Competition Commission for the disposal of its air separation unit in Sasolburg to Air Products South Africa for a purchase consideration of R475 million. As a result of this transaction, Sasol will enter into a long-term supply agreement with Air Products South Africa for the site's gaseous products requirements.

Secretary

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

Special resolutions

Since the date of the previous directors' report, the following subsidiaries of Sasol Limited passed special resolutions relating to capital structure, borrowing powers, the object clause contained in the memorandum of incorporation (MOI) or any other material matter that affects the affairs of the subsidiaries:

1. Sasol Chemical Industries Limited and Sasol Gas Limited resolved to convert from public companies to private companies.
2. Sasol Dorpsgebiede (Pty) Ltd, Sasol Group Services (Pty) Ltd, Sasol Mafutha (Pty) Ltd and Sasol Properties (Pty) Ltd merged with Sasol Chemical Industries (Pty) Ltd, as a result of which all the assets and liabilities of Sasol Dorpsgebiede (Pty) Ltd, Sasol Group Services (Pty) Ltd, Sasol Mafutha (Pty) Ltd and Sasol Properties (Pty) Ltd were transferred to Sasol Chemical Industries (Pty) Ltd, and the aforementioned companies were deregistered.
3. Sasol Chemical Industries (Pty) Ltd resolved to amend the MOI of the company by amending the main business of the company to that of being an integrated petrochemicals and energy company and to do all such things incidental or conducive to the attainment and support of the main business of the company.
4. Sasol Gas Holdings (Pty) Ltd and Sasol Gas (Pty) Ltd resolved to merge with and to transfer their assets to Sasol Chemical Industries (Pty) Ltd. The resolutions have not yet been implemented as the suspensive conditions contained in the merger agreement have not been fulfilled as at the date of the directors' report.

Remuneration report

Dear shareholder

The global remuneration arena is complex and dynamic and 'best practices' vary between industries, geographies as well as in time. Additionally, various views on what constitutes best practice do not always concur and sometimes clash. The committee's key objectives are to ensure that remuneration is competitive, globally applicable and flexible. It has to stimulate a performance-driven culture over both the short-term and long-term yet align with shareholders' interests. The policy should furthermore not be overly complex and be easy to maintain.

During the past two years the Remuneration Committee (the committee) has consulted various stakeholders on the features of Sasol's remuneration policy. This input has been taken into account in designing a number of changes to our policy which will take further effect from the financial year 2015 (FY15). The result in our view, and that of the Sasol Limited Board, encapsulates a balanced package of practices which represent the best possible way forward for the next few years, to meet our business aspirations given our business models, global spread, specific challenges and people requirements.

In this report we present you with our remuneration policy as it applied to the financial year 2014 (FY14) and report on remuneration outcomes for this year. In the tabulation below we highlight some important policy changes as they were applied during FY14 together with the enhancements for FY15.

Remuneration component	FY14 (the reporting year)	FY15 (next financial year and beyond)
Base pay	Target base pay positioning in a range of 80% – 120% around the market median.	Broad pay bands for greatly reduced number of job levels.
Short-Term Incentive (STI) Plan	Introduction of execution targets for large capital projects.	Targets linked to individual performance more broadly implemented throughout the group.
Long-Term Incentive (LTI) Plan	▪ Ceased granting Share Appreciation Rights (SARs), and delivered all long-term incentive in the form of what were called Medium-Term Incentives (MTIs) and are now called LTIs. ▪ For international participants, the units are measured against the American Depositary Receipt (ADR) on the NYSE. ▪ Increase to 70% the proportion of units granted to top management that carry Corporate Performance Targets (CPTs).	▪ Further increase to 100% the proportion of units granted to members of the Group Executive Committee (GEC) that will carry CPTs. ▪ Greater stretch in the targets. ▪ Introduction of dividend equivalents with respect to vested units.

Additionally, a balanced share ownership guideline will be applied to Executive Directors from FY15 to assist with long-term focus and further shareholder alignment.

The committee solicits your support for Sasol's remuneration policy.

Henk Dijkgraaf (Chairman)
Mandla Gantsho
Imogen Mkhize

Peter Robertson
Jürgen Schrempp

Remuneration report continued

Introduction

With the aim of enhancing transparency, this remuneration report is split into three sections covering the following matters:

1. Remuneration governance and the role of the committee;
2. Sasol's remuneration policy for FY14, including planned FY15 changes; and
3. Remuneration outcomes for FY14.

Section 1: Remuneration governance

Board overview

The committee was established in 1989 to ensure remuneration arrangements support the strategic objectives of the company and enable the recruitment, motivation and retention of executives and employees at all levels, while complying with all requirements of law and regulation. The committee is mandated by the board to oversee all aspects of remuneration in accordance with the approved terms of reference. The terms of reference of the committee is reviewed annually by the board and is available on the company's website at www.sasol.com. Key decisions taken at the committee meetings are reported to the board. Annually, a self-assessment of the effectiveness of the committee and the committee Chairman is undertaken.

The members of the committee for the year under review were:

- Mr HG Dijkgraaf (Chairman)
- Dr MSV Gantsho (appointment effective 22 November 2013)
- Ms IN Mkhize
- Mrs TH Nyasulu (resigned effective 22 November 2013)
- Mr PJ Robertson
- Prof JE Schrempp

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

Sasol complies with the relevant remuneration governance codes and statutes that apply in the various jurisdictions within which it operates. As in previous years, all remuneration principles and practices stated in the King Code of Governance Principles for South Africa 2009 (King III Code) are applied, with the exception of one practice relating to the Non-Executive Directors' fee structure, which is explained on page 70.

Independent external advisors

The committee has continued to use independent external advisors from New Bridge Street, based in London, United Kingdom. New Bridge Street is a signatory to the UK Remuneration Consultants' Code of Conduct. Vasdex & Associates are used to provide specific advice and services as required and requested by management and the company regularly participates in several external remuneration surveys globally to inform benchmarking exercises.

Key definitions

For clarity, the following terms are used in this report in respect of the FY14 organisational structure:

- The term Group Executive Committee (GEC) refers to the members of the Executive Committee, who are responsible for the design and execution of the organisation's strategy and long-term business plans. All members of the GEC report to the President and Chief Executive Officer and are viewed as Prescribed Officers within the meaning of the Companies Act, no 71 of 2008, as amended (the Act);
- Top management is defined as the level below the GEC; and
- Senior management is defined as the two levels below top management.

Executive service contracts

The President and Chief Executive Officer is employed on a five year contract that commenced 1 June 2011. His service agreement is governed by Sasol's policy for expatriate remuneration.

The Executive Directors and Prescribed Officers have permanent employment contracts with notice periods of three months. The contracts provide for salary and benefits to be offered to the executives as well as participation in incentive plans on the basis of performance and as approved by the board. GEC members and Directors are required to retire from the group and the board at the age of 60, unless requested by the board to extend their term.

A summary of the termination arrangements for prescribed officers has been included in table format at the end of this report.

Risk management

The following risk-mitigating controls 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 incentive plans are designed such that a balance is obtained between retention and performance over the business development cycle.

Mix of performance measures

Financial and non-financial measures are used in the incentive plans to ensure that performance related rewards are conditional upon achievement of a mix of measures. They aim at protecting shareholder interests and at rewarding company and individual performance.

Other controls

The caps on the maximum pay-out under the short-term incentive plan mitigate against unintended and inappropriate rewards. The board has given the committee the final discretion to approve the payments under all incentive plans.

Sasol Clawback policy

Clawback may be implemented by the board for:

- any material misstatement of financial statements or where performance related to non-financial targets has been misrepresented and such misstatement has led to the overpayment of incentives to executives;
- errors made in the calculation of any performance condition whether financial or non-financial and which resulted in an overpayment; and
- gross misconduct on the part of the employee leading to dismissal (where, had the gross misconduct been known prior to the incentive/incentive gains being paid, it would have resulted in the payment not being made).

Section 2: Remuneration policy

Overarching Principles of remuneration policy

The committee, following extensive engagement with institutional shareholders in 2012 and 2013, reviewed the remuneration policy to ensure that:

- it remains effective in supporting the achievement of the company's business objectives;
- it is competitive and in line with best practices globally;
- it fairly rewards individuals for their contribution to the business, and
- it carries the support of our stakeholders.

The committee has full discretion to alter rewards offered in terms of the policy but will only do so in exceptional cases and will disclose such changes.

Sasol's remuneration policy strives to reward corporate and individual performance through an appropriate balance of fixed pay and both short and long-term variable pay components. The committee considers the targets set for the different elements of performance related remuneration to ensure that these are both appropriate and demanding in the context of the business environment as well as complying with the provisions of appropriate governance codes and statutes.

Prominent within the Sasol group in FY14 was the focus on the successful execution of the Business Performance Enhancement Programme which includes the implementation of a new operating model and resultant organisational structures aiming to achieve greater efficiency and reduced costs. Some fundamental principles of the re-structure include increasing the span of control, de-layering parts of the organisation and thus reducing ambiguity, bureaucracy and ineffective processes. The restructure necessitated a review of remuneration practices resulting in changes for FY15. Accordingly, a new reward and organisation design framework will be introduced from FY15 to replace the 28 existing levels with nine structural layers designed around accountability, complexity and reporting lines. From FY15 onwards, top management will be known as the Business and Group Function Leadership layer, and senior management will be referred to as the Operational and Functional Leadership layer.

Remuneration report continued

Due to the restructure, opportunities for voluntary retrenchment packages and voluntary early retirement were offered to affected employees under the Sasol Retrenchment policy. This process will continue into FY15.

Key Components of Sasol's Executive Remuneration Policy

The key components and drivers of Sasol's executive remuneration structure, which apply to all members of top and senior management, are set out in the table below:

Remuneration component	Strategic intent and drivers	Policy application
Base salary	▪ Attraction and retention of key employees. ▪ Internal and external equity. ▪ Rewarding individual performance.	▪ Base salary reflects individuals' competencies and is normally reviewed annually with individual performance differentiated salary adjustments effective from 1 October each year. ▪ Distribution is around the median as informed by benchmarks.
Benefits	▪ External market competitiveness. ▪ Integrated approach towards wellness driving employee effectiveness and engagement.	▪ Benefits include but are not limited to membership of a retirement plan and health insurance, disability and death cover to which contributions are made by both the company and the employee.
Allowances	▪ Compliance with legislation. ▪ Negotiated and contractual commitments.	▪ Offered in line with statutory requirements and either agreed or determined at collective bargaining forums.

Short-term incentive (STI) plan (<12 months)	▪ Alignment with group and business unit or functional performance in terms of:
	  ▪ Financial targets;
	  ▪ Employment equity (South African employees only);
	  ▪ Safety performance (against both leading and lagging targets); and
	  ▪ Reward performance against targets set at group, business unit and individual levels including targets for major capital projects and compliance issues where relevant.
		▪ Subject to the achievement of performance criteria, the short-term incentive is paid following approval at the September committee meeting.
		▪ A single structure is applicable to all employees globally, other than certain employees who are aligned with production (Mining) or sales commission arrangements.

Long-term incentive (LTI) plan	▪ Alignment with both group performance and retention objectives in terms of:
	  ▪ Attraction and retention of senior employees; and
	  ▪ Direct alignment with shareholders' interests by linking the vesting of awards to the achievement of CPTs where units can be forfeited or enhanced if targets are not met or exceeded, in terms of:
	    ▪ Efficiency;
	    ▪ Earnings; and
	    ▪ Relative Total Shareholders' Return (TSR).
		▪ The long-term incentive arrangements are reviewed annually to ensure that they are appropriately aligned to strategic goals and provide an appropriate incentive for longer-term performance and shareholder alignment.
		▪ Awards are directly linked to role, group and individual performance.
		▪ Awards are made upon appointment, promotion or in terms of the annual supplementary process.
		▪ Of the total award to senior management, the following portion was linked to CPTs in FY14:
		  ▪ Top management and GEC: 70%
		  ▪ Senior management: 60%

Total remuneration

Benchmarking

Executive remuneration is benchmarked against 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. One of the committee's key tasks is to preserve the relevance, integrity and consistency of this benchmarking exercise.

Survey reports from PwC Remchannel and Mercer Global Remuneration Solutions are used for benchmarking of South African remuneration levels. Since PwC has been appointed as the company auditors effective FY14, participation in the PwC Remchannel survey has been confirmed as independent by the Audit Committee Chairman. Survey data from the Hay Group, ECA, Mercer and Towers Watson are used in different locations in the international environment.

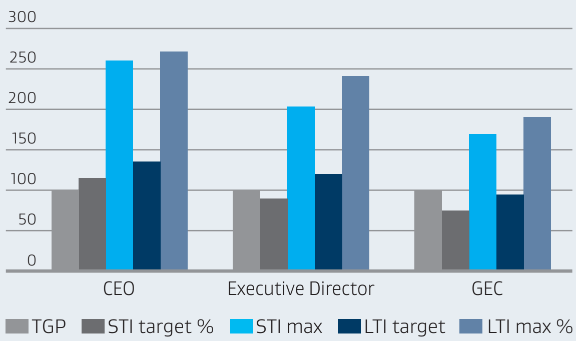
South African executive remuneration survey data is supplemented by the published remuneration information of a number of comparator organisations. The international data points carry a weighting of 30% with the balance linked to South African data points. This comparator group of companies includes:

- four global resources companies with significant South African interests 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.

The committee requested that a comprehensive review of the peer group be done in FY15.

The ratios within the remuneration mix are structured for different management levels within the organisation and geographic location. The relative proportion of the remuneration components of the GEC within the approved remuneration mix is set out in the following chart:

Executive pay mix (%)



* Total guaranteed package (TGP) is used in South Africa and equates to total cost of base salary and fixed allowances plus employer contributions to benefit funds

The chart indicates a balanced portfolio of reward allocated towards base salary/TGP, short-term and long-term incentives, tied to the achievement of group and individual targets set over the short- and long-term to ensure sustainable focus on the group's strategic objectives. Bar for a small adjustment to the LTI fair values, the pay mix remains unchanged for FY15.

Total guaranteed package/base salary and benefits

South African employees who are not covered by collective bargaining agreements, receive a total guaranteed package (TGP) which includes employer contributions towards retirement, risk, life and health care benefits. The concept of TGP was introduced in 2008 for supervisory levels and above and in terms of this model, all changes to benefit contribution levels are cost neutral to the employer. All increases in the benefit pricing of employee and employer contributions reduce the net cash salary of employees.

Annual increases to total guaranteed package are determined with reference to the scope and nature of an employee's role, market benchmarks, personal performance and competence, affordability and projected consumer price index figures. Annual increases for all employees outside of the collective bargaining councils take effect from 1 October. An overall annual increase of 6,5% was approved by the committee, with effect from 1 October 2013, for all employees outside the respective collective bargaining councils in South Africa. South African employees included in collective

Remuneration report continued

agreements received increases varying between 7,5% and 8,25%, for 2014. This is the 5th consecutive year that increases awarded to management are lower than what was agreed through collective bargaining forums for unionised employees.

Our employees outside of South Africa are remunerated on a base salary plus benefits approach and similar benefits are offered as for the South African employees. In FY14, increases awarded were in line with anticipated movements in remuneration in the international jurisdictions and in accordance with individual performance.

Short-term incentives

The short-term incentive (STI) plan is designed to recognise the achievement of a combination of group and business unit or group functional performance objectives.

The following diagram indicates the basis for calculating the short-term incentive amounts for group executives and employees in top management:

[STI Award] = [Base Salary or TGP] x [STI Target %] x [Business Unit/ Function] x [Group Factor] x [Individual Performance Factor (IPF)]

STI Award	Base Salary or TGP	STI Target %	Business Unit/ Function	Group Factor	Individual Performance Factor (IPF)
Calculated in currency determined in employment contract	Either Base salary or TGP. Apportioned for period of employment	Target Awards: CEO: 115% X Base ED: 90% X Base/TGP GEC: 75% X Base/TGP MD: 60% X Base/ TGP Other employees vary by level between 15% and 50% of Base/TGP	Each business unit and function has a scorecard which weights drivers relevant for the particular unit. These include inter alia: - Safety - Employment equity - Cost/profit - Production - Project performance Measured from 0% to 100% Incorporated into IPF for GEC	Group Targets: - Volume growth - Cash fixed costs - EBITDA - Safety (GEC) - Employment equity (SA) (GEC) GEC: measured from 0% to 150% Senior and top management measured from 50% to 150%	For GEC, a combination of individual performance and portfolio performance. For top management an individual performance factor. Measured from 0% to 150%

TGP: total guaranteed package, CEO: President and Chief Executive Officer, ED: Executive Director, GEC: Group Executive Committee, EBITDA: earnings before interest, tax, depreciation and amortisation

Measures covering the execution of large capital projects have been incorporated into the performance agreements of those executives who are directly involved in the management and oversight of these projects.

The specific configuration and outcome of the STI calculation on group targets, for each employee category is detailed separately in the paragraphs below.

Short-term incentive – members of the GEC

The group targets applicable to the GEC, their weights and the resultant outcome of the group multiplier for FY14 are indicated in the following table.

Measure	Weight	Threshold (0%)	Target (100%)	Stretch target (150%)	Achievement	Weighted achievement
Year-on-year growth in EBITDA	55%	FY13 EBITDA + 0%	FY13 EBITDA + CPI	FY13 EBITDA + CPI + 8%	FY13 EBITDA + 17,3%	82,50%
Year-on-year growth in fuel volumes measured in tons	10%	FY13 Volume + 0%	FY13 + 1%	FY13 + 2%	FY13 + 1,65%	13,26%
Growth in cash fixed costs (CFC) versus PPI	15%	FY13 CFC + Average PPI + 2%	FY13 CFC + PPI	FY13 CFC + PPI – 2%	FY13 CFC + PPI – 1,8%	21,94%
Employment Equity	10%	60% of all opportunities in targeted groups	60% of all opportunities in targeted groups	75% of all opportunities in targeted groups	Snr Mgt 50,96% Mid Mgt 41,25%	8,68%
Safety lagging indicator	4%	RCR: 0,36	RCR: 0,30	RCR: 0,28	RCR = 0,36 less 5 fatalities	0,00%
Safety leading indicator	6%	Weighted average of leading indicators for all BUs to be 70%	Weighted average of leading indicators for all BUs to be 90%	Weighted average of leading indicators for all BUs to be 100%	97,50%	8,28%
Overall weighted average						**134,66%**

Since the portfolios of the GEC members cover a number of business units or group functions, a weighted combination of the relevant scores is included in a combined individual/portfolio score for each GEC member.

The table below provides details of all the factors and the final determination of the annual short-term incentive award for FY14.

	TGP/ Base Salary as at 30 June 2014 A	Target % B	Group Factor % C	Individual Performance Factor % D	FY14 Short-term incentive value* E = AxBxCxD
DE Constable[1]	**US$899 633**	**115%**	**134,66%**	**123,3%**	**US$1 717 770**
VN Fakude	**R7 452 913**	**90%**	**134,66%**	**115%**	**R10 387 356**
P Victor[2]	**R4 000 000**	**90%**	**134,66%**	**125%**	**R5 030 381**
SR Cornell[3]	**US$650 000**	**75%**	**134,66%**	**105%**	**US$283 270**
FR Grobler[4]	**R4 349 248**	**75%**	**134,66%**	**95%**	**R3 370 580**
VD Kahla	**R5 112 105**	**75%**	**134,66%**	**105%**	**R5 421 119**
BE Klingenberg	**R5 931 050**	**75%**	**134,66%**	**100%**	**R5 990 064**
E Oberholster[5]	**R4 431 548**	**75%**	**134,66%**	**95%**	**R3 180 158**
M Radebe	**R4 550 000**	**75%**	**134,66%**	**100%**	**R4 595 272**
CF Rademan	**R5 498 750**	**75%**	**134,66%**	**115%**	**R6 386 482**
SJ Schoeman[6]	**R4 300 000**	**75%**	**134,66%**	**95%**	**R689 491**

* Apportioned for employment period or period on the GEC.

1 Net USD salary used to calculate net USD short-term incentive.
2 50% target STI for 1/07/2013 – 31/08/2013; 90% target STI for 1/09/2013 – 30/06/2014. Calculation based on TGP including acting allowance.
3 75% target STI for 1/02/2014 – 30/06/2014.
4 60% target STI for 1/07/2013 – 30/11/2013; 75% target STI for 1/12/2013 – 30/06/2014. Calculation based on net assignment salary paid whilst on expatriate contract in Germany.
5 60% target STI for 1/07/2013 – 30/09/2013; 75% target STI for 1/10/2013 – 30/06/2014.
6 60% target STI for 1/07/2013 – 30/04/2014; 75% target STI for 1/05/2014 – 30/06/2014.

Remuneration report continued

The committee has the final discretion to determine the individual amounts that are paid out under the group short-term incentive plan considering overall performance versus predetermined targets. No changes were made to formulaic incentive calculations.

Short-term incentive – top and senior management
The group targets for the levels below the GEC are growth in volume, cash fixed costs and EBITDA respectively. Performance against the group targets is measured in a range of 50% – 150%. Safety, Employment Equity and targets relevant to the business unit (BU)/group functional annual business plans including project deliverables are measured at BU/Group Functional level. Excluding the group employment equity and safety scores (which are included in the respective BU/group functional scores), the group factor applied to this category is 144,71%.

Each business unit and group functional score is verified by internal audit. For FY14, BU/group functional scores varied between 35,36% and 87,98%. For members of top management, the individual performance factor (IPF) (0% – 150%) also applies. Application of the IPF is performed using a normal distribution to ensure that its implementation does not increase the total incentive pool made available for payment.

Short-term incentive – below senior management
The short-term incentive plans below senior management are considered collective performance arrangements and are thus based on business unit or group functional scores alone. The STI award is determined as follows:

[STI Award] = [Base/TGP] x [STI Target %] x [Business Unit/ Function]

As the impact on the group at large is minimal in these areas, and most employees in collective bargaining units do not have their remuneration tied to individual performance, these factors have been excluded from the formula.

Long-term incentive plans

Governance over the long-term incentive plans is provided by the Remuneration Committee. The committee approves grants in terms of the policy under the following circumstances:

- upon promotion of an employee to a qualifying role;
- upon appointment to the group in a qualifying role;
- an annual award to eligible employees; and
- discretionary awards for purposes of retention.

Long-term incentive plan
LTI awards 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 (or ADR for international employees) after a three year vesting period, subject to the achievement of corporate performance targets. The plan does not confer any right to acquire shares in Sasol Limited and for awards made up to August 2014, employees are not entitled to dividends or dividend equivalents. Awards made from September 2014 will receive the benefit of dividend equivalents on those units that vest.

Termination conditions include:

- for reasons of death, disability, retirement or retrenchment vesting is subject to the probability assessment of achieving the corporate performance targets as well as the period in service over the vesting period; and
- for all other reasons, unvested rights are forfeited.

The following table sets out the fair value of annual LTI awards made to prescribed officers in FY14 as a multiple of the reference salary/TGP of the level that the position has been evaluated.

Role	Multiple
President and Chief Executive Officer	135%
Executive Directors	120%
Group Executives	95%

From FY15, awards will be made as a multiple of actual rather than the pay band reference salary/TGP.

The table below presents the progressive stance undertaken in aligning shareholder and management interests through increased weighting in terms of CPTs.

Year	% of award linked to CPTs	
	SAR	LTI
FY12	25%	50%
FY13	60%	60%
FY14	No SARs issued	Top mgt: 70% Snr mgt: 60%
FY15	No SARs issued	GEC: 100% Other participants: 60%

The table below summarises the weightings and corporate performance targets under which the LTI rights were granted during FY14. Vesting is considered in terms of the weighted performance measured against three targets. If targets are not met, the performance based LTI awards are forfeited and if targets are exceeded the number of LTI awards that vest may be increased by up to 100% of the units tied to the CPTs, at vesting. There is no opportunity for retesting of targets.

Measure	Weight (of the portion linked to the CPTs)	Threshold (0%)	Target (100%)	Stretch (over-performance) (200%)
Increase in tons produced per head[1]	25%	0% improvement on FY13 base target	1% improvement on FY13 base target	2% improvement on FY13 base target
Growth in attributable earnings[1]	25%	80% – 100% of average CPI for the financial year	>100% to 120% of average CPI for the financial year	>120% of average CPI for the financial year
TSR[2]	25%	Lower quartile of peers in the JSE RESI 10	Median of peers in the JSE RESI 10	Upper quartile of peers in the JSE RESI 10
TSR[2]	25%	Lower quartile of peers included in the MSCI World Energy Index	Median of peers included in the MSCI World Energy Index	Upper quartile of peers included in the MSCI World Energy Index

1 Performance is assessed on a linear basis between threshold, target and stretch targets
2 TSR = Total Shareholders' Return

A summary of outstanding LTI awards and vesting percentages is presented in the following table:

			Weighting of Performance Targets						
Financial year of allocation	Vesting year	Vesting range	Attributable Earnings growth	Production Volume growth	Production volume/ headcount growth	Share Price vs ACSI 40	TSR vs JSE RESI 10	TSR vs MSCI World Energy Index	Vesting results
2011	2014	50% to 150%	25%	25%	–	50%	–	–	2014 = 125%
2012	2015	50% to 150%	25%	25%	–	50%	–	–	Unvested
2013	2016	40% to 160%	25%	–	25%	–	25%	25%	Unvested
2014	**2017**	**30% to 170%**[1] **40% to 160%**[2]	**25%**	**–**	**25%**	**–**	**25%**	**25%**	**Unvested**

1 Top management
2 Senior management

Remuneration report continued

The committee retains full authority as to the vesting of rights awarded to participants.

For FY15 the following changes will be introduced to the TSR conditions:

Measure	Weight (of the portion linked to the CPTs)	Threshold (0%)	Target (100%)	Stretch (over-performance) (200%)
TSR – MSCI World Energy Index	35%	Below the 30th percentile of the peer group[1]	Median of the peer group[1]	80th percentile of the peer group
TSR – JSE Resources 10 Index (including Sasol)	15%	7th in peer group	5th in peer group	3rd in peer group

1 25% vest at 30th percentile.

Share appreciation rights (SARs) (no awards in FY14)
SARs gave participating employees the opportunity, subject to the vesting conditions, to receive a future cash incentive payment calculated with reference to the increase in the market value of a Sasol ordinary share from the date of grant, after the three, four and five year vesting periods respectively (up to FY12 over two, four and six years). The plan does not confer any rights to acquire shares in Sasol Limited and employees are not entitled to dividends. The maximum period for exercising SARs is nine years from the date of the grant after which they lapse.

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

A summary of outstanding SAR allocations' vesting percentages are presented in the table below:

			Weighting of Performance Targets						
Financial year of allocation	Vesting year	Vesting range	Attri-butable earnings growth	Pro-duction volume growth	Pro-duction volume/ headcount growth	Share Price vs ACSI 40	TSR vs JSE RESI 10	TSR vs MSCI World Energy Index	Vesting results
2010	2012, 2014 & 2016	75% to 125%	25%	25%	–	50%	–	–	2012 = 106,25% 2014 = 112,50% 2016 = unvested
2011	2013, 2015 & 2017	75% to 125%	25%	25%	–	50%	–	–	2013 = 112,50% 2015 = unvested 2017 = unvested
2012	2014, 2016 & 2018	75% to 125%	25%	25%	–	50%	–	–	2014 = 112,50% 2016 = unvested 2018 = unvested
2013	2016 2017 & 2018	40% to 160%	25%	–	25%	–	25%	25%	Unvested
2014	**2017 2018 & 2019**	**40% to 160%**	**25%**	**–**	**25%**	**–**	**25%**	**25%**	**Unvested**

Sasol Inzalo Management Scheme
Sasol implemented the Sasol Inzalo black economic empowerment (BEE) transaction in 2008. 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 were forfeited. On resignation after three years or more from being granted the rights, the black managers 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 10 year period by reason of dismissal, or for reasons other than operational requirements, will forfeit their rights to Sasol ordinary shares.

See page 202 of the annual financial statements for the outstanding rights under the Sasol Share Inzalo Management Scheme.

Share ownership guideline
The committee approved a share ownership guideline for Executive Directors effective 1 July 2014, under which the board requires Executive Directors to hold Sasol shares or ADRs to 200% of the annual base salary for the Chief Executive, 150% and 100% of annual pensionable remuneration for the Chief Financial Officer and Executive Directors respectively.

The requirement should be fully achieved within five years from 1 July 2014, or from the date of appointment if after this date.

Sasol Share Incentive Scheme
The SAR plan replaced the previous Sasol Share Incentive Scheme, which has been closed since 2007. The Sasol Share Incentive Scheme, had vesting periods of 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. The Scheme will be closed in 2016. See page 197 of the annual financial statements for the options which remain exercisable under the Sasol Share Incentive Scheme.

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

During FY14, scarce skills/retention awards were approved to the total value of R12,6 million to 24 employees.

Section 3: Remuneration in 2014

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	30 November 2012	21 November 2014
VN Fakude	1 October 2005	1 October 2005	22 November 2013	4 December 2015
P Victor	6 December 2000	10 September 2013	22 November 2013	2016[2]

1 Projected date of retirement by rotation based on 14 Directors in office.
2 The date of the 2016 annual general meeting has not yet been determined.

Remuneration report continued

President and Chief Executive Officer's and Executive Directors' remuneration

The President and Chief Executive Officer's salary and short-term incentive is paid to him on a net of tax basis in USD.

The required rand based disclosure is impacted by the rand/US dollar exchange rate. In the past financial year the rate has fluctuated between R9,58 and R11,31 which gives a distorted picture of the movement in the actual remuneration that is received. Therefore to facilitate comprehensive remuneration disclosure the table below provides the actual year-on-year increase in his net base salary and STI since 2012.

DE Constable	**2014 US$**	2013 US$	2012 US$
Net base salary	**899 633**	865 032	827 782
Net STI	**1 717 770**	1 320 231	839 803

Remuneration and benefits paid and short-term incentives approved in respect of 2014 for Executive Directors were as follows:

Directors	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual incentives[2] R'000	**Total[3] 2014 R'000**	Total[4] 2013 R'000
DE Constable[5]	15 303	196	5 847	30 616	**51 962**	53 668
VN Fakude	5 612	1 604	356	10 387	**17 959**	14 604
KC Ramon[6]	617	692	8 326	–	**9 635**	13 584
P Victor[7]	1 837	276	1 088	5 030	**8 231**	–
Total	**23 369**	**2 768**	**15 617**	**46 033**	**87 787**	**81 856**

1 Other benefits detailed in the next table.
2 Incentives approved on the group results for the 2014 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package/net base salary as at 30 June 2014. The difference between the amount approved as at 5 September 2014 and the total amount accrued as at 30 June 2014 represents an under provision of R12,1 million. The under provision for 2013 of R14,4 million was reversed in 2014.
3 Total remuneration for the financial excludes gains derived from the long-term incentive schemes which are separately disclosed.
4 Includes incentives approved on the group results for the 2013 financial year and paid in 2014.
5 Salary and short-term incentive paid in US dollars and grossed up for tax and reflected at the exchange rate of the month payment for the salaries, and 5 September 2014 for the FY2014 short-term incentive being the date of approval of the consolidated annual financial statements.
6 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
7 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Benefits and payments made in 2014 disclosed in the table above as "other benefits" include the following:

Directors	Vehicle Benefits R'000	Medical Benefits R'000	Vehicle insurance fringe benefits R'000	Security benefit R'000	Other R'000	**Total other benefits 2014 R'000**	Total other benefits 2013 R'000
DE Constable[1]	–	265	6	653	4 923	**5 847**	18 911
VN Fakude	60	39	6	251	–	**356**	309
KC Ramon[2]	227	16	2	–	8 081	**8 326**	1 418
P Victor[3]	83	–	5	–	1 000	**1 088**	-
Total	**370**	**320**	**19**	**904**	**14 004**	**15 617**	**20 638**

1 Cost of benefits and/or tax gross up of benefits offered under the expatriation policy i.e. security (R435 181), medical aid (R176 467); accommodation (R1 561 083), home flights (R615 745), car insurance (R4 160), risk and personal accident (R 130 977). Medical benefits include international cover for dependents. Balance of R1 999 416 staggered sign on payment, paid in 2012 but accounted for in 2014 due to the 24 month retention period that started on the date of payment.
2 Payments made to Ms KC Ramon in terms of a restraint of trade agreement.
3 Acting allowance paid to Mr P Victor upon appointment as Acting Chief Financial Officer.

Prescribed Officers

Remuneration and benefits paid and short-term incentives approved in respect of 2014 for Prescribed Officers were as follows:

Prescribed Officers	Salary R'000	Retirement funding R'000	Other benefits[1] R'000	Annual Incentive[2] R'000	**Total 2014[3] R'000**	Total 2013[4] R'000
SR Cornell[5]	2 786	146	1 712	2 944	**7 588**	–
AM de Ruyter[6]	1 724	806	146	–	**2 676**	11 818
FR Grobler[7]	3 189	138	1 695	3 371	**8 393**	–
VD Kahla	4 383	578	522	5 421	**10 904**	9 450
BE Klingenberg	4 399	1 129	304	5 990	**11 822**	10 009
E Oberholster[8]	2 264	1 010	61	3 180	**6 515**	–
M Radebe	3 163	624	360	4 595	**8 742**	6 981
CF Rademan	3 967	1 039	410	6 386	**11 802**	9 312
SJ Schoeman[9]	606	66	46	689	**1 407**	–
GJ Strauss[10]	1 270	265	65	1 205	**2 805**	12 042
Total	**27 751**	**5 801**	**5 321**	**33 781**	**72 654**	**59 612**

1 Other benefits are listed in the table below.
2 Incentives approved on the group results for the 2014 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package or base salary as at 30 June 2014. The difference between the amount approved as at 5 September 2014 and the total amount accrued as at 30 June 2014 represents an over provision of R0,4 million. The under provision for 2013 of R8,8 million was reversed in 2014.
3 Total remuneration in the financial year excludes gains derived from the long-term incentive plans which are separately disclosed.
4 Includes incentives on the group results for the 2013 financial year.
5 Mr SR Cornell was appointed as a member of the Group Executive Committee with effect from 1 February 2014. Details reflect the period of service on the GEC. Mr Cornell, under his US employment contract, is paid in USD and the amount reflected above, for purposes of disclosure only, has been converted to rand using the average exchange rate over the period.
6 Mr AM de Ruyter resigned from the group with effect from 30 November 2013.
7 Mr FR Grobler was appointed as a member of the Group Executive Committee with effect from 1 December 2013. His salary was paid in euros under the expatriate contract to Germany; grossed up for tax and converted to rand for disclosure purposes. His short-term incentive was calculated on his nett assignment salary that applied for the period that he was on expatriate contract in Germany.
8 Mr E Oberholster was appointed as a member of the Group Executive Committee with effect from 1 October 2013. Details reflect the period of service on the GEC.
9 Mr SJ Schoeman was appointed as a member of the Group Executive Committee with effect from 1 May 2014. Details reflect the period of service on the GEC.
10 Mr GJ Strauss retired from the group with effect from 30 September 2013. He remained entitled to a pro rata short-term incentive for the period 1 July 2014 – 30 September 2014.

Benefits and payments made in 2014 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 benefits R'000	**Total other benefits 2014 R'000**	Total other benefits 2013 R'000
SR Cornell[1]	–	82	–	–	1 630	**1 712**	–
AM de Ruyter	114	29	3	–	–	**146**	355
FR Grobler[2]	–	–	–	–	1 695	**1 695**	–
VD Kahla	–	68	6	448	–	**522**	1 377
BE Klingenberg	212	68	6	18	–	**304**	298
E Oberholster	–	49	5	7	–	**61**	–
M Radebe	264	68	6	22	–	**360**	349
CF Rademan	320	59	6	25	–	**410**	469
SJ Schoeman	33	12	1	–	–	**46**	–
GJ Strauss	30	14	2	19	–	**65**	191
Total	**973**	**449**	**35**	**539**	**3 325**	**5 321**	**3 039**

1 Sign on payment of $750 000 paid to Mr SR Cornell with his first salary linked to a retention period of 36 months, from February 2014. This amount reflects the portion related to his period in service for the financial year ($750 000*5)/36). A deferred sign on payment of $500 000 payable in tranches upon achievement of significant milestones on the US Mega Projects, was also agreed as part of his employment contract.
2 Allowances payable under Mr FR Grobler's previous expatriate contract, including tax gross up.

Remuneration report continued

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. They do not receive short-term incentives, nor do they participate in long-term incentive plans. No arrangement exists for compensation in respect of loss of office.

As an exception to the recommended remuneration practice of the King III Code, and as in previous years, 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 and an ad hoc committee fee for formally scheduled board and committee meetings which do not form part of the annual calendar of meetings. 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. Non-Executive Directors receive fixed fees for services on boards and board committees.

Actual fees and the fee structure are reviewed annually. In setting fees, 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 complexity and projected inflation rates are taken into consideration. Proposals for fees are prepared with the support of internal and external reward specialists, for consideration by the committee. The board recommends the fees payable to the Chairman and Non-Executive Directors for approval by the shareholders.

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 21 November 2014, and implemented with retroactive effect from 1 July 2014, once approval by way of special resolution has been obtained. In the event that shareholder approval is not obtained then the current fee structure will remain in place until such time as shareholders approve a new structure.

Annual Non-Executive Directors' fees are as follows for the two past financial years:

	2014		2013	
	Member	**Chairman**	Member	Chairman
Chairman of the board, inclusive of fees payable for attendance or membership of board committees and Directorship of the company		**R4 800 000**		R4 520 000
Resident fees:				
Non-Executive Directors	**R490 000**		R460 000	
Audit Committee members	**R194 000**	**R388 000**	R183 000	R366 000
Remuneration Committee members	**R130 000**	**R260 000**	R118 500	R237 000
Risk and Safety, Health and Environment Committee	**R112 500**	**R225 000**	R108 150	R216 300
Nomination and Governance Committee	**R112 500**	**R225 000**	R108 150	R216 300
Share incentive plan trustees (resident and non-resident)	**R67 000**	**R134 000**	R67 000	R134 000
Lead Independent Director fee (additional fee)	**R168 000**		R156 500	
Attendance of formally scheduled ad hoc board and committee meetings (per meeting)	**R19 700**		R18 500	
Non-resident fees:				
Non-Executive Directors	**US$143 000**		US$138 000	
Audit Committee members	**US$26 500**	**US$53 000**	US$26 000	US$52 000
Remuneration Committee members	**US$20 000**	**US$40 000**	US$18 750	US$37 500
Risk and Safety, Health and Environment Committee	**US$18 000**	**US$36 000**	US$17 500	US$35 000
Nomination and Governance Committee	**US$18 000**	**US$36 000**	US$17 500	US$35 000
Lead Independent Director fee (additional fee)	**US$50 050**		US$48 300	

The Chairman of a Board Committee is paid double the committee meeting fees of a member of such a committee. 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 in office are listed below:

Non-Executive Directors	Date first appointed to the board	Date last re-elected as a Director	Date due for re-election
MSV Gantsho (Chairman)	1 June 2003	22 November 2013	4 December 2015
JE Schrempp (Lead Independent Director)	21 November 1997	30 November 2012	4 December 2015
C Beggs	8 July 2009	30 November 2012	21 November 2014
HG Dijkgraaf	16 October 2006	30 November 2012	21 November 2014
NNA Matyumza	8 September 2014	n/a	21 November 2014
IN Mkhize	1 January 2005	22 November 2013	4 December 2015
ZM Mkhize	29 November 2011	30 November 2012	21 November 2014
MJN Njeke	4 February 2009	22 November 2013	4 December 2015
B Nqwababa	5 December 2013	n/a	21 November 2014
PJ Robertson	1 July 2012	30 November 2012	21 November 2014
S Westwell	1 June 2012	30 November 2012	4 December 2015

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	Ad Hoc Special Board – committee meeting R'000	**Total 2014 R'000**	Total 2013 R'000
MSV Gantsho (Chairman)[1]	3 004	–	128	–	–	**3 132**	825
TH Nyasulu[2]	2 000	–	–	–	–	**2 000**	4 520
JE Schrempp (Lead Independent Director)	1 499	525	398	67	–	**2 489**	2 146
C Beggs	490	–	501	–	20	**1 011**	1 027
HG Dijkgraaf[3]	1 499	–	797	67	20	**2 383**	2 317
IM Mkhize	490	–	549	134	20	**1 193**	839
ZM Mkhize	490	–	113	–	–	**603**	605
MJN Njeke	490	–	194	–	20	**704**	717
B Nqwababa[4]	286	–	113	–	20	**419**	–
PJ Robertson[3]	1 499	–	210	67	20	**1 796**	1 460
S Westwell[3]	1 499	–	466	–	20	**1 985**	1 725
Total	**13 246**	**525**	**3 469**	**335**	**140**	**17 715**	**16 181**

1 Appointed as Chairman and effective 22 November 2013.
2 Resigned as Chairman and Non-Executive Director effective 22 November 2013.
3 Board and committee fees paid in US dollars.
4 Appointed as Non-Executive Director effective 5 December 2013.

Remuneration report continued

Long-term incentives previously granted, exercised, implemented, settled and/or vested
The interests of the directors in the form of long-term incentive instruments are shown in the tables below. During the year to 30 June 2014, the highest and lowest closing market prices for the company's shares were R420,00 on 5 July 2013 and R645,10 on 13 June 2014 and the closing market price on 30 June 2014 was R632,36. Refer to note 47 of the consolidated annual financial statements for the year ended 30 June 2014 for further details of the incentive plans.

No variations have been made to the terms and conditions of the long-term incentive awards during the relevant period.

Directors

Long-term incentive holdings

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)	Effect of corporate performance targets (number)	Long-term incentive rights lapsed (number)	Long-term incentive rights settled (number)	**Balance at end of year (number)**
DE Constable	91 744	41 694	0,00	12 Sep 2013	–	6 750	–	(60 750)	**79 438**
VN Fakude	56 359	30 446	0,00	12 Sep 2013	–	2 643	–	(23 792)	**65 656**
KC Ramon[1]	49 584	–	0,00	12 Sep 2013	–	1 097	(40 808)	(9 873)	**–**
P Victor[2]	–	7 368	0,00	12 Sep 2013	5 399	159	–	(1 431)	**11 495**
Total	**197 687**	**79 508**			**5 399**	**10 649**	**(40 808)**	**(95 846)**	**156 589**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Long-term incentive rights vested during the year

Directors	Vesting dates	Long-term incentive rights vested (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on settlement of long-term incentive rights **2014 R'000**	2013 R'000
DE Constable	3 June 2014	60 750	0,00	603,05	**36 635**	–
VN Fakude		23 792			**12 946**	1 436
	16 September 2013	11 847	0,00	484,74	**5 743**	
	3 June 2014	11 945	0,00	603,05	**7 203**	
KC Ramon[1]	16 September 2013	9 873	0,00	484,74	**4 786**	1 661
P Victor[2]	16 September 2013	1 431	0,00	484,74	**694**	–
Total		**95 846**			**55 061**	3 097

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Long-term incentives unvested at the end of the year vest during the following periods

Directors	Within one year (number)	One to two years (number)	Two to three years (number)	**Total (number)**
DE Constable	25 082	12 662	41 694	**79 438**
VN Fakude	13 970	21 240	30 446	**65 656**
KC Ramon[1]	–	–	–	**–**
P Victor[2]	1 603	2 524	7 368	**11 495**
Total	**40 655**	**36 426**	**79 508**	**156 589**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Share appreciation rights, with performance targets

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)	Effect of corporate performance targets (number)	Share appreciation rights lapsed (number)	Share appreciation rights exercised (number)	**Balance at end of year (number)**
DE Constable	355 900	–	–	–	–	9 762	–	–	**365 662**
VN Fakude	221 487	–	–	–	–	3 618	–	(69 518)	**155 587**
KC Ramon[1]	202 725	–	–	–	–	2 187	(146 300)	(58 612)	**–**
P Victor[2]	–	–	–	–	17 218	300	–	(3 318)	**14 200**
Total	**780 112**	**–**			**17 218**	**15 867**	**(146 300)**	**(131 448)**	**535 449**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Share appreciation rights, with performance targets exercised

Directors	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 **2014 R'000**	2013 R'000
VN Fakude		69 518			**16 069**	–
	4 October 2013	6 600	289,99	488,66	**1 311**	
	19 March 2014	6 600	289,99	582,29	**1 929**	
	4 October 2013	15 800	298,65	488,66	**3 002**	
	19 March 2014	16 893	347,03	582,29	**3 974**	
	19 March 2014	23 625	334,53	582,29	**5 853**	
KC Ramon		58 612			**9 672**	–
	11 September 2013	21 725	289,99	488,00	**4 302**	
	11 September 2013	17 200	347,03	488,00	**2 425**	
	16 September 2013	17 500	334,53	484,74	**2 629**	
	17 September 2013	2 187	334,53	478,89	**316**	
P Victor		3 318			**591**	–
	21 October 2013	500	299,90	506,22	**103**	
	21 October 2013	118	298,65	506,22	**24**	
	21 October 2013	2 700	334,53	506,22	**464**	
Total		**131 448**			**26 332**	**–**

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

Directors	Already vested (number)	Within one year (number)	One to two years (number)	Two to five years (number)	More than five years (number)	**Total (number)**
DE Constable	128 362	81 000	37 600	118 700	–	**365 662**
VN Fakude	987	31 700	41 900	81 000	–	**155 587**
KC Ramon[1]	–	–	–	–	–	**–**
P Victor[2]	–	1 900	4 700	7 600	–	**14 200**
Total	**129 349**	**114 600**	**84 200**	**207 300**	**–**	535 449

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Remuneration report continued

Share appreciation rights, without performance targets

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 lapsed (number)	Share appre-ciation rights exercised (number)	**Balance at end of year (number)**
VN Fakude	39 500	–	–	–	–	–	(32 100)	**7 400**
KC Ramon[1]	23 200	–	–	–	–	(7 800)	(15 400)	**–**
P Victor[2]	–	–	–	–	13 600	–	(6 600)	**7 000**
Total	**62 700**	**–**			**13 600**	**(7 800)**	**(54 100)**	**14 400**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Share appreciation rights, without performance targets exercised

Directors	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 **2014 R'000**	Gain on exercise of share appreciation rights 2013 R'000
VN Fakude		32 100			**7 230**	–
	4 October 2013	17 100	294,50	488,66	**3 320**	
	12 June 2014	15 000	352,10	612,78	**3 910**	
KC Ramon[1]	11 September 2013	15 400	352,10	488,00	**2 093**	–
P Victor[2]		6 600			**1 365**	–
	21 October 2013	700	294,50	506,22	**148**	
	21 October 2013	5 900	300,00	506,22	**1 217**	
Total		**54 100**			**10 688**	**–**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

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

Directors	Already vested (number)	Within one year (number)	One to two years (number)	Two to five years (number)	More than five years (number)	**Total (number)**
VN Fakude	–	7 400	–	–	–	**7 400**
P Victor[1]	–	7 000	–	–	–	**7 000**
Total	**–**	**14 400**	**–**	**–**	**–**	**14 400**

1 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

Sasol share incentive scheme – share options

There are no outstanding share options previously awarded under the Sasol Share Incentive Scheme and no options were exercised during the course of the financial year.

Sasol Inzalo Management Scheme Rights

At the grant date on 3 June 2008, the issue price of the underlying share of R366,00 which represented 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.

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[1]	25 000	–	–	–	(25 000)	**–**
Total	**50 000**	**–**			**(25 000)**	**25 000**

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013. She was treated as a good leaver under the Scheme Rules and thus allowed to retain all her Inzalo Rights.

Prescribed Officers

Long-term incentive right holdings

Prescribed Officers	Balance at beginning of year (number)	Granted (number)	Average offer price per share (Rand/USD)	Grant date	Effect of change in composition of Prescribed Officers (number)	Effect of corporate performance targets (number)	Long-term incentive rights settled (number)	Long-term incentive rights lapsed (number)	**Balance at end of year (number)**
SR Cornell[1]	–	37 000	0,00	13 Mar 2014	–	–	–	–	**37 000**
AM de Ruyter[2]	64 184	20 551	0,00	12 Sep 2013	–	4 982	(44 850)	(44 867)	**–**
FR Grobler	–	–	–	–	29 672	–	–	–	**29 672**
VD Kahla	24 871	12 489	0,00	12 Sep 2013	–	1 602	(14 423)	–	**24 539**
BE Klingenberg	23 719	17 769	0,00	12 Sep 2013	–	642	(5 785)	–	**36 345**
E Oberholster	–	10 973	0,00	20 Nov 2013	21 605	316	(2 850)	–	**30 044**
M Radebe	28 290	12 489	0,00	12 Sep 2013	–	1 918	(17 273)	–	**25 424**
CF Rademan	24 994	14 808	0,00	12 Sep 2013	–	642	(5 785)	–	**34 659**
SJ Schoeman	–	10 000	0,00	5 Jun 2014	22 327	528	(4 755)	–	**28 100**
GJ Strauss[3]	62 675	–	–	–	–	9 975	(72 650)	–	**–**
Total	**228 733**	**136 079**			**73 604**	**20 605**	**(168 371)**	**(44 867)**	**245 783**

1 Mr SR Cornell was appointed in the US and therefore his LTIs are valued at the Sasol ADR price on the NYSE.
2 Mr AM de Ruyter resigned from the group with effect from 30 November 2013 and thus forfeited all outstanding LTI units.
3 Mr GJ Strauss retired from the group with effect from 30 September 2013. He was treated as a good leaver under the Scheme rules.

Remuneration report continued

Long-term incentive rights vested during the year

Prescribed Officers	Vesting dates	Long-term incentive rights vested (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on settlement of long-term incentive rights 2014 R'000	Gain on settlement of long-term incentive rights 2013 R'000
AM de Ruyter[1]	16 Sep 2013	44 850	0,00	484,74	**21 741**	–
VD Kahla	27 Mar 2014	14 423	0,00	575,40	**8 299**	–
BE Klingenberg	16 Sep 2013	5 785	0,00	484,74	**2 804**	601
E Oberholster	27 Mar 2014	2 850	0,00	575,40	**1 640**	–
M Radebe		17 273			**8 650**	507
	16 Sep 2013	2 850	0,00	484,74	**1 382**	
	24 Nov 2013	14 423	0,00	503,90	**7 268**	
CF Rademan	16 Sep 2013	5 785	0,00	484,74	**2 804**	601
SJ Schoeman	2 Jun 2014	4 755	0,00	595,26	**2 830**	–
GJ Strauss[2]		72 650			**35 162**	1 278
	16 Sep 2013	40 907	0,00	484,74	**19 829**	
	30 Sep 2013	31 743	0,00	483,04	**15 333**	
Total		**168 371**			**83 930**	**2 987**

1 Mr AM de Ruyter resigned from the group with effect from 30 November 2013 and thus forfeited all outstanding LTI units.
2 Mr GJ Strauss retired from the group with effect from 30 September 2013. He was treated as a good leaver under the Scheme rules.

Long-term incentives unvested at the end of the year vest during the following periods

Prescribed Officers	Within one year (number)	One to two years (number)	Two to three years (number)	Total (number)
SR Cornell	–	–	37 000	**37 000**
FR Grobler	2 695	6 841	20 136	**29 672**
VD Kahla	3 540	8 510	12 489	**24 539**
BE Klingenberg	6 376	12 200	17 769	**36 345**
E Oberholster	3 234	5 701	21 109	**30 044**
M Radebe	4 425	8 510	12 489	**25 424**
CF Rademan	7 651	12 200	14 808	**34 659**
SJ Schoeman	1 123	6 841	20 136	**28 100**
Total	**29 044**	**60 803**	**155 936**	**245 783**

Share appreciation rights, with 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 Prescribed Officers (number)	Effect of corporate performance targets (number)	Share appreciation rights lapsed (number)	Share appreciation rights exercised (number)	**Balance at end of year**
AM de Ruyter[1]	256 736	–	–	–	–	1 875	(178 200)	(80 411)	**–**
FR Grobler	–	–	–	–	50 618	–	–	–	**50 618**
VD Kahla	91 800	–	–	–	–	662	–	(26 362)	**66 100**
BE Klingenberg	84 981	–	–	–	–	1 200	–	–	**86 181**
E Oberholster	–	–	–	–	44 787	–	–	(3 800)	**40 987**
M Radebe	114 537	–	–	–	–	825	–	–	**115 362**
CF Rademan	80 061	–	–	–	–	1 437	–	(16 098)	**65 400**
SJ Schoeman	–	–	–	–	41 193	–	–	–	**41 193**
GJ Strauss[2]	205 956	–	–	–	(179 600)	2 250	–	(28 606)	**–**
Total	**834 071**	**–**			**(43 002)**	**8 249**	**(178 200)**	**(155 277)**	**465 841**

1 Mr AM de Ruyter resigned from the group with effect from 30 November 2013 and thus forfeited all outstanding LTI units.
2 Mr GJ Strauss retired from the group with effect from 30 September 2013. He was treated as a good leaver under the Scheme rules.

Share appreciation rights, with performance targets exercised during the year

Prescribed Officers	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 **2014 R'000**	2013 R'000
AM de Ruyter		80 411			**14 033**	–
	13 Sep 2013	63 400	298,65	481,31	**11 581**	
	17 Sep 2013	75	334,53	478,89	**11**	
	17 Sep 2013	136	298,65	478,89	**25**	
	18 Sep 2013	16 800	334,53	478,34	**2 416**	
VD Kahla		26 362			**3 651**	–
	16 Oct 2013	20 400	372,00	502,01	**2 652**	
	16 Oct 2013	5 962	334,53	502,01	**999**	
E Oberholster	26 Mar 2014	3 800	372,00	586,28	**814**	–
CF Rademan		16 098			**2 884**	1 043
	5 May 2014	2 800	289,99	597,28	**860**	
	26 Sep 2013	12 937	334,53	485,89	**1 958**	
	13 Sep 2013	361	298,65	481,31	**66**	
GJ Strauss		28 606			**5 092**	6 127
	31 Jan 2014	5 800	289,99	537,94	**1 438**	
	16 Sep 2013	20 250	334,53	484,74	**3 042**	
	31 Jan 2014	2 556	298,65	537,94	**612**	
Total		**155 277**			**26 474**	**7 170**

Remuneration report continued

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 (number)	Two to five years (number)	**Total (number)**
FR Grobler	18 918	1 900	14 700	15 100	**50 618**
VD Kahla	–	19 200	11 000	35 900	**66 100**
BE Klingenberg	24 581	7 700	20 400	33 500	**86 181**
E Oberholster	287	8 400	11 500	20 800	**40 987**
M Radebe	36 662	23 000	14 600	41 100	**115 362**
CF Rademan	–	7 700	22 300	35 400	**65 400**
SJ Schoeman	8 393	7 900	6 300	18 600	**41 193**
Total	**88 841**	**75 800**	**100 800**	**200 400**	**465 841**

Share appreciation rights, without performance targets

Prescribed Officers	Balance at beginning of year (number)	Granted (number)	Effect of change in composition of Prescribed Officers (number)	Share appreciation rights lapsed (number)	Share appreciation rights exercised (number)	**Balance at end of year (number)**
AM de Ruyter[1]	11 100	–	–	(2 300)	(8 800)	**–**
FR Grobler	–	–	12 700	–	–	**12 700**
BE Klingenberg	80 400	–	–	–	–	**80 400**
E Oberholster	–	–	8 200	–	–	**8 200**
M Radebe	11 400	–	–	–	–	**11 400**
CF Rademan	49 800	–	–	–	(24 300)	**25 500**
SJ Schoeman	–	–	19 100	–	–	**19 100**
GJ Strauss[2]	21 200	–	(5 800)	–	(15 400)	**–**
Total	**173 900**	**–**	**34 200**	**(2 300)**	**(48 500)**	**157 300**

1 Mr AM de Ruyter resigned from the group with effect from 30 November 2013 and thus forfeited all outstanding LTI units.
2 Mr GJ Strauss retired from the group with effect from 30 September 2013. He was treated as a good leaver under the scheme rules.

Share appreciation rights, without performance targets, exercised

Prescribed Officers	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 **2014 R'000**	2013 R'000
AM de Ruyter		8 800			**1 379**	–
	13 Sep 2013	4 200	294,50	481,31	**785**	
	13 Sep 2013	4 600	352,10	481,31	**594**	
CF Rademan		24 300			**7 104**	2 665
	13 Sep 2013	1 800	294,50	481,31	**336**	
	12 Mar 2014	12 000	289,99	585,04	**3 541**	
	5 May 2014	10 500	289,99	597,28	**3 227**	
GJ Strauss		15 400			**2 466**	807
	16 Sep 2013	4 000	294,50	484,74	**761**	
	25 Oct 2013	11 400	352,10	501,67	**1 705**	
Total		**48 500**			**10 949**	**3 472**

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 (number)	**Total (number)**
FR Grobler	9 700	3 000	–	**12 700**
BE Klingenberg	55 100	2 900	22 400	**80 400**
E Oberholster	–	8 200	–	**8 200**
M Radebe	8 900	2 500	–	**11 400**
CF Rademan	–	3 000	22 500	**25 500**
SJ Schoeman	8 200	1 100	9 800	**19 100**
GJ Strauss	–	–	–	**–**
Total	**81 900**	**20 700**	**54 700**	**157 300**

Sasol share incentive scheme – share options

Prescribed Officers	Balance at beginning of year (number)	Effect of change in composition of Prescribed Officers (number)	Share options implemented (number)	**Balance at end of year (number)**
FR Grobler	–	9 100	(5 100)	**4 000**
BE Klingenberg	13 200	–	(13 200)	**–**
M Radebe	6 900	–	(6 900)	**–**
Total	**20 100**	**9 100**	**(25 200)**	**4 000**

Share options implemented

Prescribed Officers	Implementation dates	Share options implemented (number)	Average offer price per share (Rand)	Market price per share (Rand)	Gain on implementation of share options **2014 R'000**	Gain on implementation of share options 2013 R'000
AM de Ruyter		–			**–**	6 138
FR Grobler	24 Jun 2014	5 100	218,00	633,00	**2 117**	–
BE Klingenberg		13 200			**4 793**	–
	25 Mar 2014	7 700	218,00	587,13	**2 842**	–
	25 Mar 2014	5 500	232,38	587,13	**1 951**	–
M Radebe		6 900			**1 766**	1 538
	11 Sep 2013	3 100	218,00	481,82	**818**	–
	11 Sep 2013	3 800	232,38	481,82	**948**	–
CF Rademan		–			**–**	983
GJ Strauss		–			**–**	17 908
Total		**25 200**			**8 676**	**26 567**

All share options outstanding at the end of the year, have vested.

Remuneration report continued

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 Prescribed Officers (number)	**Balance at end of year (number)**
M Radebe	15 000	–	–	–	–	**15 000**

At grant date on 3 June 2008, the issue price of the underlying share of R366,00, which represented 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.

Beneficial shareholding

The aggregate beneficial shareholding at 30 June 2014 of the Directors of the company and the Prescribed Officers/ Group Executive Committee and their associates (none of whom have a holding greater than 1%) in the issued ordinary share capital of the company are detailed in the following tables.

	2014			2013		
Beneficial shareholdings	**Direct beneficial**	**Indirect beneficial[1]**	**Total beneficial shareholding**	Direct beneficial	Indirect beneficial[1]	Total beneficial shareholding
Executive Directors						
VN Fakude	**1 500**	**–**	**1 500**	1 500	–	1 500
KC Ramon	**30**	**41 556**	**41 586**	21 500	41 556	63 056
Non-Executive Directors						
IN Mkhize	**313**	**18 626**	**18 939**	1 313	18 626	19 939
TH Nyasulu[2]	**–**	**1 450**	**1 450**	–	1 450	1 450
Total	**1 843**	**61 632**	**63 475**	**24 313**	**61 632**	**85 945**

1 Includes shares in Sasol Inzalo Public Limited.
2 Resigned as Director with effect from 22 November 2013.

	2014			2013		
Beneficial shareholdings	**Direct beneficial**	**Indirect beneficial[1]**	**Total beneficial shareholding**	Direct beneficial	Indirect beneficial[1]	Total beneficial shareholding
Prescribed Officers						
AM de Ruyter	**5 900**	**–**	**5 900**	5 900	–	5 900
FR Grobler	**13 500**	**–**	**13 500**	n/a	n/a	n/a
E Oberholster	**–**	**300**	**300**	n/a	n/a	n/a
M Radebe	**–**	**3 819**	**3 819**	–	3 748	3 748
CF Rademan	**–**	**–**	**–**	350	–	350
GJ Strauss	**4 300**	**–**	**4 300**	4 300	205	4 505
Total	**23 700**	**4 119**	**27 819**	**10 550**	**3 953**	**14 503**

1 Includes units held in the Sasol Share Savings Trust and shares in Sasol Inzalo Public Limited.

Beneficial shareholding for 2014 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.

	2014		2013	
Beneficial shareholdings	Sasol BEE ordinary	Sasol Inzalo ordinary	Sasol BEE ordinary	Sasol Inzalo ordinary
Executive Directors				
KC Ramon[1]	–	41 556	–	41 556
Non-Executive Directors				
IN Mkhize	313	18 626	313	18 626
TH Nyasulu[2]	–	1 450	–	1 450
Prescribed Officers				
M Radebe[3]	–	3 137	–	3 137
Total	313	64 769	313	64 769

1 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, and resigned from the group on 30 November 2013.
2 Resigned as Non-Executive Director and Chairman with effect from 22 November 2013.
3 2 850 and 287 direct and indirect (Associates) beneficial interest respectively.

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 2014 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 47 of the consolidated financial statements for the year ended 30 June 2014 for details of the Sasol Inzalo share transaction.

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.

Dilution

The potential dilution that could occur if all the share options are implemented under the Sasol Share Incentive Scheme and the Sasol Inzalo share plan is addressed in note 47 of the consolidated financial statements.

Remuneration report continued

Post script: Summary of termination arrangements applicable to executive service agreements

Remuneration policy component	Voluntary termination (i.e. resignation)	Involuntary termination (i.e. retrenchment, redundancy, retirement)
Base salary	Payable up to the last date of service including the notice period either in exchange for service or in lieu of the notice period.	Payable up to the last date of service including the notice period. In cases of retrenchment or redundancy, a four month notice period applies where typically notice period will be paid out in lieu of working the full notice period.
Health insurance	Benefit continues up to the last date of service.	Benefit continues up to last date of service and for pensioners who qualify for the post retirement plan, they continue to receive the employer's contribution towards the health plan.
Retirement and risk plans	Employer contributions are paid up to the last date of service. The employee is entitled to the full value of the investment and any returns thereon.	Employer contributions paid up to last date of service. The employee is entitled to the full value of investment and any returns thereon.
Other benefits		In cases of retrenchment/redundancy, a severance package equal to three weeks' salary per completed year of service is offered in addition to the notice period. In case of voluntary retrenchments, an additional three months' salary is included in the severance package.
Short-Term Incentive (STI)	If the executive resigns on or after 30 June, there is an entitlement to the STI which may be applicable for the past financial year, subject to the achievement of performance targets. No pro rata incentive is due if the executive leaves prior to the end of the financial year.	A pro rata incentive is payable for the period in service during the financial year on the basis of forecasted performance, together with the last salary.
Long-Term Incentives (LTIs)	All vested SARs to be exercised by the last date of service. All unvested SARs and LTIs are forfeited.	To the extent that CPTs have been met, unvested SARs and LTIs will vest on the last date of service if the executive does not retire before the contractual retirement age. For early retirees, the original SAR vesting period remains unchanged up to the normal date of retirement and then vests subject to the achievement of CPTs.

- In cases of executives being dismissed, the salary and contributions towards benefit plans will be paid up to the last date of service, but there will be no entitlement to unvested long-term incentive awards, or a pro rata short-term incentive.
- In cases of separation by mutual agreement, the salary and contributions towards benefit plans will be paid up to the last date of service and a mutual separation amount or a retainer may be offered subject to board approval.
- In the event of a takeover or merger of the company, the rights issued under the long-term incentive plan will vest immediately subject to the latest estimated performance achievement against the corporate performance targets, as approved by the board.
- There are no arrangements for 'golden' parachutes or any other incentivised terminations other than what is payable under the Retrenchment policy.
- Prescribed Officers and participants of the Long-term incentive plans may not trade any Sasol shares or Long-Term Incentives during a closed period.

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 2014. 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, joint venture or joint operation, in which the group 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
	
	Chemicals 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, joint operation, associate or structured 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 interests in consolidated structured entities.

Accounting policies and financial reporting terms continued

Group structures	
Joint arrangement	An economic activity over which the group exercises joint control established under a contractual arrangement.
Joint control	The contractually agreed sharing of control which exists when decisions about the relevant activities require unanimous consent of the parties sharing control.
Joint venture	A joint arrangement in which the parties have joint control with rights to the net assets of the arrangement.
Joint operation	A joint arrangement in which parties have joint control with rights to the assets and obligations for the liabilities pertaining to the arrangement.
Structured entity	An entity designed so that voting rights are not the dominant factor in determining control of the entity. The key decisions affecting the returns of the entity are directed by means of contractual arrangements.
Subsidiary	Any entity over which the group exercises control.

General accounting terms	
Acquisition date	The date on which control in subsidiaries, consolidated structured entities, joint control in joint arrangements 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, its subsidiaries, consolidated structured entities, as well as its share of the assets, liabilities, income and expenses of joint operations and interests in the financial results of joint ventures and associates.
Control	Control is obtained when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing the ability to control an entity, the existence of substantive potential voting rights 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	A component that represents a separate major line of business or geographical area of business that, pursuant to a single plan, has either been disposed of or is classified as held for sale.
Discount rate	The rate used in determining discounted cash flows. When estimating provisions, this is the pre-tax interest rate that 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.

sasol
reaching new frontiers

General accounting terms	
Disposal date	The date on which control in subsidiaries, consolidated structured entities, joint control in joint arrangements 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 (income and expenses) and cash flows of an entity and of the group.
Functional currency	The currency of the primary economic environment in which an entity operates.
Long-term	A period longer than 12 months from the reporting date.
Market participants	Buyers and sellers in a principal market (or most advantageous market) who are independent, knowledgeable, willing and able 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, re-measurements of defined benefit plans and available-for-sale financial assets, including the tax effect thereof.
Power	Existing rights that provide the entity with the current ability to direct relevant activities.
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 of disposal and value-in-use that can be attributed to an asset as a result of its ongoing use by the entity. Value-in-use is estimated using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and are discounted using a discount rate. This discount rate is derived from the group's weighted average cost of capital and is adjusted where applicable to take into account any specific risks relating to the country where the asset or cash-generating unit is located. The rate applied in each country is reassessed each year. The recoverable amount may be adjusted to take into account recent market transactions for a similar asset.
Related party	Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of the reporting entity (Sasol Limited).
Relevant activities	Activities of an investee that significantly affect its returns.
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 or joint control over, the financial and operating policy decisions of an entity so as to obtain economic benefit from its activities.

Accounting policies and financial reporting terms continued

General accounting terms	
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.
Remeasurement items	Comprises items of income and expense recognised in the income statement that are less closely aligned to the operating or trading activities of the reporting entity and includes, inter alia, the impairment of non-current assets, profit or loss on disposal of non-current assets including businesses and investments in equity accounted joint ventures, and scrapping of assets.

Financial instrument terms	
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, bank overdraft, 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 highly probable forecast transaction.
Cash restricted for use	Cash and cash equivalents 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 of a financial asset or liability to the current net carrying amount.
Equity instrument	Any financial instrument (including investments) that evidences a residual interest in the assets of an entity after deducting all of its liabilities.
Financial asset	Cash or cash equivalents, a contractual right to receive cash, an equity instrument of another entity 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 that the group has designated in this category because it is managed based on its fair value at each reporting period, a derivative financial instrument that is not used for hedging purposes and other financial assets that are frequently traded in.

Financial instrument terms	
Held-to-maturity investment	A non-derivative 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 SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008. The consolidated financial statements were approved for issue by the board of directors on 5 September 2014 and will be presented for approval at the Annual General Meeting of shareholders on 21 November 2014.

Accounting standards, interpretations and amendments to published accounting standards

During the current financial year, the following accounting standards, interpretations and amendments to published accounting standards became effective and were adopted by the group:

Standard	Nature of the change	Date published	Impact on financial position or performance
IFRS 10, Consolidated Financial Statements (as amended)	New standard	12 May 2011	In accordance with the transition provisions, these standards have been applied retrospectively, resulting in a restatement of previously reported financial results. Full details of the effects of the restatement have been disclosed in Note 1.
IFRS 11, Joint Arrangements (as amended)	New standard	12 May 2011	
IFRS 12, Disclosure of Interests in Other Entities (as amended)	New standard	12 May 2011	
IAS 27 (Amendment), Separate Financial Statements	New standard	12 May 2011	
IAS 28 (Amendment), Investments in Associates and Joint Ventures	New standard	12 May 2011	
IAS 19, Employee Benefits	Amendment	November 2013	No impact
Annual Improvements 2012	Amendment to various standards	December 2013	No impact
Annual Improvements 2013	Amendment to various standards	December 2013	No impact
IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets	Amendment	May 2014	No impact

Accounting policies and financial reporting terms continued

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 (Amended)	24 July 2014	1 January 2018	IFRS 9 introduced new requirements for classifying and measuring financial assets and liabilities by introducing a fair value through other comprehensive income category for certain debt instruments. It also contains a new impairment model which will result in earlier recognition of losses and new hedging guidance which will require the implementation of new models, systems and processes. The effective date for adoption of this standard is for periods commencing on or after 1 January 2018. We do not expect the adoption of IFRS 9 to have a significant impact on total assets, total liabilities, equity, earnings and earnings per share.
IFRS 15, Revenue from contracts with customers	28 May 2014	1 January 2017	IFRS 15 contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The effective date for adoption of this standard is for periods commencing on or after 1 January 2017. We are currently reviewing the effects of the standard and will consider adoption when appropriate.

* The amendments apply for annual periods commencing on or after the date noted and early adoption is permitted, unless otherwise indicated.

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 as well as its share of the assets, liabilities, income and expenses of joint operations and interests in the financial results of joint ventures and associates. All financial results are consolidated with similar items on a line by line basis except for investments in associates and joint ventures, which are included in the group's results as set out below.

Subsidiaries are entities controlled by the group. The effects of potential voting rights that are substantive are also considered when assessing whether the group controls another entity. The financial results of subsidiaries are consolidated into the group's results from acquisition date until disposal date.

Structured entities controlled by the group The financial results of structured entities are consolidated into the group's results from the date that the group controls the structured entity until the date that control ceases. Control exists where the group, based on an evaluation of the substance of the relationship with the structured entity, has exposure, or rights, to variable returns from the group's involvement with the structured entity and has the ability to affect those returns through power over the structured entity.

Inter-company transactions, balances and unrealised gains and losses between entities are eliminated on consolidation. To the extent that a loss on such 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.

Interests in equity accounted investees The group's interests in equity accounted investees comprise interests in associates and joint ventures.

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

Under the equity method, investments in associates and joint ventures are recognised initially at cost. Subsequent to the acquisition date, the group's share of profits or losses of associates and joint ventures is charged to the income statement as equity accounted earnings and its share of movements in equity reserves is recognised as other comprehensive income or equity as appropriate. All cumulative post-acquisition movements in the equity of associates and joint ventures are adjusted against the cost of the investment. When the group's share of losses in associates and joint ventures equals or exceeds its interest in those associates and joint ventures, 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 and joint ventures.

In respect of associates and joint ventures, where appropriate, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. To the extent that a loss on a transaction provides evidence of an impairment loss on the equity accounted investment, that loss is charged to the income statement.

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

The total carrying amount of each associate and joint venture is evaluated annually, as a single asset, for impairment or when objective evidence is identified which indicates that the investment in associate or joint venture is impaired. This includes the identification of conditions which indicate that a decline in fair value below the carrying amount is other than temporary. If impaired, the carrying amount of the investment in associates and joint ventures are written down to its estimated recoverable amount in accordance with the accounting policy on impairment and is 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 and joint ventures 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' and joint ventures' 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.

Accounting policies and financial reporting terms continued

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 approximates 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 for the effective portion 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 loss of control, joint control or significant influence of the operation, the 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 accumulated 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. When regular major inspections are a condition of continuing to operate an item of property, plant and equipment, and plant shutdown costs will be incurred, an estimate of these shutdown costs are included in the carrying value of the asset at initial recognition. 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 in respect of specific and general borrowings are capitalised against qualifying assets as part of assets under construction.

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 maintenance 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.

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.

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.

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

Accounting policies and financial reporting terms continued

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 acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are 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, the fair value of any previously held interests 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 of an entity is calculated after taking into account the carrying amount of any related goodwill.

Business combinations under common control

Common control transactions are business combinations between entities which are ultimately controlled by Sasol Limited.

The group applies the predecessor accounting method when accounting for common control transactions, whereby the assets and liabilities of the combining entities are not adjusted to fair value but are rather transferred at their carrying amounts at the date of the transaction. Any difference between the consideration paid/transferred and the net asset value 'acquired' is recognised in retained earnings. No new goodwill will be recognised as a result of the common control transaction.

The statement of financial position and income statement will be adjusted from the date of the transaction.

Other intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

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 operation, respectively, all the assets and liabilities of that subsidiary or joint operation are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or an ongoing interest in the joint operation is to be retained after the sale.

Where a disposal group held for sale will result in the loss of joint control of a joint venture or significant influence of an associate, the full investment is classified as held for sale. Equity accounting ceases from the date the joint venture or associate 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 classification 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.

Accounting policies and financial reporting terms continued

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.

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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 contract 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 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 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 the 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 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.

Accounting policies and financial reporting terms continued

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 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 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 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 the fair value of the leased asset 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 depending on whether it is reasonably certain that the group will obtain ownership of the leased asset by the end of the leased term. Lease payments are allocated between capital repayments and finance expenses using the effective interest 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 the 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 using a pre-tax discount rate 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. Deferred tax is recognised on the temporary differences in relation to both the asset to which the obligation relates and the rehabilitation provision.

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. Deferred tax is recognised on the temporary differences in relation to both the asset to which the obligation relates and the rehabilitation provision.

Ongoing rehabilitation expenditure Such 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 wholly before 12 months after the end of the annual 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 wholly settled more than 12 months after the end of the annual 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 Such 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.

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.

Defined contribution members employed before 2009 have an option to purchase a defined benefit pension with their member share. This option gives rise to actuarial risk, and as such, these members are accounted for as part of the defined benefit fund and are disclosed as such.

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

Accounting policies and financial reporting terms continued

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 remeasurements that 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 based on government bonds.

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 at the earlier of the date of recognition of restructuring costs or 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 wholly 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 in 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 and dividend withholding tax.

Current tax The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates and includes 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, associates and interests in joint arrangements to the extent that the temporary difference will probably not reverse in the foreseeable future and the control of the reversal of the temporary difference lies with the parent, investor, joint venturer or joint operator.

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 utilised.

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.

Deferred tax assets and liabilities are offset when the related income taxes are levied by the same taxation authority, there is a legally enforceable right to offset and there is an intention to settle the balances on a net basis.

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 as part of the current tax charge in the income statement in the period in which the dividend is received.

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 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.

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

Accounting policies and financial reporting terms continued

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 amount of borrowing costs incurred.

Dividends payable

Dividends payable 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 President and Chief Executive Officer (CEO) 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 after remeasurement items. 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 CEO 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 CEO 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 CEO 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 capitalised costs related to the pre-feasibility study for the expansion of our synthetic fuels capacity in South Africa. Based on the reprioritisation of our capital projects, we have decided to put this project on hold.

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 technology, marketing and support subsidiary. SSI's primary focus is on securing opportunities to advance Sasol's GTL ambitions.

SSI is currently involved in two GTL production facilities in Qatar and Nigeria, and is in extended front-end engineering and design in Uzbekistan. SSI is also conducting feasibility studies for GTL facilities at various other locations around the world, including Canada and the US.

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.

Chemicals 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

Accounting policies and financial reporting terms continued

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 of fertiliser and explosive products), Merisol (manufacturing and marketing of phenolics and cresylics) and Sasol Infrachem (manufacturing of synthesis gas and marketing of ammonia and ammonia derivative products).

The businesses in the Chemicals Cluster sell the majority 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 Chemicals 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. Management continually evaluates 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.

The use of inaccurate assumptions in calculations for any of these estimates could result in a significant impact on financial results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

Critical estimate, judgement or assumption	Note reference
Valuation of share-based payments and key assumptions used	Note 47
Impairment of assets – determination of the recoverable amount and key assumptions used	Note 38
Provision for rehabilitation and environmental costs	Note 20
Valuation of post-retirement obligations and key assumptions used	Note 21
Estimation of useful economic lives of assets	Note 2,3,5
Estimation of oil and gas, and coal reserves	Refer to accounting policy on "Exploration, evaluation and development"
Depreciation of coal mining assets	Note 2
Recognition of deferred tax assets	Note 23
Utilisation of tax losses	Note 23
Provisions and contingent liabilities	Note 58

Comparative figures

The 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.

With effect from 1 July 2013, the group adopted certain new accounting standards which required retrospective application. Refer to note 1.

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	2014 Rm	2013 Restated[2] Rm	2012[1] Restated[2] Rm
Assets				
Property, plant and equipment	2	**111 449**	100 989	85 214
Assets under construction	3	**51 320**	39 865	33 112
Goodwill	4	**644**	574	539
Other intangible assets	5	**1 882**	1 418	943
Investments in securities	6	**876**	783	711
Investments in equity accounted joint ventures	7	**8 280**	8 636	9 588
Investments in associates	8	**1 877**	2 688	2 571
Post-retirement benefit assets	9	**487**	407	313
Long-term receivables and prepaid expenses	10	**2 922**	2 174	1 714
Long-term financial assets	11	**13**	251	194
Deferred tax assets	23	**3 143**	2 318	1 514
Non-current assets		**182 893**	160 103	136 413
Assets in disposal groups held for sale	12	**1 419**	2 274	18
Inventories	13	**26 758**	22 619	18 920
Tax receivable	28	**550**	180	322
Trade receivables	14	**25 223**	25 569	22 599
Other receivables and prepaid expenses	15	**4 601**	2 591	2 722
Short-term financial assets	16	**420**	1 526	426
Cash restricted for use	17	**1 245**	6 056	3 625
Cash	17	**37 155**	25 247	12 538
Current assets		**97 371**	86 062	61 170
Total assets		**280 264**	246 165	197 583
Equity and liabilities				
Shareholders' equity		**170 977**	149 583	125 196
Non-controlling interests		**3 792**	3 310	2 746
Total equity		**174 769**	152 893	127 942
Long-term debt	18	**23 419**	21 340	11 589
Long-term financial liabilities	19	**17**	20	32
Long-term provisions	20	**15 232**	12 228	10 284
Post-retirement benefit obligations	21	**9 294**	8 813	6 810
Long-term deferred income	22	**293**	305	323
Deferred tax liabilities	23	**18 246**	15 572	13 180
Non-current liabilities		**66 501**	58 278	42 218
Liabilities in disposal groups held for sale	12	**57**	–	–
Short-term debt	24	**2 637**	1 565	1 217
Short-term financial liabilities	25	**446**	189	128
Short-term provisions	26	**6 644**	4 249	3 341
Short-term deferred income	27	**101**	1 167	730
Tax payable	28	**1 097**	1 402	494
Trade payables and accrued expenses	29	**22 327**	20 962	17 223
Other payables	30	**5 306**	4 712	4 124
Bank overdraft	17	**379**	748	166
Current liabilities		**38 994**	34 994	27 423
Total equity and liabilities		**280 264**	246 165	197 583

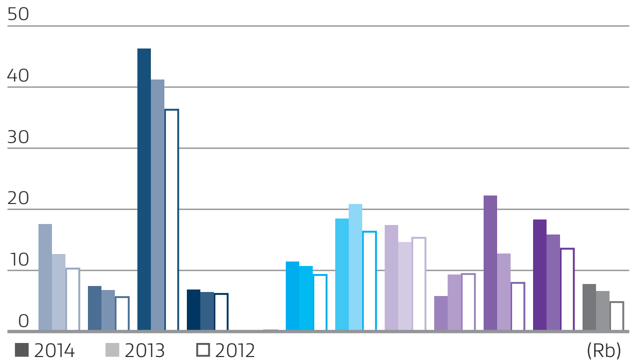
1 Opening statement of financial position as at 1 July 2012.
2 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

The notes on pages 122 to 249 are an integral part of these Consolidated Financial Statements.

Business segment information

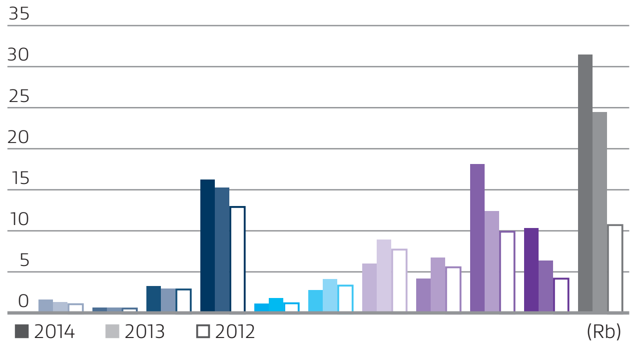
Non-current assets*#

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	**78 092**	66 987	58 277
Mining	**17 494**	12 622	10 246
Gas	**7 377**	6 710	5 575
Synfuels	**46 330**	41 176	36 275
Oil	**6 802**	6 390	6 092
Other	**89**	89	89
International Energy Cluster	**29 848**	31 462	25 491
Synfuels International	**11 400**	10 646	9 202
Petroleum International	**18 448**	20 816	16 289
Chemicals Cluster	**63 609**	52 403	46 058
Polymers	**17 347**	14 600	15 288
Solvents	**5 744**	9 299	9 360
Olefins & Surfactants	**22 216**	12 703	7 905
Other Chemical Businesses	**18 302**	15 801	13 505
Other Businesses	**7 714**	6 526	4 760
Total operations	**179 263**	157 378	134 586



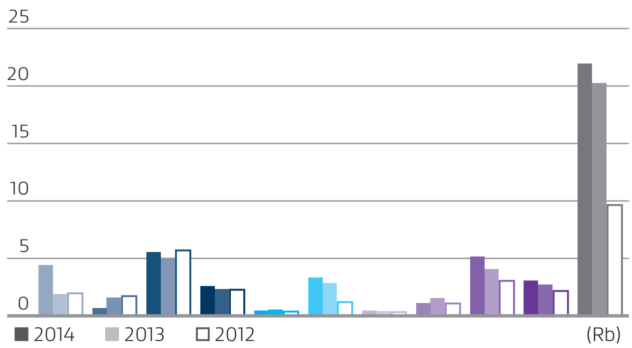
Current assets*

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	**22 169**	20 521	17 706
Mining	**1 726**	1 400	1 148
Gas	**754**	722	621
Synfuels	**3 382**	3 073	2 943
Oil	**16 307**	15 326	12 994
International Energy Cluster	**4 112**	6 078	4 675
Synfuels International	**1 243**	1 887	1 260
Petroleum International	**2 869**	4 191	3 415
Chemicals Cluster	**39 019**	34 751	27 682
Polymers	**6 091**	9 039	7 800
Solvents	**4 263**	6 796	5 644
Olefins & Surfactants	**18 233**	12 485	9 979
Other Chemical Businesses	**10 432**	6 431	4 259
Other Businesses	**31 521**	24 532	10 785
Total operations	**96 821**	85 882	60 848



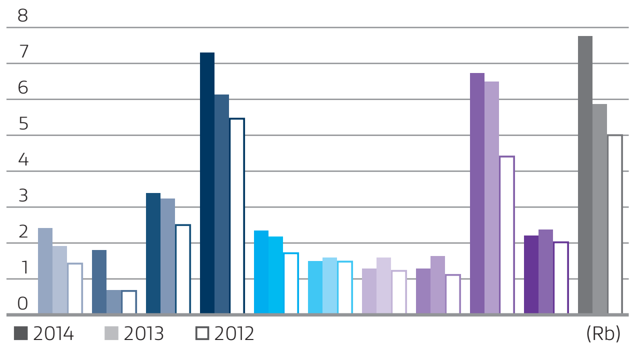
Non-current liabilities*

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	**13 019**	10 615	11 492
Mining	**4 360**	1 863	1 924
Gas	**636**	1 552	1 677
Synfuels	**5 493**	4 899	5 658
Oil	**2 530**	2 301	2 233
International Energy Cluster	**3 693**	3 307	1 483
Synfuels International	**406**	505	329
Petroleum International	**3 287**	2 802	1 154
Chemicals Cluster	**9 615**	8 579	6 455
Polymers	**435**	380	285
Solvents	**1 077**	1 482	1 038
Olefins & Surfactants	**5 098**	4 040	3 007
Other Chemical Businesses	**3 005**	2 677	2 125
Other Businesses	**21 928**	20 205	9 608
Total operations	**48 255**	42 706	29 038



Current liabilities*

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	**14 857**	11 927	10 022
Mining	**2 402**	1 902	1 419
Gas	**1 787**	681	658
Synfuels	**3 376**	3 228	2 492
Oil	**7 292**	6 116	5 453
International Energy Cluster	**3 818**	3 747	3 182
Synfuels International	**2 332**	2 167	1 708
Petroleum International	**1 486**	1 580	1 474
Chemicals Cluster	**11 468**	12 067	8 731
Polymers	**1 277**	1 591	1 217
Solvents	**1 282**	1 626	1 103
Olefins & Surfactants	**6 718**	6 488	4 399
Other Chemical Businesses	**2 191**	2 362	2 012
Other Businesses	**7 754**	5 851	4 994
Total operations	**37 897**	33 592	26 929



* Excludes tax and deferred tax.
\# Excludes post-retirement benefit assets.
1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Income statement

for the year ended 30 June

	Note	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
Turnover	31	**202 683**	169 891	159 114
Materials, energy and consumables used	32	**(89 224)**	(76 617)	(78 711)
Selling and distribution costs		**(5 762)**	(5 102)	(4 186)
Maintenance expenditure		**(8 290)**	(7 243)	(7 147)
Employee related expenditure	33	**(28 569)**	(22 477)	(18 608)
Exploration expenditure and feasibility costs		**(604)**	(1 369)	(1 043)
Depreciation and amortisation		**(13 516)**	(11 121)	(8 842)
Other expenses, net		**(7 415)**	(4 234)	(7 051)
Translation gains	34	**798**	2 892	739
Other operating expenses	35	**(12 522)**	(8 889)	(9 191)
Other operating income	36	**4 309**	1 763	1 401
Operating profit before remeasurement items		**49 303**	41 728	33 526
Remeasurement items	38	**(7 629)**	(2 949)	(1 777)
Operating profit after remeasurement items		**41 674**	38 779	31 749
Share of profits of equity accounted joint ventures, net of tax	39	**3 810**	1 562	4 545
Share of profits		**3 823**	5 021	4 565
Remeasurement items		**(13)**	(3 459)	(20)
Share of profits of associates, net of tax	40	**334**	504	416
Profit from operations, joint ventures and associates		**45 818**	40 845	36 710
Net finance costs		**(705)**	(1 139)	(1 007)
Finance income	41	**1 220**	669	811
Finance costs	42	**(1 925)**	(1 808)	(1 818)
Profit before tax		**45 113**	39 706	35 703
Taxation	43	**(14 696)**	(12 595)	(11 501)
Profit for year		**30 417**	27 111	24 202
Attributable to				
Owners of Sasol Limited		**29 580**	26 274	23 580
Non-controlling interests in subsidiaries		**837**	837	622
		30 417	27 111	24 202
		Rand	Rand	Rand
Per share information				
Basic earnings per share	44	**48,57**	43,38	39,09
Diluted earnings per share	44	**48,27**	43,30	38,90

1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Statement of comprehensive income

for the year ended 30 June

	Note	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
Profit for year		**30 417**	27 111	24 202
Other comprehensive income, net of tax				
Items that can be subsequently reclassified to the income statement		**4 460**	8 153	4 101
Effect of translation of foreign operations	45	**4 477**	8 114	4 063
Effect of cash flow hedges	45	**(66)**	78	41
Fair value of investments available-for-sale	45	**34**	(17)	(3)
Tax on items that can be subsequently reclassified to the income statement	45	**15**	(22)	–
Items that cannot be subsequently reclassified to the income statement		**(22)**	(338)	(821)
Remeasurements on post-retirement benefit obligations	45	**(80)**	(497)	(1 195)
Tax on items that cannot be subsequently reclassified to the income statement	45	**58**	159	374
Total comprehensive income for the year		**34 855**	34 926	27 482
Attributable to				
Owners of Sasol Limited		**34 002**	34 073	26 850
Non-controlling interests in subsidiaries		**853**	853	632
		34 855	34 926	27 482

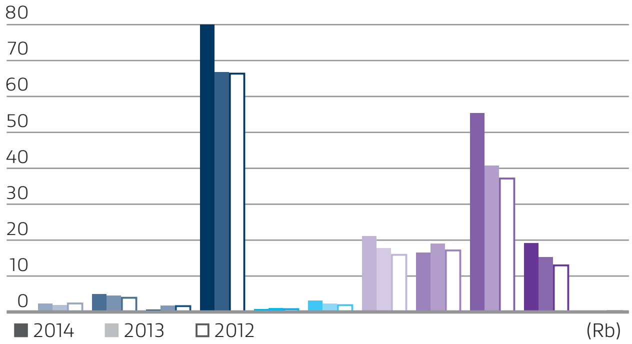
1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

The notes on pages 122 to 249 are an integral part of these Consolidated Financial Statements.

Business segment information

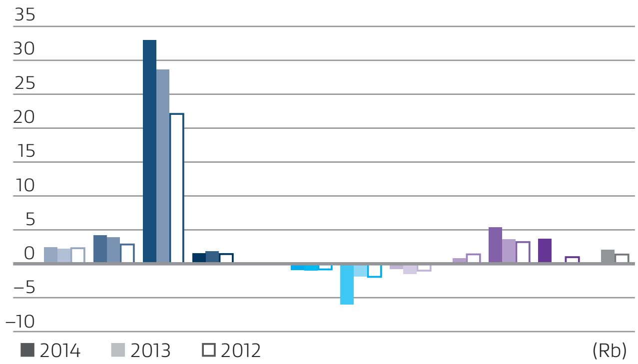
External turnover*

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	87 255	74 500	73 844
Mining	2 154	1 833	2 256
Gas	4 775	4 398	3 840
Synfuels	494	1 630	1 509
Oil	79 832	66 639	66 239
International Energy Cluster	3 715	3 058	2 445
Synfuels International	725	881	667
Petroleum International	2 990	2 177	1 778
Chemicals Cluster	111 660	92 320	82 719
Polymers	20 998	17 611	15 794
Solvents	16 331	18 951	17 020
Olefins & Surfactants	55 257	40 580	37 044
Other Chemical Businesses	19 074	15 178	12 861
Other Businesses	53	13	106
Total operations	202 683	169 891	159 114



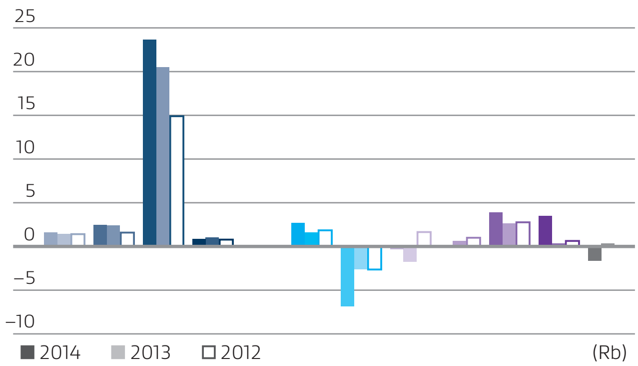
Operating profit/(loss) after remeasurement items

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	41 147	36 616	28 645
Mining	2 453	2 214	2 287
Gas	4 175	3 919	2 840
Synfuels	32 988	28 624	22 095
Oil	1 531	1 859	1 425
Other	–	–	(2)
International Energy Cluster	(6 916)	(2 877)	(2 773)
Synfuels International	(935)	(991)	(837)
Petroleum International	(5 981)	(1 886)	(1 936)
Chemicals Cluster	8 407	3 022	4 522
Polymers	(767)	(1 506)	(1 020)
Solvents	200	825	1 381
Olefins & Surfactants	5 336	3 580	3 193
Other Chemical Businesses	3 638	123	968
Other Businesses	(964)	2 018	1 355
Total operations	41 674	38 779	31 749



Attributable to owners of Sasol Limited

	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	28 512	25 300	18 562
Mining	1 593	1 399	1 376
Gas	2 419	2 408	1 554
Synfuels	23 670	20 473	14 884
Oil	830	1 020	750
Other	–	–	(2)
International Energy Cluster	(4 208)	(1 098)	(861)
Synfuels International	2 684	1 552	1 813
Petroleum International	(6 892)	(2 650)	(2 674)
Chemicals Cluster	6 937	1 764	5 908
Polymers	(339)	(1 775)	1 614
Solvents	(51)	630	963
Olefins & Surfactants	3 847	2 619	2 733
Other Chemical Businesses	3 480	290	598
Other Businesses	(1 661)	308	(29)
Total operations	29 580	26 274	23 580



* Excludes intersegmental turnover.
1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Statement of financial position

(US dollar convenience translation)

at 30 June

	2014 US$m	2013 Restated[2] US$m	2012[1] Restated[2] US$m
Assets			
Property, plant and equipment	10 475	10 222	10 430
Assets under construction	4 823	4 035	4 053
Goodwill	61	58	66
Other intangible assets	177	144	115
Investments in securities	83	79	87
Investments in equity accounted joint ventures	778	874	1 174
Investments in associates	176	272	315
Post-retirement benefit assets	46	41	38
Long-term receivables and prepaid expenses	275	220	210
Long-term financial assets	1	25	24
Deferred tax assets	295	235	185
Non-current assets	17 190	16 205	16 697
Assets in disposal groups held for sale	133	230	2
Inventories	2 515	2 289	2 316
Tax receivable	52	18	39
Trade receivables	2 371	2 588	2 766
Other receivables and prepaid expenses	432	262	333
Short-term financial assets	39	154	52
Cash restricted for use	117	613	444
Cash	3 492	2 555	1 535
Current assets	9 151	8 709	7 487
Total assets	26 341	24 914	24 184
Equity and liabilities			
Shareholders' equity	16 069	15 140	15 324
Non-controlling interests	356	335	336
Total equity	16 425	15 475	15 660
Long-term debt	2 201	2 160	1 418
Long-term financial liabilities	2	2	4
Long-term provisions	1 432	1 238	1 259
Post-retirement benefit obligations	873	892	834
Long-term deferred income	28	31	40
Deferred tax liabilities	1 715	1 576	1 613
Non-current liabilities	6 251	5 899	5 168
Liabilities in disposal groups held for sale	5	–	–
Short-term debt	248	158	149
Short-term financial liabilities	42	19	16
Short-term provisions	625	430	409
Short-term deferred income	9	118	89
Tax payable	103	142	60
Trade payables and accrued expenses	2 098	2 122	2 108
Other payables	499	475	505
Bank overdraft	36	76	20
Current liabilities	3 665	3 540	3 356
Total equity and liabilities	26 341	24 914	24 184
Exchange rate			
Converted at closing rate of rand per 1US$	10,64	9,88	8,17

1 Opening statement of financial position as at 1 July 2012.
2 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Income statement

(US dollar convenience translation)

for the year ended 30 June

	2014 US$m	2013 Restated[1] US$m	2012 Restated[1] US$m
Turnover	**19 508**	19 197	20 452
Materials, energy and consumables used	**(8 587)**	(8 657)	(10 117)
Selling and distribution costs	**(555)**	(576)	(538)
Maintenance expenditure	**(798)**	(818)	(919)
Employee related expenditure	**(2 750)**	(2 540)	(2 392)
Exploration expenditure and feasibility costs	**(58)**	(155)	(134)
Depreciation and amortisation	**(1 301)**	(1 257)	(1 137)
Other expenses, net	**(714)**	(479)	(906)
Translation gains	**77**	327	95
Other operating expenses	**(1 205)**	(1 005)	(1 181)
Other operating income	**414**	199	180
Operating profit before remeasurement items	**4 745**	4 715	4 309
Remeasurement items	**(734)**	(333)	(228)
Operating profit after remeasurement items	**4 011**	4 382	4 081
Share of profits of equity accounted joint ventures, net of tax	**367**	176	584
Share of profits	**368**	567	587
Remeasurement items	**(1)**	(391)	(3)
Share of profits of associates, net of tax	**32**	57	53
Profit from operations, joint ventures and associates	**4 410**	4 615	4 718
Net finance costs	**(68)**	(129)	(129)
Finance income	**117**	76	104
Finance costs	**(185)**	(205)	(233)
Profit before tax	**4 342**	4 486	4 589
Taxation	**(1 414)**	(1 423)	(1 478)
Profit for year	**2 928**	3 063	3 111
Attributable to			
Owners of Sasol Limited	**2 847**	2 969	3 031
Non-controlling interests in subsidiaries	**81**	94	80
	2 928	3 063	3 111

Per share information	US$	US$	US$
Basic earnings per share	**4,67**	4,90	5,02
Diluted earnings per share	**4,65**	4,89	5,00
Exchange rate			
Converted at average rate of rand per 1US$	**10,39**	8,85	7,78

1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Statement of changes in equity

for the year ended 30 June

	Share capital Note 46 Rm	Share-based payment reserve Note 47 Rm	Foreign currency translation reserve Note 48 Rm	Investment fair value reserve Rm
Balance at 30 June 2011 (restated[1])	**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 the year	–	–	4 051	10
Profit	–	–	–	–
Other comprehensive income for year	–	–	4 051	10
Dividends paid	–	–	–	–
Balance at 30 June 2012 (restated[1])	**27 984**	**8 509**	**2 137**	**15**
Shares issued on implementation of share options	727	–	–	–
Share-based payment expense	–	374	–	–
Transactions with non-controlling shareholders in subsidiaries	–	–	–	–
Total comprehensive income for the year	–	–	8 098	(18)
Profit	–	–	–	–
Other comprehensive income for year	–	–	8 098	(18)
Dividends paid	–	–	–	–
Balance at 30 June 2013 (restated[1])	**28 711**	**8 883**	**10 235**	**(3)**
Shares issued on implementation of share options	**373**	**–**	**–**	**–**
Share-based payment expense	**–**	**267**	**–**	**–**
Transactions with non-controlling shareholders in subsidiaries	**–**	**–**	**–**	**–**
Curtailment of post-retirement benefit obligations	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**4 469**	**31**
Profit	**–**	**–**	**–**	**–**
Other comprehensive income for year	**–**	**–**	**4 469**	**31**
Dividends paid	**–**	**–**	**–**	**–**
Balance at 30 June 2014	**29 084**	**9 150**	**14 704**	**28**

1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

The notes on pages 122 to 249 are an integral part of these Consolidated Financial Statements.

Cash flow hedge accounting reserve Rm	Sasol Inzalo share transaction Note 47 Rm	Remeasurements on post-retirement benefit obligations Rm	Share repurchase programme Note 49 Rm	Retained earnings Rm	**Shareholders' equity Rm**	Non-controlling interests Rm	**Total equity Rm**
(39)	**(22 054)**	**(433)**	**(2 641)**	**98 529**	107 136	**2 346**	109 482
–	–	–	–	–	325	–	325
–	–	–	–	–	485	–	485
–	–	–	–	–	–	98	98
26	–	(817)	–	23 580	26 850	632	27 482
–	–	–	–	23 580	23 580	622	24 202
26	–	(817)	–	–	3 270	10	3 280
–	–	–	–	(9 600)	(9 600)	(330)	(9 930)
(13)	**(22 054)**	**(1 250)**	**(2 641)**	**112 509**	125 196	**2 746**	127 942
–	–	–	–	–	727	–	727
–	–	–	–	–	374	–	374
–	–	–	–	–	–	8	8
54	–	(335)	–	26 274	34 073	853	34 926
–	–	–	–	26 274	26 274	837	27 111
54	–	(335)	–	–	7 799	16	7 815
–	–		–	(10 787)	(10 787)	(297)	(11 084)
41	**(22 054)**	**(1 585)**	**(2 641)**	**127 996**	**149 583**	**3 310**	**152 893**
–	**–**	**–**	**–**	**–**	**373**	**–**	**373**
–	**–**	**–**	**–**	**–**	**267**	**–**	**267**
–	**–**	**–**	**–**	**–**	**–**	**1**	**1**
–	**–**	**202**	**–**	**(202)**	**–**	**–**	**–**
(48)	**–**	**(30)**	**–**	**29 580**	**34 002**	**853**	**34 855**
–	**–**	**–**	**–**	**29 580**	**29 580**	**837**	**30 417**
(48)	**–**	**(30)**	**–**	**–**	**4 422**	**16**	**4 438**
–	**–**	**–**	**–**	**(13 248)**	**(13 248)**	**(372)**	**(13 620)**
(7)	**(22 054)**	**(1 413)**	**(2 641)**	**144 126**	**170 977**	**3 792**	**174 769**

Statement of cash flows

for the year ended 30 June

	Note	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
Cash receipts from customers		**203 549**	169 059	157 912
Cash paid to suppliers and employees		**(138 100)**	(117 153)	(117 051)
Cash generated by operating activities	50	**65 449**	51 906	40 861
Finance income received	53	**5 920**	6 063	6 574
Finance costs paid	42	**(499)**	(523)	(482)
Tax paid	28	**(13 647)**	(10 367)	(10 612)
Cash available from operating activities		**57 223**	47 079	36 341
Dividends paid	54	**(13 248)**	(10 787)	(9 600)
Cash retained from operating activities		**43 975**	36 292	26 741
Additions to non-current assets		**(38 779)**	(30 414)	(28 539)
Additions to property, plant and equipment	2	**(4 327)**	(3 044)	(2 569)
Additions to assets under construction	3	**(34 371)**	(27 293)	(25 922)
Additions to other intangible assets	5	**(81)**	(77)	(48)
Non-current assets sold	55	**185**	525	255
Acquisition of interests in joint ventures	56	**–**	(730)	(24)
Cash acquired on acquisition of joint ventures	56	**–**	9	–
Additional investment in joint ventures		**(632)**	(415)	(400)
Acquisition of interests in associates	56	**(519)**	–	–
Cash acquired on acquisition of associates	56	**527**	–	–
New or additional investments in associates		**–**	(200)	(81)
Reimbursement of capital in associate		**616**	661	–
Disposal of businesses	57	**1 353**	167	713
Net cash disposed of on disposal of businesses	57	**–**	17	–
Purchase of investments		**(281)**	(317)	(39)
Proceeds from sale of investments		**237**	278	1
(Increase)/decrease in long-term receivables		**(520)**	(414)	1 591
Cash used in investing activities		**(37 813)**	(30 833)	(26 523)
Share capital issued on implementation of share options		**373**	727	325
Contributions from non-controlling shareholders in subsidiaries		**3**	37	11
Dividends paid to non-controlling shareholders in subsidiaries		**(372)**	(297)	(330)
Proceeds from long-term debt	18	**3 263**	9 597	303
Repayments of long-term debt	18	**(2 207)**	(1 763)	(1 491)
Proceeds from short-term debt	24	**2 346**	2 049	41
Repayments of short-term debt	24	**(2 497)**	(1 834)	(80)
Cash generated by/(used in) financing activities		**909**	8 516	(1 221)
Translation effects on cash and cash equivalents of foreign operations	48	**455**	583	576
Increase /(decrease) in cash and cash equivalents		**7 526**	14 558	(427)
Cash and cash equivalents at beginning of year		**30 555**	15 997	16 424
Reclassification to held for sale		**(60)**	–	–
Cash and cash equivalents at end of year	17	**38 021**	30 555	15 997

1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

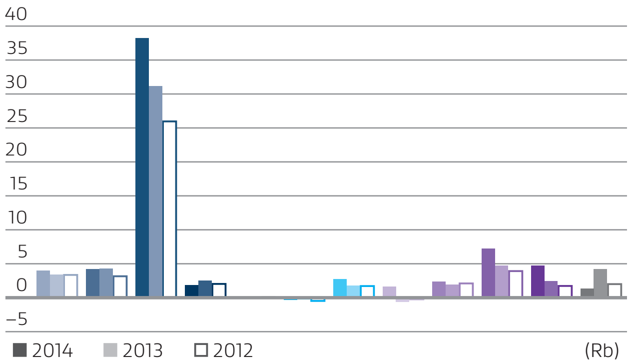
The notes on pages 122 to 249 are an integral part of these Consolidated Financial Statements.

sasol
reaching new frontiers

Business segment information

Cash flow from operations (refer note 51)

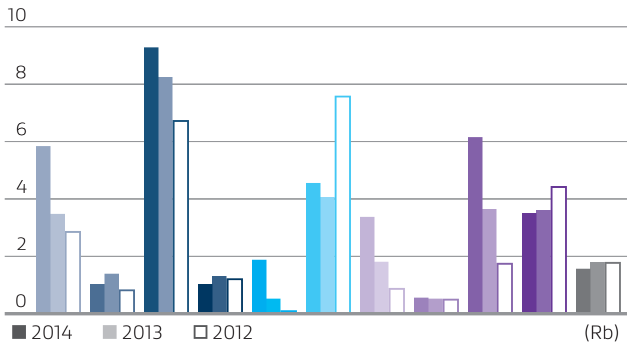
	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	48 166	41 264	34 328
Mining	3 921	3 386	3 301
Gas	4 186	4 253	3 107
Synfuels	38 217	31 169	25 945
Oil	1 842	2 456	1 977
Other	–	–	(2)
International Energy Cluster	2 288	1 447	1 131
Synfuels International	(371)	(295)	(530)
Petroleum International	2 659	1 742	1 661
Chemicals Cluster	15 826	8 293	7 296
Polymers	1 621	(680)	(300)
Solvents	2 332	1 913	2 051
Olefins & Surfactants	7 201	4 681	3 868
Other Chemical Businesses	4 672	2 379	1 677
Other Businesses	1 312	4 180	1 948
Total operations	67 592	55 184	44 703



Additions to non-current assets

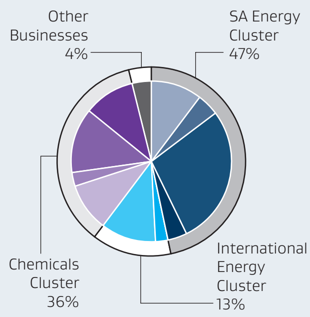
	2014 Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
South African Energy Cluster	17 160	14 431	11 590
Mining	5 837	3 482	2 849
Gas	1 028	1 401	820
Synfuels	9 264	8 244	6 716
Oil	1 031	1 304	1 205
International Energy Cluster	6 447	4 592	7 655
Synfuels International	1 883	528	94
Petroleum International	4 564	4 064	7 561
Chemicals Cluster	13 593	9 589	7 520
Polymers	3 382	1 819	869
Solvents	567	525	497
Olefins & Surfactants	6 137	3 638	1 745
Other Chemical Businesses	3 507	3 607	4 409
Other Businesses	1 579	1 802	1 774
Total operations	38 779	30 414	28 539

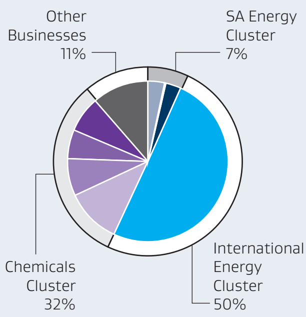
1 Restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

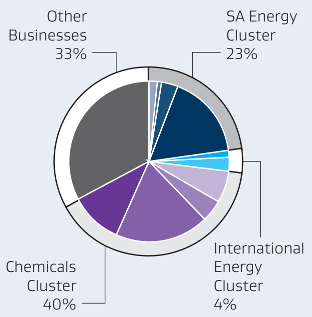


Business segment information

	Property, plant and equipment; assets under construction and other intangible assets			Other non-current assets*#			Current assets*		



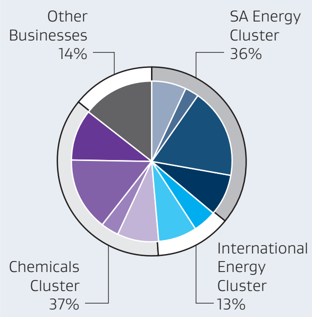


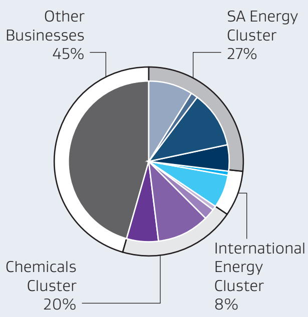


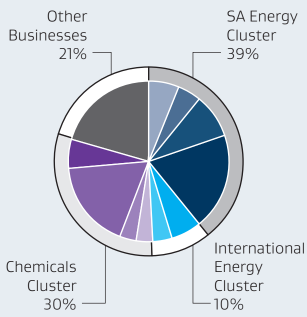
	2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
South African Energy Cluster	**77 111**	66 068	57 298	**981**	919	979	**22 169**	20 521	17 706
Mining	**16 967**	12 138	9 764	**527**	484	482	**1 726**	1 400	1 148
Gas	**7 377**	6 710	5 495	**–**	–	80	**754**	722	621
Synfuels	**46 296**	41 168	36 257	**34**	8	18	**3 382**	3 073	2 943
Oil	**6 384**	5 963	5 693	**418**	427	399	**16 307**	15 326	12 994
Other	**87**	89	89	**2**	–	–	**–**	–	–
International Energy Cluster	**22 483**	22 932	17 965	**7 365**	8 530	7 526	**4 112**	6 078	4 675
Synfuels International	**4 035**	2 117	1 679	**7 365**	8 529	7 523	**1 243**	1 887	1 260
Petroleum International	**18 448**	20 815	16 286	**–**	1	3	**2 869**	4 191	3 415
Chemicals Cluster	**58 986**	47 879	39 652	**4 623**	4 524	6 406	**39 019**	34 751	27 682
Polymers	**15 720**	12 721	11 491	**1 627**	1 879	3 797	**6 091**	9 039	7 800
Solvents	**4 661**	8 366	8 654	**1 083**	933	706	**4 263**	6 796	5 644
Olefins & Surfactants	**21 375**	12 119	7 460	**841**	584	445	**18 233**	12 485	9 979
Other Chemical Businesses	**17 230**	14 673	12 047	**1 072**	1 128	1 458	**10 432**	6 431	4 259
Other Businesses	**6 071**	5 393	4 354	**1 643**	1 133	406	**31 521**	24 532	10 785
Total	**164 651**	142 272	119 269	**14 612**	15 106	15 317	**96 821**	85 882	60 848

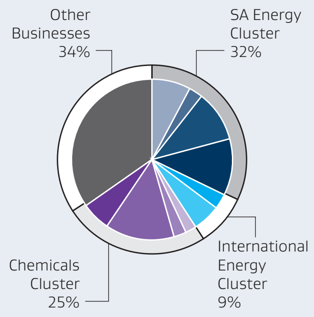
* Excludes tax and deferred tax.
\# Excludes post-retirement benefit assets.

2013 and 2012 have been restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).



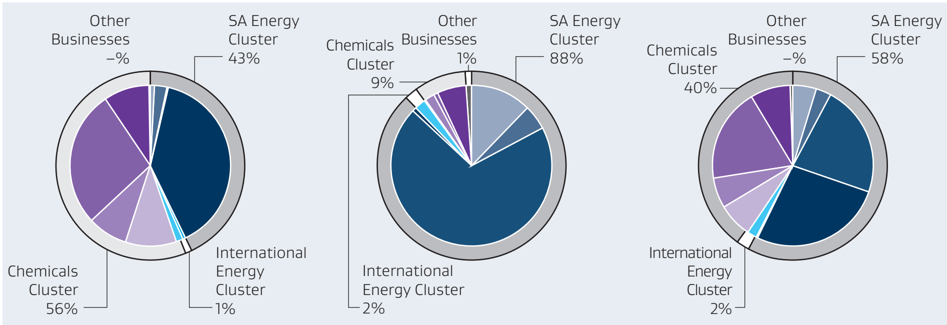






Total consolidated assets*#			Non-current liabilities*			Current liabilities*			Total consolidated liabilities*		
2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
100 261	87 508	75 983	**13 019**	10 615	11 492	**14 857**	11 927	10 022	**27 876**	22 542	21 514
19 220	14 022	11 394	**4 360**	1 863	1 924	**2 402**	1 902	1 419	**6 762**	3 765	3 343
8 131	7 432	6 196	**636**	1 552	1 677	**1 787**	681	658	**2 423**	2 233	2 335
49 712	44 249	39 218	**5 493**	4 899	5 658	**3 376**	3 228	2 492	**8 869**	8 127	8 150
23 109	21 716	19 086	**2 530**	2 301	2 233	**7 292**	6 116	5 453	**9 822**	8 417	7 686
89	89	89	**–**	–	–	**–**	–	–	**–**	–	–
33 960	37 540	30 166	**3 693**	3 307	1 483	**3 818**	3 747	3 182	**7 511**	7 054	4 665
12 643	12 533	10 462	**406**	505	329	**2 332**	2 167	1 708	**2 738**	2 672	2 037
21 317	25 007	19 704	**3 287**	2 802	1 154	**1 486**	1 580	1 474	**4 773**	4 382	2 628
102 628	87 154	73 740	**9 615**	8 579	6 455	**11 468**	12 067	8 731	**21 083**	20 646	15 186
23 438	23 639	23 088	**435**	380	285	**1 277**	1 591	1 217	**1 712**	1 971	1 502
10 007	16 095	15 004	**1 077**	1 482	1 038	**1 282**	1 626	1 103	**2 359**	3 108	2 141
40 449	25 188	17 884	**5 098**	4 040	3 007	**6 718**	6 488	4 399	**11 816**	10 528	7 406
28 734	22 232	17 764	**3 005**	2 677	2 125	**2 191**	2 362	2 012	**5 196**	5 039	4 137
39 235	31 058	15 545	**21 928**	20 205	9 608	**7 754**	5 851	4 994	**29 682**	26 056	14 602
276 084	243 260	195 434	**48 255**	42 706	29 038	**37 897**	33 592	26 929	**86 152**	76 298	55 967

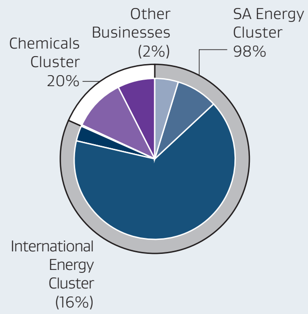
Business segment information continued

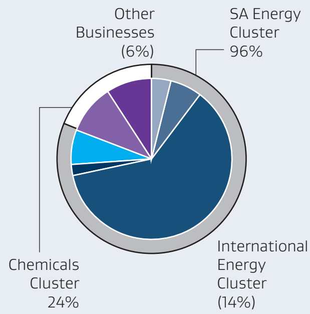


	External turnover			Intersegmental turnover			Total turnover		
	2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
South African Energy Cluster	**87 255**	74 500	73 844	**84 527**	71 454	59 256	**171 782**	145 954	133 100
Mining	**2 154**	1 833	2 256	**11 980**	10 491	8 416	**14 134**	12 324	10 672
Gas	**4 775**	4 398	3 840	**4 580**	3 683	2 938	**9 355**	8 081	6 778
Synfuels	**494**	1 630	1 509	**67 160**	56 645	47 282	**67 654**	58 275	48 791
Oil	**79 832**	66 639	66 239	**807**	635	620	**80 639**	67 274	66 859
Other	**–**	–	–	**–**	–	–	**–**	–	–
International Energy Cluster	**3 715**	3 058	2 445	**2 218**	1 457	1 468	**5 933**	4 515	3 913
Synfuels International	**725**	881	667	**–**	–	135	**725**	881	802
Petroleum International	**2 990**	2 177	1 778	**2 218**	1 457	1 333	**5 208**	3 634	3 111
Chemicals Cluster	**111 660**	92 320	82 719	**8 337**	6 623	6 446	**119 997**	98 943	89 165
Polymers	**20 998**	17 611	15 794	**147**	148	128	**21 145**	17 759	15 922
Solvents	**16 331**	18 951	17 020	**1 975**	1 777	1 484	**18 306**	20 728	18 504
Olefins & Surfactants	**55 257**	40 580	37 044	**814**	698	654	**56 071**	41 278	37 698
Other Chemical Businesses	**19 074**	15 178	12 861	**5 401**	4 000	4 180	**24 475**	19 178	17 041
Other Businesses	**53**	13	106	**1 010**	355	11	**1 063**	368	117
Total	**202 683**	169 891	159 114	**96 092**	79 889	67 181	**298 775**	249 780	226 295

2013 and 2012 have been restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Effect of remeasurement items for subsidiaries and joint operations (refer note 38)			Effect of remeasurement items for equity accounted joint ventures and associates (refer note 38)			Operating profit/(loss) after remeasurement items			Attributable to owners of Sasol Limited		
2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
(84)	160	324	**–**	–	–	**41 147**	36 616	28 645	**28 512**	25 300	18 562
7	7	61	**–**	–	–	**2 453**	2 214	2 287	**1 593**	1 399	1 376
(450)	–	11	**–**	–	–	**4 175**	3 919	2 840	**2 419**	2 408	1 554
331	77	238	**–**	–	–	**32 988**	28 624	22 095	**23 670**	20 473	14 884
28	76	14	**–**	–	–	**1 531**	1 859	1 425	**830**	1 020	750
–	–	–	**–**	–	–	**–**	–	(2)	**–**	–	(2)
5 747	421	1 609	**13**	–	34	**(6 916)**	(2 877)	(2 773)	**(4 208)**	(1 098)	(861)
275	(7)	–	**13**	–	34	**(935)**	(991)	(837)	**2 684**	1 552	1 813
5 472	428	1 609	**–**	–	–	**(5 981)**	(1 886)	(1 936)	**(6 892)**	(2 650)	(2 674)
1 908	2 256	(177)	**–**	3 538	49	**8 407**	3 022	4 522	**6 937**	1 764	5 908
171	22	1	**–**	3 550	61	**(767)**	(1 506)	(1 020)	**(339)**	(1 775)	1 614
1 509	341	83	**–**	–	–	**200**	825	1 381	**(51)**	630	963
146	64	(179)	**–**	–	–	**5 336**	3 580	3 193	**3 847**	2 619	2 733
82	1 829	(82)	**–**	(12)	(12)	**3 638**	123	968	**3 480**	290	598
58	112	21	**–**	–	–	**(964)**	2 018	1 355	**(1 661)**	308	(29)
7 629	2 949	1 777	**13**	3 538	83	**41 674**	38 779	31 749	**29 580**	26 274	23 580

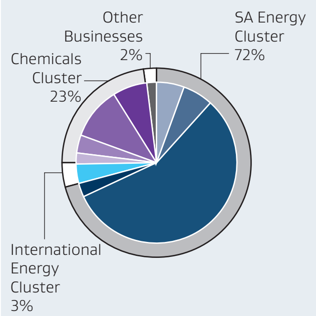


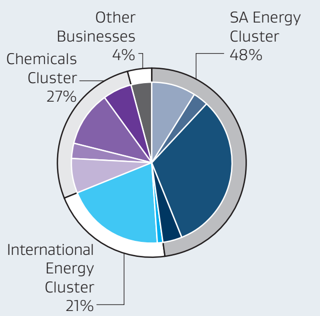


Business segment information continued

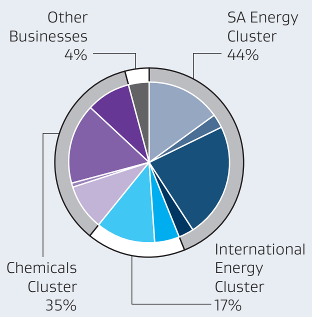
Cash flow information

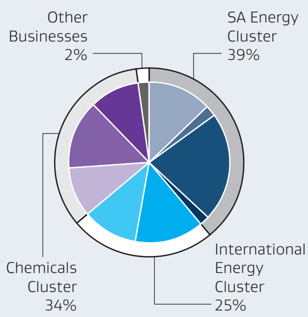
	Cash flow from operations (refer note 51)			Depreciation and amortisation		
	2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
South African Energy Cluster	**48 166**	41 264	34 328	**(6 419)**	(5 225)	(4 079)
Mining	**3 921**	3 386	3 301	**(1 211)**	(999)	(803)
Gas	**4 186**	4 253	3 107	**(429)**	(322)	(290)
Synfuels	**38 217**	31 169	25 945	**(4 181)**	(3 339)	(2 467)
Oil	**1 842**	2 456	1 977	**(598)**	(565)	(519)
Other	**–**	–	(2)	**–**	–	–
International Energy Cluster	**2 288**	1 447	1 131	**(2 782)**	(2 619)	(1 815)
Synfuels International	**(371)**	(295)	(530)	**(105)**	(96)	(63)
Petroleum International	**2 659**	1 742	1 661	**(2 677)**	(2 523)	(1 752)
Chemicals Cluster	**15 826**	8 293	7 296	**(3 730)**	(2 807)	(2 549)
Polymers	**1 621**	(680)	(300)	**(937)**	(685)	(619)
Solvents	**2 332**	1 913	2 051	**(451)**	(612)	(599)
Olefins & Surfactants	**7 201**	4 681	3 868	**(1 495)**	(933)	(841)
Other Chemical Businesses	**4 672**	2 379	1 677	**(847)**	(577)	(490)
Other Businesses	**1 312**	4 180	1 948	**(585)**	(470)	(399)
Total	**67 592**	55 184	44 703	**(13 516)**	(11 121)	(8 842)

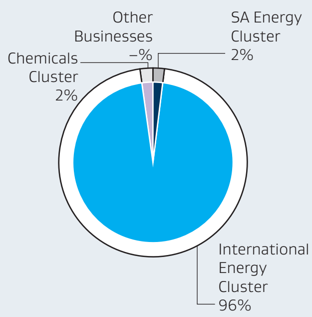




2013 and 2012 have been restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

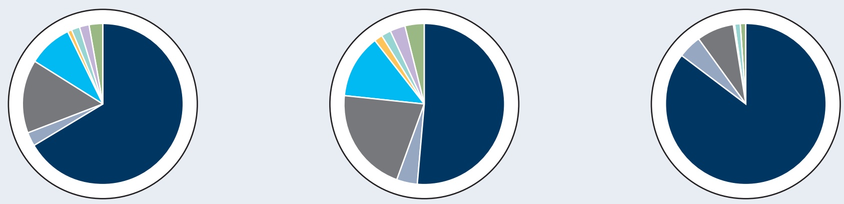






Cash flow information			Capital commitments – subsidiaries and joint operations			Capital commitments – equity accounted joint ventures		
Additions to non-current assets			Property, plant and equipment			Property, plant and equipment		
2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
17 160	14 431	11 590	**22 804**	29 932	29 523	**14**	18	10
5 837	3 482	2 849	**7 532**	9 751	10 165	**–**	–	–
1 028	1 401	820	**1 303**	2 291	1 259	**–**	–	–
9 264	8 244	6 716	**13 023**	16 567	16 680	**–**	–	–
1 031	1 304	1 205	**946**	1 323	1 419	**14**	18	10
–	–	–	**–**	–	–	**–**	–	–
6 447	4 592	7 655	**14 889**	11 947	3 369	**733**	532	514
1 883	528	94	**8 250**	6 594	165	**733**	532	514
4 564	4 064	7 561	**6 639**	5 353	3 204	**–**	–	–
13 593	9 589	7 520	**20 447**	22 658	10 351	**17**	67	255
3 382	1 819	869	**6 169**	5 854	1 426	**14**	63	190
567	525	497	**244**	1 520	181	**–**	–	5
6 137	3 638	1 745	**8 016**	9 247	4 205	**–**	–	–
3 507	3 607	4 409	**6 018**	6 037	4 539	**3**	4	60
1 579	1 802	1 774	**918**	1 524	1 498	**–**	–	–
38 779	30 414	28 539	**59 058**	66 061	44 741	**764**	617	779

Geographic information

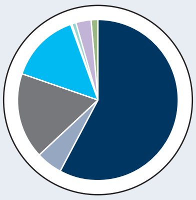
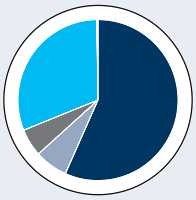
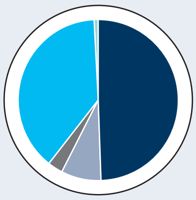
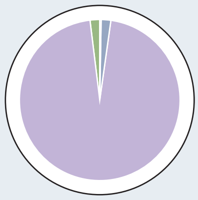


	Total turnover			External turnover (by location of customer)			Operating profit/(loss) after remeasurement items		
	2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
South Africa	**198 842**	166 595	149 214	**104 671**	88 484	84 006	**37 918**	34 296	27 306
Rest of Africa	**8 458**	6 979	6 679	**8 458**	6 939	6 601	**2 029**	647	600
Mozambique	**606**	466	266	**606**	466	191	**1 175**	439	224
Nigeria	**1 426**	944	759	**1 426**	944	756	**689**	(305)	(127)
Rest of Africa	**6 426**	5 569	5 654	**6 426**	5 529	5 654	**165**	513	503
Europe	**43 433**	36 155	35 397	**42 565**	35 290	34 338	**3 366**	668	2 551
Germany	**11 027**	9 098	8 842	**10 176**	8 253	7 816	**1 847**	458	737
Rest of Europe	**32 406**	27 057	26 555	**32 389**	27 037	26 522	**1 519**	210	1 814
North America	**26 588**	20 955	18 394	**25 803**	20 278	17 888	**(2 674)**	1 298	(49)
United States of America	**23 161**	18 098	16 423	**22 376**	17 421	15 917	**4 137**	2 870	2 077
Canada	**1 741**	1 382	666	**1 741**	1 382	666	**(6 936)**	(1 800)	(2 272)
Rest of North America	**1 686**	1 475	1 305	**1 686**	1 475	1 305	**125**	228	146
South America	**3 191**	2 894	2 173	**3 191**	2 894	2 174	**114**	226	193
Southeast Asia and Australasia	**4 407**	3 982	3 534	**4 309**	3 897	3 427	**441**	614	276
Middle East and India	**5 949**	5 312	3 916	**5 949**	5 312	3 791	**27**	384	321
Far East	**7 907**	6 908	6 988	**7 737**	6 797	6 889	**453**	646	551
	298 775	249 780	226 295	**202 683**	169 891	159 114	**41 674**	38 779	31 749

* Excludes tax and deferred tax.
\# Excludes post-retirement benefit assets.

2013 and 2012 have been restated to reflect the adoption of the consolidation suite of accounting standards (refer note 1).

Sasol overview
Sasol Limited group consolidated financial statements
Notes to the financial statements
Sasol Limited company

Total consolidated assets*#			Additions to non-current assets (by location of assets)			Capital commitments – property, plant and equipment (subsidiaries and joint operations)			Capital commitments – property, plant and equipment (equity accounted joint ventures)		
											
2014 Rm	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm	**2014 Rm**	2013 Rm	2012 Rm
159 741	145 217	123 034	**22 020**	18 793	18 522	**29 305**	35 640	37 137	**3**	3	37
14 986	12 355	11 053	**2 565**	3 058	871	**4 747**	5 253	1 038	**14**	18	10
11 334	8 615	6 335	**1 880**	2 587	672	**3 427**	3 694	639	**14**	18	10
1 471	1 918	3 347	**53**	8	46	**107**	21	64	**–**	–	–
2 181	1 822	1 371	**632**	463	153	**1 213**	1 538	335	**–**	–	–
47 058	32 923	24 801	**2 181**	1 342	910	**1 825**	1 547	1 630	**–**	–	5
16 091	11 478	8 990	**1 469**	962	616	**995**	1 316	1 464	**–**	–	5
30 967	21 445	15 811	**712**	380	294	**830**	231	166	**–**	–	–
39 222	34 696	20 598	**11 981**	7 195	7 936	**22 742**	23 610	4 930	**–**	–	23
26 130	17 495	7 289	**8 397**	4 017	1 055	**19 885**	20 803	2 753	**–**	–	23
12 927	16 829	13 181	**3 584**	3 178	6 881	**2 857**	2 807	2 177	**–**	–	–
165	372	128	**–**	–	–	**–**	–	–	**–**	–	–
587	525	454	**–**	1	–	**–**	–	–	**–**	–	–
2 662	2 125	1 843	**2**	1	283	**439**	–	–	**–**	63	12
8 619	12 921	11 570	**1**	16	6	**–**	–	–	**733**	533	692
3 209	2 498	2 081	**29**	8	11	**–**	11	6	**14**	–	–
276 084	243 260	195 434	**38 779**	30 414	28 539	**59 058**	66 061	44 741	**764**	617	779

CONTENTS

NOTES TO THE FINANCIAL STATEMENTS

sasol reaching new frontiers

Notes to the financial statements

Changes to comparative information

	Note
New accounting standards	1

1 New accounting standards

The consolidation suite of accounting standards, namely IFRS 10, Consolidated Financial Statements (IFRS 10), as amended, IFRS 11, Joint Arrangements (IFRS 11), as amended, and IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), as amended, became effective for annual periods beginning on or after 1 January 2013.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 replaced IAS 27, Consolidated and Separate Financial Statements, that addresses the accounting for consolidated financial statements and SIC-12, Consolidation – Special Purpose Entities. The new standard changed the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to control those returns through its power over the investee.

The adoption of IFRS 10 has resulted in an existing subsidiary, National Petroleum Refiners of South Africa (Pty) Ltd (Natref), in which the group has a 64% interest, being accounted for as a joint operation using the line-by-line consolidation method.

No material subsidiaries within the group were affected. The group has applied IFRS 10 retrospectively in accordance with the transitional provisions and the 2013 and 2012 results have been restated accordingly. There is no significant impact on the net assets or underlying earnings of the group as a result of the adoption of IFRS 10.

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures

IFRS 11 replaces IAS 31, Interests in Joint Ventures, and SIC-13, Jointly-controlled Entities – Non-monetary Contributions by Venturers.

The new standard changed the classifications for joint arrangements and removed the option to account for joint ventures using proportionate consolidation. Under IFRS 11, investments in joint arrangements are classified as either joint ventures or joint operations based on the rights and obligations of the parties to the arrangement, the legal form of the joint arrangement and when relevant, other facts and circumstances.

In a joint venture, the parties sharing joint control of the arrangement have rights to the net assets and must account for their interests in the arrangement using the equity method. In a joint operation, the parties have rights to the assets and obligations for the liabilities and must account for the assets and liabilities, revenues and expenses for which they have rights or obligations including their share of such items held or incurred jointly.

The application of this standard has resulted in the following significant changes:

	% of equity owned	Previous accounting treatment	Revised accounting treatment
ORYX GTL Limited	49	Proportionately consolidated	Equity accounted
Sasol-Huntsman GmbH & co KG	50	Proportionately consolidated	Equity accounted
Petronas Chemicals LDPE Sdn Bhd	40	Proportionately consolidated	Equity accounted
Uzbekistan GTL LLC	44,5	Proportionately consolidated	Equity accounted
Arya Sasol Polymer Company (ASPC)[1]	50	Proportionately consolidated	Equity accounted
Merisol LP[2]	50	Proportionately consolidated	Equity accounted
Sasol Dyno Nobel (Pty) Ltd	50	Proportionately consolidated	Equity accounted
Petromoc e Sasol SARL	49	Proportionately consolidated	Equity accounted
Spring Lights Gas (Pty) Ltd	49	Proportionately consolidated	Equity accounted

1 The group disposed of its investment in Arya Sasol Polymer Company in August 2013. The relevant prior periods have been restated to account for this investment in accordance with IFRS 11 as an equity accounted joint venture.
2 In December 2012, Sasol acquired the remaining 50% shareholding in Merisol. Accordingly, this investment was accounted for as a 100% subsidiary from 31 December 2012.

The group has applied IFRS 11 retrospectively in accordance with the transitional provisions and the 2013 and 2012 results have been restated accordingly. There is no significant impact on the net assets or underlying earnings of the group as a result of the adoption of IFRS 11.

1 New accounting standards continued

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries (including related non-controlling interests), joint arrangements, associates and structured entities. These disclosures are reflected within the relevant notes to the financial statements. The group has applied IFRS 12 retrospectively in accordance with the transitional provisions, and the 2013 and 2012 results have been restated accordingly.

Impact of adopting new accounting standards

The adoption of IFRS 10 and 11 did not have a significant impact on the statement of changes in equity, the statement of comprehensive income, earnings per share and diluted earnings per share for the years ended 30 June 2013 and 30 June 2012. The reportable segments have been restated to reflect the adoption of the new accounting standards.

IAS 1, Presentation of Financial Statements requires an opening balance sheet as at 1 July 2012 where there has been a retrospective change in accounting policies. References to 2012 in relation to the statement of financial position are therefore to 1 July 2012. References to 2012 in respect of the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows are to the year ended 30 June 2012.

The impact of adopting IFRS 10 and IFRS 11 on the comparative financial statements is set out in the tables below:

Consolidated statement of financial position

at 30 June 2013

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
ASSETS			
Property, plant and equipment	108 070	(7 081)	100 989
Assets under construction	41 244	(1 379)	39 865
Investments in equity accounted joint ventures	–	8 636	8 636
Investments in associates	2 676	12	2 688
Other non-current assets[1]	7 903	22	7 925
Non-current assets	159 893	210	160 103
Inventories	24 056	(1 437)	22 619
Trade and other receivables[2]	29 003	(663)	28 340
Cash and restricted cash	32 713	(1 410)	31 303
Other current assets[3]	3 830	(30)	3 800
Current assets	89 602	(3 540)	86 062
Total assets	249 495	(3 330)	246 165
EQUITY AND LIABILITIES			
Shareholders' equity	149 625	(42)	149 583
Non-controlling interests	3 650	(340)	3 310
Total equity	153 275	(382)	152 893
Long-term debt	22 357	(1 017)	21 340
Long-term provisions	12 397	(169)	12 228
Other non-current liabilities[4]	25 341	(631)	24 710
Non-current liabilities	60 095	(1 817)	58 278
Trade payables and accrued expenses	21 199	(237)	20 962
Short-term debt	1 701	(136)	1 565
Other current liabilities[5]	13 225	(758)	12 467
Current liabilities	36 125	(1 131)	34 994
Total equity and liabilities	249 495	(3 330)	246 165

1 Other non-current assets comprise of goodwill, other intangible assets, investment in securities, post-retirement benefit assets, long-term receivables and prepaid expenses, long-term financial assets and deferred tax.
2 Trade and other receivables comprise tax receivable, trade receivables and other receivables and prepaid expenses.
3 Other current assets comprise of assets in a disposal group held for sale and short-term financial assets.
4 Other non-current liabilities comprise long-term financial liabilities, post-retirement benefit obligations, long-term deferred income and deferred tax liabilities.
5 Other current liabilities comprise short-term financial liabilities, short-term provisions, short-term deferred income, tax payable, other payables and bank overdraft.

1 New accounting standards continued

Consolidated statement of financial position

at 30 June 2012

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
ASSETS			
Property, plant and equipment	95 872	(10 658)	85 214
Assets under construction	33 585	(473)	33 112
Investments in equity accounted joint ventures	–	9 588	9 588
Investments in associates	2 560	11	2 571
Other non-current assets[1]	6 265	(337)	5 928
Non-current assets	138 282	(1 869)	136 413
Inventories	20 668	(1 748)	18 920
Trade and other receivables[2]	26 299	(656)	25 643
Cash and restricted cash	18 060	(1 897)	16 163
Other current assets[3]	444	–	444
Current assets	65 471	(4 301)	61 170
Total assets	203 753	(6 170)	197 583
EQUITY AND LIABILITIES			
Shareholders' equity	125 234	(38)	125 196
Non-controlling interests	3 080	(334)	2 746
Total equity	128 314	(372)	127 942
Long-term debt	12 828	(1 239)	11 589
Long-term provisions	10 518	(234)	10 284
Other non-current liabilities[4]	21 204	(859)	20 345
Non-current liabilities	44 550	(2 332)	42 218
Trade payables and accrued expenses	17 559	(336)	17 223
Short-term debt	3 072	(1 855)	1 217
Other current liabilities[5]	10 258	(1 275)	8 983
Current liabilities	30 889	(3 466)	27 423
Total equity and liabilities	203 753	(6 170)	197 583

1 Other non-current assets comprise of goodwill, other intangible assets, investment in securities, post-retirement benefit assets, long-term receivables and prepaid expenses, long-term financial assets and deferred tax.
2 Trade and other receivables comprise tax receivable, trade receivables and other receivables and prepaid expenses.
3 Other current assets comprise of assets in a disposal group held for sale and short-term financial assets.
4 Other non-current liabilities comprise long-term financial liabilities, post-retirement benefit obligations, long-term deferred income and deferred tax liabilities.
5 Other current liabilities comprise short-term financial liabilities, short-term provisions, short-term deferred income, tax payable, other payables and bank overdraft.

1 New accounting standards continued

Consolidated income statement

for the year ended 30 June 2013

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
Turnover	181 269	(11 378)	169 891
Materials, energy and consumables used	(77 538)	921	(76 617)
Selling and distribution costs	(5 371)	269	(5 102)
Maintenance expenditure	(7 544)	301	(7 243)
Employee related expenditure	(23 476)	999	(22 477)
Exploration expenditure and feasibility costs	(1 354)	(15)	(1 369)
Depreciation and amortisation	(12 030)	909	(11 121)
Other expenses, net	(6 841)	2 607	(4 234)
Translation gains	899	1 993	2 892
Other operating expenses	(9 692)	803	(8 889)
Other operating Income	1 952	(189)	1 763
Operating profit before remeasurement items	47 115	(5 387)	41 728
Remeasurement items	(6 487)	3 538	(2 949)
Operating profit after remeasurement items	40 628	(1 849)	38 779
Share of profits of equity accounted joint ventures, net of tax	–	1 562	1 562
Share of profits of associates, net of tax	445	59	504
Profit from operations, joint ventures and associates	41 073	(228)	40 845
Net finance costs	(1 294)	155	(1 139)
Profit before tax	39 779	(73)	39 706
Taxation	(12 597)	2	(12 595)
Profit for the year	27 182	(71)	27 111
Attributable to			
Owners of Sasol Limited	26 278	(4)	26 274
Non-controlling interests in subsidiaries	904	(67)	837
	27 182	(71)	27 111

1 **New accounting standards** continued

Consolidated income statement

for the year ended 30 June 2012

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
Turnover	169 446	(10 332)	159 114
Materials, energy and consumables used	(80 410)	1 699	(78 711)
Selling and distribution costs	(4 621)	435	(4 186)
Maintenance expenditure	(7 421)	274	(7 147)
Employee related expenditure	(19 465)	857	(18 608)
Exploration expenditure and feasibility costs	(1 045)	2	(1 043)
Depreciation and amortisation	(9 651)	809	(8 842)
Other expenses, net	(8 215)	1 164	(7 051)
Translation gains	243	496	739
Other operating expenses	(9 874)	683	(9 191)
Other operating Income	1 416	(15)	1 401
Operating profit before remeasurement items	38 618	(5 092)	33 526
Remeasurement items	(1 860)	83	(1 777)
Operating profit after remeasurement items	36 758	(5 009)	31 749
Share of profits of equity accounted joint ventures, net of tax	–	4 545	4 545
Share of profits of associates, net of tax	479	(63)	416
Profit from operations, joint ventures and associates	37 237	(527)	36 710
Net finance costs	(1 234)	227	(1 007)
Profit before tax	36 003	(300)	35 703
Taxation	(11 746)	245	(11 501)
Profit for the year	24 257	(55)	24 202
Attributable to			
Owners of Sasol Limited	23 583	(3)	23 580
Non-controlling interests in subsidiaries	674	(52)	622
	24 257	(55)	24 202

1 New accounting standards continued

Consolidated statement of cash flows

for the year ended 30 June 2013

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
Cash generated by operating activities	59 267	(7 361)	51 906
Net finance income	415	5 125	5 540
Tax paid	(10 448)	81	(10 367)
Dividends paid	(10 787)	–	(10 787)
Cash retained from operating activities	38 447	(2 155)	36 292
Additions to non-current assets	(32 288)	1 874	(30 414)
Acquisition of new or additional interests in joint ventures	(730)	(415)	(1 145)
Acquisition of new or additional investments in associates	(200)	–	(200)
Other net cash flows from investing activities	1 169	(243)	926
Cash used in investing activities	(32 049)	1 216	(30 833)
Share capital issued on implementation of share options	727	–	727
Contributions from non-controlling shareholders in subsidiaries	37	–	37
Dividends paid to non-controlling shareholders in subsidiaries	(358)	61	(297)
Net movement in long-term debt	8 128	(294)	7 834
Net movement in short-term debt	215	–	215
Cash generated by financing activities	8 749	(233)	8 516
Translation effects on cash and cash equivalents of foreign operations	1 267	(684)	583
Increase in cash and cash equivalents	16 414	(1 856)	14 558
Cash and cash equivalents at beginning of year	17 838	(1 841)	15 997
Net reclassification to held for sale	(2 286)	2 286	–
Cash and cash equivalents at end of year	31 966	(1 411)	30 555

1 New accounting standards continued

Consolidated statement of cash flows

for the year ended 30 June 2012

	As previously reported Rm	Effect of adopting IFRS 10 and IFRS 11 Rm	Restated Rm
Cash generated by operating activities	47 901	(7 040)	40 861
Net finance income	483	5 609	6 092
Tax paid	(10 760)	148	(10 612)
Dividends paid	(9 600)	–	(9 600)
Cash retained from operating activities	28 024	(1 283)	26 741
Additions to non-current assets	(29 160)	621	(28 539)
Acquisition of new or additional interests in joint ventures	(24)	(400)	(424)
Acquisition of new or additional investments in associates	(81)	–	(81)
Other net cash flows from investing activities	1 649	872	2 521
Cash used in investing activities	(27 616)	1 093	(26 523)
Share capital issued on implementation of share options	325	–	325
Contributions from non-controlling shareholders in subsidiaries	11	–	11
Dividends paid to non-controlling shareholders in subsidiaries	(394)	64	(330)
Net movement in long-term debt	(859)	(329)	(1 188)
Net movement in short-term debt	(112)	73	(39)
Cash used in financing activities	(1 029)	(192)	(1 221)
Translation effects on cash and cash equivalents of foreign operations	649	(73)	576
Increase/(decrease) in cash and cash equivalents	28	(455)	(427)
Cash and cash equivalents at beginning of year	17 810	(1 386)	16 424
Cash and cash equivalents at end of year	17 838	(1 841)	15 997

Notes to the financial statements

Non-current assets

	Note	2014 Rm	2013 Rm	2012 Rm
Property, plant and equipment	2	**111 449**	100 989	85 214
Assets under construction	3	**51 320**	39 865	33 112
Goodwill	4	**644**	574	539
Other intangible assets	5	**1 882**	1 418	943
Investments in securities	6	**876**	783	711
Investments in equity accounted joint ventures	7	**8 280**	8 636	9 588
Investments in associates	8	**1 877**	2 688	2 571
Post-retirement benefit assets	9	**487**	407	313
Long-term receivables and prepaid expenses	10	**2 922**	2 174	1 714
Long-term financial assets	11	**13**	251	194
Deferred tax assets	23	**3 143**	2 318	1 514
		182 893	160 103	136 413

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
2 Property, plant and equipment				
Cost				
Balance at beginning of year		**184 701**	154 618	131 177
Acquisition of businesses	56	**159**	793	–
Additions		**4 977**	4 179	3 087
to sustain existing operations		**4 111**	3 415	2 488
to expand operations		**866**	764	599
Transfer from assets under construction	3	**20 801**	20 129	21 678
Net transfer to other intangible assets	5	**–**	–	(1)
Net transfer to inventory		**(3)**	(44)	(3)
Reduction in capitalised rehabilitation provision		**(65)**	(203)	–
Reclassification (to)/from held for sale		**(592)**	(3)	22
Translation of foreign operations	48	**5 460**	8 740	3 188
Disposal of businesses	57	**(2 250)**	(193)	(314)
Disposals and scrapping		**(3 252)**	(3 315)	(4 216)
Balance at end of year		**209 936**	184 701	154 618
Comprising				
Land		**2 671**	2 031	1 128
Buildings and improvements		**9 147**	8 409	6 896
Retail convenience centres		**1 540**	1 444	1 435
Plant, equipment and vehicles		**157 655**	140 713	120 289
Mineral assets		**38 923**	32 104	24 870
		209 936	184 701	154 618
Accumulated depreciation and impairment				
Balance at beginning of year		**83 712**	69 404	61 876
Current year charge	51	**13 199**	10 912	8 651
Impairment of property, plant and equipment	38	**3 289**	206	572
Reversal of impairment of property, plant and equipment	38	**–**	(8)	–
Net transfer from/(to) inventory		**9**	(6)	–
Reclassification (to)/from held for sale		**(266)**	–	12
Translation of foreign operations	48	**3 752**	5 991	2 255
Disposal of businesses	57	**(2 250)**	(123)	(178)
Disposals and scrapping		**(2 958)**	(2 664)	(3 784)
Balance at end of year		**98 487**	83 712	69 404

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm

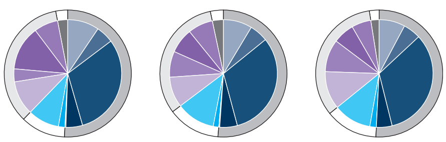
2 Property, plant and equipment continued

	2014 Rm	2013 Rm	2012 Rm
Comprising			
Land	**274**	278	206
Buildings and improvements	**4 518**	4 156	3 405
Retail convenience centres	**600**	530	463
Plant, equipment and vehicles	**73 541**	65 577	55 700
Mineral assets	**19 554**	13 171	9 630
	98 487	83 712	69 404
Carrying value			
Land	**2 397**	1 753	922
Buildings and improvements	**4 629**	4 253	3 491
Retail convenience centres	**940**	914	972
Plant, equipment and vehicles	**84 114**	75 136	64 589
Mineral assets	**19 369**	18 933	15 240
Balance at end of year	**111 449**	100 989	85 214

	Land Rm	Buildings and improvements Rm	Retail convenience centres Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
Cost						
Balance at 30 June 2012	1 128	6 896	1 435	120 289	24 870	**154 618**
Acquisition of businesses	110	5	–	678	–	**793**
Additions	555	94	30	999	2 501	**4 179**
to sustain existing operations	21	74	–	819	2 501	**3 415**
to expand operations	534	20	30	180	–	**764**
Reclassification of property, plant and equipment	(1)	28	–	(27)	–	**–**
Reduction in capitalised rehabilitation provision	–	–	–	(47)	(156)	**(203)**
Transfer from assets under construction	67	828	5	15 334	3 895	**20 129**
Net transfer from/(to) inventory	–	3	–	(47)	–	**(44)**
Reclassification to held for sale	(3)	–	–	–	–	**(3)**
Translation of foreign operations	186	650	–	6 284	1 620	**8 740**
Disposal of businesses	(3)	(29)	–	(161)	–	**(193)**
Disposals and scrapping	(8)	(66)	(26)	(2 589)	(626)	**(3 315)**
Balance at 30 June 2013	2 031	8 409	1 444	140 713	32 104	**184 701**
Acquisition of businesses	–	72	–	87		**159**
Additions	624	130	71	1 201	2 951	**4 977**
to sustain existing operations	–	128	–	1 032	2 951	**4 111**
to expand operations	624	2	71	169	–	**866**
Reclassification of property, plant and equipment	5	(18)	–	13	–	**–**
Reduction in capitalised rehabilitation provision	–	–	–	(7)	(58)	**(65)**
Transfer from assets under construction	–	513	26	16 491	3 771	**20 801**
Net transfer to inventory	–	–	–	(3)	–	**(3)**
Reclassification to held for sale	(47)	(3)	(1)	(541)	–	**(592)**
Translation of foreign operations	168	418	–	3 998	876	**5 460**
Disposal of businesses	(107)	(302)	–	(1 841)	–	**(2 250)**
Disposals and scrapping	(3)	(72)	–	(2 456)	(721)	**(3 252)**
Balance at 30 June 2014	**2 671**	**9 147**	**1 540**	**157 655**	**38 923**	**209 936**

for the year ended 30 June	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						
Accumulated depreciation and impairment						
Balance at 30 June 2012	206	3 405	463	55 700	9 630	**69 404**
Current year charge	–	258	79	7 125	3 450	**10 912**
Net impairment of property, plant and equipment	20	16	(3)	165	–	**198**
Reclassification of property, plant and equipment	–	1	–	(1)	–	**–**
Net transfer to inventory	–	–	–	(6)	–	**(6)**
Translation of foreign operations	52	513	–	4 721	705	**5 991**
Disposal of businesses	–	(14)	–	(109)	–	**(123)**
Disposals and scrapping	–	(23)	(9)	(2 018)	(614)	**(2 664)**
Balance at 30 June 2013	278	4 156	530	65 577	13 171	**83 712**
Current year charge	–	328	63	9 011	3 797	**13 199**
Net impairment of property, plant and equipment	67	63	7	323	2 829	**3 289**
Net transfer from inventory	–	–	–	9	–	**9**
Reclassification to held for sale	–	–	–	(266)	–	**(266)**
Translation of foreign operations	36	320	–	2 929	467	**3 752**
Disposal of businesses	(107)	(302)	–	(1 841)	–	**(2 250)**
Disposals and scrapping	–	(47)	–	(2 201)	(710)	**(2 958)**
Balance at 30 June 2014	**274**	**4 518**	**600**	**73 541**	**19 554**	**98 487**
Carrying value at 30 June 2014	**2 397**	**4 629**	**940**	**84 114**	**19 369**	**111 449**
Carrying value at 30 June 2013	1 753	4 253	914	75 136	18 933	**100 989**
Carrying value at 30 June 2012	922	3 491	972	64 589	15 240	**85 214**

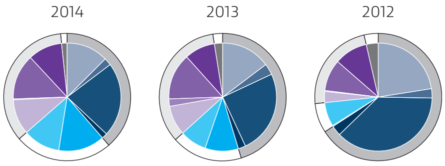
2014 2013 2012



	2014 Rm	2013 Rm	2012 Rm
Business segmentation			
South African Energy Cluster	**56 662**	51 957	43 467
Mining	**10 578**	8 816	6 823
Gas	**5 941**	5 724	4 325
Synfuels	**34 499**	31 965	28 206
Oil	**5 557**	5 363	4 024
Other	**87**	89	89
International Energy Cluster	**12 729**	13 426	11 385
Synfuels International	**2 233**	1 784	1 660
Petroleum International	**10 496**	11 642	9 725
Chemicals Cluster	**38 695**	32 392	28 384
Polymers	**11 700**	9 456	9 628
Solvents	**4 261**	7 824	8 308
Olefins & Surfactants	**14 929**	7 631	5 553
Other Chemical Businesses	**7 805**	7 481	4 895
Other Businesses	**3 363**	3 214	1 978
Total operations	**111 449**	100 989	85 214

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
2 Property, plant and equipment continued				
Additions to property, plant and equipment (cash flow)				
Current year additions		**4 977**	4 179	3 087
Adjustments for non-cash items				
movement in environmental provisions capitalised		**(589)**	(1 135)	(518)
land acquired under option prepaid in prior year		**(61)**	–	–
Per the statement of cash flows		**4 327**	3 044	2 569
Additional disclosures				
Leased assets				
Carrying value of capitalised leased assets (included in plant, equipment and vehicles)		**1 084**	831	905
cost		**1 725**	1 314	1 369
accumulated depreciation		**(641)**	(483)	(464)
Finance lease additions included in additions above		**96**	60	102
Carrying value of assets committed as security for debt	18	**8 682**	8 225	7 780
Depreciation rates for property, plant and equipment are noted on page 91				
Capital commitments (excluding equity accounted joint ventures and associates)				
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		**66 491**	62 330	49 098
Authorised but not yet contracted for		**44 951**	44 244	28 052
Less expenditure to the end of year		**(52 384)**	(40 513)	(32 409)
		59 058	66 061	44 741
to sustain existing operations		**30 886**	29 892	27 047
to expand operations		**28 172**	36 169	17 694
Estimated expenditure				
Within one year		**38 942**	40 923	23 668
One to five years		**20 088**	25 120	21 059
More than five years		**28**	18	14
		59 058	66 061	44 741

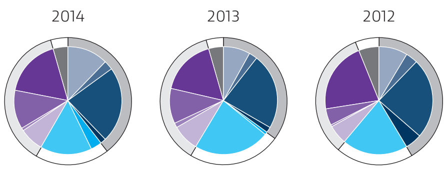
for the year ended 30 June		2014 Rm	2013 Rm	2012 Rm
2 Property, plant and equipment continued				
Business segmentation				
South African Energy Cluster		22 804	29 932	29 523
Mining		7 532	9 751	10 165
Gas		1 303	2 291	1 259
Synfuels		13 023	16 567	16 680
Oil		946	1 323	1 419
International Energy Cluster		14 889	11 947	3 369
Synfuels International		8 250	6 594	165
Petroleum International		6 639	5 353	3 204
Chemicals Cluster		20 447	22 658	10 351
Polymers		6 169	5 854	1 426
Solvents		244	1 520	181
Olefins & Surfactants		8 016	9 247	4 205
Other Chemical Businesses		6 018	6 037	4 539
Other Businesses		918	1 524	1 498
Total operations		59 058	66 061	44 741
Capital commitments in excess of R500 million at 30 June comprise:				
Project	**Business unit**			
Shondoni colliery to maintain Middelbult colliery	Mining	2 824	3 920	4 782
Impumelelo colliery to maintain Brandspruit colliery operation	Mining	1 611	2 749	3 697
Tweedraai project	Mining	642	1 228	–
Coal mining rights	Mining	524	488	465
Looplines project	Gas	960	1 574	–
Gas heated heat exchange reformers	Synfuels	472	679	723
Reduction of volatile organic compounds emissions	Synfuels	1 219	958	1 355
Coal tar filtration east unit	Synfuels	1 816	1 218	1 503
SASOL® Fixed bed, dry bottom gasifiers	Synfuels	111	624	813
Water recovery facility for Growth programme 1A	Synfuels	96	533	1 038
Shutdown and major statutory maintenance	Synfuels	3 513	3 525	1 892
Replacement of tar tanks and separators	Synfuels	917	1 388	1 859
Selective catalytic cracker – baseline optimisation project	Synfuels	390	514	624
Four synthol catalyst reduction reactors replacement	Synfuels	304	510	62
Replacement of steam turbines at steam plants	Synfuels	430	502	586
Clean Fuels 2 Project	Synfuels and Oil	336	833	250
Mozambique exploration and development	Petroleum International	721	1 388	628
Gabon exploration and development	Petroleum International	1 180	1 457	281
Canadian shale gas exploration and development	Petroleum International	2 857	2 395	2 177
Mozambique low pressure compression project	Petroleum International	505	–	–
C3 Stabilisation project	Polymers	863	450	939
Fischer-Tropsch wax expansion project	Other Chemical Businesses	3 863	4 488	3 181
Ethane cracker and downstream derivatives project in North America	Chemical Businesses	7 383	12 849	–
High density polyethylene plant	Polymers	2 861	–	–
Gas-to-liquids project in North America	Synfuels International	8 295	6 085	–
Mozambique plant – Central Termica de Ressano Garcia (CTRG)	Other Businesses	333	643	–



for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
3 Assets under construction				
Cost				
Balance at beginning of year		**39 865**	33 112	29 382
Acquisition of businesses	56	**–**	82	–
Additions		**34 341**	27 755	26 123
to sustain existing operations		**16 327**	12 649	9 245
to expand operations		**18 014**	15 106	16 878
Finance costs capitalised	42	**530**	300	15
Impairment of assets under construction	38	**(2 625)**	(2 096)	(879)
Write-off of unsuccessful exploration wells	38	**(43)**	(469)	(270)
Reduction in capitalised rehabilitation provision		**(61)**	–	–
Reclassification from inventories		**108**	–	–
Projects capitalised		**(21 260)**	(20 484)	(21 849)
property, plant and equipment	2	**(20 801)**	(20 129)	(21 678)
other intangible assets	5	**(459)**	(355)	(171)
Reclassification to held for sale		**(245)**	–	–
Translation of foreign operations	48	**1 138**	1 800	807
Disposal of businesses	57	**–**	(3)	–
Disposals and scrapping		**(428)**	(132)	(217)
Balance at end of year		**51 320**	39 865	33 112
Comprising				
Property, plant and equipment under construction		**45 255**	33 403	27 913
Other intangible assets under development		**559**	526	291
Exploration and evaluation assets		**5 506**	5 936	4 908
		51 320	39 865	33 112

for the year ended 30 June	Property, plant and equipment under construction Rm	Other intangible assets under development Rm	Exploration and evaluation assets Rm	Total Rm
3 Assets under construction continued				
Cost				
Balance at 30 June 2012	27 913	291	4 908	**33 112**
Acquisition of businesses	82	–	–	**82**
Additions	26 239	582	934	**27 755**
to sustain existing operations	12 300	305	44	**12 649**
to expand operations	13 939	277	890	**15 106**
Reclassification of assets under construction	(16)	16	–	**–**
Finance costs capitalised	300	–	–	**300**
Impairment of assets under construction	(2 039)	(43)	(14)	**(2 096)**
Write-off of unsuccessful exploration wells	–	–	(469)	**(469)**
Projects capitalised	(20 025)	(355)	(104)	**(20 484)**
Translation of foreign operations	1 073	45	682	**1 800**
Disposal of businesses	(3)	–	–	**(3)**
Disposals and scrapping	(121)	(10)	(1)	**(132)**
Balance at 30 June 2013	33 403	526	5 936	**39 865**
Additions	33 040	453	848	**34 341**
to sustain existing operations	15 832	433	62	**16 327**
to expand operations	17 208	20	786	**18 014**
Reclassification of assets under construction	10	13	(23)	**–**
Finance costs capitalised	530	–	–	**530**
Impairment of assets under construction	(1 567)	–	(1 058)	**(2 625)**
Write-off of unsuccessful exploration wells	–	–	(43)	**(43)**
Reduction in capitalised rehabilitation provision	–	–	(61)	**(61)**
Reclassification from inventories	108	–	–	**108**
Projects capitalised	(20 449)	(459)	(352)	**(21 260)**
Reclassification to held for sale	(245)	–	–	**(245)**
Translation of foreign operations	814	35	289	**1 138**
Disposals and scrapping	(389)	(9)	(30)	**(428)**
Balance at 30 June 2014	**45 255**	**559**	**5 506**	**51 320**
Balance at 30 June 2013	33 403	526	5 936	**39 865**
Balance at 30 June 2012	27 913	291	4 908	**33 112**

	2014 Rm	2013 Rm	2012 Rm
Business segmentation			
South African Energy Cluster	**20 265**	13 983	13 750
Mining	**6 380**	3 315	2 935
Gas	**1 346**	919	1 164
Synfuels	**11 764**	9 165	8 017
Oil	**775**	584	1 634
International Energy Cluster	**9 684**	9 447	6 574
Synfuels International	**1 796**	333	19
Petroleum International	**7 888**	9 114	6 555
Chemicals Cluster	**19 158**	14 739	10 783
Polymers	**3 800**	3 256	1 853
Solvents	**369**	470	241
Olefins & Surfactants	**6 071**	4 218	1 619
Other Chemical Businesses	**8 918**	6 795	7 070
Other Businesses	**2 213**	1 696	2 005
Total operations	**51 320**	39 865	33 112



for the year ended 30 June		2014 Rm	2013 Rm	2012 Rm

3 Assets under construction continued

Additions to assets under construction (cash flow)

	2014 Rm	2013 Rm	2012 Rm
Current year additions	34 341	27 755	26 123
adjustments for non-cash items	30	(462)	(201)
cash flow hedge accounting	40	(32)	(21)
other non-cash movements	–	–	(31)
movement in environmental provisions capitalised	(10)	(430)	(149)
Per the statement of cash flows	34 371	27 293	25 922

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.

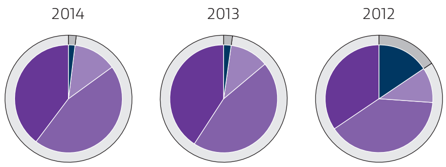
Capital expenditure (cash flow)

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.

Projects to sustain operations	Business unit	2014 Rm	2013 Rm	2012 Rm
Impumelelo colliery to maintain Brandspruit colliery operation	Mining	1 265	1 016	584
Shondoni colliery to maintain Middelbult colliery operation	Mining	1 396	618	74
Tweedraai project	Mining	560	43	–
Major shutdown and statutory maintenance	Synfuels	3 392	2 299	1 636
Replacement of tar tanks and separators	Synfuels	680	471	68
Clean Fuels 2 Project	Synfuels and Oil	549	197	–
Expenditure related to environmental obligations	Various	785	896	587
Expenditure incurred relating to safety regulations	Various	1 394	463	282
Other projects to sustain existing operations	Various	6 334	6 627	5 989
		16 355	12 630	9 220

Projects to expand operations	Business unit	2014 Rm	2013 Rm	2012 Rm
Looplines project	Gas	613	407	–
Gas heated heat exchange reformers	Synfuels	473	889	669
Water recovery facility for growth programme 1A	Synfuels	440	375	122
Canadian shale gas exploration and development	Petroleum International	3 155	3 177	6 441
Mozambique exploration and development	Petroleum International	181	703	391
C3 Stabilisation project	Polymers	398	427	101
Ethylene tetramerisation project in North America	Olefins & Surfactants	533	1 220	809
Fischer-Tropsch wax expansion project	Other Chemical Businesses	2 170	2 271	2 884
Ethane cracker and downstream derivatives project in North America	Chemical Businesses	5 081	1 032	–
Land acquisitions in North America	Chemical Businesses	262	562	–
Gas-to-liquids project in North America	Synfuels International and Chemical Businesses	1 461	168	–
Mozambique plant – Central Termica de Ressano Garcia (CTRG)	Other Businesses	433	548	–
Sasolburg gas power engines	Other Businesses	–	310	949
Other projects to expand operations	Various	2 816	2 574	4 336
		18 016	14 663	16 702

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
4 Goodwill				
Cost				
Balance at beginning of year		**2 089**	1 750	1 660
Acquisition of businesses	56	**16**	12	–
Disposal of businesses	57	**–**	(33)	–
Translation of foreign operations	48	**250**	360	90
Balance at end of year		**2 355**	2 089	1 750
Accumulated impairment				
Balance at beginning of year		**1 515**	1 211	1 154
Impairment of goodwill	38	**19**	48	–
Disposal of businesses	57	**–**	(6)	–
Translation of foreign operations	48	**177**	262	57
Balance at end of year		**1 711**	1 515	1 211
Carrying value at end of year		**644**	574	539
Business segmentation				
South African Energy Cluster		**13**	13	85
Oil		**13**	13	85
Chemicals Cluster		**631**	561	454
Solvents		**84**	67	56
Olefins & Surfactants		**292**	260	213
Other Chemical Businesses		**255**	234	185
Total operations		**644**	574	539



for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
5 Other intangible assets				
Cost				
Balance at beginning of year		**3 793**	3 008	2 890
Acquisition of businesses	56	**219**	272	–
Additions		**212**	83	145
to sustain existing operations		**211**	82	145
to expand operations		**1**	1	–
Net transfer from property, plant and equipment	2	**–**	–	1
Assets under construction capitalised	3	**459**	355	171
Net reclassification from/(to) held for sale		**–**	99	(18)
Translation of foreign operations	48	**259**	303	87
Disposal of businesses	57	**(202)**	–	–
Disposals and scrapping		**(234)**	(327)	(268)
Balance at end of year		**4 506**	3 793	3 008
Comprising				
Software		**1 989**	1 561	1 428
Patents and trademarks		**953**	863	702
Emission rights		**258**	306	296
Other intangible assets		**1 306**	1 063	582
		4 506	3 793	3 008
Accumulated amortisation and impairment				
Balance at beginning of year		**2 375**	2 065	1 900
Current year charge	51	**317**	209	191
Net impairment of other intangible assets	38	**60**	93	127
Reclassification from held for sale		**–**	49	–
Translation of foreign operations	48	**148**	204	52
Disposal of businesses	57	**(153)**	–	–
Disposals and scrapping		**(123)**	(245)	(205)
Balance at end of year		**2 624**	2 375	2 065
Comprising				
Software		**1 216**	1 007	1 010
Patents and trademarks		**811**	722	579
Emission rights		**90**	138	108
Other		**507**	508	368
		2 624	2 375	2 065
Carrying value				
Software		**773**	554	418
Patents and trademarks		**142**	141	123
Emission rights		**168**	168	188
Other		**799**	555	214
Balance at end of year		**1 882**	1 418	943

5 Other intangible assets continued

for the year ended 30 June	Software Rm	Patents and trademarks Rm	Emission rights Rm	Other intangible assets Rm	Total Rm
Cost					
Balance at 30 June 2012	1 428	702	296	582	**3 008**
Acquisition of businesses	2	–	18	252	**272**
Additions	40	3	6	34	**83**
to sustain existing operations	40	2	6	34	**82**
to expand operations	–	1	–	–	**1**
Assets under construction capitalised	285	3	–	67	**355**
Net reclassification from held for sale	–	–	18	81	**99**
Translation of foreign operations	37	160	56	50	**303**
Disposals and scrapping	(231)	(5)	(88)	(3)	**(327)**
Balance at 30 June 2013	1 561	863	306	1 063	**3 793**
Acquisition of business	–	–	–	219	**219**
Additions	60	3	131	18	**212**
to sustain existing operations	59	3	131	18	**211**
to expand operations	1	–	–	–	**1**
Assets under construction capitalised	429	–	–	30	**459**
Translation of foreign operations	33	106	32	88	**259**
Disposal of businesses	(6)	(19)	(65)	(112)	**(202)**
Disposals and scrapping	(88)	–	(146)	–	**(234)**
Balance at 30 June 2014	**1 989**	**953**	**258**	**1 306**	4 506
Accumulated amortisation and impairment					
Balance at 30 June 2012	1 010	579	108	368	**2 065**
Current year charge	168	16	–	25	**209**
Net impairment of other intangible assets	–	–	47	46	**93**
Reclassification from held for sale	–	–	–	49	**49**
Translation of foreign operations	32	132	17	23	**204**
Disposals and scrapping	(203)	(5)	(34)	(3)	**(245)**
Balance at 30 June 2013	1 007	722	138	508	**2 375**
Current year charge	232	16	–	69	**317**
Impairment of other intangible assets	2	2	33	23	**60**
Translation of foreign operations	23	90	16	19	**148**
Disposal of businesses	(7)	(19)	(15)	(112)	**(153)**
Disposals and scrapping	(41)	–	(82)	–	**(123)**
Balance at 30 June 2014	**1 216**	**811**	**90**	**507**	2 624
Carrying value at 30 June 2014	**773**	**142**	**168**	**799**	1 882
Carrying value at 30 June 2013	554	141	168	555	**1 418**
Carrying value at 30 June 2012	418	123	188	214	**943**

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

5 Other intangible assets continued

Additions to other intangible assets (cash flow)

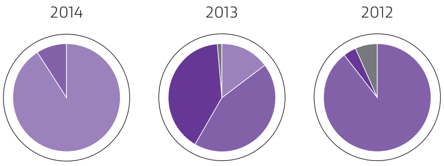
	2014 Rm	2013 Rm	2012 Rm
Current year additions	**212**	83	145
adjustments for non-cash items			
emission rights received	**(131)**	(6)	(97)
Per the statement of cash flows	**81**	77	48

Additional disclosures

Amortisation of intangible assets

Amortisation rates on intangible assets are noted on page 92. 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.

Business segmentation of emission rights



	2014 Rm	2013 Rm	2012 Rm
Chemicals Cluster	**168**	166	178
Solvents	**–**	25	35
Olefins & Surfactants	**153**	73	137
Other Chemical Businesses	**15**	68	6
Other Businesses	**–**	2	10
Total operations	**168**	168	188

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
6 Investments in securities				
Investments available-for-sale	6.1	**628**	511	205
unlisted equity investments		**221**	197	166
listed investments		**407**	314	39
Investment held-for-trading	6.2	**43**	41	34
unlisted equity investments		**43**	41	34
Investments held-to-maturity	6.3	**205**	231	472
Investments in securities per statement of financial position		**876**	783	711

6.1 Investments available-for-sale

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. 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.

The fair value of the listed investments is based on the quoted market price as at 30 June 2014. Investments amounting to R311 million (2013 – R242 million; 2012 – Rnil) are restricted for use as they are held in a separate trust to be used exclusively for rehabilitation purposes at Sasol Mining. Management has no intention of disposing of these investments in the foreseeable future.

6.2 Investment held-for-trading

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 its original cost less impairment in the statement of financial position.

6.3 Investments held-to-maturity

Fair value of investments held-to-maturity

The fair value of investments held-to-maturity which comprises of long-term fixed deposits is determined using a discounted cash flow method using market related rates at 30 June 2014. The market related rates used to discount estimated cash flows were between 6,20% and 7,11% (2013 – 4,22% and 5,42%; 2012 – 5,77%% and 6,03%). 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	2014 Rm	2013 Rm	2012 Rm
7 Investments in equity accounted joint ventures				
The amounts recognised in the statement of financial position are as follows:				
Investments in equity accounted joint ventures		**8 280**	8 636	9 588
The amounts recognised in the income statement are as follows:				
Share of profits of equity accounted joint ventures, net of tax	39	**3 810**	1 562	4 545
Share of profits		**3 823**	5 021	4 565
Remeasurement items		**(13)**	(3 459)	(20)
The amounts recognised in the statement of cash flows are as follows:				
Finance income				
Dividends received from equity accounted joint ventures	53	**4 380**	5 031	5 425

At 30 June, the group's interest in equity accounted joint ventures and the total carrying values were:

Name	Country of incorporation	Nature of activities	Interest %	2014 Rm	2013 Rm	2012 Rm
ORYX GTL Limited	Qatar	GTL plant	49	**6 539**	6 388	5 105
Sasol Huntsman GmbH & co KG	Germany	Manufacturing of chemical products	50	**772**	622	455
Petronas Chemicals LDPE Sdn Bhd	Malaysia	Manufacturing and marketing of low-density polyethylene pellets	40	**671**	688	611
Uzbekistan GTL LLC[1]	Uzbekistan	GTL plant	44,5	**–**	644	254
Arya Sasol Polymer Company (ASPC)[2]	Iran	Manufacturing of chemical products	50	**–**	–	2 324
Merisol LP[3]	United States of America	Production, marketing and distribution of phenolics	50	**–**	–	485
Sasol Dyno Nobel (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	50	**228**	235	234
Petromoc e Sasol SARL	Mozambique	Marketing of fuels	49	**64**	49	30
Spring Lights Gas (Pty) Ltd[4]	South Africa	Marketing of pipeline gas	49	**–**	–	80
Other			various	**6**	10	10
Total carrying value of investment				**8 280**	8 636	9 588

1 The group has classified its investment in Uzbekistan GTL as held for sale at 30 June 2014 (refer note 12).
2 The investment in Arya Sasol Polymer Company (ASPC) was classified as held for sale at 30 June 2013. On 16 August 2013, Sasol disposed of its investment in ASPC for a purchase consideration of R3 606 million ($365 million) (refer note 57).
3 In December 2012, Sasol acquired the remaining 50% shareholding in Merisol. Accordingly, this investment was accounted for as a 100% subsidiary from 31 December 2012 (refer note 56).
4 The investment in Spring Lights Gas was classified as held for sale at 30 June 2013. On 2 July 2013, Sasol Gas disposed of its 49% share in Spring Lights Gas for a purchase consideration of R474 million (refer note 57).

7 Investments in equity accounted joint ventures continued

Summarised financial information for the group's material equity accounted joint ventures

In accordance with the group's accounting policy, the results of joint ventures are equity accounted. The information provided below represents the group's material joint ventures. The financial information presented includes the full financial position and results of the joint venture and includes intercompany transactions and balances.

	ORYX GTL Limited		
at 30 June	2014 Rm	2013 Rm	2012 Rm
Summarised statement of financial position			
Non-current assets	10 400	10 398	8 217
property, plant and equipment	9 616	9 600	7 786
assets under construction	658	694	351
other non-current assets	126	104	80
Current assets	4 350	4 098	3 073
cash and cash equivalents	592	480	273
other current assets	3 758	3 618	2 800
Total assets	14 750	14 496	11 290
Non-current liabilities	755	565	425
long-term debt	193	116	90
long-term provisions	70	53	45
other non-current liabilities	492	396	290
Current liabilities	650	894	447
other current liabilities	650	894	447
Total liabilities	1 405	1 459	872
Net assets	13 345	13 037	10 418
Summarised income statement			
Turnover	13 743	9 776	9 510
Depreciation and amortisation	(1 149)	(843)	(586)
Other operating expenses	(4 320)	(3 484)	(3 095)
Operating profit	8 274	5 449	5 829
Finance income	15	12	20
Finance expense	(5)	–	–
Net profit before tax	8 284	5 461	5 849
Taxation	(64)	(41)	(47)
Profit and total comprehensive income for the year	8 220	5 420	5 802
The group's share of profits of equity accounted joint venture	4 028	2 656	2 843

7 Investments in equity accounted joint ventures continued

Reconciliation of summarised financial information

	ORYX GTL Limited		
for the year ended 30 June	**2014 Rm**	2013 Rm	2012 Rm
Net assets at the beginning of the year	**13 037**	10 418	8 910
Profit for the year	**8 220**	5 420	5 802
Foreign exchange differences	**1 195**	2 113	2 004
Other movements	**(224)**	–	–
Dividends paid	**(8 883)**	(4 914)	(6 298)
Net assets at the end of the year	**13 345**	13 037	10 418
Carrying value of investment in equity accounted joint venture	**6 539**	6 388	5 105

The carrying value of the investment in joint venture represents the group's interest in the net assets of the joint venture.

Summarised financial information for the group's share of equity accounted joint ventures which are not material*

	2014 Rm	2013 Rm	2012 Rm
Operating (loss)/profit	**(179)**	(1 074)	2 050
(Loss)/profit before tax	**(188)**	(1 156)	1 889
Taxation	**(30)**	62	(187)
(Loss)/profit and total comprehensive income for the year	**(218)**	(1 094)	1 702

* The financial information provided represents the group's share of the results of the equity accounted joint ventures.

	2014 Rm	2013 Rm	2012 Rm
Capital commitments relating to equity accounted joint ventures			
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	**1 152**	880	815
Authorised but not yet contracted for	**438**	438	330
Less expenditure to the end of year	**(826)**	(701)	(366)
	764	617	779

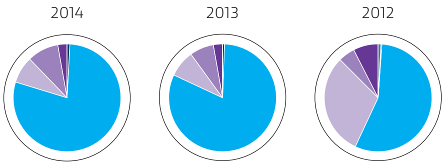
Contingent liabilities

There were no contingent liabilities at 30 June 2014 relating to equity accounted joint ventures other than as disclosed in note 58.

Impairment testing of investments in equity accounted joint ventures

Based on impairment indicators at each reporting date, impairment tests in respect of investments in equity accounted joint ventures are performed. The recoverable amount of the investment is compared to the carrying amount, as described in note 38, to calculate the impairment.

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
7 Investments in equity accounted joint ventures continued			
Business segmentation			
South African Energy Cluster	69	54	115
Mining	5	5	5
Gas	–	–	80
Oil	64	49	30
International Energy Cluster	6 540	7 037	5 364
Synfuels International	6 540	7 037	5 364
Chemicals Cluster	1 671	1 545	4 109
Polymers	671	688	2 935
Solvents	772	622	455
Other Chemical Businesses	228	235	719
Total carrying value of investments in equity accounted joint ventures	8 280	8 636	9 588



Joint ventures 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 equity accounted joint ventures' financial results for material transactions and events in the intervening period.

There are no significant restrictions on the ability of the joint ventures 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	2014 Rm	2013 Rm	2012 Rm

8 Investments in associates

	Note	2014 Rm	2013 Rm	2012 Rm
The amounts recognised in the statement of financial position are as follows:				
Investments in associates		1 877	2 688	2 571
The amounts recognised in the income statement are as follows:				
Share of profits of associates, net of tax	40	334	504	416
Share of profits		334	443	479
Remeasurement items		–	61	(63)
The amounts recognised in the statement of cash flows are as follows:				
Finance income				
Dividends received from associates	53	337	384	361

At 30 June, the group's interest in associates and the total carrying values were:

Name	Country of incorporation	Nature of business	Interest %	2014 Rm	2013 Rm	2012 Rm
Petronas Chemicals Olefins Sdn Bhd*	Malaysia	Ethane and propane gas cracker	12	946	886	684
Escravos GTL (EGTL)**	Nigeria	GTL plant	10	763	1 291	1 689
Wesco China Limited***	Hong Kong	Trading and distribution of raw plastic materials	40	–	305	178
Oxis Energy	United Kingdom	Battery technology development	31	155	182	–
Other			various	13	24	20
Carrying value of investment				1 877	2 688	2 571

* Although the group holds less than 20% of the voting power of Petronas Chemicals Olefins Sdn Bhd, the group exercises significant influence with regards to the management of the venture.

** Although the group holds less than 20% of the voting power of EGTL, the group has significant influence with regards to the management of the project.

*** In September 2013, Sasol acquired the remaining 60% shareholding in Wesco China Limited. Accordingly, this investment was accounted for as a 100% subsidiary from that date.

8 Investments in associates continued

At 30 June, the group's total interest in the Escravos gas-to-liquids (EGTL) project was:

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
Investment in associate[1]		**763**	1 291	1 689
Loan to associate classified as long-term receivables		**173**	329	434
Loan to associate classified as other receivables	15	**–**	–	859
		936	1 620	2 982

1 During 2014 and 2013, Sasol was reimbursed by another investor for the capital invested into the associate.

Summarised financial information for associates*

	2014 Rm	2013 Rm	2012 Rm
Operating profit	**443**	678	559
Profit before tax	**442**	658	557
Taxation	**(108)**	(154)	(141)
Profit and total comprehensive income for the year	**334**	504	416

* The financial information provided represents the group's share of the results of the associates. None of the associates are individually material to the group.

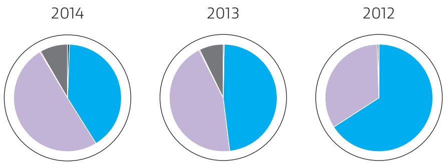
Contingent liabilities

There were no contingent liabilities at 30 June 2014 relating to associates other than as disclosed in note 58.

Impairment testing of associates

Impairment testing in respect of investments in associates is performed at each reporting date only when there are indicators of impairment. The recoverable amount based on the value-in-use of the cash generating unit is compared to the carrying amount as described in note 38 to calculate the impairment.

	2014 Rm	2013 Rm	2012 Rm
Business segmentation			
South African Energy Cluster	**11**	8	6
Synfuels	**11**	8	6
International Energy Cluster	**763**	1 291	1 689
Synfuels International	**763**	1 291	1 689
Chemicals Cluster	**948**	1 195	863
Polymers	**946**	1 191	863
Other Chemical Businesses	**2**	4	–
Other Businesses	**155**	194	13
Total carrying value of investments in associates	**1 877**	2 688	2 571



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.

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	2014 Rm	2013 Rm	2012 Rm
9 Post-retirement benefit assets				
Post-retirement benefit assets	21.2	**487**	407	313
For further details of post-retirement benefit assets, refer note 21.2.				
10 Long-term receivables and prepaid expenses				
Total long-term receivables		**2 963**	2 314	1 671
Short-term portion	15	**(226)**	(286)	(74)
		2 737	2 028	1 597
Long-term prepaid expenses		**185**	146	117
		2 922	2 174	1 714
Comprising				
Long-term joint operations receivables (interest bearing)		**1 270**	543	287
Long-term interest-bearing loans		**1 179**	1 082	968
Long-term interest-free loans		**288**	403	342
		2 737	2 028	1 597
Maturity profile				
Within one year		**226**	286	74
One to five years		**1 565**	968	934
More than five years		**1 172**	1 060	663
		2 963	2 314	1 671

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 2014.

	Note	2014 Rm	2013 Rm	2012 Rm
Fair value of long-term receivables		**2 963**	2 314	1 671

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.

	Note	2014 Rm	2013 Rm	2012 Rm
11 Long-term financial assets				
Forward exchange contracts		**13**	251	194
Arising on long-term derivative financial instruments		**13**	251	194
used for cash flow hedging		**–**	–	1
held-for-trading		**13**	251	193

Long-term financial assets include the revaluation of in-the-money derivative instruments, refer note 64. The fair value of derivatives is based on market valuations.

Notes to the financial statements

Current assets

	Note	2014 Rm	2013 Rm	2012 Rm
Assets in disposal groups held for sale	12	**1 419**	2 274	18
Inventories	13	**26 758**	22 619	18 920
Tax receivable	28	**550**	180	322
Trade receivables	14	**25 223**	25 569	22 599
Other receivables and prepaid expenses	15	**4 601**	2 591	2 722
Short-term financial assets	16	**420**	1 526	426
Cash restricted for use	17	**1 245**	6 056	3 625
Cash	17	**37 155**	25 247	12 538
		97 371	86 062	61 170

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
12 Disposal groups held for sale				
Assets in disposal groups held for sale				
Sasol Synfuels International – Investment in Uzbekistan GTL joint venture	12.1	**666**	–	–
Sasol Oil – Investment in Naledi Petroleum Holdings (Pty) Ltd	12.2	**158**	–	–
Sasol Infrachem – Air separation unit	12.3	**471**	–	–
Sasol Polymers – Investment in Arya Sasol Polymer Company (ASPC) joint venture	12.4	**–**	2 249	–
Other		**124**	25	18
		1 419	2 274	18
Liabilities in disposal groups held for sale				
Sasol Oil – Investment in Naledi Petroleum Holdings (Pty) Ltd	12.2	**(46)**	–	–
Other		**(11)**	–	–
		(57)	–	–

12.1 Sasol Synfuels International – Investment in Uzbekistan GTL joint venture

During 2014, based on the reprioritisation of our capital projects, the Sasol Limited Board approved a decrease in Sasol's shareholding in the Uzbekistan GTL project from 44,5% to 25,5%. Accordingly, management has classified the full investment of 44,5% as held for sale at 30 June 2014 and impaired a portion of the development and business establishment costs.

12.2 Sasol Oil – Investment in Naledi Petroleum Holdings (Pty) Ltd

In December 2013, Sasol entered negotiations with potential buyers interested in acquiring the shareholding in Exel Lesotho (Pty) Ltd and Exel Swaziland (Pty) Ltd. The sale is expected to be concluded within the next 12 months.

12.3 Sasol Infrachem – Air separation unit

During 2014, Sasol entered into negotiations with a potential buyer to dispose of its Air separation unit in Sasolburg. The sale was concluded in July 2014 after approval was obtained from the South African Competition Commission on 31 July 2014 (refer note 61).

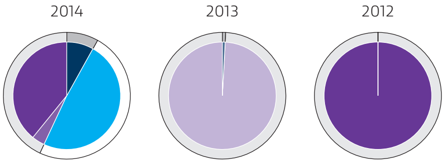
12.4 Sasol Polymers – Investment in ASPC joint venture

On 25 November 2011, the Sasol Limited Board approved the commencement of negotiations to sell Sasol's share in ASPC. In February 2013, a memorandum of understanding was concluded with an interested party.

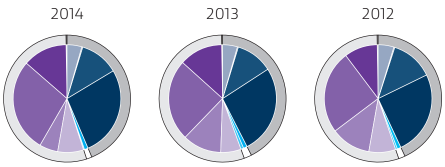
The price stipulated in the memorandum of understanding confirmed the valuation performed by management and the investment was accordingly written down to its fair value less costs to sell (refer note 38). On 16 August 2013, Sasol disposed of its 50% interest in ASPC (refer note 57).

sasol reaching new frontiers

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
12 Disposal groups held for sale continued			
Business segmentation			
South African Energy Cluster	111	25	–
Gas	–	22	–
Oil	111	3	–
International Energy Cluster	666	–	–
Synfuels International	666	–	–
Chemicals Cluster	585	2 249	18
Polymers	–	2 249	–
Olefins & Surfactants	52	–	–
Other Chemical Businesses	533	–	18
Total operations	1 362	2 274	18



for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
13 Inventories			
Carrying value			
Crude oil and other raw materials	5 514	4 984	3 232
Process material	1 472	1 320	975
Maintenance materials	4 031	3 520	2 961
Work in process	3 046	2 456	1 782
Manufactured products	12 204	10 063	9 771
Consignment inventory	491	276	199
	26 758	22 619	18 920
Business segmentation			
South African Energy Cluster	11 743	9 637	8 184
Mining	1 257	1 031	939
Gas	80	66	57
Synfuels	3 099	2 516	2 420
Oil	7 307	6 024	4 768
International Energy Cluster	363	417	292
Synfuels International	289	255	204
Petroleum International	74	162	88
Chemicals Cluster	14 623	12 549	10 429
Polymers	2 042	1 403	1 521
Solvents	1 484	2 639	2 288
Olefins & Surfactants	7 537	5 540	4 721
Other Chemical Businesses	3 560	2 967	1 899
Other Businesses	29	16	15
Total operations	26 758	22 619	18 920



The impact of higher crude oil and lower chemical product prices has resulted in a net realisable value write-down of R459 million in 2014 (2013 – R227 million; 2012 – R332 million).

No inventories are encumbered.

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
14 Trade receivables			
Trade receivables	**22 929**	23 333	18 518
Related party receivables	**208**	588	2 617
associates	**–**	317	353
equity accounted joint ventures	**208**	271	2 264
Impairment of trade receivables	**(500)**	(530)	(509)
Receivables	**22 637**	23 391	20 626
Duties recoverable from customers	**372**	144	436
Value added tax	**2 214**	2 034	1 537
	25 223	25 569	22 599

Credit risk exposure in respect of trade receivables is analysed as follows:

	Carrying value 2014 Rm	Impairment 2014 Rm	Carrying value 2013 Rm	Impairment 2013 Rm
Age analysis of trade receivables				
Not past due date	**21 051**	**8**	21 581	9
Past due 0 – 30 days	**1 204**	**4**	1 002	6
Past due 31 – 150 days	**165**	**42**	246	27
Past due 151 days – one year	**29**	**12**	51	39
More than one year*	**480**	**434**	453	449
	22 929	**500**	23 333	530

* More than one year relates to long outstanding balances for specific customers who have exceeded their contractual repayment terms.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
Impairment of trade receivables				
Balance at beginning of year		**(530)**	(509)	(455)
Acquisition of business		**(5)**	–	–
Disposal of businesses		**1**	16	–
Raised during year	37	**(61)**	(70)	(135)
Utilised during year		**88**	32	14
Released during year	37	**25**	33	74
Translation of foreign operations		**(18)**	(32)	(7)
Balance at end of year		**(500)**	(530)	(509)

Trade receivables that are not past their due date are not considered to be impaired, except 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.

Fair value of trade receivables
The carrying value approximates fair value because of the short period to maturity of these instruments.

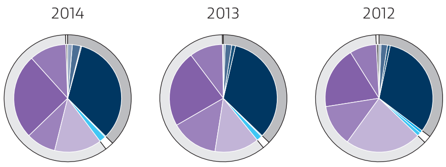
Collateral
The group holds no collateral over the trade receivables which can be sold or pledged to a third party.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

14 Trade receivables continued

Business segmentation

	Note	2014 Rm	2013 Rm	2012 Rm
South African Energy Cluster		9 468	9 534	8 015
Mining		406	160	165
Gas		582	543	450
Synfuels		118	290	199
Oil		8 362	8 541	7 201
International Energy Cluster		613	502	441
Synfuels International		104	106	164
Petroleum International		509	396	277
Chemicals Cluster		15 024	15 468	13 962
Polymers		3 514	3 413	5 137
Solvents		2 251	3 621	2 839
Olefins & Surfactants		6 499	5 898	4 192
Other Chemical Businesses		2 760	2 536	1 794
Other Businesses		118	65	181
Total operations		25 223	25 569	22 599



15 Other receivables and prepaid expenses

	Note	2014 Rm	2013 Rm	2012 Rm
Cell captive insurance related receivables		392	397	347
Insurance related receivables		15	13	260
Capital project related receivables		1	19	82
Receivables related to exploration activities		55	43	67
Employee related receivables		121	74	48
Receivable related to investment in EGTL	8	–	–	859
Receivable from the European Union for the Sasol Wax fine reduction		2 449	–	–
Other receivables		927	1 232	712
		3 960	1 778	2 375
Short-term portion of long-term receivables	10	226	286	74
Other receivables		4 186	2 064	2 449
Prepaid expenses		415	527	273
		4 601	2 591	2 722

Fair value of other receivables

The carrying value approximates fair value because of the short period to maturity of these instruments.

16 Short-term financial assets

	Note	2014 Rm	2013 Rm	2012 Rm
Forward exchange contracts		420	1 512	400
Commodity derivatives		–	14	26
Arising on short-term derivative financial instruments		420	1 526	426
used for cash flow hedging		4	33	3
held-for-trading		416	1 493	423

Short-term financial assets include the revaluation of in-the-money derivative instruments, refer note 64. The fair value of derivatives is based upon market valuations.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
17 Cash and cash equivalents				
Cash restricted for use		**1 245**	6 056	3 625
Cash		**37 155**	25 247	12 538
Bank overdraft		**(379)**	(748)	(166)
Per the statement of cash flows		**38 021**	30 555	15 997
Cash restricted for use				
In trust	17.1	**346**	48	47
In respect of joint operations and joint ventures	17.2	**774**	3 465	2 760
Funds not available for general use	17.3	**–**	716	760
Held as collateral	17.4	**72**	50	42
Restricted deposits	17.5	**–**	1 734	–
Other	17.6	**53**	43	16
		1 245	6 056	3 625

Included in cash restricted for use:

17.1 Cash held in trust of R346 million (2013 – R48 million; 2012 – R47 million) is restricted for use and is being held in escrow for the funding of specific project finance related to the construction of joint operations plants.

17.2 Cash in respect of joint operations and joint ventures can only be utilised for the business activities of the joint operations and joint ventures.

17.3 Cash held in a separate bank account of Rnil (2013 – R716 million; 2012 – R760 million) is restricted for use and is not available for general use by the group.

17.4 Cash deposits of R72 million (2013 – R50 million; 2012 – R42 million) serving as collateral for bank guarantees.

17.5 Restricted deposits include amounts that can be utilised only on the occurrence of certain milestones or specific events.

17.6 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.

Fair value of cash and cash equivalents

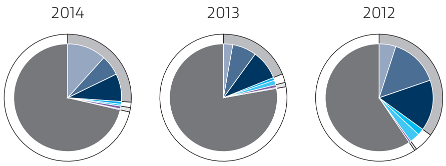
The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Non-current liabilities

	Note	2014 Rm	2013 Rm	2012 Rm
Long-term debt	18	**23 419**	21 340	11 589
Long-term financial liabilities	19	**17**	20	32
Long-term provisions	20	**15 232**	12 228	10 284
Post-retirement benefit obligations	21	**9 294**	8 813	6 810
Long-term deferred income	22	**293**	305	323
Deferred tax liabilities	23	**18 246**	15 572	13 180
		66 501	58 278	42 218

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
18 Long-term debt				
Total long-term debt		**25 921**	22 648	12 792
Short-term portion	24	**(2 502)**	(1 308)	(1 203)
		23 419	21 340	11 589
Analysis of long-term debt				
At amortised cost				
Secured debt		**815**	1 353	1 775
Preference shares		**8 106**	8 177	8 055
Finance leases		**940**	936	1 030
Unsecured debt		**16 204**	12 248	1 949
Unamortised loan costs		**(144)**	(66)	(17)
		25 921	22 648	12 792
Reconciliation				
Balance at beginning of year		**22 648**	12 792	13 243
Acquisition of businesses	56	**20**	–	–
Loans raised		**3 263**	9 597	303
Loans repaid		**(2 207)**	(1 763)	(1 491)
Interest accrued	42	**1 276**	989	831
Amortisation of loan costs		**59**	53	(114)
Translation effect of foreign currency loans		**829**	939	15
Translation of foreign operations	48	**33**	41	5
Balance at end of year		**25 921**	22 648	12 792
Interest bearing status				
Interest bearing debt		**25 365**	22 134	12 317
Non-interest bearing debt		**556**	514	475
		25 921	22 648	12 792
Maturity profile				
Within one year		**2 502**	1 308	1 203
One to five years		**11 448**	5 842	3 824
More than five years		**11 971**	15 498	7 765
		25 921	22 648	12 792

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
18 Long-term debt continued				
Business segmentation				
South African Energy Cluster		**6 774**	4 285	4 490
Mining		**3 025**	680	669
Gas		**1 634**	1 625	1 866
Synfuels		**7**	7	5
Oil		**2 108**	1 973	1 950
International Energy Cluster		**386**	530	651
Synfuels International		**237**	242	243
Petroleum International		**149**	288	408
Chemicals Cluster		**273**	241	79
Olefins & Surfactants		**247**	211	73
Other Chemical Businesses		**26**	30	6
Other Businesses		**18 488**	17 592	7 572
Total operations		**25 921**	22 648	12 792



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.

		2014 Rm	2013 Rm	2012 Rm
Total long-term debt (before unamortised loan costs)[1]		**26 531**	22 266	12 959

1 The difference in the fair value of long-term debt in 2014 compared to the carrying value is mainly due to the prevailing market price of the US Bond on the New York Stock Exchange at 30 June 2014.

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 (2014 – R342 billion; 2013 – R299 billion; 2012 – R250 billion).

18 Long-term debt continued

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2014	2014 Rm	2013 Rm	2012 Rm
Secured debt							
Repayable in semi-annual instalments ending between December 2014 and December 2017	Secured by plant with a carrying value of R3 429 million (2013 – R3 334 million; 2012 – R3 415 million)	Gas (Rompco)	Rand	Jibar + 1,2% to 3,4%	521	942	1 364
Repayable in semi-annual instalments ending June 2015	Secured by plant and equipment with a carrying value of R4 523 million (2013 – R4 161 million; 2012 – R3 599 million)	Petroleum International	Rand and Euro	Jibar + 1,2% to 2,5% and Euribor + 2,0%	151	289	411
Other secured debt		Various	Various	Various	143	122	–
					815	1 353	1 775
Preference shares							
A preference shares repayable in semi-annual instalments between June 2008 and October 2018[1]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 11,1% to 12,3%	1 964	2 145	2 309
B preference shares repayable between June 2008 and October 2018[2]	Secured by Sasol preferred ordinary shares held by the company	Other (Inzalo)	Rand	Fixed 13,3% to 14,7%	1 162	1 161	1 160
C preference shares repayable October 2018[3]	Secured by guarantee from Sasol Ltd	Other (Inzalo)	Rand	Variable 7,2%	4 492	4 191	3 917
A preference shares repayable between March 2013 and October 2018[4]	Secured by preference shares held by Sasol Mining Holdings (Pty) Ltd	Sasol Mining (Ixia)	Rand	Fixed 9,2% and Variable 83% of prime	488	680	669
					8 106	8 177	8 055
Finance leases							
Repayable in monthly instalments over 10 to 30 years ending December 2033	Secured by plant and equipment with a carrying value of R730 million (2013 – R730 million; 2012 – R766 million)	Oil	Rand	Fixed 6,2% to 16,6% and Variable 6,3% to 16,6%	647	647	703
Other finance leases	Underlying assets	Various	Various	Various	293	289	327
					940	936	1 030
Total secured debt					9 861	10 466	10 860

1 A preference shares debt was raised in 2008 within structured entities as part of the Sasol Inzalo share transaction (refer note 47.2). During the year, R177 million (2013 – R165 million; 2012 – R138 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 the end date. The A Preference shares are secured by a first right over the Sasol preferred ordinary shares held by the structured 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 B preference shares debt was raised in 2008 within structured entities as part of the Sasol Inzalo share transaction (refer note 47.2). 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 structured 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 C preference shares debt was raised in 2008 within structured entities as part of the Sasol Inzalo share transaction (refer note 47.2). 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 within structured entities as part of the Sasol Ixia Coal broad-based black economic empowerment transaction. 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 Ltd. These preference shares may not be disposed of or encumbered in any way.

Terms of repayment	Business	Currency	Interest rate at 30 June 2014	2014 Rm	2013 Rm	2012 Rm
18 Long-term debt continued						
Unsecured debt						
Repayable in semi-annual instalments ending June 2018	Oil	Rand	**Variable 7,29%**	**356**	428	477
Loan from iGas (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. Repayable in June 2015	Gas (Rompco)	Rand	**–**	**278**	257	238
Loan from CMG (non-controlling shareholder) in Republic of Mozambique Pipeline Investments Company (Pty) Ltd. Repayable in June 2015	Gas (Rompco)	Rand	**–**	**278**	257	237
Repayable at the end of maturity in June 2015	Gas	Rand	**Jibar + 2,05%**	**552**	150	–
Repayable in semi-annual instalments ending January 2025	Oil	Rand	**Variable 7,19%**	**252**	4	32
No fixed repayment terms	Oil	Rand	**Fixed 8,0%**	**276**	285	202
Repayable in yearly instalments ending June 2019	Oil	Rand	**Variable 8,5%**	**293**	351	409
Repayable in yearly instalments ending June 2022	Oil	Rand	**Variable 8,29%**	**258**	258	127
Repayable in equal semi-annual instalments until May 2018	Other Businesses – Sasol Financing	Euro	**Euribor + 1,8%**	**98**	108	104
Repayable in November 2022[5]	Other Businesses – Sasol Financing	US Dollar	**Fixed 4,5%**	**10 700**	9 938	–
Repayable in semi-annual instalments ending December 2018[6]	Mining	Rand	**Variable 7,09%**	**2 537**	–	–
Other unsecured debt	Various	Various	**Various**	**326**	212	123
Total unsecured debt				**16 204**	12 248	1 949
Total long-term debt				**26 065**	22 714	12 809
Unamortised loan costs (amortised over period of debt using effective interest method)				**(144)**	(66)	(17)
				25 921	22 648	12 792
Short-term portion of long-term debt				**(2 502)**	(1 308)	(1 203)
				23 419	21 340	11 589

5 Sasol Financing International Plc, an indirect 100% owned finance subsidiary of Sasol Limited, issued a US$1 billion bond which is listed on the New York Stock Exchange. Sasol Limited has fully and unconditionally guaranteed the bond (refer note 58). There are no restrictions on the ability of Sasol Limited to obtain funds from the finance subsidiary by dividend or loan.
6 Financing obtained during 2014 for the mine replacement programme.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
19 Long-term financial liabilities				
Derivative instruments				
Forward exchange contracts		**6**	4	13
Interest rate derivatives		**3**	4	4
		9	8	17
used for cash flow hedging		**–**	–	1
held-for-trading		**9**	8	16
Non-derivative instruments				
Financial guarantees recognised		**16**	19	24
Less amortisation of financial guarantees		**(4)**	(3)	(5)
		12	16	19
Less short-term portion of financial guarantees	25	**(4)**	(4)	(4)
		8	12	15
Arising on long-term financial instruments		**17**	20	32

Long-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer note 64.

Fair value of derivative financial instruments

The fair value of derivatives is based on market valuations.

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 11,05% – 13,62% (2013: 10,12% – 14,13%; 2012: 13,16% – 13,29%).

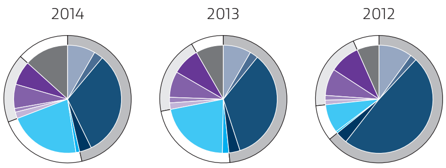
		2014 Rm	2013 Rm	2012 Rm
Fair value of financial liabilities		**21**	24	33

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
20 Long-term provisions				
Balance at beginning of year		**13 271**	10 958	8 790
Acquisition of businesses	56	**61**	20	–
Disposal of businesses	57	**(166)**	–	(4)
Capitalised in property, plant and equipment and assets under construction		**599**	1 565	667
Reduction in capitalised rehabilitation provision		**(126)**	(203)	–
Operating income charge	51	**5 608**	294	1 304
additional provisions and increases to existing provisions		**6 069**	1 684	805
reversal of unutilised amounts		**(15)**	(386)	(92)
effect of change in discount rate		**(446)**	(1 004)	591
Notional interest	42	**616**	556	485
Utilised during year (cash flow)	51	**(2 120)**	(624)	(492)
Reclassification to held for sale		**(17)**	–	–
Foreign exchange differences recognised in income statement		**186**	326	55
Translation of foreign operations	48	**221**	379	153
Balance at end of year		**18 133**	13 271	10 958
Short-term portion	26	**(2 901)**	(1 043)	(674)
Long-term provisions		**15 232**	12 228	10 284
Comprising				
Environmental		**11 013**	9 831	8 811
Share-based payments		**6 108**	2 336	1 001
Other		**1 012**	1 104	1 146
provision against guarantees		**–**	14	230
long-term supply obligation		**125**	136	140
foreign early retirement provisions		**82**	149	215
other		**805**	805	561
		18 133	13 271	10 958

	Environmental 2014 Rm	Share-based payments* 2014 Rm	Other 2014 Rm	**Total 2014 Rm**
Balance at beginning of year	9 831	2 336	1 104	**13 271**
Acquisition of businesses	–	–	61	**61**
Disposal of businesses	(72)	–	(94)	**(166)**
Capitalised in property, plant and equipment and assets under construction	599	–	–	**599**
Reduction in capitalised rehabilitation provision	(126)	–	–	**(126)**
Operating income charge	86	5 385	137	**5 608**
additional provisions and increases to existing provisions	541	5 385	143	**6 069**
reversal of unutilised amounts	(9)	–	(6)	**(15)**
effect of change in discount rate	(446)	–	–	**(446)**
Notional interest	605	–	11	**616**
Utilised during year (cash flow)	(201)	(1 618)	(301)	**(2 120)**
Reclassification to held for sale	(17)	–	–	**(17)**
Foreign exchange differences recognised in income statement	175	–	11	**186**
Translation of foreign operations	133	5	83	**221**
Balance at end of year	**11 013**	**6 108**	**1 012**	**18 133**

* Refer note 47 for assumptions used in calculating the share-based payment provision (cash-settled).

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
20 Long-term provisions continued			
Business segmentation			
South African Energy Cluster	**7 093**	5 942	6 616
Mining	**1 293**	1 022	1 029
Gas	**424**	329	211
Synfuels	**4 839**	4 182	5 013
Oil	**537**	409	363
International Energy Cluster	**3 456**	2 875	928
Synfuels International	**184**	233	61
Petroleum International	**3 272**	2 642	867
Chemicals Cluster	**2 682**	2 407	2 066
Polymers	**287**	220	145
Solvents	**168**	225	154
Olefins & Surfactants	**1 118**	961	838
Other Chemical Businesses	**1 109**	1 001	929
Other Businesses	**2 001**	1 004	674
Total operations	**15 232**	12 228	10 284
Expected timing of future cash-flows			
Within one year	**2 901**	1 043	674
One to five years	**4 191**	3 083	2 183
More than five years	**11 041**	9 145	8 101
	18 133	13 271	10 958
Estimated undiscounted obligation	**57 923**	44 711	40 517



Environmental provisions

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.

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation.

	2014 %	2013 %	2012 %
South Africa	**6,4 to 8,7**	5,5 to 8,3	5,4 to 7,5
Europe	**0,3 to 2,4**	0,3 to 2,5	0,6 to 2,2
United States of America	**0,3 to 3,6**	0,4 to 3,5	0,5 to 2,5
Canada	**1,3 to 3,4**	1,1 to 3,3	1,0 to 2,6

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
20 Long-term provisions continued				
A 1% point change in the discount rate would have the following effect on the long-term provisions recognised				
Increase in the discount rate		**(970)**	(1 480)	(1 072)
amount capitalised to property, plant and equipment		**(586)**	(696)	(304)
amount recognised in income statement (income)		**(384)**	(784)	(768)
Decrease in the discount rate		**1 023**	1 777	1 403
amount capitalised to property, plant and equipment		**753**	208	383
amount recognised in income statement (expense)		**270**	1 569	1 020
21 Post-retirement benefit obligations				
Post-retirement healthcare benefits	21.1	**3 630**	3 899	3 407
Pension benefits	21.2	**5 931**	5 090	3 542
Total post-retirement benefit obligations		**9 561**	8 989	6 949
Less short-term portion				
post-retirement healthcare benefits	26	**(128)**	(107)	(95)
pension benefits	26	**(139)**	(69)	(44)
		9 294	8 813	6 810

21.1 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 pre-set 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 pre-set 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.

for the year ended 30 June	South Africa	United States of America
Last actuarial valuation	**31 March 2014**	**30 June 2014**
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 determined in consultation with independent actuaries.

	South Africa		United States of America	
at valuation date	2014 %	2013 %	2014 %	2013 %
Healthcare cost inflation				
Initial	**7,5**	7,6	**7,0***	7,0*
Ultimate	**7,5**	7,6	**5,5***	5,5*
Discount rate	**9,6**	8,0	**3,5**	3,9
Pension increase assumption	**4,3**	4,4	**n/a**	n/a
Weighted average duration of the obligation	**17 years**	19 years	**8 years**	8 years

* The healthcare cost inflation rate in respect of the plans for the United States of America is capped. All additional future increases due to the healthcare cost inflation will be borne by the participants.

21 Post-retirement benefit obligations continued

21.1 Post-retirement healthcare benefits continued

Reconciliation of projected benefit obligation to the amount recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Projected benefit obligation	**3 410**	3 706	**220**	193	**3 630**	3 899
Less short-term portion	**(110)**	(90)	**(18)**	(17)	**(128)**	(107)
Non-current post-retirement healthcare obligation	**3 300**	3 616	**202**	176	**3 502**	3 792

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Total post-retirement healthcare obligation at beginning of year	**3 706**	3 250	**193**	157	**3 899**	3 407
Acquisition of business	**–**	12	**–**	12	**–**	24
Disposal of businesses	**–**	(6)	**–**	–	**–**	(6)
Reclassification to held for sale	**(3)**	–	**–**	–	**(3)**	–
Current service cost	**118**	65	**5**	4	**123**	69
Interest cost	**374**	204	**7**	6	**381**	210
Remeasurement (gains)/losses	**(580)**	244	**15**	(5)	**(565)**	239
actuarial gains – change in demographic assumptions	**131**	–	**–**	–	**131**	–
actuarial (gains)/losses – change in financial assumptions	**(701)**	244	**7**	(5)	**(694)**	239
actuarial (gains)/losses – change in actuarial experience	**(10)**	–	**8**	–	**(2)**	–
Benefits paid	**(120)**	(63)	**(17)**	(15)	**(137)**	(78)
Curtailments and settlements[1]	**(85)**	–	**–**	–	**(85)**	–
Plan amendments	**–**	–	**2**	–	**2**	–
Translation of foreign operations	**–**	–	**15**	34	**15**	34
Total post-retirement healthcare obligation at end of year	**3 410**	3 706	**220**	193	**3 630**	3 899

1 Amount represents employees who are subject to the business performance enhancement project.

21 Post-retirement benefit obligations continued

21.1 Post-retirement healthcare benefits continued

Net post-retirement healthcare costs recognised in the income statement

for the year ended 30 June	South Africa 2014 Rm	South Africa 2013 Rm	United States of America 2014 Rm	United States of America 2013 Rm	Total 2014 Rm	Total 2013 Rm
Current service cost	118	65	5	4	123	69
Net interest cost	374	204	7	6	381	210
Curtailments and settlements	(85)	–	–	–	(85)	–
Plan amendments	–	–	2	–	2	–
Net periodic benefit cost	407	269	14	10	421	279

Remeasurement of the net post-retirement healthcare obligation

for the year ended 30 June	South Africa 2014 Rm	South Africa 2013 Rm	United States of America 2014 Rm	United States of America 2013 Rm	Total 2014 Rm	Total 2013 Rm
Actuarial gains arising from changes in demographic assumptions	131	–	–	–	131	–
Actuarial (gains)/losses arising from changes in financial assumptions	(701)	244	7	(5)	(694)	239
Actuarial (gains)/losses arising from change in actuarial experience	(10)	–	8	–	(2)	–
Net remeasurement recognised in other comprehensive income	(580)	244	15	(5)	(565)	239

Sensitivity analysis

The sensitivity analysis is performed in order to assess how the post-retirement healthcare obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

for the year ended 30 June	South Africa 2014 Rm	South Africa 2013 Rm	United States of America 2014 Rm	United States of America 2013 Rm
1% point change in actuarial assumptions:				
Increase in the healthcare cost inflation	569	713	–*	–*
Decrease in the healthcare cost inflation	(460)	(553)	–*	–*
Increase in the discount rate	(440)	(545)	(17)	(13)
Decrease in the discount rate	552	715	19	16
Increase in the pension increase assumption	174	257	–*	–*
Decrease in the pension increase assumption	(196)	(250)	–*	–*

* 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 sensitivities may not be representative of the actual change in the post-retirement healthcare obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

Pension increase risk

Benefits in these plans are linked to pension benefits paid, which are to some extent linked to inflation. Accordingly, increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits.

21 Post-retirement benefit obligations continued

21.1 Post-retirement healthcare benefits continued

Measurement risk

There are important assumptions underpinning the calculation of the IAS 19 obligation. These include the healthcare cost inflation and discount rate assumptions.

Healthcare cost inflation risk: Healthcare cost inflation is CPI inflation plus two percentage points over the long-term. An increase in healthcare cost inflation will increase the obligation of the plan.

Discount rate risk: The discount rate is derived from prevailing bond yields. A decrease in the discount rate used will increase the obligation of the plan.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

21.2 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 the Sasol Pension fund (the fund), 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.

Defined benefit option for defined contribution members

In terms of the rules of the fund, on retirement, employees employed before 1 January 2009 have an option to purchase a defined benefit pension with their member share. Should a member elect this option, the group is exposed to actuarial risk from the date of retirement. In terms of IAS 19, the classification requirements stipulate that where an employer is exposed to any actuarial risk, the fund must be classified as a defined benefit plan. In 2014, Sasol reassessed the accounting for defined contribution members holding such options. This change in classification had no impact on the net pension asset recognised in the statement of financial position, and the related items in the statement of comprehensive income. The disclosures have been re-presented to include the obligation and the related plan assets for the defined contribution portion of the fund, in both the current and previous years.

There is no legal or constructive obligation created through this additional disclosure. The fund will continue to distinguish between the different types of members based on the benefits associated with each, in terms of the definitions provided in the South African Pension Funds Act, 1956.

Notional Pensioner Account

Within the rules of the pension fund, any excess of the current pensioner's assets over the obligation relating to them is reserved for future benefit of the pensioners (usually in the form of pension increases). Because this notional pensioners account must be used for the benefit of the pensioners, it is accrued as part of the overall fund obligation for the group. In future, any shortfall in a particular year can be funded out of this notional pensioners account. This reserve can only be utilised for the benefit of the current pensioners, however, when a defined benefit member retires, or a defined contribution member elects the option to purchase into the defined benefit fund, they will be equally entitled to any notional pensioners account at that point. Should the group's net position ever be that of a liability, the notional pensioners account can be used to fund future pension increases if necessary. The group will only recognise a liability once the notional pensioner account has been fully utilised.

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Fund Assets

The assets of 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 2 007 108 Sasol ordinary shares valued at R1 269 million at year end (2013 – 2 007 108 Sasol ordinary shares valued at R866 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 pension asset of R487 million (2013 – R407 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 2014 amounted to R1 562 million, comprising R1 027 million of contributions made by the employer and R535 million in respect of employees (2013 – R1 295 million, comprising R862 million of contributions made by the employer and R433 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 R108 million (2013 – R104 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 R487 million (2013 – R407 million) and has been included in the pension asset recognised in the current year.

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 R5 292 million as at 30 June 2014 (2013 – R4 298 million).

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

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	**2014 %**	2013 %	**2014 %**	2013 %
Local equities	**48**	50	**30**	28
equity instrument funds	**–**	–	**30**	28
financial institutions	**8**	9	**–**	–
manufacturing industry	**40**	41	**–**	–
Foreign equities	**15**	13	**15**	12
equity instrument funds	**–**	–	**15**	12
financial institutions	**2**	1	**–**	–
manufacturing industry	**13**	12	**–**	–
Fixed interest	**11**	13	**44**	50
Property	**20**	20	**6**	6
retail	**12**	11	**1**	1
offices	**1**	2	**1**	2
other	**7**	7	**4**	3
Cash and cash equivalents	**3**	3	**–**	–
Other	**3**	1	**5**	4
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.

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.

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Investment strategy continued

The trustees target the plans' asset allocation within the following ranges within each asset class:

Asset classes	South Africa[1] Minimum %	South Africa[1] Maximum %	United States of America Minimum %	United States of America 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 R144 million, R37 689 million, R857 million and R20 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 managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

for the year ended 30 June	South Africa	United States of America	Europe
Last actuarial valuation	31 March 2014	30 June 2014	30 June 2014
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 valuation determined in consultation with independent actuaries.

			Foreign			
	South Africa		United States of America		Europe	
at valuation date	**2014 %**	2013 %	**2014 %**	2013 %	**2014 %**	2013 %
Discount rate	**9,1**	8,3	**3,6**	2,8	**2,9**	3,6
Average salary increases	**7,0**	7,1	**4,2**	4,2	**2,9**	2,9
Pension increase assumption	**4,3**	4,4	**n/a***	n/a*	**2,3**	2,2
Weighted average duration of the obligation	**15 years**	15 years	**13 years**	14 years	**18 years**	15 years

* There are no automatic pension increases for the United States pension plan, and thus it is not one of the inputs utilised in calculating the obligation.

Assumptions regarding future mortality are based on published statistics and mortality tables.

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Reconciliation of the projected net pension liability/(asset) recognised in the statement of financial position

for the year ended 30 June	South Africa 2014 Rm	South Africa 2013 Rm	Foreign 2014 Rm	Foreign 2013 Rm	Total 2014 Rm	Total 2013 Rm
Projected benefit obligation (funded obligation)	**37 310**	32 583	**2 241**	1 943	**39 551**	34 526
Defined benefit portion	**11 515**	9 667	**2 241**	1 943	**13 756**	11 610
Defined benefit option for defined contribution members	**25 795**	22 916	**–**	–	**25 795**	22 916
Plan assets	**(38 859)**	(32 990)	**(1 904)**	(1 543)	**(40 763)**	(34 533)
Defined benefit portion	**(13 693)**	(10 871)	**(1 904)**	(1 543)	**(15 597)**	(12 414)
Defined benefit option for defined contribution members	**(25 166)**	(22 119)	**–**	–	**(25 166)**	(22 119)
Projected benefit obligation (unfunded obligation)	**–**	–	**5 594**	4 690	**5 594**	4 690
Asset not recognised due to asset limitation	**1 062**	–	**–**	–	**1 062**	–
Net liability/(asset) recognised	**(487)**	(407)	**5 931**	5 090	**5 444**	4 683

The obligation which arises for the defined contribution members with the option to purchase into the defined benefit fund is limited to the assets that they have accumulated until retirement date. However, after retirement date, there is actuarial risk associated with the members as full defined benefit members. Thus the obligation raised for the defined contribution members exceeds their related asset. The surplus which existed in the fund before consideration of these members was affected by this inclusion. As a result, the previously reported asset ceiling limit in 2013 is no longer relevant, as the funds surplus is the same as the assets attributable to the employer.

for the year ended 30 June	South Africa 2014 Rm	South Africa 2013 Rm	Foreign 2014 Rm	Foreign 2013 Rm	Total 2014 Rm	Total 2013 Rm
Comprising						
Pension asset (refer note 9)	**(487)**	(407)	**–**	–	**(487)**	(407)
Pension benefit obligation	**–**	–	**5 931**	5 090	**5 931**	5 090
Long-term portion	**–**	–	**5 792**	5 021	**5 792**	5 021
Short-term portion	**–**	–	**139**	69	**139**	69
Net liability/(asset) recognised	**(487)**	(407)	**5 931**	5 090	**5 444**	4 683

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Reconciliation of projected benefit obligation (funded obligation)

	South Africa		United States of America		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Projected benefit obligation at beginning of year	**32 583**	25 647	**1 943**	1 460	**34 526**	27 107
Acquisition of business	**–**	–	**–**	174	**–**	174
Current service cost	**995**	867	**98**	68	**1 093**	935
Interest cost	**2 735**	2 264	**59**	49	**2 794**	2 313
Remeasurement items	**2 200**	4 512	**148**	58	**2 348**	4 570
actuarial losses – change in demographic assumptions	**–**	–	**1**	1	**1**	1
actuarial losses – change in financial assumptions	**2 200**	4 512	**46**	57	**2 246**	4 569
actuarial losses – change in actuarial experience	**–**	–	**101**	–	**101**	–
Member contributions	**535**	433	**1**	1	**536**	434
Benefits paid	**(1 738)**	(1 140)	**(123)**	(244)	**(1 861)**	(1 384)
Plan amendment	**–**	–	**(38)**	–	**(38)**	–
Translation of foreign operations	**–**	–	**153**	337	**153**	337
Curtailments and settlements	**–**	–	**–**	40	**–**	40
Projected benefit obligation at end of year	**37 310**	32 583	**2 241**	1 943	**39 551**	34 526

Reconciliation of projected benefit obligation (unfunded obligation)

	Foreign		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Projected benefit obligation at beginning of year	**4 690**	3 262	**4 690**	3 262
Current service cost	**137**	102	**137**	102
Interest cost	**186**	150	**186**	150
Remeasurement losses	**772**	406	**772**	406
actuarial losses – change in financial assumptions	**739**	406	**739**	406
actuarial losses – change in actuarial experience	**33**	–	**33**	–
Benefits paid	**(122)**	(93)	**(122)**	(93)
Plan amendment	**(6)**	–	**(6)**	–
Translation of foreign operations	**648**	863	**648**	863
Disposal of business	**(711)**	–	**(711)**	–
Projected benefit obligation at end of year	**5 594**	4 690	**5 594**	4 690
Reimbursement right recognised at fair value[1]	**189**	168	**189**	168

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 R189 million (2013 – R168 million) and have been recognised in long-term receivables.

sasol reaching new frontiers

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Fair value of plan assets at beginning of year	**32 990**	26 463	**1 543**	1 180	**34 533**	27 643
Acquisition of business	**–**	–	**–**	119	**–**	119
Interest income	**2 730**	2 290	**48**	38	**2 778**	2 328
Plan participant contributions	**535**	433	**1**	–	**536**	433
Employer contributions	**1 027**	862	**126**	66	**1 153**	928
Benefit payments	**(1 738)**	(1 140)	**(123)**	(244)	**(1 861)**	(1 384)
Plan benefits	**–**	–	**–**	1	**–**	1
Remeasurement items	**3 315**	4 082	**184**	117	**3 499**	4 199
return on plan assets (excluding interest income)	**3 315**	4 082	**184**	117	**3 499**	4 199
Translation of foreign operations	**–**	–	**125**	266	**125**	266
Fair value of plan assets at end of year	**38 859**	32 990	**1 904**	1 543	**40 763**	34 533
Actual return on plan assets	**6 045**	6 372	**232**	155	**6 277**	6 527

Net periodic pension cost/(gain) recognised in the income statement

	South Africa		Foreign		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Current service cost	**995**	867	**235**	170	**1 230**	1 037
Net interest cost/(income)	**5**	(26)	**197**	161	**202**	135
Plan amendments	**–**	–	**(44)**	–	**(44)**	–
Net pension cost/(gain)	**1 000**	841	**388**	331	**1 388**	1 172

The current service cost and net interest cost 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)

	South Africa		Foreign		Total	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Return on plan assets (excluding amounts in net interest cost)	**(3 315)**	(4 082)	**(184)**	(117)	**(3 499)**	(4 199)
Actuarial losses arising from changes in actuarial experience	**–**	–	**134**	1	**134**	1
Actuarial losses arising from changes in financial assumptions	**2 200**	4 512	**785**	463	**2 985**	4 975
Actuarial losses arising from changes in demographic assumptions	**–**	–	**1**	–	**1**	–
Changes in asset limitation	**1 062**	(503)	**–**	–	**1 062**	(503)
Net remeasurement recognised on net defined liability/(asset)	**(53)**	(73)	**736**	347	**683**	274
Remeasurement relating to reimbursive right	**–**	–	**(38)**	(16)	**(38)**	(16)
Net remeasurement recognised in other comprehensive income	**(53)**	(73)	**698**	331	**645**	258

21 Post-retirement benefit obligations continued

21.2 Pension benefits continued

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions for the 2015 financial year.

	South Africa Rm	Foreign Rm
Pension contributions	**1 112**	**132**

Sensitivity analysis

A sensitivity analysis is performed in order to assess how the post-retirement pension obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

	South Africa		Foreign	
for the year ended 30 June	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
1% point change in actuarial assumptions:				
Increase in average salaries	**26**	32	**272**	179
Decrease in average salaries	**(23)**	(29)	**(371)**	(407)
Increase in the discount rate	**(1 549)**	(1 227)	**(1 260)**	(1 102)
Decrease in the discount rate	**1 858**	1 482	**1 479**	1 164
Increase in the pension increase assumption	**1 793**	1 401	**626***	418*
Decrease in the pension increase assumption	**(1 539)**	(1 195)	**(628)***	(576)*

* This sensitivity analysis relates only to the Europe obligations as there are no automatic pension increases for the United States pension plan, and thus it is not one of the inputs utilised in calculating the obligation.

The sensitivities may not be representative of the actual change in the post-retirement pension obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

Investment risk

The actuarial valuation assumes certain asset returns on invested assets. If actual returns on plan assets are below the assumption, this may lead to a strain on the fund, which, over time, may lead to a plan deficit. In order to mitigate the concentration risk, the fund assets are invested across equity securities, property securities and debt securities. Given the long-term nature of the obligations, it is considered appropriate that investment is made in equities and real estate to improve the return generated by the fund. These may result in improved pension benefits to members.

Pension increase risk

Benefits in these plans are to some extent linked to inflation so increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits. This risk is mitigated as pension benefits are subject to affordability.

Measurement risk

There are important assumptions underpinning the calculation of the IAS 19 obligation. These include the salary increase and discount rate assumptions.

Salary risk: An increase in the salary of plan participants will increase the plan's liability. This risk has been limited with the closure of the defined benefit plan and the introduction of the defined contribution plan. There are now a limited number of active defined benefit members.

Discount rate risk: The discount rate is derived from prevailing bond yields. A decrease in the discount rate used will increase the obligation of the plan.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

sasol reaching new frontiers

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

22 Long-term deferred income

	Note	2014 Rm	2013 Rm	2012 Rm
Total deferred income		**364**	372	403
Short-term portion	27	**(71)**	(67)	(80)
		293	305	323

Amounts received in respect of emission rights to be recognised in the income statement as the rights are generated.

23 Deferred tax

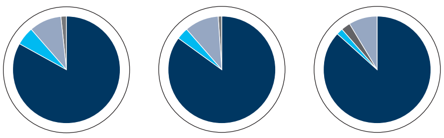
Reconciliation

	Note	2014 Rm	2013 Rm	2012 Rm
Balance at beginning of year		**13 254**	11 666	10 325
Acquisition of businesses	56	**46**	232	–
Disposal of businesses	57	**–**	11	–
Current year charge		**1 694**	1 121	1 007
per the income statement	43	**1 767**	1 258	1 381
per the statement of comprehensive income	45	**(73)**	(137)	(374)
Reclassification from/(to) held for sale		**10**	(11)	–
Transactions with non-controlling shareholders in subsidiaries		**–**	(11)	35
Foreign exchange differences recognised in income statement		**105**	223	153
Translation of foreign operations	48	**(6)**	23	146
Balance at end of year		**15 103**	13 254	11 666
Comprising				
Deferred tax assets		**(3 143)**	(2 318)	(1 514)
Deferred tax liabilities		**18 246**	15 572	13 180
		15 103	13 254	11 666

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities.

Attributable to the following tax jurisdictions

2014 2013 2012



	2014 Rm	2013 Rm	2012 Rm
South Africa	**13 249**	11 739	10 551
United States of America	**866**	531	218
Germany	**(84)**	–	332
Mozambique	**1 554**	1 397	1 040
Other	**(482)**	(413)	(475)
	15 103	13 254	11 666

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm

23 Deferred tax continued

Deferred tax is attributable to the following temporary differences

	2014 Rm	2013 Rm	2012 Rm
Assets			
Property, plant and equipment	**378**	348	455
Short- and long-term provisions	**(2 349)**	(1 783)	(1 109)
Calculated tax losses	**(1 088)**	(642)	(563)
Other	**(84)**	(241)	(297)
	(3 143)	(2 318)	(1 514)
Liabilities			
Property, plant and equipment	**23 698**	20 207	17 663
Intangible assets	**132**	133	46
Current assets	**(1 037)**	(820)	(395)
Short- and long-term provisions	**(4 296)**	(3 595)	(3 370)
Calculated tax losses	**(327)**	(464)	(687)
Other	**76**	111	(77)
	18 246	15 572	13 180

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 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.

	2014 Rm	2013 Rm	2012 Rm
Calculated tax losses (before applying the applicable tax rate)			
Available for offset against future taxable income	**21 072**	15 173	12 584
Utilised against the deferred tax balance	**(4 917)**	(3 675)	(4 065)
Not recognised as a deferred tax asset	**16 155**	11 498	8 519

Deferred tax assets not recognised on tax losses mainly relate to Sasol's exploration and development entities.

Calculated tax losses carried forward that have not been recognised

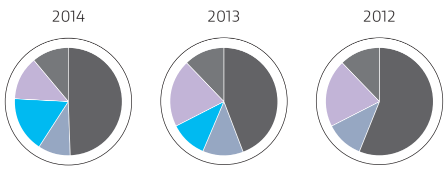
	2014 Rm	2013 Rm	2012 Rm
Expiry between one and two years	**378**	–	–
Expiry between two and five years	**41**	–	–
Expiry thereafter	**14 668**	10 170	6 657
Indefinite life	**1 068**	1 328	1 862
	16 155	11 498	8 519

sasol
reaching new frontiers

23 Deferred tax continued

Unremitted earnings of subsidiaries, joint operations, incorporated joint ventures and associates

Deferred tax liabilities are not recognised for the income tax effect that may arise on the remittance of unremitted earnings by subsidiaries, joint operations, incorporated joint ventures and associates. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in the group.



	2014 Rm	2013 Rm	2012 Rm
Unremitted earnings at end of year that would be subject to dividend withholding tax	**28 370**	18 156	14 041
Europe	**14 071**	8 063	7 994
Rest of Africa	**2 766**	2 198	1 618
United States of America	**4 686**	2 000	(190)
Qatar	**3 749**	3 695	2 880
Other	**3 098**	2 200	1 739
Tax effect if remitted	**1 745**	1 115	866
Europe	**1 066**	760	720
Rest of Africa	**4**	5	7
United States of America	**352**	140	16
Other	**323**	210	123

Dividend withholding tax

On 1 April 2012, STC was replaced with a dividend withholding tax. Subsequent to 1 April 2012, 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 2014 (2013 – Rnil).

Dividend withholding tax is payable at a rate of 15% on dividends distributed to shareholders. Dividends paid to companies and certain other institutions and certain individuals are not subject to this withholding tax. 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.

	2014 Rm	2013 Rm	2012 Rm
Undistributed earnings at end of year that would be subject to dividend withholding tax withheld by the company on behalf of shareholders	**142 381**	126 881	111 643
Maximum withholding tax payable by shareholders if distributed to individuals	**21 357**	19 032	11 164

Notes to the financial statements

Current liabilities

	Note	2014 Rm	2013 Rm	2012 Rm
Liabilities in disposal groups held for sale	12	57	–	–
Short-term debt	24	2 637	1 565	1 217
Short-term financial liabilities	25	446	189	128
Short-term provisions	26	6 644	4 249	3 341
Short-term deferred income	27	101	1 167	730
Tax payable	28	1 097	1 402	494
Trade payables and accrued expenses	29	22 327	20 962	17 223
Other payables	30	5 306	4 712	4 124
Bank overdraft	17	379	748	166
		38 994	34 994	27 423

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
24 Short-term debt				
Revolving credit facility		**102**	257	–
Bank loans		**33**	–	14
Short-term debt		**135**	257	14
Short-term portion of long-term debt	18	**2 502**	1 308	1 203
		2 637	1 565	1 217
Reconciliation				
Balance at beginning of year		**257**	14	45
Loans raised		**2 346**	2 049	41
Loans repaid		**(2 497)**	(1 834)	(80)
Translation effect of foreign currency loans		**–**	(1)	1
Translation of foreign operations	48	**29**	29	7
Balance at end of year		**135**	257	14

All short-term debt is interest bearing and bears interest at market related rates. The weighted average interest rate applicable to short-term debt for the year was approximately 2,72% (2013 – 1,43%; 2012 – 0,03%).

Security

All short-term debt is unsecured.

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 18.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

25 Short-term financial liabilities

Derivative instruments

	Note	2014 Rm	2013 Rm	2012 Rm
Forward exchange contracts		355	185	119
Interest rate derivatives		–	–	5
Commodity derivatives		87	–	–
		442	185	124
used for cash flow hedging		2	1	22
held-for-trading		440	184	102
Non-derivative instruments				
Short-term portion of financial guarantees	19	4	4	4
Arising on short-term financial instruments		446	189	128

Short-term financial liabilities include the revaluation of out-of-the-money derivative instruments, refer note 64.

Fair value of derivative financial instruments

The fair value of derivatives is based upon market valuations.

26 Short-term provisions

	Note	2014 Rm	2013 Rm	2012 Rm
Employee provisions		122	76	74
Insurance related provisions		–	59	52
Provision in respect of EGTL[1]		1 763	1 638	1 353
Provision against guarantees		–	364	292
Restructuring provisions		269	–	–
Administrative penalty on Sasol Polymers[2]		534	–	–
Other provisions		788	893	757
		3 476	3 030	2 528
Short-term portion of				
long-term provisions	20	2 901	1 043	674
post-retirement benefit obligations	21	267	176	139
		6 644	4 249	3 341
Reconciliation				
Balance at beginning of year		3 030	2 528	2 010
Disposal of businesses	57	(11)	(7)	(1)
Net income statement movement	51	269	69	419
Other movements in short-term provisions		–	–	27
Foreign exchange differences recognised in income statement		139	337	41
Translation of foreign operations	48	49	103	32
Balance at end of year		3 476	3 030	2 528

1 A provision in respect of the fiscal arrangements relating to the Escravos GTL project amounting to US$166 million (R1 763 million) has been recognised at 30 June 2014 (2013 – R1 638 million; 2012 – R1 353 million).
2 On 5 June 2014, the South African Competition Tribunal imposed an administrative penalty on Sasol Polymers (refer note 58.4).

27 Short-term deferred income

	Note	2014 Rm	2013 Rm	2012 Rm
Short-term portion of long-term deferred income	22	71	67	80
Short-term deferred income		30	1 100	650
		101	1 167	730

Short-term deferred income relates mainly to amounts received in advance that can only be utilised on the occurrence of specific events, 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.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
28 Tax paid				
Net amounts unpaid at beginning of year		**(1 222)**	(172)	(628)
Acquisition of businesses	56	**(10)**	(5)	–
Disposal of businesses	57	**–**	(2)	–
Net interest and penalties on tax		**(3)**	(8)	(10)
Income tax per income statement	43	**(12 929)**	(11 337)	(10 120)
Reclassification to held for sale		**4**	9	–
Foreign exchange differences recognised in income statement		**(18)**	(16)	(10)
Translation of foreign operations	48	**(16)**	(58)	(16)
		(14 194)	(11 589)	(10 784)
Net tax payable per statement of financial position		**547**	1 222	172
tax payable		**1 097**	1 402	494
tax receivable		**(550)**	(180)	(322)
Per the statement of cash flows		**(13 647)**	(10 367)	(10 612)
Comprising				
Normal tax				
South Africa		**(10 721)**	(8 269)	(7 685)
Foreign		**(2 843)**	(2 030)	(1 900)
Dividend withholding tax		**(83)**	(68)	(16)
STC		**–**	–	(1 011)
		(13 647)	(10 367)	(10 612)
29 Trade payables and accrued expenses				
Trade payables		**16 111**	14 253	11 919
Accrued expenses		**2 772**	2 135	1 266
Related party payables		**67**	817	1 003
third parties		**15**	27	173
equity accounted joint ventures		**52**	790	830
		18 950	17 205	14 188
Duties payable to revenue authorities		**2 679**	3 003	2 696
Value added tax		**698**	754	339
		22 327	20 962	17 223
Age analysis of trade payables				
Not past due date		**13 448**	12 947	10 905
Past due 0 – 30 days		**2 280**	938	632
Past due 31 – 150 days		**290**	288	250
Past due 151 days – one year		**61**	41	101
More than one year		**32**	39	31
		16 111	14 253	11 919

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.

	2014 Rm	2013 Rm	2012 Rm
30 Other payables			
Employee related payables	**4 402**	3 858	3 266
Insurance related payables	**182**	127	347
Other payables	**722**	727	511
	5 306	4 712	4 124

Fair value of other payables

The carrying value approximates fair value because of the short period to maturity.

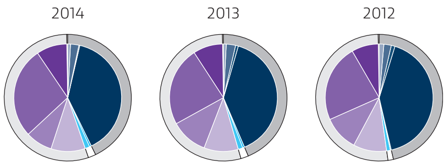
Results of operations

	Note	2014 Rm	2013 Rm	2012 Rm
Turnover	31	202 683	169 891	159 114
Materials, energy and consumables used	32	(89 224)	(76 617)	(78 711)
Employee related expenditure	33	(28 569)	(22 477)	(18 608)
Translation gains	34	798	2 892	739
Other operating expenses	35	(12 522)	(8 889)	(9 191)
Other operating income	36	4 309	1 763	1 401
Financial instruments (expenses)/income	37	(290)	64	157
Remeasurement items affecting operating profit	38	(7 629)	(2 949)	(1 777)
Share of profit of equity accounted joint ventures, net of tax	39	3 810	1 562	4 545
Share of profit of associates, net of tax	40	334	504	416
Finance income	41	1 220	669	811
Finance costs	42	(1 925)	(1 808)	(1 818)
Taxation	43	(14 696)	(12 595)	(11 501)
		Rand	Rand	Rand
Earnings per share	44	48,57	43,38	39,09
Dividend per share	44	21,50	19,00	17,50
		Rm	Rm	Rm
Other comprehensive income	45	4 438	7 815	3 280

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
31 Turnover			
Sale of products	200 960	168 300	157 666
Services rendered	1 082	947	790
Other trading income	641	644	658
	202 683	169 891	159 114
Comprising			
Within South Africa	104 365	88 239	83 636
Exported from South Africa	28 254	22 993	20 663
Outside South Africa	70 064	58 659	54 815
	202 683	169 891	159 114

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	2014 Rm	2013 Rm	2012 Rm
31 Turnover continued			
Business segmentation			
South African Energy Cluster	**87 255**	74 500	73 844
Mining	**2 154**	1 833	2 256
Gas	**4 775**	4 398	3 840
Synfuels	**494**	1 630	1 509
Oil	**79 832**	66 639	66 239
International Energy Cluster	**3 715**	3 058	2 445
Synfuels International	**725**	881	667
Petroleum International	**2 990**	2 177	1 778
Chemicals Cluster	**111 660**	92 320	82 719
Polymers	**20 998**	17 611	15 794
Solvents	**16 331**	18 951	17 020
Olefins & Surfactants	**55 257**	40 580	37 044
Other Chemical Businesses	**19 074**	15 178	12 861
Other Businesses	**53**	13	106
Total operations	**202 683**	169 891	159 114



32 Materials, energy and consumables used

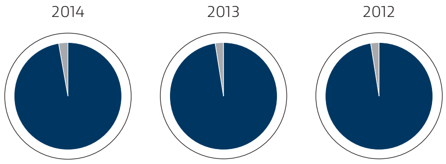
	2014 Rm	2013 Rm	2012 Rm
Cost of raw materials	**80 591**	68 890	71 746
Cost of electricity and other consumables used in production process	**8 633**	7 727	6 965
	89 224	76 617	78 711

Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale.

for the year ended 30 June	2014 Number	2013 Number	2012 Number

33 Employee related expenditure

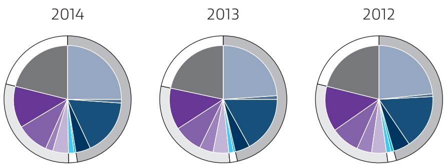
The total number of permanent and non-permanent employees, excluding contractors, equity accounted joint ventures and associates' employees, and including the group's share of employees within joint operation entities is analysed below:



	2014 Number	2013 Number	2012 Number
Permanent employees	**32 533**	32 944	32 597
Non-permanent employees	**867**	802	818
	33 400	33 746	33 415

The number of employees by principle location of employment is analysed as follows:

Business segmentation



	2014 Number	2013 Number	2012 Number
South African Energy Cluster	**15 871**	15 666	15 260
Mining	**8 435**	8 140	7 800
Gas	**318**	313	287
Synfuels	**5 705**	5 764	5 554
Oil	**1 413**	1 449	1 619
International Energy Cluster	**741**	723	721
Synfuels International	**214**	236	263
Petroleum International	**527**	487	458
Chemicals Cluster	**9 823**	10 048	10 394
Polymers	**1 586**	1 520	1 533
Solvents	**755**	1 467	1 450
Olefins & Surfactants	**3 226**	2 907	2 869
Other Chemical Businesses	**4 256**	4 154	4 542
Other Businesses	**6 965**	7 309	7 040
Total operations	**33 400**	33 746	33 415

	Note	2014 Rm	2013 Rm	2012 Rm
Analysis of employee costs				
Labour		**25 095**	21 995	18 971
salaries, wages and other employee related expenditure		**23 286**	20 544	18 400
post employment benefits		**1 809**	1 451	571
Share-based payment expenses	47	**5 652**	2 038	691
Total employee related expenditure		**30 747**	24 033	19 662
Costs capitalised to projects		**(2 178)**	(1 556)	(1 054)
		28 569	22 477	18 608

Costs attributed to wages, salaries, allowances and overtime paid to employees occupying approved positions. Includes share-based payment expenses for the cash-settled and equity-settled incentive schemes.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
34 Translation gains				
Arising from				
Forward exchange contracts		**662**	1 946	526
Trade receivables		**408**	899	637
Trade payables		**(181)**	(140)	(288)
Foreign currency loans		**(1 742)**	(1 966)	(267)
Other		**1 651**	2 153	131
		798	2 892	739
Business segmentation				
South African Energy Cluster		**(231)**	(248)	(332)
Mining		**(3)**	5	(5)
Gas		**(44)**	(14)	(17)
Synfuels		**1**	42	4
Oil		**(185)**	(281)	(314)
International Energy Cluster		**(129)**	(184)	(357)
Synfuels International		**1**	82	(247)
Petroleum International		**(130)**	(266)	(110)
Chemicals Cluster		**287**	1 036	632
Polymers		**104**	285	80
Solvents		**164**	668	476
Olefins & Surfactants		**77**	(48)	19
Other Chemical Businesses		**(58)**	131	57
Other Businesses		**871**	2 288	796
Total operations		**798**	2 892	739

Differences arising on the translation of monetary assets and liabilities from one currency into the functional currency of the group.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
35 Other operating expenses				
Rentals		**1 141**	931	780
Insurance		**649**	470	405
Computer costs		**1 568**	1 486	1 378
Hired labour		**771**	797	468
Audit remuneration		**86**	77	77
PricewaterhouseCoopers Inc[1]		**48**	–	–
KPMG Inc		**37**	76	77
Other		**1**	1	–
Restructuring costs related to our business performance enhancement programme[2]		**1 131**	98	–
Retrenchment packages provided for		**269**	–	–
Retrenchment packages settled during the year		**60**	–	–
Share-based payments		**417**	–	–
Consultancy costs		**320**	98	–
System implementation costs		**65**	–	–
Professional fees		**1 415**	1 586	1 389
Sasol Polymers Competition Commission administration penalty	58	**534**	–	–
Other		**5 227**	3 444	4 694
		12 522	8 889	9 191

1 In accordance with our auditor rotation policy, we rotated external auditors, from the 2014 financial year.
2 In addition to these costs, an additional R148 million of internal resources was allocated to the project, bringing the total spend for the year to R1 279 million.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

36 Other operating income

	Note	2014 Rm	2013 Rm	2012 Rm
Emission rights received		**40**	129	128
Gain on hedging activities		**240**	262	335
Bad debts recovered		**5**	15	15
Insurance proceeds		**75**	173	39
Sasol Wax: European Union cartel fine reduction[1]		**2 449**	–	–
Other		**1 500**	1 184	884
		4 309	1 763	1 401

1 On 11 July 2014, the European General Court reduced the Sasol Wax fine imposed in 2009 (refer note 58.4).

Income derived from trade activities other than product sales, services rendered and commission received.

37 Financial instruments (expenses)/income

	Note	2014 Rm	2013 Rm	2012 Rm
Net (loss)/gain on derivative instruments held-for-trading		**(254)**	101	218
revaluation of crude oil derivatives		**(253)**	102	214
revaluation of cross currency swaps		**(1)**	(1)	4
Impairment of trade receivables				
raised during year	14	**(61)**	(70)	(135)
released during year	14	**25**	33	74
		(290)	64	157

Financial instruments expenses recognised in the income statement.

38 Remeasurement items affecting operating profit

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
Effect of remeasurement items for subsidiaries and joint operations				
Impairment of		**6 271**	2 491	1 581
property, plant and equipment	2	**3 289**	206	572
assets under construction	3	**2 625**	2 096	879
other intangible assets	5	**60**	118	127
investment in equity accounted joint venture		**275**	–	–
goodwill	4	**19**	48	–
other assets		**3**	23	3
Reversal of impairment of		**(1)**	(33)	–
property, plant and equipment	2	**–**	(8)	–
other intangible assets	5	**–**	(25)	–
other assets		**(1)**	–	–
Loss/(profit) on disposal of		**792**	(84)	(499)
property, plant and equipment		**(12)**	(5)	(138)
other intangible assets		**26**	6	–
investment in associate		**31**	–	(7)
investments in businesses		**747**	(85)	(354)
Fair value gain on acquisition of business		**(110)**	(233)	–
Scrapping of property, plant and equipment		**260**	235	212
Scrapping of assets under construction		**374**	104	213
Write off of unsuccessful exploration wells		**43**	469	270
	51	**7 629**	2 949	1 777
Tax effect thereon		**(582)**	(752)	61
Total remeasurement items for subsidiaries and joint operations, net of tax		**7 047**	2 197	1 838
Effect of remeasurement items for equity accounted joint ventures and associates				
Gross remeasurement items		**13**	3 538	83
Tax effects		**–**	(140)	–
Total remeasurement items for the group, net of tax		**7 060**	5 595	1 921

for the year ended 30 June	Gross 2014 Rm	Tax 2014 Rm	Non-controlling interest 2014 Rm	Net 2014 Rm

38 Remeasurement items affecting operating profit continued

Earnings effect of remeasurement items

	Gross 2014 Rm	Tax 2014 Rm	Non-controlling interest 2014 Rm	Net 2014 Rm
Remeasurement items for subsidiaries and joint operations				
Impairment of	6 271	(155)	–	6 116
property, plant and equipment	3 289	(144)	–	3 145
assets under construction	2 625	(3)	–	2 622
other intangible assets	60	(7)	–	53
investment in equity accounted joint venture	275	–	–	275
goodwill	19	–	–	19
other assets	3	(1)	–	2
Reversal of impairment of other assets	(1)	–	–	(1)
Loss/(profit) on disposal of	792	(218)	–	574
property, plant and equipment	(12)	–	–	(12)
other intangible assets	26	(7)	–	19
investment in associate	31	(1)	–	30
investments in businesses	747	(210)	–	537
Fair value gain on acquisition of businesses	(110)	–	–	(110)
Scrapping of property, plant and equipment	260	(73)	–	187
Scrapping of assets under construction	374	(113)	–	261
Write off of unsuccessful exploration wells	43	(23)	–	20
	7 629	(582)	–	7 047
Remeasurement items for equity accounted joint ventures and associates				
Scrapping of property, plant and equipment	13	–	–	13
Total remeasurement items for the group	7 642	(582)	–	7 060

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, assuming there are no significant temporary tax differences.

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. 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.

38 Remeasurement items affecting operating profit continued

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

		2014	2013	2012
Long-term average crude oil price (Brent) (nominal)	US$bbl	**109,40**	113,80	119,15
Long-term average gas price excluding margins (real)	US$mmbtu	**5,49**	5,60	5,50
Long-term average rand/US$ exchange rate		**10,39**	10,17	9,92

		South Africa %	United States of America %	Europe %	Canada %
Growth rate – long-term Producer Price Index (PPI)	**2014**	**6,00**	**1,60**	**0,90**	**1,60**
Discount rate – weighted average cost of capital (WACC)	**2014**	**12,95**	**8,00**	**8,00 – 11,20**	**8,00**
Growth rate – long-term Producer Price Index (PPI)	2013	5,00	1,50	1,50	1,50
Discount rate – weighted average cost of capital (WACC)	2013	12,95	8,00	8,00 – 11,20	8,00

Sensitivity to changes in assumptions

Management has considered the sensitivity of the value-in-use calculations 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. The following assets are particularly impacted by changes in key assumptions:

Sasol Canada – Shale gas assets

With regards to the impairment recognised in respect of the Sasol Canada shale gas assets in 2014, the value-in-use calculation is particularly sensitive to changes in the gas price, estimated ultimate recovery factor as well as changes in drilling and completion costs. These variables are interdependent and accordingly a 5% change in any of these variables could change the recoverable amount by CAD200 million – CAD420 million. Some of these factors are within the control of management and is monitored closely to minimise the impact of potential impairments. The gas price however is a market price driven by global macroeconomics and hence cannot be controlled by management. We continue to monitor this asset for further impairments or signs of recovery indicating a reversal of impairment.

Sasol Wax – FTWEP project

With regards to the impairment recognised in respect of the Sasol Wax SA business in 2013, the FTWEP project is particularly sensitive to changes in the exchange rate. A 10 cents change in the exchange rate would change the recoverable amount by approximately R247 million.

38 Remeasurement items affecting operating profit continued

Significant impairments of assets in 2014

	Business segmentation	Property plant and equipment 2014 Rm	Assets under con-struction 2014 Rm	Other intangible assets 2014 Rm	Investment in equity accounted joint venture 2014 Rm	Goodwill 2014 Rm	Other assets 2014 Rm	Total 2014 Rm
Impairment of shale gas assets in Canada	Petroleum International	2 828	2 480	–	–	–	–	5 308
Impairment of long-term exploration assets in Botswana	Petroleum International	–	95	–	–	–	–	95
Impairment of Solvents Germany assets	Solvents	406	11	49	–	–	–	466
Impairment in investment in joint venture – Uzbekistan GTL	Synfuels International	–	–	–	275	–	–	275
Other	Various	55	39	11	–	19	2	126
		3 289	2 625	60	275	19	2	6 270

Impairment of shale gas assets in Canada

In December 2013, we impaired our shale gas assets in Canada by R5,3 billion (CAD540 million) mainly due to the decline in gas prices in North America and a decline in value of recent market transactions for similar assets in the Montney region. A value-in-use calculation was performed using management's best estimate of the discounted cash flows with appropriate risk adjustments for the macro-economic factors and project risk. The discount rate used in the calculation of the value-in-use is 8%, as is appropriate for a Canadian based cash flow. This rate has remained unchanged from the rate used in the previous estimate of the value-in-use of these assets.

Impairment of long-term licences in Botswana

We performed an impairment review of our 50% interest in prospecting licences held in Botswana. The results of the exploration work programme indicated that no further technical, commercial or strategic value could be extracted from these licences and it was highly unlikely that any additional study work on these licences would improve the commercial viability. Accordingly, the capitalised costs amounting to R95 million (US$9 million) were impaired.

Impairment of Solvents Germany assets

High feedstock prices, poor demand and high energy costs burdened our assets in Solvents Germany. Accordingly, we decided to dispose of these assets and consequently recognised an impairment of R466 million (EUR32 million) in December 2013, based on managements assessment of the fair value less costs of disposal. The sales transaction was completed on 31 May 2014 when merger control approval was obtained from the relevant authorities. Refer note 57.

Impairment of investment in Uzbekistan

In 2013, based on the reprioritisation of our capital projects, the Sasol Limited Board approved a decrease in Sasol's shareholding in the Uzbekistan GTL project from 44,5% to 25,5%. Accordingly, the investment in Uzbekistan GTL was evaluated for impairment at 30 June 2014. The valuation was performed using a risk probability method, based on the likely amount that would be received in terms of the contract from a market participant. Based on the results of the valuation model, an impairment of R275 million was recognised.

38 Remeasurement items affecting operating profit continued

Significant impairments of assets in 2013

Sasol Wax – Sasol Wax South Africa

In 2009, the Sasol Limited Board approved the construction of the Fischer Tropsch Wax Expansion Project (FTWEP) with an estimated end of job cost of R8,3 billion which is part of the Sasol Wax South Africa cash generating unit. Due to the volatile macroeconomic environment and increased costs relating primarily to construction delays and poor labour productivity, an impairment review was performed during 2013. After a robust reassessment of the FTWEP project economics, Sasol Wax South Africa was impaired by R2 033 million at 30 June 2013 based on the value-in-use being lower than the carrying value. The discount rate used to calculate the value-in-use was 12,95%.

Sasol Polymers – Investment in ASPC joint venture

ASPC was a 50% joint venture of Sasol Polymers International Investments situated in Iran. Due to the volatile political environment and on-going economic sanctions against Iran coupled with operational risks and management's intention to dispose of the asset, an impairment review was performed based on the business model during 2013.

On 25 November 2011, the Sasol Limited Board approved the commencement of negotiations to sell Sasol's share in ASPC and at 30 June 2013 the investment in the ASPC joint venture was classified as held for sale. Based on the indicative offer received in the memorandum of understanding signed with a purchaser at the time, an impairment of R3 611 million was recognised in 2013.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
39 Share of profit of equity accounted joint ventures, net of tax				
Profit before tax		**3 871**	1 520	4 755
Taxation		**(61)**	42	(210)
	7	**3 810**	1 562	4 545
Remeasurement items, net of tax		**(13)**	(3 459)	(20)
Dividends received from equity accounted joint ventures	7	**4 380**	5 031	5 425
Business segmentation				
South African Energy Cluster		**–**	106	96
Gas		**–**	106	96
International Energy Cluster		**3 696**	2 577	2 711
Synfuels International		**3 696**	2 577	2 711
Chemicals Cluster		**47**	(1 183)	1 684
Polymers		**(56)**	(1 287)	1 611
Solvents		**103**	50	(47)
Other Chemical Businesses		**–**	54	120
Other Businesses		**67**	62	54
Total operations		**3 810**	1 562	4 545
40 Share of profit of associates, net of tax				
Profit before tax		**441**	658	558
Taxation		**(107)**	(154)	(142)
	8	**334**	504	416
Remeasurement items, net of tax		**–**	61	(63)
Dividends received from associates	8	**337**	384	361
Business segmentation				
South African Energy Cluster		**8**	4	5
Synfuels		**8**	4	5
Chemicals Cluster		**349**	517	411
Polymers		**350**	518	413
Olefins & Surfactants		**(1)**	(1)	(2)
Other Businesses		**(23)**	(17)	–
Total operations		**334**	504	416

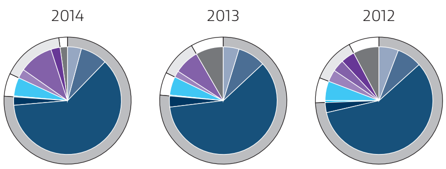
for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
41 Finance income				
Dividends received from investments available-for-sale	53	**38**	24	22
South Africa		**–**	–	1
outside South Africa		**38**	24	21
Interest received	53	**1 170**	642	781
South Africa		**793**	423	496
outside South Africa		**377**	219	285
Notional interest received		**12**	3	8
		1 220	669	811
Interest received on				
investments available-for-sale		**16**	4	1
investments held-to-maturity		**12**	22	26
loans and receivables		**359**	209	263
cash and cash equivalents		**783**	407	491
		1 170	642	781
42 Finance costs				
Bank overdraft		**29**	17	28
Debt		**810**	623	356
Preference share dividends		**793**	771	884
Finance leases		**64**	50	25
Other		**84**	78	44
		1 780	1 539	1 337
Amortisation of loan costs		**59**	13	11
Notional interest	20	**616**	556	485
Total finance costs		**2 455**	2 108	1 833
Amounts capitalised to assets under construction	3	**(530)**	(300)	(15)
Income statement charge		**1 925**	1 808	1 818
Total finance costs comprise				
South Africa		**1 741**	1 812	1 648
Outside South Africa		**714**	296	185
		2 455	2 108	1 833
Total finance costs before amortisation of loan costs and notional interest		**1 780**	1 539	1 337
Less interest accrued on long-term debt	18	**(1 276)**	(989)	(831)
Less interest paid on tax payable		**(5)**	(27)	(24)
Per the statement of cash flows		**499**	523	482

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
43 Taxation				
South African normal tax		**10 717**	9 289	7 293
current year		**10 756**	9 349	7 463
prior years		**(39)**	(60)	(170)
Dividend withholding tax		**82**	69	16
STC		**–**	–	1 011
Foreign tax		**2 130**	1 979	1 800
current year		**2 184**	1 968	1 885
prior years		**(54)**	11	(85)
Income tax	28	**12 929**	11 337	10 120
Deferred tax – South Africa	23	**1 256**	1 278	1 686
current year		**1 248**	1 237	1 529
prior years		**8**	41	157
Deferred tax – foreign	23	**511**	(20)	(305)
current year		**532**	(19)	(152)
prior years		**(10)**	1	19
recognition of deferred tax assets*		**(14)**	(14)	(166)
tax rate change		**3**	12	(6)
		14 696	12 595	11 501

* Included in the charge per the income statement is the recognition of an amount of R14 million (2013 – R14 million; 2012 – R166 million) relating to a deferred tax asset not previously recognised due to the uncertainty previously surrounding the utilisation thereof in future years.

Business segmentation

	2014 Rm	2013 Rm	2012 Rm
South African Energy Cluster	**11 241**	9 980	8 867
Mining	**640**	617	698
Gas	**1 175**	1 086	914
Synfuels	**9 090**	7 853	6 901
Oil	**336**	424	354
International Energy Cluster	**889**	750	782
Synfuels International	**80**	39	81
Petroleum International	**809**	711	701
Chemicals Cluster	**2 259**	793	929
Polymers	**(72)**	(408)	(405)
Solvents	**396**	267	406
Olefins & Surfactants	**1 522**	966	448
Other Chemical Businesses	**413**	(32)	480
Other Businesses	**307**	1 072	923
Total operations	**14 696**	12 595	11 501



for the year ended 30 June	2014 %	2013 %	2012 %

43 Taxation continued

Reconciliation of effective tax rate

The table below shows the difference between the South African enacted tax rate (28%) compared to the tax rate in the income statement

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	2014 %	2013 %	2012 %
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to			
STC	**–**	–	2,9
disallowed preference share dividend	**0,5**	0,5	0,6
disallowed expenditure	**3,2**	2,8	2,3
disallowed share-based payment expenses	**0,2**	0,2	0,4
disallowed expenditure on Polymers Competition Commission administration penalty	**0,3**	–	–
different foreign tax rate	**1,9**	1,2	0,7
tax losses not recognised	**4,0**	2,1	3,5
other adjustments	**0,4**	1,0	0,2
	38,5	35,8	38,6
Decrease in rate of tax due to			
exempt income**	**(2,2)**	(0,8)	(0,7)
share of profits of equity accounted joint ventures and associates	**(2,8)**	(1,0)	(3,5)
recognition of deferred tax assets	**–**	–	(0,5)
utilisation of tax losses	**–**	(1,2)	(1,3)
prior year adjustments	**(0,2)**	–	(0,1)
other adjustments	**(0,7)**	(1,1)	(0,3)
Effective tax rate	**32,6**	31,7	32,2

** The increase in exempt income during 2014 relates to the reduction of the fine imposed on Sasol Wax by the European Union in 2008.

44 Earnings and dividends per share

Earnings per share (EPS) 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 (DEPS) 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		
	2014 million	2013 million	2012 million
Weighted average number of shares	**609,0**	605,7	603,2
Potential dilutive effect of outstanding share options	**0,4**	1,1	2,9
Potential dilutive effect of Sasol Inzalo transaction*	**11,4**	–	–
Diluted weighted average number of shares for DEPS	**620,8**	606,8	606,1
Potential dilutive effect of Sasol Inzalo transaction	**–**	7,7	10,1
Diluted weighted average number of shares for diluted headline EPS	**620,8**	614,5	616,2

* The Sasol Inzalo transaction is anti-dilutive for EPS in 2013 and 2012.

44 Earnings and dividends per share continued

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 was not dilutive for 2014, 2013 and 2012.

for the year ended 30 June	Note	**2014 Rm**	2013 Rm	2012 Rm
Diluted earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**29 580**	26 274	23 580
Finance costs on potentially dilutive shares relating to the Sasol Inzalo share transaction*		**386**	–	–
Diluted earnings		**29 966**	26 274	23 580

* The Sasol Inzalo transaction is anti-dilutive for EPS in 2013 and 2012.

for the year ended 30 June	Note	**2014 Rm**	2013 Rm	2012 Rm
Headline earnings is determined as follows				
Earnings attributable to owners of Sasol Limited		**29 580**	26 274	23 580
Adjusted for				
Effect of remeasurement items for subsidiaries and joint operations		**7 047**	2 197	1 838
gross remeasurement items	38	**7 629**	2 949	1 777
tax effects and non-controlling interests	38	**(582)**	(752)	61
Effect of remeasurement items for equity accounted joint ventures and associates		**13**	3 398	83
gross remeasurement items	38	**13**	3 538	83
tax effects	38	**–**	(140)	–
Headline earnings		**36 640**	31 869	25 501
Finance costs on potentially dilutive shares relating to the Sasol Inzalo share transaction		**386**	405	421
Diluted headline earnings		**37 026**	32 274	25 922

for the year ended 30 June	**2014 Rand**	2013 Rand	2012 Rand
Earnings attributable to owners of Sasol Limited			
Basic earnings per share	**48,57**	43,38	39,09
Diluted earnings per share	**48,27**	43,30	38,90
Headline earnings			
Headline earnings per share	**60,16**	52,62	42,28
Diluted headline earnings per share	**59,64**	52,53	42,07
Dividends per share			
Ordinary shares of no par value			
interim	**8,00**	5,70	5,70
final*	**13,50**	13,30	11,80
	21,50	19,00	17,50

* Declared subsequent to 30 June 2014 and has been presented for information purposes only. No accrual regarding the final dividend has been recognised.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
45 Other comprehensive income				
Components of other comprehensive income				
Effect of translation of foreign operations		**4 477**	8 114	4 063
Effect of cash flow hedges		**(66)**	78	41
(losses)/gains on effective portion of cash flow hedges		**(26)**	46	20
(losses)/gains on cash flow hedges transferred to hedged items		**(40)**	32	21
Fair value of investments available-for-sale		**34**	(17)	(3)
Remeasurements on post-retirement benefit obligations		**(80)**	(497)	(1 195)
Tax on other comprehensive income	23	**73**	137	374
Other comprehensive income for year, net of tax		**4 438**	7 815	3 280

Except for the actuarial gains and losses on post-retirement benefit obligations, the components of other comprehensive income can be subsequently reclassified to the income statement.

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
Tax and non-controlling interest on other comprehensive income				
2014				
Effect of translation of foreign operations	**4 477**	**–**	**(8)**	**4 469**
Loss on effective portion of cash flow hedges	**(26)**	**17**	**1**	**(8)**
Loss on cash flow hedges transferred to hedged items	**(40)**	**–**	**–**	**(40)**
Gain on fair value of investments	**34**	**(2)**	**(1)**	**31**
Remeasurements on post-retirement benefit obligations	**(80)**	**58**	**(8)**	**(30)**
Other comprehensive income	**4 365**	**73**	**(16)**	**4 422**
2013				
Effect of translation of foreign operations	8 114	–	(16)	8 098
Gain on effective portion of cash flow hedges	46	(21)	(3)	22
Gain on cash flow hedges transferred to hedged items	32	–	–	32
Loss on fair value of investments	(17)	(1)	–	(18)
Remeasurements on post-retirement benefit obligations	(497)	159	3	(335)
Other comprehensive income	7 678	137	(16)	7 799
2012				
Effect of translation of foreign operations	4 063	–	(12)	4 051
Gain on effective portion of cash flow hedges	20	(13)	(2)	5
Gain on cash flow hedges transferred to hedged items	21	–	–	21
Loss on fair value of investments	(3)	13	–	10
Remeasurements on post-retirement benefit obligations	(1 195)	374	4	(817)
Other comprehensive income	2 906	374	(10)	3 270

Notes to the financial statements

Equity structure

	Note
Share capital	46
Share-based payment reserve	47
Foreign currency translation reserve	48
Share repurchase programme	49

	Number of shares		
	2014	2013	2012
46 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	677 186 362	673 210 862	670 976 162
Issued in terms of the Sasol Share Incentive Scheme	1 749 450	3 975 500	2 234 700
Shares issued at end of year	678 935 812	677 186 362	673 210 862
Comprising			
Sasol ordinary shares of no par value	650 550 166	648 800 716	644 825 216
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
	678 935 812	677 186 362	673 210 862
Held in reserve			
Allocated to the Sasol Share Incentive Scheme	858 950	2 619 500	6 605 600
Unissued shares	495 205 238	495 194 138	495 183 538
Sasol ordinary shares of no par value	476 281 474	476 270 374	476 259 774
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
	496 064 188	497 813 638	501 789 138

sasol
reaching new frontiers

46 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	2014 Rm	2013 Rm	2012 Rm
47 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	51	**267**	374	485
Sasol Share Incentive Scheme	47.1	**–**	2	15
Sasol Inzalo share transaction	47.2	**267**	372	470
Cash-settled – recognised in long-term provisions				
Sasol Share Appreciation Rights Scheme		**3 268**	941	82
Share Appreciation Rights with no corporate performance targets	47.3.1	**1 073**	234	(52)
Share Appreciation Rights with corporate performance targets	47.3.2	**2 195**	707	134
Sasol Long-term Incentive Scheme	47.4	**2 117**	723	124
		5 652	2 038	691

Sasol's share price increased by 47% over the financial year to a closing price on 30 June 2014 of R632,36. This resulted in a substantial year-on-year increase in the long-term employee share-based payment expense of R3,6 billion.

47 Share-based payments continued

Share options and share rights available for allocation

Previously in terms of the long-term and medium-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 Long-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 Long-term 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		
at 30 June	**2014**	2013	2012
Share options			
Share options granted	**858 950**	2 619 500	6 605 600
	858 950	2 619 500	6 605 600
Share appreciation rights granted	**17 228 765**	22 041 865	20 624 900
Long-term Incentive rights granted	**5 471 757**	4 362 022	2 421 126
Unallocated share rights	**45 440 528**	39 976 613	39 348 374
	68 141 050	66 380 500	62 394 400
Total share options and share rights available for allocation	**69 000 000**	69 000 000	69 000 000

Equity-settled share incentive schemes

47.1 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 2 days after publication of the results and at any other time during which they have access to price sensitive information.

47 Share-based payments continued

47.1 The Sasol Share Incentive Scheme continued

Movements in the number of options outstanding	Number of share options	Weighted average option price Rand
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
Options converted to shares	(3 975 500)	(182,86)
Options lapsed	(10 600)	(169,54)
Balance at 30 June 2013	**2 619 500**	**220,32**
Options converted to shares	**(1 749 450)**	**(213,41)**
Options lapsed	**(11 100)**	**(125,06)**
Balance at 30 June 2014	**858 950**	**235,63**

for the year ended 30 June	2014 Rand	2013 Rand	2012 Rand
Average market price of options exercised during year	**538,44**	409,32	367,05
Average fair value of share options vested during year	**–**	76,62	71,72

	2014 Rm	2013 Rm	2012 Rm
Total intrinsic value of share options exercised during year	**569**	900	495
Share-based payment expense recognised*	**–**	2	15

* The last tranche of share options vested in December 2012, therefore the unrecognised share-based payment expense amounted to R nil at 30 June 2014 (2013 – R nil; 2012 – R2 million).

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.

47 Share-based payments continued

47.1 The Sasol Share Incentive Scheme continued

Range of exercise prices	Number of shares	Weighted average option Rand	Total intrinsic value Rm	Weighted average remaining life Years
Details of unimplemented share options granted and vested up to 30 June 2014				
R120,01 – R150,00	1 000	126,40	1	–
R210,01 – R240,00	644 850	228,18	261	–
R240,01 – R270,00	151 100	252,05	57	–
R270,01 – R300,00	62 000	274,82	22	–
	858 950	235,63	341	–

47.2 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

		Share-based payment expense recognised[1]		
	Note	2014 Rm	2013 Rm	2012 Rm
The Sasol Inzalo Employee Trust and The Sasol Inzalo Management Trust[2]	i	267	372	470
		267	372	470

1 No share-based payment expense has been recognised in the current year for the Sasol Inzalo Foundation, selected participants or the Black Public Invitations (2013 – Rnil; 2012 – Rnil).

2 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 1,47 years amounted to R454 million at 30 June 2014 (2013 – R721 million; 2012 – R1 093 million).

47 Share-based payments continued

47.2 The Sasol Inzalo share transaction continued

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, subject to the scheme rules, entitle 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 ranged from 5 000 to 25 000. Of the allocated shares 12% 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 were 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, or its estate.

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, which was incorporated as a trust 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. With effect from 2013, the Sasol Limited shareholders approved the increase in the dividend up to 50%. 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.

47 Share-based payments continued

47.2 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 2014, 1,1 million (2013 – 1,1 million; 2012 – 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 18), 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 was calculated at grant date and was 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.

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 was expensed immediately as all vesting conditions would have been met at that date. At 30 June 2014, 56 452 (2013 – 56 090; 2012 – 56 250) Sasol preferred ordinary shares and 17 405 (2013 – 17 475; 2012 – 17 440) 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 18) including preference shares subscribed for by Sasol.

Participants in the Funded Invitation could not dispose of their shares for the first three years after subscription. Since September 2011, for the remainder of the transaction term, trading in the shares is 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.

47 Share-based payments continued

47.2 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 Limited, by acquiring Sasol BEE ordinary shares. As at 30 June 2014, the Black Public held 2,8 million (2013 – 2,8 million; 2012 – 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 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.

	Total	i) Employee and Management Trusts	ii) Sasol Inzalo Foundation	iii) Selected Participants	iv) Black Public Invitations
at 30 June 2014					
Shares and share rights granted	**61 219 438**	**24 519 672**	**9 461 882**	**8 387 977**	**18 849 907**
Already vested	**51 411 569**	**14 711 803**	**9 461 882**	**8 387 977**	**18 849 907**
Within three years	**7 355 902**	**7 355 902**	**–**	**–**	**–**
Three to five years	**2 451 967**	**2 451 967**	**–**	**–**	**–**
Shares and share rights available for allocation	**1 859 776**	**712 014**	**–**	**1 073 905**	**73 857**
	63 079 214	**25 231 686**	**9 461 882**	**9 461 882**	**18 923 764**
at 30 June 2013					
Shares and share rights granted	61 588 157	24 888 391	9 461 882	8 387 977	18 849 907
Already vested	49 143 962	12 444 196	9 461 882	8 387 977	18 849 907
Within three years	7 466 517	7 466 517	–	–	–
Three to five years	4 977 678	4 977 678	–	–	–
Shares and share rights available for allocation	1 491 057	343 295	–	1 073 905	73 857
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764
at 30 June 2012					
Shares and share rights granted	61 931 452	25 231 686	9 461 882	8 387 977	18 849 907
Already vested	46 792 440	10 092 674	9 461 882	8 387 977	18 849 907
Within three years	7 569 506	7 569 506	–	–	–
Three to five years	7 569 506	7 569 506	–	–	–
Shares and share rights available for allocation	1 147 762	–	–	1 073 905	73 857
	63 079 214	25 231 686	9 461 882	9 461 882	18 923 764

47 Share-based payments continued

47.2 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 2014**	Employee and Management Trusts 2013	Employee and Management Trusts 2012
Valuation model		**Monte-Carlo model**	Monte-Carlo model	Monte-Carlo model
Exercise price	Rand	*	*	366,00
Risk-free interest rate	(%)	*	*	11,8
Expected volatility	(%)	*	*	23,6
Expected dividend yield	(%)	*	*	2,67 – 4,5
Vesting period		**3 to 4 years****	4 to 5 years**	5 to 6 years**
Average price at which shares/share rights were granted during year				366,00***
Average fair value of shares/share rights issued during year				48,15

* 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.
*** 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.

No further shares and share rights have been granted in terms of the Selected Participant and the Black Public Invitation schemes.

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.

Movements in the number of shares and share rights granted	Number of shares/share rights	Weighted average value Rand	Total intrinsic value Rm	Weighted average remaining life Years
i) Sasol Inzalo Employee and Management Trusts				
Balance at 30 June 2011	24 691 526	366,00	(2 846)	7,0
Shares and share rights granted	2 007 218	366,00	(44)	–
Shares and share rights forfeited	(1 467 058)	–	(476)	–
Balance at 30 June 2012	25 231 686	366,00	(3 366)	6,0
Shares and share rights forfeited	(343 295)	–	(148)	–
Balance at 30 June 2013	**24 888 391**	**366,00**	**(3 514)**	**5,0**
Shares and share rights forfeited	**(368 719)**	**–**	**(98)**	
Balance at 30 June 2014	**24 519 672**	**366,00**	**(3 612)**	**4,0**
ii) Sasol Inzalo Foundation				
Balance at 30 June 2014	**9 461 882**	**366,00**	**(865)**	**4,0**
iii) Selected Participants				
Balance at 30 June 2014	**8 387 977**	**366,00**	**(767)**	**4,0**
iv) Black Public Invitations				
Balance at 30 June 2014	**18 849 907**	**366,00**	**(1 723)**	**4,0**

No further shares and share rights have been granted in terms of the Sasol Inzalo Employee and Management and the Selected Participant and the Black Public Invitation schemes. 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.

47 Share-based payments continued

Cash-settled share incentive schemes

47.3 The Sasol Share Appreciation Rights Scheme

The Share Appreciation Rights Scheme allows eligible 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 exercise of such rights. With effect from September 2009, certain eligible senior managers received share appreciation rights that contained corporate performance targets (refer 47.3.2). These qualifying employees retained the share appreciation rights with no corporate performance targets that were granted to them previously.

47.3.1 Share Appreciation Rights with no corporate performance targets

The Share Appreciation Rights Scheme with no corporate performance targets, allows eligible 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 exercise of such vested rights.

No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol Share Appreciation Rights Scheme are 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 exercised at the employee's election before their last day of service. Payment on appreciation rights forfeited will therefore not be required. On death, retirement or retrenchment all appreciation rights vest immediately and the deceased estate or 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 outstanding		
at 30 June	**2014**	2013	2012
Vesting periods of rights granted			
Already vested	**2 724 820**	3 662 500	3 881 300
Within one year	**1 228 900**	1 663 800	1 611 700
One to two years	**831 800**	1 307 300	1 736 200
Two to three years	**59 100**	879 400	1 356 100
Three to four years	**–**	65 100	916 100
Four to five years	**–**	–	67 100
	4 844 620	7 578 100	9 568 500

Movements in the number of rights granted	Number of share appreciation rights	Weighted average share price Rand
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	313,23
Rights exercised	(1 810 700)	(409,43)
Rights forfeited	(179 700)	(337,30)
Balance at 30 June 2013	**7 578 100**	**315,80**
Rights exercised	**(2 643 880)**	**(317,34)**
Rights forfeited	**(89 600)**	**(322,46)**
Balance at 30 June 2014	**4 844 620**	**314,84**

47 Share-based payments continued

47.3 The Sasol Share Appreciation Rights Scheme continued

47.3.1 Share Appreciation Rights with no corporate performance targets continued

for the year ended 30 June	2014 Rand	2013 Rand	2012 Rand
Average market price of share appreciation rights exercised during year	535,29	409,43	380,22
Average fair value of share appreciation rights vested during year	320,16	129,95	66,52

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
Total intrinsic value of share appreciation rights exercised during year	576	198	66
Total intrinsic value of share appreciation rights vested	851	412	143
Share-based payment expense recognised*	1 073	234	(52)

* The unrecognised share-based payment expense related to non-vested share appreciation rights, expected to be recognised over a weighted average period of 0,74 years, amounted to R81 million at 30 June 2014 (2013 – R86 million; 2012 – R111 million).

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June

		2014	2013	2012
Risk free interest rate	(%)	6,82 – 8,17	6,50 – 7,83	6,09 – 7,15
Expected volatility	(%)	20,00	23,72	24,13
Expected dividend yield	(%)	3,70	4,31	5,11
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 grant price per right Rand	Total intrinsic value Rm	Weighted average remaining life Years
Details of unimplemented rights granted up to 30 June 2014				
R210,01 – R240,00	51 100	222,50	21	1,68
R240,01 – R270,00	592 970	257,20	222	3,26
R270,01 – R300,00	2 504 500	294,99	845	3,91
R300,01 – R330,00	23 800	327,20	7	2,28
R330,01 – R360,00	1 384 950	351,39	389	3,15
R390,01 – R420,00	87 800	407,50	20	2,70
R420,01 – R450,00	93 300	444,00	18	2,82
R450,01 – R480,00	84 200	475,10	13	2,93
R480,01 – R510,00	22 000	496,75	3	2,90
	4 844 620	314,84	1 538	
Details of unimplemented rights vested at 30 June 2014				
R210,01 – R240,00	51 100	222,50	21	
R240,01 – R270,00	285 370	257,72	107	
R270,01 – R300,00	1 375 800	294,89	464	
R300,01 – R330,00	23 800	327,20	7	
R330,01 – R360,00	701 450	350,70	198	
R390,01 – R420,00	87 800	407,50	20	
R420,01 – R450,00	93 300	444,00	18	
R450,01 – R480,00	84 200	475,10	13	
R480,01 – R510,00	22 000	496,75	3	
	2 724 820	320,22	851	

47 Share-based payments continued

47.3 The Sasol Share Appreciation Rights Scheme continued

47.3.2 Share Appreciation Rights with corporate performance targets

During September 2009, the group introduced the Sasol Long-term Incentive Scheme (refer note 47.4). Eligible members of senior management qualified for share appreciation rights that contain corporate performance targets. The corporate performance targets for FY14 are linked to the total shareholders' return relative to the JSE Resources 10 index and the MSCI energy index, Sasol earnings growth and Sasol production volumes/employee growth. The corporate performance targets determine how many shares will vest. With the introduction of the Long-term Incentive Scheme in 2009, the share appreciation rights were phased out over a period of 3 years.

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.

Share appreciation rights with previously approved corporate performance targets 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.

During September 2012, the group introduced share appreciation rights with new corporate performance targets. The rights are granted for a period of nine years and vest as follows:
3 years – 1st third
4 years – 2nd third
5 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 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 or retirement, all 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		
at 30 June	**2014**	2013	2012
Vesting periods of rights granted			
Already vested	**1 928 585**	1 462 530	210 000
Within one year	**1 574 900**	1 861 165	1 790 000
One to two years	**3 069 100**	1 731 900	1 652 100
Two to three years	**2 844 360**	3 275 731	1 788 500
Three to four years	**2 930 300**	3 044 459	1 648 900
Four to five years	**36 900**	3 087 980	1 669 400
More than five years	**–**	–	2 297 500
	12 384 145	14 463 765	11 056 400

47 Share-based payments continued

47.3 The Sasol Share Appreciation Rights Scheme continued

47.3.2 Share Appreciation Rights with corporate performance targets

Movements in the number of rights granted	Number of share appreciation rights	Weighted average share price Rand
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	327,01
Rights granted	4 297 000	381,54
Rights exercised	(731 300)	(407,18)
Rights forfeited	(235 385)	(343,61)
Effect of performance targets	77 050	293,99
Balance at 30 June 2013	**14 463 765**	**343,73**
Rights granted	**107 600**	**480,18**
Rights exercised	**(1 783 863)**	**(329,12)**
Rights forfeited	**(581 519)**	**(338,78)**
Effect of performance targets	**178 162**	**338,21**
Balance at 30 June 2014	**12 384 145**	**347,18**

for the year ended 30 June	2014 Rand	2013 Rand	2012 Rand
Average price at which share appreciation rights were granted during year	**480,18**	381,54	342,27
Average market price of share appreciation rights exercised during year	**533,34**	407,18	387,30
Average fair value of share appreciation rights vested during year	**287,33**	130,44	49,86
Average fair value of share appreciation rights issued during year	**311,29**	166,53	61,00

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
Total intrinsic value of share appreciation rights exercised during year	**364**	73	22
Total intrinsic value of share appreciation rights vested	**584**	222	8
Share-based payment expense recognised*	**2 195**	707	134

* 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 1,32 years, amounted to R1 415 million at 30 June 2014 (2013 – R1 044 million; 2012 – R509 million).

47 Share-based payments continued

47.3 The Sasol Share Appreciation Rights Scheme continued

47.3.2 Share Appreciation Rights with corporate performance targets

The share-based payment expense is calculated using the binomial tree model based on the following assumptions at 30 June:

		2014	2013	2012
Risk free interest rate	(%)	6,82 – 8,17	6,50 – 7,83	6,09 – 7,15
Expected volatility	(%)	19,97	23,72	24,13
Expected dividend yield	(%)	3,70	4,31	5,11
Expected forfeiture rate	(%)	5,00	5,00	5,00
Vesting period – share appreciation rights issued in 2009 – 2011		2, 4, 6 years	2, 4, 6 years	2, 4, 6 years
Vesting period – share appreciation rights issued in 2012		3, 4, 5 years	3, 4, 5 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 grant price per right Rand	Total intrinsic value Rm	Weighted average remaining life Years
Details of unimplemented rights granted up to 30 June 2014				
R270,01 – R300,00	2 756 315	298,48	920	5,15
R300,01 – R330,00	359 895	322,60	111	5,40
R330,01 – R360,00	3 959 333	336,71	1 171	6,17
R360,01 – R390,00	4 821 902	376,08	1 236	7,02
R390,01 – R420,00	164 500	414,29	36	7,70
R420,01 – R450,00	108 700	480,18	17	8,20
R480,01 – R510,00	213 500	439,10	41	7,93
	12 384 145	347,18	3 532	
Details of unimplemented rights vested at 30 June 2014				
R270,01 – R300,00	594 315	298,29	199	
R300,01 – R330,00	76 495	322,60	24	
R330,01 – R360,00	969 533	336,48	287	
R360,01 – R390,00	288 242	374,26	74	
	1 928 585	329,81	584	

47 Share-based payments continued

47.4 The Sasol Long-term Incentive Scheme

During September 2009, the group introduced the Sasol Long-term Incentive Scheme (LTI). The objective of the LTI Scheme is to provide qualifying employees the opportunity of receiving incentive payments based on the value of Sasol ordinary shares in Sasol Limited. The LTI Scheme allows certain senior employees to earn a long-term incentive amount in addition to the Share Appreciation Rights Scheme, which is linked to certain corporate performance targets. These corporate performance targets are based on the total shareholders' return versus the JSE Resources 10 index and the MSCI energy index, Sasol earnings growth and Sasol production volumes/employee growth. Allocations of the LTI are linked to the performance of both the group and the individual. The LTI 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 LTIs are automatically encashed at the end of the third year.

On resignation, LTIs which have not yet vested will lapse. Payment on LTIs forfeited will therefore not be required. On death, the LTIs 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 LTIs 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 Long-term Incentive Scheme will be settled in cash. The LTI carries no issue price. The fair value of the cash-settled liability is calculated at each reporting date.

	Number of rights		
at 30 June	**2014**	2013	2012
Vesting periods of rights granted			
Within one year	**1 043 054**	1 109 194	82 511
One to two years	**1 927 209**	1 146 062	1 152 037
Two to three years	**2 501 494**	2 106 766	1 186 578
	5 471 757	4 362 022	2 421 126

Movements in the number of rights granted	Number of rights
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
Rights granted	2 162 606
Rights exercised	(130 506)
Rights forfeited	(70 620)
Effect of corporate performance targets	(20 584)
Balance at 30 June 2013	**4 362 022**
Rights granted	**2 675 609**
Rights exercised	**(1 378 484)**
Rights forfeited	**(217 628)**
Effect of corporate performance targets	**30 238**
Balance at 30 June 2014	**5 471 757**

47 Share-based payments continued

47.4 The Sasol Long-term Incentive Scheme continued

for the year ended 30 June	2014 Rand	2013 Rand	2012 Rand
Average price at which LTIs were granted during year*	–	–	–
Average fair value of LTIs issued during year	681,24	522,87	250,51
Average intrinsic value of LTIs exercised during the year	511,99	398,99	354,99

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
Total intrinsic value of LTIs vested	706	52	27
Share-based payment expense recognised**	2 117	723	124

* The offer price of the LTIs is equal to zero.

** The unrecognised share-based payment expense related to LTIs, expected to be recognised over a weighted average period of 0,99 years, amounted to R1 595 million at 30 June 2014 (2013 – R1 015 million; 2012 – R370 million).

The share-based payment expense is calculated using the Monte-Carlo simulation model based on the following assumptions at 30 June:

		2014	2013	2012
Risk free interest rate	(%)	6,82 – 8,17	6,50 – 7,83	6,09 – 7,15
Expected volatility	(%)	19,94	23,72	24,13
Expected dividend yield	(%)	3,93	4,43	5,11
Expected forfeiture rate	(%)	5,00	5,00	5,00

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.

48 Foreign currency translation reserve

	Note	2014 Rm	2013 Rm	2012 Rm
Translation of foreign operations				
Property, plant and equipment		1 708	2 749	933
cost	2	5 460	8 740	3 188
accumulated depreciation and impairment	2	(3 752)	(5 991)	(2 255)
Assets under construction	3	1 138	1 800	807
Goodwill		73	98	33
cost	4	250	360	90
accumulated impairment	4	(177)	(262)	(57)
Other intangible assets		111	99	35
cost	5	259	303	87
accumulated amortisation and impairment	5	(148)	(204)	(52)
Investments in securities		36	50	10
Investments in equity accounted joint ventures		632	1 883	714
Investments in associates		139	456	676
Long-term receivables and prepaid expenses		126	229	56
Assets in disposal groups held for sale		2	250	6
Inventories	52	1 153	1 757	723
Trade receivables	52	1 080	1 749	790
Other receivables and prepaid expenses	52	162	109	(15)
Short-term financial assets		1	3	1
Cash and cash equivalents		455	583	576
Non-controlling interest		(6)	(15)	–
Long-term debt	18	(33)	(41)	(5)
Long-term provisions	20	(221)	(379)	(153)
Post-retirement benefit obligations		(693)	(965)	(139)
Long-term deferred income		(31)	(51)	(16)
Deferred tax	23	6	(23)	(146)
Short-term debt	24	(29)	(29)	(7)
Short-term financial liabilities		(2)	(3)	–
Short-term provisions	26	(49)	(103)	(32)
Tax payable	28	(16)	(58)	(16)
Trade payables and accrued expenses	52	(733)	(1 475)	(810)
Other payables	52	(953)	(902)	(181)
		4 056	7 771	3 840
Arising from net investment in foreign operations	51	180	334	211
Movement for year		4 236	8 105	4 051
Acquisition of businesses		(93)	(14)	–
Disposal of businesses	57	326	7	–
Balance at beginning of year		10 235	2 137	(1 914)
Balance at end of year		14 704	10 235	2 137

	Number of shares		
	2014	2013	2012

49 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)	**1,43%**	1,44%	1,45%

for the year ended 30 June	**2014 Rand**	2013 Rand	2012 Rand
Average cumulative purchase price	**299,77**	299,77	299,77
Average purchase price during year	**–**	–	–

As at 30 June 2014, a total of 8 809 886 Sasol ordinary shares (30 June 2013 – 8 809 886; 30 June 2012 – 8 809 886), representing 1,43% (30 June 2013 – 1,44%; 30 June 2012 – 1,45%) 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 each of the company's annual general meetings since 2009, shareholders renewed the Directors' authority to approve the repurchase of issued ordinary shares of the company subject to the conditions approved by shareholders at the meeting, the provisions of the Companies Act and the requirements of the JSE Limited. No purchases have been made under this authority since 2009. At the annual general meeting held on 22 November 2013, shareholders granted the authority to the Sasol Directors to approve the repurchase up to 10% of each of Sasol's ordinary shares and Sasol BEE ordinary shares. No shares were repurchased during the year.

Notes to the financial statements

Liquidity and capital resources

	Note	2014 Rm	2013 Rm	2012 Rm
Cash generated by operating activities	50	**65 449**	51 906	40 861
Cash flow from operations	51	**67 592**	55 184	44 703
Increase in working capital	52	**(2 143)**	(3 278)	(3 842)
Finance income received	53	**5 920**	6 063	6 574
Dividends paid	54	**(13 248)**	(10 787)	(9 600)
Non-current assets sold	55	**185**	525	255
Acquisitions	56	**(519)**	(730)	(24)
Disposals	57	**1 353**	167	713

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm

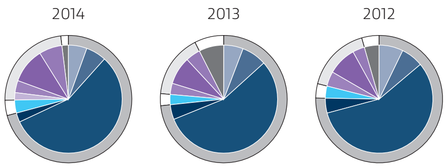
50 Cash generated by operating activities

	Note	2014 Rm	2013 Rm	2012 Rm
Cash flow from operations	51	**67 592**	55 184	44 703
Increase in working capital	52	**(2 143)**	(3 278)	(3 842)
		65 449	51 906	40 861

51 Cash flow from operations

	Note	2014 Rm	2013 Rm	2012 Rm
Operating profit after remeasurement items		**41 674**	38 779	31 749
Adjusted for				
amortisation of intangible assets	5	**317**	209	191
equity-settled share-based payment expense	47	**267**	374	485
deferred income		**(561)**	367	(206)
depreciation of property, plant and equipment	2	**13 199**	10 912	8 651
effect of remeasurement items	38	**7 629**	2 949	1 777
movement in impairment of trade receivables		**(52)**	5	47
movement in long-term prepaid expenses		**(84)**	(13)	(44)
movement in long-term provisions				
income statement charge	20	**5 608**	294	1 304
utilisation	20	**(2 120)**	(624)	(492)
movement in short-term provisions	26	**269**	69	419
movement in post-retirement benefit				
assets		**(80)**	(94)	(18)
obligations		**477**	498	428
translation effect of foreign currency items		**431**	904	(34)
translation of net investment in foreign operations	48	**180**	334	211
write-down of inventories to net realisable value		**459**	227	332
other non cash movements		**(21)**	(6)	(97)
		67 592	55 184	44 703

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
51 Cash flow from operations continued				
Business segmentation				
South African Energy Cluster		48 166	41 264	34 328
Mining		3 921	3 386	3 301
Gas		4 186	4 253	3 107
Synfuels		38 217	31 169	25 945
Oil		1 842	2 456	1 977
Other		–	–	(2)
International Energy Cluster		2 288	1 447	1 131
Synfuels International		(371)	(295)	(530)
Petroleum International		2 659	1 742	1 661
Chemicals Cluster		15 826	8 293	7 296
Polymers		1 621	(680)	(300)
Solvents		2 332	1 913	2 051
Olefins & Surfactants		7 201	4 681	3 868
Other Chemical Businesses		4 672	2 379	1 677
Other Businesses		1 312	4 180	1 948
Total operations		67 592	55 184	44 703



	Note	2014 Rm	2013 Rm	2012 Rm
52 Increase in working capital				
Increase in inventories				
Per the statement of financial position		(4 139)	(3 699)	(1 607)
Write-down of inventories to net realisable value		(459)	(227)	(332)
Acquisition of businesses	56	287	516	–
Transfer (to)/from other assets		(90)	37	3
Reclassification (to)/from held for sale		(39)	–	13
Disposal of businesses	57	(520)	(72)	(99)
Translation of foreign operations	48	1 153	1 757	723
Translation of foreign entities		46	208	203
		(3 761)	(1 480)	(1 096)
Decrease/(increase) in trade receivables				
Per the statement of financial position		346	(2 970)	(2 121)
Acquisition of businesses	56	184	267	–
Movement in impairment		52	(5)	(47)
Transfer to other assets		(18)	–	–
Reclassification to held for sale		(57)	–	–
Disposal of businesses	57	(773)	(59)	(72)
Translation of foreign operations	48	1 080	1 749	790
Translation of foreign entities		52	186	248
		866	(832)	(1 202)
Increase in other receivables and prepaid expenses				
Per the statement of financial position		(2 010)	131	(1 100)
Movement in short-term portion of long-term receivables		(60)	212	54
Acquisition of businesses	56	9	24	–
Transfer from other assets		–	–	857
Reclassification to held for sale		(11)	(2 814)	–
Disposal of businesses	57	–	(2)	(2)
Consideration still receivable from disposal	57	–	69	–
Translation of foreign operations	48	162	109	(15)
Translation of foreign entities		3	28	40
		(1 907)	(2 243)	(166)

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
52 Increase in working capital continued				
Increase/(decrease) in trade payables and accrued expenses				
Per the statement of financial position		**1 365**	3 739	591
Acquisition of businesses	56	**(328)**	(74)	–
Reclassification to held for sale		**30**	–	–
Disposal of businesses	57	**500**	67	1
Translation of foreign operations	48	**(733)**	(1 475)	(810)
Translation of foreign entities		**(33)**	(71)	(80)
		801	2 186	(298)
Increase/(decrease) in other payables				
Per the statement of financial position		**594**	588	(181)
Acquisition of businesses	56	**(90)**	(116)	–
Reclassification to held for sale		**(2)**	(2)	–
Disposal of businesses	57	**43**	5	2
Consideration still payable on disposal of business	57	**(66)**	–	–
Translation of foreign operations	48	**(953)**	(902)	(181)
Translation of foreign entities		**750**	580	(99)
		276	153	(459)
Movement in financial assets and liabilities				
Long-term financial assets		**238**	(57)	(173)
Short-term financial assets		**1 077**	(1 077)	(402)
Long-term financial liabilities		**9**	(12)	(60)
Short-term financial liabilities		**258**	84	14
		1 582	(1 062)	(621)
Increase in working capital		**(2 143)**	(3 278)	(3 842)
53 Finance income received				
Interest received	41	**1 170**	642	781
Interest received on tax		**(5)**	(18)	(15)
Dividends received from investments	41	**38**	24	22
Dividends received from equity accounted joint ventures	39	**4 380**	5 031	5 425
Dividends received from associates	40	**337**	384	361
		5 920	6 063	6 574
54 Dividends paid				
Final dividend – prior year		**(8 357)**	(7 267)	(6 089)
Interim dividend – current year		**(4 891)**	(3 520)	(3 511)
		(13 248)	(10 787)	(9 600)
Forecast cash flow on final dividend – current year		**8 365**	8 216	7 239
The forecast cash flow on the final dividend is calculated based on the net number of Sasol ordinary shares in issue at 30 June 2014 of 650,6 million. The actual dividend payment will be determined on the record date of 10 October 2014.				
55 Non-current assets sold				
Property, plant and equipment		**46**	421	188
Assets under construction		**54**	28	4
Other intangible assets		**85**	76	63
		185	525	255

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
56 Acquisitions				
Property, plant and equipment	2	**159**	793	–
Assets under construction	3	**–**	82	–
Other intangible assets	5	**219**	272	–
Investments in equity accounted joint ventures		**–**	–	24
Investments in associates		**–**	3	–
Long-term prepaid expenses		**9**	–	–
Inventories	52	**287**	516	–
Trade receivables	52	**184**	267	–
Other receivables and prepaid expenses	52	**9**	24	–
Cash and cash equivalents		**527**	9	–
Long-term debt	18	**(20)**	–	–
Long-term provisions	20	**(61)**	(20)	–
Post-retirement benefit obligations		**–**	(82)	–
Deferred tax liabilities	23	**(46)**	(232)	–
Tax payable	28	**(10)**	(5)	–
Trade payables and accrued expenses	52	**(328)**	(74)	–
Other payables	52	**(90)**	(116)	–
Total fair value of assets and liabilities*		**839**	1 437	24
Fair value of pre-existing interest in equity accounted joint venture retained		**–**	(719)	–
Fair value of pre-existing interest in associate retained		**(336)**	–	–
Goodwill	4	**16**	12	–
Total consideration per the statement of cash flows		**519**	730	24

* The fair values of the additional assets acquired have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, then the acquisition accounting will be revised.

	2014 Rm	2013 Rm	2012 Rm
Comprising			
Sasol Polymers – Wesco China Limited associate	**519**	–	–
Other Chemical Businesses – Merisol joint venture	**–**	730	–
Sasol Synfuels International – Uzbekistan GTL joint venture	**–**	–	24
Total consideration	**519**	730	24

Acquisitions in 2014

In September 2013, Sasol acquired the remaining 60% shareholding in Wesco China, for a purchase consideration of R519 million (US$52 million). The pre-existing interest in the associate at acquisition date was remeasured to fair value and a resulting gain of R110 million was recognised in the income statement (refer note 38).

In the nine months to 30 June 2014, Wesco contributed turnover of R1 640 million and profit of R8 million to the group's results. If the acquisition occurred on 1 July 2013, management estimates that the group's consolidated turnover would have been R203 379 million and operating profit after remeasurement items for the year would have been R41 692 million. In determining these amounts, management has assumed that the fair value adjustments, that arose at acquisition date would have been the same if the acquisition had occurred on 1 July 2013.

Acquisitions in 2013

In December 2012, Sasol acquired the remaining 50% interest in the Merisol joint venture from Merichem Company, to increase its shareholding to a 100% interest in Merisol. The pre-existing interest in the joint venture at acquisition date was remeasured to fair value and a resulting gain of R233 million was recognised in the income statement (refer note 38).

In the six months to 30 June 2013, Merisol contributed turnover of R1 037 million and profit of R194 million to the group's results. If the acquisition occurred on 1 July 2012, management estimates that the group's consolidated turnover would have been R170 693 million and operating profit after remeasurement items for the year would have been R38 873 million. In determining these amounts, management has assumed that the fair value adjustments, that arose at acquisition date would have been the same if the acquisition had occurred on 1 July 2012.

for the year ended 30 June	Note	2014 Rm	2013 Rm	2012 Rm
57 Disposals				
Property, plant and equipment				
cost	2	**2 250**	193	314
accumulated depreciation and impairment	2	**(2 250)**	(123)	(178)
Assets under construction	3	**–**	3	–
Goodwill, net of impairment	4	**–**	27	–
Other intangible assets				
cost	5	**202**	–	–
accumulated amortisation and impairment	5	**(153)**	–	–
Investments in securities		**19**	–	2
Investments in associates		**–**	–	29
Long-term receivables and prepaid expenses		**48**	–	5
Assets held for sale		**2 254**	–	37
Inventories	52	**520**	72	99
Trade receivables	52	**773**	59	72
Other receivables and prepaid expenses	52	**–**	2	2
Cash and cash equivalents		**–**	(17)	–
Long-term provisions	20	**(166)**	–	(4)
Post-retirement benefit obligations	21	**(711)**	(6)	(22)
Long-term deferred income		**(44)**	–	–
Deferred tax liabilities	23	**–**	11	–
Short-term provisions	26	**(11)**	(7)	(1)
Trade payables and accrued expenses	52	**(500)**	(67)	(1)
Other payables	52	**(43)**	(5)	(2)
Tax payable	28	**–**	2	–
		2 188	144	352
Total consideration		**1 767**	236	713
Consideration received		**1 353**	167	713
Consideration still payable	52	**(66)**	–	–
Consideration received in advance		**480**	–	–
Consideration still receivable	52	**–**	69	–
		(421)	92	361
Realisation of accumulated translation effects	48	**(326)**	(7)	–
Net (loss)/profit on disposal		**(747)**	85	361
Total consideration comprising				
Sasol Polymers – Investment in ASPC joint venture		**2 325**	–	–
Sasol Gas – Investment in Spring Lights Gas joint venture		**474**	–	–
Sasol Solvents – Solvents Germany		**(1 032)**	–	–
Sasol Oil – Tosas		**–**	116	–
Olefins & Surfactants – Sasol Gulf		**–**	51	–
Petroleum International – Exploration assets		**–**	69	96
Olefins & Surfactants – Witten plant		**–**	–	550
Sasol Nitro – fertiliser businesses		**–**	–	31
Sasol Wax – Paramelt RMC BV		**–**	–	7
Other Businesses – Thin Film Solar Technology		**–**	–	29
Total consideration		**1 767**	236	713

57 Disposals continued

Disposals in 2014

Sasol Gas – Investment in Spring Lights Gas joint venture

On 2 July 2013, Sasol Gas disposed of its 49% share in Spring Lights Gas for a purchase consideration of R474 million, realising a profit on disposal of R453 million.

Sasol Polymers – Investment in ASPC joint venture

On 16 August 2013, Sasol Polymers disposed of its 50% interest in ASPC for a total purchase consideration of R3 606 million (US$365 million). A final loss of R198 million was recognised on the disposal of the investment. All outstanding amounts in respect of the purchase consideration (comprising the net assets, dividends and shareholder loans) have been received in full. As a result of the transaction, Sasol has no ongoing investments in Iran.

Sasol Solvents – Sasol Solvents Germany

On 31 May 2014, Sasol Solvents disposed of its Solvents Germany GmbH assets when merger control approval was obtained for the transaction, realising a loss on sale of the disposal group of R966 million (EUR67 million). As part of the disposal Sasol contributed additional funds for the transfer of the disposal group.

Other Businesses

In 2014, the group also disposed of other smaller investments realising a loss of R36 million.

Disposals in 2013

Sasol Olefins & Surfactants – Sasol Gulf

On 31 March 2013, Sasol Olefins & Surfactants (O&S) disposed of its subsidiary for a total consideration of R51 million.

Sasol Oil – Tosas

On 1 April 2013, Sasol Oil disposed of its shareholding in Tosas Holdings (Pty) Ltd for a total consideration of R116 million.

Sasol Petroleum International – Exploration licences

In 2013, Sasol Petroleum International (SPI) disposed of its participation interests in the exploration assets in Papua New Guinea for a total consideration of R69 million.

Disposals in 2012

Sasol 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, SPI disposed of exploration assets in Nigeria for a total consideration of R36 million.

Sasol 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, 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 and Endicott 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.

Other disclosures

	Note
Guarantees, indemnities and contingent liabilities	58
Commitments under leases	59
Related party transactions	60
Subsequent events	61
Interest in joint operations	62
Interest in significant operating subsidiaries	63
Financial risk management and financial instruments	64

58 Guarantees, indemnities and contingent liabilities

58.1 Guarantees and indemnities

	Note	Maximum exposure 2014 Rm	Liability included on statement of financial position 2014 Rm	Maximum exposure 2013 Rm	Liability included on statement of financial position 2013 Rm
Guarantees in respect of subsidiaries and joint operations					
In respect of the shale gas ventures	i	9 849	–	10 611	–
In respect of natural oil and gas	ii	929	652	1 688	1 163
In respect of letter of credit	iii	745	–	692	–
In favour of BEE partners	iv	218	3	278	5
Guarantee in favour of Sasol Inzalo share transaction	v	4 499	4 499	4 200	4 200
In respect of Natref debt	vi	1 159	1 159	1 042	1 042
In respect of crude oil purchases	vii	1 277	1 277	1 186	1 186
In respect of development of retail convenience centres	viii	700	700	700	700
In respect of US bond	ix	10 561	10 561	9 938	9 938
In respect of prospecting rights	x	–	–	419	–
In respect of environmental obligations	xi	3 043	2 537	498	498
Other guarantees and claims	xii	500	–	464	5
Guarantees in respect of joint ventures and associates					
In respect of EGTL	xiii	2 660	–	2 470	–
In respect of GTL ventures	xiv	2 557	–	2 359	–
Other performance guarantees	xv	350	–	1 634	–
		39 047	21 388	38 179	18 737
Indemnities in respect of subsidiaries and joint operations					
In respect of letter of credit	xvi	148	–	945	–
In respect of the German propylene pipeline facility	xvii	92	–	81	–
In respect of environmental obligations	xviii	510	510	377	377
Other indemnities and claims	xix	449	72	297	–
Indemnities in respect of joint ventures and associates					
In respect of EGTL	xixi	1 763	1 763	2 110	2 207
Other performance indemnities	xixii	543	–	732	–
		3 505	2 345	4 542	2 584

58. Guarantees, indemnities and contingent liabilities continued

58.1 Guarantees and indemnities continued

i. Guarantees of R9 849 million have been issued to Progress Energy Inc, in respect of the development of the qualifying costs related to the Farrel Creek and Cypress A shale gas assets in Canada.

ii. 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 liability on the statement of financial position of R652 million represents the gross amount owing by SPI and Rompco to the financial institutions at 30 June 2014.

iii. Various guarantees issued in respect of letters of credit issued by subsidiaries.

iv. 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 2014 amounted to R218 million. A liability for this guarantee at 30 June 2014, amounting to R3 million, has been recognised.

v. As part of the Sasol Inzalo share transaction, the C Preference shares issued by Sasol Inzalo Groups Funding (Pty) Ltd and Sasol Inzalo Public Funding (Pty) Ltd to the financing institutions are secured against a guarantee of R4 499 million.

vi. Guarantees issued in favour of various financial institutions in respect of the debt facilities of R1 159 million for the Natref crude oil refinery. The outstanding debt on the statement of financial position was R1 159 million at 30 June 2014.

vii. 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.

viii. 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 2014.

ix. A guarantee has been issued in respect of the US dollar bond which is listed on the New York Stock Exchange, issued by its indirect 100% owned finance subsidiary, Sasol Financing International Plc. The outstanding debt on the statement of financial position was R10 561 million on 30 June 2014.

x. Guarantees issued to Anglo Operations Limited and BHP Billiton Energy Coal South Africa (Pty) Ltd in respect of the outstanding amount under the contract for the purchase of Block IV prospecting rights and prospecting rights documents. This guarantee expired in November 2013.

xi. Guarantees and sureties issued in respect of environmental obligations of R2 537 million.

xii. Included in other guarantees are guarantees for customs and excise of R2 million and R476 million in respect of feedstock purchases.

xiii. 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 Escravos GTL for the duration of the investment in the associate to an amount of US$250 million (R2 660 million).

xiv. 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 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$180 million (R1 919 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 (R638 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.

58. Guarantees, indemnities and contingent liabilities continued

58.1 Guarantees and indemnities continued

xv. 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 is a performance guarantee for the Uzbekistan GTL project.

xvi. Various indemnities issued in respect of letters of credit issued by subsidiaries.

xvii. Indemnities issued to various financial institutions in respect of the German propylene pipeline facility.

xviii. Indemnities issued in respect of environmental obligations of R510 million.

xix. Included in other indemnities are indemnities for customs and excise of R95 million.

xixi. An indemnity 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 763 million). An amount of R1 763 million has been recognised as a provision in this regard.

xixii. Various performance indemnities issued by subsidiaries. Provisions have been recognised in relation to certain performance indemnities 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 is a performance indemnity for the Uzbekistan GTL project.

58.2 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.

58.3 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.

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 2013, 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.

58.4 Litigation

Sasol Nitro

In 2004, the South African Competition Commission (the Commission) commenced with investigations against Sasol Nitro, a division of Sasol Chemical Industries (Proprietary) 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 the agreement 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.

58. Guarantees, indemnities and contingent liabilities continued

58.4 Litigation continued

Civil claims and law suits totalling approximately R52 million have been instituted against Sasol arising from the admissions made in the settlement agreement. Sasol views the calculation of alleged damages by the plaintiffs as flawed. Sasol is working with an economist on assessing its position regarding any potential damages caused. Sasol's expert economist analysis has not been finalised yet. Therefore, it is currently not possible to make an estimate of a contingent liability and accordingly, no provision was made as at 30 June 2014. The period for filing civil claims prescribed on 20 May 2012, therefore no additional claims may be filed against Sasol arising from the admitted contraventions.

Sasol Chemical Industries – 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 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 in respect of which the Commission had concluded a settlement agreement 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 this period and that SCI had 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. It has been agreed that Omnia will argue its case before the Tribunal from 1 – 12 December 2014 and SCI will thereafter present its case to the Tribunal from 16 February to 6 March 2015.

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 2014.

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 Holding 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. On 3 July 2013, the hearing at the Court in Luxemburg took place.

On 11 July 2014, the European Union's General Court reduced the fine by an amount of EUR 168,22 million to EUR 149,98 million. The European Commission did not appeal the decision. The effect of the reduced fine has been accounted for in the income statement for the period ending 30 June 2014.

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. The law suit does not demand a specific amount. The hearing will take place on 3 November 2014 at court in The Hague. 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 2014.

58. Guarantees, indemnities and contingent liabilities continued

58.4 Litigation continued

Sasol Polymers

As reported previously, the Commission alleges that SCI charged excessive prices for propylene and polypropylene in the South African market from 2004 to 2007. SCI disputes the Commission's allegations. In 2010, the matter was referred by the Commission to the Tribunal. SCI defended the matter and the matter was fully heard before the Tribunal during 2013. Both parties presented their closing arguments to the Tribunal in October 2013.

On 5 June 2014, the Tribunal released its decision in respect of Sasol Polymers' pricing of propylene and polypropylene. In its decision, the Tribunal made a finding against SCI in relation to its pricing of both polypropylene and propylene, for the period in question. In respect of purified propylene, the Tribunal has imposed an administrative penalty of R205,2 million. In respect of polypropylene, the Tribunal has imposed a penalty of R328,8 million. In addition, the Tribunal also ordered revised future pricing of propylene and polypropylene.

On 27 June 2014, SCI filed an appeal against the decision of the Competition Tribunal with the South African Competition Appeal Court. SCI has recognised a provision for the fine of R534 million at 30 June 2014. The outcome of the appeal process cannot be predicted.

On 11 July 2014 the Commission delivered a Notice of Cross-Appeal in which it has requested the Competition Appeal Court to increase the administrative penalties imposed on SCI to R1 094 million for propylene, and R 1 754 million for polypropylene.

In a letter received from the Commission, dated 30 July 2012, 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, 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 30 July 2012. Sasol continues to defend itself against these allegations. The outcome of this matter cannot be estimated at this point in time and accordingly, no additional provision was recognised at 30 June 2014.

Sasol Oil – Commercial diesel

On 24 October 2012, the Commission referred allegations of price-fixing and market division against Chevron SA, Engen, Shell SA, Total SA, Sasol Limited, BP SA and the South African Petroleum Industry Association ("SAPIA") to the Competition Tribunal for adjudication. The Commission is alleging that the respondents exchanged commercially sensitive information, mainly through SAPIA, in order to ensure that their respective prices for commercial diesel followed the Wholesale List Selling Price published by the Department of Energy.

This is not a new matter and Sasol began engaging with the Commission in this regard in 2008 as part of its group-wide competition law compliance review, which preceded the Commission's investigation into the liquid fuels sector. Sasol has reviewed the Commission's referral documents and does not agree with the Commission's allegations. Accordingly, Sasol is assessing the legal options available to it. The outcome of this referral cannot be estimated at this point in time and, accordingly, no provision was recognised at 30 June 2014.

Other

From time to time Sasol companies are involved in other litigation and similar 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.

58 Guarantees, indemnities and contingent liabilities continued

58.5 Competition matters

We continue to evaluate and enhance our compliance programmes and controls in general, and our competition law compliance programme and controls, in particular. As a consequence of these programmes and controls, including monitoring and review activities, we have also adopted appropriate remedial and/or mitigating steps, and made disclosures on material findings, as and when appropriate.

The South African Competition Commission (the Commission) is conducting investigations into several industries in which Sasol operates, including the petroleum and polymer industries and has initiated a market inquiry in the South African LPG market. We continue to cooperate with the Commission in these investigations. To the extent appropriate, further announcements will be made in future.

58.6 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 2014 was R11 013 million compared to R9 831 million at 30 June 2013. Included in this balance is an amount accrued of approximately R4 852 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.

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.

59 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	2014 Rm	2013 Rm	2012 Rm
Buildings and offices			
Within one year	**372**	317	266
One to five years	**870**	761	775
More than five years	**1 316**	470	182
	2 558	1 548	1 223
Equipment			
Within one year	**754**	1 335	605
One to five years	**838**	1 595	1 442
More than five years	**308**	672	879
	1 900	3 602	2 926
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 to the lease 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	**127**	120	105
One to five years	**833**	617	580
More than five years	**2 652**	2 816	2 983
	3 612	3 553	3 668
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	**8 070**	8 703	7 817

These leasing arrangements do not impose any significant restrictions on the group or its subsidiaries.

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.

Finance leases – Minimum future lease payments

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.

	2014 Rm	2013 Rm	2012 Rm
Within one year	**175**	138	190
One to two years	**531**	487	511
More than five years	**745**	807	839
Less amounts representing finance charges	**(511)**	(496)	(510)
Total minimum future lease payments	**940**	936	1 030

Contingent rentals

The group has no contingent rentals in respect of finance leases.

60 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 equity accounted joint ventures and associates is provided in notes 7 and 8 respectively.

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 joint ventures.

for the year ended 30 June	**2014 Rm**	2013 Rm	2012 Rm
Sales and services rendered from subsidiaries to related parties			
joint ventures	**538**	1 373	1 321
associates	**679**	1 564	1 651
	1 217	2 937	2 972
Purchases by subsidiaries from related parties			
joint ventures	**377**	410	384
associates	**85**	80	59
	462	490	443

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.

Key management remuneration

Key management comprises of executive and Non-Executive Directors as well as other members of the Group Executive Committee (GEC).

Remuneration and benefits paid and short-term incentives approved for the Executive Directors' and former Executive Director were as follows:

Executive Directors	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives[1] R'000	**Total 2014[2] R'000**	Total 2013 R'000	Total 2012 R'000
DE Constable[3]	15 303	196	5 847	30 616	**51 962**	53 668	31 881
LPA Davies[4]	–	–	–	–	**–**	–	3 908
VN Fakude	5 612	1 604	356	10 387	**17 959**	14 604	11 558
KC Ramon[5]	617	692	8 326	–	**9 635**	13 584	11 265
P Victor[6]	1 837	276	1 088	5 030	**8 231**	–	–
Total	23 369	2 768	15 617	46 033	**87 787**	81 856	58 612

1 Incentives approved on the group results for the 2014 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package/net base salary as at 30 June 2014.
2 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.
3 Salary and short-term incentive paid in US dollars, reflected at the exchange rate of the month of payment for the salaries, and 5 September 2014 for the incentive being the date of approval of the consolidated annual financial statements.
4 Retired as Director of Sasol Limited on 30 June 2011.
5 Ms KC Ramon resigned as Chief Financial Officer with effect from 9 September 2013, resigned from the group on 30 November 2013.
6 Mr P Victor was appointed as Director and Acting Chief Financial Officer with effect from 10 September 2013.

60 Related party transactions continued

Long-term incentives for the Executive Directors' and former Executive Director were as follows:

Executive Directors	Share Options R'000	Long-term incentive rights vested R'000	Share appreciation rights, with performance targets exercised R'000	Share appreciation rights, without performance targets exercised R'000	**Total 2014 R'000**	Total 2013 R'000	Total 2012 R'000
DE Constable[1]	–	36 635	–	–	**36 635**	–	–
LPA Davies[2]	–	–	–	–	**–**	–	31 302
VN Fakude	–	12 946	16 069	7 230	**36 245**	9 726	4 937
KC Ramon	–	4 786	9 672	2 093	**16 551**	15 001	–
P Victor	–	694	591	1 365	**2 650**	–	–
Total	–	55 061	26 332	10 688	**92 081**	24 727	36 239

1 Mr DE Constable's on appointment LTI award vested in terms of the rules three years after his date of appointment, subject to the achievement of CPTs.
2 Retired as Director of Sasol Limited on 30 June 2011.

Remuneration and benefits paid and short-term incentives approved for the GEC were as follows:

GEC	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives[1] R'000	**Total 2014[2] R'000**	Total 2013 R'000	Total 2012 R'000
SR Cornell[3]	2 786	146	1 712	2 944	**7 588**	–	–
AM de Ruyter[4]	1 724	806	146	–	**2 676**	11 818	8 878
FR Grobler[5]	3 189	138	1 695	3 371	**8 393**	–	–
VD Kahla	4 383	578	522	5 421	**10 904**	9 450	7 899
BE Klingenberg	4 399	1 129	304	5 990	**11 822**	10 009	7 084
E Oberholster[6]	2 264	1 010	61	3 180	**6 515**	–	–
M Radebe	3 163	624	360	4 595	**8 742**	6 981	5 284
CF Rademan	3 967	1 039	410	6 386	**11 802**	9 312	7 394
SJ Schoeman[7]	606	66	46	689	**1 407**	–	–
GJ Strauss[8]	1 270	265	65	1 205	**2 805**	12 042	9 574
Total	27 751	5 801	5 321	33 781	**72 654**	59 612	46 113
Number of members					**10**	6	6

1 Incentives approved on the group results for the 2014 financial year and payable in the following year. Incentives are calculated as a percentage of total guaranteed package or base salary as at 30 June 2014.
2 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.
3 Mr SR Cornell was appointed as a member of the Group Executive Committee (GEC) with effect from 1 February 2014. Details reflect the period of service on the GEC. Mr Cornell, under his US employment contract, is paid in USD and the amount reflected above, for purposes of disclosure only, has been converted to rand using the average exchange rate over the period.
4 Mr AM de Ruyter resigned from the group with effect from 30 November 2013.
5 Mr FR Grobler was appointed as a member of the GEC with effect from 1 December 2013. Details reflect the period of service on the GEC.
6 Mr E Oberholster was appointed as a member of the GEC with effect from 1 October 2013. Details reflect the period of service on the GEC.
7 Mr SJ Schoeman was appointed as a member of the GEC with effect from 1 May 2014. Details reflect the period of service on the GEC.
8 Mr GJ Strauss retired from the group with effect from 30 September 2013.

60 Related party transactions continued

Long-term incentives for the GEC were as follows:

GEC	Share Options R'000	Long-term incentive rights vested R'000	Share appreciation rights, with performance targets exercised R'000	Share appreciation rights, without performance targets exercised R'000	**Total 2014 R'000**	Total 2013 R'000	Total 2012 R'000
AM de Ruyter[1]	–	21 741	14 033	1 379	**37 153**	6 138	–
FR Grobler	2 117	–	–	–	**2 117**	–	–
VD Kahla[2]	–	8 299	3 651	–	**11 950**	–	–
BE Klingenberg	4 793	2 804	–	–	**7 597**	601	3 877
E Oberholster	–	1 640	814	–	**2 454**	–	–
M Radebe[2]	1 766	8 650	–	–	**10 416**	2 045	–
CF Rademan	–	2 804	2 884	7 104	**12 792**	5 292	–
SJ Schoeman[1]	–	2 830	–	–	**2 830**	–	–
GJ Strauss	–	35 162	5 092	2 466	**42 720**	26 120	–
Total	8 676	83 930	26 474	10 949	**130 029**	40 196	3 877

1 Awarded on appointment to the Group Executive Committee (GEC), as well as two supplementary awards were granted in 2010, after an extended closed period during the Competition Commission investigation; vesting was subject to achievement of CPTs.
2 On appointment award upon appointment to the GEC. Vesting was subject to the achievement of CPTs.

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	Ad Hoc Special Board – Committee Meeting R'000	**Total 2014 R'000**	Total 2013 R'000	Total 2012 R'000
MSV Gantsho (Chairman)[1]	3 004	–	128	–	–	**3 132**	825	703
TH Nyasulu[2]	2 000	–	–	–	–	**2 000**	4 520	4 226
JE Schrempp (Lead Independent Director)[3]	1 499	525	398	67	–	**2 489**	2 146	1 810
C Beggs	490	–	501	–	20	**1 011**	1 027	879
HG Dijkgraaf[3]	1 499	–	797	67	20	**2 383**	2 317	1 941
IN Mkhize	490	–	549	134	20	**1 193**	839	770
ZM Mkhize	490	–	113	–	–	**603**	605	245
JN Njeke	490	–	194	–	20	**704**	717	595
B Nqwababa[4]	286	–	113	–	20	**419**	–	–
PJ Robertson[3]	1 499	–	210	67	20	**1 796**	1 460	–
S Westwell[3]	1 499	–	466	–	20	**1 985**	1 725	92
Total	13 246	525	3 469	335	140	**17 715**	16 181	11 261

1 Appointed as Chairman and Non-Executive Director effective 22 November 2013.
2 Resigned as Chairman and Non-Executive Director effective 22 November 2013.
3 Board and committee fees paid in US dollars.
4 Appointed as Non-Executive Director effective 1 December 2013.

60 Related party transactions continued

The aggregate beneficial shareholding 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 share capital of the company are detailed in the tables below:

	2014				2013			
	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
Executive Directors								
VN Fakude	1 500	–	–	1 500	1 500	–	–	1 500
KC Ramon[3]	30	41 556		41 586	21 500	41 556	–	63 056
Non-Executive Directors								
IN Mkhize[4]	313	18 626	–	18 939	1 313	18 626	–	19 939
TH Nyasulu	–	1 450	–	1 450	–	1 450	–	1 450
Total	1 843	61 632	–	63 475	24 313	61 632	–	85 945

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.
3 Resigned as Director with effect from 9 September 2013.
4 Resigned as Director with effect from 22 November 2013

	2014				2013			
	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
GEC								
AM de Ruyter[3]	5 900	–	–	5 900	5 900	–	–	5 900
FR Grobler[4]	13 500	–	4 000	17 500	–	–	–	–
BE Klingenberg	–	–	–	–	–	–	13 200	13 200
E Oberholster[5]	–	300	–	300	–	–	–	–
M Radebe	–	3 819	–	3 819	–	3 748	6 900	10 648
CF Rademan	–	–	–	–	350	–	–	350
GJ Strauss[6]	4 300	–	–	4 300	4 300	205	–	4 505
Total	23 700	4 119	4 000	31 819	10 550	3 953	20 100	34 603

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.
3 Mr AM de Ruyter resigned from the group with effect from 30 November 2013.
4 Mr FR Grobler was appointed as a member of the Group Executive Committee (GEC) with effect from 1 December 2013.
5 Mr E Oberholster was appointed as a member of the GEC with effect from 1 October 2013.
6 Mr GJ Strauss retired from the group with effect from 30 September 2013.

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.

61 Subsequent events

On 31 July 2014, Sasol obtained approval from the South African Competition Commission for the disposal of its air separation unit in Sasolburg to Air Products South Africa for a purchase consideration of R475 million. As a result of this transaction, Sasol will enter into a long-term supply agreement with Air Products South Africa for the site's gaseous products requirements.

62 Interest in joint operations

At 30 June, the group's interest in material joint operations were:

Name	Country of incorporation	Nature of activities	% of equity owned 2014	2013	2012
Sasol Canada	Canada	Development of shale gas reserves and production and marketing of shale gas	**50**	50	50
Natref	South Africa	Refining of crude oil	**64**	64	64

In accordance with the group's accounting policy, the results of joint operations are accounted for on a line by line basis. The information provided below includes intercompany transactions and balances. The information below includes Sasol's share of the joint operations.

	Sasol Canada Rm	Natref Rm	Other* Rm	**2014 Total Rm**	2013 Total Rm	2012 Total Rm
Statement of financial position						
External non-current assets	11 195	2 491	1 310	**14 996**	16 974	14 016
property, plant and equipment	6 682	2 090	225	**8 997**	9 372	7 637
assets under construction	4 513	399	1 038	**5 950**	7 328	6 114
other non-current assets	–	2	47	**49**	274	265
External current assets	1 660	292	263	**2 215**	4 600	3 481
Intercompany current assets	4	1	58	**63**	74	47
Total assets	12 859	2 784	1 631	**17 274**	21 648	17 544
Shareholders' equity	11 822	220	301	**12 343**	17 727	14 049
Long-term debt (interest bearing)	–	1 266	244	**1 510**	1 407	1 155
Intercompany long-term debt	–	–	935	**935**	62	51
Long-term provisions	367	84	–	**451**	330	154
Other non-current liabilities	–	485	(1)	**484**	436	357
Interest bearing current liabilities	–	202	3	**205**	136	163
Non-interest bearing current liabilities	663	455	145	**1 263**	1 312	1 364
Intercompany current liabilities	7	72	4	**83**	238	251
Total equity and liabilities	12 859	2 784	1 631	**17 274**	21 648	17 544
Income statement						
Turnover	860	560	601	**2 021**	1 480	1 236
Operating (loss)/profit	(7 003)	331	62	**(6 610)**	(1 589)	(2 251)
Other expenses	(1)	(144)	(1)	**(146)**	(95)	(86)
Net (loss)/profit before tax	(7 004)	187	61	**(6 756)**	(1 684)	(2 337)
Taxation	–	(55)	(13)	**(68)**	(71)	(72)
Attributable (loss)/profit	(7 004)	132	48	**(6 824)**	(1 755)	(2 409)
Statement of cash flows						
Cash flow from operations	279	622	98	**999**	725	379
Movement in working capital	(241)	139	(241)	**(343)**	(252)	219
Taxation paid	–	(10)	(8)	**(18)**	(5)	(11)
Other expenses	(2)	(145)	(51)	**(198)**	(143)	(133)
Cash available from operations	36	606	(202)	**440**	325	454
Dividends paid	–	(130)	–	**(130)**	(104)	(109)
Cash retained from operations	36	476	(202)	**310**	221	345
Cash flow from investing activities	(3 620)	(657)	(632)	**(4 909)**	(3 020)	(8 283)
Cash flow from financing activities	2 263	143	867	**3 273**	3 790	7 300
(Increase)/decrease in cash requirements	(1 321)	(38)	33	**(1 326)**	991	(638)

* Includes Sasol Yihai and Central Termica de Ressano Garcia (CTRG).

At 30 June 2014, the group's share of the total capital commitments of joint operations amounted to R3 471 million (2013 – R4 160 million; 2012 – R3 507 million).

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. Capital commitments relating to joint operations amounted to R2 857 million (2013 – R2 807 million; 2012 – R2 177 million).

63 Interest in significant operating subsidiaries

Sasol Limited is the ultimate parent of the Sasol group of companies. Our wholly owned subsidiary, Sasol Investment Company (Pty) Ltd, a company incorporated in the Republic of South Africa, holds primarily our interests in companies incorporated outside South Africa. The following table presents each of the group's significant subsidiaries (including direct and indirect holdings), the nature of business, percentage of shares of each subsidiary owned and the country of incorporation at 30 June 2014.

There are no significant restrictions on the ability of the group's subsidiaries to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

			% of equity owned			Investment at cost[1]	
Name	Country of incorporation	Nature of activities	**2014**	2013	2012	**2014**	2013
Operating subsidiaries							
Direct							
Sasol Mining Holdings (Pty) Ltd	Republic of South Africa	Holding company of the group's mining interests.	**100**	100	100	**8 499**	8 499
Sasol Synfuels (Pty) Ltd	Republic of South Africa	Production of liquid fuel components, gases and chemical products and refining of tar acid.	**100**	100	100	**676**	676
Sasol Technology (Pty) Ltd	Republic of South Africa	Engineering services, research and development and technology transfer.	**100**	100	100	**709**	612
Sasol Financing (Pty) Ltd	Republic of South Africa	Management of cash resources, investment and procurement of loans (for South African operations).	**100**	100	100	*	*
Sasol Investment Company (Pty) Ltd	Republic of South Africa	Holding company of the group's foreign investments (and investment in movable and immovable property).	**100**	100	100	**37 735**	35 722
Sasol Chemical Industries (Pty) Ltd	Republic of South Africa	Production and marketing of mining explosives, gases, petrochemicals, fertilisers and waxes.	**100**	100	100	**15 574**	11 544
Sasol Gas Holdings (Pty) Ltd	Republic of South Africa	Holding company for the group's gas interests.	**100**	100	100	*	*
Sasol Oil (Pty) Ltd	Republic of South Africa	Marketing of fuels and lubricants.	**75**	75	75	**378**	378
Sasol New Energy Holdings (Pty) Ltd	Republic of South Africa	Developing and commercialising renewable and lower-carbon energy as well as carbon capture storage solutions.	**100**	100	100	**1 795**	1 795

* nominal amount
1 The cost of these investments represents the holding company's investment in the subsidiaries, which eliminate on consolidation.

sasol reaching new frontiers

63 Interest in significant operating subsidiaries continued

Name	Country of incorporation	Nature of activities	% of equity owned 2014	2013	2012
Operating subsidiaries					
Indirect					
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd*	Republic of South Africa	Owning and operating 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.	**50**	50	50
Sasol Chemicals Europe Limited	United Kingdom	Marketing and distribution of chemical products.	**100**	100	100
Sasol Chemicals Pacific Limited	Hong Kong	Marketing and distribution of chemical products.	**100**	100	100
Sasol Chemical Holdings International (Pty) Ltd	Republic of South Africa	Investment in the Sasol Chemie group.	**100**	100	100
Sasol Financing International Plc	Isle of Man	Management of cash resources, investment and procurement of loans (for operations outside South Africa).	**100**	100	100
Sasol Gas Limited	Republic of South Africa	Marketing, distribution and transportation of pipeline gas and the maintenance and operation of pipelines used to transport gas.	**100**	100	100
Sasol Germany GmbH	Germany	Production, marketing and distribution of (chemical products) olefin and surfactant products.	**100**	100	100
Sasol Group Services (Pty) Ltd	Republic of South Africa	Supplier of functional core and shared services to the Sasol group of companies.	**100**	100	100
Sasol Italy SpA	Italy	Trading and transportation of oil products, petrochemicals and chemical products and their derivatives.	**100**	100	100
Sasol Mining (Pty) Ltd	Republic of South Africa	Coal mining activities.	**90**	90	90
Sasol North America Inc.	United States of America	Manufacturing of commodity and speciality chemicals.	**100**	100	100
Sasol Oil International Limited	Isle of Man	Buying and selling of crude oil.	**100**	100	100
Sasol Petroleum International (Pty) Ltd	Republic of South Africa	Exploration, appraisal, development, production, marketing and distribution of natural oil and gas and associated products.	**100**	100	100
Sasol Holdings (Asia Pacific) (Pty) Ltd	Republic of South Africa	Holding company of Sasol Polymers foreign investments.	**100**	100	100
Sasol Synfuels International (Pty) Ltd	Republic of South Africa	Develop and implement international GTL and CTL ventures (outside South Africa).	**100**	100	100
Sasol Wax International Aktiengesellschaft	Germany	Holding company of the Sasol Wax operations.	**100**	100	100
Sasol Canada Holdings Limited	Canada	Exploration, development, production, marketing and distribution of natural oil and gas and associated products in Canada.	**100**	100	100

* Through contractual arrangements Sasol exercises control over the relevant activities of Rompco.

Non-controlling interests

The group has a number of subsidiaries with non-controlling interests, however none of them were material to the financial statements.

64 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 board of Sasol Financing (the treasury company and a 100% subsidiary of Sasol Ltd), 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) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to grow shareholder value sustainably.

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 group's targeted gearing ratio is 20% – 40%. 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. The group's gearing level for 2014 is (6,3)% (2013 – (1,1%); 2012 – 0,3%). 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 target for long-term borrowings include an average time to maturity of at least 2 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.

64 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 14.

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 2014, 2013 and 2012. Approximately 52% (2013 – 49%; 2012 – 50%) of the group's total turnover is generated from sales within South Africa, while about 21% (2013 – 22%; 2012 – 23%) relates to European sales. Approximately 51% (2013 – 49%; 2012 – 48%) of the amount owing in respect of trade receivables is from counterparties in South Africa, while European receivables amount to about 24% (2013 – 26%; 2012 – 24%).

Credit risk exposure in respect of long-term receivables and trade receivables is further analysed in notes 10 and 14, 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 2014 are provided in note 58.1.

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. 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, which could be utilised to settle obligations.

64 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 five years Rm	More than five years Rm
2014					
Financial assets					
Non-derivative instruments					
Loans and receivables					
Long-term receivables	10	**2 963**	226	1 565	1 172
Trade receivables	14	**22 637**	22 637	–	–
Other receivables	15	**3 839**	3 839	–	–
Cash restricted for use	17	**1 245**	1 245	–	–
Cash	17	**37 155**	37 155	–	–
Investments available-for-sale					
Investments in securities[1]	6	**628**	–	–	628
Investments held for trading					
Investments in securities[1]	6	**43**	–	–	43
Investments held-to-maturity					
Investments in securities[1]	6	**205**	–	–	205
		68 715	65 102	1 565	2 048
Derivative instruments					
Forward exchange contracts		**14 519**	13 048	1 471	–
		83 234	78 150	3 036	2 048
Financial liabilities					
Non-derivative instruments					
Long-term debt		**(38 709)**	(3 412)	(22 078)	(13 219)
Short-term debt	24	**(135)**	(135)	–	–
Trade payables and accrued expenses	29	**(18 950)**	(18 950)	–	–
Other payables	30	**(904)**	(904)	–	–
Bank overdraft	17	**(379)**	(379)	–	–
Financial guarantees[2]		**(442)**	(442)	–	–
		(59 519)	(24 222)	(22 078)	(13 219)
Derivative instruments					
Forward exchange contracts		**(14 447)**	(13 031)	(1 416)	–
Interest rate derivatives		**(3)**	(1)	(2)	–
Commodity derivatives		**(87)**	(87)	–	–
		(74 056)	(37 341)	(23 496)	(13 219)

* 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 These investments has been added to our liquidity analysis as it reflects the way the business is managed.

2 Issued financial guarantees contracts are all repayable on demand, however the likelihood of default is considered remote. Refer to note 58.

64 Financial risk management and financial instruments continued

Liquidity risk continued

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2013					
Financial assets					
Non-derivative instruments					
Loans and receivables					
Long-term receivables	10	2 314	286	968	1 060
Trade receivables	14	23 391	23 391	–	–
Other receivables	15	1 704	1 704	–	–
Cash restricted for use	17	6 056	6 056	–	–
Cash	17	25 247	25 247	–	–
Investments available-for-sale					
Investments in securities[1]	6	511	–	–	511
Investments held for trading					
Investments in securities[1]	6	41	–	–	41
Investments held-to-maturity					
Investments in securities[1]	6	231	–	–	231
		59 495	56 684	968	1 843
Derivative instruments					
Forward exchange contracts		18 790	15 643	3 147	–
Commodity Derivatives		14	14	–	–
		78 299	72 341	4 115	1 843
Financial liabilities					
Non-derivative instruments					
Long-term debt		(30 597)	(2 053)	(11 966)	(16 578)
Short-term debt	24	(257)	(257)	–	–
Trade payables and accrued expenses	29	(17 205)	(17 205)	–	–
Other payables	30	(854)	(854)	–	–
Bank overdraft	17	(748)	(748)	–	–
Financial guarantees[2]		(518)	(518)	–	–
		(50 179)	(21 635)	(11 966)	(16 578)
Derivative instruments					
Forward exchange contracts		(17 216)	(14 262)	(2 954)	–
Interest rate derivatives		(4)	(3)	(1)	–
		(67 399)	(35 900)	(14 921)	(16 578)

* 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 These investments has been added to our liquidity analysis as it reflects the way the business is managed.

2 Issued financial guarantees contracts are all repayable on demand, however the likelihood of default is considered remote. Refer to note 58.

64 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
2014		
Derivative instruments – cash flow hedges		
Financial assets	4	4
Financial liabilities	2	2
2013		
Derivative instruments – cash flow hedges		
Financial assets	33	33
Financial liabilities	1	1

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.

Our Group Executive Committee (GEC) sets broad guidelines in terms of tenor and hedge cover ratios specifically to assess large forward cover amounts for long periods into the future, which have the potential to materially affect our financial position. These guidelines 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.

The following significant exchange rates were applied during the year:

	Average rate		Closing rate	
	2014	2013	**2014**	2013
Rand/Euro	**14,10**	11,46	**14,57**	12,85
Rand/US dollar	**10,39**	8,85	**10,64**	9,88
Rand/Pound sterling	**16,91**	13,88	**18,20**	15,03

64 Financial risk management and financial instruments continued

Market risk continued

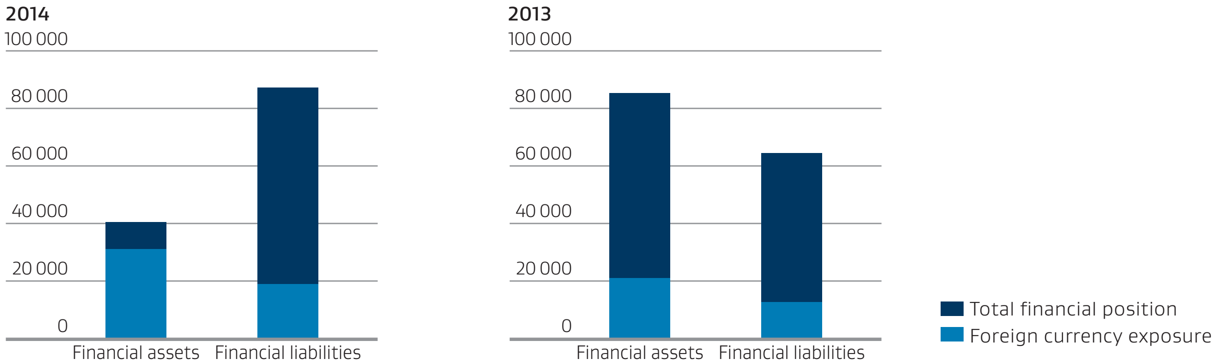
	2014					
	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm
Long-term receivables	1 543	–	1 375	–	–	168
Trade receivables	3 202	593	2 477	81	–	51
Other receivables	300	112	118	10	–	60
Cash restricted for use	255	–	82	2	–	171
Cash	19 396	3 030	15 519	167	275	405
Exposure on external asset balances	24 696	3 735	19 571	260	275	855
Forward exchange contracts	(240)	(5)	(233)	–	–	(2)
Net exposure on assets	24 456	3 730	19 338	260	275	853
Long-term debt	(11 205)	(393)	(10 622)	–	–	(190)
Trade payables and accrued expenses	(3 110)	(303)	(2 163)	(543)	–	(101)
Other payables	(447)	(1)	(321)	(75)	(1)	(49)
Bank overdraft	(126)	–	(126)	–	–	–
Exposure on external liability balances	(14 888)	(697)	(13 232)	(618)	(1)	(340)
Forward exchange contracts	6 642	469	6 165	8	–	–
Net exposure on liabilities	(8 246)	(228)	(7 067)	(610)	(1)	(340)
Exposure on external balances	16 210	3 502	12 271	(350)	274	513
Net exposure on balances between group companies	6 615	5 945	1 560	125	(505)	(510)
Total net exposure	22 825	9 447	13 831	(225)	(231)	3

64 Financial risk management and financial instruments continued

Market risk continued

	2013					
	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm
Long-term receivables	941	–	731	–	–	210
Trade receivables	4 634	635	3 340	76	22	561
Other receivables	137	–	98	9	–	30
Cash restricted for use	3 418	806	1 435	–	–	1 177
Cash	11 620	3 135	7 775	166	263	281
Exposure on external asset balances	20 750	4 576	13 379	251	285	2 259
Forward exchange contracts	(4 342)	(46)	(4 236)	(60)	–	–
Net exposure on assets	16 408	4 530	9 143	191	285	2 259
Long-term debt	(10 226)	(210)	(9 851)	–	–	(165)
Trade payables and accrued expenses	(1 774)	(319)	(1 274)	(38)	(26)	(117)
Other payables	(420)	(3)	(223)	(46)	(13)	(135)
Bank overdraft	(59)	–	(58)	–	–	(1)
Exposure on external liability balances	(12 479)	(532)	(11 406)	(84)	(39)	(418)
Forward exchange contracts	12 724	386	12 116	121	–	101
Net exposure on liabilities	245	(146)	710	37	(39)	(317)
Exposure on external balances	16 163	4 676	8 433	154	324	2 576
Net exposure on balances between group companies	1 657	2 775	(1 178)	223	(381)	218
Total net exposure	17 820	7 451	7 255	377	(57)	2 794

Financial assets and liabilities foreign currency exposure to the total financial position including inter-company balances (R million)



64 Financial risk management and financial instruments continued

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the group at the end of the reporting period. This analysis is prepared based on the statement of financial position balances, that exist at year end, for which there is currency risk. The expected effect on the income statement and equity is calculated based on the net balance sheet exposure at the end of the reporting period, after taking into account forward exchange contracts which exist at that point. This sensitivity represents the exposure of the group at a point in time, based only on recognised balances for which currency risk has been identified.

A 10% change in the group's exposure to foreign currency at 30 June would have increased/(decreased) either the equity or the profit 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 2013.

	2014		2013	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
Euro	**945**	**945**	745	745
US Dollar	**1 383**	**1 383**	726	726
Pound Sterling	**(23)**	**(23)**	38	38
Rand	**(23)**	**(23)**	(6)	(6)
Other currencies	**–**	**–**	279	279

A 10% movement in the opposite direction in the group's exposure to foreign currency would have an equal and opposite effect to the amounts disclosed above.

The majority of these balances will also be exposed to a change in the rand, as compared to the various currencies used in the group.

The translation of these balances into the presentation currency of the group will have an effect on equity, and the sensitivity analysis of this exposure is presented below.

A 10% strengthening of the rand on the group's exposure to foreign currency risk at 30 June would have increased/(decreased) either equity or profit of the group by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular, interest rates, and cross currency foreign exchange rates remain constant. The same basis has been used for 2013.

	2014		2013	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
Euro	**350**	**7**	468	51
US dollar	**1 227**	**(134)**	843	48
Pound sterling	**(35)**	**37**	15	11
Rand	**27**	**–**	32	–
Other currencies	**51**	**906**	258	1 806

A 10 percent weakening in the rand against the above currencies at 30 June would have the equal but opposite effect to the amounts shown, on the basis that all other variables remain constant.

64 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 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses)/ gains 2014 Rm	Contract foreign currency amount 2013 million	Contract amount – Rand equivalent 2013 Rm	Average rate of exchange 2013 (calculated)	Fair value (losses)/ gains 2013 Rm
Forward exchange contracts								
Transactions including commitments which have been contracted for								
Derivative instruments – cash flow hedges								
Imports – capital								
Euro	27	400	14,78	(6)	7	82	11,71	5
US dollar	1	9	10,73	–	1	7	7,00	–
Pound sterling	–	1	18,16	–	–	3	–	–
		410		(6)		92		5
Imports – goods								
Euro	1	9	14,72	–	–	–	–	–
US dollar	1	10	10,92	–	29	278	9,59	4
		19		–		278		4
Exports								
US dollar	2	23	10,57	–	–	–	–	–
		23		–		–		–
Other payables (liabilities)								
Euro	2	25	14,57	–	–	–	–	–
US dollar	–	1	10,75	–	–	–	–	–
		26		–		–		–
Other receivables (assets)								
Euro	–	5	14,57	–	–	–	–	–
		5		–		–		–

64 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract foreign currency amount 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses)/ gains 2014 Rm	Contract foreign currency amount 2013 million	Contract amount – Rand equivalent 2013 Rm	Average rate of exchange 2013 (calculated)	Fair value (losses)/ gains 2013 Rm
Derivative instruments – held for trading								
Imports – capital								
Euro	2	21	12,97	2	6	84	14,00	(1)
US dollar	–	4	10,69	–	2	22	11,00	2
		25		2		106		1
Imports – goods								
Euro	1	14	13,89	–	15	195	13,00	1
US dollar	115	1 230	10,73	(10)	241	2 429	10,08	(47)
Pound sterling	–	–	–	–	7	101	14,43	–
Other currencies – US dollar equivalent	–	–	–	–	1	6	6,00	–
		1 244		(10)		2 731		(46)
Exports								
Euro	–	–	–	–	3	34	11,33	–
US dollar	7	77	10,62	(1)	84	830	9,88	(2)
Pound sterling	–	–	–	–	4	61	15,25	–
Other currencies – US dollar equivalent	–	2	9,92	–	10	95	9,50	–
		79		(1)		1 020		(2)
Other payables (liabilities)								
Euro	1	6	8,47	2	2	29	14,50	(1)
US dollar	463	5 324	11,51	(301)	953	8 942	9,38	705
Pound sterling	–	6	15,87	1	1	17	17,00	–
		5 336		(298)		8 988		704
Other receivables (assets)								
Euro	–	–	–	–	1	17	17,00	5
US dollar	12	133	10,67	–	42	411	9,79	(8)
Pound sterling	–	1	–	1	–	1	–	1
Other currencies – US dollar equivalent	–	37	–	36	–	35	–	33
		171		37		464		31

64 Financial risk management and financial instruments continued

Forward exchange contracts and cross currency swaps continued

	Contract foreign currency amount 2014 million	Contract amount – Rand equivalent 2014 Rm	Average rate of exchange 2014 (calculated)	Fair value (losses)/ gains 2014 Rm	Contract foreign currency amount 2013 million	Contract amount – Rand equivalent 2013 Rm	Average rate of exchange 2013 (calculated)	Fair value (losses)/ gains 2013 Rm
Forward exchange contracts								
Transactions including commitments which have not been contracted for								
Derivative instruments – cash flow hedges								
Imports								
Euro	16	239	14,94	1	20	255	12,75	12
US dollar	11	111	10,09	2	22	210	9,55	13
Pound sterling	–	1	–	–	–	1	–	–
		351		3		466		25
Derivative instruments – held for trading								
Imports								
Euro	7	100	14,29	–	16	213	13,31	2
US dollar	88	942	10,70	(6)	15	141	9,40	8
Pound sterling	–	–	–	–	1	9	9,00	–
Other currencies – US dollar equivalent	–	–	–	–	1	9	9,00	–
		1 042		(6)		372		10
Exports								
US dollar	–	1	–	–	302	2 930	9,70	(66)
		1		–		2 930		(66)
Other payables (liabilities)								
Euro	5	74	14,80	–	3	33	11,00	1
US dollar	195	2 095	10,74	(10)	11	117	10,64	1
Pound Sterling	20	367	18,35	11	7	99	14,14	4
Other currencies – US dollar equivalent	852	8 442	9,91	350	908	7 509	10,50	902
		10 978		351		7 758		908

64 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
2014			
Forward exchange contracts			
Transactions including commitments which have been contracted for			
Imports – capital			
Euro	421	356	65
US dollar	13	13	–
Pound sterling	1	1	–
	435	370	65
Imports – goods			
Euro	23	23	–
US dollar	1 240	1 240	–
	1 263	1 263	–
Exports			
US dollar	100	100	–
Other currencies – US dollar equivalent	2	2	–
	102	102	–
Other payables (liabilities)			
Euro	31	14	17
US dollar	5 325	5 325	–
Pound sterling	6	6	–
	5 362	5 345	17
Other receivables (assets)			
Euro	5	5	–
US dollar	133	133	–
Pound sterling	1	1	–
Other currencies – US dollar equivalent	37	35	2
	176	174	2
Transactions including commitments which have not been contracted for			
Imports			
Euro	339	327	12
US dollar	1 053	1 052	1
Pound sterling	1	1	–
	1 393	1 380	13
Other payables (liabilities)			
Euro	74	73	1
US dollar	2 095	2 095	–
Pound sterling	367	367	–
Other currencies – US dollar equivalent	8 442	7 123	1 319
	10 978	9 658	1 320
Exports			
US dollar	1	1	–
	1	1	–

64 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
2013			
Forward exchange contracts			
Transactions including commitments which have been contracted for			
Imports – capital			
Euro	**166**	166	–
US dollar	**29**	29	–
Pound sterling	**3**	3	–
	198	198	–
Imports – goods			
Euro	**195**	195	–
US dollar	**2 707**	2 707	–
Pound sterling	**101**	101	–
Other currencies – US dollar equivalent	**6**	6	–
	3 009	3 009	–
Exports			
Euro	**34**	34	–
US dollar	**830**	830	–
Pound sterling	**61**	61	–
Other currencies – US dollar equivalent	**95**	95	–
	1 020	1 020	–
Other payables (liabilities)			
Euro	**29**	29	–
US dollar	**8 942**	8 941	1
Pound sterling	**17**	17	–
	8 988	8 987	1
Other receivables (assets)			
Euro	**17**	17	–
US dollar	**411**	411	–
Pound sterling	**1**	1	–
Other currencies – US dollar equivalent	**35**	14	21
	464	443	21
Transactions including commitments which have not been contracted for			
Imports			
Euro	**468**	464	4
US dollar	**351**	315	36
Pound sterling	**10**	10	–
Other currencies – US dollar equivalent	**9**	9	–
	838	798	40
Other payables (liabilities)			
Euro	**33**	30	3
US dollar	**117**	104	13
Pound sterling	**99**	62	37
Other currencies – US dollar equivalent	**7 508**	4 648	2 860
	7 757	4 844	2 913
Exports			
US dollar	**2 930**	2 930	–
	2 930	2 930	–

64 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. The group has significant exposure to interest rate risk due to the volatility 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 18 and note 10 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	
	2014 Rm	2013 Rm
Variable rate instruments		
Financial assets	**38 466**	31 090
Financial liabilities	**(10 805)**	(8 654)
	27 661	22 436
Fixed rate instruments		
Financial assets	**1 350**	434
Financial liabilities	**(15 025)**	(14 209)
	(13 675)	(13 775)
Interest profile (variable: fixed rate as a percentage of total interest bearing instruments)	**75:25**	73:27

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 2013.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2014	**(29)**	**(26)**	**(148)**	**(109)**
30 June 2013	(42)	(26)	(86)	(106)

	Income statement – 1% decrease			
	South Africa Rm	Europe* Rm	USA* Rm	Other* Rm
30 June 2014	**29**	**–**	**–**	**–**
30 June 2013	42	–	–	–

A one percent decrease in these interest rates at 30 June would have the equal but opposite effect for Rand exposure.

* A decrease of 1% in interest rates for the United States of America and Europe will not have an effect on the income statement as it is not reasonably possible that the repo interest rates will decrease below 0%.

64 Financial risk management and financial instruments continued

Interest rate risk continued

The following interest rate derivative contracts were in place at 30 June:

	Contract amount – Rand equivalent 2014 Rm	Average fixed rate 2014 %	Expiry 2014	Fair value losses 2014 Rm	Contract amount – Rand equivalent 2013 Rm	Average fixed rate 2013 %	Expiry 2013	Fair value losses 2013 Rm
Interest rate derivatives								
Derivative instruments – held for trading								
Pay fixed rate receive floating rate								
Euro	98	2	25/05/2016	(3)	108	2	25/05/2016	(4)
	98			(3)	108			(4)

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
Interest rate derivatives				
2014				
Derivative instruments – held for trading				
Pay fixed rate receive floating rate				
Euro	98	25	24	49
	98	25	24	49
2013				
Derivative instruments – cash flow hedges				
Pay fixed rate receive floating rate				
Euro	108	22	22	64
	108	22	22	64

64 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/barrel (bbl) 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/bbl. 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, 2013 and 2014 financial years, 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	
	2014 US$	2013 US$
High	**117,13**	119,03
Average	**109,40**	108,66
Low	**103,19**	95,51

The following commodity derivative contracts were in place at 30 June:

	Contract amount 2014 Rm	**Within one year 2014 Rm**	Contract amount 2013 Rm	Within one year 2013 Rm
Commodity derivatives				
Futures				
Crude oil	**(87)**	**(87)**	14	14

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 around US$109/bbl, however, in the longer term, we expect the crude oil price to increase. For forecasting purposes, we estimate that for every US$1/bbl increase in the annual average crude oil price, group operating profit and equity accounted earnings for the year will increase by approximately US$70 million (R746 million) during 2015. This estimate is off a base of US$105,50/bbl crude oil price and a rand/US dollar exchange rate of R10,60. 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 2013.

	2014 Rm	2013 Rm
Crude oil	**(9)**	1

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.

65 Financial Instruments

The following table summarises the group's classification of financial instruments.

	Notes	Carrying value: At Fair value through profit and loss Rm	Available for sale Rm	Amortised cost Rm	Held-to-maturity Rm	Loans and receivables Rm	Fair value Rm
2014							
Financial Assets							
Investments in securities – measured at fair value	6	–	628	–	–	–	628
Investments in securities – measured at cost**	6	43**	–	–	205**	–	–**
Long-term receivables	10	–	–	–	–	2 963	2 963
Financial assets (derivatives)	11/16	433	–	–	–	–	433
Trade receivables	14	–	–	–	–	22 637	22 637
Other receivables	15	–	–	–	–	3 839	3 839*
Cash and cash equivalents	17	–	–	38 021	–	–	38 021*
Financial Liabilities							
Long-term debt	18	–	–	25 921	–	–	26 531
Short-term debt	24	–	–	135	–	–	135*
Financial Liabilities (derivatives)	19/25	463	–	–	–	–	463
Trade payables and accrued expenses	29	–	–	18 950	–	–	18 950*
Other payables	30	–	–	904	–	–	904*
2013							
Financial Assets							
Investments in securities – measured at fair value	6	–	511	–	–	–	511
Investments in securities – measured at cost**	6	41**	–	–	231**	–	–**
Long-term receivables	10	–	–	–	–	2 314	2 314
Financial Assets (derivatives)	11/16	1 777	–	–	–	–	1 777
Trade receivables	14	–	–	–	–	23 391	23 391*
Other receivables	15	–	–	–	–	1 704	1 704*
Cash and cash equivalents	17	–	–	30 555	–	–	30 555*
Financial Liabilities							
Long-term debt	18	–	–	22 648	–	–	22 266
Short-term debt	24	–	–	257	–	–	257*
Financial Liabilities (derivatives)	19/25	209	–	–	–	–	209
Trade payables and accrued expenses	29	–	–	17 205	–	–	17 205*
Other payables	30	–	–	854	–	–	854*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.
** These investments are held in equity instruments which do not have quoted prices, as they are not listed on an exchange. Fair value therefore cannot be measured reliably. As a result, these instruments are held at cost.

The fair value of financial instruments reflects the amount that could be obtained to sell an asset or the amount that would be paid to transfer a liability in an orderly transaction between market participants.

The fair value of both long-term and short-term financial assets is calculated with reference to market inputs, including exchange rates and commodity prices.

65 Financial Instruments continued

Fair value

Valuation techniques and assumptions utilised for the purpose of calculating fair value. The group does not hold any financial instruments traded in an active market, except for the investment in listed equity instruments.

Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

Fair Value hierarchy

The following table is provided representing the assets and liabilities measured at fair value at reporting date, or for which fair value is disclosed at reporting date.

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13, as shown below.

There have been no transfers between levels in the current year. Transfers between levels are considered to have occurred at the date of the event or change in circumstances.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

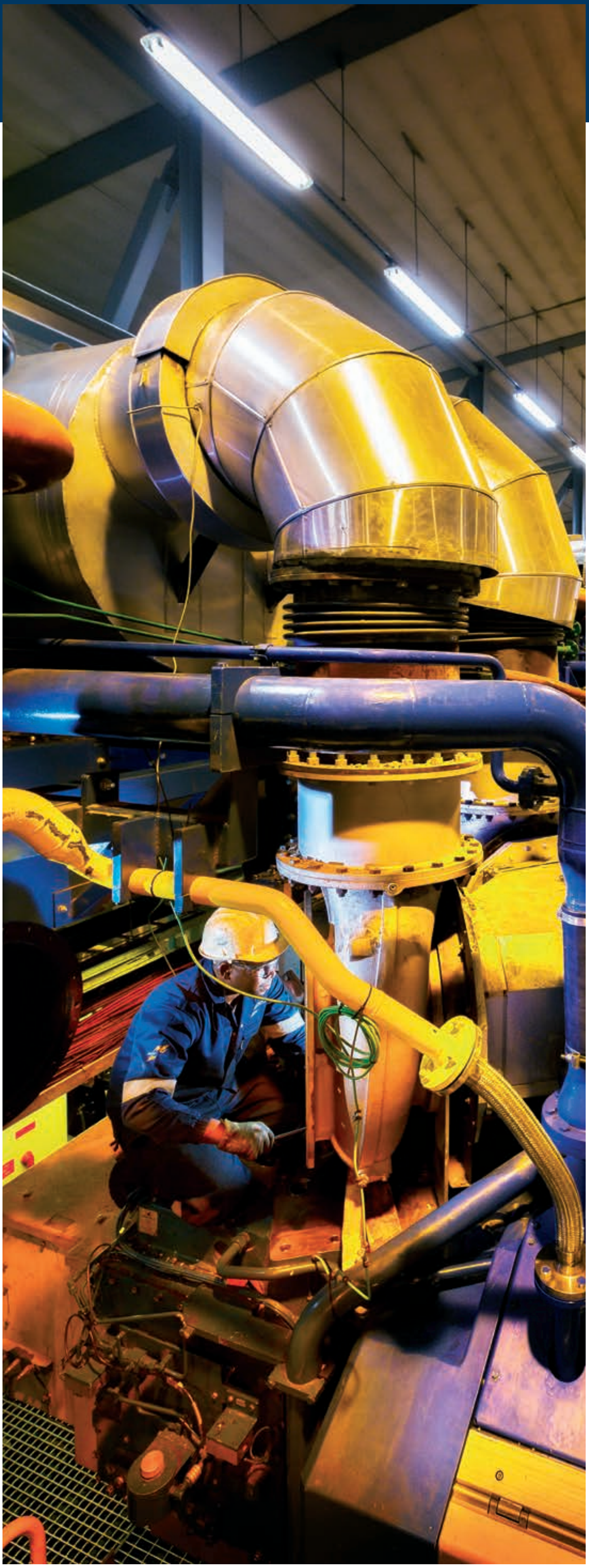
Level 3 Inputs for the asset or liability that are unobservable.

Financial instrument	Fair value 30 June 2014	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial Assets				
Investments in securities – measured at fair value	628	Fair value	Quoted market price for the same or similar instruments.	Level 1
Investments in securities – measured at cost**	**	**		**
Long-term receivables	2 963	Discounted cash flow	Market related interest rates.	Level 3
Financial assets (derivatives)	433	Forward rate interpolator model, appropriate currency specific discount curve.	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices.	Level 1
Trade receivables	22 637	*	*	Level 3*
Other receivables	3 960	*	*	Level 3*
Cash and cash equivalents	38 021	*	*	Level 1*
Financial Liabilities				
Long-term debt	25 921	Discounted cash flow	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.	Level 3
Short-term debt	135	*	*	Level 3*
Financial liabilities (derivatives)	463	Forward rate interpolator model, appropriate currency specific discount curve.	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices.	Level 1
Trade payables	22 327	*	*	Level 3*
Other payables	5 306	*	*	Level 3*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.

** These investments are held in equity instruments which do not have quoted prices, as they are not listed on an exchange. Fair value therefore cannot be measured reliably. As a result, these instruments are held at cost.

CONTENTS



SASOL LIMITED COMPANY

sasol
reaching new frontiers

Statement of financial position

at 30 June

	Note	2014 Rm	2013 Rm	2012 Rm
Assets				
Investments in subsidiaries	1	**76 108**	72 951	63 601
Investment in security	2	**6**	6	5
Long-term financial assets	3	**22 767**	20 675	18 747
Long-term receivables	4	**17**	3 606	3 373
Deferred tax asset	5	**44**	–	–
Non-current assets		**98 942**	97 238	85 726
Other receivables and prepaid expenses	6	**16 729**	6 119	8 743
Cash	7	**57**	44	42
Current assets		**16 786**	6 163	8 785
Total assets		**115 728**	103 401	94 511
Equity and liabilities				
Shareholders' equity		**115 184**	102 905	94 247
Long-term debt	8	**–**	100	100
Long-term financial liabilities	9	**146**	161	12
Long-term provision	10	**120**	73	11
Post-retirement benefit obligations	11	**–**	2	2
Non-current liabilities		**266**	336	125
Short-term financial liabilities	12	**24**	22	5
Short-term provision	13	**144**	34	2
Trade and other payables	14	**110**	104	132
Current liabilities		**278**	160	139
Total equity and liabilities		**115 728**	103 401	94 511

Income statement

for the year ended 30 June

	Note	2014 Rm	2013 Rm	2012 Rm
Employee related expenditure	15	**(353)**	(193)	(88)
Other expenses, net		**(123)**	(110)	(140)
Translation losses	16	**(1)**	(1)	–
Other operating expenses		**(128)**	(117)	(146)
Other operating income		**6**	8	6
Operating loss before remeasurement items	17	**(476)**	(303)	(228)
Remeasurement items	19	**(512)**	–	43
Operating loss after remeasurement items		**(988)**	(303)	(185)
Net finance costs		**27 101**	19 838	16 086
Finance income	20	**27 110**	20 019	16 087
Finance costs	21	**(9)**	(181)	(1)
Profit before tax		**26 113**	19 535	15 901
Taxation	22	**44**	–	–
Profit for year		**26 157**	19 535	15 901

Statement of comprehensive income

for the year ended 30 June

	Note	2014 Rm	2013 Rm	2012 Rm
Profit for year		**26 157**	19 535	15 901
Other comprehensive income, net of tax				
Items that can be subsequently reclassified to the income statement				
Investment available-for-sale	23	**–**	1	(1)
Total comprehensive income for the year		**26 157**	19 536	15 900

Statement of changes in equity

for the year ended 30 June

	Note	2014 Rm	2013 Rm	2012 Rm
Share capital	24			
Balance at beginning of year		**28 711**	27 984	27 659
Shares issued on implementation of share options		**373**	727	325
Balance at end of year		**29 084**	28 711	27 984
Share-based payment reserve				
Balance at beginning of year		**8 434**	8 060	7 575
Share-based payment expense	18	**267**	374	485
Balance at end of year		**8 701**	8 434	8 060
Retained earnings				
Balance at beginning of year		**65 755**	58 199	52 640
Total comprehensive income for year		**26 157**	19 535	15 901
Dividends paid	29	**(14 518)**	(11 979)	(10 342)
Balance at end of year		**77 394**	65 755	58 199
Investment fair value reserve				
Balance at beginning of year		**5**	4	5
Total comprehensive income for year		**–**	1	(1)
Balance at end of year		**5**	5	4
Total shareholders' equity		**115 184**	102 905	94 247

Statement of cash flows

for the year ended 30 June

	Note	2014 Rm	2013 Rm	2012 Rm
Cash (used in)/generated by operating activities	25	**(7 082)**	2 397	5 159
Finance income received	28	**24 410**	17 573	14 126
Cash available from operating activities		**17 328**	19 970	19 285
Dividends paid	29	**(14 518)**	(11 988)	(10 333)
Cash retained from operating activities		**2 810**	7 982	8 952
Additional investments in subsidiaries		**(6 090)**	(6 694)	(39 178)
Loans to subsidiaries		**–**	(2 687)	(1 300)
Repayment of loans by subsidiaries		**2 687**	404	31 214
Repayment of long-term financial assets		**330**	270	–
Repayment of long-term receivable		**3**	–	–
Cash used in investing activities		**(3 070)**	(8 707)	(9 264)
Share capital issued on implementation of share options		**373**	727	325
Repayments of long-term debt	8	**(100)**	–	–
Cash effect of financing activities		**273**	727	325
Increase in cash and cash equivalents		**13**	2	13
Cash and cash equivalents at beginning of year		**44**	42	29
Cash and cash equivalents at end of year	7	**57**	44	42

Notes to the financial statements

for the year ended 30 June		2014 Rm	2013 Rm	2012 Rm
1	**Investments in subsidiaries**			
	Reflected as non-current assets			
	Shares at cost	**65 645**	59 555	52 861
	Shareholder loans to subsidiaries	**730**	6 184	6 184
	Shareholder loans to be replaced with equity	**5 853**	3 086	803
	Share-based payment expense	**4 606**	4 340	3 967
	Impairment of investment in subsidiary	**(726)**	(214)	(214)
	At cost less impairment losses	**76 108**	72 951	63 601
	Reflected as current assets			
	Other receivables (refer note 6)	**12 885**	6 117	8 736
	Reflected as non-current liabilities			
	Long-term debt (refer note 8)	**–**	(100)	(100)
	Reflected as current liabilities			
	Trade and other payables (refer note 14)	**(17)**	(26)	(80)
	Net investments at cost less impairment losses	**88 976**	78 942	72 157

Investments in subsidiaries are accounted for at cost less impairment losses.

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.

The company's interest in the aggregate profits and losses of subsidiaries amounts to R31 205 million (2013 – R28 124 million; 2012 – R20 054 million) profits and R4 387 million (2013 – R2 324 million; 2012 – R1 463 million).

For further details of interests in subsidiaries and incorporated joint ventures, refer note 7 and 63 of the consolidated financial statements.

Impairment

In 2014, we impaired our investment in Sasol New Energy Holdings (Pty) Ltd by R511 million mainly due to the operating assets being sold and the proceeds being declared as a dividend rather than a repayment of capital.

for the year ended 30 June		2014 Rm	2013 Rm	2012 Rm
2	**Investment in security**			
	Investment available-for-sale at fair value			
	unlisted equity investments	**6**	6	5
	Fair value			
	Balance at beginning of year	**6**	5	6
	Revaluation to fair value	**–**	1	(1)
	Balance at end of year	**6**	6	5

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 unlisted investments is based on the recent market transactions as at 30 June 2014. Management has no intention of disposing of these investments in the foreseeable future. This investment has been classified as a level 2 for a fair value hierarchy purposes.

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
3 Long-term financial asset			
Sasol Inzalo share transaction			
Sasol Inzalo Employee Trusts (a)	**16 811**	15 252	13 818
Sasol Inzalo Foundation (b)	**5 956**	5 423	4 929
	22 767	20 675	18 747
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			
Two to five years	**22 767**	20 675	–
More than five years	**–**	–	18 747
Fair value of long-term financial assets The fair value of long-term financial assets is determined using a discounted cash flow method using market related rates at 30 June. The fair value of long-term interest bearing financial assets approximates the carrying value as market related rates of interest are charged on these outstanding amounts.	**22 767**	20 675	18 747
Impairment The long-term financial assets have not been impaired.			

Notes to the financial statements continued

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
4 Long-term receivables			
Total long-term receivables	**3 859**	3 606	3 373
Short-term portion	**(3 842)**	–	–
	17	3 606	3 373
Comprising			
Long-term interest-bearing loans			
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**1 710**	1 596	1 492
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**2 132**	1 990	1 861
Long-term interest-free loan			
Sasol Inzalo Groups Facilitation Trust	**17**	20	20
	3 859	3 606	3 373
The long-term receivables relating to the Sasol Inzalo Groups Funding (Pty) Ltd (RF) and Sasol Inzalo Public Funding (Pty) Ltd (RF) consist 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% (2013 – 80,3%; 2012 – 80,3%) of the prime overdraft rate	**7,23%**	6,83%	7,23%
The interest and amount owing on the preference shares are repayable on maturity in June and September 2018, respectively.			
Maturity profile			
Within one year	**3 859**	–	–
Two to five years	**–**	1 596	–
More than 5 years	**–**	2 010	3 373
Fair value of long-term receivables			
The fair value of long-term receivables is determined using a discounted cash flow method using market related rates at 30 June. The long-term receivables have been classified as a level 3 for fair value hierarchy purposes.	**3 859**	3 977	3 886

Impairment of long-term receivables

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	2014 Rm	2013 Rm	2012 Rm
5 Deferred tax			
Reconciliation			
Balance at beginning of year	–	–	–
Current year charge per the income statement	44	–	–
Balance at end of year	44	–	–
Comprising			
Deferred tax assets	44	–	–

Deferred tax assets are determined based on the tax status and rates of the company.

Deferred tax is attributable to the following temporary differences			
Assets			
Calculated tax losses	44	–	–
	44	–	–

A deferred tax asset has been recognised for the carry forward amount of unused tax losses relating to the company'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.

Calculated tax losses			
Available for offset against future taxable income	158	168	173
Utilised to reduce the deferred tax balance	(158)	–	–
	–	168	173

A deferred tax asset has been recognised to the extent that it is probable that the entity will generate future taxable income against which this tax loss can be utilised.

The assessed loss has been recognised for the first time due to a change in the apportionment of the deductability of expenditure.

6 Other receivables and prepaid expenses			
Related party receivables (refer note 30)			
deposit with Sasol Financing (Pty) Ltd	12 376	5 718	8 622
intercompany receivables	509	399	114
	12 885	6 117	8 736
Short-term portion of long-term receivables	3 842	–	–
Other receivables	2	1	3
Prepaid expenses	–	1	4
	16 729	6 119	8 743

Fair value of other receivables
The carrying amount approximates fair value because of the short period to maturity of these instruments.

7 Cash and cash equivalents			
Cash – per statement of cash flows	57	44	42

Fair value of cash and cash equivalents
The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Notes to the financial statements continued

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
8 Long-term debt			
Total long-term debt	–	100	100
Analysis of long-term debt			
At amortised cost			
Unsecured – non-interest bearing debt – related party	–	100	100
Reconciliation			
Balance at beginning of year	100	100	100
Loans repaid	(100)	–	–
Balance at end of year	–	100	100
Maturity profile			
Within one year	–	100	–
One to two years	–	–	100
	–	100	100

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	2014 Rm	2013 Rm	2012 Rm
9 Long-term financial liabilities			
Non-derivative instruments			
Financial guarantees recognised	235	226	45
Less amortisation of financial guarantees	(65)	(43)	(28)
	170	183	17
Less short-term portion of financial guarantees (refer note 12)	(24)	(22)	(5)
Arising on long-term financial instruments	146	161	12

The long-term financial liabilities consist of guarantees issued on related party debt:

- in favour of Standard Bank of South Africa Limited amounting to R218 million relating to Sasol Oil (Pty) Ltd. The carrying value of this guarantee at 30 June 2014 is R3 million.
- in respect of C preference shares issued to various financiers amounting to R4 499 million as part of the Sasol Inzalo share transaction. Full disclosure is provided in the consolidated annual financial statements. The carrying value of this guarantee at 30 June 2014 is R5 million.
- in favour of Nedbank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd, amounting to R551 million for capital expansion. The carrying value of this guarantee at 30 June 2014 is R5 million.
- in favour of ABSA Bank Limited securing the debt of National Petroleum Refiners of South Africa (Pty) Ltd, amounting to R608 million for capital expansion. The carrying value of this guarantee at 30 June 2014 is R2 million.
- in favour of Bond holders securing the debt of Sasol Financing International Plc. amounting to US$993 million for general corporate purposes, including funding capital expenditures and the development of our project pipeline. The carrying value of this guarantee at 30 June 2014 is R149 million.
- in favour of FirstRand Bank Limited securing the debt of Sasol Mining (Pty) Ltd amounting to R2 545 million for its mining replacement programme. The carrying value of this guarantee at 30 June 2014 is R6 million.

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
9 Long-term financial liabilities continued			
Fair value of long-term financial guarantees			
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 11,05% – 13,62% (2013: 10,12% – 14,13%, 2012: 13,16% – 13,29%). This is classified as a level 2 instrument in the fair value hierarchy.	**169**	182	15
10 Long-term provision			
Reconciliation			
Balance at beginning of year	**107**	13	36
Operating income charge (refer 18.1)	**261**	97	8
Utilised during year	**(104)**	(3)	(31)
Balance at end of year	**264**	107	13
Less short-term portion (refer note 13)	**144**	34	2
Long-term provisions	**120**	73	11
Comprising			
Share appreciation rights	**264**	107	13
Expected timing of future cash flows			
Within one year	**144**	34	2
Two to five years	**108**	59	10
More than five years	**12**	14	1
	264	107	13
Estimated undiscounted obligation	**264**	107	13
Representing the estimated actual cash flows in the period in which the obligation is settled.			
11 Post-retirement benefit obligations			
Post-retirement healthcare benefits	**2**	2	1
Income statement movement	**–**	–	1
Transfer of balance to Sasol Group Services (SGS)	**(2)**	–	–
	–	2	2
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 Limited group's post-retirement benefit obligation. Full disclosure is provided in the consolidated annual financial statements (note 21).			
12 Short-term financial liabilities			
Non-derivative instruments			
Short-term portion of financial guarantees (refer note 9)	**24**	22	5
13 Short-term provision			
Short-term portion of long-term provision (refer note 10)	**144**	34	2

Notes to the financial statements continued

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm

14 Trade and other payables

	2014 Rm	2013 Rm	2012 Rm
Related party			
Intercompany payables	17	26	71
Dividend payable	–	–	9
Trade payables	28	25	23
Employee related payables	65	53	29
	110	104	132
Age analysis of trade payables			
Not past due date	28	25	23

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

15 Employee related expenditure

The total number of permanent and non-permanent employees, excluding contractors and including a proportionate share of employees within joint venture entities is analysed below:

	2014 Number	2013 Number	2012 Number
Permanent employees	6	9	10

	2014 Rm	2013 Rm	2012 Rm
Analysis of employee costs			
Labour	91	95	78
salaries, wages and other employee related expenditure	88	95	77
other employee-related expenditure	3	–	1
Share-based payment expenses (refer note 18.1)	262	98	10
Total employee related expenditure	353	193	88

Cost attributed to wages, salaries, allowances and overtime paid to employees occupying approved positions. Includes share-based payments for the cash-settled and equity-settled schemes.

16 Translation losses

	2014 Rm	2013 Rm	2012 Rm
Arising from			
Forward exchange contracts	(1)	(1)	–

17 Operating loss

	2014 Rm	2013 Rm	2012 Rm
Operating loss includes			
Directors' remuneration	(78)	(67)	(51)
total remuneration	(96)	(85)	(68)
paid by subsidiaries	18	18	17
Employee related expenditure (note 15)	(353)	(193)	(88)
Management fee paid to subsidiary	(92)	(82)	(78)
Professional fees	(6)	(6)	(17)
Guarantee fee income	–	2	1

sasol reaching new frontiers

for the year ended 30 June		2014 Rm	2013 Rm	2012 Rm
18	**Share-based payment expenses**			
	During the year the following share-based payment expenses were recognised in the income statement regarding share-based payment arrangements that existed:			
18.1	**Equity-settled – recognised directly in equity**	**1**	1	2
	Sasol Share Incentive Scheme	**–**	–	1
	Sasol Inzalo share transaction	**1**	1	1
	Cash-settled – recognised in long-term provision	**261**	97	8
	Sasol Share Appreciation Rights Scheme	**132**	52	2
	Sasol Medium-term Incentive Scheme	**129**	45	6
	Total share-based payment expenses	**262**	98	10
18.2	**Share-based payment reserve**			
	Equity-settled – recognised directly in equity	**1**	1	2
	Equity-settled – recognised directly in equity in respect of subsidiaries	**266**	373	483
	Sasol Share Incentive Scheme	**–**	2	14
	Sasol Inzalo share transaction	**266**	371	469
	Total equity-settled	**267**	374	485
	Full disclosure is provided in the consolidated annual financial statements (note 47).			
19	**Remeasurement items affecting operating loss**			
	Impairment of investment in subsidiary	**(512)**	–	(214)
	Reversal of impairment of loan to subsidiary	**–**	–	257
		(512)	–	43
	Tax effect thereon	**–**	–	–
	Total remeasurement items	**(512)**	–	43
	In 2014, we impaired our investment in Sasol New Energy Holdings (Pty) Ltd by R511 million mainly due to the operating assets being sold and the proceeds being declared as a dividend rather than a repayment of capital.			
20	**Finance income**			
	Dividends received – related party			
	South Africa – subsidiaries	**24 401**	17 572	14 125
	Interest received			
	South Africa – subsidiaries (refer note 31)	**2 677**	2 431	1 955
	– third parties	**10**	1	1
	Notional interest received	**22**	15	6
		27 110	20 019	16 087
	Interest received on			
	long-term financial assets	**2 422**	2 198	1 665
	long-term receivables	**256**	233	290
	cash and cash equivalents	**1**	1	1
	financial guarantees	**8**	–	–
		2 687	2 432	1 956

Notes to the financial statements continued

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
21 Finance costs			
Notional interest	**(9)**	(181)	(1)
22 Taxation			
Dividend withholding tax	*	–	–
Deferred tax – South Africa			
recognition of deferred tax asset	**44**	–	–
	44	–	–

* Nominal amount.

Dividend withholding tax

Dividend withholding tax is payable at a rate of 15% on dividends received from investments. 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.

No provision is made for current taxation as the company has an assessed loss from prior years.

Reconciliation of effective tax rate

The table below shows the difference between the South African enacted tax rate (28%) compared to the tax rate in the income statement.

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:

	2014 %	2013 %	2012 %
South African normal tax rate	**28,0**	28,0	28,0
Increase in rate of tax due to			
disallowed expenditure	**1,1**	0,7	0,5
	29,1	28,7	28,5
Decrease in rate of tax due to			
exempt income	**(29,1)**	(28,7)	(28,5)
recognition of deferred tax asset**	**(0,2)**	–	–
Effective tax rate	**(0,2)**	–	–

** Included in the charge per the income statement is the recognition of an amount of R44 million relating to a deferred tax asset recognised for the first time due to the uncertainty previously surrounding the utilisation of assessed losses in future years.

	2014 Rm	2013 Rm	2012 Rm
23 Other comprehensive income (net of tax)			
Components of other comprehensive income			
Gain/(loss) on fair value of investment	**–**	1	(1)
Other comprehensive income for year, net of tax	**–**	1	(1)

	Number of shares		
	2014	2013	2012
24 Share capital			
Authorised	**1 175 000 000**	1 175 000 000	1 175 000 000
Issued	**678 935 812**	677 186 362	673 210 862

For further details of share capital, refer note 46 in the consolidated annual financial statements.

for the year ended 30 June	**2014 Rm**	2013 Rm	2012 Rm
25 Cash (used in)/generated by operating activities			
Cash flow from operations (refer note 26)	**(320)**	(208)	(244)
(Increase)/decrease in working capital (refer note 27)	**(6 762)**	2 605	5 403
	(7 082)	2 397	5 159
26 Cash flow from operations			
Operating loss after remeasurement items	**(988)**	(303)	(185)
Adjusted for			
equity-settled share-based payment expenses	**1**	1	2
effect of remeasurement items	**512**	–	(43)
movement in long-term prepaid expense	**–**	–	4
movement in long-term provision	**157**	94	(23)
income statement charge	**261**	97	8
utilisation	**(104)**	(3)	(31)
movement in post-retirement benefit obligation	**(2)**	–	1
	(320)	(208)	(244)
27 (Increase)/decrease in working capital			
(Increase)/decrease in other receivables and prepaid expenses per statement of financial position	**(6 768)**	2 624	5 353
Increase/(decrease)in trade and other payables per statement of financial position	**6**	(19)	50
	(6 762)	2 605	5 403
28 Finance income received			
Interest received	**9**	1	1
Dividends received	**24 401**	17 572	14 125
	24 410	17 573	14 126
29 Dividends paid			
Final dividend – prior year			
– external shareholders	**(8 237)**	(7 266)	(6 089)
– related party – subsidiary company	**(117)**	(104)	(87)
– related parties – Inzalo	**(631)**	(593)	(290)
Interim dividend – current year			
– external shareholders	**(4 959)**	(3 519)	(3 511)
– related party – subsidiary company	**(70)**	(50)	(50)
– related parties – Inzalo	**(504)**	(447)	(315)
	(14 518)	(11 979)	(10 342)
Dividend payable	**–**	(9)	9
Per statement of cash flows	**(14 518)**	(11 988)	(10 333)

Notes to the financial statements continued

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm
30 Guarantees and contingent liabilities			
Guarantees and claims – related parties	**60 442**	51 451	42 929
The company has guaranteed the fulfilment of various subsidiaries' obligations in terms of contractual agreements. For further details of guarantees, indemnities and contingent liabilities, refer to note 58 of the consolidated annual financial statements.			
31 Related party transactions			
During the year the company, in the ordinary course of business, entered into various transactions with its subsidiaries. The effect of these transactions is included in the financial performance and results of the company.			
Material related party transactions were as follows			
Other income statement items to related parties			
Management fees to subsidiary			
Sasol Group Services (Pty) Ltd	**92**	82	78
Finance income dividends from subsidiaries			
Sasol Synfuels (Pty) Ltd	**19 878**	15 659	11 402
Sasol Gas Holdings (Pty) Ltd	**2 561**	1 205	1 284
Sasol Oil (Pty) Ltd	**261**	188	313
Sasol Investment Company (Pty) Ltd	**188**	154	181
Sasol Mining Holdings (Pty) Ltd	**50**	193	543
Sasol Technology (Pty) Ltd	**351**	172	–
Sasol New Energy Holdings (Pty) Ltd	**1 000**	–	–
Sasol Black Empowerment Trust	**112**	–	–
Sasol Chemical Industries (Pty) Ltd	**–**	–	402
	24 401	17 571	14 125
Finance income interest from subsidiaries			
Sasol Inzalo Employee Trust	**1 654**	1 499	1 181
Sasol Inzalo Management Trust	**134**	121	96
Sasol Inzalo Foundation	**634**	577	388
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**113**	104	130
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**142**	130	160
	2 677	2 431	1 955
Amounts reflected as non-current assets			
Investments in subsidiaries at cost	**65 645**	59 555	52 861
Long-term loans to direct subsidiaries			
Sasol Chemical Industries (Pty) Ltd	**–**	2 687	404
Sasol Financing (Pty) Ltd	**5 454**	5 454	5 454
to indirect subsidiaries			
Sasol Mining (Pty) Ltd	**615**	615	615
other	**514**	514	514
	72 228	68 825	59 848
Long-term financial assets relating to fellow subsidiaries			
Sasol Inzalo Employee Trust	**15 550**	14 108	12 782
Sasol Inzalo Management Trust	**1 261**	1 144	1 036
Sasol Inzalo Foundation	**5 956**	5 423	4 929
	22 767	20 675	18 747
Long-term receivables relating to fellow subsidiaries			
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**–**	1 596	1 492
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**–**	1 990	1 861
Sasol Inzalo Groups Facilitation Trust	**17**	20	20
	17	3 606	3 373

for the year ended 30 June	2014 Rm	2013 Rm	2012 Rm

31 Related party transactions continued

Amounts reflected as current assets

	2014 Rm	2013 Rm	2012 Rm
Other receivables and prepaid expenses			
direct subsidiaries			
Sasol Financing (Pty) Ltd	**12 377**	5 777	8 622
Sasol Investment Company (Pty) Ltd	**143**	215	–
Sasol Chemical Industries (Pty) Ltd	**324**	72	65
fellow subsidiaries	**41**	53	49
Short-term receivables relating to fellow subsidiaries			
Sasol Inzalo Groups Funding (Pty) Ltd (RF)	**1 710**	–	–
Sasol Inzalo Public Funding (Pty) Ltd (RF)	**2 132**	–	–
	16 727	6 117	8 736

Amounts reflected as non-current liabilities

	2014 Rm	2013 Rm	2012 Rm
Long-term debt			
subsidiary			
Sasol Industries (Pty) Ltd	**–**	100	100

An analysis of other related party transactions is provided in:

note 9 – Long-term financial liabilities
note 14 – Trade and other payables
note 19 – Remeasurement items affecting operating loss
note 20 – Finance income
note 29 – Dividends paid
note 30 – Guarantees and contingent liabilities

32 Financial risk management and financial instruments

Introduction

The company is exposed in varying degrees to a variety of financial instrument related risks. The GEC has the overall responsibility for the establishment and oversight of the company's risk management framework. The GEC established the Risk and Safety, Health and Environment Committee, which is responsible for providing the board of directors 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 Governance Committee, a sub-committee 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 company'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 company'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 company 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 company 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 company 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 levels 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 by 20% – 40% from the previous range of 30% – 50%. The group's gearing level for 2014 is (6,3%) (2013 – (1,1%); 2012 – 0,3%). The gearing ratio is expected to return to the targeted range as the capital expansion programme progresses in the medium to long-term horizon.

Notes to the financial statements continued

32 Financial risk management and financial instruments continued

Financing risk

Financing risk refers to the risk that financing of the company'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 company's goals for long-term borrowings include an average time to maturity of at least 2 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 company'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.

a) 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 company 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.

Other receivables and prepaid expenses consist mainly of intercompany receivables spread across the group 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. Other receivables are carefully monitored for impairment.

Long-term financial assets and long-term receivables consists of a debtors located mainly in South Africa. The long-term financial assets and long-term receivables relate mainly to receivables that arose from the Sasol Inzalo share transaction which resulted in the transfer of beneficial ownership of 10% of the company's issued share capital. These amounts are carefully monitored for impairment. Impairments are recognised when there is an identified loss event, which based on previous experience of a reduction in the recoverability of the cash flows. The credit quality assessment indicated that none of the long-term financial assets and long-term receivables where past their due date.

Credit risk exposure in respect of long-term financial assets and long-term receivables is further analysed in notes 3 and 4, respectively. The carrying value represents the maximum credit risk exposure.

The company has provided guarantees for the financial obligations of subsidiaries and joint ventures. The outstanding guarantees at 30 June 2014 are provided in note 29.

b) 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 company 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 company is maintaining a positive cash position, conserving the company's cash resources through renewed focus on working capital improvement and capital reprioritisation. The company 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 7). The company 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 company has sufficient undrawn borrowing facilities, which could be utilised to settle obligations.

32 Financial risk management and financial instruments 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 five years Rm	More than five years Rm
2014					
Financial assets					
Non-derivative instruments					
Loans and receivables					
Long-term financial assets	3	22 767	–	22 767	–
Long-term receivables	4	3 859	3 859	–	–
Other receivables	6	12 887	12 887	–	–
Cash	7	57	57	–	–
Investments available-for-sale					
Investments in securities	2	6	–	–	6
		39 576	16 803	22 767	6
Derivative instruments					
Forward exchange contracts		4	4	–	–
		39 580	16 807	22 767	6
Financial liabilities					
Non-derivative instruments					
Trade and other payables	14	(110)	(110)	–	–
Financial guarantees[1]		(60 442)	(60 442)	–	–
		(60 552)	(60 552)	–	–
Derivative instruments					
Forward exchange contracts		(4)	(4)	–	–
		(60 556)	(60 556)	–	–

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2013					
Financial assets					
Non-derivative instruments					
Loans and receivables					
Long-term financial assets	3	20 675	–	20 675	–
Long-term receivables	4	3 606	–	1 596	2 010
Other receivables	6	6 119	6 119	–	–
Cash	7	44	44	–	–
Investments available-for-sale					
Investments in securities	2	6	–	–	6
		30 450	6 163	22 271	2 016
Financial liabilities					
Non-derivative instruments					
Long-term debt	8	(100)	(100)	–	–
Trade and other payables	14	(104)	(104)	–	–
Financial guarantees[1]		(51 451)	(51 451)	–	–
		(51 655)	(51 655)	–	–

* The amount disclosed is the contractual cash flows. 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 29.

Notes to the financial statements continued

32 Financial risk management and financial instruments continued

c) 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 company is exposed to include foreign currency exchange rates. The company has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

1) Foreign currency risk

The company's transactions are predominantly entered into in the respective functional currency of the individual operations. However, the company'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 Sasol Limited 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.

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 of both capital items and operating materials thereby improving our management of both working capital and debt.

The Group Executive Committee sets intervention levels to specifically assess large forward cover amounts for long periods into the future which has the potential to materially affect the company's financial position. These limits are reviewed from time to time. The company also makes use of customer foreign currency accounts, where needed.

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2014	2013	**2014**	2013
Rand/Euro	**14,10**	11,46	**14,57**	12,85
Rand/US dollar	**10,39**	8,85	**10,64**	9,88
Rand/Pound sterling	**16,91**	13,88	**18,20**	15,03

The exposure of the company's financial assets and liabilities to currency risk is as follows:

	2014					
	Total Rm	**Euro Rm**	**US dollar Rm**	**Pound sterling Rm**	**Rand Rm**	**Other Rm**
Trade and other payables	**(21)**	**–**	**(20)**	**(1)**	**–**	**–**
Net exposure on liabilities	**(21)**	**–**	**(20)**	**(1)**	**–**	**–**
Net exposure on balances between group companies	**(2)**	**–**	**(2)**	**–**	**–**	**–**
Total exposure	**(23)**	**–**	**(22)**	**(1)**	**–**	**–**

	2013					
	Total Rm	Euro Rm	US dollar Rm	Pound sterling Rm	Rand Rm	Other Rm
Net exposure on balances between group companies	(1)	–	(1)	–	–	–
Total exposure	(1)	–	(1)	–	–	–

32 Financial risk management and financial instruments continued

Sensitivity analysis

A 10 percent change in the company'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 2013.

	2014		2013	
	Equity Rm	**income statement Rm**	Equity Rm	income statement Rm
US dollar	2	(2)	–	–

A 10 percent movement in the opposite direction in the company's exposure to foreign 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.

Forward exchange contracts

All forward exchange contracts are supported by underlying commitments or transactions, including those which have not been contracted for.

Fair value of derivative financial instruments

The fair value was calculated using valuation techniques based on observable inputs, either directly (i.e. prices) or indirectly (i.e. 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.

The resulting fair value (losses)/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 was then 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 were then calculated using the appropriate currency specific discount curve.

The following forward exchange contracts were held at 30 June:

	Contract foreign currency amount 2014 million	**Contract amount – Rand equivalent 2014 Rm**	**Average rate of exchange 2014 (calculated)**	**Fair value (losses)/ gains 2014 Rm**	Contract foreign currency amount 2013 million	Contract amount – Rand equivalent 2013 Rm	Average rate of exchange 2013 (calculated)	Fair value (losses)/ gains 2013 Rm
Forward exchange contracts								
Transactions including commitments which have not been contracted for								
Derivative instruments – held for trading								
Other payables (liabilities)								
US dollar	*	4	11,49	*	–	–	–	–
	–	4		–	–	–		–

* Nominal amount.

Notes to the financial statements continued

32 Financial risk management and financial instruments 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
2014		
Forward exchange contracts		
Transactions including commitments which have not been contracted for		
Other payables (liabilities)		
US dollar	4	4
	4	4

	Contract amount Rm	Within one year Rm
2013		
Transactions including commitments which have not been contracted for		
Other payables (liabilities)		
US dollar	–	–
	–	–

2) 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.

In respect of financial assets, the group's policy is to invest cash at floating rates 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	
	2014 Rm	2013 Rm
Variable rate instruments		
Financial assets	**16 803**	9 769
	16 803	9 769
Fixed rate instruments		
Financial assets	**22 767**	20 675
	22 767	20 675
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**42:58**	32:68

32 Financial risk management and financial instruments continued

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 2013.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	USA Rm	Other Rm
30 June 2014	**168**	**–**	**–**	**–**
30 June 2013	98	–	–	–

	Income statement – 1% decrease			
	South Africa Rm	Europe Rm	USA* Rm	Other Rm
30 June 2014	**(168)**	**–**	**–**	**–**
30 June 2013	(98)	–	–	–

A one percent decrease in the interest rate at 30 June would have the equal but opposite effect for Rand exposure.

* A decrease of 1% in interest rates for the United States of America will not have an effect on the income statement as it is not reasonably possible that interest rates will decrease below 0% in the next financial year.

Contact information

Shareholder helpline

Information helpline:
0861 100 933
email: solutions@computershare.co.za

Assistance with AGM queries and proxy forms:
Telephone: +27(0) 11 370 5511
Telefax: +27(0) 11 688 5238

Shareholder enquiries:
Telephone: +27(0) 86 110 0926
Telefax: +27(0)11 688 5238

Depositary bank

The Bank of New York Mellon
Depositary Receipts Division
101 Barclay Street
New York, NY 10286
United States of America

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[SM], 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[SM] should be addressed to:
The Bank of New York Mellon
Shareowner Services, PO Box 358516
Pittsburgh
PA 15252-6825
United States of America

Toll-free telephone for US Global BuyDIRECT[SM] participants:
1-888-BNY-ADRS
Telephone for international callers: 1-201-680-6825
E-mail: shrrelations@bnymellon.com
Website: www.bnymellon.com/shareowner

Share registrars

Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg 2001
Republic of South Africa

PO Box 61051
Marshalltown 2107
Republic of South Africa

Telephone: +27(0) 11 370 7700

Company registration number

1979/003231/06

Sasol contacts

Business address and registered office:
1 Sturdee Avenue
Rosebank 2196
Johannesburg
Republic of South Africa

Postal and electronic addresses and telecommunication numbers:
PO Box 5486
Johannesburg 2000
Republic of South Africa

Telephone: +27(0) 11 441 3111
Telefax: +27(0) 11 788 5092
Website: www.sasol.com

Investor relations

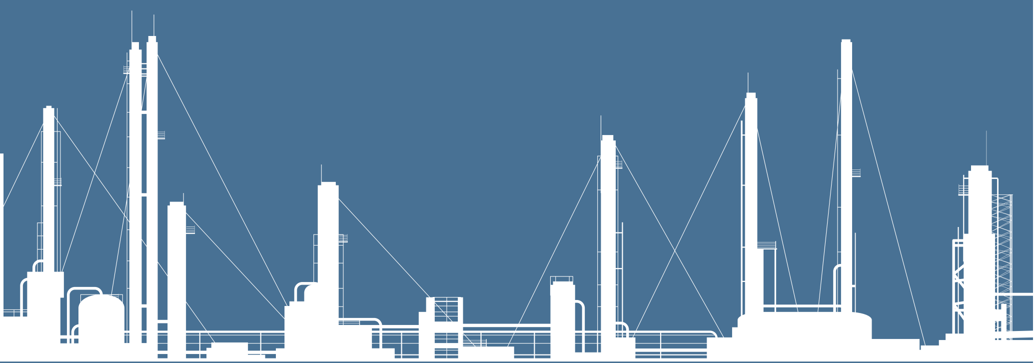
Telephone: +27(0) 11 441 3113
E-mail: investor.relations@sasol.com

Corporate affairs

Telephone: +27(0) 11 441 3237
Telefax: +27(0) 11 441 3236

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 29 September 2014 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".



www.sasol.com